

FINANCE COMMITTEE

March 17, 2022

FinCom Zoom: 7:30 p.m.

Meeting ID: 781 572 6432

Members: Chair: Megan Blackwell Vice Chair: My Linh Truong
Hafiz Adamjee, Arun Balasubramaniam, Jeff Calabrese, Stefan Carp, Yannis Evrigenis, Bogdan Fedeles, Ruthie Gagne, Patrick Matteson, John Miller, Nicole Soto, Thomas Springer, Enzo Rascionato, Brian Vernaglia,

Missing: None

Late Arrivals: Arun Balasubramaniam, Stefan Carp, Enzo Rascionato

General Business

Chair Blackwell called the meeting to order at 7:31p.m.

Roll Call:

Megan Blackwell
Jeff Calabrese
Brian Vernaglia
Nicole Soto
John Miller
Thomas Springer
My Linh Truong
Ruthie Gagne
Hafiz Adamjee
Patrick Matteson
Bogdan Fedeles
Yannis Evrigenis

Guests: Beth Rudolph, Acting Town Manager

Public Comments-No speakers present.

Open Discussion with Acting Town Manager

Chair Blackwell introduced Acting Town Manager Beth Rudolph and stated that the following topics will be the focus of tonight's meeting. These are: Waterfield Project, Carriage House, Undistributed Costs and the ARPA process. There will also be an open question/answer session on any open FinCom topic.

Waterfield Project

Town Manager Rudolph began by stating that the Select Board met with Civico in mid-February. Included in the meeting were: FinCom, Design Review, the Housing Partnership Board, and the

Planning Board. A best and final offer was received from them. From the offer, Anderson Kreiger, the Town's legal counsel will prepare a draft land disposition agreement (LDA) for the ground lease. This will be sent to Civico for review. There will a special Town Meeting to review and vote on the project (probably the first night of Town Meeting). Prior to Town Meeting there will more than likely be an information session.

FinCom Member Jeff Calabrese had two questions:

1. Is there any difference between the new offer and what was previously received? Town Manager Rudolph replied that there are no differences.
2. Do we lose Safe Harbor? Town Manager Rudolph responded that in short, yes, because in order to maintain Safe Harbor the project needs to be permitted which is still far off.

FinCom Member Thomas Springer asked what the project timeline would be if Town Meeting approves. Town Manager Rudolph speculated that this will be a long process. Permitting still needs to be completed and Civico will need to obtain financing, permits, and housing funds. Also, another factor is the Massachusetts Bay Transit Authority work that is currently in progress on the Waterfield site. However, this work should be completed prior to the Civico start date. It is anticipated that the construction start date is still a year or more away.

FinCom Member John Miller commented that we need excel files that are not PDF's. Also, what is needed are scenario analyses for the term of lease. Town Manager Rudolph thought that there should be a separate meeting with FinCom, Lynne Sweet, and Civico.

Carriage House

Town Manager Rudolph informed FinCom that on March 7 the EFPBC voted to place two articles on the Spring Town Meeting warrant. The first Article or Option One is to fund the design, construction and renovation of the Carriage House at a cost of \$5.8M. This would incorporate School Administration as well as swing space for Parkhurst at a cost of \$600K. How much swing space is still to be determined. The thinking is to get a portion of Option One funded through the Massachusetts School Building Authority (MSBA). Article II or Option B would only be used if the Option one fails. It appropriates design and engineering funds for alterations to Parkhurst for use as swing space. School Administration would remain at Parkhurst while it is used as swing space for the duration of the Lynch School construction. In this scenario, modularity would be required. There was also a Third Option C recently discussed at the School Committee meeting. Under this scenario, all of Lynch moves to Parkhurst and the School Administration will most likely rent space or use modularity. The Select Board has requested the EFPBC for updated cost estimates for all three options.

One of the open questions is how the Carriage House will be funded. Town Manager Rudolph stated that there has been some discussion of renting out Parkhurst. FinCom Miller thought that only two grades are now under consideration to be moved to Parkhurst. Another factor is the cost of the classroom modules. The rental cost is \$250,000 per unit. It was thought that up to six to eight modularity would be required at a total cost of \$1.5M to \$2M. Given the high amount, the Town may have to conduct a special vote. FinCom Member Brian Vernaglia commented that it may even be worth purchasing versus renting. Of major concern is the tight schedule. The question is could the Carriage House truly be built in 12-14 months.

One idea for School Administration is to rent office space versus using modulars. Chair Blackwell commented that the School Department was previously not receptive to this idea. Parkhurst is an old building that needs a lot of work. Town Manager Rudolph is asking for cost estimates to make the building operational. FinCom Members Arun Balasubramaniam and Hafiz Adamjee indicated that Capital will not commit any money for Parkhurst. It was felt that Parkhurst is a “money pit”.

Given that the School Administration headcount is only 18, FinCom Member Calabrese thought there must be some place in Town where they can rent space close to the Carriage House. He does not feel that total cost justifies moving to Carriage House.

The question of a new Muraco was raised FinCom Member Springer. FinCom Member Miller advised that the EFPBC would like build a new school on site, move everyone over and then demolish the old Muraco and turn it into a park. It would basically be a swap. FinCom Member Vernaglia thought it was good idea but it there may be an issue with the MSBA who may want to replace versus renovate. He also commented that the number of classroom sections are down so there may be an opportunity to spread the school population around another way. He would like to have this option further reviewed.

Undistributed

Town Manager Rudolph advised that she has been able to obtain undistributed data in the following areas: Energy, Health Insurance and Retirement. This represents about 90% of the spend. Other major categories remaining are: Worker’s Compensation, Unemployment, Funded Debt, OPEB, Reserve Fund, and Medicare. Environmental Remediation is now directly linked to Municipal so it is no longer relevant. Town Manager Rudolph agreed to research more but would like a priority list. Chair Blackwell felt that receiving Worker’s Compensation and Funded Debt for 2021 would be acceptable.

FinCom Member Vernaglia commented that in his opinion there is no value add in having this data. FinCom Member Miller disagreed because it provides transparency as to the true cost for all Town Departments. Furthermore, this category has been growing in recent years.

Vice Chair My Linh Truong asked if FinCom could receive the data systematically on a yearly basis. Town Manager Rudolph replied that a discussion would be needed with Comptroller Ward.

ARPA Process

Town Manager Rudolph began by providing some background. She stated that a request was sent to all Town Departments asking for their ARPA “wish list”. This list had to meet certain criteria and fall under a specified number of categories. She added that there are \$12M of requests that have been received from various departments within Town. Funding requests should represent one-time uses only however the Town has been advised that they can now use funds specific to the Operating Budget. However, it anticipated that the Select Board will continue to use funds for one-time uses only. The Town does not want to mask potential

financial issues. The Select Board has not made any decisions on funding requests and the process. Decisions do not have to be made prior to the FY23 budget close.

FinCom Member Vernaglia asked if funding can be used as free cash. Town Manager Rudolph replied that this is a question for Comptroller Ward.

Vice Chair Truong wondered if there are duplicate requests between Capital and ARPA. Town Manager Rudolph stated that there some duplicates.

Former Chair Enzo Rascionato asked about the timing for the Washington/Swanson property. Town Manager Rudolph replied that the property is currently being evaluated for the Subsidized Housing Index (SHI) restriction and is being appraised as to its value. The results should be available in a couple of weeks. There is a placeholder at the Spring Town Meeting to potentially lift the SHI restriction based upon the appraisal.

Miscellaneous Questions

Chair Blackwell asked about the status of the Transfer Station working group. Town Manager Rudolph stated that they are in the process of finalizing the members for the group. Once completed the first meeting will be scheduled.

Former Chair Rascionato asked who will be on the Committee and what are the goals. Members for the Working Group will include: Town Manager, DPW, Town Clerk, (2) FinCom, (2) Select Board, Sustainability Director and (3) from Town Meeting. The goal is to create a long term financial and operational plan for the Transfer Station.

Budget Reviews

Archival Center

FinCom Member Springer motioned to approve the Archival Center FY23 Budget for the amount of \$21,800 all in expenses. This was seconded by FinCom Member Stefan Carp.

- The majority of expenses are professional services, to pay for the part-time services of the reference archivist, Ellen Knight. (\$20,500 in Town Manager's proposed budget). A small amount of this line item is also used to pay for summer interns (e.g., from Simmons College).
- A modest increase of \$1,000 in professional services is proposed as a COLA increase for Ellen (a non-union contractor).
- All other expenses are held flat.
- There are no Capital needs.

The Archival Center can charge for materials (pamphlets, articles, copies) but demand is declining due to the acceleration of digital. Other sources of revenue include:

- The archives received a ~\$900 grant from the Cultural Council to continue gathering oral history from town residents. The grant is to be spent this year. Vice Chair Truong questioned if this grant is from the Town's Cultural Council and what is its purpose.

FinCom Member Balasubramaniam confirmed that this is a grant is from the Winchester Cultural Council and it is for a special project requested by them.

- The archives center is supported by a small revolving fund, which was created years ago from the Select Board's gift fund. The current balance is to be confirmed by MUNIS report form MaryEllen Lennon, the Town Clerk. FinCom Member Springer agreed to follow-up and report back on the exact balance.
- The fund is subject to expenditure cap of \$5,000 per fiscal year.

Motion to approve the \$21,800 budget for the Archival Center passed unanimously with 14 in favor.

Weights & Measures

FinCom Member Yannis Evrigenis motioned to approve the Weights & Measures FY23 Budget for the amount of \$10,595. (includes \$8,523 Personal Services and \$2,072 Expenses). This was seconded by FinCom Member Vernaglia.

FinCom Member Evrigenis provided a brief overview of the department. Mr. Jim Shattuck has been the Town Sealer since 1997. He is part time and the sole employee. He also oversees the cemetery. The purpose of this department is to certify and approve (by sealing), all of the Town's weighing and measuring devices (i.e., pumps, scales), as required by state law (including trucks delivering oil). The Sealer checks these annually and periodically, and is required to be certified. There is no change in the FY22 to FY23 budget. It was noted by FinCom Member Evrigenis that the department does receive \$2K in fee revenue annually.

It was reported that in 2021, Mr. Shattuck checked and sealed 175 total weighing and measuring devices. These included 5 gas stations, 12 oil trucks, and 12 stores or businesses. A total of \$19,86.00 in fees were received and provided to the Town. Meter calibrations saved Winchester consumers \$27,486.14 for the year, at 5 gas stations. Mr. Shattuck does not foresee any changes to his work requiring corresponding changes to the budget.

Former Chair Rascionato wondered as to who actually enforces the law.

FinCom Member Evrigenis was unsure as to who enforces but there is a one year mandatory check along with periodic re-checks.

FinCom Member Carp asked what percentage of sales does the \$27,486 represent.

FinCom Member Evrigenis agreed to follow-up.

Motion to approve the \$10,595 budget for Weights & Measures passed unanimously with 14 in favor.

Meeting Minutes

Motion moved by Vernaglia to move the minutes of March 8. Seconded by FinCom Member Nicole Soto.

Chair Blackwell provided an update on the higher Human Resource salary costs. She confirmed that both positions were vacant for several months so there should not be a need for a Reserve Fund Transfer.

On separate note, Chair Blackwell requested that once a department budget is voted, the responsible person should provide feedback to the stakeholder.

Motion to approve the Meeting Minutes of March 8 passed unanimously with 14 in favor.

Motion moved by Vice Chair Truong to move the minutes of March 10. Seconded by FinCom Member Vernaglia.

Motion to approve the Meeting Minutes of March 8 passed with 12 in favor and 1 abstaining.

Budget Follow-up

FinCom Member Vernaglia had two follow-ups from the Health and Library Budget Reviews. Regarding the unfilled Health Inspector position. The Health Department has contacted Human Resources and has been working with them to fill the position. To date only one resume has been received. The Department may have to revisit the idea of consolidating the two part time positions. However, there may be a cost issue of paying benefits if a full time position.

The other question fell under Library and was regarding the management of the trust and endowment funds with Fidelity. It was confirmed that the funds are managed by the Town's Commissioners of Trust Funds through the Treasurer's office. Any question on fees would need to be addressed with them. Trust funds are invested in aggregate and there is visibility as to how much interest is earned with each named account. The endowment falls under the Board of Trustees and has severe restrictions on use.

Chair Blackwell deferred to FinCom Member Calabrese to solicit his interest in pursuing this topic in more detail. FinCom Member Calabrese agreed to follow-up with Treasury.

Adjourn

FinCom Member Springer moved to adjourn the Finance Committee meeting and the motion was seconded by FinCom Member Vernaglia. The motion passed unanimously with 14 in favor, 0 opposed and 0 abstained. FinCom adjourned at 8:57p.m.

Respectfully submitted,
Gary Lozowski, Recording Secretary of Finance Committee

Approved by: 
Megan Blackwell, Chair of Finance Committee