

FINANCE COMMITTEE

April 11, 2023
Winchester Town Hall
Waterfield Room
7:30 p.m.

Members: Chair: My Linh Truong Vice Chair: John Miller
Hafiz Adamjee, Megan Blackwell, Jeff Calabrese, Stefan Carp, Yannis Evrigenis, Lauren Hermann, Patrick Matteson, Nicole Soto, Enzo Rascionato, Derek Ross, Brian Vernaglia, Kathryn Hughes

Missing: N/A

Guests:

Michelle Bergstrom, School Committee Chair
Frank Hackett, Superintendent
Heather Von Mering, Town Moderator

General Business

Chair Truong called the meeting to order at 7:30 p.m.

Public Comments

No speakers present.

Building/Zoning Budget

Katherine moved to approve the Building Zoning budget in the following amounts:

- Personal Services - \$501,913
- Expenses - \$37,250
- Total - \$539,163

Seconded by Megan. Kathryn explained that the department is responsible for zoning enforcement and building permits. She further added that due to changes in zoning bylaws, the volume of permits has increased to up to 1200 annually from 400. The total number of employees in the department is 4.9 FTE, and there is a proposal to add a 0.5 FTE to support and assist with the permitting process. The department has collected \$1.3 million in permit fees and is projected to bring in a total of \$1.5 million for FY23. Chair Truong inquired about the increase in the number of permits issued during the pandemic. Kathryn did not have the numbers by year but shared that last year, fees collected were \$2.2 million. The discussion revolved around the new online permitting system and the increase in the number of permits. Jeff indicated that vocational was still in flux and will come to the Thursday meeting. Voted as follows:

- In favor: John Miller, Megan Blackwell, , Stefan Carp, Yannis Evrigenis, Lauren Hermann, Patrick Matteson, Nicole Soto, Enzo Rascionato, Derek Ross, Brian Vernaglia, Kathryn Hughes
- Opposed: Jeff Calabrese, Hafiz Adamjee

Auditor

Derek moved to approve the Audit budget, \$86,00 in Expenses, for a total of \$86,000. Seconded by Patrick. Derek explained that this budget is cyclical, with an audit every year and an OPEB audit every other year, and there will be no OPEB audit in FY24. Jeff recommended changing the auditor periodically since the firm has been with the committee for many years. Voted as follows:

- In favor: John Miller, Megan Blackwell, , Stefan Carp, Yannis Evrigenis, Lauren Hermann, Patrick Matteson, Nicole Soto, Enzo Rascionato, Derek Ross, Brian Vernaglia, Kathryn Hughes, Hafiz Adamjee
- Opposed: Jeff Calabrese

Contributory Retirement

Kathryn moved to approve the Contributory Retirement budget, Expenses of \$6,765,032, for a total of \$6,765,032. Seconded by Megan. Katherine reviewed her write-up. VC Miller asked what happens if the actual number is higher than expected. Enzo suggested that it would change the total payout and may push out the final year of payment. The budget was unanimously approved.

Funded Debt and Interest on Funded Debt

Patrick moved to approve the Funded Debt and Interest on Funded Debt budget, in the following amounts:

- Debt Principal - \$7,645,000
- Debt – Interest - \$5,905,607

Seconded by Brian. The bonds settled at the end of March, resulting in a net savings relative to the TM FY24 budget of about \$75k. The budget is up \$1.7 million YOY, driven by Lynch School borrowing. The budget was unanimously approved.

Planning Budget

Brian moved to re-open the Planning budget, which was previously tabled. Motion seconded by Katherine. It was reported that the Planning Board had extended an offer to someone for the planning position. Katherine shared that Planning Board Chairperson Diab Jarius said that they use consulting services for more specialized projects, such as Holton Street. Diab also told her that the direction of the Planner is made by the planning board, so it will not change as a result of a newly hired planner. The discussion centered around the need for consulting work and whether the town is getting the benefit of that work. Jeff moved to reduce the expenses by another \$30k after the \$17.5k reduction that was a correction, which was seconded by Megan. Patrick asked if this money was new or something recurring in their budget. Katherine explained that it had been in the budget for a few years. The budget was approved with Jeff, Stefan, Miller, Yannis, Megan, Derek, Lauren, Kathryn, and Hafiz in favor, and Nicole, Brian, Patrick, and Enzo opposed. Jeff moved to reduce by another \$5k to match exactly what the project cost was, which was seconded by Derek. Budget amended to the following amounts:

- Personal Services – \$121,624
- Expenses – \$35,900
- Total - \$157,524

Voted as follows:

- In favor: Jeff, Stefan, Miller, Yannis, Megan, Derek, Lauren, Kathryn, and Hafiz
- Opposed: Nicole, Brian

Education Budget

Brian Vernaglia moved to re-open the education budget. Lauren seconded the motion. Brian explained that he felt more discussion was needed around the reasons behind the approach to the education budget that FinCom presented and voted favorable action on. Enzo commented that since it is the largest budget, we want to make sure that everyone has the full information and time to review the materials. Patrick agreed that he did not have enough time last time to vote. Chair Truong suggested that in future years, budgets could be due a certain amount of time ahead of when the vote will take place. VC Miller mentioned that much of the information in the report on the school budget was already included in other materials reviewed in FinCom, such as the handbook. Unanimously approved to re-open.

Brian shared that he did not feel the whole FinCom had decided to get a fully balanced budget and that the only rationale he could find to cut the schools was to get to that. He added that the suggested ways for the school to manage the budget as voted would not be feasible, such as filling open seats in elementary schools, and using special education funding. Jeff addressed his concerns that he wants to see a balanced budget and that while there are reversions, maybe that means we should vote tighter budgets. Stefan commented that Prop 2 ½ leads to these structural deficits. Megan added that the Select Board has a policy that we should use as little free cash as possible to balance the budget. Enzo mentioned that we don't need to use the free cash this year since we had planned to use ARPA.

John mentioned that the decision to apportion the cut at 70% makes sense given the size of education budget relative to general government. Enzo mentioned that there doesn't seem to be anything specific we can cut. John mentioned that enrollment was down 10 elementary sections in 2 years. Patrick asked if we could get all the class sizes to be aligned with policy, how many sections would it reduce and how much would that save. Lauren then mentioned that IEPs are very difficult for students to get, and parents pay out of pocket for OOD tuition and that's a liability as well as an ethical issue.

Brian then made a motion to add \$250k to the budget, Nicole seconded. John asked if the school committee would agree to that compromise. Chair Truong invited Superintendent Hackett and SC Chair Bergstrom to the table and asked how the recent school committee vote went. Hackett expressed his wish that the SC and school admin knew what the budget recommendation would be before it was finalized and presented at FinCom. Hackett mentioned that they always seek to right size as best they can, given the way elementary schools are districted. He mentioned also that special education OOD tuition is increasing 14% which is out of their control. Superintendent Hackett shared that he presented a budget to SC that proposed a 3.7% increase YOY. SC Chair Bergstrom mentioned that while they can make the 3.7% feasible for FY24, the structural deficits around special education and less out-of-pocket spending for families cannot be addressed. Jeff asked why the \$400K reserve fund couldn't be used when things are dire. Hackett mentioned that in addition to the budget presented, they are using one-time ESSER funds to cover some special education costs in FY24. Megan asked why the special education

reserve funds cannot be used for OOD tuition. Bergstrom explained that it needs to be used for unanticipated expenses.

Enzo asked if ESSER was being used to cover positions. Hackett responded that it is used for special education OOD costs, and the positions were already in the budget.

Yannis expressed concern that FinCom and School Committee need to help Town Meeting understand the structural deficits around the school budget.

Brian moved to amend the budget to match exactly what School Committee recently voted, as the numbers were already close. The motion was made to change the budget to \$63,194,386, and Patrick seconded it. All but Hafiz were in favor.

The budget was moved as amended, and voted as follows:

- In favor - John Miller, Megan Blackwell, Stefan Carp, Yannis Evrigenis, Lauren Hermann, Patrick Matteson, Nicole Soto, Enzo Rascionato, Derek Ross, Brian Vernaglia, Kathryn Hughes, Jeff Calabrese
- Opposed – Hafiz Adamjee

Town Meeting Update

Town Moderator Von Mering mentioned that FinCom can bring articles to the Town Meeting. Yannis mentioned that this could be used for the initiative to petition the state for more special education funding.

Meeting Minutes

Jeff moved the minutes of 4/6 and Stefan seconded it. The motion was voted unanimously as amended.

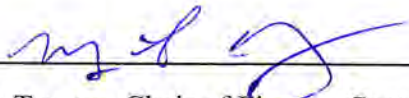
Energy Management Committee Update

Lauren shared that in our Box folder, there is a definition of net zero. She also shared that Colleen from the Energy Management Committee is waiting for EFPBC to give them the estimate of energy needs of the building so they can plan for the correct number of solar panels. Enzo mentioned that he would like to revisit the IT budget and the requested position. My Linh said she and Hafiz have met with TM on this to discuss strategy. Hafiz agreed that the budget needs to be revisited to also consider providing funding for potential consulting services for a longer-term solution.

Adjourn

Brian Vernaglia moved to adjourn the Finance Committee meeting and the motion was seconded by FinCom Member Nicole Soto. The motion passed unanimously. FinCom adjourned at 10:00 p.m.

Respectfully submitted,
Nicole Soto, Finance Committee Member

Approved by: _____ 

My Linh Truong, Chair of Finance Committee