

**Finance Committee
Acushnet, Massachusetts
Minutes of Meeting
March 16, 2022
7:00**

ATTENDANCE: Chair Michael Boucher, Peter Benoit, Eric Chew, Susan Delgado, and Robert Ferreira

ABSENT: Vice-Chair Robert St. Jean, Eric McGlynn, and Jacqueline Stanley

OTHERS PRESENT: Gerard Bergeron, EMA Director; Jamie Kelley, Interim Town Administrator

Mr. Chew made a motion, seconded by Mr. Ferreira, to open the meeting. The **vote** was **unanimous** for.

Dr. Boucher advised the meeting was being video recorded and people were also able to attend via Zoom.

FY23 Budget hearings

EMA Department

Mr. Bergeron was in attendance to present his budget. He advised that for the last several years the budget has been level, but there are things that are beyond his control such as the cost of internet and energy. He was asking for an additional \$500 for the Salaries-Staff. He advised the Deputy Director does a lot of work. Within the last ten years through the efforts of the Deputy Director and himself, the Town has received grants of at least \$50,000 to \$60,000. This has allowed the purchase of equipment. He thought that there was a lot that the Town got from EMA with minimal cost.

Mr. Bergeron said that they are submitting an Article for Town Meeting. They finally have gas in the building and their 30-year-old burner needs to be replaced. He has requested a whole new burner system which will now be natural gas. The approximate cost is \$16,000 which is for the entire system and installation. There were no questions from members. Dr. Boucher thanked Mr. Bergeron for presenting his budget. The Committee would not be voting on the budget until after all the hearings. He would contact him if they had any additional questions.

Board of Selectmen

Mr. Kelley advised they should have a memo from him that describes the methodology how the budget was prepared. You use the previous two years budget that has been approved as one baseline, and you use the past two years revenue reports to the Commonwealth as another baseline. You then look at the increase in revenue and the increase in expenditures, and bring

them down so they both match for a balanced budget. Looking at the requests from the various departments, the total was \$1,664,131. The revenue estimates were \$1,322,705 making a difference of \$341,426. The increase in the Acushnet School budget is \$569,041. Old Colony has increased by \$172,823 for a total education increase of \$741,864. He noted the Acushnet School budget includes their Retirement of Debt, both principal and interest for this year, and tuition assessments from Bristol County Agricultural, Fairhaven High School, and New Bedford High School and the associated transportation costs. He was going to suggest to the Committee that in the future, the assessments that the School has no control over be broken out. He would also recommend that the debt be included in the debt section of the budget for the Town.

Mr. Kelley advised that originally in Pensions and Insurances the increase is \$460,728. In Town Departments, it is \$461,539. They should have a breakdown of all those increases in their packets for their review. He stated that last night the Selectmen had voted no design plan changes for the insurance. It would cost a little more for the upcoming year, but they will not be restricted from going out on an RFP. The decision was made after they met with their health insurance consultants and looked at the savings they could accrue this year and the population of subscribers.

Mr. Kelley then went through some of the larger increased budgets which were the Police Department, Fire Department, and DPW budgets. He was hopeful they would be able to find some savings. He explained some of the increases. The Accountant's budget had increased \$11,934. \$10,000 of that is the increase in the audit which is something they will be going out for an RFP. The Treasurer/Collector has an increase of \$13,000, but \$10,000 is for Professional Development. He noted they have a brand-new Treasurer and Assistant. To comply with DOR regulations, they have to be certified within three to five years. That is funding for courses for that certification.

Mr. Kelley advised there is an increase in the Board of Health's budget for the Public Health Nurses. There is also an increase in the COA budget for an Outreach Worker. He stated this is a tight budget with the budget busters being education and their joint accounts. Dr. Boucher asked about the adjustment of the revenues. Mr. Kelley replied it is an adjustment for this year. Part of the reason they have had exorbitant free cash is because the revenues are off. Ms. Delgado said the concern is that part of that extra cash at the end of the year goes to fund these capital expenditures. Mr. Kelley noted that he has only gone into about 30% of that cushion, and he has created a number of new Stabilization Funds. He stated that looking at various revenue figures and projections, they should turn around with good business practices.

Mr. Kelley said regarding Motor Vehicle Excise the Town is averaging \$1.7 to \$1.8 million. Underestimating these amounts too low could present a problem with DOR. He stated the other issue, if they were worried about Free Cash decreasing because of this, is the changes should be balanced out in the changes they get when they do RFP's and go out and do competitive bidding in their health insurance, legal, etc. He added that if they were under expending, the State also takes note of it and it could impact their discretionary State Aid as the State's formulas are slanted toward urban, poorer communities versus small towns.

Dr. Boucher then discussed their pension obligation and pension reform. Mr. Kelley replied regarding pensions, they had a window of about approximately twelve years to be self-funded. The problem now with the pension system is they are making up for their losses and are getting

hit with the surcharge. He advised that OPEB is the larger problem. OPEB is at the level it is because for years there were people in the public sector not contributing to Medicare. He explained that it used to be a pay as you go system. However, after the reforms, it had to go on the balance sheet. Then a plan had to be shown of a trust fund in place to take care of this liability.

Mr. Kelley agreed that they have to look at a five-year window and plan for their savings accounts, infrastructure accounts, OPEB, etc. Ms. Delgado noted that some of their water lines are very old, and they have to think about replacing them. Dr. Boucher said they had done an environmental impact study a few years ago. Mr. Kelley said there are three lines they need to be concerned about, water, sewer, and storm water. There are a number of grant programs where they could deal with all three. After discussion, Dr. Boucher stated that with these types of issues the Town needs to be proactive instead of reactive.

Mr. Kelley then asked that they refer to the Warrant and memo. He advised there is approximately \$1.8 million available in Free Cash, but it is not certified yet. He expected that to be done before April 15th. He was recommending to the Selectmen and Finance Committee that three new Stabilization Accounts be created at Town Meeting. The first, for Health Insurance, in order that they will not continue to deal with these spikes going forward. That would be funded at \$200,000 from Free Cash. The next would be for accrued liabilities for compensated absence which is for buyouts. He was recommending \$50,000 to be replenished year to year. The third one is the Stormwater Systems Improvement MS4 Compliance Stabilization Fund. This will start their savings account for stormwater repair maintenance engineering. He advised the State Clean Water Fund allows them to borrow for stormwater repairs and engineering up to \$500,000 with zero interest and five years to pay, but you need a dedicated Stormwater Account to accept the money from the State to put it into. He was suggesting \$50,000 right now.

Mr. Kelley was recommending \$350,000 to be put into the General Stabilization Account. He noted they were reaching the point where they will have too much in that account. The bond houses want to see a minimum of 4%. When you reach 10 to 15% of your budget, they think there is a shell game going on with the finances. The Town is now at about 10%. The bond houses don't care if you have other Stabilization Accounts that are dedicated to certain things because they don't add them all together. Mr. Kelley reviewed he was suggesting \$400,000 to be put into OPEB and \$250,000 in the Capital Expense Stabilization Fund. The total for the capital expenditures, putting money in all the Stabilization Funds, and \$20,000 for the elderly service program is \$1,821,900. Members also discussed the possibility of an Infrastructure Stabilization Fund for Old Colony. Mr. Kelley advised that they have created an Infrastructure Development Team consisting of the Town Planner, the Town Administrator, and the DPW Director as the primary members. It also includes the Stormwater Agent, Police Chief, Fire Chief, and DPW Business Manager. Its job is to make sure the Master Plan is updated.

Mr. Kelley then reviewed the following capital item requests: a ten wheel sander, plow truck-\$280,000, a slide in sander-\$50,000-DPW; technology update-\$9,500-Police; school roof preventative maintenance and repair-\$15,000, school parking lot repairs-\$45,000; furnace for EMA-TBD; fire breathing apparatus-\$320,000 from either a grant, another funding source, or the Ambulance Receipt Account; fencing for Historical-\$3,000, replace and install windows at the Long Plain Museum-\$23,000, complete the interior at Perry Hill Church-\$42,000 all from CPC;

and upgrades to Pope Park-\$20,000. Mr. Kelley was unsure if CPC had met yet to review the Articles submitted by the Historical Commission.

Mr. Kelley said that he has recommended some department reorganizations to the Board of Selectmen. They suggest it be a multi-year plan. The first one for management at DPW. The second for the Board of Selectmen's office for a full-time Senior Clerk to replace the part time Grant Administrative Assistant. He advised they should not have the Treasurer/Collector's office as their HR office. Most of those HR functions should be in the Board of Selectmen/Town Administrator's office. Recruitment, onboarding, exit interviews, writing job descriptions are all things that should not be in the Treasurer's office.

Mr. Kelley said that he will communicate with the Committee further if they see some other way they are going to balance the budget and have savings. Dr. Boucher requested the Committee be provided with and updated budget packet before they begin deliberations. He thanked Mr. Kelley for all the clarification they had received tonight and for the format it had been presented in.

Old Business

There was no old business.

New Business

Dr. Boucher advised they had some Reserve Fund Transfers that had come in recently. They weren't on the agenda, but they could review them for their next meeting.

Next meeting date

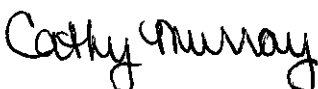
The next meeting date will be March 23, 2022, at 7:00 p.m. It will be a joint meeting with the School Committee, School representatives, and possibly the Board of Selectmen to be held at the Ford Middle School Library.

Adjourn

Mr. Benoit then made a motion, seconded by Mr. Chew, to adjourn the meeting. The vote was unanimous for.

8:30- MEETING ADJOURNED.

Respectfully submitted,



Cathy Murray