

Finance Committee
Meeting Minutes
Thursday, March 30, 2023

Location: In-person at Lunenburg Town Hall and remotely via Zoom

Present: Chairperson Evan Watters, Vice Chairperson Chris Menard, Jay Simeone, Tom Gray, Caesar Nuzzolo

Guests: Town Manager Heather Lemieux, Finance Director Karen Brochu, Land Use Director Adam Burney (remote) Select Board and Capital Planning Committee member Tom Alonzo, Select Board Member Lou Franco, Historical Commission representative Bill Laakso, Personnel Committee representative Joanna Bilotta-Simeone.

1. Call to Order

Mr. Watters called the meeting to order at 7p.m. and read a statement concerning the Open Meeting Law, and how all public meetings are legally being held remotely.

This meeting was recorded and is viewable on YouTube at <https://youtu.be/Ow-nl3eipPU>

2. Pledge of Allegiance

3. Announcements: none

4. New Business:

- a. **Public Hearing on Warrant Articles:** At 7:03 p.m. Mr. Nuzzolo motioned to open the public hearing, Mr. Menard seconded. On vote, motion carried.

Ms. Lemieux presented the town's FY24 Town Manager recommended budget, which is a balanced budget proposal, and will use funds from the Health Insurance Stabilization account to offset insurance costs.

Projected revenues for FY2024 sum up to \$48,040,906.

FY24 Preliminary Cherry Sheet estimates project a .38 percent increase for a total of \$10,540.787.

FY24 Local Receipts reflects a 1.6 percent increase (\$50,000) from last year's estimate due to motor vehicle excise tax.

Available Funds total \$3,871,824.97. After setting aside \$1.5 million for the overlay account to fund abatements, \$467,268 will go toward the FY24 Capital Plan, \$282,855 will go toward Other Post Employment Benefits (OPEB), \$100,000 will go toward regular stabilization, \$250,000 will go toward the Special Purpose Stabilization Fund, and \$25,000 will go toward the Historical Homes Survey Article. The remaining balance, \$213,426, will most likely be used for snow and ice.

FY24 Expenditures include an increase in hours for employees of various departments, as well as additional part-time help. Ms. Lemieux added that expenditures do not include funding for an additional police officer, citing impact of the current Police Collective Bargaining Agreement.

Ms. Lemieux also explained the schools will see a 2.5 percent increase, and the Monty Tech Assessment has risen 12 percent.

The retirement assessment reflects a 13.5 percent increase.

Health insurance reflects a 6.2 percent increase for active employees, and a 5 percent rate increase for retirees. The overall increase comes to 20 percent for all active, retired, and school retiree health

insurance. Ms. Lemieux explained that with several employees retiring, and new hires coming onto the town's payroll, adjustments would need to be made regarding health insurance.
The solid waste/recycling program reflects a 12.8 percent increase.
Debt Service reflects a 21.7 percent decrease.
Cherry Sheet Offsets reflects a 14.7 percent decrease
Allowance for abatements reflects a 3.41 percent increase.

Debt Service is slated to decrease in FY24 of \$979,711

Other Money Articles include funding the first year of the Collective Bargaining Agreement for the Firefighters Union which is still in negotiations.

Wage increases for the Salary Administration Plan (non-union town employees) will come out of the FY24 Salary Reserve Account (2.5 percent cost of living increase \$38,095.13)

Historical Commission Survey funding to come from Free Cash (\$25,000).

Capital Plan Ms. Lemieux has added six additional projects to the FY24 Capital Plan.

- THES Fire Alarm upgrade: \$287,000
- Public Safety Radio System (Phase 1) \$242, 510
- Northfield Rd Culvert (Kelly's Pond) \$25,000
- DPW ½ Ton Pickup Crew Cab \$55,000
- T.C. Passios sidewalk (1,700 sq.ft) \$25,000
- Whalom Lake and Marshall Pond treatment \$30,000

Public Hearing Public Comment: Mr. Beardmore asked whether the committee had the opportunity to discuss free cash, and where it would be spent. Mr. Beardmore asked how the money in stabilization accounts relates to amounts recommended by the Department of Revenue. Mr. Beardmore commented on ARPA funds that were spent on capital plan items, and inquired what projects the special purpose stabilization account would fund. Ms. Lemieux commented that there are several future capital projects that will require a significant amount of money, which will be partly funded by the special purpose stabilization fund. Mr. Beardmore also questioned when OPEB funds would be spent. Ms. Lemieux responded that a presentation is being prepared by the actuary, and will be given in the future.

Lunenburg resident Rhonda Lissio, who has attended several Capital Planning Committee meetings, added that the Fire Chief has commented that ambulances are being heavily used, and therefore, funds need to be reserved to purchase ambulances in the future.

Warrant Articles

A. To see if the Town will vote to hear and/or accept the regular written reports of the Town Officers and Committees; or take any other action relative thereto. (Submitted by the Town Manager)

Mr. Nuzzolo motioned that Article A has no financial impact, Mr. Simeone seconded. On vote, motion carried unanimously.

B. To see if the Town will vote to authorize revolving funds for various departments, boards, committees, agencies or officers pursuant to Massachusetts General Law Chapter 44, Section 53E ½ for the fiscal year beginning July 1, 2023 to be expended in accordance with the by-law heretofore approved; or take any other action relative thereto. (Submitted by the Town Manager)

Mr. Menard motioned to approve recommendation of Article B. Mr. Gray seconded. On vote, motion carried unanimously.

C. To see if the Town will vote to raise and appropriate, or transfer from available funds, a sum of money for payment of prior year expenses; or take any other action relative thereto. (Submitted by the Town Manager)

Having no definitive dollar amount on Article C, Mr. Menard motioned to defer recommendation to Annual Town Meeting. Mr. Gray seconded. On vote, motion carried unanimously.

D. To see if the Town will vote to transfer from available funds, all sums of money necessary to amend the amounts voted for the Town's FY 2023 Budget, under Article 8 of the May 7, 2022 Annual Town Meeting and Article 1 of the November 15, 2022 Special Town Meeting; or take any other action relative thereto. (Submitted by the Town Manager)

Ms. Lemieux presented a chart depicting budget transfers in the amount of \$4,127,165.91. Mr. Menard motioned to recommend approval of Article D. Mr. Nuzzolo seconded. On vote, motion carried unanimously.

E. To see if the Town will vote to transfer from available funds, all sums of money necessary to the Overlay Account for all costs associated with FY 2023 abatements; or take any other action relative thereto. (Submitted by the Town Manager)

Ms. Lemieux has suggested that \$1.5 million out of free cash will prepare the town for the worst case scenario involving the latest tax abatement applications. Mr. Menard motioned to recommend approval of Article E. Mr. Nuzzolo seconded. On vote, motion carried 4-0-1. Mr. Simeone abstained.

F. To see if the Town will vote to raise and appropriate, borrow, or transfer from available funds a sum of money for the FY 2024 Capital Plan, as appearing in the Capital Planning Committee Report, or take any other action relative thereto. (Submitted by the Town Manager)

Mr. Nuzzolo motioned to defer Article F to a future Finance Committee meeting. Mr. Gray seconded. On vote, motion carried unanimously.

G. To see if the Town will vote to raise and appropriate or transfer from available funds, a sum of money to defray the charges and expenses of the Town for FY 2024 and to fix the salaries and compensation of all elected officials of the Town and any other items included in the budget of the Town Manager; or take any other action thereto. (Submitted by the Town Manager)

Mr. Menard motioned to recommend approval of Article G. Mr. Nuzzolo seconded. On vote, motion carried unanimously.

Article H will be removed from the warrant, as it involves the Collective Bargaining Agreement with the Municipal Employees Union, which is still being negotiated. Mr. Menard motioned to defer recommendation on Article H to Annual Town Meeting. Mr. Nuzzolo seconded. On vote, motion carried unanimously.

Article I, which has to do with the Firefighters Union Collective Bargaining Agreement currently in negotiations with the Town was also deferred.

Mr. Menard motioned to defer recommendation on Article I to Annual Town Meeting. Mr. Nuzzolo seconded. On vote, motion carried unanimously.

J. To see if the Town will vote to raise and appropriate or transfer from available funds, a sum of money to the Stabilization Fund; or take any other action relative thereto. (Submitted by Town Manager)

Ms. Lemieux is recommending \$100,000 from free cash be deposited into the Stabilization Fund, and added that having strong reserves in stabilization is good for bond rating when thinking about future borrowing. Currently there is \$2,702,062 in the Stabilization Fund.

Mr. Menard motioned to recommend approval of Article J to transfer \$100,000 from free cash to the Stabilization Fund, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

K. To see if the Town will vote to raise and appropriate or transfer from available funds, a sum of money to the Special Purpose Stabilization Fund; or take any other action relative thereto. (Submitted by the Town Manager)

Ms. Lemieux is recommending \$250,000 of free cash be deposited into the Special Purpose Stabilization Fund. Ms. Lemieux pointed out that the fire department will need to purchase equipment estimated to cost \$2,996,847 in the near future, and adding in DPW equipment, the town will need to spend \$4 million by FY32. The \$250,000, if appropriated, will bring the total fund up to \$2,262,808.

Mr. Menard recommended approval of Article K, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

L. To see if the Town will vote to raise and appropriate or transfer from available funds, a sum of money into the OPEB Trust Fund that was created at the November 10, 2010 Special Town Meeting; or take any other action relative thereto. (Submitted by the Town Manager)

Ms. Lemieux recommends putting \$282,855 (10 percent of certified free cash) from free cash into the OPEB Trust Fund. The fund currently has \$985,291.

Mr. Menard motioned to recommend approval of Article L. Mr. Nuzzolo seconded. On vote, motion carried unanimously.

M. To see if the Town will vote to raise and appropriate or transfer from available funds, a sum of money to operate the Sewer Enterprise Fund for FY 2024; or take any other action relative thereto. (Submitted by the Sewer Business Manager)

Mr. Menard motioned to recommend approval of Article M to appropriate \$2,094,850 to the Sewer Enterprise Fund, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

N. To see if the Town will vote to transfer from available funds, a sum of money into the Sewer Capital Reserve Stabilization Fund; or take any other action relative thereto. (Submitted by the Sewer Business Manager)

Mr. Menard motioned to recommend approval of Article N to transfer \$36,621 from retained earnings into the Sewer Reserve Stabilization Fund Mr. Nuzzolo seconded. On vote, motion carried unanimously.

Article O will be removed from the warrant, and combined with Article L regarding OPEB.

Mr. Menard motioned to recommend approval to transfer \$1,000 from Sewer Retained Earnings to the OPEB Sewer Trust Fund, Mr. Simeone seconded. On vote, motion carried unanimously.

P. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money to operate the Solid Waste Disposal Program Enterprise Fund for FY 2024; or take any other action relative thereto. (Submitted by the Town Manager)

Mr. Menard motioned recommend approval of Article P to transfer \$302,000 from solid waste revenues to the Solid Waste Disposal Program Enterprise Fund, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

Q. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money to operate the Water Enterprise Fund for FY 2024; or take any other action relative thereto. (Submitted by the Town Manager)

Mr. Menard motioned to recommend approval of Article Q to transfer \$25,000 from Water Enterprise Revenues to the Water Enterprise Fund, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

R. To see if the Town will vote to raise and appropriate or transfer from available funds, a sum of money to fund the FY 2024 Public Educational Government (PEG) Access Enterprise operating and capital budgets; or take any other action relative thereto. (Submitted by the PAC Committee)

Mr. Menard motioned to recommend approval of Article R to transfer \$210,764, which includes indirect costs, to the PEG Access Enterprise operating and capital budgets, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

S. To see if the Town will vote to raise and appropriate, borrow, or transfer from available funds, a sum of Twenty Five Thousand Dollars for consultant services to complete a survey program to inventory historic homes within the town's Historic District; or take any other action relative thereto. (Submitted by the Historical Commission)

Article S requests \$25,000 for consultant services to survey historic sites, homes, and buildings in town. The survey will focus on homes built in 1833. Mr. Laakso explained that half the funds will be reimbursed by the federal government upon completion of the survey. If passed, the commission will send a letter of intent to initiate the process, which should be completed by 2025. The article read that only homes within the Historic District would be surveyed, which was an error. The article will be edited to read town-wide.

Mr. Menard motioned to defer Article S to Annual Town Meeting, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

T. To see if the Town will vote to replace the current Salary Schedule in the Code of Lunenburg, Chapter 70, Section 70-8.A, entitled "Salary Administration Plan", Schedule A, with a FY 2024 Salary Schedule as recommended by the Personnel Committee, which authorizes wage increase for Fiscal Year 2024, for permanent employees not covered by a collective bargaining unit agreement or individual contract, and further transfer a sum of money from the FY2024 Salary Reserve Fund to fund the wage increase for Salary Administration Plan employees. (Submitted by Personnel Committee)

Article T requests \$38,095 to be transferred from the Salary Reserve Fund to account for a 2.5 percent Cost of Living Increase for employees on the Salary Administration Plan (S.A.P.) Ms. Bilotta-Simeone explained that the Personnel Committee is continuing to work on updating job descriptions for the 34 job titles, and 85 employees on the S.A.P.

Mr. Menard recommended approval of Article T to transfer \$38,095.13 from the Salary Reserve Fund for S.A.P. employee wage increases. Mr. Nuzzolo seconded. On vote, motion carried unanimously.

Article U will be removed from the Warrant, but was read into the record. Mr. Menard motioned to defer Article U to Annual Town Meeting. Mr. Nuzzolo seconded. On vote, motion carried unanimously. The Article will be removed as a result of lack of communication from Lufa Farms.

Article V regarding the Public Safety Building will be removed from the warrant because repairs to the building will be paid for by ARPA funds. Mr. Menard motioned to defer Article V to Annual Town Meeting, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

W. To see if the Town will vote to authorize the Select Board, on behalf of the Town, to petition the General Court for the enactment of special legislation substantially as provided below, provided that the General Court may reasonably vary the form and substance of the requested legislation within the scope of the general public objectives of this petition:

Petition language subject to change before Annual Town Meeting.

Article W requests power be given to the Select Board to submit a Home Rule Petition to the Massachusetts General Court regarding tax relief for senior citizens in town. Mr. Franco explained that the relief would be provided to longtime property owners who have lived in town for fifteen consecutive years leading up to applying, who have no excessive assets, and have real demonstrated need for relief. Relief will only be considered on the domicile of the senior applicant. To be eligible one must be at least 65 years old, and have applied for, and granted the circuit breaker tax credit. If 70 years old, the applicant must also demonstrate they are eligible for the current exemption already in available. Mr. Franco added that the average tax bill would see a 1 percent increase if the program is implemented.

Mr. Menard motioned to recommend deferral on Article W to Annual Town Meeting, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

X. To see if the Town will vote to appropriate the sum of \$10,000.00 from the Sale Of Lots account to be used for the care, improvement and embellishment of the Town Cemeteries; or to take any other action relative thereto. (Submitted by the Cemetery Commission)

Mr. Menard motioned to recommend approval of Article X, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

Y. To see if the Town will vote to amend the Code of Lunenburg, to modify §250-4.1 by inserting §250-4.1K(20) Self-Storage as shown below, or any other action relative thereto.

Mr. Menard motioned to recommend Article Y has no financial impact, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

Z. To see if the Town will vote, pursuant to the provisions of G.L. c.40, §5B, to create a new special purpose stabilization fund, to be known as the Opioid Settlement Stabilization Fund, which may be expended for all of the purposes allowed by law, including those outlined in applicable opioid-litigation settlement documents, a document prepared by the Substance Abuse Bureau of the Commonwealth's Office of Health and Human Services Department, found at <https://www.mass.gov/doc/massachusetts-abatement-terms/download> entitled "Abatement Strategies", and consistent with any state guidelines or regulations further clarifying allowable uses of opioid litigation settlement funds; and further, to adopt the last paragraph of said §5B and dedicate to such fund, without further appropriation, 100% of the opioid litigation settlement funds received by the Town; and further, to transfer from available funds a sum of money equal to that received or to be received by the Town from opioid litigation settlements resulting from the Town's participation in the national Opioid Multi-District Litigation into said Opioid Settlement Stabilization Fund; or take any other action relative thereto. (Submitted by the Town Manager)

Ms. Lemieux informed the committee that the town has received \$84,000 in opioid litigation settlement funds. The money is to be used toward outreach, education, and resources regarding opioid use.

Mr. Menard recommended approval of Article Z, Mr. Nuzzolo seconded. On vote, motion carried unanimously.

At 10:27 p.m. Mr. Nuzzolo motioned to close the public hearing, Mr. Menard seconded. On vote, motion carried unanimously.

5. Town Manager/Finance Director Report: none

6. Old Business:

- a. Town Meeting Finance Committee Report: Mr. Watters is working on a draft of the report.
- b. Capital Plan: See above
- c. Tax Assessment/Abatement Discussion: Inspections are in progress regarding abatement applications.

7. Minutes none

8. Committee Reports none

9. Public Comment Mr. Watters thanked the committee for their efforts this budget season. Dave Passios expressed his appreciation for the committee as well.

10. Items for Future Meetings:

11. Next Meetings: April 6, April 20 Public Hearing, May 6 Annual Town Meeting

12. Adjourn: At 10:33 p.m. Mr. Menard motioned to adjourn, Mr. Nuzzolo seconded. On vote, motion carried unanimously.