

Stoneham Finance and Advisory Board
Monday, August 6, 2018 - 7:00pm
Stoneham Town Hall Auditorium

Attendees:

Susan Lippman, Chair
Heidi Bilbo, Vice-Chair
Andrew Harmon, Secretary

Ben Caggiano	Devin Desmarais
George Drugas	Ed Hurley
Cory Mashburn	Tim Waitkevitch

Absent: Christian Kulikoski, Domenic Martignetti

Guests:

Dave Castellarin - Town Accountant
Anthony Wilson - FAB Liaison, Stoneham Select Board
Thomas Younger - Town Administrator

Agenda:

1. Pledge of Allegiance
2. Approval of Minutes
3. Presentation by Town Administrator and Town Accountant
4. Finalize Department Assignments
5. Other Business
6. Adjournment

Minutes:

Board Chair called the meeting to order at 7:00pm. Ms. Lippman requested that all members stand and join in the Pledge of Allegiance.

Board Chair then moved to discuss the approval of the June 18, 2018 and July 2, 2018 meeting minutes. Mr. Drugas indicated that there was a typo in the July 2, 2018 minutes. Mr. Harmon acknowledged the error and would submit a revised version prior to the next meeting. Mr. Drugas introduced a motion to approve the minutes from June 18, 2018. Mr. Waitkevitch seconded the motion. All members in favor.

Board Chair moved to address Agenda Item #3. Ms. Lippman introduced Mr. Castellarin and Mr. Younger to lead a discussion on the upcoming budget process. Mr. Younger noted that Mr. Castellarin has produced a graph calendar of upcoming budgetary milestones.

Mr. Castellarin began by walking through some important changes in the traditional Stoneham budget timeline. Of note for the Finance Board, final recommendations for the FY20 budget are due April 12, 2018 rather than April 27th. The final School Department budget will be due in January 2019 to allow time for the Massachusetts House of Representatives to introduce their FY20 budget bill. The Finance and Advisory Board will be issued the proposed Town budget on February 20, 2019.

Mr. Younger indicated that, even with the adjusted timelines, the Town budget will need to be submitted prior to the announcement of all potential sources of aid. The only remaining local aid will be the Governor's allocation to Stoneham. The Massachusetts Senate bill numbers will not be available until after the mandated Town Meeting. Aid numbers related to the MBTA (Massachusetts Bay Transportation Authority) and mosquito control efforts.

Ms. Lippman noted that the unpredictability of school funding was a topic of the Town's last Tri-Chair Meeting. Mr. Younger agreed and says the timeline makes projections difficult. He indicated that Mr. Castellarin takes a conservative approach, which allows any additional funds to be re-allocated without much difficulty.

Mr. Younger segued into a separate topic. He stated that the Town of Stoneham has a revenue issue. In particular, the Town suffers from a lack of commercial and industrial growth. All growth in the Town in recent years has been related to residential projects. He cited an example of Montvale Plaza being sold/demolished in favor of a storage facility. If the Town were more invested in growth prospects, could a more sensible solution to Montvale Plaza have been decided?

A comparison was made to Market Street in Lynnfield. Could the Town do something similar in the Montvale Avenue corridor? Stoneham sits at the junction of two Interstates (95 and 93). Stoneham does not compare favorably to another nearby town that also sits at the intersection of two major highways (Burlington, at the intersection of 95 and 3).

Mr. Younger went on to note that Stoneham uses a reactive system for allocating maintenance funds. In the past, the Town had been living completely off of Chapter 90 [State highway aid for towns] funding. The Town's maintenance budget is about \$560K. Roads last 20 years; schools need to be maintained as well. The Fire Station is old and will eventually need to be replaced. We are currently retrofitting fire engines to even fit into the current station. Town Hall, the Library and the Senior Center are all in need of repairs.

As a proposed solution to this problem, Mr. Younger mentioned creating a separate budget line item for maintenance. He also indicated that the Town needs both a Purchasing Agent and a Facilities Manager.

Mr. Hurley asked the Administrator where he feels that Stoneham is missing the boat on development issues. Mr. Younger replied that we are not in talks with developers. Major projects

that drive economic development are going to other towns. We are not using our natural advantages to attract developers. He indicated that the Town needs to change some of its zoning requirements to allow for projects to go through more easily. Anecdotally, he mentioned that a project that clears administrative hurdles in 18 months in other towns would take 3 years in Stoneham.

Mr. Desmarais asked the Administrator whether he thought the Town's process was prohibitive. Mr. Younger compared Stoneham to Swampscott. Stoneham has a very good Planner, but she has no support staff. Swampscott employs three full-time individuals in their office of commercial development. He punctuated the remark by adding that Stoneham is a larger town than Swampscott.

Mr. Desmarais reiterated his question. He asked whether the Administrator believes that Stoneham's process is prohibitive or whether the Town is not doing a good job in reaching out to developers. Mr. Younger noted that the Stoneham Select Board must approve a development site plan before it can go to the Planning Board. He feels that this is an unnecessary step in the process. Mr. Younger also noted that the Town has no by-laws to mandate affordable housing units in residential developments. Mr. Harmon asked how the Administrator thought that a lack of affordable housing units inhibited commercial and industrial growth. The Administrator clarified that the lack of units reduces tax revenue.

Mr. Desmarais asked whether developers might be attracted to a Town that does not mandate affordable housing units. That they may prefer receiving tax credits in lieu of housing units. Mr. Younger replied that larger housing projects could promote overall growth; the Town is overlooking growth opportunities. He mentioned that Redstone has not grown and continues to have some vacancies. Perhaps the Town could look into promoting the Montvale corridor or produce some sort of overlay district.

Mr. Waitkevitch asked the Administrator what kind of opportunities Stoneham may have to focus this vision. He noted that Stoneham is different from Burlington. Stoneham is a corridor community and may not be able to support the type of office park growth that has taken place in Burlington. Mr. Younger said that Stoneham needs to be proactive in seeking out growth opportunities. He again made a comparison to Swampscott. That town controlled its waterfront development through overlay districts. This allowed Swampscott greater control over its zoning in that area.

Mr. Waitkevitch followed up by asking whether the Administrator feels that Stoneham needs a dedicated position for commercial and industrial growth. Mr. Younger agreed that the Town should have that position, at least initially. Mr. Mashburn suggested that maybe the Town needs something beyond a five year plan. Maybe the Town should look into a ten or fifteen year plan.

Mr. Younger noted that his individual vision for Stoneham's future may not be that of the Town itself. If Stoneham would like to be a residential community (akin to Weston), the Town will need

a stock of \$3M to \$4M dollar homes. That currently does not exist. Mr. Younger then mentioned Beverly as an instructional anecdote. The mayor of Beverly invested in a vision of turning its two main streets (Cabot and Rantoul) into an Arts District and a mixed-use housing district, respectively. Ms. Lippman asked if the Administrator has had conversations with the Planning Board. He indicated that he has spoken to the Board Chair, but that real change could require a change to the by-laws.

Ms. Bilbo asked whether the Five Year Plan would be discussed at a Select Board meeting. Mr. Younger said that it would and that the Finance Board would be invited to that meeting. Ms. Bilbo asked whether there has been any consideration of moving the Spring Town Meeting. And if so, what are the requirements for doing that. Mr. Younger indicated the Meeting could only be moved into June (from its current position in May) and that brings about concerns of implementing changes before the end of the Fiscal Year.

Board Chair then moved to discuss the 2017 Audit Report. The Town has recently changed audit firms. The new auditors are from Clifton, Marson and Allen. The 2018 Report will be issued in January. The Board members did not have copies of the Audit Report so Mr. Castellarin summarized some of the major points. In particular, he noted the items called out in the 2016 Report and how the 2017 Report addresses those items:

- 2016 Report recommended a Purchase Order system. The Town is upgrading Munis to allow for Purchase Orders.
- 2016 Report noted a lack of journal entry approvals. The Town now has the Accountant approve journal entries.
- 2016 Report noted lack of collection on police details. The Town is making efforts to collect old detail fees. Including not approving new details for companies who owe the Town for old details. Ms. Lippman asked whether the Town did not bill on some details. Mr. Castellarin indicated that the collections are simply slow; billing was correctly done.
- 2016 Report noted problems with the software used at the Arena. Munis has been upgraded for use at the Arena (arena also uses upgraded non-Munis software).
- 2016 Report noted unclear time allocation for Water and Sewer and use of manual meter records. Both issues have been resolved.
- 2016 Report noted a lack of fiscal policies and procedures. Mr. Castellarin indicated that these are currently being worked on.
- 2016 Report noted several stagnant accounts. The Accountant has cleaned up and closed those accounts.

Ms. Lippman asked the Town Accountant how the Town was doing on its Water and Sewer receivables. Mr. Castellarin indicated that a lot of the deficit had been made up in the last billing cycle. Also that closing some old, stagnant accounts helped the reserves. Ms. Lippman asked if the receivable balance was around \$100K. Mr. Castellarin replied that the figure was much higher. The collection rate is around 80%. Mr. Desmarais asked if that is comparable to other towns. Mr. Castellarin indicated that the figure was about average.

Ms. Lippman then asked the Board if there were any additional questions for the Administrator and/or the Accountant. Mr. Hurley then asked whether revenues were going up in the Town. Mr. Younger replied that there were one-time revenue increases due to residential building permits but the Town cannot rely on permits alone for revenue. Mr. Hurley followed up by asking whether permitting was flat. Mr. Younger agreed that it was.

Mr. Waitkevitch commented that it would be valuable to see revenue projections in the Five Year Plan. Mr. Castellarin said that revenue projections would be included.

Mr. Younger made a final note that he commends the Finance Board for trying to assign members to focus on different Town departments. Ms. Lippman noted that this how Finance Boards traditionally operate and that she (as Board Chair) is eager to implement that strategy here. Ms. Lippman then called on Mr. Wilson for any comments on the presentation. Mr. Wilson noted that the Select Board was attempting to outreach to other Boards and that he would serve as the liaison to the Finance Board. Mr. Younger and Mr. Castellarin then exited the meeting.

Board Chair then moved to discuss Agenda item #4. Ms. Lippman asked if everyone had a chance to review the preliminary assignment list. Mr. Mashburn asked which areas needed more people to volunteer. Ms. Lippman said that each area should have 2 or 3 people assigned to it. So far, we have:

- Mr. Drugas and Mr. Kulikoski on the Police department
- Mr. Kulikoski and Mr. Mashburn on the Schools
- Mr. Drugas and Mr. Waitkevitch on the Fire Department

Mr. Mashburn then volunteered for the Police department. Mr. Hurley indicated interest in Public Works, Recreation and the Library. Mr. Waitkevitch also expressed interest in Recreation and the Library.

Mr. Caggiano expressed interest in Public Works and the Town Hall functions. Mr. Drugas volunteered for Schools. Ms. Lippman explained that she would help cover any areas that were left after everyone has chosen. The Financial categories will be herself and Mr. Kulikoski. Mr. Waitkevitch volunteered for Capital and then asked if we could re-review the major groups. The breakdown was:

- Town Hall (Bilbo, Caggiano, Demarais, Martignetti)
- Police (Drugas, Kulikoski, Mashburn)
- Fire (Drugas, Waitkevitch)
- Schools (Drugas, Kulikoski, Mashburn)
- Public Works (Caggiano, Harmon, Hurley, Waitkevitch)

Ms. Lippman indicated that she and Mr. Harmon would review the assignments and distribute a revised list.

Board Chair then moved to discuss Agenda Item #5. Ms. Lippman wanted to confirm that the Board's next meeting was scheduled for September 10th, 2018. She also indicated that there was a Tri-Board Meeting scheduled for September 12th, 2018. Lastly, Ms. Lippman noted that there was a Tri-Chair Meeting scheduled for 8am on September 28th, 2018. She added that she would not be able to attend. Mr. Harmon volunteered to cover that Meeting for the Board.

Mr. Harmon then made a motion to adjourn. Mr. Mashburn seconded. All in favor.