

Stoneham Finance and Advisory Board
Monday, September 11, 2017—7:30pm
Stoneham Town Hall Hearing Room

ATTENDEES:

Angelo Mangino, *Chair*
Susan Lippman, *Vice-Chair*
Thomas Dalton, *Secretary*

Ben Caggiano Robert Fitzsimmons
Julianne DeSimone Dominic Martignetti
George Drugas Tim Waitkevitch

GUESTS:

Jeanne Craigie, *Town Moderator*
Dennis Visconti, *Chair (Open Space and Recreation Committee)*
Stephen McDonough, *Vice-Chair (OSR)*
Maura Hayes Campbell, *Secretary (OSR)*
Steve Sylvester, *Member (OSR)*

MINUTES:

Mr. Mangino, Acting Chair (henceforth referred to as “Chair”) due to the resignation of former Chair Devon Manchester from the Board, called the meeting to order at 7:30 pm and asked the members to participate in a moment of silence honoring the anniversary of the events of September 11, 2001.

The Chair directed the Board to discuss the capital plans for Stoneham Arena. He remarked that Don Piatt, Town Accountant, and Lou Chiulli, the Arena manager, were invited to the evening’s meeting but that both were unable to attend. The Chair reported that, as expected, the Capital Committee submitted a warrant article for October Town Meeting calling for funding for the repairs of the Arena’s floor and cooling systems, paid for with 20-year bonds. The Town Accountant has reported that part of these bonds will be taxable, meaning that higher interest will be paid, but the overview for how the bond payments will be funded is outlined in “Appendix 1,” attached below, an outline prepared by Selectman Anthony Wilson.

Ms. DeSimone remarked that part of the revenue projections in ~~the Town Accountant’s memo~~ Selectman Wilson’s outline refer to an estimated “blended rate”; i.e., because there are different ice fees for Stoneham and non-Stoneham users of the Arena, the Accountant estimated a middle ground for a hypothetical blended rate [*per correction noted and agreed upon during the FAB meeting, 9/25/17, TD*]. The Chair said that, if anything, this projection is conservative, because Stoneham Youth Hockey and Stoneham High School use of the Arena accounts for less than half of all Arena use.

Further, the Chair stated his confidence in the Accountant's projections, and said that his primary financial concern for the Arena continues to lie on the administrative side. The ongoing software problems at the Arena were a substantial concern for the Town last year, and the Chair stated his concern that it took so long for the Town to remedy the problems. Moreover, the Arena continues to process invoices by hand, rather than using the software on hand for invoicing and other administrative needs. The Chair stated that the Town needs to invest in remedying these administrative shortfalls.

The Chair remarked that on his most recent visit to the Arena, the administrative staffer there was swamped with backlogged paperwork. He suggested that the Town consider hiring consultants to address the administrative problems. Maura Hayes Campbell of OSR remarked that a central problem in Arena administration is the retention of capable administrative staff; the Arena Manager is largely occupied with the physical maintenance of the Arena, and the administrative position is not financially competitive or full-time. Moreover, she said that the need for contracts at the Arena needs to be addressed by Town Counsel, and the Town's IT staff need to address the software issues. Mr. Dalton stated his view that the Town must seriously consider making the administrative position more competitive if improvements are to be expected; he said that investments to improve Town services are valuable and responsible.

Mr. Waitkevitch remarked that the potential Arena debt will take up a great deal of the Town's debt service capacity, and asked the Board to consider other upcoming debt needs. The Chair remarked that the obvious upcoming project is the potential Stoneham High School renovation or rebuild. Steve Sylvester of OSR asked the members if any debt service will be coming offline in the coming years to offset Arena debt. The Chair stated that Town Common debt service and Police Station debt service will be complete in 2019.

Mr. Sylvester also remarked that his committee plans to propose a separate maintenance and/or marketing fund for the Arena, so that every budgetary need that arises does not need to be individually passed through Town Meeting. Because the members of OSR are concerned, Mr. Sylvester said, about the debt burden of Arena repairs on the taxpayers, a separate maintenance/marketing budget would help by preempting the need for frequent or unexpected spending requests.

The Chair stated that he has larger concerns regarding the Town's approach to OSR, wondering if there is a better overall approach to capital for recreation needs. He asked Dennis Visconti, Chair of OSR why taxpayers fund major investments to the Arena but do not fund similar investments in fields and other Open Space and Recreation resources and facilities. Stephen McDonough, the OSR Vice-Chair, replied that the central goal is to drive all OSR programs towards financial self-sufficiency, but that the Arena cannot be self-sufficient until the infrastructure and facilities are improved. Mr. McDonough added that the fiscal improvements at the Town golf course are a great example of the capacity of the Town to turn around challenging programs. Moreover, he said, based upon the Town Accountant's memo, although the taxpayers will shoulder the bulk of debt service in the first 10 years of a 20-year debt service, at the end of 20 years, the Arena should make sufficient profits that taxpayers will earn back more than they paid in debt investment. Additionally, Mr. McDonough added, facilities and maintenance costs

are projected to decrease after repairs are made. He concluded by saying that if the Town doesn't fix the Arena now, then it risks the closure of the Arena: an outcome which should be avoided.

Members of the Board discussed the points raised in the course of discussion. Mr. Waitkevitch remarked that he agrees with the goal of program self-sufficiency, citing the golf course as a strong example, wherein the course covers its own costs but the Town shares in revenues. He also cautioned that it will be important for the Arena to avoid pricing itself out of a competitive market in pursuit of self-sufficiency, and that, if necessary, a balance would have to be struck between the goals of self-sufficiency and competitiveness. Ms. Lippman opined that surplus profits should be invested into additional improvements to the Arena's administrative needs (i.e. bookkeeping), agreeing with Mr. Waitkevitch that self-sufficiency doesn't have much value if the Arena cannot function.

Mr. Dalton raised the topic of the formation of a Tri-Board sub-committee to research Arena finances and possible avenues for Arena renovation, to be comprised of members of the Finance and Advisory Board, the Open Space and Recreation Committee, and the Capital Committee. Mr. Dalton remarked that the sub-committee would be a resource to comprehensively address the challenges faced when it comes to the Arena. Mr. Dalton moved that the Board nominate a member and participate in the Arena sub-committee. Mr. Martignetti seconded the motion, and the members assented unanimously.

Mr. Martignetti nominated Mr. Fitzsimmons to serve on the Arena subcommittee, Mr. Dalton seconded the nomination, Mr. Fitzsimmons accepted the nomination, and the members unanimously elected Mr. Fitzsimmons to the Arena sub-committee.

The Acting Chair invited members to consider the election of a new Chair. Ms. DeSimone nominated Angelo Mangino for Chair, Mr. Martignetti seconded the nomination, and Mr. Mangino accepted. Mr. Dalton nominated Susan Lippman for Chair, Mr. Martignetti seconded the nomination, and Ms. Lippman accepted. After brief discussion, Mr. Mangino and Ms. Lippman agreed that they would both be happy to serve if elected, but Ms. Lippman withdrew her candidacy for Chair. Mr. Dalton moved that the Board elect Mr. Mangino as Chair, Ms. DeSimone seconded the motion, and the members assented unanimously.

Next, the Board addressed the new vacancy for the position of Vice-Chair. Ms. DeSimone nominated Ms. Lippman, the nomination was seconded, and Ms. Lippman accepted. Mr. Dalton moved that the Board elect Ms. Lippman as Vice-Chair, the motion was seconded, and the members assented unanimously.

Ms. Craigie was invited to make remarks to the Board. She commented that she is now open to receive applications for Board membership and encouraged citizens to apply. She also noted that an un-numbered draft of the October Town Meeting warrant has been released and that a final Warrant should be issued soon. Finally, she encouraged members of the Board to attend Open Meeting Law training on September 26, 2017 hosted by the Town Counsel and Town Administrator. To that end, many members expressed interest in attending and Mr. Dalton informed the Board that he will prepare informal notes on the presentation for the benefit of members unable to attend.

The Chair asked the Board to consider the meeting minutes prepared by Mr. Dalton for the August 7, 2017 meeting. The Vice-Chair recommended one correction, pointing out an erroneous double negative in the prepared minutes, and Mr. Dalton concurred with the correction. Ms. Lippman moved that the Board accept the minutes with the correction suggested, the motion was seconded, and the members assented unanimously.

Mr. Fitzsimmons remarked that the Town Administrator has encouraged members of the Board to attend a training conference hosted by the Massachusetts Municipal Association on October 21, 2017. He also offered to coordinate members' attendance at that event with the Town Administrator's office.

Mr. Caggiano asked for confirmation of the Board's next meetings, and the Chair confirmed that the Board will meet on September 25, 2017 and on October 2, 2017. He also asked members to allow flexibility in their schedules for a potential meeting during the week of October 9, 2017.

The Vice-Chair moved to adjourn the meeting, Mr. Dalton seconded the motion, and the Board assented unanimously.

Respectfully submitted,

Thomas Dalton
Secretary