

Stoneham Finance & Advisory Board Meeting
Tuesday, March 21, 2022 - 7:00 pm
Town Hall Hearing Room

Attendees:

Tim Waitkevitch, Chair
Cory Mashburn, Vice Chair
Andrew Harmon, Secretary

Julieanne Bovat	Youlia Bowerman
Jen Gray	Ed Hurley
Sachin Joshi	Mike Memmolo
Wendy Smith	Dave Tammaro

Absent: None

Guests:

Jeanne Craigie, Town Moderator
Eric Duffy, Town Accountant
Dennis Sheehan, Town Administrator

Agenda:

1. FY23 Budget Discussion
2. May Town Meeting Warrant Review
3. Other Business - Non Deliberative
4. Adjournment - Vote Required

Minutes:

The Finance & Advisory Board Chair called the meeting to order at 7:00pm.

Mr. Waitkevitch opened the meeting with Agenda Item #1. Mr. Waitkevitch recapped the fact that the Board had come up with budget-related questions in the last meeting directed towards the Town Accountant and Town Administrator. Mr. Duffy began to read the questions and the responses.

1. What was the general guidance to departments about inflation concerns? Mr. Duffy responded that inflation was not an issue at the time departments prepared their initial budgets. As normal procedure dictates, each department level funds their department in the proposed budget and then would have conversations (if needed) about unexpected expenses.

2. Were there any across the board inflation assumptions and what is the Town's plan for increasing costs due to inflation? Mr. Duffy reiterated that inflation was not a concern when the initial budget was created. He did indicate that it is normal procedure to monitor costs throughout the fiscal year. If costs are trending higher than expected, the Town will take action to determine how to cover those costs. Mr. Duffy used the example of end of year transfers to illustrate this point.
3. How does the Town intend to use the incoming ARPA funds? Mr. Duffy explained that the Select Board is still considering ways to allocate the funding. He did indicate that the Board of Health was already granted \$100K for COVID testing. But no other funds have yet been allocated. Ms. Gray asked how long the Town has to use those funds. Mr. Sheehan responded that the Town has three years to spend the ARPA funds.
4. What are the Town's year over year revenue assumptions? Mr. Duffy answered that 66% of Town revenue comes from tax revenue and another 10% comes from debt exclusion. In all, 76% of Stoneham's revenue comes from taxes. He explained that the Town has a high degree of confidence that this revenue is reliable from year to year. He also mentioned that, while State aid is variable, there is an ability to predict it to some extent. Mr. Duffy noted that the real volatility in revenue projections is in Local Receipts. He explained that the Town uses conservative projections on local receipts to err on the side of caution. He did indicate that Motor Vehicle Excise looked like it was coming in around the projections for this year. Mr. Waitkevitch asked what happens when the Town receives a surplus of revenue over projections. Mr. Duffy responded that the surplus will move into Free Cash.
5. What are the Town's new growth assumptions? Mr. Duffy explained that the Town reviews the past 6 years and then adds a conservative amount of new growth based on that average.
6. How are Water and Sewer indirect costs calculated? The Town calculates total revenue brought in for Water & Sewer and then represents that as a percentage of the total Town revenue. The Town then designates the departments that assist with Water and Sewer administration and use the percentage of revenue to determine the percentage of those areas' costs. Those are the indirect costs for Water & Sewer.

Mr. Waitkevitch then mentioned three other topics the Board had raised without the formation of specific questions.

1. An overall discussion about new revenue opportunities
2. A breakdown of the Arena's profit and loss statements
3. A discussion about grant writing

Mr. Duffy allowed Mr. Sheehan to make comments regarding these topics. Mr. Sheehan indicated that he would be happy to pull together financial statements for the Arena. As for grant writing, he explained that his analysis was that Stoneham is in line with our peer communities in terms of grant money awarded. Ms. Gray asked whether any of our peer communities have full

time grant writer positions. Mr. Sheehan answered that he would look into that. Mr. Sheehan noted that there could be value in Town positions that also include some grant writing skills.

Mr. Waitkevitch offered Ms. Craigie time to address the Board. The Moderator told the Board that she had received citizen feedback that the Finance Board should include more detail in their Town Meeting writeups. The Board concurred that more detail could be put into the Board's presentation. Mr. Mashburn and Mr. Harmon illustrated the potential pitfalls of giving too much line-item detail in the budget recommendation. Mr. Sheehan suggested that a focus could be on whether or not the Board supported the budget process. Mr. Memmolo was supportive of the idea and noted that the budget cannot be voted up or down in pieces; It is one piece of legislation. Mr. Waitkevitch suggested the Board wait on a final recommendation of the budget warrant article until there was more certainty that the numbers would not change.

Ms. Craigie, Mr. Duffy and Mr. Sheehan then exited the meeting.

Board Chair moved to Agenda Item #2. Mr. Hurley asked whether the Board would be able to get the Planning Board to a subsequent meeting to discuss Articles 7-9. Mr. Waitkevitch said he could see whether someone could attend a future meeting. The Board had no questions on Articles 1-5. The Board wanted to ask a question as to what Article 6 is meant to change with the Town's dog licensing regimen.

Mr. Memmolo wanted to know whether there is a specific underlying project in mind for the zoning change in Article 7. Mr. Harmon asked a similar question on Article 8 and Mr. Hurley on Article 9. Mr. Waitkevitch suggested that the Town Planner come to the Board to explain Article 10. The Board had no questions on Articles 11-17. Mr. Waitkevitch suggested reaching out to the Retirement Board regarding Article 18 and to the Department of Public Works for Article 19.

The Board had no questions on Article 20-21. The Board would like to ask the Council on Aging what the details are for Articles 22 and 23.

Board Chair then moved discussion to Article #3. Mr. Waitkevitch reiterated that there was another meeting on March 30th. The Board had a general discussion about the contents of the Town Meeting writeups. The Board then divided up the Articles for members to craft draft language. Ms. Bovat volunteered for Article 6. Mr. Memmolo volunteered for 21 and 22. Mr. Waitkevitch offered to write Articles 1-4. Ms. Gray volunteered for Article 5. Mr. Hurley took Articles 7-8. Mr. Harmon volunteered for Article 9 and Article 10. Mr. Mashburn offered to do Articles 11-12. Mr. Waitkevitch volunteered for Articles 13 and 16. Ms. Smith offered to do Articles 14 and 15. Mr. Harmon volunteered for Article 17. Ms. Gray offered to do Article 18. Mr. Tamaro volunteered for Article 19 and Mr. Joshi volunteered for Articles 22-23.

Mr. Mashburn introduced a motion to adjourn. Mr. Memmolo seconded; all in favor.

