

Stoneham Finance & Advisory Board Meeting
Monday, March 6, 2023 - 7:00 pm
Town Hall Hearing Room

Attendees:

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

Julieanne Bovat	Jen Gray
Ed Hurley	Sachin Joshi
Jeffrey Moyer	Wendy Smith

Absent: Mike Memmolo, Dave Tammaro

Guests:

John DeAmicis - Stoneham Liaison to MWRA Advisory Board

Agenda:

1. Meeting Minutes - Vote Required
2. Discussion with Stoneham MWRA Advisory Board Designee - John DeAmicis
3. FY24 Budget/Capital Questions
4. Updates
 - a. Water & Sewer
 - b. Capital
 - c. School Building Committee
 - d. Subcommittees
5. Other Business - Non Deliberative
6. Adjournment - Vote Required

Minutes:

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

Board Chair began the meeting with Agenda Item #1. Mr. Harmon had distributed the 12/20/2022, 1/3/2023 and 2/6/2023 meeting minutes for review. Ms. Gray introduced a motion to accept the 12/20/2022 meeting minutes as written. Mr. Joshi seconded; 7 in favor, 1 abstention (Hurley). Motion passes. Ms. Gray introduced a motion to accept the 1/3/2023 meeting minutes as written. Mr. Joshi seconded; 8 in favor, 1 abstention (Bovat). Motion passes. Ms. Gray introduced a motion to accept the 2/6/2023 meeting minutes as written. Mr. Joshi seconded; all in favor.

Board Chair then moved discussion to Agenda Item #2. Mr. Waitkevitch introduced Mr. DeAmicis. Mr. DeAmicis then provided a background for the MWRA and his role as Stoneham's designee on the Advisory Board. As part of his presentation, Mr. DeAmicis provided the Board with a handout of MWRA rate increases over the past several years. That material is included as Exhibit A of these minutes.

Mr. Moyer asked why the final approved rate increases are lower than the original proposed rate increases. Mr. DeAmicis mentioned MWRA job vacancies as a factor, thus having a smaller than projected payroll. He mentioned pushback on how aggressively the MWRA is going to fund its OPEB (Other Post-Employment Benefits) liability. Lastly, he mentioned pricing on supplies (fuel, etc). He also mentioned that when the MWRA generates free cash, it is put towards debt reduction. He stated that over 60% of the MWRA's revenue is earmarked to debt service.

Mr. DeAmicis then explained the nature of some of the projects that the MWRA finances. Currently, the Authority is planning a redundancy pipeline to support the existing pipeline from Quabbin Reservoir.

Mr. Waitkevitch acknowledged the comment about 60% of the budget going to debt service. From that, he asked what the most variable portions of the MWRA budget would be from year to year. Mr. DeAmicis mentioned the payroll variability on a workforce of 1000 people. He cited payments to the DCR for reservoir use. And also the power bill for the Deer Island facility. Last, he mentioned variable chemical costs for water treatment and purification.

Ms. Smith asked whether the MWRA generates revenue from selling end-of-process fertilizer. Mr. DeAmicis acknowledged that, but also said this was becoming more difficult as the fertilizer has tested positive for 'forever chemicals' (PFAS). Ms. Gray asked about the amount of revenue lost and Mr. DeAmicis indicated that the loss was minimal. Mr. Moyer asked about construction costs and Mr. DeAmicis confirmed that the MWRA construction projects face the same inflated costs as other projects. Mr. Joshi asked whether the MWRA has any conservation initiatives. Mr. DeAmicis responded by saying that the MWRA communities are collectively using 33% less water per day than they were in the 1960s. He said leak repair is critical, but that more efficient plumbing (toilets, shower heads, etc) have also contributed. Mr. Harmon then added that, in the time consumption has decreased by 33%, the population has grown by 33%. This indicates a cut in consumption by 66%. The Board then thanked Mr. DeAmicis for presenting. He then exited the meeting.

Board Chair then moved discussion to Agenda Item #3. Mr. Waitkevitch asked whether there were questions about the proposed budget. Ms. Smith asked Mr. Mashburn how difficult it was for the Capital Committee to allocate so much funding to Streets & Sidewalks. He said it was a struggle and he hopes the Town will keep funding this item at this level. Mr. Harmon asked whether the Public Works Department is still using the commissioned study on which streets to address. Mr. Mashburn confirmed that they are. There was then a general recap and discussion about the Town's paving study.

Ms. Smith then remarked on all of the new equipment coming in on the Capital Article. While the Board recognized and understood the reason vehicles are being funded through Capital rather than Operational budgets (that the Town was prioritizing staffing issues in the Police, Fire and Public Works departments), Ms. Gray noted that it is frustrating to see smaller departments continually miss out on capital projects. She also said that the Town should make an effort to bring Streets & Sidewalks into the Public Works operating budget.

Mr. Harmon stated that there would be more money to go around if the Town was able to bring in more revenue. Mr. Mashburn agreed and also added that the Town did better than most in navigating through COVID. Discussion then moved to the School budget. Ms. Smith brought up the Chapter 70 funding issue. As background, the Town received a significant amount of Chapter 70 funding from the Commonwealth. The Administrator elected to send that additional funding into the School budget. Mr. Mashburn inquired as to what the School Department was planning on using the additional funding to do. Ms. Gray and Mr. Harmon agreed. Mr. Harmon then suggested reaching out to department heads to ask whether they feel like they were deprived of something critical in the proposed budget.

Mr. Joshi asked what the Board thought would be a minimum number for Streets & Sidewalks to maintain them all considering the typical lifespan of the paving. Mr. Waitkevitch mentioned the paving study and how it suggested \$1.2M a year. He then mentioned that the study should be recirculated to the Board. Mr. Joshi also asked whether the announced tax cuts by the Commonwealth would impact the Town budget. Mr. Waitkevitch did not seem to think so because the tax cuts are the result of surplus funds AFTER local aid was dispensed.

The Board Chair then moved discussion to Agenda Item #4. Mr. Mashburn gave an update on the School Building Committee. He mentioned that the foundation has been poured, the construction steel was set to arrive soon and gave an update on the letter sent to the MSBA.

Board Chair then moved discussion to Agenda Item #5. The Board discussed the upcoming meeting calendar. Ms. Gray introduced a motion to adjourn. Mr. Harmon seconded; all in favor.