

Williamstown Finance Committee
February 23, 2022
Minutes

Members present: Doris Karampatsos, Michael Sussman (remotely), Charles Fox, Beth Goodman, Paula Consolini, Melissa Cragg, Dan Caplinger and Elaine Neely. Also in attendance and welcomed by all was new board member Fred Puddester.

Meeting called to order by Chair Melissa Cragg at 7:00 with brief self-introductions from the board members. Meeting held on a hybrid platform, both in person and via zoom. In attendance are: Charlie Blanchard, interim Town Manager, Anna Osborn, Town Accountant and Rachel Vadnais, Town Treasurer.

Melissa then reviewed all Finance Committee member assignments.

MGRSD.....Dan
DIREPaula and Melissa
Public Safety.....Fred and Melissa
Enterprise Funds.....Elaine
Public Works.....Beth

Melissa has resigned from the CPC effective March 15th, and asked Charlie Fox to be liaison. Melissa motioned and Fred seconded, all agreed. Elaine nominated Fred to be elected as vice chairman, Beth seconded, all agreed.

David Irwin, from Adelson & Company presented the Town Audit report for fiscal year end June 30, 2021. Adelson gave a clean, unmodified independent audit report with no findings. Balance sheet has three different basis of accounting. Full accrual basis, modified basis of accounting, where long term assets and long term liabilities aren't reported and budgetary statement are the three methods of account used during the audit. David gave kudos to collections for the low amount of receivables. This indicates excellent management of tax collections year over year.

A new category that arose was settlement liabilities that reflects the settlement for the Town Manager and the two police officers for a total of \$731,000. Dan asked about the method of calculation and the apparent inconsistency in the timing of recording. David said liabilities such as these are disclosed in letters received from legal counsel when the liability is known and quantifiable.

The Town's proportionate share of pension liabilities is approximately \$1 million dollars. OPEB (health insurance for retirees, 182 people) discounted (very low discount rate currently reflecting the rolling 20 year Treasury bond rate utilized) back to present day with projected cash flow included from investments (\$706,000) in the calculation from the actuary totaling \$22,298,000. A rolling five year number is used to smooth out the swings that can occur with changing investment returns, discount rates and health insurance costs as well as updates to the mortality tables. Additional items of note in the income statement are CARES funds (\$694,000) and ARPA funds (\$2.2 million).

The modified basis of accounting (excluding long term items) indicates that the Town has sufficient unreserved and undesignated fund balance to carry the Town forward. An item of note in revenues is that the Cannabis Impact Fee was significantly higher than previously budgeted for. Melissa congratulated on the clarity of Note 4 on contingent liabilities, specifically settlement liabilities in the Audit Report and asked if there are any other contingent liabilities that may be out there. No material potential liabilities are known.

Paula motioned to accept Audit as presented, Beth seconded. All agreed.

Charlie presented an overview of the Town's Budget for the upcoming 2023 fiscal year. Charlie gave kudos to the previous Town Managers who have focused on keeping the tax levy well below the maximum allowed. The difference (\$2.4 million or \$1.2 million including the debt exclusion) between the actual tax levy and the maximum allowable tax levy gives the Town a substantial cushion and indicates that the Town is in a strong financial position. The overall amount of tax revenue is anticipated to increase by 3.6% (\$666,000) much in line with last fiscal year's increase but with lower than historical amount of new growth.

Items of note in regards to increases in expenses are included in the following list: Funding for the severance agreements, creating a full time position for IT, creating a part time position to assist the Town Clerk, staffing and training impacts in the Police department, appointing the Town Accountant to fill the position of Finance Director as well as increasing the Town Manager salary to be more competitive in the Town's search to fill the Town Manager position. Also, increasing the Snow and Ice line item to be more in line with historical actual costs (offset by a reduction in Finance Committee reserve), health insurance costs rising by 8%, (the first time in three years that the Town has seen a health insurance premium increase), a Classification and Wage survey proposal (\$30,000). An estimated 2% increase for the schools' budgets is also included as a place holder for now.

Dan requested more transparency in regards to the spending of ARPA funds. The Select Board has voted in their public meetings to authorize what the ARPA funds can be spent on. The Select Board has reached out to the community for projects and ideas. Melissa asked if maybe there is something more holistic and strategic that can benefit the Town and to keep this top of mind as the Committee goes through the budget process with the various departments. Additionally, a discussion ensued about the increase in health insurance. Melissa requested that the Committee circles back to the discussion regarding the one month premium health insurance holiday in greater detail at a later time.

The Town previously passed Article 37. Paula and Melissa will be attending the DIRE committee meeting on March 7th. Paula is looking at low cost/no cost DEI training resources that can be utilized by the Town. Article 37 examines accessible living including people with a wide array of backgrounds and encouraging participation of the entire community, particularly underrepresented groups. The Town committed to training of Town employees for DEI training for public facing employees with quarterly reports to address progress etc.

Hugh Daley, Select Board member commented on ARPA funds. He focused on having the funds first used to deal with losses that were incurred during Covid and recapitalize cash, fund the design for projects that would be leveraged into projects funded by grants to get 'shovel' ready and to include projects that were needed to be done anyway to offset the cost. He is looking for FinCom input as well. He also commented that the 'pay as you go' method for paying for OPEB may be a method of payment that we can further explore.

Fred motioned to adjourn at 8:50 and seconded by Paula. All agreed.

Minutes respectfully submitted by Doris Karamatsos

