

**Town of Holliston**

**Finance Committee**

**Meeting Minutes**

**February 23rd, 2021**

The meeting was held remotely under the guidelines that were issued because of the emergency caused by the COVID-19 virus. All votes taken during this meeting were done as a roll call vote.

Mr. Szajda called the Finance Committee to order at 7:01PM. In attendance were Chairperson Ken Szajda, Vice Chair Dan Alfred, Sue Nersessian, Vincent Murphy, Michelle Zeamer, Tim Maxwell, and Clerk Mark Whittaker.

Other notable attendees included the full membership of the Holliston Governance Committee consisting of Chair Sam Tyler, Vice Chair Scott McKechnie, Clerk Paul LeBeau, Len Engel, and Christina Lingham. Also in attendance were Town Administrator Travis Ahern, Town Facilities Manager James Keast, Select Board Vice-Chair Tina Hein, Chief Cassidy, Conservation Agent Ryan Clapp, and Library Director Leslie McDonnell.

**Administrative tasks:**

Dan Alfred made a motion to accept the minutes from the meeting of February 9. The motion was seconded by Tim Maxwell. The motion carried 6-0-1, with Sue Nersessian abstaining.

The Governance Committee presented at length about their proposal for town bylaw changes. The proposed changes would significantly limit the Finance Committee's oversight and involvement in the budget process. Several Finance Committee members expressed concerns with the proposal and pointed out areas where oversight was being weakened or eliminated.

**The Finance Committee's individual thoughts are as follows:**

Dan Alfred thought that the reorganization of the capital article was a good idea as this will help with long term planning. Mr. Alfred also suggested the talent bank idea was a good idea as well. Mr. Alfred does not believe that the Town Administrator is independent of the Select Board, which would give the Select Board the ability to control the budget entirely. Mr. Alfred expressed concern about the process that the Governance Committee used to come up with their recommendations. One such concern was that the quantity of towns being used as models had appointed finance committees versus elected finance committees. Mr. Alfred pointed out that an appointed finance committee is responsible to the people who appointed them, rather than the town that elected that member, as what is found in Holliston now. This makes them significantly more independent and able to serve in the residents' best interests. Mr. Alfred expressed further concern about the elimination of wording in the town's bylaws as recommended by the Governance Committee, stating that the changes recommended are in fact even dangerous for the town's financial oversight. Mr. Alfred pointed out the language of the Town's bylaws that prevent the members of the Finance Committee from serving on other boards would directly prohibit the Finance Committee from being a member of the envisioned capital committee. Mr. Alfred went on to express concern that the budget process being run by the Town Administrator may

not be open meetings and that if those were the only budget presentation made that would limit transparency. Mr. Alfred stated that the process described by the Governance Committee would reduce the collaborative efforts with the finance committee and other departments as the select board through the Town Admin would control the whole process. Mr. Alfred also expressed concern that the people who spend the town's money should NOT also be the people who set the revenue expectations (amount of money able to be spent) or the guideline budget that goes along with that. Proper oversight dictates in government that there be some checks and balances. Mr. Alfred went on to state that the outcome, Holliston's strong financial position, may be proof that the process is fully functional, and that perhaps what makes Holliston so great is that we are NOT like the towns that the Governance Committee used as a model. Dan Alfred concluded that he viewed this as a very negative thing for the town overall despite the fact that there were a couple of good ideas included.

Vincent Murphy expressed concern with the order of the operations of the budgeting process as outlined in the document provided by the Governance Committee. Mr. Murphy went on to suggest that the organizational structure assumed by the Governance Committee to make recommendations is not the actual representation of the town of Holliston. Mr. Murphy specifically noted that the towns selected by the Governance Committee for comparison all had Charters and were governed by those instead of like Holliston governed by by-laws and the laws of the Commonwealth. Mr. Murphy noted that because the comparison towns had charters that they were probably required to codify the budget process and using those towns as a case in "best practice" when comparing them to Holliston was not appropriate.

Mr. Murphy also expressed concern over capital expenditures being part of the Spring town meeting when currently generally operational costs are covered as suggested by the Governance Committee. Mr. LeBeau, from the Governance Committee, responded by stating that over the past five (5) years the value of the capital requests in the Spring was about equal to the value of the requests made at the Fall Meeting and that the Governance Committee thought it made more sense to have both the capital budget requests and the operating budget requests be developed at the same time. Mr. Murphy also expressed concern over codifying a budget process in Town Bylaw, as opposed to setting it as a policy.

Michelle Zeamer made a point to make sure that it was noted that when she speaks of us or we or the FinComm, she's meaning finance committees in general as there needs to be an understanding that a bylaw outlives the current group, and any individual. Ms. Zeamer also clarified that our bond rating is as it is because of the lack of diversity in our tax base, not because of lack of bylaws. Ms. Zeamer questioned why the current procedure couldn't be codified, to which the Governance Committee responded by stating that a bylaw was needed to govern the process. She then asked if a bylaw was truly needed, why not just codify the current process, to which the governance Committee Chair stated that they think there is a better way and that it should be left up to the professionals not the elected finance committee. Ms. Zeamer pointed out that through experience she understands very well that when you are an appointed person on a town committee, you are responsible directly to the person who appointed you, NOT to the residents in town.

Ken Szajda offered a parting thought that the Governance Committee proposals clearly indicate that their intent is that Town Administrator should be responsible for the formulation of the town budget. He pointed out that the Town Administrator, the Treasurer, and the Town Accountant are already

heavily utilized by the Finance Committee, and that in making these proposals the Governance Committee has ignored the organizational relationship between the Town Administrator and the Select Board. If there was a desire by the Governance Committee to codify the Town Administrator's role in budget matters, Dr. Szajda suggested that the Governance Committee could specify that the Town Administrator work exclusively with the Finance Committee, outside of the jurisdiction of the Select Board, for one simple reason: The Finance Committee is an elected board that has no direct spending authority (other than about \$1,500 for somebody to take minutes for the committee). The Select Board oversees the second largest amount of spending in the town (Schools being #1). This would ensure that all users of town funds were subject to the same rules, as is the case now. Further, the budget that should be presented to Town Meeting should continue to be the one recommended by the Finance Committee. One of the greatest things about the Holliston Finance Committee is that it is an Independently elected oversight board that does not have a self-interest in the budget. The Governance Committee proposal makes financial oversight secondary to the desires of the Select Board and basically dismantles the strong balances and checks we have now.

The Governance Committee noted the feedback and said they were going to have other meetings and public hearings prior to making a final proposal for consideration by Town Meeting.

#### Budget Reviews:

Ryan Clapp presented the \$54,509 budget request for the Conservation Commission. This budget request represents a .13% increase YoY. Increases are due to some minor increases and decreases throughout the department.

Leslie McDonnell presented the \$521,518 budget request for the library. This budget request represents an increase of .69% YoY and meets the state requirements for library budgets. The increase is due to step increases in salary for the Children's Librarian, as well as a reduction in regular salaries. Other changes in the budget request included minor increases in cataloger costs, and an increase to longevity bonuses. Grounds and maintenance increased by \$1,015 (12.28%). This was offset by a reduction in the request for office supplies, as well as a decrease of \$300 to the professional development line. An increase to the books and periodicals charge of \$4,418 was also included in the overall budget increase for the year.

Travis Ahern presented the \$341,560 proposed budget for public buildings, which was then subdivided into three categories to be distributed to other budgets moving forward. This budget represented a 2.69% increase YoY. The increase to the budget was related to increases to Custodial services primarily due to COVID cleaning requirements.

Travis Ahern presented the \$427,966 proposed budget for the Select Board. This represented an 11.04% increase before factoring in dollars voted to the Select Board at the December Town meeting in 2020. Once the Town meeting dollars are factored in, the budget was \$427,966 but represents a decrease of 14.72% largely due to the removal of one-time money added for FY21 only.

James Keast presented the \$307,531 budget request for the Facilities department. This budget request represented a 9.12% increase to the budget YoY. This increase was due to some shifting of money from

other budgets into this budget. The Energy and Utilities costs and grounds/building maintenance as well as custodial services were shifted into this budget from the public buildings budget.

James Keast presented the \$104,700 budget request for the Wastewater Treatment. This budget request represents a 14.06% increase YoY. The increase to the budget request stems from significant increases to Professional Services required to operate and maintain the wastewater treatment system. The current maintenance contract is expiring, and the vendor has indicated that they will not be seeking renewal of the contract because the maintenance costs have increased to the point where it is no longer financially viable for them to continue. The expectation is that a new contract will be more expensive so that was factored into the budget request.

Town administrator updates:

Travis Ahearn gave updates on several items. Notable updates included:

1. Youth and Family Services has an employee who will be going on maternity leave soon and that temporary help might be needed. Travis stated that he would work to temp fill the position, but this may require some additional money.
2. The Farmers market at Blair square has been conditionally approved by the Select Board and will at this time have no cost to the town.

No Liaison Updates were made.

Covid Financial Report:

Chief Cassidy stated that the Cares Act dollars paid out \$15,000 in invoices last week.

General announcements and FY22:

No other announcements or FY22 updates were made.

Dan Alfred made a motion to adjourn, which was seconded by Sue Nersessian. The motion passed 7-0 and the meeting was adjourned at 9:53 PM.