

Town of Holliston  
Finance Committee  
Meeting Minutes  
November 30, 2021

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

Dr. Szajda called the Finance Committee to order at 7:01 p.m. In attendance were Chairperson Ken Szajda, Vice Chair Daniel Alfred, Vincent Murphy, Michelle Zeamer, Mark Whittaker and James Robinson. Iris Sobchak was not in attendance.

Dr. Szajda stated that the main purpose of this meeting is to go over budget parameters for FY23. Dr. Szajda also asked all members to review all the minutes they were sent and make whatever changes and to get them back to Ms. Rodrigues to be updated and get ready to be voted on.

Mr. Ahern gave updates re: PEC meeting today looking at doing Medicare buy-in for our retirees who are not eligible for Medicare. It's a small group but all cities and towns have these. There is a provision that went in after 1986 where essentially if somebody has entered the system since then it is essentially being cleaned up. We have a number of people who retired who had entered the system before then and they are not eligible for Medicare for the rest of their retirement. They will be on a commercial plan which hits the Town and themselves and it unfortunately hits their own pocket differently.

Had the OPEB Trust Committee meeting today and that all went as was discussed with the Finance Committee Financial Policies. There will be a full valuation every 2 years which is next year, and at the state for FY23 budget we are still looking at \$1.5M into OPEB. The first \$250K from Free Cash went into Pension Stabilization Fund and did get some good feed-back from Parker Elmore on just how advanced we are as a Town in terms of looking at both of those things. The meeting they had was recorded and will be up on the website tomorrow under the calendar for the OPEB Trust Committee meeting. Parker has also sent a lot of information, one of your members, Vincent Murphy, had asked them some questions and he put together a FAQ which then I provided to everybody as well as the OPEB Trust Committee.

Mr. Ahern gave update on where we stand with the FY23 budget planning. When doing the FY21 budget preparation it was during the onset of the COVID crisis. In FY22 budget we put together a budget process that he believed worked for them, while working through a lot of unknowns. This year we have more clarity and we can all shoot for the most efficient process possible. One thing that worked last year was explaining what a level service budget is, which is not to say that must come in at 0%, that's not what level service is. If you have requests above a level service, to make sure that you are segregating those requests, make sure you are fully explaining what those are if its COVID related explaining that. One thing last year is that we hadn't set a non-union COLA because of everything going on at the state level. He thinks we are in a good position to set the COLA now, this at 2% for non-union.

Mr. Alfred raised a question/comment with regard to the non-union COLA, how were we planning on thinking about that, or is Mr. Ahern going to make a recommendation to them. He asked if in the past they had voted on it. One thing he had been thinking about was that the 2% number Mr. Ahern mentioned he did not disagree with but he did think that it would be good to quantify what a % cost it is, what the cost of 1% is. The only reason he was saying this was that we shouldn't necessarily be putting current employee pay in it. Most of the positions that are under this are Select Board previewed departments. Mr. Ahern stated that we really have 2 categories with regard to non-union Department Heads (Schedule M), Office Managers and a 50-500 wage chart. When it comes to the M-Schedule, the office managers and the 50-500 chart, we have talked about a few different things. One, his idea for this coming fiscal year would be that the budget through the departmental requests can reflect the COLA. Beyond that the Town Administrator recommended budget for the department head schedule could reflect merit pay which is something discussed last year based on performance evaluations. The other categories of non-union employees had not been really evaluated against the market. So the idea for the FY23 budget would be the COLA. One thing that we will also then evaluate is the 50-500 scale and that we may need to set as a group number that can be set aside for what that would look like. There are positions that are significantly out of market. There are positions within the 50-500, think of the entire library, for example, that would fall into that category and are not under the preview and those things. Based on the budget process, departmental requests reflect the COLA that has been set and that any adjustment that need to be made after the fact will be vetted through all these processes, the Select Board, Finance Committee and Town Administrator processes as needed. Mr. Alfred stated that he will not vote for any kind of bucket money to be set aside for any kind of compensation changes. We can leave it as unassigned cash at the bottom of the spreadsheet then we can assign in November. But there is not going to be any kind of say \$75K bucket that we then put into the benefits budget, to then be used for pay adjustments that happen at a later date.

Ms. Zeamer asked how we are going to discuss COLA for non-union people when we don't have a teacher's union contract yet. We are discussing equity and the largest player in the Town doesn't have a contract for its employees yet. Mr. Ahern stated that he would not connect the two. Mr. Alfred stated that he would not see a union settling a contract at less than 2% so he doesn't think that probably at risk of upping the bar. Mr. Ahern thinks there is a possibility if we evaluate our 50-500 scale non-union employees, that it might only be that we simply have to raise the whole thing to above 2%. It might be that some of the specific positions over time have fallen out of whack. So it might be and some of those situations might not be fixed in one fiscal year. It may be that we need to take a measured approach over a number of fiscal years if an evaluation were to identify those issues. So he agreed with Ms. Zeamer with what she was saying but his point was to go into a budget so that we can realistically look at this budget year with a 2% number knowing that we are also doing evaluation that may impact a small group, it may impact the whole group. To say that the whole scale is out of whack, that is something that until we do the evaluation, all agree right off.

Ms. Zeamer asked that now that we have an HR Director, do we need to have a comprehensive study. Is she capable of doing that without an outside third party doing that? Mr. Ahern said no and there are a couple of different scenarios, one, if you hire a consultant, you can say that we need you to evaluate every job description. We need you to sit down with every employee and

go through those job descriptions. We need you to comp out that job description by other towns and do all of that before you begin to do any analysis. Then the study becomes significantly larger of an engagement. Whereas, if you can internally say these job descriptions have been looked at because we posted the positions in the last couple years, these ones haven't. We are going to look at them and we are going to sit down with the employee and we are going to internally go through and make sure that all of these things are up to date and accurate so that they can be comped out and then engage someone to do that evaluation. The engagement is significantly less expensive and we can do without any type of line item transfer and those such things. He has procured these types of engagements before, he thinks that that is where we are set up the best right now to have a good split of the internal work which is making sure the job descriptions are up to date etc. vs. having somebody do the third party work to make sure everybody is comfortable that the Town is considering all these things; from the Finance Committee perspective and the employee perspective.

Liaison updates – Mr. Alfred and Mr. Whittaker meeting with Parks tomorrow. Mr. Ahern has put together some excel spreadsheets with the numbers on the cost of enhanced services to the Parks Dept. that will involve the DPW. Mr. Ahern brought up that he is still waiting on the Street Lights, it's in the hands of lawyers and we have a month left so he will reach out one more time. Dr. Szajda asked if it is pretty much a high probability that we will be buying lights or are we still evaluating that possibility vs. paying the triple electric rate. Dr. Szajda asked if this is the path that is being moved forward on. Mr. Ahern stated there are a number of things that he would like to make sure we get for the Town's protection, which in the long run, if we do buy the lights that we will need a maintenance plan. But we can't make that happen over-night. Really we would want to probably engage in a maintenance plan, after hypothetically we were to convert. So we are pursuing a number of things, Mr. Meo specifically has been involved and obviously the Sustainability Coordinator as well to make sure that we as a staff are as ready to go as possible. So the answer to the question is that he is of the assumption that we are going to purchase the street lights because just tripling our rate for the exact same level of service is problematic from a budget perspective and the fact that we are not using them efficiently. So he thinks based on all of the information he has provided to the Committee it would not make sense to pass on the opportunity.

Dr. Szajda said the other question he was going to ask is, we are obviously not the first community to do this, some communities have municipal electricity already but some are like us where they don't have municipal electricity but they own the lights. So have you reached out to those communities to talk to them about not so much the fact that they own the lights but any pitfalls like this that we should be aware of going into it in terms of you know do they say we just took over and there was this initial bumpy period like we are going through now. But then once we got on the plan everything was fine and we were able to do it for do they say oh, make sure you think about this or this and this, that we ran into that you want to avoid

Mr. Ahern stated he had gotten some good feedback from others. One was don't take the inventory that they provide you, do your own inventory, so we are prepared for that. Mr. Meo has talked to some potential opportunities to get that done, a couple other things are specific to if we were to convert rights, and we have a lot of feedback on how people have gone through the conversion process. Then our attorney, Mead, Talerman and Costa the lead attorney on the

sustainability energy type things is Atty. Lisa Mead. She has dealt with a number of different municipalities that have gone through this and she has been a great help as well. Mr. Robinson asked in terms of what Mr. Ahern said “do your own inventory” would you also be looking at how many lights are burned out, or functional would that be part of the inventory? Mr. Ahern said yes and we currently have a list and so what happens in a situation where we don’t maintain the lights is that we identify the light, generally sometimes through HPD, provides it to the staff. We put it in through our system to say please fix the light to Eversource. He said that that list is a long one and that the time to fix them is that if were to have another maintenance agreement where we had a little bit more ability to see immediate results when we asked to have it fixed that would be a better service level. Mr. Robinson meant that if we took it over and there were 50 lights not working, is that part of the negotiation and Mr. Ahern said yes.

Discussion ensued as to new developments and road acceptances and if those lights would be town owned or part of subdivisions, etc. Mr. Ahern stated we don’t own the poles and don’t own the liability of the poles. We only own the attachments so if we accept them then it’s in that. When we accept the roadway and those were on there, they went into the equation of what we were being billed on.

Mr. Alfred made a motion to adjourn and was seconded by Mr. Whittaker. Voted 6-0 to adjourn at 7:41 p.m.