

## FINANCE COMMITTEE

March 23, 2023

**Members:** Chair: My Linh Truong Vice Chair: John Miller  
Hafiz Adamjee, Megan Blackwell, Jeff Calabrese, Stefan Carp, Yannis Evrigenis, Lauren Hermann, Patrick Matteson, Nicole Soto, Enzo Rascionato, Derek Ross, Brian Vernaglia, Kathryn Hughes

**General Business** Chair Truong called the meeting to order at 7:31 p.m.

**Roll Call:**

Brian Vernaglia  
My Linh Truong  
Megan Blackwell  
Enzo Rascionato  
Nicole Soto  
Kathryn Hughes  
Hafiz Adamjee  
Laureen Hermann

**Late Arrivals:**

John Miller  
Derek Ross  
Jeff Calabrese

**Missing:**

Stefan Carp  
Yannis Evrigenis  
Patrick Matteson

**Guests-**Diab Jerius-Director, Planning Board, Sally Dale-Planning Board, Nick Cacciolfi-Manager Recreation Department

**Public Comments-**FinCom Member Blackwell congratulated those FinCom Members who ran for office and were elected.

**Planning Board FY24 Budget**

Diab Jerius, Chair of the Planning Board began by stating that his budget is different from the Town Manager's version. It is different in two areas. One is under Personal Services which reflects the addition of a Town Planner and Assistant Town Planner. The other is under Professional Services which reflects an increase in consulting fees. (\$80,000 vs normal amount of \$35,000 to \$45,000) The reason for the increase is due to two on-going studies:

1. North Main Street Corridor Revitalization (Consultant: Form & Place)
2. Holton/Swanton/Cass Light Industrial and Residential Zones

The North Main Street study is being done in conjunction with the new MBTA requirement which mandates a specific number of multi-family housing units near commuter rail stations. The consultant for this project is Goldson Community Preservation.

As a result these studies there are additional monetary requirements of \$80K. It was noted that the requested monies total \$70K and not \$80K. It was stated that this in an error which was previously recognized and has been subsequently corrected.

A question was raised regarding the timeline to complete both studies and its impact on tax revenues. It was confirmed that the North Main Street study will be completed in Spring 2024 and Holten Street in Fall 2024. Regarding the revenue impact it is difficult to predict due to the length of the project. It was commented that the Holton Street study has been on-going for years. The Planning Board felt that the study is going according to plan and noted that it did not start on time. Another comment: Why not focus on one study and bring it to completion. A request was made by FinCom to view the scope of work for both projects. Diab Jerius agreed to forward to the FinCom Committee.

A question was asked if there is any data that shows the impact of these studies on the commercial tax base. The Planning Board responded that it does not directly impact this. As an example, it was stated that the rezoning of the central business district has brought in a sizable amount of commercial and residential development. Furthermore, it was stated that in order to increase the commercial tax base by 1% it would take an additional 200K of commercial space. The Planning Board's goal is to increase interest in investing in Winchester.

A question was asked how much money and time was spent on 10 Comverse. It was responded that very often the Planning Board has to step in to support projects either by attending meetings and/or preparing grants.

Due to resource issues the Planning Board has been unable to reach out to existing tenants. They have largely been relying on consultants. Many felt that there is technology available to assist with surveys. FinCom Member Jeff Calabrese offered to work with the Planning Board to facilitate outreach programs.

The Planning Board commented that there is an overall communication problem in town. A FinCom member suggested that the Planning Board should maintain metrics which can be provided to consultants.

A question was asked if there is a lack of bandwidth to adequately supervise planning studies. It was confirmed by the Planning Board that they have an experienced candidate from Arlington who will hopefully step in to deal with project complexities. A request for an Assistant Town Planner was rejected by the Town Manager. The Planning Board however is looking to onboard the Assistant Town Planner in December 2023. To pay for the position the expectation is that the Assistant Town Planner will be generating grant monies.

FinCom Member Kathryn Hughes moved for favorable action the FY24 Planning Board Budget for \$192,524. (\$121,624 Personnel Services, \$70,900 Expenses and \$0 Equipment)  
Seconded by FinCom Member Brian Vernaglia.

The FY24 Budget represents a 7.9% increase over the FY23 pre-Cola budget and a 6% proposed nominal increase over the FY23 approved budget.

Reviewed the standard areas the planner covers. These include:

- Multi-family housing permit application review and approvals
- Continued support for:
  1. Master Plan Implementation
  2. Trees Working Group
  3. ADU Bylaw
  4. Transportation Master Plan
  5. Multi-family Housing permit application review and approvals
  6. Subdivision approvals
  7. CBD approvals.

It was questioned why was multifamily not on the list previously. It was thought there are new laws this year

It was felt that a 65% increase in consulting fees seems excessive given the unknowns on revenue impact and project completion dates. A new Part Time Planner was requested to start in December 2023 however it is not clear if the positions role will align with the Full Time Planner's priorities. For these reasons, it was agreed to reduce Professional Services by \$17,500 for a total amount of \$70,900.

The Part Time Planner position was eliminated from the budget by the Town Manager. FinCom agrees that it is too early to bring someone new on until such time the full time planner is replaced and onboard.

Professional Services was increased by \$35,000 to engage consultants to assist with the North Main Street Corridor Revitalization and Holton/Swanton Light Industrial studies.

The Planning Board expects to turn back \$65,000 from its FY23 Personal Service Budget. It was thought that the Planning Board may be ahead of themselves as it pertains to the new MBTA housing requirement. A legal review may be in order.

One idea is to create a new position of a Grant Coordinator to serve all functional departments in Town.

It was suggested that the following statement needs to be quantified: An increase of 1% in the commercial tax base will require 200K square feet of new development. FinCom Member Kathryn Hughes agreed to follow-up. On a related note, it was confirmed that modeling was done to support this statement. Vice-Chair John Miller will circulate the supporting documentation to the FinCom Committee.

It was commented that in order to get traction why doesn't the Planning Board refocus and restate goals for one year.

In terms of further reducing the budget why couldn't expenses be reduced by \$40 or \$50K. It was stated that this would be less than previous years. It is unclear if the Planning Board is contractually obligated for the requested monies. FinCom Member Kathryn Hughes agreed to follow-up with Planning.

FinCom Member Megan Blackwell motioned to reduce the FY24 Planning Board expense from \$70,900 to \$70,000 for an \$18,400 overall reduction. Seconded by FinCom Member Brian Vernaglia. Vote is 10 in favor and unanimous.

Motion to approve the FY24 Amended Planning Board budget of \$191,624. Vote is 8 for and 2 No. The amended Planning Board Budget passes.

### **Recreation Budget FY24 Budget**

Recreation Director Nick Cacciolfi began by stating that Recreation is asking for \$175K to supplement the Recreation Budget. He further added that the Recreation Department operates under an enterprise fund. The goal of the enterprise fund is to breakeven and create revenue which is invested into retained earnings. (like a savings account) Retained Earnings can be used to offset any deficits.

The Recreation Department must absorb indirect Town costs. In addition it must also pay for other costs such as snow removal, cleaning supplies, janitorial etc.....As such overhead is much higher. The town allocation varies every year.

It was noted that between July 22 and Feb 23 overall revenues from programs are up \$240,276 or average increase of \$30K per month. Furthermore, it is anticipated that revenue between March and June 2023 is expected to increase by \$60,000.

The department is planning on hiring another Program Supervisor to assist Jim Sullivan. The position was approved at the Fall Town Meeting and it is anticipated that the new hire will onboard soon. The addition of the position will help offset seasonal hiring costs and grow revenue. The goal is to not to raise fees and bring more revenue from grants.

A question was asked if the goal is still to move from the Enterprise Fund. Recreation replied that it has been able to make it work and more importantly grow retained earnings. At the close of FY22 retained earnings was estimated at \$510K. The second question are revenues and expenses capped. It was stated that both revenues and expenses are capped at a 2% increase per year.

FinCom Member Brian Vernaglia moved for favorable action the FY24 Recreation Department Budget for \$2,237,770. (\$1,487,924 Personnel Services, \$749,846 Expenses and \$0 Equipment) For the Yellow Sheet an additional \$382,431 for indirect costs bringing the total budget to \$2,620,201. Funding Sources: \$2,445,201 from FY24 Recreation Program receipts and \$175,000 from a General Fund transfer and 0 from Retained Earnings.

Seconded by FinCom Member Megan Blackwell.

The proposed budget includes the addition of a program supervisor. The proposed budget excluding indirect costs represents a .5% pre-COLA increase.

The Recreation Department's biggest revenue generators are their afterschool, pre-school, and summer kids programs. These programs bring in 60% of the revenue. Recreation expects to run the Lynch after school program at the Rec Center while the school is under construction. However, the School Committee is looking to run an after school program (Kidsborough) at Parkhurst which would compete against the Rec Center. This would negatively impact the Recreation Department's revenue. The plan for Parkhurst is a contingency plan only. Under the Parkhurst plan it appears that busing will be free.

A comment was made that it appears two town agencies (Recreation & School Committee) are actually competing against each other. It was felt that this makes no sense.

Temporary employee costs are projected to decrease while permanent employee costs will rise. Expenses are projected to rise by \$30K. Except for the Covid years the towns allocation has been has been running around \$200K while indirect costs have risen dramatically. (\$258K in 2015 to \$382K projected for FY24)

No ARPA monies have been received however capital funding is needed for the tennis courts and beach repairs.

Motion to approve the FY24 Recreation budget of \$2,237,770. Vote is 10 for and was unanimous. Recreation Department Budget passes

### **Information Technology (IT) FY24 Budget**

FinCom Member Hafiz Adamjee moved for favorable action the FY24 IT budget for \$718,900. (\$134,695 Personnel Services, \$562,205 Expenses and \$22,000 Equipment)

Seconded by FinCom Member Brian Vernaglia.

Overall, the Town's IT budget is proposed to nominally increase by 5.7% vs FY23 budget. This is driven by a \$33K software investment & maintenance contracts and \$15K in equipment.

The Town's and School's IT departments are separately budgeted and inadequately staffed. Matt Griffin is the only employee on the Town side and there is a concern that if he left would leave the Town at risk. Previously, the Town had two IT personnel. The Town Manager has approved a request to add another person. The sub-committee is opposed to the additional headcount. It was felt that external support could serve as a backup at a cost of \$70-\$85K. Furthermore, sharing network administration responsibilities with the School Department could be a viable synergy opportunity. It was felt that there should be one leader for both IT departments.

Expenses are up \$23K due to software and maintenance renewals. It was noted these are estimates. Professional Services are down from FY23. Equipment is up by \$23K due to upgraded wireless access points. A comment was made that there should be enough work to support an

additional headcount. It was responded that there has been no concerted effort to investigate outsourcing of certain IT activities. The sub-committee is making a stand to force a change in policy.

FinCom Member Brian Vernaglia motioned to put the additional headcount back into the FY24 budget at a cost of \$95K. Seconded by FinCom Member Nicole Soto.

A question was asked how does the Town Manager feel about combining both IT departments. The Town Manager argued this has been investigated in the past and not pursued. On related note, if the budget is being cut why not add the monies for outsourcing resources. It was felt that a comprehensive review is needed prior to pursuing outsourcing.

A comment was made that it appears that we just adding bodies and not developing a strategy. The town needs to be fiscally responsible.

It was stated that the School Department is its own entity and can make any changes as they see fit. It was thought that maybe the Town should start charging for services rendered to the School Department. This might change town government's mind on the current model.

There was comment made that being without an IT person is too big of a risk.

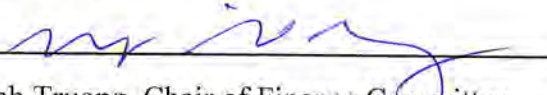
Motion to approve the FY24 Amended IT budget of \$814,536. Vote is 3 for and 7 No. The amended IT Budget does not pass.

Motion to approve the proposed FY24 IT budget of \$718,900. Vote is 8 for and 2 No. The IT Department Budget passes as proposed by FinCom Member Hafiz Adamjee.

### **Adjourn**

FinCom Member Brian Vernaglia moved to adjourn the Finance Committee meeting and the motion was seconded by FinCom Member Megan Blackwell. The motion passed unanimously. FinCom adjourned at 10:38 p.m.

Respectfully submitted,  
Gary Lozowski, Recording Secretary of Finance Committee

Approved by:   
My Linh Truong, Chair of Finance Committee