

Town of Bedford Finance Committee

Remote Meeting - Zoom

January 13, 2022

Minutes

Finance Committee Members in attendance: Stephen Carluccio (Chair), Elizabeth McClung, Paul Mortenson, David Powell, Stephen Steele, Karen Dunn, Ben Thomas, Erica Liu,

Others in attendance: David Castellarin, (Finance Director), Margot Fleischman(Select Board), Ed Pierce (Select Board), Sarah Stanton, (Town Manager), Amy Fidalgo (Assistant Town Manager), Richard Callaghan, (Director, Bedford Free Public Library), Noreen O’Gara, (Assistant Director, Bedford Free Public Library), Mary Ellen Carter, (Chair Capital Expenditures Committee), David Manugian, (Director of Public Works), Tassir Alani (Schools Director of Facilities), Mike Rosenberg (Bedford Citizen)

Chair Carluccio called the meeting to order at 7:02 pm.
Reads Remote Meeting Guidelines.
Calls the Roll of Committee Members in attendance.

Noted for the record that the meeting is being recorded by Bedford TV.

I. REGULAR BUSINESS

1. Public Comment

None

2. Bedford Library Budget Presentation/Discussion

Chair Carluccio recognized Richard Callaghan, Library Director for the Library presentation.

Mr. Callaghan notes that the Library has provided the formal Budget Summary document as well as a two page Library Budget Summary. He states that almost all increases are employment related. Also notes that the Trustees have approved the proposed Budget.

Mr. Callaghan summarizes what is being asked for. No increase in hours. Have the same number of staff as two years ago. Salary increases have been affected by the increase in minimum wage and COLA at 2% We have consolidated positions. Trying to make this a more attractive location to visit and to work at.

Chair Carluccio moves to asking for Member comments and questions.

Member Powell asks about the use of the Merit Article numbers.

Mr. Callaghan describes his calculation process.

Member Powell asks for confirmation that the Library meets the State Aid Requirements.

Mr. Callaghan confirms it does.

Member Liu thanks the Library staff. Asks about Library Assistants.

Mr. Callaghan describes these people as all non-benefit part time workers.

Member Liu asks about other types of staff members listed.

Mr. Callaghan provides explanation.

Member Thomas expresses thanks to the entire Library Staff. Asks about Library deliverables during Covid.

Mr. Callaghan provides explanation of both during Covid closure as well as since re-opening. Have not yet returned to full pre-Covid visit and use numbers but anticipate continuing to increase back to those numbers.

Mr. Callaghan and Ms. O’Gara discuss various funds available as well as expenses.

Member Dunn expresses thanks to the Staff. Asks about membership in Minuteman Library Association.

Mr. Callaghan provides explanation.

Member Dunn asks about a new 5 year plan.

Mr. Callaghan explains planning process.

Member McClung thanks the Staff.

Member Steele asks about the cost of electronic media being more than non-electronic.

Ms. O’Gara provides detailed explanation as to what the publishers are doing with charging for the electronic media.

Member Steele asks about the calculation of the Merit increases.

Mr. Callaghan provides this.

Member Steele asks about purchases and expenses incurred during Covid closure.

Mr. Callaghan details this as well as indicating where some reimbursement was available through Covid funding.

Chair Carluccio expresses thanks for all the effort by the Library and especially what services were provided during Covid closure.

3. Bedford Capital Expenditures Committee Presentation/Discussion

Chair Carluccio welcomes Mary Ellen Carter, Chair of the Capital Expenditures Committee.

Ms. Carter reviews her presentation materials and describes the meetings held of the Committee during the last year and their review process for the various projects.

Ms. Carter reviews the various projects deemed noteworthy for the Department of Public Works, For All Schools, for School Specific and for Facilities.

Ms. Carter also discusses the Town-MUNIS Software Conversion Project. It was voted not to be included in the Plan at the 11/17/21 meeting of the Committee since there was not sufficient information about the alternative options. We had a meeting last week at which the Committee was presented with further information. A further vote of the Members resulted in 3 in favor, 3 not in favor and 3 stating that insufficient information had been provided. Ms. Carter states that she feels that the issue is one of cost among various alternative replacement systems not the need to replace the existing system which everyone agrees with.

Ms. Carter discusses Upcoming Fiscal Years projects including water quality improvements, transportation improvements and the cemetery expansion. She also discusses the various Upcoming Fiscal Year Facilities Department projects including Net Zero Boiler Replacements, Net Zero Road Replacements, Net Zero Univent Replacements and site improvements at 108 Carlisle Road.

Chair Carluccio moves to Member comments and questions.

Member Powell asked about a space needs issue.

Ms. Carter provided a satisfactory response.

Member Liu asks about spending money on the old fire station.

Ms. Carter responds with a description of current needs.

Member Liu asks about the cemetery expansion.

Ms. Fidalgo notes what is included.

Member Liu asks why the expansion is needed.

Ms. Carter provides an explanation.

Member Liu asks about Wilson Park.

Ms. Carter provides an explanation.

Member Thomas asks about thermal imager vendors involved.

Ms. Carter states this is just a quote from a vendor.

Member Thomas asks about elevators.

Mr. Alani provides a response.

Member Thomas asks about Police Station panel replacement.

Mr. Alani provides a response.

Member Thomas asks about road reconstruction/paving.

Mr. Manugian provides a response.

Member Thomas asks about the pavement index.

Mr. Manugian provides a response. Looking to gain improvement to the index. Moving from 70's to low 80's.

Member Thomas asks about the card reader replacement.

Mr. Alani provides a response.

Member Thomas asks about water improvement and interior painting.

Mr. Alani provides a response.

Member Thomas asks about the split heat pumps.

Mr. Alani provides a response. Design and fit construction.

Member Thomas asks about exterior painting.

Mr. Alani provides a response. States that they follow the state procurement rules. Explains the staff he has for procurement process.

Member Dunn asks about water quality. Is there anything similar to the pavement index.

Mr. Manugian provides a detailed response with indicators involved.

Member McClung asks about the process for getting the projects on the list.

Ms. Carter provides the explanation of the process and how it works.

Member McClung asks about whether the expected Burlington connection for water will have an effect on reducing the water usage for flushing.

Mr. Manugian provides an explanation. Will eventually affect water quality.

Member McClung asks about paving issues and drainage.

Mr. Manugian explains the process and what might be addressed in the future.

Member McClung asks about the space studies and asks if any efficiencies with combining these studies.

Ms. Carter provides a response.

Member McClung asks if Covid money can be used for replacement furniture for the schools.

Ms. Carter states that she does not know.

Member Steele thanks all the Members of the Capital Committee for the work this year.

Ms. Carter thanks Ms. Fidalgo for all her efforts as well.

Chair Carluccio expresses his thanks for whoever finally got a bathroom installed at the football field.

Chair Carluccio asks about whether this capital plan will be challenged as a result of the current state of the economy and have these costs discussed tonight been considered with respect to inflation.

Ms. Fidalgo states that both issues have been considered.

Chair Carluccio asks about whether we still have a running list of approved projects.

Ms. Fidalgo states that we still do have the list and she can provide it to the Committee.

Chair Carluccio promotes Margot Fleischman.

Member Powell asks about a notation that indicates that ARPA funds will be used for part of the Burlington Connection water project.

Ms. Fidalgo states that ARPA money will be used.

Munis Discussion

Chair Carluccio recognizes Select Board Member Fleischman for a discussion of the proposed acquisition by the town of MUNIS financial software.

Ms. Fleischman states that at the Select Board meeting on Monday night, the Select Board voted unanimously to move forward with MUNIS.

Ms. Fleischman states that MUNIS has been on the town's radar for a while but did not make it to the Capital Expenditures Committee soon enough. Unfortunate looking back on it. We appreciate explaining why this is a priority. Should be plenty of time between now and Town Meeting to make the case for this important project.

Our financial software is a backbone item for the town. Cannot do without it. Our current system is being phased out. We will have to convert to a new platform no matter what. The time is running out to begin since it is a multi-year process.

Replacing our financial software had been suggested internally by our former Finance Director in 2018. Began having problem with current system. Our auditors suggested that we consider moving to MUNIS.

Ms. Fleischman reviews the problems that exist with our current system. Also current system has limited customer support staff available.

Ms. Fleischman details why MUNIS should be selected for the replacement system. She also details the advantages of MUNIS. Provides a substantial step forward for the town's financial personnel.

MUNIS is a nationwide company with over 2000 clients. They provide substantially more customer service. Over 230 customer support staff. We would get our own dedicated support staff to work on the conversion.

In addition, MUNIS is the norm. It is the industry standard for municipal government and has been what municipalities turn to when conversion is necessary. 226 of the 351 municipalities in Massachusetts use MUNIS. We feel strongly that using MUNIS will affect recruiting of qualified employees.

The appropriation in the Capital Budget is just over \$827,000. Would include the costs of the conversion, the costs of hosting of the software as a service, the redesigned chart of accounts. It also includes a healthy contingency. The funds will be appropriated in one year but spent over the phases of the project.

Explains that the town will have to continue to run the current system during the conversion process. The costs to run the current system will diminish over time.

After the three year conversion, the annual costs of MUNIS will be \$227,000 all inclusive.

The Select Board feels MUNIS is the right product for Bedford. Now is the time to do it and we need to get change in place before the current system sunsets.

The Select Board voted unanimously to move forward with MUNIS. Believe it is very important to move forward with this project.

Chair Carluccio opens the matter for Finance Committee Member questions.

Member Powell agrees that MUNIS is the best product. Also, thought the memoranda from Mr. Castellarin to the Capital Expenditures Committee were excellent presentations for why this project with MUNIS should go forward.

Member Liu appreciates all the hard work involved here.

Member Thomas provides thanks to Ms. Fleischman. States he supports this funding project. Need to look at the funding sources. Could possibly use Free Cash.

Member Dunn completely supports this project as detailed here and vendor choice.

Member Mortenson also completely supports this project.

Member McClung comments about the cost of MUNIS. Has concern about the timing of this project. Is concerned about the lack of experience of current finance department people with the current system. Not a fan of using Free Cash for an item like this. Should consider bonding this. Also concerned the yearly costs involved. Hopes that there may be some savings in current costs. Agrees that it will be much nicer to be using this type of integrated system.

Member Steele explains his concerns with the stated costs for the addition of this new system, the operation costs going forward and the costs of winding down the old system over time. Also would not use Free Cash. Should be bonded. Is also concerned about why this project, which has been on the horizon for years, has not been put on the Capital list until now. Also concerned about using current staff for this conversion project. Believes this will be very difficult and has not thoroughly been considered.

Member Thomas clarifies his suggestion for the use of Free Cash to be only for the initial purchase.

Chair Carluccio asks for an explanation of how the costs are paid over time and what is included in the \$827,000

Ms. Fleischman provides the explanation. Also notes that the \$827,000 covers the full conversion for 3 years. Year 4 would start the annual costs for system maintenance. Will be included in operating budget. MUNIZ also notes that the \$107,000 contingency included in the initial costs is not expected to be ever used.

Mr. Castellarin explains in detail how the costs will be billed and at what times. Also explains the contingency. Also notes that he has substantial experience with MUNIZ which will lessen the

learning curve. Also explains the payment needs to the old vendor for what will probably be 3 years.

Member Steele asks Mr. Castellarin to confirm that based on what he has said now, the full cost for this project over 3 years is now \$1.3 million including the continued payment to the current vendor for 3 years.

Mr. Castellarin agrees with that figure.

Member McClung asks for a description of what security we would have in moving to MUNIZ.

Member Powell states that there will be cost savings involved with operating the new system.

Member Thomas notes the ability to handle security will be much better with MUNIZ.

Chair Carluccio expresses thanks to Ms. Carter for her efforts here.

4. Minutes

Draft Minutes for September 16, 2021 meeting.

Motion to approve the Minutes for the September 16, 2021 meeting by Member Steele.

Second by Member Powell

Roll call of Members in Attendance

Vote: 8-0-0

Motion carries

5. Review/Discussion FY2023 Fincom Budgeting Model/Budgeting Issues

Member Steele wants to be sure that the Merit is accounted for properly for later consideration.

Member McClung agrees with Member Steele. Also notes that three versions of the Model all have the same date.

Chair Carluccio notes that has had a discussion with Schools, Item 343, is at \$500,000. The schools are possibly going to be asking for an additional \$300,000 range addition to the Reserve Fund. Also may have another roughly \$200,000 for out of district education costs.

Member Thomas suggests that these types of requests should be added directly to the Schools budget.

Member Carluccio discusses a potential extension of the MITRE PILOT payment. The number currently being used is not certain.

Chair Carluccio speaks about the issue being raised by Member Powell referencing Line item 68. Federal Impact Aid for Hanscom students is one thing we get. We also get State aid for this. Discusses the source of the numbers, where the funds come from and how they are used toward the Schools budget.

Discussion between Chair Carluccio, Member Powell, Member McClung and Mr. Castellarin concerning accounting for Merit Article.

II. RECURING BUSINESS

1. Meetings Attended

Member Powell discusses the Planning Board meeting which dealt with an application for an addition to a commercial building at 135 South Road. They also discussed the new MBTA density zoning requirements. They also discussed 2 family housing zoning issues.

Member Thomas discusses the Select Board meeting as discussed earlier tonight.

Member McClung asks for further information on the MBTA rules discussed by the Planning Board. Member Powell provided further information on details and timing.

Member McClung discusses the School Committee meeting which discussed Covid issues. Also discussed Title 1 funding. Also discussed class sizes and impact on budgeting.

Chair Carluccio discusses information concerning the fire station project. The Town Manager will be coming in before the Finance Committee on February 3. Also discusses water issues to be discussed by Mr. Manugian when the Select Board comes in on February 10.

Chair Carluccio also discusses the budget retreat meeting which should be a 2 hour meeting on a Saturday with Select Board.

Chair Carluccio asks for any further comments.

None offered.

Motion to adjourn by Member Mortenson

Second by Member Steele

Roll call of Members in attendance

Vote: 8-0-0

Motion carries.

Time 9:56PM

John B. Connarton
Recording Secretary

DOCUMENT LIST

Agenda for January 13, 2022 Meeting

Model FY23 - December 14, 2021

FY 23 Library Budget – Trustee Approved

FY Library Budget Summary

Library Projects (Corporation/Gifts/State Aid/Friends)

Library Corporation Spending Policy

Memo from Town Manager Stanton to Select Board, December 15, 2021 re: FY23 Capital Expenditure Committee Presentation

Capital Expenditure Committee FY23 Capital Plan Presentation to the Finance Committee

Town of Bedford Special Revenue & Expenses for period ending 6/30/2021

Draft Minutes for September 16, 2021 Meeting