



MEETING OF CITY COUNCIL
FINANCE COMMITTEE OF THE WHOLE
59 COURT STREET
MUNICIPAL BUILDING, CITY COUNCIL CHAMBERS
WESTFIELD, MASSACHUSETTS
MAY 23, 2022 IMMEDIATELY FOLLOWING THE PUBLIC
HEARING

The meeting was called to order at 5:37 PM by Councilor Matthews-Kane, Chair of the Finance Committee.

The Clerk called the roll. Councilors Beltrandi and Morganelli were absent.

A Financial Overview was given by City Assessor Ashlie Brown, City Auditor Vicki Moro and City Treasurer/Collector Matt Barnes.

The City Assessor informed the Council that the housing market is trending up 5% to 6% and will continue. In 2021 there were 549 sales, 384 were single family homes, 69 were condos, 56 were two-family homes and there were 18 commercial sales. The average sale price of a single family home in 2021 was \$313,000.00. In the first five months of 2022 there have been 162 qualified sales of single family homes with an average sale price of \$380,000.00. There are no large subdivisions in the works and there are a few fast food restaurants being built. There is a TIF coming off the list which will bring in an additional \$20,000.00 in taxes. Councilor Flaherty questioned what the new growth will be. The City Assessor responded that new growth was forecasted at a \$1 million and it should hit that. Councilor Flaherty questioned the status of personal property taxes. The City Assessor responded that Eversource is up there, but won't be what it was last year and there a couple new commercial accounts. There is nothing yet from the data center or Target. Councilor Flaherty questioned if the sale prices and assessed prices are close. The City Assessor responded that the sale prices and assessed values are very far apart, that sales prices are a lot higher than assessed values. Councilor Sullivan questioned what a large subdivision is. The City Assessor responded that anything with a few houses or units and there is nothing in the works at this time. Councilor Harris asked the City Assessor to explain to the people why the value of their homes are going up even though they have not done any improvements or additions to their home. The City Assessor explained that there are standards by the DOR and that there are percentages of sales that play in to setting the values. Councilor Flaherty questioned if there is a history of the Levy Ceiling. City Auditor Vicki Moro responded that in 2014 it was \$76 million and in 2023 it was \$100 million. Councilor Flaherty questioned when it was at \$85 million. The City Auditor responded that it was in 2020. Councilor Flaherty replied that that is a concern. City Treasurer/Collector Matt Barnes informed the Council that the appropriation for debt decline is \$500,000 and this is the last year of contribution to that fund and was determined when going over the bond for the Franklin Avenue School and the goal was to keep the debt service around \$7 million. The Health Trust voted for a zero percent

increase and a premium holiday in November which will save the City and employees money. The Debt rating is again AA with a stable outlook. Councilor Sullivan questioned if the premium holiday is built into the FY23 budget. The City Treasurer/Collector replied that it should be and it may be a question for the Personnel Director as it's in the Personnel budget. Councilor Flaherty questioned if the FY23 insurance holiday is \$2.8 million that can be spent elsewhere in the budget. The City Auditor responded that is correct. Councilor Flaherty questioned how the pension system is doing and if there is a plan for the \$500 million liability between OPEB and the pension plan. The City Auditor responded that that would have to be a discussion with the Mayor for future budget cycles and she informed the Council that there was an increase to OPEB from \$200,000 to \$250,000 so that is moving in the right direction and maybe come up with a policy to have 5% from Free Cash to go OPEB. She informed the Council that the Retirement Board is taking a proactive look at how the money is being invested and watching the market and moving money around as needed. Councilor Morganelli arrived at 5:58 PM and was recorded as being present. Councilor Sullivan questioned if the Retirement Board has considered moving to the State retirement system. The City Auditor replied that since her joining the retirement board a year and a half ago there has been no discussion on it. Councilor Harris reassured the citizens that Westfield is similar to most communities in Massachusetts relative to the OPEB situation and that Westfield is not acting irresponsibly and that eventually, she believes, the State will help out. The City Auditor responded that Councilor Harris is correct and that if the citizens would like to see the report, it is on the Department of Revenue's page under OPEB and it has the list of all the communities. The City Auditor explained how the assumptions are made for the budget by taking last year's levy limit and times that by 2.5% and put the new growth. And the levy limit from the State allows to go up to \$90 million. This year the budget was able to use the cannabis tax. Councilor Bean questioned what money the City is using to balance the budget at this time. The City Auditor responded \$85 million from tax revenues, 47 million from State Aid less \$6.5 mil county assessment, \$16.5 mil local receipts and \$900,000 Free Cash. Councilor Flaherty added that there are cannabis taxes and money from the health insurance holiday and ESSER money for the schools. Councilor Figy informed the Council that it has been made clear to the schools that once the ESSER money runs out the City will not be funding those expenses.

Councilor Sullivan thanked the Finance Team of the City Assessor, City Auditor and City Treasurer/Collector, for their presentation.

The Departmental Budget Hearings were as follows:

Purchasing Department

Purchasing Director Tammy Tefft was present to represent the Purchasing Department. She informed the Council that her budget is pretty much the same as last year and not much has changed. One change is that the Gas and Electric costs have increased in the range of 18% and after January the savings on the street lights will go into effect. Another change to the Purchasing budget is that it also contains a line item

for cyber insurance. Councilor Flaherty questioned why the Westfield Gas and Electric cannot give free services like the Water and Sewer gives free services. The Purchasing Director replied that she does not know and that would be a question for the Mayor. Councilor Figy questioned how many more years of payments for the Head Start building. The Purchasing Director replied that the lease expired and that the Mayor and School Department will make plans for the building. Councilor Matthews-Kane questioned if the insurance for the Police drone is new. The Purchasing Director replied that the Police has had a drone for a few years and it was learned that there is a requirement for it to be insured so the item is new this year and it will be split between the Police and Fire.

Upon motion of Councilor Harris, it was
VOTED: That the Purchasing Department budget, as submitted, be APPROVED.

Councilor Flaherty abstained. He informed the Council that he is abstaining as he has a legal question of whether or not a committee of the whole is legal and that he will be abstaining on all budgets.

Assessors' Department

City Assessor Ashlie Brown was present to represent the Assessors' Department. The City Assessor informed the Council that the Assessors' budget does not change much. There's an increase in the purchase of services account for new data services for mapping and appraisals and an increase in continuing ed which was moved from the Personnel budget to individual departments. Councilor Flaherty questioned why the GIS is not in sync as much as it was before. The City Assessor replied that they are in the process of updating GIS to be compliant with E911. Councilor Figy questioned the increase in the out of state travel account. The City Assessor replied that it used to be in Personnel's budget now it's in individual budgets.

Upon motion of Councilor Harris, it was
VOTED: That the Assessors' Department budget, as submitted, be APPROVED.

Councilor Flaherty abstained.

Auditor's Department

City Auditor Vicki Moro was present to represent the Auditor's Department. The City Auditor informed the Council that the budget contains her salary and five employees, there is overtime to cover during vacations, there is one employee that receives longevity, there are expenses for annual audits, continuing ed is newly added as it's no longer in the Personnel budget and the increase for replacement equipment is for the purchase of dual monitors which are helpful when dealing with spreadsheets.

Upon motion of Councilor Harris, it was
VOTED: That the Auditor's Department budget, as submitted, be APPROVED.

Councilor Flaherty abstained.

Retirement

City Auditor Vicki Moro was present to represent the Retirement account. She informed the Council that the City's portion, per PERAC, is \$12,747,408. Councilor Flaherty questioned what the increase for retirement is for FY23. The City Auditor replied that it is a 4.48% increase.

Upon motion of Councilor Harris, it was

VOTED: That the Retirement budget, as submitted, be APPROVED.

Councilor Flaherty abstained.

Collector/Treasurer Department

City Treasurer/Collector Matt Barnes was present to represent the Collector's Department. He informed the Council that Collector's budget is similar to previous years. The biggest piece of the budget is the printing budget under purchase of services. The department is fully staffed with an assistant and three clerks. Councilor Flaherty asked the City Treasurer/Collector to explain what PKS is. He responded that PKS is the deputy collector. They print and mail the bills, the demands, and mark unpaid excise taxes with the Registry of Motor Vehicles. They collect taxes that go beyond the demand

Upon motion of Councilor Harris, it was

VOTED: That the Collector's budget, as submitted, be APPROVED.

Councilor Flaherty abstained.

City Treasurer/Collector Matt Barnes was present to represent the Treasurer's Department. He informed the Council that the Treasurer's budget is similar to prior years. He highlighted the Medicare expense is on the salaries of all City employees which is the City's expense. Custodial expenses relate to securing foreclosed properties and there are more properties in foreclosure, therefore, the line item needed to be increased. Intergovernmental is for the fees for the Registry of Deeds which is a fee to record with the Registry of Deeds.

Upon motion of Councilor Harris, it was

VOTED: That the Treasurer's budget, as submitted, be APPROVED.

Councilor Flaherty abstained.

City Treasurer/Collector Matt Barnes was present to represent the Medicare, Debt, Reserve Fund, Interest long term debt, Interest short term debt and Certification of legal charges. He informed the Council that the long term is maturing recurring debt, short term is for temporary borrowing on bonds and certification of legal charges for a state house not.

Upon motion of Councilor Harris, it was

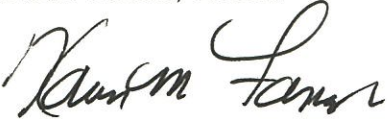
VOTED: That the Medicare, Debt, Reserve Fund, Interest long term debt, Interest short term debt and Certification of legal charges budget, as submitted, be APPROVED.

Councilor Flaherty abstained.

At 6:55 PM, and upon motion of Councilor Harris, it was

VOTED: To ADJOURN.

A true record, Attest:



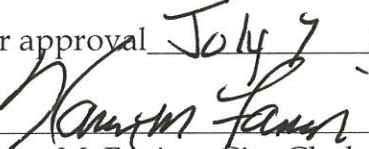
Karen M. Fanion
City Clerk/Clerk of the Council


Presented to the Mayor

Approved by the Mayor

For approval July 7 2022

7-8 2022



Karen M. Fanion, City Clerk

Michael A. McCabe, Mayor