

FINANCE COMMITTEE MEETING
TUESDAY, JANUARY 14, 2020

A meeting of the Finance Committee (FC) was held on Tuesday, January 14, 2020. Mr. D'Amico called the meeting to order at 7:00 PM.

ATTENDANCE:

PRESENT: Howard D'Amico (Chair), Michael Hutnak (Vice Chair), Sandy Kuipers, Phil Landry, Lynne Mussulli, Dick Vanden Berg, Heather Morin

ABSENT: Carol Gogolinski

NON-VOTING: Matthew Wojcik (Town Administrator), Jeanne Lovett (Finance Director), Cheryl Vaidya (Treasurer/Collector), Pat Aldrich (Cable Coordinator)

WRRS: Michael Sacco (CEO)

1. MEETING WORCESTER REGIONAL RETIREMENT SYSTEM (WRRS) re: BUDGET REQUESTS.

Ms. Lovett explained that WRRS sends Douglas a bill for an assessment for the Town's pension fund. The amount for FY2021 will be known by Thursday, January 23rd. The assessment is based upon a percentage of the total cost, and the Town has no control over it. The Town does not pay into Worcester Regional Retirement for teachers. The Town takes advantage of a 2% discount by paying before the deadline of the 15th.

Mr. Sacco joined the meeting and explained how WRRS fits into Douglas' budget process. They are an approximately \$800 million pension fund and approximately \$800 million unfunded liability with over 100 different units. The system has 7800 active employees and 3800 retirees. Mr. Sacco explained the unfunded liability. WRRS uses an actuarial assessment which bases Douglas' assessment on their own experience. The system is on schedule to be fully funded by 2035. A discussion was held, including how the investments are made, restrictions, and consequences of nonpayment.

Mr. Wojcik explained that the Town's revenues grow at 1.7%/year; the WRRS assessment increases approximately 9.5%/year. Mr. Wojcik hopes to hear a vision from WRRS as to how this will not "burn itself out" (not audible)? Mr. Sacco and the board will be looking into bringing in an investment consultant to determine whether or not the PRIT fund is the best way to move forward. Mr. Sacco stated that the only option to lessen Douglas' annual payment would be to extend the funding schedule. The WRRS meetings are open to the public. Mr. Sacco left the meeting.

Mr. Wojcik spoke about how he feels the WRRS could see a better return on investment. Mr. D'Amico would like to know if the Town has other options. Mr. Wojcik suggested, if there is consensus between the FC and Board of Selectmen, that a letter written by the community to the WRRS board, may be effective.

2. RESERVE FUND TRANSFERS/VOUCHERS:

There were no Reserve Fund Transfers/Vouchers.

3. OLD BUSINESS/NEW BUSINESS:

New Business: Pat Aldrich presented the new microphones.

Old Business: Mr. Wojcik asked for feedback regarding whether or not it was helpful to go over every item on his fiscal notice. The FC replied in the affirmative.

4. NEXT MEETING DATES:

Police and Fire/Ambulance/Civil Defense will present at the 1/28/20 meeting. Mr. Wojcik suggested that the School Committee be invited to that meeting for an executive session to brief the FC on their strategy for collective bargaining.

It was suggested that the agenda for the 2/11/20 meeting consist of the following- Revenue, Health Insurance, Highway and Building Maintenance. Mr. D'Amico would like to stick to two meetings per month.

Ms. Lovett stated that the exit conference for the FY19 audit is scheduled for 1/21/20, and she invited the FC to attend.

5. MINUTES: December 10, 2019

Mr. Landry made a motion to approve the December 10, 2019 Finance Committee meeting minutes as presented. Ms. Kuipers seconded the motion. Vote: Aye-6.

6. ADJOURNMENT

Mr. Hutnak made a motion at 8:15 PM to adjourn the Finance Committee meeting. Ms. Mussulli seconded the motion. Vote: Aye-6.

Respectfully submitted,

Mary Wright
Recording Secretary