

Minutes, April 15, 2020

## **FINANCE COMMITTEE – Meeting, April 15, 2020**

A scheduled meeting convened at 6:32 p.m.

Present: Mr. Creighton, Ms. Harrison, Mr. Pratt, Ms. Mellish, Mr. Weld and Mr. Oldeman

Absent:

Board of Selectmen: Mr. Boling and Ms. Driscoll

Staff Present: Town Administrator, Mr. Federspiel, Finance Committee Clerk, Ms. Hunter

Guest: Mr. Kehoe

Mr. Creighton called the Finance Committee meeting to order at 6:32 p.m.

### **Minutes – February 26, 2020**

*Mr. Weld moved to approve the minutes of February 26, 2020, Ms. Harrison seconded the motion. The motion passed with Mr. Creighton, Ms. Harrison, Mr. Weld and Mr. Pratt approving the minutes while Ms. Mellish and Mr. Oldeman abstained, they were not present at the meeting.*

### **Update on Town's Covid-19 Response**

Mr. Federspiel stated things are stable in the Town:

- ✓ Police and DPW are working shifts one week on and one week off.
- ✓ Fire Department added a position to cover ambulance service.
- ✓ Residents are social distancing.
- ✓ There have been no new cases in Town for the past two weeks.
- ✓ BOH nurse is doing a great job and contact tracing is going smoothly.
- ✓ Police Department, Council on Aging and volunteers are supporting seniors with grocery and pharmacy deliveries.
- ✓ Main concern continues to be beaches and parks closed and managing social distancing.
- ✓ Schools are closed, it is likely school closures will be extended.
- ✓ Decisions about Memorial Day Parade will be made closer to Memorial Day.
- ✓ The Town is maintaining an accurate record of Covid-19 related expenses for FEMA reimbursement. An initial reimbursement check in the amount of \$7K has been received.
- ✓ The State is allowing for deficit spending related to Covid-19 expenses and will allow for the costs to be paid down over a three-year period.
- ✓ Town Hall is closed. Employees are working from home with some employees coming into Town Hall to work. All essential services are being maintained.

- ✓ Fourth Quarter taxes are due on June 1, 2020, however several residents are paying their taxes on the original due date.

Mr. Creighton asked how COA was providing services. Mr. Federspiel indicated the van was still providing for trips to Market Basket and necessary doctor appointments. No COA programs are currently running. Ms. Hammond and Ms. Palmer call seniors and are proactive with additional services as needed.

Mr. Pratt asked about receivables and if the Town was operating business as usual. Mr. Federspiel stated there were no problems presently. Mr. Pratt asked about the next level down. Mr. Federspiel stated he will provide updates and let the Finance Committee know if there are reduction in receipts. Mr. Federspiel anticipates reduction in excise tax revenue stating no one is buying cars at this time. He also anticipates permitting fees and new growth will be lower than originally projected due to the reduction in new construction.

Mr. Creighton asked if ZBA, Conservation Commission, Planning Board and other Boards and Committees were still rolling and functioning. Mr. Federspiel stated all are working and meeting in the virtual world. Ms. Mellish responded that ZBA appeals process is delayed due to court closure but ZBA is working to move forward with the appeals process.

### **Review of Proposed Town FY21 Operating Budget**

Mr. Creighton stated the plan is to move into FY21 with a zero increase to taxes. To that objective Mr. Federspiel has put forward FY21 Plan B and provided a spreadsheet with reductions to operating, capital and School expenses. The spreadsheet outlines potential and recommended cut back.

Operating Budget recommended cuts:

- 1) Eliminate proposed part-time clerk in Town Administrator's office for a projected savings of \$25K.
- 2) Planning – trim Town Planner's hours she is actively working with the AHT for a projected savings of \$10K.
- 3) FY21 Health Insurance increase is 0% for a projected savings of \$50K.
- 4) Eliminate Highway Laborer's position for a projected savings of \$55K.
- 5) BOH Hazardous Waste Event cancelled for a savings of \$5K.
- 6) Fourth of July funding reduction from \$15K to \$10K for a savings of \$5K.
- 7) 375<sup>th</sup> Anniversary Celebration is doing well with fundraising and will make up for the \$5K reduction to July 4<sup>th</sup>. At this point in time July 4<sup>th</sup> may be celebrated on Labor Day.

Total Savings from with the reductions in the Operating Budget, \$150K. There is a potential for an additional \$43K in savings but Mr. Federspiel believes the additional reductions could impact services to the community.

Ms. Mellish recommended cutting the additional hours proposed for the Young Adult Librarian for a savings of \$2K. Ms. Mellish also recommended not adding the new positions to Water and Sewer. Mr. Federspiel indicated the costs for Water and Sewer positions had been cut in half with new hires proposed to be added mid-year.

Mr. Weld stated the DPW laborer position had been added with an equal offset in expenses. He asked if the expense line item would be restored. Mr. Federspiel stated Mr. Dam has not restored the expenses and the cuts are part of belt tightening this year. Mr. Creighton asked if there was an offset in professional services and if the work would be farmed out to a third party. Mr. Federspiel stated the pull back in DPW was not a dollar to dollar exchange.

Ms. Harrison recommended not hiring the DPW laborer and deferring the work that new position would have engaged in for another year. Mr. Creighton concluded by suggesting Mr. Federspiel and Mr. Dam develop a bullet list about different services the new position would have fulfilled and recommend how those services will be addressed.

Mr. Boling asked if the DPW position at \$55K was a fully loaded position. Mr. Federspiel stated there were dollars in the Health Insurance line that would have covered the difference.

Mr. Boling also asked if the IT cuts eliminated the software for Open Gov. Mr. Federspiel stated the new software was more than Open Gov. The proposed software saves time and makes the budgeting process run more smoothly, however we have done without and will postpone the purchase to FY22.

Mr. Boling also asked if the current financial software package was supported by the vendor who did not provide support. Mr. Federspiel confirmed that was the case, but the decision was made to stick with the vendor for another year.

### **Review of Proposed Town FY21 Capital Budget**

Capital Budget recommended cuts:

- 1) DPW truck replacement decreased by \$85K. There were dollars from FY20 in the DPW vehicle line and the trade in value of the existing truck was higher than projected.
- 2) Sidewalk/Drainage was projected at \$375K. The sidewalk from Masconomo to Singing Beach was deferred while completing some design work in the event there is stimulus money available. Also, Tappan St. drainage project is included for design and engineering work also in the event there is stimulus money available. The projected savings is \$120K.
- 3) DPW Pole Barn deferred for a savings of \$75K.
- 4) Financial Software deferred for a savings of \$75K.
- 5) Fire Engine fund decreased by \$140K. Proposing adding \$100K to the fund in FY21.
- 6) Police cruiser and Fire Knox box key system each \$4K for a savings of \$8K.
- 7) Turn out gear deferred for a savings of \$15K.

- 8) Plant upgrade and pipe replacement was projected at \$1.25M. Mr. Dam proposes combining the work at Boardman Avenue to save on mobilization costs and increasing the water pipe replacement budget by \$250K.

Total savings from the reductions in the Capital budget are projected at \$475.5K.

Mr. Weld asked for clarification on the reduction in Sidewalk/Drainage. Mr. Federspiel stated the reduction was \$120K.

Mr. Creighton asked how much money was in the Fire Engine fund. Mr. Federspiel stated he believed the fund was at \$600K and the fund for this year could be reduced further if that was the Committee's recommendation. Mr. Kehoe supported the addition of funds to the Fire Engine replacement fund stating the Fire Department will need to replace apparatus in the near future.

Mr. Boling asked if the reductions allowed for a 0% tax increase in FY21 with an anticipated 6% decrease in receipts and did not make use of reserves. Mr. Federspiel recommends leaving reserves where they are because we cannot anticipate how long the downturn will impact the Town and confirmed the proposed reductions allowed for at 0% tax increase and 6% decrease in receipts.

Ms. Mellish asked how likely the District reduction will be \$150K. Mr. Creighton stated the Superintendent and District Finance Director are working on budget reductions of \$230K to provide for MBTS request for a \$150K reduction. Mr. Federspiel stated we do not have an answer on how realistic the reduction is at this time.

Mr. Creighton asked for a projection on reserve funds going into FY21. Mr. Federspiel stated reserve funds have been spent on the new Compost Facility in the amount of \$300K and the waterline project in the amount of \$1.2M. Mr. Federspiel anticipated the reserve fund staying stable at 11%.

Ms. Mellish asked if residents were asking about the Alpers land acquisition. Mr. Federspiel has not heard anything about that but anticipated it will come up again.

Mr. Weld asked about CPC funding for FY21 and if there were cutbacks in CPC spending the Town budget would be impacted in two areas athletic fields CPC funding of \$50K with the Town supporting the project at \$55K and conservation land CPC funding \$20K and the Town supporting the project at \$10K. Additionally, CPC proposed support for the Affordable Housing Trust is \$150K.

Mr. Boling clarified that some discussion had surfaced around the 1.5% assessment to property taxes to fund CPC. The assessment cannot be cut without holding a special Town Meeting and the item cannot be added to the June 2020 Annual Town Meeting because the Warrant has been finalized. There are two areas of discussion CPC project funding which is on the Warrant and the property tax assessment which is not on the Warrant.

Mr. Creighton confirmed that CPC is required to allocate funding for Affordable Housing Trust, Open Space and Historic Preservation with a minimum of 10% in each category. Mr. Federspiel stated that was correct, but it was not necessary to spend the funds annually. The funds could be banked to support more substantial projects.

Mr. Creighton stated Department Heads and the Town Administrator had developed a solid list for reducing the FY21 budget and the information will be helpful for Town Meeting. Mr. Federspiel stated the BOS will meet to review the recommendations on April 21, 2020. The goal was to finalize Plan B by May 18, 2020.

Mr. Creighton asked if there was a backup plan if the School Committee were unable to amend their FY21 budget by \$230K. Mr. Creighton specifically asked if it would be possible to defer the Public Safety Radio. Mr. Federspiel stated that is a critical new resource and the Town needs to make that investment for public safety. Mr. Federspiel recommends delaying the contribution to the Fire Engine fund in the event the District cannot decrease their budget.

Ms. Harrison recommends using reserve funds or deferring funding the Fire Engine Fund in FY21 if the District cannot make the asked for reduction. Ms. Mellish supports the District and library taking reductions. Mr. Pratt agrees with Ms. Mellish. Mr. Weld agrees with Ms. Harrison.

*Mr. Oldeman moved to approve Mr. Federspiel's recommended budget cuts subject to discussions with the BOS and information provided by MERSD. Mr. Pratt seconded the motion. The motion passed with Mr. Pratt, Mr. Oldeman, Mr. Creighton, and Ms. Mellish voting yes and Mr. Weld and Ms. Harrison voting no.*

The Finance Committee will meet again on April 29, 2020 at 6:30 p.m.

**Other Business, as may not have been reasonably anticipated by the chair (discussion only).**

*Ms. Harrison moved to adjourn the meeting; Mr. Oldeman seconded the motion. The motion passed unanimously.*

The meeting adjourned at 9:00 p.m.