

Finance Committee Meeting

May 20, 2020 6:00 PM EST
Zoom Remote Meeting Platform
Millis, MA 02054

In Attendance:

Jodie Garzon, Chairman
Peter Berube, Vice Chairman
Doug Riley, Clerk
Joyce Boiardi
Cathy MacInnes
Shawn Power
Craig Schultze
Katie Tieu
Mike Guzinski, Town Administrator
Carol Johnston, Town Finance Director
James McKay, DPW Director
Terry Wiggin, School Business Manager
Erin Underhill, Town Moderator
Lisa Hardin, Town Clerk

Jodie Garzon called the Finance Committee Meeting to order at 6:01 PM.

Reserve Fund Transfer Request – Recreation Department:

Mike Guzinski thanked the Chairman for adding this item to the agenda. As most are aware, the programs for which the Recreation Revolving Fund relies on have ceased operations due to COVID-19 restrictions. A memo from the Recreation Department Director outlining the daily functions the department performs as well as virtual programs available was provided to the committee. However, this is not enough to supplement the Revolving Fund's loss in program fees. In order to continue the department's operations through the end of the Fiscal Year, a \$12,000.00 Reserve Fund Transfer is requested to pay the Director's Salary. The Department Assistant's hours, (10) per week, will be transferred to the Town Clerk's Office and will be paid from the Election's Budget. The Town Administrator acknowledged the Reserve Fund Balance is getting low. The Finance Director has reviewed the end of year Inter-Department Transfers and will present a number of them to the committee at their June 3, 2020 meeting. Inter-Department Transfers are allowed in the months of May and June to cover deficits in department budgets. There are sufficient funds within the FY20 Operating Budget to cover all deficits.

Mike Guzinski clarified that a portion of the Director's Salary is appropriated in the Annual Operating Budget and the remainder is funded by proceeds from the department's Revolving Fund. The programs generating fees were halted in mid-March. Other department Revolving Fund surpluses cannot be used for this purpose. The Finance Director made the committee aware that if the Recreation Department's Revolving Fund is in a deficit on June 30, 2020 it will affect Free Cash for FY21. Craig Schultze agreed this is an unexpected and unforeseen incident and is a good use of the Reserve Fund at this time. Jodie Garzon agreed; after this transfer the Reserve Fund will still have \$8,000.00 until July 1, 2020.

Peter Berube made a motion to recommend approval of a Reserve Fund Transfer in the amount of \$12,000.00 to Account #0163051-510200; Joyce Boiardi seconded. Roll Call Vote: Jodie Garzon – aye, Joyce Boiardi – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Katie Tieu – aye, Shawn Power – aye, Cathy MacInnes – aye, motion carries unanimously.

FY21 Operating Budget Review and Discussion:

Mike Guzinski highlighted the Select Board's deliberations on the FY21 Operating Budget:

- The FY21 Operating Budget is based on a 5% reduction in State Aid and Local Receipts.

This will result in a 10% reduction to Salaries for staff in the Veterans Memorial Building with the exception of the Board of Health and Department of Public Works. This will be accomplished by closing Town Hall on Fridays.

- The Council on Aging has eliminated the Department Assistant's position (17.50 hours per week) and has redistributed those funds to allow the Senior Center to be open Monday – Thursday 8:30 AM – 4:30 PM maximizing the service to the public.

Memos from Department Heads were provided outlining the impact of reduced hours. A proposed FY21 Personnel Plan was also provided and reflected a 2.50% increase in salaries; similar to most Collective Bargaining Agreements. The plan also includes a reduction in stipends for the Building Department as a result of the department's reorganization. There are no changes to the Capital Improvements Plan. The School Department's Computer Leases have been split between new and existing leases in the Warrant.

- The Library's Budget was reduced by 5%. The FY21 Town Council Budget has been reduced by \$9,000.00 and redirected to the Library's Budget to avoid disruption to services provided.
- Elimination of Crossing Guard Staff, approximately \$53,000.00, and replacing them with a one-time cost for Crosswalk Signals, \$40,000.00.

The elimination of positions and reduction of hours will leave approximately \$10,000.00 in available funds.

Terry Wiggin made the group aware that the School Committee was meeting this evening to approve a Revised FY21 Budget including a 5% reduction and would possibly be available to present that budget and its impact on the Schools at the May 27, 2020 Finance Committee Meeting.

The Department of Public Works' request for Summer Help discussed at the Select Board's meeting remains at \$15,000.00. Jim McKay provided the Town Administrator with a list of impacts the reduction to Summer Help will have maintaining the green spaces in town; this information will be forwarded to the Finance Committee. Although at this time the DPW staff is not impacted by the 10% reduction in hours in other departments, the staff is expected to perform several ground work aspects of the DPW Building Project. It would be a policy decision for the Select Board and Finance Committee to decide to cut the Summer Help Budget Line Item.

The \$1,000.00 for Consulting Fees in the Executive Office's Budget is for any unanticipated need for consulting services. Hannah York, Finance Consultant, is working on establishing a Chart of Accounts for the town's MUNIS system; this service is paid by a grant.

Cathy MacInnes voiced her concerns that the Town Hall Staff are taking the brunt of the impact of the 5% reduction in FY21 Revenues. Peter Berube inquired if deferring raises effective July 1, 2020 could be paid retroactively at a later date. Mike Guzinski clarified that would require a Memorandum of Agreement between the Collective Bargaining Units and the Town and there is a time constraint in coordinating with the CBUs. Mike Guzinski clarified that the Recreation Department Assistant's hours were transferred to the Town Clerk's Office until June 30, 2020 as there are ample funds in the Election's Budget. The needs of both the Recreation Department and the Town Clerk's Office will be reevaluated later in June. Craig Schultze voiced his concern with the Town Hall Staff's 10% reduction to hours and would advocate for a Special Town Meeting in September to reinstate the hours should funds be received in August.

Mike Guzinski made the group aware that the town is eligible for CARES Act funding; these are funds to offset the impact of COVID-19 not necessarily to offset revenue shortfalls. Town Meeting cannot appropriate funds not in hand. A Special Town Meeting could be scheduled if and when funds are received from the Federal Government to reverse the cuts made to the FY21 Operating Budget.

June 2020 Warrant Article Review and Discussion:

Mike Guzinski presented an updated Draft Town Meeting Warrant to the committee containing 27 Warrant Articles. The Select Board discussed each article at length at their meeting on Monday. Highlights from that discussion include a change to:

Article #11 Capital Items

• Committed Bus Leases:	\$ 89,999.00
• Committed Computer Leases:	\$ 46,600.00
• Committee Police Cruiser Leases:	\$ 31,913.00
• Crosswalk Signals (4):	\$ 40,000.00
• Drinking Water Risk/Resilience Assessment:	\$ 40,000.00
• Water Tanks Assessment/Management Program:	<u>\$199,921.00</u>
Total:	<u>\$448,433.00</u>

Article #12 School Department New Computer Lease - \$23,300.00

Town Counsel has advised that New Leases should have a separate Warrant Article for approval at Town Meeting requiring a 2/3 Vote. The new computers replace the six year old computers in the Middle/High School Computer Lab. Craig Schultze explained the sequencing of funding the School's Computer Leases.

The Capital Planning Committee's Report includes other priority items that there simply isn't funding for. These items will hopefully be funded at the November Town Meeting when Free Cash is available. The Select Board will be further discussing the DPW's request for a Two-Way Radio System and its funding sources at their June 1, 2020 meeting. The Water Department Articles will be funded with Water Enterprise Funds.

Article #13 Reallocation of DPW Capital Project Expenses

Authorizes the use of residual funds from three prior DPW Building Projects to help defray the cost of the DPW Building Project in the amount of \$136,000.00. The Select Board will be consulting the Permanent Building Committee on this article.

Article #14 Ratify Water Infrastructure Maintenance Contract

This article would implement a 15-year Water Tank Maintenance Program. The \$199,921.00 amount in Article #11 is for the first year of the contract. A Town Meeting Vote is required authorizing the Select Board to enter into a 15-year contract. If the article does not pass, it will require a large Capital Item Request to perform the necessary maintenance to the town's (2) wells. Mr. McKay provided the committee with the details of the program and the value of using this approach for maintenance.

Article #19 Senior Exemption Changes

This article would provide additional tax relief for Seniors – decrease the age requirement for eligibility from 70 to 65. The amount is \$1,000.00 per year for qualifying Seniors.

Article #20 Senior Exemption Changes

This article would provide additional tax relief for Seniors – increase annual gross receipts, from the prior calendar year, from \$20,000.00 to \$40,000.00 for eligibility. No residents have taken a tax deferral exemption in FY20.

Article #21 Senior Exemption Changes

This article would provide additional tax relief for Seniors – increase the value of the whole estate available to surviving spouses, minor child, elderly person owning real

property. Currently there are (3) residents who qualify for this exemption. The threshold value for this article will be presented next week when the Assistant Assessor can participate in the meeting.

Peter Berube inquired about the origin of the above (3) articles; the town is in a position for additional revenue not less. Carol Johnston explained that the Select Board asked the Board of Assessors to provide some tax relief for Seniors. More information on the actual impact these articles will have on the town's revenues will be available next week. Jodie Garzon supports relief for Seniors but balancing the pros and cons of doing so makes sense. There are 950 homeowners in Millis over the age of sixty-five.

Article #22 Town Bylaw Change to Alter Date of the Annual Spring Town Meeting

This article would amend Article I, Section 1 of the Town's General Bylaws by deleting the first sentence and replacing it with the following:

The Annual Town Meeting for the transaction of business will be held on the first Monday of May, and the Annual Meeting for the election of officers and such other matters as may be voted on the official ballot will be held on the second Monday in May.

The Select Board and Town Administrator feel this change makes sense and it is the trend among most town's in the Commonwealth.

Article #23 Town Bylaw Change Requiring Sewer Hookup

This article is part of a broader discussion regarding the town's sewer capacity with the CRPCD (Charles River Pollution Control District). The Town has reached its GPD (Gallons Per Day) capacity to dispose of wastewater. There are large properties requesting connection to the town's sewer system but cannot develop until sewer capacity is available. The article contemplates requiring residents with sewer stubs to tie-in or result in daily fines.

The Select Board will discuss this article at their June 1, 2020 meeting and consider deferring it until the November Town Meeting due to the COVID-19 restrictions. They are looking for feedback from the Finance Committee regarding this article. The State has advised not presenting controversial articles at upcoming Town Meeting.

Jodie Garzon is sensitive to not having a lengthy Town Meeting in June however there isn't any assurance that come November the restrictions will not still apply. Craig Schultze is in favor of the article but is concerned that pushing it through at the June Town Meeting could be construed as not the will of the majority of residents with the anticipated low turnout rate expected at the June Town Meeting. Cathy MacInnes is in favor of presenting this article at the June Town Meeting, it's a long time coming and valuable Gallons Per Day are tied up with homeowners not connecting to the town's sewer system; this puts a burden on current sewer user fees. Lisa Hardin would like to defer the article to November so that ample time is allowed to notify homeowners of this change to the Bylaw and hold a Public Hearing on the matter.

As the current Town Moderator, Erin Underhill is focused and concerned about Town Meeting and how business will be conducted under the COVID-19 restrictions. After reviewing the Warrant, several standard articles could be combined in order to save time. If participants question one item in a consent agenda, it can be voted on separately. The integrity of Town Meeting has to be maintained and certainly the meeting itself cannot be rushed. She will provide recommendations to the Select Board and is working with Town Counsel and the Town Administrator to come up with the best solution.

Jodie Garzon would like to impress upon the members that the next Select Board Meeting is on June 1, 2020. The Finance Committee's Final Recommendations are due June 10th which does not allow a lot of time to deliberate each article to bring forth to the residents at the June 29, 2020 Town Meeting. She would like the department's to please provide the necessary information

needed to provide clarity to some of the articles in order for the committee to make their recommendations.

Craig Schultze recommended inviting the School Committee to next week's meeting, Wednesday May 27, 2020. They are deliberating this evening and will be able to provide the impact of the 5% reduction to their FY21 Operating Budget. The Finance Committee could also review and deliberate the overall town FY21 Operating Budget next week. Mike Guzinski made the committee aware that the Select Board will not meet next week but is scheduled to meet on June 1, 2020.

Old Business/New Business:

Mike Guzinski gave a brief overview of the town's eligibility for FY20 and FY21 CARES Act Funds, the town is eligible for \$729,147.00 in relief for cost related directly to COVID-19. The application is due on June 5, 2020. Selectman Jurmain is putting together a task force to assist in the filing and is working with Department Heads and the School Department to file the application by June 5, 2020. Peter Berube reiterated an abundance of caution should be used in the filing; these funds are directly related to COVID-19 expenses in FY20 and anticipated expenses in FY21, not used to make up a revenue shortfall. Jodie Garzon thanked everyone for the updates.

Meeting Minutes Approval:

Craig Schultze made a motion to recommend approval of the May 13, 2020 Finance Committee Meeting Minutes; Peter Berube seconded. Vote: 8/0 motion carries unanimously.

Adjourn:

Peter Berube made a motion to adjourn the Finance Committee Meeting at 7:45 PM; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore