

Finance Committee Meeting

May 27, 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
Carol Johnston, Town Finance Director
Marc Conroy, School Committee Chairman
Terry Wiggin, School Business Manager
Teresa Gonsalves, Assistant Assessor
Loring Barnes, Select Board Chairman

Jodie Garzon called the Finance Committee Meeting to order at 6:02 PM.

FY21 School Department Revised Operating Budget Review and Discussion:

Marc Conroy summarized the School Committee's original FY21 Operating Budget which included an overall 4% increase by reducing Supplies and Materials by 2%. With the anticipated reduction to State Aid and Local Receipts by 5%, the committee made further reductions to eliminate \$275,104.00 from the Operating Budget. The reductions were made in the following areas:

• Salaries back to Choice-In Tuition:	\$100,948.00
• Prepayment of Tuitions:	\$120,000.00
• Operations/Maintenance:	\$ 11,000.00
• Athletics Officials and Ticket Takers:	\$ 13,205.00
• Utilities:	\$ 8,551.00
• Professional Development:	\$ 7,400.00
• Technology Equipment:	\$ 5,000.00
• Supplies and Materials:	<u>\$ 9,000.00</u>
Total:	<u>\$275,104.00</u>

Due to extraordinary Special Education costs, the district recently received an additional \$90,000.00 in Massachusetts Extraordinary Relief Circuit Breaker Funds. An additional savings in the FY20 Operating Budget of \$30,000.00 enabled them to prepay \$120,000.00 in FY21 Special Education Tuitions to out of district Collaborative or Private School placements. Historically, utility costs are less than anticipated and purchase of Technology Equipment will be deferred. Stipends to members of the Professional Development Committee were reduced by limiting the number of members.

If a 10% reduction to State Aid and Local Receipts transpires, eliminating \$571,903.00 from the FY21 Operating Budget would include the above reductions plus \$240,799.00 in Personnel or 4.5 FTEs (Full-Time Employees), \$20,000.00 in Maintenance for Operational Systems, \$5,000.00 in Technology and \$31,000.00 in Part-Time Summer Technical and Custodial staff. Unemployment costs have also been considered with a 10% overall reduction resulting in reducing staff by 9 – 12 positions. Hopefully, the State will not reduce its original figures or the town chooses to use its "Rainy Day Funds".

At the end of FY21, the School Choice Fund Balance will be approximately \$150,000.00. Each Fiscal Year School Choice generates between \$400,000.00 - \$500,000.00 in revenue; approximately \$600,000.00 is spent on Salaries. Their goal is to pay 2 FTEs from School Choice Funds however, for FY21 they will be unable to keep that goal.

Peter Berube inquired if the School Committee is aware of other districts planning to cut more than 5%; upwards of 15% - 20%. Marc Conroy presented the 5% reduction which was asked and the School Committee also looked at 10%. Some towns are delaying their Town Meeting until the Fall and using a one-twelfth Operating Budget as of July 1, 2020. If reductions are more than 5%, concrete discussions should take place regarding the use of the Stabilization Fund to minimize massive cuts.

Terry Wiggin summarized the new Transitional Transportation Program for SPED (Special Education) which is shared with the Town of Medfield. There are transportation obligations requiring additional positions, the cost is offset by tuition savings.

Peter Berube inquired if Tri-County or Norfolk Agriculture Schools have been approached in an effort to influence a reduction to their Tuition Assessments. Marc Conroy acknowledged it's a great idea and will reach out to State Legislators to discuss. Marc Conroy clarified that there are more students that Choice-In to Millis Schools than Choice-Out which supplements the School's Salaries Budget annually. The School Committee votes annually to keep Millis a School Choice District and have closed grades to Choice-In requests if there are not enough staff and/or classrooms. Jodie Garzon thanked Marc Conroy and Terry Wiggin for presenting their 5% reduced Operating Budget proposal.

Warrant Articles #19, 20 and 21 Review and Discussion:

Teresa Gonsalves provided the committee with an overview of each exemption:

- Article #19 Senior Exemption Changes to 41C

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 and there are currently (6) individuals who qualify. It is not anticipated that there would be a large influx of participants; possible (10).

- Article #20 Senior Exemption Changes to 41A

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. Millis' current interest rate on such a deferral is 8%.

- Article #21 Senior Exemption Changes 17D

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. The change would reflect an increase in the asset amount to qualify. Currently there are (4) residents who qualify for this exemption; each exemption is \$175.00 annually.

The Select Board asked the Board of Assessors to provide more tax relief to Seniors. Other existing programs include: Veterans and Surviving Spouse – 53 participants, Blind – 6 participants, Senior Tax Work Credit – 20 participants and Veterans Tax Work Credit – 5 participants. The Veterans and Surviving Spouse guidelines are provided by the Federal Government. The Senior and Veterans Work programs are overseen by the Council on Aging. The committee had several queries which the Assistant Assessor clarified. Jodie Garzon thanked Teresa Gonsalves for clarifying the articles and providing the information.

FY21 Municipal Operating Budget Review and Discussion:

Cathy MacInnes voiced her concern with the Select Board's decision to reduce the Town Hall Staff's hours by 10% while not reducing the Library's hours; reduced hours should be across the board except for Public Safety. She acknowledged that the Friends of the Library cannot pay the Salaries for Library Staff but could absorb the 5% cut in the Library's FY21 Expenses. She would like to encourage the Select Board to reconsider their recommendations. Craig Schultze reiterated that the Finance Committee's role is to evaluate what recommendations the Select Board have presented to them. The goal is to get to a 5% reduction in the overall FY21 Operating Budget. He is not satisfied with the Town Hall Staff's reduction in hours; it doesn't allow for the opportunity for unemployment compensation to offset the loss of income. If a 20% reduction in hours to certain staff were made, the opportunity for unemployment compensation coupled with the COVID-19 unemployment compensation benefit would be more advantageous for Town Hall Staff. Jodie Garzon agreed it is unfair to balance a budget on the Town Hall Staff's family incomes. Peter Berube reiterated his notion that everyone is going to feel the pain of staff reductions; a 5% decrease to the overall FY21 Operating Budget will not be enough. Regrettably, there will be plenty of opportunity for additional cuts without State or Federal Aid. He is an advocate of "peanut butter spread" reductions to budgets in anticipated revenue reductions for FY21. He recapped; most towns are preparing for a higher percentage reduction than 5%. Carol Johnston clarified that most surrounding towns are dependent on their commercial base; Millis does not have a large commercial base. She reminded the group that in November there will be a much clearer picture and the 5% route is the way to go; adjustments can be made at the November Town Meeting. A 10% reduction plan is in place if needed. Doug Riley agreed with Peter Berube that the 10% reduction is the right way to approach the FY21 Operating Budget and agreed with Craig Schultze in terms of cutting enough in Salaries in order to qualify for unemployment benefits; hours can be added back in November if the situation pans out more positively. Craig Schultze believes the 5% is prudent and would advocate for a Special Town Meeting in September when the final numbers are available. His concern is the Police Department's FY21 Salaries Budget is relying on Town Meeting to vote in favor of the Marijuana Impact Funds, available as Free Cash in November, to supplement that budget; it's a disingenuous way to budget. Consideration should be given to using Stabilization Funds which can be replenished in November. Jodie Garzon and Doug Riley agreed. The town's Stabilization Fund Policy requires the fund to be replenished over the course of three years.

June 2020 Warrant Articles Review, Discussion and Recommendations:

Jodie Garzon made the group aware that the Select Board will be meeting June 1, 2020 to finalize the Warrant and making their recommendations. The final documents will be reviewed by the Finance Committee on June 3, 2020.

Old Business/New Business:

Peter Berube asked the Finance Director for an update on the town's submission for CARES (Coronavirus Aid, Relief and Economic Security) Act reimbursement. Several departments have submitted costs related to COVID-19 to the Finance Department. They are currently pulling the information together, it hasn't been finalized - the submission deadline is June 5, 2020. The committee members asked that the submission be available to them and the community. Loring Barnes encouraged the Finance Committee members to submit their ideas on the CARES Act submission to the Town Administrator or Finance Director. Carol Johnston reiterated that the CARES Act submission has to be specific to COVID-19 mitigation and is subject to a very detailed audit process.

Approve Bills Payable:

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.

Meeting Minutes Approval - Postponed

Old Business/New Business Continued:

Jodie Garzon hopes the Final Warrant will be available at the June 3, 2020 meeting so that the committee can start to make their recommendations for the June Town Meeting. She reminded the committee members that Warrant Article Summaries are due by June 15, 2020. It is understood that possible collapsing the Warrant Articles into Consent Articles will assist in making the Town Meeting process more efficient. Loring Barnes clarified that the Town Moderator will be present at the Select Board's June 1st meeting and has been working with Town Counsel on a few scenarios that will change the original Town Meeting Warrant. An announcement was made that the town continues to seek Election Workers for the Town's Election on June 22, 2020, if interested please contact the Town Clerk's Office. At the request of Loring Barnes the committee weighed in on the pros and cons of conducting meetings remotely.

Adjourn:

Cathy MacInnes made a motion to adjourn the Finance Committee Meeting at 7:20 PM; Peter Berube seconded. Vote: 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore