

Finance Committee and Tri-Board Meetings

September 16, 2020 7:00 PM EST
Zoom Remote Meeting Platform
Millis, MA 02054

In Attendance:

Finance Committee

Jodie Garzon, Chairman
Peter Berube, Vice Chairman
Doug Riley, Clerk
Joyce Boiardi
Cathy MacInnes
Shawn Power
Craig Schultze
Katie Tieu

Select Board

James McCaffrey, Chairman
Peter Jurmain, Vice Chairman
Erin Underhill, Clerk

School Committee

Kerri Roche, Chairman
Robyn Briggs, Secretary
Steven Catalano
Marc Conroy
Denise Gibbons

Invited Guest:

Michael Guzinski, Town Administrator
Carol Johnston, Finance Director
Nancy Gustafson, School Superintendent
James McKay, Department of Public Works Director
Kathleen Lannon, Board of Health Chairman

Jodie Garzon called the Finance Committee Meeting to order at 7:06 PM.

Approve Bills Payable:

Craig Schultze inquired when Millis' Clear Gov information was last updated. Carol Johnston stated the information for FY20 is being uploaded and FY18 and FY19 information is currently available. Clear Gov provides the software and the Town Accountant uploads the information.

Craig Schultze made a motion to authorize payment to Clear Gov Inc. in the amount of \$5,500.00; Doug Riley seconded. . Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Shawn Power – aye, Katie Tieu – aye, Craig Schultze – aye, Cathy MacInnes – aye, Joyce Boiardi - aye motion carries unanimously.

Craig Schultze made a motion to authorize payment to the Association of Town Finance Committees in the amount of \$180.00; Doug Riley seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Shawn Power – aye, Katie Tieu – aye, Craig Schultze – aye, Cathy MacInnes – aye, Joyce Boiardi - aye motion carries unanimously.

Vote Enterprise Fund Committee Member:

Jim McCaffrey explained that the Select Board has been discussing the town's (3) Enterprise Funds which provide public utility infrastructure: Water, Sewer and Stormwater. A Sewer Study Committee had been meeting to discuss sewer expansion in town and the Water Committee has discussed water quality and other drinking water topics. A Stormwater Committee with citizen advisory has not been established. The Select Board acknowledged that similar concepts, infrastructure oriented and funded by residents and businesses, apply to each Enterprise Fund. Therefore, it would benefit the Select Board to establish one committee for all Enterprise Funds. The committee will work on the broader issues such as governance, cost methodology, asset management, capacity management and regulatory compliance. The voting members of the committee will consist of five members: (1) designated Select Board Member, (1) designated Finance Committee Member and (3) Citizens At Large. Ex Officio Members, to provide support and expertise, will include the Town Administrator, the Department of Public Works Director and the Health Director. The responsibility and authority of setting rates will remain under the Select

Board. The Enterprise Fund Committee would advise the Select Board on By Laws, cost allocation, etc.

Cathy MacInnes asked that she be considered as the Finance Committee Member to the Enterprise Fund Committee. She, as a Board of Selectmen Member, was instrumental in advocating for a study of the Department of Public Works staff work assignments and as a Planning Board Member is familiar with the town's infrastructure in terms of water and sewer. Her experience and knowledge would be beneficial to the Enterprise Fund Committee. Craig Schultze was willing to step up to fill the role, he too has experience in Enterprise Fund Committees, but deferred to Cathy's enthusiasm to participate.

Doug Riley made a motion to nominate Cathy MacInnes to represent the Finance Committee to the Enterprise Fund Committee; Joyce Boiardi seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Shawn Power – aye, Katie Tieu – aye, Craig Schultze – aye, Cathy MacInnes – aye, Joyce Boiardi - aye motion carries unanimously.

Jodie Garzon was hesitant to consider voting a Finance Committee Chairman, Vice Chairman and Clerk until all members were present to participate.

New Business:

Jodie Garzon suggested the committee meet on Wednesday, September 30, 2020, although she will be unavailable, the committee will have a quorum and Peter Berube will Chair the meeting.

Craig Schultze explained that the Charter Review Committee will recommend the Select Board consider a name change from the Finance Committee to the Warrant Committee. Recruitment efforts for members to the Finance Committee have been tough; most individuals assume a strong financial background is required. However, the committee's task is to make recommendations on Warrant Articles for consideration at Town Meeting. Jodie Garzon agreed it is worthy of discussion, some communities use Warrant Committee however the committee does consider the financial impact on Warrant Article recommendations. Joyce Boiardi is not in favor of changing the name to the Warrant Committee. Craig Schultze noted that the change would have to be approved by the Select Board before consideration by the Finance Committee.

Tri-Board Meeting:

Jim McCaffrey called the Select Board Meeting to order at 7:30 PM.

Kerri Roche called the School Committee Meeting to order at 7:31 PM.

Jim McCaffrey thanked everyone for attending tonight's meeting, the first Tri-Board Meeting in FY21. The meeting is intended to prepare for the upcoming November Town Meeting and discuss concerns with the COVID-19 pandemic as well as update the committees and board on the critical financial indicators for Fiscal Year 2021. It is an Open Meeting and citizens are encouraged to attend or view at a later date.

Financial Update:

Carol Johnston provided a memo to the Select Board which was posted on the town's website under the Finance Committee's FY21 Meeting Materials. The memo outlined the town's financial position including:

- An increase in Local Aid Distribution of \$19,757.00 per month; \$237,083.00 for the fiscal year.
- FY21 Real Estate Tax collections rate is 97%, 1% less than collected in FY20. However, FY21 First Quarter Real Estate Taxes billed have increased \$807,195.00 over FY20.
- Local Receipts Excise Taxes are trending higher; \$85,000.00 this year over last year.

- Host Community Agreement (HCA) Marijuana Impact Fees for the 1st Quarter of FY21 were \$70,058.00 and an additional \$70,058.00 in the 3% Sales Tax Revenue. These funds will not be available until FY22 Free Cash is certified.
- New Growth is expected to be higher than originally budgeted and that amount will be disclosed as soon as it is certified by the DOR (Department of Revenue).
- Free Cash is expected to be certified by the DOR the first week in October.

Overall, the town has a positive cash flow. It was noted that with each new property in town it typically brings in higher Excise Tax Revenues. Building Permits are trending as expected but there could be an uptick in what was expected in the FY21 Budget.

Marijuana HCA and Sales Tax Revenues for FY20, which could not be appropriated until certified as Free Cash for FY21, total approximately \$335,000.00. The DOR will not allow revenues collected from Marijuana HCA and Sales Tax to be appropriated in an Operating Budget, unless the town has had a history of collections, until the following Fiscal Year when certified as Free Cash.

Craig Schultze noted that the town anticipated a reduction in Local Receipts, the revenues presented are higher than expected and inquired if there are plans to reinstate hours for the Town Hall Employees at the upcoming November Town Meeting.

Mike Guzinski stated the Town's Administration is considering reinstating the previous reductions in January 2021. The adjustments to the FY21 Operating Budget will be considered at an upcoming Select Board Meeting.

Jim McCaffrey noted that COVID-19 has not had a negative impact on the town in terms of Local Receipts. He encouraged meeting participants to ask questions and voice any concerns in preparation for the upcoming November Town Meeting. Craig Schultze inquired how much Free Cash generated from the Marijuana HCA Revenue was needed to supplement the FY21 Police Department Budget to fund the two additional Officers; Carol Johnston confirmed \$85,000.00 plus benefits each. Jim McCaffrey stated that delaying the restoration of hours for Town Hall Staff beginning January 2021 will have cost savings; only funded for six months of the Fiscal Year.

Carol Johnston outlined the great efforts put forth by her staff and the School Department in developing a Chart of Accounts for the MUNIS system and to close out FY20 in order to submit Free Cash for certification. The Finance Team has been tasked with keeping a close eye on the turn of events going forward; the future is unknown. Keeping the members of each committee up to date with information is critical. It was suggested that another Tri-Board Meeting take place when all participants have all the relative information and Free Cash is certified to make a determination how to proceed; most likely the first week in October.

Fall Town Meeting Planning and Warrant Articles:

The Fall Town Meeting is currently scheduled for Saturday, November 7, 2020. Marc Conroy suggested using the same formula: 65% School Departments, 35% Municipal Departments split of the \$237,083.00 increased revenue in Local Receipts; Craig Schultze agreed. The timeframe to reinstate cuts made to the FY21 Budget is approximately three weeks. Doug Riley pointed out that if the first quarter FY21 Marijuana HCA and Sales Tax Revenues are an indication of how the rest of the year will fair, FY22 will have a substantial Free Cash sum.

CARES (Coronavirus Aid Relief and Economic Security) Act Update:

Carol Johnston stated the Town of Millis has received \$729,000.00 from the Commonwealth of Massachusetts for the CARES Act. Those funds are prepaid but are not guaranteed if all COVID-19 impact costs do not total that amount; there are strict guidelines on what qualifies. To date the town has accumulated \$97,587.00 in COVID-19 impact costs. As recent as today, it was acknowledged that \$99,000.00 in HVAC system improvements to the Millis Schools would qualify as COVID-19 impact costs; each Massachusetts Municipality can claim up to \$150,000.00 in HVAC improvements under the CARES Act.

Peter Berube inquired if the \$99,000.00 is allocated for a study or equipment; Nancy Gustafson confirmed a study was underway and an engineering study's recommendation for air quality improvements throughout the schools will be discussed at an upcoming School Committee Meeting. Filtration and air flow are being examined to determine what exactly needs to be done to provide adequate air at the Middle/High School. All air quality systems at the new Clyde Brown Elementary School are robust in providing quality air flow throughout the building.

Jim McCaffrey stated the pandemic has had a large impact on the Recreation Department; the majority of programs cannot take place however virtual options have been offered. The town has to maintain the infrastructure in that department and inquired if the School Department was seeing a downturn in User Fees from programs similar to the Recreation Department.

Nancy Gustafson stated the School Department has received approximately \$244,000.00 in CARES Act funding for PPE (Personal Protective Equipment), furniture, air purifiers, personnel to provide services for hybrid learning. The School Department has also received a \$43,000.00 Grant for summer remediation in 2021. Of the \$729,000.00 the town received the School Department submitted \$442,000.00; \$173,000.00 did not qualify, specifically salaries. The School District is in very good shape due the commitment and hard work by many people. However, the challenge is Personnel, many districts throughout the Commonwealth are facing early retirements by teachers. Millis has not seen that although the nature of remote and hybrid learning requires more hands-on professionals.

Fall Town Meeting Planning and Warrant Articles – Revisited and Expense Control Guidelines:

Mike Guzinski gave an update of the debriefing following the June Spring Town Meeting in preparation of the November Fall Town Meeting which included site visits to hold an outdoor meeting at the recommendation of the Board of Health Director, John McVeigh. At this time, it was determined that the best location would be a portion of the High School parking lot, outside the Gymnasium doors. That location is familiar to residents, is accommodating for sight lines, security and provides ample parking. The November Town Meeting is scheduled to be held on Saturday, November 7, 2020 at noon; rain date Sunday, November 8th. Marc Conroy suggested the involvement of Chuck Grant, School Athletic Director, for potential conflicts with the Sports Programs involving the Athletic Fields on Saturdays and Sundays. Peter Berube inquired if the decision to hold the Fall Town Meeting outdoors has already been made; the School Committee will consider a Hybrid Model of Learning in mid-October to bring children back to the classrooms. Mike Guzinski followed up with if the pandemic conditions change, there is always room to adjust Town Meeting's location accordingly. The Board of Health is expecting an uptick in positive COVID-19 cases in the next 2-3 months. Kathleen Lannon, opined as Board of Health Chairman, that the High School Gymnasium can accommodate 120 individuals under COVID-19 regulations. While typical turnout for the November Town Meeting is slim, accommodations must be considered if indeed more residents participate. A final decision on the location has not been made however the Select Board is committed to holding the meeting on a Saturday or Sunday. The timing to hold it in November is flexible to a certain extent.

Mike Guzinski gave an overview of the Warrant Articles the Select Board will be considering which include:

- Unpaid Bills
- FY21 Operating Budget Adjustments
- Capital Items:
 - Police Department Cruiser
 - Fire Department Turnout Gear
 - Fire Department SCBA (Self Containing Breathing Apparatus)
 - DPW Pickup Truck
 - DPW Dump Truck
 - Sewer I/I (Inflow and Infiltration) Study

The Capital Planning Committee will be meeting to deliberate their recommendations on the above items and should have a final recommendation to the Select Board and Finance Committee by the end of September.

- Additional Funding for the DPW Building Project
- Wage and Salary Study – SEIU
A Study has not been conducted in over a decade – this includes Town Hall Staff.
- Tree Removal and Maintenance – additional funding
- General By-Law Change – Date of Spring Town Meeting
- Planning Board Zoning Changes
- Sewer By-Law Changes
- Town Charter Changes

All of the above will be considered by the Select Board at an upcoming meeting.

Craig Schultze gave an overview of the Additional Funds needed to complete the DPW Building Project - bids for the project were approximately \$568,00.00 over what was anticipated. The cost would be split three ways: Water, Sewer and General. The reason is two-fold: (1) additional contingency funds for subsurface work; contamination, etc. and (2) roof design. The current building is in a deplorable condition and is not OSHA (Occupational Safety and Health Administration) compliant.

Mike Guzinski shared good news that the Commonwealth of Massachusetts will be funding the cost to repair the Dover Road Bridge, approximately \$2 million. In terms of Expense Control Guidelines, the Administration is keeping a close eye on expenses and examining what expenses can be attributed to the CARES Act.

Jim McCaffrey outlined the Select Board's Goals for FY21 available to view at the below link:
https://www.millisma.gov/sites/g/files/vyhlf901/f/uploads/fy21_select_board_goals.pdf

FY22 Budget Calendar:

Jim McCaffrey would like to discuss the calendar sooner rather than later to get the pertinent information to the School Committee and Finance Committee in preparation for FY22 considering the pandemic is a moving target. He asked for input on ways to improve the process of preparing for the 2021 Spring Town Meeting. Mike Guzinski stated the Town's Administration is endeavoring to provide the necessary information. Jodie Garzon would like to start with the framework develop by Bernie Lynch starting the budgeting process in December or January; a lot of the foundational groundwork can be reviewed then to establish starting assumptions. There are concerns with FY22, although FY21 looks to be alright, the future's impact from the pandemic has yet to be determined. Doug Riley recognized the great strides that have been accomplished in the presentation of the Operating Budget to the Finance Committee. Craig Schultze requested that the Select Board's Final Operating Budget be presented to the Finance Committee as soon as possible so the committee can deliberate their recommendations prior to Town Meeting. He would also like an agreement on the funding formula; for FY21 the School Committee and Finance Committee agreed upon a 4% increase to each budget but the Select Board voted against it. He would like the topic to be discussed again at a future Tri-Board Meeting in order for the committees and board to be united on the topic. Jim McCaffrey stated the Select Board is working towards an agreeable funding formula. Jodie Garzon thanked the Capital Planning Committee for all the hard work they have done in establishing a streamline process and timeline for the capital needs of the town.

Schedule Upcoming Tri-Board Meetings:

A brief Tri-Board Meeting will be held on Wednesday, October 7, 2020 at 7:00 PM to discuss allocation of additional funds and Free Cash.

Adjourn Tri-Board Meeting:

Peter Jurmain made a motion to adjourn the Select Board Meeting at 9:31 PM; Erin Underhill seconded. Vote 3/0 motion carries unanimously.

Denise Gibbons made a motion to adjourn the School Committee Meeting at 9:32 PM; Robyn Briggs seconded. Vote: 5/0 motion carries unanimously.

Vote Finance Committee Chairman, Vice Chairman and Clerk – Postponed

Vote FY21 Payroll Signatories – Postponed

Shawn Power made a motion to adjourn the Finance Committee Meeting at 9:35 PM; Craig Schultze seconded. Vote: 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore