

Tri-Board and Finance Committee Meetings

October 14, 2020 7:00 PM EST
Zoom Remote Meeting Platform
Millis, MA 02054

In Attendance:

Finance Committee

Jodie Garzon, Chairman
Doug Riley, Clerk
Joyce Boliardi
Jim Borgman
Cathy MacInnes
Shawn Power
Craig Schultze
Katie Tieu

Select Board

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

School Committee

Robyn Briggs, Secretary
Steven Catalano
Marc Conroy
Denise Gibbons

Invited Guest:

Michael Guzinski, Town Administrator
Carol Johnston, Finance Director
Nancy Gustafson, School Superintendent
Terry Wiggin, School Business Manager
Nicole Riley, Planning Board Member
James McKay, Department of Public Works Director
Brutus Cantoreggi, Millis Tree Warden

Tri-Board Meeting:

Doug Riley called the Finance Committee Meeting to order at 7:04 PM.

Jim McCaffrey called the Select Board Meeting to order at 7:04 PM.

Robyn Briggs called the School Committee Meeting to order at 7:04 PM.

Jim McCaffrey thanked everyone for attending tonight's meeting, the second Tri-Board Meeting in FY21. The meeting will focus on Certified Free Cash, Revenue Projections and Certified New Growth. Governor Baker announced his Proposed FY21 Budget today reflecting Chapter 70 and Local Aid with FY20 funding levels; the Legislature has to adopt the FY21 Proposed Budget.

Free Cash was certified on September 24, 2020:

- General Fund: \$653,839.00
- Sewer Enterprise Fund Retained Earnings: \$649,999.00
- Water Enterprise Fund Retained Earnings: \$880,065.00
- Stormwater Enterprise Fund Retained Earnings: \$394,907.00

General Fund Free Cash includes \$194,070.00 in HCA (Host Community Agreement) Marijuana Impact Fees and Sales Tax Payments; both 3%. It was noted that the facility was closed for several months due to COVID-19. For FY19, \$40,000.00 was Certified in HCA funds which was used for Police Officer Training in FY20.

New Growth was certified for \$1,250,982.00; an increase of \$552,243.00 over what was projected. FY21 Proposed Budget Adjustments will be funded by \$100,000.00 of the \$552,243.00.

The FY21 Operating Budget adopted at the June Town Meeting was based on a 5% reduction in State Aid and Local Receipts. However, increased revenues are expected as follows:

- Local Taxes: \$100,000.00
- State Aid: \$237,083.00
- Local Receipts: \$120,058.00
- Total: \$457,141.00

Restoration of reductions for FY21 total \$257,615.89; Town Counsel's reduction of \$9,000.00 is not included in the restoration amount. The restoration amount is based on 7/12ths of the \$457,141.00; seven months remaining in the Fiscal Year assuming restorations take place on December 1st.

The School Department chose to make reductions to their Expenses rather than Staff; the Municipal Departments chose to make reductions to Staff. Marc Conroy noted the School Department has incurred additional Expenses and Staffing Costs due to COVID-19 that are not covered under the CARES (Coronavirus Aid Relief and Economic Security) Act. He inquired why restoration amounts are only 7/12ths of the original reductions; why not appropriate all of the \$457,141.00. The FY21 Revenue Appropriations were based on the long standing 65% School/35% Municipal split; the School Department and Finance Committee had proposed a different appropriation, a 4% increase in Operating Budgets, which was not approved by the Select Board. Carol Johnston explained that the restoration amounts were established prior to New Growth Certification and are part of the November Town Meeting Warrant. She feels the restoration levels, 7/12ths, are fair and equitable to both the School and Municipal Departments. She noted the School Department's FY21 Proposed Budget Adjustment of \$173,132.177 is approximately 67% of the \$257,615.89. Marc Conroy inquired why approximately \$200,000.00 is not being appropriated at the November Town Meeting; those funds will not be utilized until Free Cash is certified next year. Carol Johnston does not think it is good practice to budget up to the maximum amount of projected revenues; the remaining fiscal year is uncertain. Marc Conroy requested reconsideration of appropriations of the Projected Revenue Increase of \$457,141.00 reflecting the 65/35 split; Craig Schultze agreed. This appropriation does not factor in the increase in Certified New Growth.

Carol Johnston advised to keep in mind that other Municipal Departments will require additional funding for FY21. The Department of Public Works' FY21 Expense Budget was reduced significantly. Budget cuts were made based on the 65/35 revenue split and were approved by the Select Board to balance the FY21 Operating Budget. Carol Johnston pointed out the School Department received \$243,000.00 from DESE (Department of Elementary and Secondary Education) for expenses needed to reopen the schools. Jim McCaffrey reiterated the restoration is based on restoring services effective December; the approach is to restore to the levels prior to the 5% anticipated reductions to revenues. The Finance Department and Select Board are taking a prudent approach.

Marc Conroy questioned the funding source for two items included in Article #2 of the November Town Meeting Warrant:

- Recreation Department – Additional Funding: \$10,000.00
- IT Administration – Cyber Security Initiative: \$35,000.00

Carol Johnston confirmed it is part of the \$457,141.00 in Additional Revenues. The restorations are 7/12^{ths} plus an additional \$45,000.00 for Municipal Departments. Marc Conroy requested that maintaining the 65/35 split, another \$90,000.00 of the remaining \$200,000.00 be allocated to the School Department. Mike Guzinski noted those two items are special one-time items; the Recreation Department has been severely compromised by COVID-19 and the Cyber Security Initiative is important in protecting the town's IT infrastructure. The Revenue Split Policy can be discussed by the committees and board at a future date for FY22. The Cyber Security Initiative is partially funded by the Enterprise Funds although the funding is not clearly defined in the Warrant Article or Motion. The funding for that item will be reviewed and defined when final quotes are received for the initiative. Craig Schultze noted it is a policy issue; the cost for the initiative is coming from the recurring revenue base and those revenues are typically split 65/35.

Peter Jurmain disagreed, the initiative is being required at the state level and affects the entire town; it's an obligation to the town as a whole.

Discussion with deviating from the 65/35 split for FY21, which the Select Board adopted, arose. Marc Conroy pointed out that approximately \$199,000.00 in revenues are left on the table, of which the Municipal Departments are utilizing \$45,000.00, the School Department is requesting \$90,000.00 of the remaining \$154,000.00. Denise Gibbons and Craig Schultze agreed; the FY21 Budget was based on a 65/35 split of New Revenues and should continue to do so for the remainder of the Fiscal Year. The \$90,000.00 request does not factor in the increase in Certified New Growth. Peter Jurmain disagrees with that policy on Revenue Increases for FY21. He suggested taking the \$35,000.00 for the Cyber Security Initiative off the table; it could be funded by other sources or transfers within the FY21 Municipal Budget. Mike Guzinski confirmed that \$15,000.00 from Enterprise Funds were appropriated at the June Town Meeting for Cyber Security. The \$35,000.00 will most likely be much less than expected. Cathy MacInnes inquired if the initiative followed the proper protocols of requiring three bids. Mike Guzinski said the first bid was for \$30,000.00 - \$35,000.00, however since then a second bid was received for a significantly lower amount. As Town Meeting approaches, the final amount will be shared with the Finance Committee prior to their Final Recommendations.

Jim McCaffrey reiterated that the Tri-Board meets to debate and discuss, each committee and board make their own recommendations. The School Committee is requesting additional funds for their FY21 Budget based upon the additional revenues for the Fiscal Year. Marc Conroy clarified that the School Committee feels more funds should be allocated by the 65/35 formula to both the School and Municipal Budgets based on the additional revenues of \$457,141.00. Steve Catalano noted that the School's Transportation and Food Services Revolving Funds, while supplemented through December 31st, will need funding for the remaining six months of the Fiscal Year. Jim McCaffrey acknowledged the difference of opinion on the matter of utilizing the entire \$457,141.00. The Select Board is trying to restore the reductions in staffing and reduced hours for the remainder of the year beginning on December 1, 2020. The town saved money from July 1st to November 30th by reducing staff and hours at Town Hall; that money should be saved for unforeseen events that may occur between now and the end of the Fiscal Year. Steve Catalano does not believe the formula should be changed simply because the Municipal Departments chose to reduce staff and hours. The School Committee decided to cut expenses rather than personnel and are asking for the recurring revenues be split 65/35; those funds will be spent as opposed to being returned to tax payors. In terms of COVID-19 related expenses, staffing does not qualify under the CARES Act. The School Department needs to hire six Learning Facilitators prior to commencing in person learning. That cost is \$20,000.00 per facilitator.

Jodie Garzon asked for clarification between the increase in New Growth, \$552,243.00 and the \$457,141.00 in Revenue Increases. Carol Johnston explained \$452,243.00 of New Growth was not being appropriated, \$100,000.00 was being used in Article #2, FY21 Operational Budget Adjustments, as well as \$157,141.00 in revenue increases. Unused Free Cash will be used at the Spring Town Meeting for must fund items: leases, unpaid bills, etc. New Growth will be certified as Free Cash in the Fall of 2021. Carol Johnston cautioned the attendees that while the numbers look lucrative, it is uncertain what will transpire over the next eight months. The \$100,000.00 in New Growth is being appropriated for the Recreation Department Additional Funding, Cyber Security Initiative, Wage/Salary Study and Tree Removal. Erin Underhill inquired where the savings from cuts from July 1st to November 30th were – Carol Johnston stated those savings are not being allocated. The School Committee circled back to their belief that rather than restoring budgets based on 7/12th of revenue increases, it should be restored at the 65/35 formula; their expenses primarily run from September through June.

Craig Schultze suggested considering taking the \$199,000.00 in question and reduce it by the \$40,000.00 for Tree Maintenance leaving \$149,000.00 and split that based on the 65/35 formula. This will leave funds to cover for Municipal Warrant Articles: Recreation Department Additional Funding, IT Cyber Security Initiative and Wage/Salary Study for Town Hall Employees. Free Cash for FY22 will include Marijuana Sales Tax as well as New Growth leaving the town in a good position for FY22. Tax and Motor Vehicle Collections also indicate that the town is in a good position for this FY21. This would give the School Department approximately \$100,000.00 to

utilize as they see fit. Marc Conroy agreed, it is a reasonable compromise. Jodie Garzon agreed, there is a substantial amount in New Growth Revenue for FY22 as well as additional revenues from Marijuana Retail Sales and acknowledged it's a very challenging year for the School Department. Jim McCaffrey noted the Select Board will further discuss this at their upcoming meeting on Monday, October 19, 2020 after the Finance Director has time to reevaluate the numbers. Although this was a difficult conversation, he highly values the tremendous participation by everyone. Doug Riley suggested consideration be given to deduct the Recreation Department Additional Funding of \$10,000.00 prior to the 65/35 split in revenues, similar to the Tree Maintenance item.

Adjourn Tri-Board Meeting:

Steve Catalano made a motion to adjourn the School Committee Meeting at 8:40 PM; Denise Gibbons seconded. Vote 4/0 motion carries unanimously.

Pete Jurmain made a motion to adjourn the Select Board Meeting at 8:41 PM; Erin Underhill seconded. Vote: 3/0 motion carries unanimously.

Carol Johnston outlined the School Department's COVID-19 relief funding outside of the town's submission for the CARES Act. As previously mentioned, the School Department received \$243,000.00 to assist in reopening the schools and 100% USDA Funding for the School Lunch Program. The School Department submitted a \$99,000.00 HVAC Modification request for consideration at the November Town Meeting. However, as long as the Board of Health attests the modifications are needed as part of COVID-19 mitigation relief, those cost will be covered under the CARES Act. The Town received \$729,000.00 under the CARES Act.

Zoning Warrant Article – MCEOD Review and Discussion:

Nicole Riley outlined the Zoning Amendment the Planning Board has proposed which is an extension of the MCEOD (Millis Center Economic Opportunity Overlay District). The extension proposed would be west of where it currently is; Plain Street to Spring Street, north and south of Rt 109. It is referred to as an overlay district because it lays over the current Zoning. An overlay district does not change the underlying zoning but provides additional options for that area. An example is the development located at 979 Main Street where there is commercial businesses on the first floor, office space on the second and residential on the third. The extension would expand the overlay district east of Pleasant Street and west past Hammond Lane. The amendment provides the benefits of the MCEOD to that commercial district. The Planning Board was asked to extend the district for mixed use development at 1064 Main Street. The property west of Hammond Lane is also interested in mixed use development. The infrastructure to support the extension is already in place; sidewalks, crosswalks, street lights etc. The Millis Housing Plan is encouraging builders to provide multi family dwellings as opposed to single family homes. Residential parcels located between Spring Street and Pleasant Street are not included in the MCEOD. The Planning Board is holding a Public Hearing next Tuesday, October 20, 2020 to discuss this amendment. Jodie Garzon thanked Nicole Riley for her attendance.

Tree Trimming and Removal History Discussion:

Jim McKay explained the three areas in town the \$40,000.00 would be utilized: Forest Road, Birch Street and Orchard/Middlesex streets. The Finance Director provided a breakdown of Tree Care Expenses over the last ten years; the FY21 budget for Tree Care was reduced by \$10,000.00. The FY21 Tree Care Budget is already in a deficit. Following last week's storm, the DPW has had a tree crew assist for three days to open up roadways. Oak Grove Farm in particular was significantly damaged by the storm. Some roadways, Larch Road, Timberline Road and Island Road had more than 20 trees fall during the storm. It was noted that Eversource is a tremendous support to the town expending \$290,000.00 in the past two years for tree trimming. Tresca Brothers Sand and Gravel has received approval from the Tree Warden to remove dead trees along Rt 109, approximately \$25,000.00. The town will have to seriously address the growing tree concerns throughout town. He thanked the Finance Committee for discussing this topic and hopes he can count on their support. A maintenance program needs to be established to avoid the costly recovery of removing trees after they have fallen.

Fall Town Meeting Warrant Articles Review and Discussion:

Article #5 DPW Building Project – Additional Funding
Article #6 DPW Lease Temporary Office Facilities

Jim McKay explained that the Town Administrator and Select Board tasked him with producing a formula for funding sources for this project. When the project, \$3,900,000.00, was initially presented to Town Meeting, May 2019, the funding sources were split equally between the General Fund, Water Enterprise Fund and Sewer Enterprise Fund. That funding was supported by the Select Board, Finance Committee and Town Meeting. At the June 2020 Town Meeting \$135,887.97 in unexpended funds from previous Warrant Articles was appropriated.

Article #5 is requesting an additional \$600,000.00 for the project:

General Fund:	\$100,000.00
Water Enterprise Fund:	\$200,000.00
Sewer Enterprise Fund:	\$200,000.00
Stormwater Enterprise Fund:	\$100,000.00

This funding split was reviewed by the Town Administrator and Finance Director. Previously, Stormwater Enterprise Funds were not considered as a funding source for the project. However, after reviewing the vehicles and equipment used for Stormwater Management and the salary allocation for DPW staff it seemed reasonable to have that Enterprise Fund contribute to the project and was presented to the Select Board. Reserves from all three Enterprise Funds will be used for the \$500,000.00 otherwise a rate adjustment hearing would have to take place if borrowing was used.

Cathy MacInnes inquired how much the Sewer Rate Payors are paying for reserved sewer capacity at the Charles River Pollution Control District. The Finance Director will provide the cost for FY21. Cathy MacInnes voiced her concerns with splitting the cost of the project between the Water and Sewer Enterprise Funds and feels the General Fund is not contributing its fair share. The DPW Facility is used by the School Department, Police and Fire Departments. Town Counsel did review the allocation of the funds prior to the Select Board's approval of the funding sources. Craig Schultze voiced his concern with using Stormwater Enterprise Funds for the project; initial funding passed at Town Meeting did not include the use of Stormwater Enterprise Funds. Stormwater is a vexing topic among residents and might interfere with approval of the article at Town Meeting. The overall use of Enterprise Funds will be further discussed by the newly formed Enterprise Fund Committee.

Article #6 would lease trailers and space for a mechanic's bay at a separate location for two years. The lease is \$275,000.00 each year. The trailers would provide space for the School Department's Bus Drivers. This article is only necessary if Article #5 fails at Town Meeting. Jodie Garzon thanked Mr. McKay for his attendance.

Article #1 Unpaid Bills – invoices from previous Fiscal Years received after the deadline for submission to the Finance Department.

Article #2 FY21 Operational Budget Adjustments

Article #3 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

Article #4 Police Cruiser Lease/Purchase

Article #7 Employee Wage/Salary Study – This article, submitted by the Select Board, will fund a study requested by the SEIU Collective Bargaining Unit. Negotiations will begin again soon and having the study complete will assist both the Town and Collective Bargaining Unit in coming to a

fair contract. The study will examine the different wage levels within the union. A study hasn't been conducted in several years.

Article #8 Tree Maintenance

Article #9 General By-law Change – Date of Annual Spring Town Meeting – This article would allow Town Meeting to be held prior to the Town Election.

Article #10 Zoning By-law Change – MCEOD

The committee will vote on the Warrant Articles at their next meeting on Wednesday, October 21, 2020.

Assign November Town Meeting Articles:

Article #1 Unpaid Bills – Craig Schultze

Article #2 FY21 Operational Budget Adjustments – Jodie Garzon

Article #3 Capital Items – Peter Berube

Article #4 Police Cruiser Lease/Purchase – Jim Borgman

Article #5 DPW Building Project – Additional Funding – Doug Riley

Article #6 DPW Lease Temporary Office Facilities – Doug Riley

Article #7 Employee Wage/Salary Study – Shawn Power

Article #8 Tree Maintenance – Cathy MacInnes

Article #9 General By-law Change – Date of Annual Spring Town Meeting – Katie Tieu

Article #10 Zoning By-law Change – Millis Center Economic Opportunity Overlay District – Joyce Boiardi

Approve Bills Payable:

Craig Schultze made a motion to authorize payment to Postmaster in the amount of \$575.15; Jim Borgman seconded. . Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Jim Borgman – aye, Shawn Power – aye, Katie Tieu – aye, Craig Schultze – aye, Cathy MacInnes – aye, Joyce Boiardi - aye motion carries unanimously.

Approve Meeting Minutes:

Craig Schultze made a motion to recommend approval of the September 30, 2020 Meeting Minutes; Cathy MacInnes seconded. Vote: 7/0 1 Abstained

Doug Riley made a motion to adjourn the Finance Committee Meeting at 9:46 PM; Craig Schultze seconded. Vote: 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore