

SELECT BOARD/FINANCE COMMITTEE MEETING MINUTES
VIRTUAL MEETING
MONDAY, OCTOBER 26, 2020
FinCom Approved 11/12/20

SB Members Virtually Present: Alison S. Manugian, Chair; Joshua A. Degen, Vice Chair; Rebecca H. Pine, Clerk; John R. Giger, Member; John F. Reilly, Member

FinCom Members Virtually Present: Bud Robertson; Art Prest; Colby Doody; Scott Whitefield; Mary Linskey; David Manugian; Gary Green

Also Virtually Present: Mark W. Haddad, Town Manager; Dawn Dunbar, Executive Assistant; Melisa Doig, HR Director; Patricia Dufresne, Town Accountant; Michael Hartnett, Tax Collector/Treasurer; Jonathan Greeno, Principal Assessor; Library Trustees - Kristin von Campe; Nancy Wilder; Mark Gerath

Ms. Manugian & Mr. Robertson called their respective meetings to order at 7:00pm. Ms. Manugian reviewed the agenda. She said that the Select Board and Finance Committee had just concluded an Executive Session a few minutes prior.

ANNOUNCEMENTS

Ms. Pine said that the Affordable Housing Trust was working hard on exploring the possibility of building affordable housing at the base of Surrenden Farm. She invited the Board and members of the public to attend a site walk on Saturday morning at 10am. She also asked people to watch their last Trust meeting for more information on housing.

Ms. Pine said that there had been a lot of questions and confusion on the stormwater bills that went out last week. She said that this unfunded mandate had fallen on them locally. She said that the state was requiring that they sweep streets and clean catch basins more often and gather more data than in the past having to do with pollution in the ground. She said that this totaled about \$200k per year for their Town. She said that they had been having these discussions for over a year and had been brought to town meetings for votes. She said that this was a once a year fee and every parcel in town with pavement or building was paying this fee including non-profits, schools, the Town, residential, and commercial spaces. She said that every town in the Commonwealth would be having to find ways to fund this.

TOWN MANAGER'S REPORT

1. Mr. Haddad said that last December, because of financial issues at the time, he removed from his recommended budget the \$8K line item for the Interface Mental Health Referral Service. He said that GSRSD and Dunstable also participated in this. Mr. Haddad said that he wasn't sure why this had just come up now. Mr. Haddad said that a resident, Beverly Harris sent Ms. Pine an email to which Ms. Pine responded with her opinion, that he inadvertently forwarded to the entire Board thus violating the Open Meeting Law. Mr. Haddad read the email into the record and said he had already filed a disclosure with the Town Clerk and would notify the Attorney General.

Mr. Haddad said he had several conversations with members of the Board today individually. He said that Dunstable had their \$2K share in the budget still and were willing to pay for the service this year. Mr. Haddad said that they had the option to utilize a reserve fund transfer for their portion. Mr. Haddad said that Mr. Giger asked if they could use Cares Act funding for this. Ms. Dufresne said that the Department of Finance at the State level was reluctant to comment on whether Cares Act funding could be used.

Mr. Robertson said he thought this was required in today's environment. Mr. Reilly asked if it would cost the Town \$12K if Dunstable and GDRSD didn't want to utilize the service any longer. He said he thought it was a worthwhile program. Ms. Pine said that they should have it, especially this year. Mr. Manugian asked if this needed to be procured. Mr. Haddad said it was under the threshold for obtaining 3 quotes. Mr. Prest said that given the crazy world, he thought they needed to support this.

Mr. Haddad asked for a motion that if the Department of Mental Health allowed for Cares Act spending on this, or if not, he would like to go to the FC for a reserve fund transfer.

Mr. Giger said that they should get the okay from the Finance Committee first for a reserve fund transfer and then look for guidance from the state on whether Cares Act funding could be used but thought that this should be funded.

Mr. Giger made his statement a motion. Ms. Pine seconded the motion. Roll Call: Pine-aye; Manugian-aye; Degen-aye; Reilly-aye; Giger-aye

Mr. Haddad asked the Finance Committee to approve a reserve fund transfer for \$8K.

Mr. Prest made the motion. Mr. Manugian seconded the motion. Roll Call: Manugian-aye; Pres-aye; Doody-aye; Robertson-aye; Green-aye; Whitefield-aye; Linskey-aye

BUDGET GUIDANCE

Mr. Haddad said that he had given the Board and Finance Committee some information relative to projected finances. Mr. Haddad reviewed the following from his Town Manager's report:

- A. *We estimate approximately \$229,000 in unexpended tax capacity.*
- B. *We are reducing anticipated State Aid in FY 2022 by \$50,000.*
- C. *We are estimating approximately \$15 million in New Growth.*
- D. *We are increasing Estimated Receipts by approximately \$280,000.*
- E. *We have been told that there will be a 14.41% increase in our Pension budget, or a \$285,000 increase.*
- F. *We are estimating a 10% increase in Health Insurance Costs.*
- G. *We are anticipating 8 additional students at Nashoba Tech next year and are estimating an increase in that Assessment of \$140,000.*
- H. *With regard to Groton Dunstable Regional School District, we have increased the starting Operating Assessment by \$680,000 to make up for the reduction in FY 21 due to the use of School District E&D to offset the FY 2021 Operating Assessment. We then increased this new base number by 4% to account for a modest increase in FY 2022. In addition, based on a conversation with School Superintendent Laura Chesson, I have added an additional \$300,000 to that estimate in the event that we are still dealing with COVID-19 related remote learning next year.*
- I. *We have level funded Municipal Expenses and level funded wages across the Board.*

Mr. Haddad said that taking all of this into consideration, they were estimating a \$1.2 million deficit in FY 2022. Mr. Haddad said that because of the uncertainties he was recommending that the guidance be to level fund the municipal budget. He said that would mean he would have to come up with money to cover health insurance and pension costs. He said that this would be a reduction in the municipal budget. He said that he would like to add working with the School Committee, Superintendent and Nashoba Tech to work on assessments as discussed above. Mr. Robertson said that the Finance Committee agreed adding that the budget had to be balanced. Mr. Robertson said that the use of free cash could be considered for onetime costs. Mr. Manugian would like to discuss that in addition to level- funding the budget, the Town prioritize how any available extra funds might be spent at the Fall Town Meeting.

Mr. Haddad said that the districts projection called for a \$1.3M increase or 5.8%. Mr. Haddad said that he was carrying a 4% increase which meant with this projection, they were now looking at a \$1.6M deficit. Ms. Pine asked how they were going to solve this. Mr. Haddad said that as a start they would have to level fund the municipal budget and the school district would have to come in with less than \$1.6M increase. Ms. Pine asked about an override. Mr. Haddad said that this would not be the time ask for an override. Ms. Pine asked if they would then have to cut people. Mr. Haddad said that they would have to look at reducing services.

Ms. Manugian said she was hearing no override, no increase in municipal budget, acknowledgement that some free cash be used for one-time expenses, that the Town Manager work with the schools and that all capital items be accounted for as early as possible.

Mr. Giger said he would like to ask for a detailed record of what they would be pulling out of the proposed budget and made available to them so they don't forget taking things out. Mr. Degen said he wanted to maintain the hiring freeze adding there

would be a position within the Police Department and Highway Department they should not fill but save the money to turn it over to the general fund and cut them next year. Mr. Haddad said he would want to talk to the department heads first adding there were also frozen positions in the Library he would like them to consider not filling too. Ms. Gilbert said that they had some flexibility with what they anticipated their E&D to come in at in January, that the use of free cash could be used for COVID expenses. Mr. Haddad said that they were on the same page on the municipal side as it related to COVID also.

Ms. Pine made a motion that the budget guidance to the Town Manager include no override, no increase in the municipal budget, acknowledgement that some free cash be used for one-time expenses, and that the Town Manager work with the schools on their assessments. Ms. Manugian seconded the motion. Roll Call: Pine-aye; Manugian-aye; Degen-aye; Reilly-aye; Giger-aye

Mr. Manugian moved they provide the guidance as approved by the Select Board. Ms. Linskey seconded the motion. Roll Call: Manugian-aye; Pres-aye; Doody-aye; Robertson-aye; Green-aye; Whitefield-aye; Linskey-aye

Mr. Robertson adjourned the Finance Committee at 7:54pm.

Respectfully Submitted by,

Dawn Dunbar
Executive Assistant