May 4, 2020 Minutes

Town of Sharon Finance Committee Meeting

**Present:** Daniel Lewenberg, Patricia-Lee Achorn, Anja Bernier, William Brack, Arnold Cohen, Gordon Gladstone, Charles Goodman, Ann Keitner, Ira Miller, Edward Philips and Anil Ramoju.

**Not Present:** None.

Also present: Krishan Gupta, Director of Finance and Fred Turkington, Town Administrator.

1. **Dan Lewenberg, Chair, gave opening remarks:**
	1. This meeting is being held through the Zoom online platform due to the State of Emergency based on the COVID-19 outbreak. He confirmed all present members could hear and that the meeting was being recorded and broadcast.
2. **Quarterly Budget to Actual Update & Balance Sheet - Krishan Gupta:**
	1. Total General Fund budget and transfers for FY20 budget is $85,474,304. Town is 67% through the FY20 budget at $57,671,718 through the end of March.
	2. Schools seem underspent at 64%, but only because of how salaries are paid. The debt is a matter of timing. Insurance seems underspent at this point, but only because healthcare costs have not been sent out yet.
	3. Do not expect there to be a variance by the end of the fiscal year.
	4. Law is at 112% of their budget currently due to the Brickstone project and the special Town Meeting. Budgeted: $133,500. Current actual: $149,652.
	5. Lake Management is at 105% of their budget currently due to work done at Lake Massapoag. Budgeted: $6,500. Current actual: $6,812.
	6. Council on Aging is waiting for a grant to come through. Budgeted: $302,878. Current actual: $252,082.
	7. Veterans are at 80% of their current budget because of increased outreach to local Town veterans which has resulted in more beneficiaries. Town will be reimbursed for approximately 75% of these costs, but not for 18-24 months. Budgeted: $68,908. Current actual: $54,811.
	8. Department of Public Works (DPW) has overspent on their budget due to extra expenses for the COVID-19 health crisis for cleaning and personal protective equipment. DPW does not expect any significant expenses for snow and ice for the rest of the fiscal year. MEMA and FEMA should be reimbursing approximately 75% of COVID-19 related costs over the next two years. Governor Baker has applied for 100% reimbursement for MA so there is a possibility of 100% reimbursement.
		1. Mr. Gupta will ask DPW for details of specific snow and ice and cleaning costs.
	9. There may be between $300,000 - $500,000 free cash in the budget for this fiscal year.
	10. Town Meeting may not occur in this fiscal year due to the COVID-19 health crisis.
	11. Town buildings such as schools are still in use by administrative staff, so there are still costs associated there. Nerlande Mintor, Director of Business Operations and Human Resources, is looking into if there will be savings associated with school buildings for the period of time that students are doing remote learning.
	12. Some students have asked for reimbursements for transportation fees they paid for this year.
	13. Town of Sharon has extended a one-month grace period for real estate taxes without penalties.
	14. Town staff have been asked to track any COVID-19-related expenses as these may be reimbursed partially or fully in the future.
	15. There is a discussion at the PTO meeting regarding a Celebrating Seniors event that would feature banners on light posts throughout town. There are 262 Sharon High School seniors. This will be voted on by the Select Board. There will be costs associated with this.
	16. 97% of expenditures are salaries. Unless there are layoffs in this period, which are not expected, there won’t be a cost savings there. When layoffs occur the Town pays unemployment for those individuals.
	17. Up to approximately $162,000 has been spent out of the legal account as of April 10, 2020. Almost $135,000 of this has been to Mr. Gellerman’s firm. Costs are also due to the Brickstone project and the special Town Meeting.
	18. Will likely need a reserves transfer to the legal fund in June.
	19. Unsure how much reimbursement will come to Norfolk County. State is unsure what their reimbursement will be.
	20. Monies need to be allocated to support the deep cleaning of buildings, personal protective equipment for staff, and the extended hours for Farnham Road site due to regular carriers not being able to do pickups, and other expenses related to COVID-19. There most likely will not be reimbursement for loss of revenue.
	21. Reserve balance major components are made up of Free Cash – General Fund, Stabilization Fund, Health Insurance Reserves and OPEB. Totals for the last four fiscal years are:
		1. 2017: $5,677,415
		2. 2018: $7,784,925
		3. 2019: $10,331,592
		4. 2020: $10,544,589
		5. Current excess levy capacity: $2,024,952 for 2020
		6. Free Cash: 1,748,363 for 2020.
		7. No contributions have been made to the Stabilization Fund in recent years. These investments are with Rockland Trust Investments.
	22. Currently reconciling cash every month and all account books are up to date.
3. **Discussion regarding COVID-19 related budgetary considerations – Fred Turkington, Krishan Gupta:**
	1. Mr. Turkington, Town Administrator, discussed that there may be other impacts of the COVID-19 health crisis on Town revenues. There may be a decrease in excise tax revenue if residents delay buying higher cost vehicles. Restaurants and hotels may be closed or have limited service for longer and building permit revenue may be lower.
	2. Mr. Gupta and Mr. Turkington are working on decreasing revenue assumptions and looking at other areas that may allow for a reduction in their budgets to offset this.
	3. In the next couple weeks they will have a better idea of when Town Meeting can be held.
	4. If Town Meeting is not held the Town may go to a 1/12th budget model where the Town’s FY2020 budget is divided by 12 and voted on each month until Town Meeting is held. Department of Revenue (DOR) supervisors will be putting out guidance for towns regarding such budget models. DOR would review and approve each month’s budget.
	5. State House and Senate may streamline by presenting a joint document to decrease time for local aid to be dispersed.
	6. Signed project agreement with MSBA in February to borrow $90 million. First debt service payment will be paid in August, 2020. It is not an option to delay this project based on timing, contracts having been signed, and there would be costs incurred by construction inflation.
	7. Committee discussed that they have the opportunity to modify and vote differently on budget items that have previously been voted on in recent Finance Committee meetings because of the delay in printing the Warrant due to the COVID-19 health crisis.
		1. The financial impact of this health crisis may be seen in the coming years and it would be prudent to review the recommendations the Committee has made and potentially vote differently for capital outlay items.
	8. Salary increases for Town staff could potentially be renegotiated or there could be a salary freeze.
	9. There may not be a savings in school bussing due to contracts already being in place. Some parents have been asking for refunds for pay-to-ride bussing.
	10. Dr. Victoria Greer has been discussing shortfalls at the state level. The School Committee is meeting this Wednesday evening.

**Moved:** Gordon Gladstone moved that the Finance Committee reconsider votes taken on articles with financial impact for the FY20 Town Meeting. **Voted:** 10-0-0. Anil Ramoju no longer present.

1. **Review and finalize Warrant article write-ups:**
	1. Committee members will send non-financial related write-ups for the Warrant to Mr. Turkington. Some Committee members haven’t had a chance to review the other write-ups yet and will email their comments to the authors.

# Liaison Updates:

* 1. Sharon Schools – William Brack and Ann Keitner:
		1. The search for the Heights principal is down to two candidates. Final interviews were this afternoon. Ann Keitner was part of the hiring committee.
		2. There are currently 28 resumes for the high school principal position.
		3. Dr. Greer sent an evaluation to parents to ask how remote learning is going.
		4. There is new guidance from DESI regarding what remote learning should look like.
	2. Library - Charles Goodman:
		1. Library is going before the Zoning Board (ZBA) on May 13. First year of the library project will increase taxes by $128 for the average taxpayer.
		2. Library is currently operating at reduced capacity and are determining what they need for personnel and maintenance going forward.
	3. Planning Board - Arnie Cohen:
		1. The Planning Board was supposed to have met last week regarding the golf course and condo buildings but did not because they did not receive the necessary reports in time. Will be meeting May 14 and voting.
	4. Standing Building Committee - Gordon Gladstone:
		1. Library is going in front of ZBA to request variances that are necessary for the project. It is likely this will be a contentious meeting as there has been opposition from community members and abutters.
		2. Planning for the library continues. SBC meets with the architects every two weeks.
		3. High school is going before the Conservation Commission on May 7, and the major article being discussed on that date is artificial turf. The high school landscape architect will make a presentation.
1. **Minutes to be Voted:** Committee will vote on April 23, 2020 meeting minutes at the next Finance Committee meeting.
2. **Topics not reasonably anticipated by the Chair in 48 hours:**
	1. Dan Lewenberg discussed potential dates for next meetings, including May 18 and June 1.
	2. Committee discussed that the personnel bylaw write-up and the water discharge write-up for the warrant still need to be completed. Deadline of one week from today for write-ups and committee member comments to individual authors.

1. **Adjournment:**

**Motioned:** by Anja Bernier **Seconded:** Patricia-Lee Achorn to adjourn **Voted:** 8-0-0. William Brack and Anil Ramoju no longer present.

The meeting was adjourned at 9:43 pm.