June 29, 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.

Also present: Krishan Gupta, Director of Finance, Fred Turkington, Town Administrator and Eric Hooper, Superintendent of Department of Public Works (DPW).

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. **Consider & Vote Reserve Fund Transfer Requests**
	1. Legal Expense Total Request for Fund Transfer: $80,000.
		1. Fred Turkington discussed that these expenses are related to the Brickstone parcel, outside counsel for solar leases, and two General Code updates.

**Motioned to approve the total transfer request for Reserve Funds for legal expenses:** by Edward Philips **Seconded:** Anja Bernier **Voted:** 11-0-0.

* 1. DPW Total Request for Fund Transfer: $49,423.98.
		1. Eric Hooper discussed that snow and ice removal, road repair and salary overtime are allocated over difference budgets within DPW.
		2. Salary overtime is budgeted based on a five year average. This year salary overtime was one third of what it typically is due to light snow. The materials and road repair budget were higher than average due to spot sanding, salting, street sweeping, replacement of curbing, asphalt and grass sections from damage, sidewalk plowing, etc.
		3. Salt and sand are stocked for next year.
		4. Salaries will continue to be based on a five year average. Contractors and their equipment are used for some snow and ice removal.

**Motioned to approve the total transfer request for DPW expenses:** by Edward Philips **Seconded:** William Brack **Voted:** 11-0-0.

* 1. Unemployment Total Request for Fund Transfer: $25,000.
		1. Town of Sharon is self-funded for insurance, as are all MA municipalities.
		2. Unemployment claims are based on lay-offs and furloughs. Schools will have some unemployment claims, but number is unknown at this point. Fewer than expected due to contractual agreements.
		3. Sharon puts $75,000 into the unemployment fund each year. An additional $25,000 is important to guard against any increased claims that are anticipated due to the pandemic.
		4. Total claims typically range between $60,000-$85,000/year
		5. Under the CARES Act claimants receive an extra $600, which the state and federal government pay. Sharon is responsible for paying a portion of unemployment.

**Motioned to approve the total transfer request for Unemployment expenses:** by Edward Philips **Seconded:** William Brack **Voted:** 11-0-0.

* 1. Election/Registration Total Request for Fund Transfer: $22,775
		1. Request from Town Clerk’s office for expenses related to early voting, which is mandated by the state, and other registration and election related expenses. Some of this may be reimbursed by the state in the future.
		2. The cost of printing the warrant is already covered from the FY20 budget.

**Motioned to approve the total transfer request for Election / Registration expenses:** by Edward Philips **Seconded:** William Brack **Voted:** 11-0-0.

* 1. Veterans Total Request for Fund Transfer: $7,500.
		1. Extra expenses are due to the Town adding three more veteran beneficiaries.
		2. Are increasing the budget FY21 to accommodate this increase for the future.

**Motioned to approve the total transfer request for Veterans expenses:** by Edward Philips **Seconded:** William Brack **Voted:** 11-0-0.

* 1. Lake Management Total Request for Fund Transfer: $312.

**Motioned to approve the total transfer request for Lake Management expenses:** by Edward Philips **Seconded:** William Brack **Voted:** 11-0-0.

* 1. Committee discussed the change in lake beach passes for this summer from season passes to day passes. The Town put together a beach plan based on social distancing and increased cleaning of restrooms. Town expects higher interest this year as some summer camps are closed and residents may be vacationing less due to the pandemic.
		1. The Town is implementing rules from the State for the maximum number of passes sold each day.
		2. There are 910 spots on the beach, with an estimate of 54 sunny days, at $3.70 / per person.
1. **Priorities Committee Update - Fred Turkington / Krishan Gupta**
	1. The Priorities Committee is looking at possible scenarios to get an estimate of where the budget is and will review Reserve estimates. Still waiting on federal fund reimbursements and are expecting to get numbers from the state the second week of July. Discussed various scenarios, including:
		1. Total of three sectors (Schools, Select Board, Finance Committee): $61,544,634
		2. Total state aid / assessments, local receipts and property taxes: $89,819,925
		3. Reduction in sector allocations is against a pre-pandemic increase set at 2.94%.
		4. Under varied revenue assumptions, models result in sector allocations ranging from flat year over year to up 1.75%
		5. Current target date for Town Meeting is October 5, 2020. Warrant needs to go to printer by end of August.
		6. Too early to know final numbers for FY20 yet. The Town allowed up to a one month delay in residents paying motor vehicle excise taxes.
		7. $147,000 actual cash has been received for reimbursement of COVID-19-related expenses from the CARES Act. More reimbursements are expected but may take 1-2 years to file and receive.
		8. Revenue estimates were originally prepared in February, before the pandemic.
		9. New growth in the Town is expected to decrease due to the pandemic.
		10. The Town may not see the impact of residents being unable to pay their mortgages until later in the fiscal year.
2. **Capital Outlay Committee Update – Paul Linehan, Chairman**
	1. The Capital Outlay Committee voted on the capital budget in February, prior to the pandemic. Have discussed what items can be deferred to a later date but have not voted yet on any reductions.
	2. Schools made a significant reduction, as approximately $200,00 is eligible for reimbursement through the CARES Act.
	3. Town departments have prioritized their projects for the coming year.
	4. Goal is to utilize the balance in the Reserve Fund that would otherwise fall to free cash to pre-fund some of these items:
		1. Information Technology: Reduced from $19,340 to $0.
		2. Schools: Increase from $607,633 to $615,000 due to need for additional Chrome books to comply with social distancing. Are expecting reimbursement from the CARES Act, and have reduced other capital items.
		3. Fire: Reduced from $255,000 to $200,000, after deleting purchase of snowmobile and rescue boat.
		4. Police: Reduced from $150,000 to $100,000, after reducing purchases of police cruisers from 3 to 2.
		5. DPW: No change, at $865,500.
		6. Civil Defense: No change, at $61,000.
		7. Recreation: No change, at $47,540.
		8. Grand total: Reduction from $3,861,013 to $3,744,040.
	5. The Committee discussed that DPW’s budget will be severely impacted if the recycled asphalt article passes at Town Meeting, as DPW will only be able to complete approximately half of their planned projects due to the associated increased costs.
3. **Consider use of remaining Reserve Funds to pre-fund capital items, other uses**
	1. The Committee discussed the possibilities for use of remaining $297,744 of Reserve Funds:
		1. Could use some or all to fund OPEB, capital items and / or insurance.
		2. Committee has control of this money for the next 2 weeks.
		3. Town has worked to build free cash to buy items so that we do not go into debt by reducing borrowing.

**Motioned to recommend maintaining the OPEB contribution at level funding:** by Gordon Gladstone **Seconded:** Patricia-Lee Achorn **Voted:** 9-0-2. Anja Bernier and Charles Goodman voted against the motion.

**Motioned to allocate balance of Reserve Fund, after transfers, of $297,744 that $96,704 be allocated to the health care trust fund and $201,040 be allocated to pre-funding capital items:**

* **DPW Forest and Grounds: $36,000**
* **DPW Audio Closet: $12,500**
* **Schools SPED Vans: $65,000**
* **Schools Furniture: $40,000**
* **Recreation Outdoor AEDs: $27,540**
* **Recreation Used Pick Up Truck: $20,000**

by William Brack **Seconded:** Anja Bernier **Voted:** 10-0-0. Anil Ramoju no longer present.

1. **Month to Month Budgeting Update – Fred Turkington and Krishan Gupta**
	1. Krishan has sent the July budget to the Committee, as well as preliminary numbers for August and September. Totals are:
		1. July: $8,646,629
		2. August: $5,902,208
		3. September: $6,264,205
	2. July budget has been approved by the Department of Revenue.
	3. In FY21 the debt service increases from $8,618,267 to $11,495,850 due to the library and high school projects.
2. **Introduce newest Finance Committee nominee**
	1. The normal process to approve a new Finance Committee member is that they are voted in at Town Meeting. The Finance Committee can vote in a new member to fill an empty seat if needed and may do so in the near future as Town Meeting has been severely delayed due to the pandemic.
	2. The nominating committee is still in the process of vetting the new potential member and does not want to bring the potential member to a meeting until that process is completed.
	3. There may be a conflict of interest for the potential new member.
	4. Committee will not vote until the nominating committee has completed their process.

# Liaison Updates:

* 1. Sharon Schools –Ann Keitner and William Brack:
		1. The high school has hired Mr. Kazaro as the new principal, who will be starting on July 6.
		2. Dr. Greer has created a 100+ committee for handling the COVID-19 pandemic.
		3. Still in discussions regarding freezing raises for next year.
		4. Schools have submitted three plans for the fall: students going back to classrooms, remote learning, and a hybrid.
	2. Library - Charles Goodman, and Cheryl Weinstein:
		1. Library is going before the Zoning Board on July 8 to ask for acceptance of variances due to its location in a residential area.
		2. Hoping that a variance will be granted under the Dover Amendment, which allows for educational institutions such as libraries to have relief from residential restrictions.
	3. Planning Board - Arnie Cohen:
		1. Planning Board granted a special permit allowing for reconfiguration of the golf course condominiums.
	4. Standing Building Committee - Gordon Gladstone:
		1. Planning is happening and the Standing Building Committee is dealing with zoning issues. Do not expect difficulties.
		2. Site activity is expected in late July for the high school.
		3. Once receive the reconciliation estimate by the construction manager then will have a better picture of what the budget will look like.
	5. Next Finance Committee is July 20. A Tri-Board meeting is tentatively scheduled for August 4.
1. **Minutes to be Voted:** None.
2. **Topics not reasonably anticipated by the Chair in 48 hours:** None.

1. **Adjournment:**

**Motioned:** by Anja Bernier **Seconded:** Edward Philips to adjourn **Voted:** 10-0-0. Anil Ramoju no longer present.

The meeting was adjourned at 10:23 pm.