July 27, 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:**

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. **Health Insurance Trust as of June 30– Jill Gallant-Shaw of Cook & Company Insurance Services, and Krishan Gupta**
	1. FY20 activity ended in a deficit for the year, but a smaller deficit than anticipated, due to lower claims in general. Original deficit projection: $1,396,918.
		1. This is attributed to the global pandemic during which routine and elective services ended for a period of time.
		2. Projections are based on medical inflation and numbers from the previous year.
	2. Total paid claims for July 2020: $895,404. Deficit for July: $38,747.
	3. Total paid claims, administration fees, reinsurance premiums, PDP, etc. for July: $984,140.
		1. Administration fee of $489,540 paid to BCBS to process claims, member services, claims adjudication and other costs associated with a self-funded plan. This is 4.7% of the total claims, similar to plans across carriers.
	4. Total costs for fiscal year: $11,664,509, which does not include premiums for seniors.
	5. Fund balance is approximately $2.4 million, within target of 2-4 months worth of activity.
	6. 1,180 Town employees are on the plan.
	7. Rates have only increased twice in the last 7 years, which is moderate compared to industry trends. Rates will be increasing next year.
	8. If there is COVID-19 testing for school employees it will most likely be paid for through CARES Act funds, not through employee’s health insurance. Currently there is no testing protocol in place.
	9. The Town made the decision to increase the stop loss from $135,000 to $145,000 for FY19 and FY20. Claims can change drastically from one year to the next and it is difficult to predict.
3. **Four Daughters Compassionate Care Update – James Leventis, Regulatory Counsel for Verano**
	1. Working diligently to open. There was a delay in opening due to the pandemic and the Cannabis Control Commission being on leave. They visited the store in June, and Four Daughters has since received their license to open.
		1. Multi-step process with the state. Four Daughters has ordered product, but can’t open until the final inspection is complete, which is scheduled in the next few weeks.
		2. Grand opening is expected in mid/late August.
		3. Online ordering with curbside pickup will be available.
	2. Retail store: Town will collect 3% of gross sales from the retail store. This is expected to be approximately $40,000 for the first quarter, ramping up to approximately $65,000 per quarter.
		1. Four Daughters will also pay an additional 3% Community Impact Fee.
		2. Four Daughters is also opening a store in Plymouth, MA.
	3. Cultivation: Four Daughters is constructing a cultivation facility, which has been impacted by the pandemic. Expecting cultivation to start in 5-6 months once inspections are complete.
		1. There is no revenue until the first product is harvested, which will be approximately 8 months from now.
		2. Town will collect 3% of gross sales from cultivation sales, which is expected to be $150,000 for the first quarter, ramping up to approximately $250,000 per quarter in addition to a 3% Community Impact Fee.
4. **133 Old Post Road and Sharon Gallery Updates – Richard Vazza, Managing Partner**
	1. Eli Apartments at 133 Old Post Road have 192 units. Construction is finishing up on the 120 units in the first building. The 72 units in the second building are 3 weeks behind. Working through the inspection process and with Eversource to power the buildings.
		1. Units are a mix of 1 bedroom apartments, 1 bedroom with dens, and 2 bedroom apartments.
		2. Rental prices will range from $1,900 to $3,000. 25% of units are considered affordable housing and will be less expensive, and these will go through a lottery.
		3. Lincoln Properties will be the property management company, and they are expecting to start leasing in September, with full occupancy within 24 months.
	2. The Sharon Gallery project is progressing.
		1. Market Basket has entered into a letter of intent, although the time limit has expired.
		2. Working on road conditions and finalizing the road design. Need highway and roadway approvals for Market Basket to proceed.
		3. 6-7 hearings with the Zoning Board and engineers have been completed. However, a ZBA member resigned during the process and the Board no longer had a quorum. None of the board alternates had attended all the hearings, so had to withdraw and resubmit approvals.
		4. Many of the smaller retail stores have notified the project they will not be opening at the Sharon Gallery location, but other retailers have stepped up.
		5. Will assess to know if need to go back in front of Town Meeting.
5. **New High School Construction Update – Gordon Gladstone**
	1. Project is moving along. Appeared before Zoning Board and were granted all variances.
	2. On July 17 the architect released 60% documents to construction managers.
		1. Architect’s estimator came in at $22,000 below budget, and the other estimator came within 1% of the budget. These are acceptable variances to MSBA.
	3. The first trailer, for the owner’s project manager, is on site. Construction is expected to start the first or second week of August.
	4. First package of $5.7 million for site work and ground improvements has been released. Fencing project for approximately $250,000 has been approved.
	5. The Conservation Commission voted no on artificial turf for the high school. There has not been a written decision yet. Neither artificial turf nor grass was covered by MSBA funds.
6. **Library Update – Fred Turkington/Gordon Gladstone**
	1. ZBA voted unanimously 3-0 against the requested variances. They have issued a preliminary decision regarding the building request. Town Council is drafting a decision.
	2. Select Board indicated interest in bringing the parties together to preserve the grant and stay consistent with the Town Meeting vote and required variances.
	3. Trustees request the ability to obtain legal counsel. They have had no legal counsel since April. Trustees are seeking counsel for advice, not necessarily to sue the ZBA.
	4. Committee discussed that the project was overwhelmingly approved at Town Meeting, and the Town should support the Trustees.
	5. Potentially the library building could be made slightly smaller, but changes to the design would cost approximately $1 million. Legal action would cost far less and wouldn’t come from Sharon tax dollars.
	6. 1/8th of the Town’s share of the project, $1,308,266 has already been spent. Cash balance is $5,608,419.
	7. Dover Amendment was meant to cover religious and educational institutions. Town Council has said that the library is counted as an educational institution, therefore the Dover Amendment applies to this project.
	8. Currently the project is 7 weeks behind schedule. The architect and OPM are currently on hold. Escalation costs for delays have been built into the budget at 5% per year.
	9. If construction deadline is not met the Town will lose $10 million in grant money and will have to pay back the $1.5 million already advanced. Sharon will not receive another grant from MBLC for many years if deadline is not met and the money is returned.
	10. Deadlines are not being extended for the pandemic.
	11. The Committee discussed that the library is part of the Finance Committee’s budget, and this could potentially cost the Town millions of dollars. Urgency for the Committee to assist with this. Reducing the size of the library would likely not meet zoning requirements. Variances would still be needed. The Town can’t afford to lose the grant funding.
	12. The Select Board controls the ability of any Town body to litigate or sue. Committee feels that the Select Board should instruct counsel to get decision written as soon as possible so that litigation can move forward, if that is the case. The goal is to get the Select Board’s approval tomorrow night at their meeting.
		1. However, residents have implied that they will litigate if the ZBA vote is overturned and the variances are granted.
		2. Acquiring the adjacent lot may be an option, but it is not within the budget, and is not necessarily for sale. Town Meeting would have to put up additional funds.
	13. Lee Ann Amend, the Library Director, stated that the current library building has expensive issues, and that after the library opened after the pandemic the basement flooded and the building had to close for 3 days. This was the third flood in 2 years.
	14. Total for library project is $6,901,686:
		1. TFR from Public Safety Building: $400,000
		2. MBLC Award (over 5 years): $7,485,943
		3. Town Debt: 10,114,057
		4. Town Borrowing: $5,000,000

**Motioned:** Anja Bernier submitted a motion that the Finance Committee recommends to the Select Board that they request the written decision as soon as possible and after the opinion is received they give their approval. Anja Bernier withdrew the motion.

**Motioned:** Ira Miller moved that the Finance Committee advise the Select Board to direct Town Counsel to write the opinion of the ZBA as soon as possible **Seconded:** Patricia-Lee Achorn **Voted:** 11-0-0.

**Motioned:** Ira Miller moved that the Finance Committee advise the Select Board to grant the library board of trustees the ability to hire their own counsel **Seconded:** Gordon Gladstone **Voted:** 11-0-0.

1. **Month-to-month budgeting for August and September – Krishan Gupta**
	1. State budget is still unknown. Town is still crafting month-to-month budgets that are a minimum of 1/12 of last year’s budget.
	2. August budget was rejected by the Department of Revenue. Krishan redid it, it was approved and will be voted tomorrow.
	3. August budget: $7,901,897 for schools, Town, enterprise funds – water and enterprise funds – cable.
2. **Capital Request from Water Department**
	1. Part of adjustments.
	2. Projected costs from engineer, implications made after consultations with neighbors.
3. **Appointments to Capital Outlay and Priorities – Dan Lewenberg**
	1. Dan Lewenberg stated he will stay on the Priorities Committee
	2. Asked Ira Miller to serve on the Priorities Committee. Ira accepted.
	3. Asked Charles Goodman to stay on as the alternate for the Priorities Committee. Charles was no longer present, and Dan stated he will confirm with him.
	4. Asked Anja Bernier to stay on the Capital Outlay Committee. Anja accepted.
	5. Asked Ann Keitner to stay on the Capital Outlay Committee. Ann accepted.
	6. Asked Patricia-Lee Achorn to serve as the alternate for the Capital Outlay Committee. Pat accepted.

# Liaison Updates:

* 1. Sharon Schools –Ann Keitner and William Brack:
		1. Heights and high school principals both started at the beginning of July. Their interviews are available on Sharon TV.
		2. Dr. Greer, the Superintendent, has created a COVID-19 Committee made up of approximately 150 people, with 3 subgroups.
		3. Dr. Greer is submitting the 3 required plans to the state for reopening in the fall for in-person learning, a hybrid model, and remote learning. She anticipates she will be able to share these plans with the community around the deadline of August 15.
		4. Dr. Greer completed a survey and presented the results last week. 2700 people gave opinions in the survey.
			1. 55% of teachers surveyed stated they have their own underlying health issues, or that a family member does.
			2. 90% of surveys indicated they wanted parents to be able to decide whether their children attended school in person.
		5. Grants have been made available to districts for technology such as Chrome books for teachers and students who don’t have them.
		6. MA Teachers Association has agreed to shorten the amount of school days for the upcoming school year to 170.
	2. Committee discussed Town Meeting:
		1. Fred Turkington discussed that the Town intends to proceed with Town Meeting with safeguards in place to protect attendees, barring a state mandate for a shutdown of events.
			1. Safeguards may include requiring masks, 6 foot apart seating, using extra rooms to spread out depending on the size of the crowd, sanitizing, etc.
			2. May consider Sunday October 4 in the afternoon to help accommodate for thorough sanitization after the meeting before the next school day.
		2. Unsure of capacity for socially-distanced attendance in the high school. Will need to measure and calculate.
		3. Town has a license on Zoom for up to 300 attendees, which is not enough to accommodate Town Meeting attendees, and does not have electronic voting.
		4. An outdoor meeting is a possibility, but weather may be an issue. Would not be able to set up tents as tents have a 25 person limit. A rain date would be necessary.
		5. Screening attendees at the entrance may be problematic. Will need to work out logistics and have a separate area for anyone who does not pass the screening.
		6. Town Meeting is a legislative body. Early voting for Town Meeting is not allowed.
	3. Library - Charles Goodman: None.
	4. Planning Board - Arnie Cohen: None.
	5. Standing Building Committee - Gordon Gladstone: Nothing to add.
1. **Minutes to be Voted: June 1, 2020**

**Motion:** by Edward Philips **Seconded:** Ann Keitner to approve the June 1, 2020 minutes **Voted:** 9-0-0. Charles Goodman and Anil Ramoju no longer present.

**Minutes to be Voted: June 29, 2020**

**Motion:** by Edward Philips **Seconded:** Anja Bernier to approve the June 29, 2020 minutes **Voted:** 9-0-0. Charles Goodman and Anil Ramoju no longer present.

1. **Topics not reasonably anticipated by the Chair in 48 hours:**
	1. The nominee for the Finance Committee has chosen to withdraw. The nominating committee has decided to wait and go back to the normal nomination process which will occur in January.

1. **Adjournment:**

**Motioned:** by Edward Philips **Seconded:** Anja Bernier to adjourn **Voted:** 9-0-0.

The meeting was adjourned at 10:31 pm.