December 22, 2020 Minutes

Town of Sharon Finance Committee Meeting

**Present:** Daniel Lewenberg, Patricia-Lee Achorn, Anja Bernier, Charles Goodman, Ann Keitner, Ira Miller, Edward Philips.

**Not Present:** William Brack, Arnold Cohen, Gordon Gladstone.

Also present: Krishan Gupta - Director of Finance, Fred Turkington - Town Administrator, Brian Collins, Jada Wang, Cheryl Weinstein.

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 the meeting was being recorded and broadcast.
2. **Meet Finance Committee Nominees & Vote Interim Membership**
   1. The nominating committee has nominated two individuals, Brian Collins and Jada Wang, to fill the two open seats on the Finance Committee. Each individual introduced themself:
      1. Jada Wang stated that she has lived in Sharon for a long time, raised her children here, and was looking for a way to give back to the community. She is a CPA with 15 years experience in accounting and finance and hopes the Committee can utilize her skills.
      2. Brian Collins stated that he has lived in Sharon for 38 years. He is retired and feels he would like to give back to the town. His background is in finance and he has managed securities portfolios for a bank trust department.
      3. New members will need to be sworn in at the Town Hall.
      4. Fred Turkington invited the new members to meet with him and Krishan Gupta at the Town Hall to help with onboarding them to the Committee.

**Motioned:** by Ira Miller to appoint on an interim basis both Jada Wang and Brian Collins **Seconded:** Ann Keitner **Voted:** 7-0-0.

1. **Town Cash Portfolio Presentation – Barbara Howard & Brian Callow, Rockland Trust Co.; Lisa Clark, Town Treasurer**
   1. Dan Lewenberg stated that Rockland Trust was unable to do presentation tonight and he will ask them to present at the January 25, 2021 Finance Committee meeting.
2. **Tax Rate Recap – Krishan Gupta**
   1. Levy by class total: $75.279,363.44
   2. Tax rate recapitulation for FY21:
      1. Total appropriations of each meeting: $95,450,219
      2. From raise and appropriate: $89,363,960
      3. From free cash: $60,820
      4. From other available funds: $932,280
      5. From enterprise funds: $4,758,324
      6. From community preservation funds: $334,835
   3. Total to be raised: $97,177,391.44
      1. Coming from the State: $10.5 million (14%)
      2. Motor vehicle excise, interest on tax excises and other local: $4,843,953
      3. FY21 estimated local receipts: $2,850,000
      4. Other available funds: $932,280
      5. Tax rates: $20.43 per $1,000 for Sharon property taxes. Residential tax rate is better than the amount that taxpayers voted on
      6. Actual receipts from FY20$2,863,148.93
      7. FY21 new growth, from new properties come on board during the fiscal year: $937,730
      8. FY21 levy limit: $70,884,940; FY20 levy limit: $68,238,204**;** FY19 levy limit: $66,157,427
      9. Excess levy capacity is room under the levy limit that could be raised. Free cash comes from taxes that were raised but not spent.
      10. Krishan Gupta will give the second quarter update at the next Finance Committee meeting. There are challenges for the Schools’ budget due to COVID expenses, and uncertainty regarding monies coming from the federal government.
3. **New Growth Report – Krishan Gupta**
   1. The Priorities Committee recently discussed the new growth estimates:
      1. FY22 estimate: $505,643, and $20.43 / $1,000 tax rate
      2. 5 year average: $504,692, and $19.64 / $1,000 tax rate
      3. $24,750,000 in new growth valuation from the Eli apartments, Cape Club, Diamond Estates, Audubon Preserve subdivision, 1225 General Edwards marijuana facility, miscellaneous Reno / additions, personal property, etc. These are educated assessments from an assessor who monitors these taxes.
4. **Sharon Gallery Update – Fred Turkington**
   1. Zoning for the Sharon Gallery was voted on at Town Meeting
   2. Currently in final negotiations with the wholesale club. Waiting to hear from the State DOT and District Office regarding the length of the turn lane, driveway entrance, etc.
5. **Debt Refinancing – Krishan Gupta**
   1. Krishan Gupta stated that the Town is in discussion with financial advisors on a regular basis. This year they found $10 million of the remaining 2011 middle school debt that can be refinanced
   2. If the Select Board approves the bids they will let the Finance Committee know. Projected sale date for bonds is March 8. Will have concrete numbers for Town Meeting.
      1. $290,000 is the approximate cost to refinance, for a savings of $1.4 million in debt service over the next ten years. Average coupon rate for the various bonds is currently 3.892 %, and the estimated new interest rate may be 1.578 % once refinanced.
6. **Review Status of FY’21 Revenue and Expenditures – Krishan Gupta**
   1. This will be discussed at the January 25, 2021 Finance Committee meeting.
7. **Discuss Financial Issues Impacting FY2022 Budget Process – Fred Turkington; Krishan Gupta**
   1. The biggest variable waiting on is state aid. Governor’s budget does not come out until January. Currently assuming flat with FY’21 levels. Next round of stimulus may come out in January
      1. Total state aid estimate for FY22: $9,918,134
      2. 2.0288 % increase available for the three operating sectors
      3. State aid for school construction has decreased to $706,597 for FY21-20
      4. Separate line item for library and high school debt service
   2. Will need to closely monitor impact of COVID on schools, health insurance and pension. Haven’t seen estimates yet, but may be 10% increase and am working that into the current budget.
   3. Staff will be preparing a budget that will be a level services budget
   4. FEMA was expected to give almost $1 million, but now they may not be. However, this will not be part of the operating budget. Looking at trying to get various costs reimbursed
   5. Total spent or expected to spend: $2,423,418.73.
      1. Half of this, $1,142,422.07, is BCBS expenses, which will come from the healthcare trust
      2. $945,895.28 is from the Schools
   6. Sharon could be responsible for approximately $700,000 for these expenses if FEMA reimbursement is not realized
8. **Liaison updates:**
   1. Schools - Bill Brack/Ann Keitner
      1. Some concern regarding the Schools’ budget, as discussed
      2. One issue is that they had budgeted for 1,000 children to sign up for bussing but only approximately 300 did. Cleaning costs and HVAC charges have increased
      3. Liz Murphy, Assistant Superintendent, will be staying on 3 days a week for the remainder of the school year
      4. Schools were bequested $170,000 from a couple in Washington for scholarships, that will have a lasting impact for Sharon students for decades to come.
   2. Library – Cheryl Weinstein gave this update:
      1. There has been leaking in the current library due to storms and some books have been damaged
      2. Due to the Governor’s orders the library will be going back to curbside pick up with browsing and computer use by appointment only
      3. Lawyers have met with the assigned judge. The ZBA is calling for a peer review, with discovery and the peer review being concluded by the end of March. Trial date is unknown
         1. The Finance Committee would like to hear an estimate of the trial costs.
   3. Planning Board – no update as Arnold Cohen was not present.
   4. Standing Building Committee - Gordon Gladstone
      1. No update.
9. Minutes to be voted: November 16, 2020

**Motioned:** by Anja Bernier to approve the November 16, 2020 meeting minutes **Seconded:** Ann Keitner **Voted:** 7-0-0.

* 1. Executive session meeting minutes will be circulated for a future vote for approval.

1. **Topics not reasonably anticipated by the Chair in 48 hours**
   1. The Committee thanked Edward Philips for his service. Edward Philips discussed that it has been a privilege to serve the town and to have worked on the articles they have put forth and enacted in the community.
2. **Adjournment:**

**Motioned:** by Patricia-Lee Achorn **Seconded:** Edward Philips to adjourn **Voted:** 7-0-0.

The meeting was adjourned at 9:30 pm.