

June 28, 2021 Minutes
Town of Sharon Finance Committee Meeting

Present: Daniel Lewenberg, Patricia-Lee Achorn, Anja Bernier, Arnold Cohen, Brian Collins, Gordon Gladstone, Charles Goodman, Ann Keitner, Ira Miller, Jada Wang.

Not Present: William Brack.

Also Present: Dr. Meg Dussault, Krishan Gupta, Eric Hooper, Tanya Lewis, Fred Turkington.

1. Dan Lewenberg, Chair, gave opening remarks:

- a. This meeting is being held through the Zoom online platform due to the State of Emergency based on the COVID-19 outbreak. Meetings may continue using the Zoom platform through April 2022.

2. Sharon Schools End of Year Financial Update – Dr. Meg Dussault, Acting School Superintendent, and Aziz Agayev, Business Consultant:

- a. Dr. Dussault expressed appreciation to everyone who helped put together this update. She noted that Mr. Agayev's contract is ending and he will be finishing in his position in two days.
- b. Mr. Agayev provided a high-level budget summary for FY21 that was current as of June 23 and included encumbrances through June 30 such as remaining balances for salaries, etc.:

- a. Projected deficit is \$463,317 including STA increases for 342 employees and current revolving account deficits
- b. \$37,683 in surplus, excluding additional funds needed to close revolving deficits, unexpected 7/2 payroll expense & .5% teacher increase
- c. Operating budget at \$46,886,871, or 99.92%
- d. Some encumbrances were transferred from FY20 to FY21
- e. Revolving deficit: \$266,000 including Full-day Kindergarten and Early Childhood Education (ECC)
- f. Upcoming July 2 payroll commitment of \$85,000 that includes retirement payments and buy backs
- g. 0.5% teacher salary increase of \$150,000
- h. Due to COVID Schools did not meet their projected kindergarten enrollment
 1. Enrollment dropped drastically, but couldn't lay off teachers for the year
- i. \$178,000 in COVID expenses should be deducted from this deficit and moved to Town COVID expenses for a total deficit of approximately \$280,000
- j. COVID-related facility expenses are approximately \$178,000
- k. FY21 projected operating closing deficit after removing COVID expenses and revolving accounts: \$19,000
 - l. \$150,000 is being asked of the Finance Committee for teacher raises
- m. All revolving funds are now at a zero balance except for Kindergarten and ECC which together are at a deficit of \$266,000
- n. Will be asking for a reserve fund transfer of \$285,000 of the Finance Committee on June 30 to cover all deficits. Noted this should be a one-time exception due to the unprecedented COVID pandemic
- o. Persistent deficits for revolving funds must be made up in the current fiscal year or next year. Could be covered by raising fees as was done with beach fees and trash fees in the past, or cutting services
- p. Free cash will be certified in September. The Committee previously put \$300,000 extra into the reserve fund for next year
- q. Revolving funds such as Kindergarten, ECC, Rentals and Transportation should fund themselves. Discussed that COVID was an exceptional event, but don't want to set a precedent for future reserve fund transfers

1. Athletics is partially funded by the operating budget and by a revolving account. Used to be taxpayer funded. Can't raise the fees enough to cover the deficits
2. Kindergarten and Transportation numbers are very healthy so far for the coming year
- r. Last January the Schools had projected to have a million-dollar deficit. They have been able to reduce this number substantially
- s. Unused reserve fund money will go back to the General Fund after July 12. The Finance Committee will not vote on the transfer tonight but will do so at a later date.

3. Water Budget Update in Light of the Recent PFAS Findings – Eric Hooper

- a. In 2013 PFAS were a chemical of concern and water departments were required to test for them. In the interim between then and now no testing was required, and testing changed to require parts per billion (PPB) as opposed to parts per million (PPM). Testing regulations came out April 1, 2021 and Sharon tested for PFAS on April 6
- b. Have been told PFAS comes from plastics manufacturing and metal stamping operations, but none of these have occurred in Sharon
- c. Recently required to test again for PFAS for PPB and they were found in well #4, which was immediately shut off. A temporary treatment was placed on that well which allowed it to come back into service today
 - a. Able to meet water demands using all other Town wells when used measures to reduce water use by Town residents
 - b. The funds to do this came out of the Water Department's reserve fund that was approved for FY21 and FY22. The temporary treatment plan will be in place for all of FY22 and DPW will be looking for a permanent solution in FY23 or FY24. They have the reserve funds needed to get through this coming fiscal year
- d. Residential water consumption increased during the pandemic and therefore revenue increased. Will have retained earnings from this, although do not expect that revenue bump to be permanent. Expect that work patterns will change after the pandemic and may have some increased revenue in future due to more residents working from home in the future
- e. Will have additional operating costs associated with the contaminated well such as for filters, rental of the treatment unit, etc. Will have design costs in the future associated with the permanent solution as well
- f. The only other well that had PFAS PPB numbers close to the contaminated well was well #2. Numbers were higher for wells in the vicinity of septic systems, but not sure why this is. Wells #5 and #7 came back completely clean. Drier conditions may affect testing results. Sometimes sample results are not consistent. Working to isolate wells and pinpoint sources of contamination, and looking at combining treatments as part of the permanent solution
- g. Increased PFAS testing results have also been a problem for other rural communities in eastern MA, including Easton.

4. Reserve Fund Transfer Requests:

- a. Requesting a transfer of \$68,500 primarily for unforeseen snow and ice expenditures. DPW only budgets for 2-3 storms per year. In the past, due to higher numbers of storms, have been as much as hundreds of thousands of dollars over budget. Working to get closer to a realistic yearly amount to budget:
 - a. \$48,000 this year over budget on snow and ice
 - b. 4 budget lines where DPW is expecting to be over budget, although this will be partly offset by salaries as there is an open position that they have been unable to fill resulting in a cost savings:
 1. Facility maintenance – did various extra maintenance projects over the past year to take advantage of the low use of buildings during the pandemic

2. Highway expenses – able to do extra road repairs when fewer people were on the roads during the pandemic including preventative and regular maintenance
3. Forestry and grounds – waived user group fees for not using fields and did some extra maintenance on the fields during the pandemic
4. Gasoline use invoices send out at the end of June and will receive payments then. That may offset this request.

Motioned: by Ann Keitner, **Seconded:** Anja Bernier to grant the DPW transfer request of \$68,500.
Voted: 10-0-0.

5. Fire Department:

- a. Requesting a transfer of \$50,000 due to a long-term sick leave expenditure.

Motioned: by Ann Keitner, **Seconded:** Anja Bernier to grant a transfer request to the Fire Department in the amount of \$50,000. **Voted:** 10-0-0.

6. Legal:

- a. Legal expenses have been above budget for the second year in a row. May need to increase this budget line in future years.
- b. Requesting a transfer of \$28,500 for expenses for Town Counsel Legal Services and other legal expenses
 - a. The Town is the defendant, so the Committee has to give another committee funds related to the Library's legal expenses. Other fees are additional legal fees for consulting services for Schools, etc.
- c. \$137,500 for Town Counsel, support for ATM, title searching, solar leases, etc.
- d. Town Counsel bills on an hourly basis. They review items that the Town is sued over when covered by insurance. Most policies have a \$10,000 deductible. This request includes hourly rate fees, not insurance deductible amounts. Increase in fees is due to additional consulting that has been needed.

Motioned: by Patricia-Lee Achorn, **Seconded:** Gordon Gladstone to grant a transfer request to Legal in the amount of \$28,500. **Voted:** 10-0-0.

7. Zoning Board:

- a. Requesting a transfer of \$100,000:
 - a. \$72,000 of this is for legal expenses related to the Library
 - b. State aid to the Library used to pay Library Trustees legal bills to date is \$25,102.50* and will be approximately \$27,500* at the end of June, for litigation expenses. The Chair of the Library Board of Trustees stated that this is a recognized use for state aid.
 - CORRECTION JULY 3: The amount of legal expenditures to date (including June), paid by the Library Trustees, is \$41,090, and including an invoice to the Foundation of \$2,985, results in a total amount of legal invoices to date of \$44,075 to the Library. This information is context and not part of the ZBA reserve request.

Motioned: by Patricia-Lee Achorn, **Seconded:** Ira Miller to grant a transfer request to the ZBA in the amount of \$100,000. **Voted:** 9-0-1, with Arnold Cohen voting no.

8. Council on Aging:

- a. Requesting a transfer of \$6,000:

- a. The Council unexpectedly has to pay out a retiring employee. Two of the five employees are retiring unexpectedly.

Motioned: by Ira Miller, **Seconded:** Gordon Gladstone to grant the transfer request to the Council on Aging in the amount of \$6,000. **Voted:** 10-0-0.

9. Discuss Preliminary Financial Policy Draft:

- a. Mr. Gupta asked Committee members to send him any comments on this process in the next ten days
- b. Mr. Gupta and Ms. Achorn will be working on the financial policies draft together, and will discuss at the August Finance Committee meeting
- c. As of now there is no plan for a special town meeting in the fall.

10. Discuss Concept of Omnibus Budget Article Format for Potential Use in 2022 ATM:

- a. Looking to roll up five budget articles to streamline the budget vote. Please send comments to Mr. Turkington
- b. Will discuss this further at a future meeting.

11. Appoint Representatives and Alternates:

- a. Priorities Committee: Daniel Lewenberg and Ira Miller, with Brian Collins as the alternate
- b. Capital Outlay: Anja Bernier and Ann Keitner, with Jada Wang as the alternate
- c. Schools Liaison: William Brack and Ann Keitner
- d. Library Liaison: Charles Goodman
- e. Planning Board, and direct contact for Elizabeth Ellis: Arnold Cohen
- f. Standing Building Committee: Gordon Gladstone
- g. Community Preservation Committee: Patricia-Lee Achorn
- h. Priorities and Capital Outlay appointees, including alternates, need to go to Town Hall to be sworn in. Mr. Lewenberg encouraged alternates to attend meetings regularly to stay informed in case they are needed.

12. Library Discussion including Freeman Proposals:

- a. The Freemans are interested in selling their property allowing the proposed Library building to be shifted slightly north and east, which will slightly alter the footprint of the building. Waiting for feedback on this before moving forward. Then will need to appropriate funds for the purchase. This will increase costs for the project overall. Trustees have provided a brief for residents to respond to
- b. Conversations with abutters are underway
- c. Additional funds will need to be appropriated at ATM
- d. The purchase will be for the Freeman's entire property.

13. Meeting Format and Schedule for Upcoming Finance Committee Meetings:

- a. No discussion at this point for a hybrid meeting option, which would only be possible if Open Meeting Law is expanded. A hybrid option may be problematic for having a quorum if some committee members are present and others are participating virtually
- b. Sharon TV would need extra equipment to accommodate a hybrid option to record and broadcast to share with the public.

14. Liaison updates:

- a. Schools – Ann Keitner:
 - a. No further updates.
- b. Library – Charles Goodman:
 - a. Cheryl Weinstein discussed that the library has been fine-free during COVID, and they just voted to make this permanent. Patrons will still pay for replacements and for fines accrued for items from other libraries.
- c. Planning Committee:
 - a. No updates.
- d. Standing Building Committee, Gordon Gladstone:
 - a. No updates.
- e. CPC, Patricia-Lee Achorn:
 - a. Fred Turkington put together a calendar and has CPC meetings running aligned with Capital Outlay which will have a positive impact on projects.

10. Minutes to be Voted:

Motioned: by Anja Bernier, **Seconded:** Patricia-Lee Achorn to approve the May 17, 2021 meeting minutes to include the edit Gordon Gladstone sent to Jessica regarding the name of the committee.

Voted: 10-0-0.

11. Topics not reasonably anticipated by the Chair in 48 hours:

- a. None.

12. Adjournment:

Motioned: by Anja Bernier, **Seconded:** Ann Keitner to adjourn. **Voted:** 10-0-0.

Meeting adjourned at 10:16pm.