January 9th, 2017 Minutes

219 Massapoag Avenue Sharon, MA

Present: Gordon Gladstone, William Brack, Laura Nelson, Charles Goodman, Edward Phillips, Patricia-Lee Achorn, Ira Miller, Alexander Korin, Hanna Switlezowski

Absent: Arnold Cohen

 **1.           Review Priorities Worksheets and Process**

Fred Turkington, Town Administrator, presented the Priorities Committee Overview of Financial Conditions (12/20/16), the Priorities Worksheets and the tax Rate Recapitulation. Estimated available revenue for the FY 18 budget of $56,869,29, net of “fixed and uncontrollable,” supports a 2.79% expenditure increase for the three sector budgets (School Committee, Board of Selectmen and Finance Committee) without overrides. The net tax revenue forecast is $1.8 million in excess of FY17 levy (a 2.8% increase) based on a 2.5% increase in value and new growth, pending the Board of Assessors. The tax rate will remain at $19.69 per $1,000 valuation.

Building capacity within the operating budget for upcoming major capital expenses, Priorities has allocated less than 100% of the anticipated revenues. Currently proposal for “cash capital” of $250,000 is still being reviewed. For FY16 “free cash” has been certified at $2.7 million with FY 17 pending. The School Committee has completed a thee-year contract with increases of less than 2% per year, without additional benefits.

Notes on Revenue Forecast

* State aid and assessments are projected at FY17 levels pending the Governor’s budget.
* The health insurance budget will increase by 8% rather than the usual 6.7% of other years
* Workers’ compensation will also increase by nearly 10%.
* Other Post Employment Benefits (OPEB) increases by over 30%.
* Local receipts (excise taxes, licenses, permits, etc.) are increased overall.
* Growth in free cash is the result of one time revenues (cell towers) and increased local receipts.
* Investment earnings are expected due to more cash under management and better rates.
* Revenue projections do not include the assisted living facility, which could be substantial.

Discussions at the Tri-Committee Meetings should focus at looking beyond five years to plan for capital expenses. The Heights Elementary School roof and renovations to Town Hall are within the current budget. The percentage of debt is higher in Sharon than others where they use “cash capital” as a fixed cost element to substitute for five year borrowing. The Committee proposed allocating fixed and uncontrollable items (health insurance, fringe benefits, OPEB, etc.) to the operating budgets.

Based on the current framework, the Priorities Committee would like to have the position of the Finance Committee on disposition of additional revenues (not anticipated in the budget process). The Committee does not endorse distribution of these revenues to increase the current operating budgets; either a tax offset, or a set aside to offset projected non-operating increases, or to support other capital projects. There has not been a strategic plan discussed for free cash.

Fred Turkington will meet to discuss the Green Communities Act in more detail in regards to adopting the stretch energy building code and rezoning solar energy in the near future.

**2.           Review Overview of Selectman and Finance Committee FY 18 Budgets**

A discussion took place regarding the percentage allocation of the budget amongst the School Committee, the Finance Committee and the Board of Selectman. Fred Turkington noted that the percentages were established years ago; they can reallocate where needed. The Finance Committee and Priorities Committee would need to vote to present this change at town meeting.

On February 6th, 2017 the Selectman will be ready with their budget as well as the overall capital budget.

**3.           Review School Committee Preliminary FY 18 Budget and Process**

On January 25th, 2017 the Board of Selectman (BOS) will find out what the State aid will be on the Cherry Sheet and the school construction (SBA).

The Open Budget Forum for the school will be held on February 8th, 2017. The School Committee will vote their budget on February 15th, 2017.

**4.           Review and Establish FY 18 Budget Review and 2018 ATM Review Schedule**

The Finance Committee tentatively will meet January 23rd, February 6th, February 13th, February 27th and March 13th, 2017. The meetings will include the Board of Health, Planning Board, Town Clerk, Sharon Gallery (if the Planning Board has reviewed), School Committee, Conservation Committee, Police, Fire, DPW and the Water Department and FY 18 Capital.

Additional appointments for Finance Committee Meetings will be issued to: Sharon Gallery, Personnel Compensation Board, benefits management to discuss the increase in health care expenses, Southeastern Regional, and Revolving funds

**5. Warrant Articles**

The Warrant articles based on current information include: the heights roof, the Master Plan Steering Committee, changes to the library the grant program and adding “allowable uses” pursued by Sharon Gallery based on tenants.

**5. Adjournment**

**MOTION:** to adjourn by Edward Phillips **SECONDED:** by Patricia-Lee Achorn **VOTED:** 9-0-0.

The meeting was adjourned at 9:40 pm.