

December 13, 2020 Minutes
Priorities Committee Meeting

Present: Brian Collins, Krishan Gupta, William Heitin, Emily Smith Lee, Daniel Lewenberg, Tanya Lewis, Avi Shemtov, Wenxiao Tiano, Fred Turkington.

Absent: Hannah Switlekowski.

Introductions:

Each member of the committee introduced themselves. William Heitin called the meeting to order and briefly reviewed that the Priorities Committee is comprised of members from the Schools Committee, Finance Committee and the Select Board. The Priorities Committee meets at this time of year to review revenue forecasts and available allocations for the three sectors.

1. Discussion of Preliminary Priorities Worksheets Dated December 8, 2021 Including Estimated Revenue, Fixed Expenditure Items and Range of Likely Sector Allocations for FY23 Budget:

Mr. Heitin reminded the committees that these are preliminary numbers that are subject to change, and may be more conservative than the final numbers. Mr. Heitin and Mr. Turkington discussed the Priorities worksheets:

- a. Permitting for Costco last week for the Sharon Gallery project. Are currently waiting for appeals period to end
- b. The Select Board, with the Board of Assessors, have set the tax rate. The tax rate will go up an average of 1.7% across the town
- c. Fiscal well-being of the town is good
- d. Priorities Committee will meet again in February once the numbers have been received from the state and to vote on the percentage allocated to each board
- e. Can project some partial new tax revenue from new growth
- f. Economic activity for hotels, motels, restaurant taxes, etc. are above average so far for this fiscal year

Mr. Gupta discussed the revenue estimates for FY23:

- g. Percentage of tax levy increase:
 - i. FY23 estimate: 5.93%
 - ii. FY23-22: 2.166%
- h. Total state aid:
 - i. FY23 estimate: \$10,714,036
 - ii. FY23-22: (\$358,139)
- i. Total local sources:
 - i. FY23 estimate: \$5,246,700
 - ii. FY23-22: \$125,000
- j. Total available funds, including free cash, ambulance reserve, septic loan program, etc.:
 - i. FY23 estimate: \$704,508
 - ii. FY23-22: (\$312,743)
- k. Total assessments and offsets appropriated at Town Meeting:
 - i. FY23 estimate: (\$1,339,595)
 - ii. FY23-22: (\$12,260)
- l. Sharon has now signed onto the septic loan program for those Sharon residents who need it.

- m. MSBA reimburses on a pay-as-you-go basis. The town submits requests and then are reimbursed. There are separate capital accounts for the high school as well as the library that are not reflected here in this Priorities sheet. The town does not take on debt on the MSBA portion, as they pay right away. The high school project is costing approximately \$163 million, with MSBA contributing \$50 – 53 million of that. Approximately \$100 million will be borrowed by the town for the high school project.
- n. Fixed and uncontrollable or special expenditures, including debt service, insurance, OPEB trust contributions, reserve fund, etc.:
 - i. FY23 estimate: \$32,598,270
 - ii. Change from FY23-22: \$2,386,681, or 7.90%
- o. Borrowing will likely be at around 3% this winter
- p. The town's OPEB contribution is estimated \$100,000 higher this year than last, and a decision will need to be made as to whether to do that amount (\$500,000 rather than \$400,000). There is no funding mandate from the state for this account.
- q. A total of \$65,478,934 is left to be allocated to the operating budgets of the three sectors, which is 2.713% over last year:
 - i. Select Board: \$15,240,283
 - ii. Finance Committee: \$1,388,925
 - iii. School Committee: \$48,849,726
- r. Local receipts, including motor vehicle excise, meals tax, cannabis excise, fees, rentals, permits, hotel tax, etc.:
 - i. FY23 estimate: \$5,246,700
 - ii. FY23-22 change: 2.44%
 - iii. Cannabis excise is estimated at \$400,000 for this fiscal year. Last year's total was \$320,000
- s. Sectors should use the 2.713% number for operating budgets. Will send an update closer to February 13 as decisions will need to be made and will let members know of any substantial changes.

2. Adjournment

MOTION: by Tanya Lewis **SECONDED:** by Emily Smith-Lee to adjourn **VOTED:** 7-0-0.

The meeting was adjourned at 08:07 pm.