

February 6, 2020 Minutes
Priorities Committee Meeting

Present: Fred Turkington, Krishan Gupta, Patricia-Lee Achorn, Judy Crosby, William Heitin, Jonathon Hitter, Daniel Lewenberg, Hannah Switekowski.

Absent:, Marcy Kaplan, Emily Smith Lee.

Introductions

- Each member of the committee introduced themselves. Jonathon Hitter 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. Krishan Gupta, Director of Finance, and Fred Turkington, Town Administrator reviewed the revised FY2021 priorities worksheets:

- Borrowing for the excluded debt for the high school and library projects will reduce the portion of the debt exclusion override tax increase by \$416,421. Town is borrowing \$90 million at 1.88% rather than \$35 million at 3.5%.
- Revised allocation of 3.31% for each of the three sectors. Changes are summarized as:
 - Cherry Street grants and charges reflected in Governor Baker's proposed budget resulted in a net increase of \$41,316.
 - Borrowing for the capital equipment and projects reduced non-exempt debt principle and interest costs by \$120,577.
- Tax rate reduced .41%. Excluding new debt this would have been 2.8%.
 - Final amounts:
 - Norfolk Agricultural tuition – up \$2,000
 - Norfolk County Retirement contribution – down \$102,841
 - Board of Health – waste removal – up \$500

2. Krishan Gupta, Director of Finance, and Fred Turkington, Town Administrator discussed the revised FY2021 worksheets:

- Discussed potential options for the total additional amount that is available for allocation to the three operating sectors of \$225,240:
 - Could increase sector allocations, however, Town administration recommends other uses:
 - Could boost Town's reserves with additional \$100,000.
 - Could make additional contribution to Blue Cross trust.
 - Could make additional contribution to Other Post Employment Benefits (OPEB) fund which would build reserves for the future. State mandates health insurance for retirees similarly to active employees. Goal is to increase OPEB contributions as possible for the benefit of credit ratings. This would help the Town's bond rating which would enable the Town to borrow at more favorable rates in the future.
 - Could choose not to take and then would be used to lower tax impact.

Would then fall to excess levy capacity.

- Important for the Committees to have a conversation about potentially putting other revenue towards debt management.
 - School Committee members discussed that they can operate within what is being proposed, but that it may result in tough choices such as potentially cutting positions, funding for technology for students, and / or programs.
- Committee discussed that they are more interested in other options for the additional revenue than having it go to operating budgets.
- Total savings for Town of Sharon for interest over the 20 year loan for the high school and library projects, compared to what was presented on and voted for at the November 2019 Town Meeting, will be \$7,575,515.

MOTION: by William Heitin **SECONDED:** Judy Crosby to keep sectors at 2.94% **VOTED:** 6-0-0.

- Committee discussed that there are other revenue variables and volatile items and there is a need to discuss how additional revenue next year due to the Sharon Gallery project, marijuana retail, billboard revenue, etc. should be used.
 - Unforeseen changes may occur and it is hard to predict for the coming year. For instance, due to the opening of the Sharon Gallery it may be necessary to add police or fire fighting personnel, or there may be changes to enrollment in schools. Budgets would be affected. Having these conversations and reallocating budgets was one of the reasons this Committee was established.
 - Committee stated it would continue conversations and their commitment to continuing the goals of using future revenue to offset debt instead of allocating to operating budgets.

3. Adjournment

MOTION: by Patricia-Lee Achorn **SECONDED:** by William Heitin to adjourn **VOTED:** 6-0-0.

The meeting was adjourned at 07:59 pm.