

Joint Meeting via Zoom

Finance Committee

Selectboard

May 13, 2020

Town Offices

Finance Committee Attendees: Paul Antaya, Dan Kennedy, Jim Kirkendall, Fred Baron, Tom Mahar, and Bob Fydenkevez; Also present via Zoom were Selectboard members, Joyce Palmer Fortune, Fred Orloski, and Jonathan Edwards; Town Administrator Brian Domina and Administrative Assistant, Amy Schrader.

The meeting was opened at 6:00 pm by the Chairperson Paul Antaya.

Discuss and vote approve meeting minutes of March 10, 2020.

The Committee voted to approve the meeting minutes from March 10, 2020.

Discuss next steps in the development and adoption of a fiscal year 2021 budget

Full budget for fiscal year 2021 adopted before June 30, 2020 and/or Approval of 1/12th budget by Selectboard (with Finance Committee input) if full budget is not adopted prior to June 30, 2020 -

Brian stated that the Committee/Board needs to discuss the Town's budget options for fiscal year 2021. Recent legislation has given the Town two budget options; the Town could adopt a full FY21 budget or the Town can adopt a 1/12th budget. Brian discussed the expected fiscal challenges with specific attention to State Aid and Local Receipts. Brian expressed concern that the state revenue shortfall forecast for FY21 has a range of 3 billion to 6 billion dollars below anticipated revenue. Right now, the Selectboard has discussed trying to hold the Annual Town Meeting for June 23, 2020. Brian recommended that the Committee propose the full FY21 budget.

Brian inquired if the Committee/Board has any questions regarding the two budget options and/or budget process? Paul Antaya inquired what the timeline is for the approval of the FY21 budget? Paul stated that the Committee should have a discussion regarding the Town's expense needs. Brian informed the Committee that the Board needs to post the warrant 7 days prior to the Annual Town Meeting date. The Committee/Board had a lengthy discussion regarding the importance of level funding the FY21 budget, capital improvement projects, 1/12th budget options/challenges, potential budget amendments, Free Cash options, and State Aid/Local Receipt shortfalls. Brian informed the Committee/Board that the Town can amend their budget up until the tax rate is set. The tax rate will need to be set by December. State Aid will be the biggest moving part and the Town can estimate what Local Receipts are going to be. Cyndi Steiner (Library Director) stated that level funding is totally fine for the Library's budget. Cyndi stated that the Library Trustee are wondering about the status of funding for the handicap accessibility project? The Committee stated that tabling this project might be in the Town's best interest, but no decision was made at this time.

Lynn Sibley (Treasurer/Collector) inquired if the Committee/Board thought about transferring the Town's Free Cash since it disappears on June 30, 2020, and wouldn't be available again until it's recertified? The Committee/Board appreciated the Free Cash deadline reminder and had a lengthy discussion regarding the availability of Free Cash, recertification of Free Cash, and potentially moving

Free Cash into a stabilization account. Some of the Free Cash is being used towards the Town's FY21 budget.

Brian suggested developing a 1/12th budget along with the Town's FY21 operating budget that has been submitted. Brian discussed the various financial uncertainties with specific attention to state and county charges. Paul Antaya inquired if the Committee level funded the budget, will any department be hurt? Brian stated that majority of the budgets were level funded anyways.

Darius Modestow (Superintendent of School) stated that Frontier Regional met this evening and voted to level fund their FY21 budget. The Whately assessment will be amended to reflect that change. The financial reserves in Frontier's Excess and Deficiency accounts can be used to offset any possible Chapter 70 budget cuts. The overall budget cuts for Frontier are around \$325,000. At this time, Frontier Regional is not cutting any programs. Katie Edwards (WES School Committee) stated that the WES School Committee will be reviewing their FY21 budget at their meeting next Tuesday. The School Committee will notify the Finance Committee of their FY21 budget changes as soon as possible. The Committee suggested that Franklin Tech and the Whately Elementary School follow Frontier's lead and level fund their budgets. After much discussion, the Finance Committee made no decision at this time.

Discuss and review the fiscal year 2021 Town operating budget as submitted with revenue projections for fiscal year 2021 ; Discuss overall financial targets for fiscal year 2021; Discuss potential areas for cost savings; Discuss and review the fiscal year 2021 capital projects as submitted Discuss the overall approach to funding capital projects for fiscal year 2021

Brian informed the Committee/Board that, typically, the Town uses reserve funds for Capital Improvement projects. The Town's reserve funds will not affect the FY21 tax rate, reserve funds will stay in the reserve account. Brian recommended that the Town keep money in reserve, but if there are items the Town needs to operate, then the Committee should consider those. Brian discussed the FY21 Capital projects with specific attention to the Highway Department's excavator purchase, Williamsburg Road Bridge Replacement project, and the public safety radio project for possible funding in FY21. Brian suggested holding off on capital projects until the Fall when there is more financial certainty. The Committee/Board had a lengthy discussion regarding the excavator purchase. Keith Bardwell (Highway and Building Superintendent) stated that the Highway Department has to do part of the Williamsburg Road project itself. Keith discussed future Town projects where an excavator will be needed and the financial burden of renting an excavator for future projects. Fred Orloski (Selectboard) stated that he would request the purchase of a generator for the Town Offices over a woodchipper purchase. Keith stated that the generator at the Town Offices needs to be approved by Berkshire Gas because of the moratorium.

The Committee inquired if the Town's tax collections have been declining? Lynn Sibley (Treasurer/Collector) stated that she is pleasantly surprised by the collections she's receiving. The collections have not decreased that much. Fred Orloski inquired what is our record for Free Cash every year? Brian stated that Free Cash yearly estimate is between \$300,000 to \$350,000 new each year. Lynn stated there could be a decent amount of Free Cash for next year, but the year after that could be difficult.

Joyce Palmer-Fortune (Selectboard Chair) stated that the emergency communications system is something that needs to be updated. Chief Sevigne discussed the emergency communications system with specific attention to the timeline, state subsidy pricing, and funding options. Jonathan Edwards (Selectboard) inquired if there was any way to “cry poor” to Homeland Security to help cover this expense? Chief Sevigne stated that over the years, he has contacted the appropriate parties for funding assistance.

Fred Orloski (Selectboard) inquired about funding options for the excavator and the possibility of delaying future Town projects? Keith Bardwell discussed his excavator project list for the approaching construction season. Keith informed the Committee/Board that along with the Town’s future projects there are new OSHA regulations in place. Keith has started the excavator rental option so Town projects could begin. Fred Baron (Finance Committee) inquired if there is any way to renegotiate the contract to try to shift the payments a little more from this year to next year? Brian stated that there is \$10,000 from the Water Department, \$10,000 in Chapter 90 funds, and \$25,000 in Free Cash. If we increase the c.90 contribution it might be possible to not pay any town capital funds in FY21 for the excavator. Fred Orloski (Selectboard) inquired if the Smith College contribution for Poplar Hill Road could be used to towards the excavator purchase? Keith stated that a portion of their contribution might be able to be allocated to it.

The Committee inquired if there are certain projects that the Town can wait on? Keith discussed the Complete Streets project, and the Kestrel land trust culvert. Keith stated that he has to do Williamsburg Road and Chestnut Plain Road. The Library parking lot paving could wait but would be more expensive at a different time. The Committee/Board had a brief discussion regarding the uncertainty of the Town’s finances related to capital projects. Paul Antaya stated that we need to look at Capital Improvement projects and review the numbers. Bob Fydenkevez suggested that preserving cash would be in the Town’s best interest right now. Fred Orloski suggested that instead of a .92 cent increase for the tax payers maybe half of that amount would be acceptable? The Committee/Board agrees to do whatever they can to minimize and/or eliminate a tax increase. After much discussion, no decision was made at this time.

Brian inquired what the Committee/Board wants from him for the next meeting? Joyce Palmer-Fortune (Selectboard Chair) stated our operating budget is \$250,000 higher than our last year operating budget. Frontier Regional is going to be reduced and the Whately Elementary School and Public Works budget are both over \$45,000 from last year. If we kept salaries flat and level funded the appropriate budgets, the Town’s budget reductions could be around \$200,000. The Committee/Board requested that Brian presents three FY21 budget cut options; \$200,000, \$250,000 and \$300,000. Fred Orloski suggested that Brian goes back to all the Town’s departments and see if they can cut a portion of their budget. These cuts won’t be permanent and they could come back next year.

The Committee/Board discussed Free Cash options and the Town’s Stabilization account. Tom Mahar reviewed the Town’s potential Free Cash roll-over numbers. After much discussion, no decision was made at this time.

Discuss and vote on a request for a transfer from the Reserve Fund to the Highway Department for unanticipated expenses related to vehicle repair

A motion was made and seconded to transfer from the Reserve Fund (\$5,000) to the Highway Department for unanticipated expenses related to vehicle repairs. All in favor (Finance only). Roll call vote: Dan – yes, Thomas – yes, James -yes, Fred – yes, Bob – yes, Paul – yes. The Committee signed the request for transfer from the Reserve Fund.

Items not anticipated within forty-eight (48) hours of the meeting

none

The meeting was adjourned at 8:00pm.

Respectfully submitted,

Brian Domina, Town Administrator

Next meeting – May 26, 2020 (zoom)

Document List on File in the Selectboard Office

Joint Finance Committee and Selectboard Meeting Minutes dated (03.10.2020)

FY2021 Operating Budget Recommendations (05.01.20)

FY2021 Capital Project Recommendations (05.01.20)

FY2021 Operating & Enterprise Fund Budgets (as submitted) (DRAFT 04.28.20)

FY2021 Budget Projections

COVID19 Revenue Impacts (04.28.20)