

The Finance Committee convened their meeting by telephone on April 23, 2020 at 6:30pm.

Present were committee members Steve Klein, Barbara Marchione, Robert Miller, Doug Newman, John Pshenishny and Michele Shalaby. Sandra Fusco-Walker joined the call at 6:15pm.

Also on the call were Selectmen Nat Yohalem, Tara White, Richard Long and Town Administrator Mari Enoch.

Mr. Klein stated someone needed to volunteer to do the minutes which would be available on a recording and he asked that someone volunteer at the end of the meeting to do so.

Mr. Klein stated that he would go out of order to inform the committee that there was a public records request of the Finance Committee filed by Mr. Tom Stalker for all materials submitted to the committee with regard to budget requests and submissions. Mr. Klein stated Mr. Stalker was advised all said submissions had been previously included in the materials requested in the context of an American Disabilities Act Claim, but that Mr. Stalker has taken it upon himself to request additional materials. Mr. Klein stated he will gather materials, but more importantly Ms. Enoch will take time to gather all the documents again, at taxpayer's expense, to comply with Mr. Stalker's request. As members of the committee, he stated he thought everyone should about the request and then stated he had no further comment unless someone had a question.

RESERVE FUND REQUEST

Mr. Klein presented a reserve fund request in the amount of \$6,059.90 from the Board of Selectman to cover the cost of two of the three hotspots located at the Fire Station, Town Hall and Library. The invoice covered two hotspots for two months. Mr. Klein reminded the committee that the cost of the hardware was born by a citizen in town but the monthly cost for two hotspots is covered by the Town while the State is covering the cost of one hotspot as a result of the pandemic. After some discussion regarding the ability to renew, possible funding by other groups and whether the Town needs two or three hotspots, Mr. Yohalem informed the committee there would be a report in the next few weeks which will show the usage for each hotspot and a decision will be made at that time depending upon the need. Mr. Klein made a motion to approve the Reserve Fund Request in the amount of \$6059.90 which was seconded by Mr. Newman.

Motion passed unanimously.

Steve Klein – Y

Barbara Marchione – Left the meeting.

Robert Miller - Y

Doug Newman – Y

John Pshenishny – Y

Michele Shalaby – Y

Sandra Fusco-Walker - Y

MINUTES

Motion was made by Ms. Walker to approve minutes, as amended, that Mr. Klein circulated of the previous meeting, seconded by John Pshenishny.

Motion passed unanimously.

Steve Klein – Y

Barbara Marchione – Left the meeting.

Robert Miller - Y

Doug Newman – Y

John Pshenishny – Y

Michele Shalaby – Y

Sandra Fusco-Walker- Y

BUDGET DISCUSSION

Document FY 2021 Budget Draft ATTACH Master Spreadsheet

Mr. Klein stated the only budgets not yet submitted pertained to salaries which are under review by a working group who is working with the HR consultant. The consultant's work is close to completion and is expected the following week. The working groups hopes to make recommendations to the Select Board by the end of next week and then the Select Board needs to deliberate. The consultant's report at that time will be part of the public record.

Mr. Klein said the pandemic is going to have a bearing on the Town's finances and, with a lot of help from Ms. Enoch, they have put together some working estimates. Fiscal Year (FY) 2021 Budget Worksheet sent to everyone takes all the information and adds in an estimated number for compensation which is just a placeholder. Mr. Klein made it clear this number is not a recommendation and that we needed to put a number in to see the magnitude of the effect on the budget and determine where the funds will come from. He continued that they used \$25,000.00 as a placeholder to come up with a total budget and look at the Town's ability to pay for it. Using that figure, the total estimated raise and appropriate to the Town would be just under \$6,000,000.00. This number is a working estimate only. Total school appropriation is \$2,963,602.00 which is a \$98,000.00 increase from the previous year, about 3.4% higher. Mr. Klein reiterated that these numbers tonight are, again, not a budget to approve, but for the purpose of estimating how much money the Town needs.

Mr. Klein then referred to the excel sheet titled, RECAP FY 2021 stating that this spreadsheet is like a profit and loss statement showing all the revenue that has come in during a year and then listing available funds and total expenditures. Mr. Klein and Ms. Enoch put together different scenarios using this this excel sheet to help understand the best and worse case scenarios. The four scenarios they used were, 1)if nothing changed and Town revenues were exactly the same as last year; 2) if excise taxes decrease; 3) if excise tax is stable, but state aid is decreased; and 4) if both excise taxes and state aid decrease.

Mr. Klein stated they looked at revenue items in the past from 2008 through 2013 and historically excise tax dropped during recessionary times. State aid did not go down significantly during the recessions but weekly phone calls with the state are leading Ms. Enoch and others who are participating to believe state aid will be less for FY2021.

Last Mr. Klein stated we cannot predict whether or not residents' ability to pay property taxes will be affected by the pandemic.

Ms. Enoch advised that you can think of the budget as “if you keep excess capacity the same as last year for this year’s budget, in theory, you will raise taxes the 2.5% and if you go into last year’s excess capacity for this year’s budget, in theory, you will raise taxes beyond 2.5%”.

Mr. Klein added that if we finish 2021 without excess capacity, 2022 would be a tougher budget year because we were left without any excess capacity in 2021.

Mr. Klein suggested if the committee could come up with a figure of \$50,000.00 or \$60,000.00 that could be cut from the budget submissions, we would most likely have a budget we can pay for. He continued that although it may not be perfect, there is most likely \$50,000.00 to \$60,000.00 in the submissions that could be cut without eliminating things taxpayers feel are essential services.

Mr. Klein’s stated his concern was we might be too optimistic and it could be worse than the scenarios we created, but we just don’t know.

The committee agreed the approach is reasonable as we don’t have any idea how deep the pandemic will cut into the economy or for how long. They agreed working from the worst case scenario, even though it may not cut far enough, is a reasonable start. The committee also agreed not making any new hires in town would also help create a reasonable budget so services in Town do not need to be eliminated.

The Committee discussed the limits of the ability of the Town to aid those residents who might struggle to pay their property tax during this pandemic. The state has programs for veterans and the senior work off program and it allowed for late payments without penalty and fees this year until July, but otherwise there is no legal way for the Town to assist those that might need it.

The committee discussed the fact that there isn’t a lot of places to cut the budget and looking for extra sources of revenue would help besides looking to the taxpayers.

In conclusion, the committee agreed to start budget deliberations with a \$50,000.00 target for cuts to the submitted budgets leaning towards the scenario that both excise tax and state aid will decline.

Next meeting was set for Wednesday, April 29, 2020.

Ms. Fusco-Walker made a motion to adjourn and was seconded by Mr. Newman.

Motion passed unanimously.

Meeting adjourned at 7:40pm.

Respectfully submitted,

Sandra J. Fusco-Walker