

The meeting of the Finance Committee convened on May 15, 2020 at 1:03pm. Present were Steve Klein, Barbara Marchione, Robert Miller, John Pshenishny, Michele Shalaby and Sandra Fusco-Walker. All three Selectmen were also on the call along with Town Administrator Mari Enoch and resident, Tom Stalker.

Moving onto the first item on the agenda, Mr. Klein provided a synopsis of last night's call with the School District. He stated the school is planning to go on a 1/12th budget for the upcoming year as it's nearly impossible to determine a budget under present circumstances with all that is unknown. Mr. Klein explained that the 1/12th budget also includes any specific contractual obligations the district made for next year in regards to the teacher's contract and the transportation contract and those increases, if any, would be added to the 1/12th budget. He further clarified that the 1/12th budget would not simply be last year's budget but would be higher and as of today, nobody knows how much.

Mr. Klein stated the School Committee cannot estimate where the budget will end up as they have no information from the state regarding state aid and therefore, a realistic number for the budget cannot be confirmed.

Mr. Long said he had read the document provided by the School Committee and noted there were some calculations that would also make a difference such as the school formula which is based on the number of students. He continued that the state agencies would figure all that out.

Mr. Klein then expressed concerns whether there will be a Town Meeting the end of June where residents could actually vote on a budget before the end of the fiscal year. Mr. Yohalem responded that the Town Moderator and a Committee are presently reviewing how the Town could hold a town meeting under these circumstances, if it's even possible.

Mr. Klein said a budget could not be constructed without a school budget and recommended not continuing budget discussions until we have numbers from the school and instead, have the Town go on a 1/12th budget until we have the numbers and know when Town Meeting will be held.

Ms. Marchione asked how free cash might possibly be used if after the end of the fiscal year if it's not voted on by residents at Town Meeting. Ms. Enoch shared that though usually any funds remaining in free cash not voted to be used at Town Meeting normally cannot be used past June 30, the fiscal year, the State has changed this rule during COVID and is allowing Towns to access free cash at their Town Meeting if it is moved beyond June 30, 2020.

Mr. Klein remind everyone the committee had already agreed to adjust our available capacity by an assumed decrease in state aid and local receipts. Though not precise, we agreed to lower excess capacity by about \$71,000.00 in a worst case scenario.

Mr. Klein then asked Ms. Enoch what a town budget would like if we went on a 1/12th budget for several months. Ms. Enoch stated we would propose a budget to cover Town expenses for the month which in some instances could include an assessment which is paid all at once in month, not in twelve payments across the year. She continued that things like increased salaries, extra hours and COLA adjustments would not take place.

Members agreed holding Town Meeting and proposing a budget is not appropriate without knowing what the state will provide in aid to the Town and the School, which runs about 50% of

the Town's budget. Without that critical information, we haven't any idea what number we need to cover the unknown loss of revenue.

Mr. Klein asked Ms. Enoch about federal dollars related to the CARES ACT recently passed by Congress. Ms. Enoch stated the CARES act authorized up to \$128K in relief to the Town for any expenditures directly related to COVID-19 expenses from March through December. Examples of these expenses could include office cleaning and hotspots for students.

Mr. Klein asked for a motion to recommend the Town postpone any action on the budget until such time the school budget is clarified and further recommend the Town proceed on a 1/12th basis. The motion passed unanimously.

Mr. Klein asked members to familiarize themselves with the underlying rationale for capital requests which were distributed even though presently the committee is not taking any action on them.

Ms. Fusco-Walker asked how expenses such as replacing the hosing that failed testing at the Fire Department would be handled in a 1/12th budget. Mr. Klein recommended a request could be made to the Reserve Fund. Ms. White confirmed the present balance in the Reserve Fund is \$26,000.00 not accounting for the \$3000.00 request before the Committee today to cover the hotspots for the month of June.

Mr. Klein then motioned to approve a Reserve Fund request to cover the cost of the month of June for two Wi-Fi hotspots which was seconded by Ms. Fusco-Walker. The motion passed unanimously.

The Committee then agreed to hold off setting another meeting date until early June unless there were Reserve Fund requests or another reason to meet. The Committee agreed to tentatively schedule the next meeting for June 18 at 6PM.

Mr. Klein then asked if there was any further business and Mr. Stalker asked for the total amount of funds available in Free Cash. Ms. White responded that the amount of \$550,000.00 is in Free Cash.

With no further business, the meeting was adjourned at 1:56PM.

Respectfully submitted,

Sandra J. Fusco-Walker