

BUDGET ADVISORY COMMITTEE VIRTUAL MEETING

Tuesday May 5, 2020 – 5:36 PM – via Zoom

PRESENT: Bob Gniadek, Chair Finance Cte.; Steven Patterson, Finance Cte.; Pat Callahan, Finance Cte., Bob Youdelman, Finance Cte.; John Mason, Finance Cte.; Roger Manzolini, Chair Board of Selectmen; Neal Pilson, Bd. Of Selectmen; Alan Hanson, Bd. Of Selectmen; Danielle Fillio, Town Administrator; Dewey Wyatt, Chair School Cte.; Jill Pompei, School Principal

Guests: An estimated 20 participants attended via Zoom

Bob Gniadek called the meeting to order at 5:36 PM noting the delay of the start of the meeting was due to technical difficulties. He read the Governor's Directive for changes in the Open Meeting Law during the COVID-19 emergency.

Approval of Minutes: with revisions to minutes not having been made, approval was deferred to the next meeting.

Review of Budgets: An extensive discussion was had regarding the overall Town Budget and whether or not the Town should to try to obtain approval from the Town voters for the budget as presented or to put it off completely until more information is available regarding the State Budget. Most Committee members were willing to recommend approval of the budget to the Town at the scheduled Town Meeting. One dissenting opinion involved an addition of \$20,000 to the last version of the school budget and the fact that the prospects for the future for State Aid are not yet known.

Danielle reported that she has had conversations with the Auditors and a meeting with the Department of Revenue in order to seek guidance. The recommendation was that the Town approve its budget before June 30th. Some guidance is expected shortly from the State in terms of the likelihood of how State funding will be affected. Danielle had also reworked the Town's budget to reflect a 10% decrease in several areas. That new version was in the hands of the committee members for review. She also reported that the State is in the process of drafting legislation that will make it easier for towns to hold their Town Meetings so that budgets can be approved. If the budget is not approved by the Town by June 30th, then the 1/12 spending rule goes into effect which will create a very complex and difficult situation. Danielle strongly advised the committee to work towards creating a budget that could be presented at a Town Meeting for approval before June 30th.

Discussion: Roger felt that a Town Budget with a 10% decrease in state aid was doable and recommending approval of it would not represent much of a risk since there is enough money in reserve funds to cover contingencies. He reminded the group that the townspeople rely on the publication of the Town Budget in the Annual Report, whose printing deadline is coming up.

Danielle advised that if this budget is approved, there is still a backup available if state funding is reduced as far as 20%. A Special Town Meeting can be held to reallocate funds as needed.

There was a discussion of whether reserve funds should be used in order to reduce the tax rate. It was generally agreed that it would be a mistake to do that to avoid setting a precedent. However, it was decided that the Town should use enough free cash to offset the tax rate to keep it at a 3% increase. Neal said he felt that opportunities will arise in the future if State Aid drops to more than the anticipated 10% decrease. Spending could be further reduced in both the Town and School in that case.

Dewey noted that his concern is with timing. He agreed that waiting for more concrete information from the State would create a better-informed decision, but people need some stability and allowing the budget decisions to go on indefinitely will be very uncomfortable for everyone. He asked for a consensus from the Finance Cte. on their acceptance of the School Budget as it stands. The result of the informal vote was four to one in favor of recommendation of approval of the school budget as presented to date.

A brief discussion of the 1/12 spending language ended with Bob reporting that a legal guidance of the 1/12 spending should be available by the end of this week.

Changes to the Town Budget: Danielle reviewed the changes she had made to various parts of the Town Budget including those items of state aid reduced by 10%. Discussions of those changes resulted in the following decisions:

Reduce funding of OPEB to 0. Preserve Free Cash by moving it into Stabilization, where the Town has better access to it later either to offset the tax rate or cover expenses. Danielle will research if there are possible ways for the Town to borrow money if the need should arise.

Funding for the Richmond Pond Beach will be reduced to just maintenance. No lifeguards will be hired.

Sewer Enterprise Shortfall Funding like OPEB will be reduced to 0. The new grader for the Highway Department was determined to be essential equipment and it was decided not to push the purchase any further back as even at the current schedule it will not be delivered before spring of next year.

It was suggested that the Selectmen forgo their stipend in the next year. They will discuss that at their next meeting.

It was discussed of what existing unspent funds may be turned over at the end of the year to go towards Free cash. Danielle said she was working with Angela on it and hoped to be able to turn over roughly 125,000.

A discussion of whether the early closing of the school has resulted in cash savings resulted in an explanation that any excess from the school budget at the end of the year goes into the General Fund.

A discussion of the way the Town Meeting will be conducted will depend on what further adjustments to their rulings the legislature will make. Danielle will investigate the school gym as a possible location in which chairs could be set six feet apart.

Unanticipated Topics: The question was raised as to when the Treasurer/Collector will return to work. Danielle advised that she has no return date and that she and Angela Garrity, the Town Accountant and Amy Lane, Accountant have been working together to fill in. Steve complimented those people for the excellent work they have done.

Next Meeting: Thursday May 14, 2020 at 5:00 PM via Zoom.

There being no further business before the Committee, a motion to adjourn was made and seconded and passed by unanimous vote.

Signed:

Bob Gniadek, Chair