

**Financial Matters Sub-Committee May 20, 2020
Minutes**

Members present: Christine Saulnier, Chair, James Broderick, Michael Kane, Thomas O'Connor, Mary McNally, Diane Bishop, Ryan Quimby, Kathleen Hill (ex-officio, non-voting)

The meeting was held by virtual participation (Zoom) and was called to order by Chris Saulnier at 10:04am.

The first item of discussion was review and approval of the minutes of May 6, 2020. No corrections were noted, and Jim moved to approve the minutes seconded by Mike. Voting YES were Saulnier, Broderick, O'Connor, Kane, and Bishop.

Treasurer/Collector Dawn Fonte reviewed the 2019 and 2020 revenue comparisons to date and noted that there is currently a \$380,000 decrease in collections. A small portion of this shortfall may be due to some residents who are taking advantage of the extended deadline of June 1 for paying property taxes. Jim asked if a billed item is considered revenue and noted there is some confusion on how to reflect losses in the report. Chris explained the Schedule A Recap process. She also noted that monies from the School Lunch collections are turned in but remain separate from the general funds. Dawn also noted that it is unlikely that the non-collectible figure of -\$380,000 is unlikely to increase before the end of the fiscal year. Tom asked if there was an increase in the requests for abatement and Diane noted that nothing atypical appears in the numbers thus far. Chris asked Dawn if the FY21 debt information has changed and Dawn stated that it has not.

The school committee joined the meeting and Chairman Greg Thompson call their meeting to order at 10:17am Superintendent Gordon Smith began a review of the school department's revised budget (5/15/2020) to reflect the request from the Finance Committee to reduce it to no more than 2% over the FY20 allocation. Gordon explained that the salary related reductions included an elimination of the pre-K and math interventionist new requests, leaving vacant the instructional technology specialist at the high school, the AP position at the high school, the literacy support position at BP, a savings in the unanticipated retirement of an elementary art teacher, and the summer school program moving to online only. The non-salary reductions included savings in the summer school transportation costs, savings from Out of District placements, a reduction in the curriculum renewal request and the academic supplies request. In response to questions about per pupil costs (approx. \$15,000 per) he also explained the reasons why the district voted to approve participation in the School Choice program for the upcoming school year and that the \$5000 tuition received per students went into a revolving fund. Gordon also noted that he was unsure of the Chapter 70 funding from the state in light of the overall loss in state income due to COVID-19. Chris indicated that she was concerned in the projection of -14% in state revenue and how that may need to translate to the school's and town's final budgets. Gordon asked Mary if the CARES Act could be used to recoup such losses and Mary indicated that the Act could only be used to get reimbursement for COVID-related expenses. She also suggested that Gordon/School Committee notify the bargaining units of a potential reduction in force sooner than later in the event that deeper cuts need to occur. Gordon also indicated that he anticipates an approximate turnback of \$200,000 for FY20. Greg adjourned the meeting at 10:55am.

Olga Bones, Interim Accountant, provide the committee with an overview of income and expenses. It was noted that anticipated growth for FY21 appears to be higher and Diane explained that the five-year average has been approximately \$475,000 but in conversations with DOR, it appears that \$500,000 is a realistic figure for the FY21 budget. Additional questions included how much to reflect for meals excise. It was decided that instead of \$260,000, a figure of \$195,000 would be used instead. Dawn was asked about investment income and indicated that forecasters are anticipating an improvement over the next six months. Mary noted that furloughs will be carried into FY21 if necessary. She will also be bargaining with the police department in light of the need for a greeter at the police station once the dispatch center moves to WESTCOMM on July 1.

Chris suggested reviewing the latest Capital Plan and the FY21 Sources and Uses for the May 28 meeting. Jim mentioned that there is a good argument for using the Stabilization Fund or Free Cash in developing the FY21 budget. Mary noted that DOR is recommending putting any rollbacks in the Stabilization Fund as opposed to Free

Cash as it will be more readily available for use. It was noted that given the current fiscal crisis, an allocation to the OPEB Trust Fund be deferred to a future time. Questions about how to proceed using a 1/12 budget for July 1 were asked and Mary noted that the DOR was working on a template for municipalities to use. The Town Council will need to approve the 1/12 budget one month at a time.

Tom made a motion to adjourn (seconded Mike). Voting YES to adjourn were members Saulnier, Broderick, Kane, O'Connor and Bishop. The meeting adjourned at 11:50 am

Respectfully submitted,
Kathleen Hill
Ex-officio (non-voting)