

**Financial Matters Sub-Committee July 10,2020**  
**Minutes**

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

The meeting was held in the Media Room of the Council on Aging, compliant with COVID-19 guidelines, and was called to order by Chris Saulnier at 10:30am.

The first item of discussion was review and approval of the minutes of June 24, 2020. Jim moved to approve the minutes seconded by Tom. The minutes were approved unanimously 5-0-0.

Chris began the meeting by reading her prepared remarks in response to statements made at a June 29, 2020 meeting of another elected body. In summary, Chris' remarks verified her appointment and that of Jim Broderick to the Finance Matters Sub-Committee per the Council Rules and that they both bring years of finance related experience to the committee. She stated the Finance Committee received the Manager's draft budget and have been meeting weekly since April 8, 2020. She underscored the fact that the Finance Committee recommends to the Town Council and the Town Council is the body that votes to approve an annual town budget. Given the unique and challenging circumstances due to COVID-19, she acknowledged that all town departments continued to work diligently and to comply with the Manager's request to trim their department budgets as much as possible. As chair, she feels that the remarks made by these individuals were both unprofessional and challenged the integrity and professionalism of town leaders. Finally, she closed by stating that Finance Committee will deliver its recommendation on a FY21 budget based on what the Town needs and what the taxpayers can afford.

Mary indicated that the Proposed Manager's FY21 budget document that she distributed to the committee was principally the same as the working document that she has provided the committee in recent weeks, with the exception of the proposed cut in the school department line item (143,000 in Manager's budget and opposed to 200,000 in Finance Committee budget). Jim also noted that the approximate dollar amount for recommended Capital Projects would be 1,015,000 and that figure included calculations for debt service. Director of Finance Steve Lonergan commented that he and his staff were able to identify an error in the debt service calculations that amounted to a 97,000 savings for the Town. This fact has been verified by Hilltop Securities. Chris asked if the DPW Capital requests include debt service calculation. Mary indicated that she was certain that Bruce Fenney had included the debt service in his numbers and expressed great confidence in his projections.

Discussion then centered on how best to report the findings and recommendations of the Finance Committee. Jim has taken up the responsibility for developing the format and indicated that it might be beneficial to add columns for FY20 allocation, TM FY21 recommendation, and FinComm FY21 recommendation. Chris asked about including a column for notes. Jim stated that since the Manager would be including a column for notes/explanation there would be no need to duplicate it in the committee's report.

Chris commented that since this was a fiscal year where there would be no recommended contributions to the Stabilization Fund or to the OPEB Trust fund, she was concerned that the Town's debt service obligations did not exceed what is available in Reserve accounts. Jim indicated that he had received Treasurer/Collector Dawn Fonte's debt service report but was still unsure how best to reflect the information in the committee's report. Mary also added that she recently learned that the approved FY20 capital projects had not yet been bonded and that perhaps some of the recommended FY21 projects may need to be deferred. She will work with Steve and Dawn and Hilltop Securities to determine the best way to proceed.

Tom commented that the use of a Notes column was a good way for the public to better understand any increase or decreases. He mentioned that in past years any increase 5% or greater and any amount of \$5,000 or greater would always include an explanation. He noted that the Enterprise Funds have changes in their reported balances. Chris asked if the FY20 books were actually closed on June 30 and if turn back amounts were known yet. Mary indicated that she expected some departments to turn back significant amounts and these funds would be placed

in the Stabilization Fund. Steve mentioned that there has been no further guidance or updates regarding the Governor's final budget. Tom stated that the budget that will be approved by the Town Council will only be a proposed budget until the Legislature passes a final state budget. Mary indicated that she would prefer to get a proposed budget approved sooner than later and move away from the 1/12 month-to-month funding approach.

Jim asked if the payroll tax figures would be re-calculated with the current reduction in positions and furloughs. Tom inquired if there was a chance to re-negotiate insurance rates. Mary responded that she has appointed two task forces to investigate insurance rates opportunities for FY22. There is also a need to avoid any imposed penalties relative to the Affordable Care Act (ACA). Tom asked who will be responsible for tracking workers' compensation claims.

Jim noted a correction in the Mill Rate Calculation and Projection under 'Reserves'. The corrected figure is \$4,171,848 and this corrected amount would reflect 6.5%. He also stated that although OPEB amounts are reported as Reserves, it is actually a restricted Trust Fund and not available to spending purposes.

Jim made a motion to adjourn (seconded Tom). The motion to adjourn was approved unanimously 5-0-0. The meeting adjourned at 11:17am.

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