7/30/20 Paxton Finance Committee Meeting Minutes

**Members Attending**:  Richard Fenton (Chair), Mark Love (Vice Chair), Anthony Domineck (Clerk), Seth Peters, Tim Linton

**Members Not Attending**:  June Herron, Jennifer Lennon

**Additional Attendees**:  Peter Bogren (Select Board Liaison), Carol Riches (Town Administrator)

Virtual meeting called to order at 7:00 PM

7/14 Meeting Minute:   Mr Fenton suggested a spelling change to Article 2.  Motion to Approve by Mr. Love, second by Mr. Linton.  VOTE:   Unanimous Approval

Reviewed 4 budges not approved previously:

* Conservation budget revisited – Originally reviewed in an earlier meeting but not held over for future review of $1000 consult fee for open space recreation plan.  Original plan was to apply for a grant but funds no longer required.  Motion to Approve reduction by $1000 to $0 made by Mr. Love, Second by Mr. Linton.  No discussion.  VOTE:  4 YES/1 NO- Approved
* Police budget amended – Originally submitted on 3/12 and approved.  $38k for cruiser lease was omitted.  Motion to Approve made by Mr. Love, Second by Mr. Domineck.  Discussion:  Mr. Love asked how they forgot to put it in the original budget?  Per Mr. Fenton chief just forgot to put it in.  Mr. Love suggested that in the future we should have a column for actual spent YTD which would have allowed us to catch this.   Vote:  Unanimous Approval.
* Dispatch budget amended – Originally submitted 2/19 and approved.  $10k maintenance agreement added.  To the best of Mr. Fenton’s knowledge this is an assessment.  Motion to Approve by Mr. Love, Second by Mr. Domineck.  Vote:  Unanimous Approval
* Building commissioner budget – Budge not received prior to original budget review meetings.   Collings report introduced increases.  Motion to Approve by Mr. Peters, Second by Mr. Linton.  VOTE:  Unanimous Approval

Deficit and Associated Reductions– Deficit currently stands at $41, 325.  Mr. Fenton has talked to multiple departments to get a sense of what is feasible and suggests the following reductions to offset the deficit:

* Cost of Living Adjustment (COLA) - Many town employees got increases as a result of the Collins report.  COLA adjustment would amount to 3% in addition to Collins Report adjustments.  Mr. Fenton proposes reducing COLA from 3% to 2% matching COLA increase for state of MA last year.   Impact would reduce the deficit to $29, 732.
* State Aid  - Governors state aid for FY 2021 is likely to go down, how much is not yet known. State budget is not likely to be complete until November, we will potentially need to revisit the entire budget at that point.  Current budget based on unknown numbers, school contributions may change, chapter 70 may change.
  + Per Ms. Riches a memo from the governor today indicated it is likely we will use FY 2020 UGG numbers.  Mr. Fenton suggests we review the budget as is and revert to FY 2020 if it becomes official.
* New Construction – As of last week known new construction was $77k.  Could end up slightly higher, will know for sure in October.
* Per Mr Fenton may be able to save on legal services currently $22k consider reducing by $3k
* Municipal information services had a $13k surplus this year do not know why.  They had $2k in equipment we decided to reduce by $2k
* Public building property currently at $5k.  This would come out of repairs, we have $14k in repairs per Mr Fenton if repairs are needed we can take from reserve fund
* Police department decreased by $5k because FD is ½ of PD. increased FD by $2500 and EMS by $2500
  + Mr. Love - how are we making these cuts?  Were chiefs consulted?  Per Mr. Fenton no, has not been discussed, just decrease bottom line let them figure it out.  Possibly use gift funds such as how hospital respirators are donated to hospitals.  Mr. Linton should we go to the chiefs and ask?
* Highway has $5k – need to remember that Mike Putnam is retiring so his pension will begin coming out of compensation.
* Council on aging possible to reduce by $1k.  Mr Fenton talked to Cindy re: reduction of drivers due to covid when they come back expect pent up need to go to appointments, etc. thus additional moneys
* Library came up with $5k.  Looked at the book budget which is $40k, determined it could be reduced but have to worry about certification.  If MA library feels we are not treating all budgets similar we could lose library certification.
* Mr Fenton asked if anyone else has ideas for additional cuts?
  + Mr Love had 6 suggestions, one of which was already raised by Mr Fenton.  Total of Mr. Love's suggestions would amount to $46k of reductions.
  + **1132 Reserve Fund** – Mr Love suggests to reduce from $40k to $25k for savings of $15k.  Mr. Fenton asked  why should we reduce?  Mr Love -  year is already over and only spent $27k of $50k.  Of the amount we did pay, $37k was for a capital item that was to be refunded to reserve but was only replenished by $20k.  The money is never spent, no need to have it there.  Mr. Fenton - we need the money available to restore budgets in case of an emergency.  Mr Love - we have never used any of it.
  + **Account 1131 Legal Services-** Mr. Love suggests redreducing from $30k to $20k saving $10k.  Mr. Fenton deferred to Ms. Riches, asking if legal can withstand.  Ms. Riches says no because of costs related to CBA this year.  Expenditure report year is over and only spent $17k in this account. Ms. Riches reiterated that we have items going on that may require legal assistance and therefore legal spending.
  + **Account 1171 Conservation** – Mr. Love suggests reducing budget by an unspecified amount.  Mr. Fenton asked why?  Mr. Love - my understanding of that department was that it would be paid from a conservation special revenue fund and that has not been the case.  Mr. Love believes it has been paid out of the town budget.  Per Mr. Love the account should be funded as voted back in 2014 not to be a burden to the town.  Mr. Fenton suggested he contact the chair and get some information on that
  + **Account 1752 Temp Loans** – Mr. Love suggests reducing  from $35k to $0 saving $35k
    - Mr. Fenton asked why?  Ms. Riches explained the account was established because taxes come in 1 month after WRSD money is due each quarter.  This is money to borrow in case we cannot pay WRSD.  Did not use last year, could potentially get rid of it and utilize reserve funds if short.  Ms. Riches asked to be on record that she will have to utilize reserves if needed.   Motion to Approve by Mr. Peters, 2nd by Mr. Love, unanimously approved.
  + **Account 1913 Unemployment** – Mr. Love suggests reducing to $25k from $30k saving $5k
    - Per Mr. Fenton it was $0 last year.  Ms. Riches – funds may be needed due to the relocation to regional dispatch.  Laid off dispatcher could file for unemployment at any time.   Ms. Riches will try to find out if dispatchers have gained employment.
  + Revenue on the 2nd page worksheet is related to new growth – Mr. Fenton will edit increasing new construction from 77 to 85 permits.
* **Discussion of COLA**, Mr. Love stated that he is opposed to any decrease  Mr. Domineck suggested aligning with the private sector at 1% COLA increase.  Mr. Litton suggests 2%.  Motion to keep COLA at 3% made by Mr. Love, no second.  Mr. Linton Motion to Approve changing COLA to 2, 2nd by Mr. Peters, passed (4 yes/1 no)
* Mr. Love suggests setting **new construction** at 60% of average actual new construction cost from the last 4 years.  Kathy only found $77k in new construction revenue.  Mr. Fenton suggested that the committee accept what Kathy  proposes.  Per Mr. Love we typically budget far below actual for building.  Mr. Fenton - problem is $60k estimate was obtained in January was a complete guess before any physical work where $77k is an actual calculation.  Kathy said it could be higher by $1k or so.  Ms. Riches suggests Mr. Fenton check with the assessor tomorrow which is her last day due to resignation.

**New business.**  Mr. Fenton wants to discuss articles because Ms. Riches is present

* **Water department receipts** – Per Ms. Riches water department gets revenue from customers, only additional source of revenue is new hookups.  When the budget was put forth the committee did not know revenues for FY20, Ms. Riches says this is reasonable if revenue does not come in due to fluctuations.   Mr. Love did not realize we were discussing this tonight as it was not on the agenda.  Concern is that the warrant article had 3 expense numbers, we should have more information to vote on.  Per Mr. Love, let's put it on agenda for next week.  Mr. Bogren, if we are going to discuss the pilot, invite the Chair of the water board.
* **Article 7** - Mr. Love had a question about water tank maintenance.  Per Mr. Love , earnings “struck me as odd”.   Mr. Love was able to resolve questions based on the document Ms.  Riches sent him regarding retained earnings.  Document clarified that retained earnings are the same as free cash.  Currently there is $318k in retained earnings so not unreasonable to allocate the requested amount.   Motion to Approve at town meeting by Mr. Love,  second by Mr. Fenton, unanimously approved.
* **Article 11 and 12** – Mr. Fenton sent everyone info about the road fund that was incorrect.  Thought it could be used for something other than the road but that was not correct.  Also read the law wrong that only the select board could transfer money,  that law was revised so the town can do it.  Based on this information the articles are pretty straight forward.
  + Motion to Approve article 11 by Mr. Love, second by Mr. Domineck,  unanimous  approval
  + Motion to Approve article 12 by Mr. Domineck,  Second by Mr.  Litton,  unanimous approval
* **New forms for transfers,** some discussion related to format.  No need to vote.

Motion to adjourn made at 833 pm by Mr. Love, second by Mr. Litton, unanimous approval.

Respectfully Submitted,

Tony Domineck, Clerk