Minutes of the Finance Committee (Virtual meeting) August 6, 2020

Members attending: Richard Fenton (Chairman), Mark Love (vice-chair), Anthony Domineck (clerk),

 Jennifer Lennon, Seth Peters, Tim Linton.

Members not attending: June Herron

Additional Attendees: Peter Bogren (Select Board liaison); Carol Riches, Administrator;

 Larissa Kennedy, Town Accountant; Mia McDonald, Conservation Agent; Mike Voorhis,

 Vice Chair, Conservation

Virtual Meeting called to order at 7:00 pm.

ANNUAL TOWN MEETING WARRANT ARTICLES:

Article 1 – Water Department Receipts: Ms. Kennedy present to answer any questions that Mr. Love had raised concerning the audit of the Water Board that were raised at the previous meeting. Mr. Love: What happens if the Water Dept. receipts don’t reach the level that the Article states. How is that subsidized? What if the receipts far exceed the stated amount. Who keeps the surplus? Even though the Dept is an enterprise fund, it is still a department and we quarrel over much smaller departments. What’s the accounting, what’s the reporting? Even Mr. Bogren couldn’t answer these questions last meeting. Ms. Riches sent Mr. Love a document on the Enterprise Fund. Mr. Love indicated he read it and it answered his questions, but raised other questions. Wants to hold off further discussion since his questions don’t have to do with this Article. Recommended that discussion of the Water Department continue at a future date. Motion to recommend approval at the Annual Town Meeting made by Mr. Love, seconded by Mr. Peters. Approved unanimously.

Article 2 – DPW Facility: Mr. Fenton: There is not enough time after the town meeting to schedule a general election for the town to vote on this issue. Do we recommend approval to guage the interest of the town or do we recommend passing over this article because it will have to be on the warrant in 2021 anyway. General agreement that we need the building. Ms. Riches: Recommend take no action because very few people will probably attend and considerable amount of money voted by so few. Mr. Fenton: No opportunity to educate the public about our need for a new building. But to pass over suggests absence of importance. Motion to recommend “Take No Action” at the Annual Town Meeting by Ms. Lennon, seconded by Mr. Domineck. Approved unanimously.

Article 3 – DPW Roof Replacement: Mr. Fenton: The original Article was $42,000 last year. Suggests that $12,000 used to fix the roof, leaving $30,000. He doesn’t understand how this article relates to Article 2, since the roof is repaired. Ms. Riches: No point in not transferring funds to Capital since Mr. Putnam, the superintendent, says the roof is fixed and if we need money in the future, we can take it out of Capital. Motion to recommend approval at the Annual Town Meeting moved by Mr. Domineck, seconded by Ms. Lennon. Approved unanimously.

Article 13 – Gold Star Family – Property Tax Abatement: Mr. Fenton: Purpose is to relieve the financial hardship on the surviving spouse of lost soldier by exempting the payment of property taxes. Must reside in MA for one year prior to the loss and amount will be mostly reimbursed to the town by the state. Mr. Love: Any discussion will not take away from our support of the Gold Star concept. I thought that the language of the Articles 13 and 14 were incorrect. Mr. Fenton: Law says 2 years, Article says 1 year. Ms Riches: We are voting on one year. Motion to make recommendation for approval at the Town Meeting made by Ms. Lennon, seconded by Mr. Domineck. Approved 5-0 with Mr. Peters abstaining because of conflict of interest.

Article 14 – Gold Star Family – Property Tax Abatement: Mr. Fenton: This article gives abatement to surviving parents or guardian of soldiers and sailors who suffered a fatal injury, etc. Not reimbursable by the state. The question is whether to apply this abatement to extended family as well as spouse, i.e., are the parents financially impacted similarly by the loss of the grown child. This is a financial matter separate from the compassion aspect. If the parents are divorced and living in separate houses in Paxton, this would apply to both houses. Mr. Peters: If the soldier who is lost owns property in Paxton, do the parents get the abatement on the property that is transferred to them, or is this for the parents that are living in Paxton? Ms. Riches: It is the parent’s property. Mr. Fenton: Recites law that no property will be transferred to parents to evade taxation, so you can’t simply transfer the property over to the parent. Mr. Domineck: Have to consider the town demographics because most likely a parent living in Paxton wouldn’t be experiencing financial hardship as a result of losing a child, whereas such a case may exist in an inner city urban society. Mr. Peters: Is the exemption forever? Ms. Riches: Ends when the parent passes. Mr. Fenton quotes the law. Also, to pass this article implies that the financial situation of the parents will always be impacted by the loss of the child. Questionable. Once the child grows up, leaves the parents and joins the Army, one would assume that the parents and child are independent of each other. Mr. Love: Would both articles be applied at the same time, to both the surviving spouse and parents? Ms. Riches: Sure Mr. Fenton: If the spouse was living with the parents as well at the time of the loss. Ms. Riches: Depends upon who owns the property. Mr. Love: In Article 14, are we recognizing financial hardship or recognizing loss of life and service. Part of Mr. Love recognizes the compassion aspect, but the other part recognizes the financial impact on the town since the state doesn’t reimburse. Motion to recommend “Take No Action” at the Town Meeting made by Mr. Love, seconded by Ms. Lennon. Approved 4-2, with Mr. Fenton and Mr. Linton in the negative.

Moving along to the budget:

Mr. Fenton: Received word of the receipt of the 911 grant that pays for Services provided by the Regional Dispatch. So our Regional Dispatch budget fell from $91,398 to $10,000, reversing our deficit of $34,892 to a surplus. Have to approve the Dispatch budget #1215. Mr. Love moves the budget, seconded by Mr. Peters. Approved unanimously.

Consider the Unemployment Budget: Mr. Fenton: When we went with the regionalization of Dispatch, we assumed some of the dispatchers would require unemployment unless they got jobs. Apparently they have. However, we may still be responsible for unemployment under certain circumstances. Mr. Fenton: Any amount left over at the end of the fiscal year will go into free cash and available for next year’s budget which may be in as much difficulty as this year. Essentially something of a reserve fund. Perhaps it shouldn’t be depleted. Mr. Fenton and Mr. Love suggest reducing unemployment to 15,000. Mr. Love made a motion to reduce unemployment to $15,000. Seconded by Mr. Domineck . Approved unanimously.

Consider Conservation budget: Mr Love: I made point of considering this budget when we had a deficit. Mr. Love wishes to make clear that he has never advocated an elimination of the agent position. The question: was it the intent to fund the position partly by the town and partly by special revenue accounts. What is baseline salary amount at which point the revenue account begins? And since we have a surplus at this point, Mr. Love will withdraw the suggestion that the account be reduced, and simply request an answer to the question. Is the baseline salary what we budget every year. Ms. Riches: In a given year, once the salary that has been appropriated is depleted, then the additional labor is covered by the revenue account. Ms. McDonald: Work a minimum of 18 hours a month. Stops billing at 18, but can work 30 hours a month during construction season from March to October. Further discussion between Mr. Love, Mr. Voorhis and Ms. McDonald. Revenue account has supported the agent position beyond the amount budgeted by the town. Because we have a surplus, Mr. Love withdraws consideration of applying more of the revenue funds to cover agent compensation.

Legal Service: Mr. Fenton: Suggested that because of labor contracts coming up there will be a load on the legal fund. Question concerning whether we should be reducing this budget. Ms. Riches indicated we need it for next year. No further consideration for reducing budget.

Reserve Fund: Considerable discussion concerning how much we really need in the Reserve Fund. One consideration is that we have rarely used most of the money budgeted. Another consideration is that it is an emergency fund with flexibility without having to call a town meeting to get emergency funding for any reason. Also, Cares Act and other grants have been providing money for the town since March that may have otherwise been drawn from the Reserve fund. Finally decided that account should stay at $40,000.

Mr. Bogren suggests revisiting COLA. Motion to restore COLA to 3% made by Mr. Domineck, seconded by Ms. Lennon. Approval 4-1, with Mr. Linton negative and with Mr. Love abstaining due to conflict of interest.

Next meeting is scheduled for August 11, Tuesday. Budget has to be completed by August 12.

Meeting adjourned at 8:08.

Respectfully Submitted,

Tony Domineck , Clerk.