**06/16/2021 Paxton Finance Committee Meeting Minutes**

**Members Attending**: Richard Fenton (Chair), Mark Love (Vice Chair), Anthony Domineck (Clerk), Tim Linton, June Herron, Jennifer Lennon

**Members Not Attending**: Seth Peters

**Additional Attendees**: Carol Riches (Town Administrator), Peter Bogren (Select Board), Larissa Kennedy (Town Accountant)

Virtual meeting called to order at 7:30 PM EST

* Review minutes from 5/12/21. MTA Linton, 2nd Herron. Approved - unanimous
* Review minutes from 5/27/21. MTA Herron, 2nd Love. Approved - unanimous
* Warrant Article 11 (Town Budget): $7,352,414 in current warrant. $7,233,481 for town municipal operating budget. MTA Linton, 2nd Herron. Discussion:
  + Love: How we arrived at balanced budget as important as that we arrived at it. Cuts were made that I did not agree with. Next year will be worse.
  + Fenton: Reviewed budget as percent change, in very few cases has there been a decrease in the budget amount for a department, most cases were a decrease to requested increases.
  + Approved (1 abstention - Love)
* Potential revenue sources and expenditures
  + **WRSD**: Fenton: Budget increased by 4.2% this year. Disappointing that our assessment did not go down. Love: Compliments to Mr. Fenton for the WRSD report which is included in the warrant article.
  + **State Aid:**
    - Love: Added to list May 7 when workbooks were increasing with each submission. Is it going to remain at the current amount, or will it increase still?
    - Fenton: No, it will not continue to increase.
    - Riches: This is not final number yet.
    - Bogren: Still needs to be reconciled by the house and senate. Don’t get final numbers until after our final budget (likely July)
    - Riches: Don’t know if it will be higher or lower. Numbers get juggled from one category to another.
    - Bogren: Not likely to go lower. Main thing that could change is transportation.
    - Love: Where would surplus state aid go?
    - Riches: State aid would be part of tax rate assessment for next year. If not used in tax year could go to free cash. Would need special town meeting to adjust budget.
    - Riches/Bogren: School board looking for us to have special meeting in the fall to ratify the redone regional agreement (this happens every 5 years)
  + **Grant income/grant requests**:
    - Love: Read about town signs put that were up with grant money. CIPC met with police, funded new equipment with grants. Are there other opportunities for grants to help balance the budget?
    - Riches: This list is more applicable to next year’s budget.
    - Love: Could we hire a grant writer?
    - Bogren: Department heads currently writing grants. What would it cost to hire a grant writer?
    - Love: Could reach out to AMC English departments.
    - Fenton: What is the success rate of grants within the town?
    - Riches: Not sure. We have a grant connector that alerts us when new grants available.
    - Love: Only 2 current projects from CIPC tied to to grants, next year there will be significantly more next year that will require funding.
    - Bogren: Would love to find someone who can help us find money for another fire truck.
    - Love: Town Administrator and department heads to explore grant writer.
  + **CARES Act Funds**:
    - Riches: Finished in September 2021, if you want to use until December you need to justify. Will look at what’s left over and re-allocate based on requests. No changes to what it can be used for. Currently have $200 left.
    - Love: Weren’t we granted $483,000?
    - Riches: Yes. Funds not actually spent have been earmarked. HVAC at public safety complex one big expense.
    - Love: COVID listed 2x on special revenue sheet.
    - Riches: 1 is CARES, 1 is FEMA. First allotment was around May for $35k, then applied and got $9k in 2nd allotment. Deficit spending since, did not affect free cash, will be replenished. Heater and senior center carpet other substantial expenses. Trash was another expense.
  + **ARPA Act**:
    - Riches: $1.4 million allotment. Applied and received $259, 235 today. Assuming this is 1 part of a 2-part process (municipal and county). Select board creating a committee to oversee use of the funds. Funds to be used for recovery. Town to decide what qualifies.
    - Love: Suggest someone from Finance should be on the funds committee.
    - Bogren: By law says cannot have finance member on the board.
    - Fenton: If you don’t use it you lose it.
    - Riches: Been on several zoom meetings looking for ideas.
    - Fenton: Can it be used for water pipes?
    - Riches: Yes, but not enough money to do more than West St.
    - Kennedy: Awaiting guidance on what revenue can be used and how.
    - Herron: Could it be used for DPW building?
    - Riches: We don’t know yet.
    - Herron: What about town wide sewer?
    - Riches: Voted down due to betterment previously. One meeting it was indicated an ambulance is ok if it transports COVID patients.
    - Domineck: Will decisions be audited?
    - Riches: Yes.
    - Herron: Not for schools, right?
    - Riches: Correct. We gave the school early dollars from CARES Act Funds.
  + **Esser II Fund**:
    - Love: Added to the discussion list based on an email Fenton sent on 3/15 indicating Bogren would discuss in the future how this fund could help with the deficit.
    - Bogren: Funds were meant to go to schools to lower overall budget or allocate to town to lower assessment. By the time we were made aware, school had applied to the assessment then found out they couldn’t do that and had to use the funds for future teaching. Now using for summer programs. Originally thought select board would be able to determine how funds would be used. Domineck: So, this is not an essential revenue source, right?
    - Bogren: Correct
  + **PPP/Paycheck Protection Program**:
    - Love: Have written at least 50 applications for clients who often question if income will be taxable. Have also written forgiveness applications for commercial and NFP clients. Are government entities eligible for it?
    - Riches: I don’t believe so.
    - Love: Money must be to keep employees and to get loan forgiveness.
    - Riches: I don’t believe this applies to municipalities.
  + **Compensation including step increases/COLA obligations/history**:
    - Love: During initial discussion was trying to get to 3% as a standard. Take 2.5% step increase and limit COLA to .5% for total of 3% while other who don’t get step would get 3% COLA.
    - Fenton: Suggesting 2 COLA’s….5% for some, 3% for others. Step would be part of the COLA. Reason it was 0 for so many years was because we did budget first, COLA last. Fiscal year 17 we switched to doing COLA first. When we went to step increase, we should have included length of service/time of service award + COLA but did not. Need to discuss for next budget season.
  + **Waste and recycling collection**:
    - Love: Cost increased with new contract but supported by CARES Act money. Amount it went up is still in their budget, budget is feeling the increase. Not seeing CARES act money in the budget.
    - Riches: Didn’t get a chance to talk to Sheryl on this. CARES funds were set aside for this. Budget amount does not include recycling, will be billed monthly and paid via CARES act funds. This is only for 1 year, is going to go up.
    - Domineck: Why is increase inevitable?
    - Love: When previous contract expired, we did a 1-year contract. When that expires this will go out for bid. Have been losing money on the contract.
* New Business:
  + Julia wants to solicit donations to cover cost of AMC fireworks. May look for town funds to cover what’s not donated.
* Transfer (Animal Control): Current balance is $175, transfer $30. MTA Herron, 2nd Lennon. Approved - unanimous
* Meeting adjourned 8:53 PM EST

Respectfully Submitted

Tony Domineck, Clerk