Finance Committee

TOWN OF HALIFAX

499 Plymouth Street

Halifax, MA 02338

**Meeting Minutes**

**Monday, April 6, 2020**

**Committee Members Present**: Melinda Tarsi, Bill McAvoy, Fred McGovern, Cheryll Zarella Burke, (this meeting was held with Zoom)

Also, in attendance in the audience were: Sandy Nolan, Charlie Seelig, Chief Chaves, and S. Martin

The meeting was recorded by Zoom online meetings

**Melinda called the meeting to order at 7:03 pm**

Melinda asked Sandy and Charlie to discuss the updated budget sheet that Sandy had sent out (see attached). Sandy said she and Charlie reviewed revenue assumptions and had made some changes. Sandy said in 2008 the unrestricted aid (lottery money) from the State had been cut by 35% during the recession. She had changed the anticipated revenues to reflect that cut for FY21 as well based on the history. They also dropped down the anticipated revenue on excise, personal property, and permit and fees based on the 2008 recession research because those areas had also taken hits in the 2008 recession. Sandy said that without any across the board wage increases, and with budgets for expense lines as was presented, with “wish list” items still in them, we are currently negative $158,655 in the overall budget. That is if we do not leave the $300,000 cushion on the table, so we are not taxing all the way to the levy limit. Melinda said that if we keep the $300,000 buffer on the table then we will be negative $458,655.00. She asked the rest of the Committee’s opinion on how they felt about using the buffer or keeping the buffer. Bill said the Committee had set a philosophy that they did not want to tax to the full levy limit and therefore he thought we should keep the buffer on the table. Melinda asked Charlie if he had any idea on when we might get numbers from the State Senate. Charlie said later this week the Ways and Means committee will meet with DLS to look at revenues for the State. They think they are anticipating a 3%-5% drop in revenues for FY21. Charlie thinks that is an optimistic outlook. Charlie said there is some discussion about the State Legislature doing a 1/12th budget for July because the State also doesn’t have solid numbers to work with yet. Charlie said the Town may need to do that also. Charlie said we would have to do this if we can’t have an Annual Town Meeting. Melinda asked Charlie and Sandy if they want Fin Com to start working off a budget this is negative $458,655 or should they wait another week for more solid numbers. Charlie said “yes,” starting with the negative $458,655 budget would be the best way to start. He doesn’t think there will be more solid numbers anytime soon and we can always add money into the budget if numbers look better than anticipated. Charlie said his thought would be that the best way to start would be by using the FY20 budget and then cut from there if we need to. Charlie said some Towns are already talking about wage freezes, furloughs and layoffs. Melinda said she wondered if we should ask the Board of Selectmen (BOS) to ask departments to re-present their budgets. Charlie said we don’t have to ask departments to redo their budgets. We can just figure out ourselves, what the FY20 budget for each department was because we have those records. Charlie said we should start with the FY20 budget and then determine can we fit in the mandatory assessments for FY21? Can we fit in steps for the Town and School, etc? Charlie said Sandy has pointed out that sometimes people are overfunding certain budgets year after year. He said for example, they are asking for a certain amount for electricity each year and then turning back in money in that line each year. So maybe we look at those type of lines too, to see if we can cut a little there. Charlie said if we are going to have Scott do both the Town and School building as Director or Building Maintenance then we are going to have to allot money to pay him more. Charlie also said that another decision that might have to be made or prioritized is the Law account, he can try to spend less but then that means he who does not have a law degree is going to have to try to make more decisions without using the lawyer. The general insurance account is another one to consider. We could try and find a happy medium between the FY20 budget and the requested FY21 budget for this. We know we have underinsured things like 111F, but maybe we can take small steps over years to bring it up to proper funding. Charlie said the Fin Com need to make policy decisions and should make a list of what it wants to consider as priorities and then go to the departments and say what they can or cannot support. He suggested Fin Com take an approach of saying to the departments, we have crunched the numbers and we are planning on not funding X in your department budget, what do you think? Do you have a different place in your department you would like to see cut? Melinda asked Charlie if she thought we should start that process tonight or wait another week. Charlie said we are running out of time and need to get started. Bill said since Fin Com just got the new projected revenues from Sandy shortly before the meeting he would like to wait until next week so that he had time to look over the figures. Fred said he agrees with Bill, he would like to start the cutting work next week.

Sandy said she had already started to review different accounts where we historically turn back money. She said we may also get money back or lower FY21 budgets because school and training has been cancelled for some departments. Sandy said she is making notes and will get it to Fin Com before the next meeting.

Melinda suggested we look at the budget by who had the greatest increases in budgets, that would be a starting point. Sandy said that we had just decided to roll the Fire Suppression debt in another BAN and we may not a principle payment for FY21 but Charlie said if we delay it, it will make a worst case scenario for FY22 because then we will have to come up with the principle times two that year. Sandy agreed with Charlie that it was best to account for it in the FY21 budget.

Melinda said last year Fin Com used the policy of not considering new positions, but she wanted to know how Committee members felt about that policy for FY21. Charlie said that even though the requests for extra hours or extra help may be justified and the Fin Com knows it, we need to prioritize the positions we have first so that no one is being cut if possible. We can then start to consider new positions or pay increases if we can even get to that point. Fred agreed he couldn’t justify voting for new positions at this point. Melinda said she would favor an overall wage increase as a priority to new positions.

Melinda said the Fin Com had originally voted to recommend the increase to the law line back on 3/9 but she wanted to know if there is any chance that Charlie thought we might see a little relief in that line and maybe be able to lower it. Charlie said he did not see that as being a realistic thought. He said he is spending less on the labor lawyer because we have halted negotiations because of the pending recession, however the bulk of the law line is driven by other things like the pending lawsuits and he doesn’t see those ending anytime soon. Charlie said he could try to find a middle area for the law account and the general insurance account where he can try to just increase it in increments and see how that goes. Melinda said she agreed with Charlie and Sandy that we should just put all the expense lines voted or not back down to the FY20 numbers. Bill asked what the current year expenditures were for the Law account. Charlie did not have the figures in front of him, but he said they are on track to once again come in around $125,000 for the year. We have slowed down slightly right now though mostly because the courts are closed due to COVID-19 and so it is a little less then usual. Bill asked Charlie if he thought the Town might be susceptible to any COVID-19 related court cases (ie: employee safety, etc). Charlie said he thinks employee protection is pretty good. Bill asked what the potential impact might be for the FY21 budget because of COVID-19. Charlie said he believes he and Sandy already took a very pessimistic approach and have figures that into the budget forecast that the Fin Com was looking at with the reduced revenues. Bill asked if there are any leased items like the motorcycle or the streetlights that should be reconsidered. Charlie said the motorcycle is a Fin Com decision outside of budget discussions. He said the streetlights must be bought outright. Streetlights are $27,000 and Charlie said if we drop it by 2/3rds it still would not be significant in the overall budget.

Melinda asked the Fin Com members to review the updated budget information during the upcoming week and try to come up with a working budget to be reviewed next week on 4/13/20.

There were no Wage and Personnel updates, the W&P Board is still working on recommendations.

There was one Reserve Fund Transfer request for $5,000 to the Law account. Melinda confirmed with Linda that the current balance in the RFT account was $46,871.23.

**Melinda entertained a motion to approve the request for $5,000 to the Law account**

Motion: Fred

Second: Bill

Fred questioned whether $5,000 was to low and should it be for $10,000 instead since Charlie seems to keep needing to request it and it is harder due to Zoom meetings. Charlie said certainly the $10,000 would be better as he anticipates more outstanding bills.

**Melinda entertained a motion to rescind the request for $5,000 to the Law account**

Motion: Fred

Second’: Bill

**AIF**

**Melinda entertained a motion to approve the RFT request for $10,000 to the Law account**

Motion: Fred

Second: bill

**AIF**

Melinda asked if electronic signatures would be fine for the RFT or should she stop in at some point to do a signature. Charlie said he believed given the circumstances, electronic signatures were approved as acceptable.

**Melinda entertained a motion to approve the minutes of the 3/23/20 meeting**

Motion: Bill

Second: Fred

**AIF**

Under correspondence Linda reminded the Fin Com about the email Jean Gallant had sent (see attached). Bill asked if he recalled correctly that if you change the libraries budget you had to change everybody’s. Sandy said that it is required that you treat the libraries the same as everyone else. She felt that the Fin Com asking everyone to go back to their FY20 budgets would be sufficient because they are asking everyone to do it and not just the library.

During public participation Fred asked if we had ever received the transportation quote from the schools. Sandy said that they schools had gotten the new quote but that Christine Healey said she wanted to present them to the School Committee before she gave Sandy an actual figure but she did tell Sandy is was significantly less then she had expected it to be. Sandy said we should have the figure soon because the School Committee met on 4/6/20.

Melinda said she was going to email the members of the Fin Com to see if there were any other nights during the week they could be available if they needed to schedule extra nights during the end of April.

**Melinda entertained a motion to adjourn the meeting at 8:32pm**

Motion: Bill

Second: Fred

**AIF**

Respectfully submitted,

Linda Cole, Secretary \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Fred McGovern, Clerk