



Town of Medway
FINANCE COMMITTEE
155 Village Street
Medway MA 02053

Tel: (508) 533-3200
Fax: (508) 533-3201

Wednesday, May 20, 2020 – 7:00 PM
Sanford Hall, Town Hall
155 Village Street

Present: Frank Rossi, Chair; Todd Alessandri, Vice Chair; Jeff O'Neill.

Members participating remotely: Ellen Hillery, Clerk; Brian Cowan Will Lane; Michael Schrader; Sue Segarra; Jim Sullivan (7:04 PM).

Staff Participating Remotely: Michael Boynton, Town Administrator; Carol Pratt, Finance Director.

Others Present: Dennis Crowley, Selectman.

Call to Order

At 6:32 PM Chairman Rossi called the meeting to order. A quorum of members is present, either in person or remotely. As is the case for meetings where remote participation is used, all votes shall be by roll call.

Discussion/Review

Update on FY21 Budget and STM/ATM Warrants – June 8, 2020

The committee reviewed the following information: Revised Warrants and updated budget figures.

Present: Michael Boynton, Town Administrator; Carol Pratt, Finance Director.

Ms. Carol Pratt, Finance Director, noted she made budget adjustments based on assumptions about lost revenues from the state, adding that there is a huge deficit there. She explained that they considered anticipated loss of state aid at 10%, and made adjustments to the budget to cover the potential loss of revenue of \$1.2 million. This included not adding the requested positions of network technician, and a DPW position split between two areas for a combined cost of \$80,000 in addition to some other line items that were reduced (roads and sidewalks, stabilization transfer, Medway Family Day). Stormwater was reduced by \$100,000 and we effected a reduction in state offset receipts of School Choice and Library. Brief discussion followed.

Mr. Boynton reported that \$290,000 was taken out of solid waste as there was a surplus in retained earnings. Not feeling confident on what the state aid reduction will be, he indicated they employed a 10% reduction. There should be additional permit revenues to offset loss in state aid. If the state aid reduction is higher than 10%, it impacts the school budget and others. School aid is still unknown. The state still does not know what their deficit will be and is currently estimated at \$8 billion. Brief discussion followed during which it was noted that using excess levy capacity now may impact FY22 if recovery is slow.

Discussion followed on how the stabilization fund has helped in the past. There is currently \$3.5 million in the stabilization fund in addition to the excess levy capacity; these resources can be tapped up until the time the tax rate is set. Fall Town Meeting will be the third week of November. A Special Town Meeting may be necessary in July. Mr. Boynton emphasized that, while we all must be vigilant in keeping the virus from spreading, we also have to keep an eye on the fiscal health of the community and keep providing essential services. The people on the front lines right now could ultimately not be there in the future if cuts are severe. Brief discussion followed.

Mr. Boynton spoke briefly about property taxes and the impact on property owners, especially those who may own a lot of property, but have limited cash flow. If their income is restricted by loss of job, they may not be able to pay their taxes.

Responding to a question from Chairman Rossi, Mr. Boynton stated that the Town has an allocation from the CARES Act of up to \$1.1 million. He cautioned that the funds cannot be used to supplement loss of revenue. The Town cannot recover the costs of laptops taken from laptop carts at the school for distribution to students as reimbursable COVID costs have to be for new purchases. All COVID-related expenses are being tracked for reimbursement. This includes sanitization products and equipment as well as some overtime costs. FEMA reimbursement is separate from the CARES Act. Eligibility for reimbursement from the CARES funding is for purchases through December 2021.

Mr. O'Neill asked if the Town has received everything from the state that it should be receiving as far as revenues are concerned. Mr. Boynton responded they are fairly up-to-date. Ms. Pratt concurred, noting that the Town will close out this fiscal year in good shape.

Mr. Alessandri asked about the current budget and costs as well as whether there have been additional expenses for regular operations. Mr. Boynton responded that the schools will have savings but will also have additional expenses. Some of their funding can carry over to the next fiscal year. For the Town side, there haven't been a lot of extra regular expenses aside from the COVID expenses which are being tracked. There will need to be a transfer to cover increased unemployment costs; a request will come forward to an upcoming meeting. Health care expenses have been budgeted; it is a premium-based system. Brief discussion followed.

Addressing his comment to Mr. O'Neill, Selectman Crowley stated that local receipts is generally where we pick up the free cash. To date the Town has collected over 93% of its revenue to meet the budget. There are also taxes that were due May 1 that may still be coming in. He reported that the Board of Selectmen was interested in using free cash to augment the budget, but the Town Manager advised that free cash should never be used for recurring costs. At this time, Mr. Crowley extended thanks to the residents who supported the Finance Committee, the Finance Division and the Board of Selectmen in how to handle the Exelon funds.

At this time, Mr. Boynton reviewed changes to the Special Town Meeting Warrant, based on updated information.

Article 1 – Free Cash Transfer: Snow and Ice Deficit: As there is no deficit in the Snow and Ice Budget, there will be no motion at Town Meeting. **Mr. Alessandri made a motion that the Finance Committee recommend dismissing Article 1; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 2 – Prior Year Bills: The dollar amount in the motion will be \$7,164.08. **Mr. Alessandri made a motion that the Finance Committee approve Article 2 with the updated dollar figure; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 8 – Appropriation: COVID-19 Response: **Mr. Alessandri made a motion that the Finance Committee approve Article 8 with the updated dollar figure of \$105,000; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

The Finance Committee then turned its attention to the Annual Town Meeting Warrant.

Article 3 – Appropriation: FY21 Operating Budget: **Mr. Alessandri made a motion that the Finance Committee recommend Article 3 to approve the FY21 Operating Budget with the reductions as presented this evening; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 6 – Appropriation: FY21 Solid Waste Enterprise Fund: This article will be adjusted to reflect a new salary figure as discussed in budget adjustments this evening. **Mr. Alessandri made a motion that the Finance Committee approve Article 6 with the updated salary figure; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 9 – Raise & Appropriate: Roads and Sidewalks: **Mr. Alessandri made a motion that the Finance Committee dismiss the previously-approved Article 9 as a result of this evening's budget adjustments; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 11 – Borrowing – Water Enterprise – Brentwood Area and Wellington Street: This article had been designated TBD. It is believed that the cost will be \$5.5 million. **Mr. Alessandri made a motion that the Finance Committee recommend Article 11 (previously TBD); Mr. O'Neill seconded. It is noted that the motion at Town Meeting will include the dollar amount. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 13 – General Stabilization Appropriations: As referenced in the budget adjustments this evening, this article is no longer necessary. **Mr. Alessandri made a motion that the Finance Committee dismiss the previously-approved Article 13; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 15 – Appropriation: Medway Day: It is likely that, due to COVID-19 restrictions, Medway Day will not take place until next year. **Mr. Alessandri made a motion that the Finance Committee dismiss the previously-approved Article 15; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 16 – Appropriation: Community Preservation Committee: There are new details in the charts. **Mr. Alessandri made a motion that the Finance Committee recommend Article 16 (previously TBD); Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 18 – Purchase Real Property – 13 and 15R Populatic Street: Mr. Boynton reported that there has been an agreement with the property owner; the cost will be \$390,000, \$10,000 of which will be for legal expenses. **Mr. Alessandri made a motion that the Finance Committee recommend Article 18 (previously TBD); Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

Article 22 – Street Acceptance – Forest Road: There was brief discussion on roadways yet to be accepted. **Mr. Alessandri made a motion that the Finance Committee recommend Article 22 (previously TBD); Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).**

At this time, Mr. Boynton reported that there is pending legislation at the state level that, given the approval of local Town Meeting, the quorum at a Town Meeting could be lowered to 10 people in the physical audience. However, that modification was limited to specific kinds of articles, i.e., articles related to state or federal law would be allowed. We learned that the maximum 10-person rule of gathering does not apply to legislative bodies of municipal government. Brief discussion followed during which it was confirmed that the high school can social distance 100 people. It may be possible to arrange overflow space with an electronic display/feed to Town Meeting proceedings

Miscellaneous

Chairman's Report

Chairman Rossi reported that, during the COVID-19 pandemic and temporary modifications to the Remote Participation Policy, the remote participation forms are not necessary. The meeting minutes will adequately show who was present or absent at each meeting.

Brief discussion followed on the Finance Committee gathering on Monday, June 8 at 6:30 PM before Special Town Meeting and Annual Town Meeting. There is a reserve transfer request (unemployment costs) that will be considered at that time. He stated that it is likely the committee may meet again the week of June 22 or so before the end of the fiscal year. The committee will meet on July 8 to reorganize and to make any budgetary adjustments.

Clerk's Report

The Finance Committee Reserve Fund is down to \$70,000 following the \$30,000 transfer to the schools. Discussion followed on additional funds being transferred into the fund for potential use before the end of the fiscal year.

Liaison Reports

Liaison reports were postponed.

Approval of Meeting Minutes

The committee reviewed draft minutes from April 8, 2020.

Mr. Alessandri made a motion to approve the minutes of April 8, 2020 as amended; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).

Adjourn

At 7:49 PM Mr. Alessandri made a motion to adjourn; Mr. O'Neill seconded. No discussion. Roll Call Vote: 9-0-0 (Alessandri, aye; Cowan, aye; Hillery, aye; Lane, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Segarra, aye; Sullivan, aye).

*Respectfully submitted,
Jeanette Galliardt*