



TOWN OF DOUGLAS

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Findings of Fact, Declaration of Policy and Direction of Administrative Efforts

Sources of Funding During COVID-19 Emergency and Economic Recovery

WHEREAS, the 2019 Novel Coronavirus causes COVID-19, a highly contagious and complex disease, with disproportionate impact on medically vulnerable populations; and,

WHEREAS, there are communities worldwide which have struggled to maintain access to, and the quality of, health care for those most severely affected by COVID-19, due to the numbers of people who have become seriously ill; and

WHEREAS, on March 10, 2020, the Governor of the Commonwealth of Massachusetts issued a Declaration of a State of Emergency to Respond to COVID-19; and

WHEREAS, on March 11, 2020 the World Health Organization designated the COVID-19 outbreak a Pandemic Health Emergency; and

WHEREAS, on March 13, 2020, the President of the United States declared a National State of Emergency to respond to the spread of COVID-19; and

WHEREAS, on March 15, 2020, the Governor announced the first of many specific actions to respond to the evolving COVID-19 public health emergency, currently including the closure of all businesses deemed non-essential and prohibitions on public gatherings of more than ten people, through May 18, 2020, and suspension of elementary and secondary school educational operations through the end of the school year; and

WHEREAS, the Douglas Board of Selectmen and Board of Health, in consultation with the State Department of Public Health, has determined that the spread of COVID-19 poses an immediate threat to public health, safety, and

general welfare of people residing both within and outside of the Town of Douglas; and

WHEREAS, the Douglas Board of Selectmen declared that as of 8:00 P.M. on March 17, 2020, a local state of emergency exists in the Town of Douglas; and

WHEREAS, as a result of the measures taken to respond to the public health emergency at every level of government, there has already been and will continue to be a significant reduction in economic activity; and

WHEREAS, after only six weeks of pandemic response, the national unemployment rate as calculated by the federal Department of Labor stands at 14.7%, a level not seen since the Great Depression; and

WHEREAS, the finances of Massachusetts state government are heavily reliant upon taxes on income as well as consumer discretionary spending on gaming, lottery products, and purchases, including meals and beverages; and

WHEREAS, the Commonwealth is already experiencing significant revenue shortfalls, which are estimated by various experts to range from 15 to 17% below projected levels for the year, due to a substantial drop-off in lottery and gaming proceeds, dramatic decreases in meals and beverage taxes and other areas tied directly to consumer spending; and

WHEREAS, the Commonwealth is engaged in short term borrowing to cover ongoing operations, and

WHEREAS, the Douglas Board of Selectmen believes that it may be some time before the Legislature arrives at a consensus revenue estimate and budget in this environment; and

WHEREAS, the Douglas Board of Selectmen takes notice of the fact that net state aid into the Town accounts for 32% of all revenues available for appropriation in its budget; and

WHEREAS, it is the consensus of the Board that it is prudent for the Town and its administrative staff to plan for significant financial pressure on the municipal budget process for Fiscal Year 2021 and beyond; and

WHEREAS, the Board is aware of guidance provided by Massachusetts Department of Revenue officials regarding the identification and prioritization of possible cost savings and/or non-tax funding sources as backstops for municipal operations as a condition for maintaining a healthy bond rating from credit rating agencies,

NOW THEREFORE, we, the Board of Selectmen of the Town of Douglas, hereby direct and/or authorize the following actions:

1. The Town Administrator, in consultation with Department heads, shall identify a range of options for cost savings for fiscal years 2021 and 2022, and estimates of the net savings resulting from each initiative, to total no less than \$400,000;
2. A report of these initiatives is due to the Board of Selectmen no later than May 26, 2020;
3. The report shall include the policy considerations arising from each option, both positive and negative, with an emphasis on the quality and quantity of services provided to the Town;
4. The Town Administrator and Finance Director shall jointly prepare a plan for the use of revenue sources other than the levy, local receipts or state aid to supplement the revenue requirements of the Town for the short to medium term, reflecting the following order of use/drawdown:
 - a. Transfer from free cash;
 - b. Increase the transfer amounts from Ambulance Restricted Receipts account, and Wetlands
 - c. transfer from unspent "pay as you go" capital accounts for all capital projects that have not been started , and projects that have been completed
 - d. For the limited purpose of funding employee health insurance benefits, use of available, assigned equity in the Massachusetts Strategic Health Group trust fund;
 - e. transfer from Stabilization, and other, and;
5. The above-mentioned plan will be due to the Board no later than June 9, 2020.

Approved May 26, 2020



Kevin D. Morse, Chairman