

FINANCE COMMITTEE MEETING
TUESDAY, APRIL 3, 2018

A meeting of the Finance Committee (FC) was held on Tuesday, April 3, 2018 in the Municipal Center. Mr. Hogan called the meeting to order at 7:14 PM.

ATTENDANCE:

PRESENT: Ryan Hogan (Chair), Eric Chamberland, Howard D'Amico (Vice Chair), Carol Gogolinski, Pamela Holmes, Michael Hutnak, Cynthia Shurick

ABSENT: Leigh Lahousse

NON-VOTING: Matt Wojcik (Town Administrator), Jeanne Lovett (Finance Director)

BOARD OF SELECTMEN: Kevin Morse (Chair), Tim Bonin, David Cortese (Vice Chair), Hal Davis, Michael Hughes, Suzanne Kane (Administrative Assistant)

SCHOOL COMMITTEE: Kevin Maines (Interim Superintendent), Cortney Keegan (Business & Operations Manager), Sherry Zetlan (Chair), Brett Argall

1. JOINT MEETING OF THE FC, BOARD OF SELECTMEN (BOS) AND SCHOOL ADMINISTRATION (SC) TO DISCUSS FISCAL 2019 BUDGET.

Mr. Morse stated that the BOS proposed a \$1.5 million Proposition 2.5 (override) override to try to balance the budget over the next five years. Mr. Wojcik stated that the BOS made a recommendation for the base budget based on no override. This budget includes closure of the library, significant cuts to the School Dept. and a level funded municipal budget. The BOS considered a budget with an override that would affect three accounts should the override pass: School, library, and OPEB. The BOS did not vote on the amount to be given to the School Dept. should the override pass. The amount discussed was approximately \$643,000. They did vote to short-fund the Blackstone Valley Tech (BVT) budget by approximately \$70,000 to bring them to their mandatory contribution.

If the override passes, for the first two years of the five year period, there would be no predicted use of Free Cash to balance the budget until years four and five. It was discussed at the prior meeting to provide the School's full request of a 3.5% increase and then increase by 1% each of the next five years.

Mr. Morse clarified that if the override passes, it only buys Douglas time to improve revenue inflows. The override would allow a five-year balanced budget without a reduction in services.

The SC spoke about the difference between a 3.5% increase and a 1.5% increase to their budget and what the difference in programming would be. No override would mean a level serviced budget, a reduction of \$132,000, and use of an additional \$511,000 from the Revolving funds. The override budget with an additional \$325,000 for the School would mean a level service budget, less than \$511,000 from Revolving funds would be used, and a good chance of maintaining the level service in FY2020. A 1% increase each year going forward is not enough to sustain a level service budget.

If the School was to be given their full ask, that would allow a level service budget without using any money from the Revolving funds, and a potential to modestly invest in programming, such as collaborative animal science, plant science, engineering

and manufacturing programs with neighboring districts, with the hope of reducing the number of students going to BVT and Norfolk Agricultural. An additional adjustment counselor is desperately needed.

Mr. Hogan asked for a graph of the different School budget scenarios and how far a level service budget can be carried. The FY19 Superintendent's proposed budget (the full ask) is on the district's website.

The SC's public budget meeting is tomorrow night at 7:00 PM in the high school auditorium.

A discussion was held regarding an override's effect on Capital expenditures. With the override, the goal is to use Free Cash for one-time expenditures for the Town, and the Town would have two to three years of solid Capital investment. The total of the departmental capital request for FY19 is over \$19 million.

At 8:25 PM, the SC left the meeting, and Ryan Hogan made a motion that the FC was to move into the Selectmen's Office to continue their meeting. The FC meeting resumed at 8:33 PM in the Selectmen's Office. Mr. Wojcik was no longer in attendance.

Discussions were held regarding the BOS's proposal to award 3.5% (\$643,000) to the School Dept. budget, the use of Free Cash, the School's desire to add programs to the district to entice students to stay in Douglas, and the BVT assessment. Mr. Wojcik came into the meeting to announce that the BOS voted the supplemental budget as presented this evening, which included awarding 3.5% to the School Dept., should the override pass.

Both the Selectmen's base budget and the override budget contain 1.5% COLA and steps. An additional paramedic is not in either budget. The FC was in agreement that the library is not a viable option in the base budget. They also agreed with the BOS's decision to withhold the additional assessment of \$70,000 from the BVT budget (Article 5). \$500,000 in Free Cash will be used for operating expenses in the base budget (Article 2), which is \$100,000 less than last year.

The agenda for April 9, 2018 will include a presentation by the Chair of the Capital Committee and budget and override discussions. The public hearing will be April 10, 2018.

Mr. Wojcik rejoined the meeting at 8:56 PM.

The FC discussed the supplemental budget (Article 3). The FC recommended removing the word "increase" for the library, or adding "increase" to the other items to be consistent with all the wording. The FC was in agreement with the funding for the library. There was some disagreement about the School's Personnel and Expenses. There was discussion regarding OPEB and the use of Free Cash in the supplemental budget.

Mr. Wojcik was asked to ask Town Counsel the following: what if an amount different than \$1.5 million is proposed on the floor of Town Meeting, and who presents the override Article – BOS or FC.

The remainder of the agenda was tabled until April 9, 2018.

2. REVIEW ANNUAL (ATM) AND SPECIAL TOWN MEETING (STM) WARRANTS

There was no discussion.

3. RESERVE FUND TRANSFERS

No Reserve Fund transfers were presented.

4. REVIEW OF EXPENDITURE VOUCHERS

No vouchers were presented.

5. OLD/NEWBUSINESS

New Business: There was no new business discussed.

Old Business: There was no old business discussed.

6. ADJOURNMENT

Mr. D'Amico made a motion at 9:38 PM to adjourn the Finance Committee meeting. Ms. Shurick seconded the motion. Vote: All-Aye.

Respectfully submitted,

Mary Wright
Recording Secretary