

MEETING MINUTES
FINANCIAL FORECAST COMMITTEE
Joseph P. Norton Emergency Operations Center
Public Safety Complex
January 31, 2019

Present: Tony Vegnani, Peter Gates, Jim Boudreau, Paul Donlan, Ron Griffin, Nancy Holt, Chris Carchia, Joe Divito, Lincoln Heineman, Pam Avitabile

The Meeting was called to order at 6:00 pm.

SCHEDULED ITEMS:

Accept Agenda

Vote to approve agenda. Motion by Mr. Heineman second by Mr. Donlan Unanimous Vote

Approve Minutes

Vote to approve meeting minutes from October 24, 2018. Motion by Mr. Boudreau second by Mr. Griffin Voted 8-0 with 2 abstentions

Mr. Vegnani provided opening remarks relevant to the session and requested Ms. Holt to provide the proposed amendments to the October 2018 voted forecast for FY20-23.

Review/Revise/Approve FY20 Forecast.

Ms. Holt updated members relevant to the final FY19 new growth figure of \$836, 775 which increased the available tax levy for FY20. She also explained that the Governor's budget for FY20 had been released which included increases in Chapter 70 and unrestricted general government aid. Since the Chapter 70 increase was substantial and there was concern how much would actually make it through the House & Senate versions of the budget, only the increase in unrestricted general government aid, the increase in assessments and the revenue neutral public library aid were included as potential amendments amounting to an increase of approximately \$9,000. The Town received communication from South Shore Regional Vocational Technical High School that their preliminary estimate of the FY20 assessment would be \$792,536 which was approximately \$16,000 less than previously estimated and was incorporated as another amendment.

Ms. Holt updated that the Committee that the \$28,000 estimate for the Non-Contributory Pension line had been eliminated from the forecast for FY20 forward as the last retiree passed away in December 2018. The Committee was also updated that the recent Massachusetts Municipal Association conference in January announced that the health insurance rates would be a range of -7% to 5% with the average at 0.6%. The Forecast Committee had budgeted a conservative 8% and it was proposed to reduce that to 5% until the final rates were received in mid-February. Ms. Holt pointed out that each 1%

reduction below 5% amounted to an estimated savings of \$51,826. The debt exclusion information was also updated for the January 2019 bond issue.

Mr. Heineman inquired about the cause of the new growth change in FY19 and future new growth estimates with the pending developments. The chair deferred the question briefly to address a question from Mr. Gates about the October 2018 forecast amounts for each item proposed to be amended. Mr. Donlan provided the amounts from the October 2018 forecast for comparison.

Mr. Divito addressed Mr. Heineman's question about the FY19 growth and confirmed the \$650,000 estimate for FY 20. He noted that the requirement by the DOR to inspect approximately 5,800 properties in the next three years would likely result in additional new growth. He further stated that the new Toll Brothers could generate an additional \$400,000 a year in new growth for the next four years. The Committee discussed the FY21-23 new growth estimates which were \$500,000 and the likelihood of that project being built out within five years and impacts if the economy did not perform positively. Mr. Griffin noted that this year he was receiving approximately one to two calls per week from potential new residents that had purchased, or were thinking of purchasing, a property in Town to demolish and rebuild and were interested in obtaining information about the school system. A motion was made by Mr. Donlan to increase the new growth estimate for FY21 to \$650,000, FY22 to \$600,000 and FY23 to \$550,000. The motion was seconded by Ms. Holt. An amendment to the motion was made by Mr. Heineman to \$600,000 for FY21, \$600,000 for FY22 and \$550,000 for FY22. The amendment was seconded by Mr. Griffin. The amended motion was voted unanimously.

Mr. Boudreau outlined his concerns with incorporating the Chapter 70 increase in the Governor's budget as it was a new formula and would leave some communities receiving less than before which would also cause objections. He felt that some type of increase would occur and recommended waiting until the House and our Senate versions of the budget were released to get a better sense of the potential increase. Mr. Griffin stated that a recent DESE conference call also advised districts to adopt a cautious approach to including these increases into any proposed budget at this time.

Mr. Donlan asked about the inclusion of the \$24,000 special education assessment which only appeared in the Governor's budget and was not included in the FY19 final cherry sheet. Ms. Holt explained that the Town had been subject to the assessment in the past and it had not appeared on the cherry sheet.

Mr. Donlan informed the Committee that an eighth grader had expressed interest in enrolling on Norfolk Regional Agricultural School. The Committee voted at its last meeting to include future tuition assessments from Norfolk Agricultural in the shared costs. He also stated that the proposed FY20 school budget included the estimated \$24,000 tuition but it had been agreed that it would be a shared cost after the last meeting. No action was taken to move the tuition into the forecast and the matter was referred to the next meeting for review.

Mr. Gates inquired if further debt approvals would impact the debt service portion of the forecast. Ms. Holt, Mr. Vegnani and Mr. Boudreau all provided input that future debt exclusions would not impact the debt service in the shared costs but borrowing projects within the debt limit would affect the debt service in the forecast.

Mr. Heineman asked how long the Town was required to stay with MIIA for its health insurance. Ms. Holt responded that it was a five year commitment and that FY20 would be the third year.

Mr. Griffin requested to re-visit the discussion from the previous meeting in October relevant to the inclusion of the bus leases into the shared costs as the purchase of buses had previously been funded by the capital plan as pointed out by Mr. Donlan. Mr. Boudreau expressed concern that inclusion of the \$210,000 lease on the forecast would result in a savings to the School budget of \$140,000 but would cost the Town side of the budget an additional \$70,000. Mr. Griffin explained his objective was to secure a known funding source from year to year for the bus leases and the transportation program. Mr. Boudreau stated that he would be more inclined to the proposal if there were significant health insurance savings once the rates were announced. Mr. Vegnani recommended the Committee re-visit the matter at another meeting after the health insurance renewal rates for FY20 were received.

Other Business.

Next meeting to be held in February 2019 after receipt of the health insurance FY20 renewal rates. Move to adjourn at 6:41. Motion by Mr. Boudreau second by Ms. Holt. Unanimous.

Respectfully Submitted,

Nancy Holt
Recorder