

MEETING MINUTES
FINANCIAL FORECAST COMMITTEE
Large Conference Room
SCITUATE TOWN LIBRARY
September 30, 2019

Present: Tony Vegnani, Jim Boudreau, Paul Donlan, Ron Griffin, Nancy Holt, Chris Carchia, Joe Divito, Pam Avitabile, Gerard Kelly

Not Present: Michael Hayes

The Meeting was called to order at 7:00 pm.

SCHEDULED ITEMS:

Accept Agenda

Vote to approve agenda. Motion by Mr. Boudreau second by Mr. Carchia. Voted unanimously 9-0

Mr. Vegnani requested Ms. Holt to provide the updates for FY19 and FY20. Ms. Holt reported that the Town finished FY19 positively and that Free Cash had been certified at \$2.5M by the Department of Revenue. She informed the Committee that the final state aid numbers for FY20 was \$364,397 more than the Committee's forecast for the April 2019 annual town meeting net of additional assessments. That equated to an additional \$121,454 for the Town and \$242,943 for the School Department. She further stated that the Town Departments had need of those funds for Microsoft licensing requirements and would also like to appropriate the balance to the Board of Selectmen/town Administrator Contractual Bargaining line for anticipated and unanticipated retirements to avoid a repeat of the year-end transfers experienced in July 2019 to cover last minute retirement buy-backs. Mr. Vegnani asked as to the disposition of the funds if not used. Ms. Holt responded that they would close out at year-end to Free Cash if unused. Mr. Griffin provided information that the School Department would be applying their additional portion of state aid to unexpected SPED costs for a new student that moved into the system in response to Mr. Vegnani's inquiry.

Mr. Griffin advised the members of the option for the Town to establish a stabilization fund for SPED costs. Mr. Vegnani stated that SPED costs were normally a School Department budget costs and questioned why these costs would now be coming from a separate fund and not their budget. Mr. Donlan and Mr. Griffin both replied that the SPED stabilization fund would only be for extraordinary events and that the School Department would continue to fund their SPED budget lines based on the information they had at the time of the budget preparation. Mr. Griffin advised members that the SPED Stabilization Fund could not be accessed by the School Committee but only by a 2/3rds vote at town meeting. He further informed the Committee that he foresaw the use of the Fund as a one year withdrawal to meet an unexpected need which would then be

built into the following year's budget. Mr. Boudreau stated his concerns about a separate fund to support a School Department budget item and advised that additional discussion should occur to discuss this mechanism of funding SPED costs.

Ms. Holt advised that the Committee also needed to consider an increase in local receipts due to the increase in the Inspection Department fees to partially address the need to increase the per inspection payments to inspectors as the Town was having difficulty retaining and recruiting inspectors as their rates were so far below neighboring communities. She advised that the rates had been increased to \$28 per inspection and would further increase to \$32 per inspection as of January 1, 2020. The increase to local receipts was requested at \$28,127 and she advised that the year over year increase in permit fees had already recovered that amount.

Mr. Boudreau made a motion to make the adjustments to the FY20 forecast for state aid and local receipts which was seconded by Mr. Donlan and voted unanimously 9-0.

Mr. Boudreau made a motion to accept the minutes of the February 26, 2019 meeting which was seconded by Mr. Griffin and approved 8-0 with Mr. Kelly abstaining.

Review/Approve FY21 Forecast.

Mr. Boudreau pointed out that the increases voted would need to be reflected in the FY21 forecast.

Ms. Holt asked the members if they wanted to re-visit the new growth amounts that had been set in the forecast at the last meeting based on the new information from Mr. Divito that FY20 new growth would be approximately \$900,000. Mr. Divito expressed concern that should the water moratorium petition article pass at the November 5, 2019 special town meeting it would negatively affect new growth by as much as \$300,000. Mr. Vegnani asked if everyone was okay to leave the new growth estimates unchanged. No action was taken to change the existing new growth estimates.

Ms. Holt reviewed the remaining revenue projects for FY21 with members. She advised that meals tax was coming in beyond their reduced estimate due to the loss of Jamie's and there was no motion received to change the current conservative estimate.

Mr. Vegnani questioned if the overlay amount would be declining. Mr. Divito stated he would recommend it stay the same especially as the Town had accepted local options to increase exemption amounts and make more people eligible to receive them.

Mr. Boudreau expressed concern with any changes to the revenue projections with only 2-3 months of experience thus far in FY20. He counseled the Committee on setting revenues to meet expenses rather than the reverse.

Mr. Donlan advised that there would be one student attending Norfolk Agricultural School that needed to be added to the shared costs in the amount of \$24,000. It was also

recommended to increase the South Shore Regional Vocational technical assessment to a combined total of \$852,514. Mr. Donlan also asked to the amount that was going to be reflected in the forecast for the bus leases. Mr. Vegnani responded that the Committee had agreed to fund \$210,000 towards the leases at their last meeting. Mr. Griffin asked for clarification if the vote was for a flat amount or for the actual cost of 17 busses. Mr. Griffin asked that the forecast be amended to remove the notation of 17 busses as it was not correct based on a flat amount.

Mr. Vegnani asked for any further changes or comments to the forecast. Mr. Kelly requested that Mr. Boudreau consider an override for OPEB funding prior to any additional building requests. Mr. Griffin mentioned that the Medicaid reimbursement may change and that we would need to re-visit it at the next meeting.

Mr. Griffin made a motion to accept the FY21 forecast as amended which was seconded by Mr. Carchia and voted unanimously 9-0.

Mr. Boudreau made a motion to adjourn the meeting at 8:06 PM which was seconded by Mr. Carchia and voted unanimously 9-0.

Respectfully Submitted,

Nancy Holt
Recorder