

MEETING MINUTES FINANCIAL FORECAST COMMITTEE

Wednesday, November 18, 2020

This meeting was conducted in compliance with Governor Baker's declaration of a public health emergency and the related Emergency Executive Orders; the Financial Forecast Committee held the October meeting via Zoom Video and Audio (Dial-for those with only phone access). All participants participated remotely. This meeting was recorded by Scituate Community Television for later broadcast on cable television channel 9.

Remote Participants: Jim Boudreau, Nancy Holt, Jerry Kelly, Joe Divito, Pam Avitabile, William Burkhead, Robert Dutch, Tony Vegnani, Mike Hayes

Members Not Present: Chris Carchia

The Meeting was called to order at 6:05 pm.

SCHEDULED ITEMS:

Accept Agenda

Vote to approve agenda. Motion by Mr. Boudreau, second by Ms. Holt. Voted unanimously by roll call vote 8-0, Mr. Boudreau-yes, Dr. Dutch-yes, Mr. Burkhead-yes, Mrs. Avitabile-yes, Ms. Holt-yes, Mr. Vegnani-yes, Mr. Divito-yes and Mr. Kelly-yes.

Review/Approve Minutes

Mr. Boudreau made a motion to accept the minutes of the October 22, 2020 meeting which was seconded by Mrs. Avitabile. Mr. Kelly noted a grammatical error which Ms. Holt stated she would correct. The motion was approved by roll call vote 7-0-1, Mr. Boudreau-yes, Dr. Dutch-abstain, Mr. Burkhead-yes, Mrs. Avitabile-yes, Ms. Holt-yes, Mr. Vegnani-yes, Mr. Divito-yes and Mr. Kelly-abstain.

Mr. Vegnani noted the reason for the meeting was to discuss the FY21 certified new growth which was more than what was anticipated when the forecast was voted at the last meeting.

Review of FY21 New Growth Certification

Ms. Holt reported that the FY21 new growth was certified in November at \$1,223,712 which was \$323,712 more than the prior forecast. Mr. Divito explained that \$425,000 of the new growth was attributable to the Toll Brothers' project and that 70 units of the 165 units were either partially or fully completed due to the project running approximately 10% ahead of schedule. Mr. Divito went on to explain that the Department of Revenue had changed its rule

son new growth causing it to be more restrictive. He also explained that some of the new growth that was captured was from physical inspections and some from comparison of MLS listings to the property card database.

Mr. Vegnani noted that due to the excess capacity article, the additional new growth would be added to the Stabilization Fund. He also noted that if the final voted FY21 state aid came in higher it would also go to Stabilization for the same reason.

Ms. Holt explained that the additional FY21 new growth positively affected the available revenue in FY22 by \$331,000 of which \$221,000 would go to the School Department and the balance of \$110,000 to the Town departments. She requested Mr. Divito to discuss his estimate of FY22 new growth based on the FY21 certification. Mr. Divito reported that he felt that \$1.1M was a conservative estimate of new growth for FY22. He noted that the Seaside and Stockbridge Landing developments were driving the new growth increase.

Mr. Boudreau noted that he was concerned that \$1.1M was too high at this point. He explained that with the lack of information relevant to state aid in FY22, any buffer in new growth would be needed. He felt that \$900,000 to \$950,000 was a more reasonable estimate at this stage. He further noted that the Committee will need to meet more often in this budget cycle due to extreme uncertainty of the revenue sources.

Mr. Hayes stated that he supported being conservative as it is easier to address budget issues at this point rather than try to make reductions later in the process. Mr. Vegnani commented that if new growth did come in higher than expected next fall, the additional amount could be used for town and school capital expenses.

Dr. Dutch asked about the FY21 Conference Committee state aid estimate of approximately \$8M as compared to the current estimate in the forecast for FY22. Ms. Holt explained that the Committee had voted at its last meeting in October to keep the FY21 estimate of a 10% reduction from the actual amount received in FY20. Dr. Dutch queried if the unrestricted aid was expected to be impacted as he felt the Chapter 70 amount for FY21 would not go down in FY22. Mr. Boudreau expressed reluctance in changing the state aid estimate for FY22 until after the December revenue consensus occurred providing insight on the FY22 revenue estimates for the Commonwealth. He was concerned that the Commonwealth would not dip into its reserves two years in a row to support the FY21 level of aid in FY22 and there still existed a \$1B deficit in MassHealth.

Ms. Holt shared her screen and showed the \$331,805 positive impact on the October 22nd adopted forecast of the \$1.2M FY21 new growth and further the impact of an increase to the FY22 new growth estimate to \$900,000. The FY22 available revenue would increase a total of \$581,805 for both of those changes. She further noted that if the FY21 Conference Committee level of state aid was the same for FY22, the overall increase of all three changes would be an increase of available revenue of \$1,769,845.

Discuss/Vote FY22 Preliminary Forecast

Dr. Dutch made a motion to increase the FY22 new growth estimate from \$700,000 to \$950,000 which was seconded by Mr. Divito. Voted unanimously by roll call vote 9-0, Mr. Boudreau-yes, Dr. Dutch-yes, Mr. Burkhead-yes, Mrs. Avitabile-yes, Ms. Holt-yes, Mr. Vegnani-yes, Mr. Divito-yes, Mr. Hayes-yes and Mr. Kelly-yes.

Mr. Vegnani directed Ms. Holt to post another meeting for December.

Mr. Hayes made a motion to adjourn at 6:42 PM which was seconded by Mr. Boudreau and voted unanimously by roll call vote 9-0; Mr. Boudreau-yes, Dr. Dutch-yes, Mr. Burkhead-yes, Mrs. Avitabile-yes, Ms. Holt-yes, Mr. Vegnani-yes, Mr. Divito-yes, Mr. Hayes-yes and Mr. Kelly-yes.

Respectfully Submitted,

Nancy Holt
Recorder