

MEETING MINUTES
FINANCIAL FORECAST COMMITTEE
Scituate Town Hall
Board of Selectmen Hearing Room
600 Chief Justice Cushing Hwy
June 9, 2020

This meeting was conducted in compliance with the Governor's executive order modifying the Open Meeting Law regulations for remote participation. As the Scituate Town Library was closed to the public, the meeting was videotaped and broadcast by SCTV.

Present: Jim Boudreau, Nancy Holt, Jerry Kelly, Joe Divito, Pam Avitabile, Chris Carchia

Remote Participant: Peter Gates, Ron Griffin, Paul Donlan

Other Remote Attendees: William Burkhead (School Superintendent 7/1/20)

Members Not Present: Tony Vegnani

The Meeting was called to order at 5:00 pm.

SCHEDULED ITEMS:

Accept Agenda

Vote to approve agenda. Motion by Mr. Carchia, second by Mrs. Avitabile. Voted unanimously by roll call vote 9-0, Mr. Boudreau-yes, Mr. Donlan-yes, Mr. Griffin-yes, Mrs. Avitabile-yes, Ms. Holt-yes, Mr. Carchia-yes, Mr. Divito-yes, Mr. Gates-yes and Mr. Kelly-yes.

Review/Approve Minutes

Mr. Kelly made a motion to accept the minutes of the May 15, 2020 meeting which was seconded by Mr. Divito and approved by roll call vote 9-1, Mr. Boudreau-yes, Mr. Donlan-yes, Mr. Griffin-yes, Mrs. Avitabile-yes, Ms. Holt-yes, Mr. Carchia-yes, Mr. Divito-yes, Mr. Gates-yes, Ms. Holt-yes and Mr. Kelly-yes.

FY20 YTD Update

Ms. Holt provided updates that the property taxes were still outstanding in the amount of \$1.7M at 97% collected, local receipts have already met the annual budgeted amount, state aid was on target for 11/12ths and unbudgeted federal receipts of over \$400,000 and another

\$190,000 expected. Mr. Donlan asked about the amount of taxes still outstanding. Mr. Boudreau pointed out that it is considered 100% collected and is rather a liquidity issue.

Discuss/Vote FY21 Amended Forecast for June town meeting

Mr. Boudreau stated that with town meeting scheduled for June 27, 2020, the Town needs to bring something before town meeting that reflects the change in the economic environment. He recommends adopting forecast model #3 which was the FY20 state aid level less 10%. Mr. Boudreau made a motion to adopt the 10% reduction model #3 which was seconded by Mrs. Avitabile. Mr. Kelly asked if this model was realistic. Mr. Boudreau thought the reduction could be higher than this amount but thought that the federal government will step in with some aid and this reduction would help meet the resulting gap and further adjustments could be made at the spring special town meeting. Mr. Kelly asked if there was any indication from the federal government about future aid. Mr. Boudreau said two possibilities currently exist. The first would be a modification to the existing CARES Act to allow revenue replacement and not just expense reimbursement. Currently, Scituate has approximately \$2.8M potentially allocated to it under the CARES Act and administration of Plymouth County. The second option is the HEROES Act in the House which would provide \$1T in aid to state and local governments but he felt that it might not pass in the Senate. He stated that layoffs at the state and local government level would only increase the issues faced by the country.

Mr. Donlan asked if there was \$4.2M in the Stabilization Fund and stated that this could be a temporary source for shortfalls. Ms. Holt confirmed the amount. Mr. Boudreau expressed concern about addressing revenue shortfalls with reserves as this creates deficits for future years.

Mr. Griffin stated he was okay with the 10% reduction model and what has been discussed. Mr. Griffin was concerned about the town meeting and inquired if there was a rain date. Mr. Boudreau stated that he had met with the moderator and they decided that they would evaluate the weather on the morning of June 27, 2020 and adjourn to another date if needed.

Ms. Holt confirmed that a 1/12th budget has been submitted to the DOR and accepted so it can be put in place if the town meeting is unable to occur.

Mr. Griffin asked if the Board of Selectmen and School Committee should re-vote the amended budgets. Mr. Boudreau agreed and that the Advisory Committee should also meet to discuss the reductions. Mr. Kelly asked if the School Department had taken any steps to address a possible \$1M reduction. Mr. Griffin stated that they had been meeting with their unions to discuss options and he felt they did have a plan to meet the reduction with contractual changes with the unions and administrative staff as well as expense adjustments. Mr. Griffin expected the School Committee to vote on these changes in the week of June 22nd. Mr. Donlan had no further questions.

Mr. Gates asked that members be updated with any developments. He further inquired about the new growth figure and whether it was too conservative based on last year's actual in

excess of \$900,000. Mr. Divito responded that he preferred to be conservative as he still had 400 inspections yet to conduct with most new builds already inspected. Mr. Gates was concerned that \$300,000 could certainly help address the reduction. Mr. Boudreau stated that the conservative estimate helps provide flexibility if the Commonwealth cuts local aid more than 10%. Mr. Gates pointed out that parents that paid fees for full day kindergarten and bus transportation were seeking refunds. Mr. Gates had inquired of Ms. Holt whether the Coronavirus Relief Funds could be used for these refunds which she stated she felt was not allowed under the US Treasury guidance but agree to make a formal inquiry to Plymouth County.

Mr. Burkhead also supported the adoption of the 10% reduction model.

The motion to adopt model #3 – FY20 level state aid less 10% was approved unanimously by roll call vote 9-0, Mr. Boudreau-yes, Mr. Donlan-yes, Mr. Griffin-yes, Mrs. Avitabile-yes, Mr. Carchia-yes, Mr. Divito-yes, Mr. Gates-yes, Ms. Holt-yes and Mr. Kelly-yes.

Mr. Gates asked if the draft would be the final version or if an amended forecast would be issued. Ms. Holt stated she would provide an amended forecast document to members.

Mr. Kelly asked about an e-mail received from Mr. Donlan relevant to health insurance, debt service and South Shore Regional Technical High School assessment adjustments. Mr. Donlan stated he had not sent an e-mail and several members had not received an e-mail. Ms. Holt addressed the three issues stating that Superintendent Hickey stated that Scituate's assessment would not be adjusted and any adjustments made internally; the health insurance would not change as indicated in the last meeting as it was assumed additional enrollment would occur due to the unemployment situation and debt service was already issued.

Mr. Donlan made a motion to adjourn at 5:33 PM which was seconded by Mr. Kelly and voted unanimously by roll call vote 9-0; Mr. Boudreau-yes, Mr. Donlan-yes, Mr. Griffin-yes, Mrs. Avitabile-yes, Mr. Carchia-yes, Mr. Divito-yes, Mr. Gates-yes, Ms. Holt-yes and Mr. Kelly-yes.

Respectfully Submitted,

Nancy Holt
Recorder