

MEETING MINUTES
FINANCIAL FORECAST COMMITTEE
Town Hall, 600 Chief Justice Cushing Highway
Select Board Hearing Room, 11:00 AM
Monday, October 16, 2023

In Attendance: Andrew Goodrich, Chair and Select Board Vice-Chair; Jim Boudreau, Town Administrator; Nancy Holt, Finance Director/Town Accountant; Joe DiVito, Director of Assessing; Pam Avitabile, Treasurer Collector; Tom Raab, Director of School Finance & Business; Bill Burkhead, Superintendent of Schools; Peter Gates, School Committee and Elise Russo, Advisory Committee Chair

Other Attendees:

Members Not Present: Chris Carchia, Capital Planning Committee Chair

The meeting was called to order at 11:00 am by Mr. Goodrich.

SCHEDULED ITEMS:

Review/Approve Minutes

Mr. Boudreau made a motion to accept the minutes of the September 7, 2023 meeting which was seconded by Mr. Gates. The motion was approved unanimously (9-0).

Discuss/Vote Revisions to FY25 Voted Preliminary Revenue Forecast

Ms. Holt stated that the new growth figure had not yet been confirmed by the Department of Revenue yet.

Ms. Holt stated that there had been several material developments that need to be discussed by the Committee since the last meeting. Ms. Holt explained that there had been a reduction in the enterprise indirects of \$972 to reflect the assumed passage of the STM article this evening to have the enterprise funds partially fund their OPEB liability.

Ms. Holt proposed an increase to overlay of \$10,000 to reflect the increase in the senior tax work-off limit from \$1,500 to \$2,000 which would be taken up by the Select Board as of January 1st or on the spring annual town meeting for the alternative local option for less hours. The estimated impact based on current enrollment is \$9,000.

Ms. Holt explained that Superintendent Hickey of South Shore Technical Vocational High School had reached out on September 12, 2023 to advise of another increase in enrollment from 40 students to 55 students. He advised that Scituate use the per pupil cost as a rough estimate. The FY24 per pupil cost from SSVT's budget documents was \$18,450 resulting in

an additional cost of \$276,750. The current forecast includes an increase of \$76,973 for both SSVT and Norfolk Aggie. Therefore, an additional \$199,777 is needed barring any additional increase from Norfolk Aggie. The new forecast amount would be \$1,046,478 for regional school assessments. Mr. Raab asked if there were funds in the estimate for Norfolk Aggie as currently there are not any planned enrollments. Ms. Holt responded there was an estimate for two students.

Ms. Holt stated that the Plymouth County Retirement assessment reflected in the current forecast included the 5% COLA voted for FY23 but did not factor the 2% discount for prepayment on July 1st. Therefore, a reduction of \$154,511 is in order for that estimate. Ms. Avitabile stated she would be attending a meeting next month and the amounts could still change.

Ms. Holt further stated that the health insurance renewal for the Medicare supplemental plans was received for calendar year 2024 at 5.57%. The forecast contained an estimate of 10% which amounts to approximately a \$27,000 savings. She also noted that enrollment had declined by 14 plans over the prior month (2 Medex, 6 individual active and 7 family active plans). She stated this change could be due to retirements and the new staff not coming onto the rolls until October.

Ms. Holt stated that the \$184,000 allocated in the forecast from the tax levy (\$100,000) and meals tax (\$84,000) was not used for the capital plan due to the need for the operational budget. Mr. Raab commented that if the town could get by then do it. Mr. Boudreau responded that he has built the capital plan without it.

Mr. Boudreau made a motion to redirect the \$184,000 from meals tax (\$84,000) and the tax levy (\$100,000) to the operating budgets which was seconded by Mr. Goodrich. The motion was unanimously approved (9-0).

Also, the need for additional funds, especially on the town side, also brought into question the continuation of the subsidy of the middle school and public safety complex debt of \$300,000 (\$100,000 from solar array revolving, \$100,000 from wind turbine revolving and \$100,000 in meals tax). She noted that town meeting did not vote the subsidy but the Financial Forecast Committee had maintained since 2016 when the projects first appeared on tax bills except for a \$100,000 reduction during COVID. She noted that the savings is approximately \$37 and Mr. Boudreau stated that the one year it was reduced, there was not any comment.

Mr. Goodrich supported elimination of the full \$300,000. He noted that voters approved the project knowing the cost at the time. Mr. Burkhead commented that it was nice to have during those years but the focus now has to be on the operational budgets. Ms. Avitabile supported eliminating the \$100,000 from meals tax but keeping the wind turbine and solar array support. Ms. Holt explained that the \$100,000 from the solar array revolving and the \$100,000 from the wind turbine revolving are not reflected in the formula but just come off the debt exclusions at the bottom. Mr. Goodrich noted that it is the operating budget that needs assistance and things will only get more dire moving forward.

Mr. Boudreau made a motion to redirect the \$100,000 from meals tax to the operating budgets which was seconded by Mr. Goodrich. The motion was unanimously approved (9-0).

Mr. Boudreau made a motion to eliminate the subsidy to the debt exclusions from the solar array and wind revolving funds of \$100,000 each which was seconded by Mr. Gates. The motion was unanimously approved (9-0).

Mr. Boudreau made a motion to adopt the amendments to the FY25 forecast for the reduction in enterprise indirect costs and the Plymouth County Retirement assessment as well as maintaining the health insurance estimate as previously voted which was seconded by Mr. Gates and voted unanimously in favor (9-0).

Mr. Boudreau made a motion to increase the overlay amount by \$10,000 for the increase in the senior tax work-off program maximum benefit which was seconded by Ms. Avitabile. The motion was unanimously approved (9-0).

Ms. Holt stated that the FY 2025 operational budget on the town side was quite dire and the Select Board might discuss an operational override as there had not been one since 2012. Mr. Boudreau informed members that there had been requests for approximately 14 new positions. The cooling of new growth had made things even more difficult. Mr. Goodrich stated that the town had basically received an unfunded mandate through police reform that made it impossible to utilize part-time officers. That has created a need for 7 full-time officers at a cost of \$700,000-\$800,000. He noted the town has less officers now than in the past but 5,000 more residents. Mr. Boudreau stated that the part-time officers now need to go to the full police academy so it does not make sense for them to then take part-time work. He stated that there were 8-10 part-time officers in the past, but only two this year and there will be none next year.

Ms. Russo commented that there must be other communities facing the same issues with police staffing and asked if we could band together for relief from the Commonwealth. Mr. Boudreau stated they had pursued that avenue and there was not any appetite at the state level to revisit police reform. Mr. Goodrich highlighted that the seasonal population in town jumps up to 30,000.

Mr. Raab stated that \$1.5M would allow them to address contractual increases with level funding expenses. Mr. Burkhead inquired as to how the School Department could assist the town departments. Mr. Boudreau stated it would need to be figured out by the Financial Forecast Committee how to reflect any override for town departments so that it did not get split 66%/34% in the following year. He stated that once the budget was finalized and presented to the Select Board; he would know more and could provide an update to members.

Mr. Gates asked about the penalty imposed by the Commonwealth if we did not meet the state mandate for police staffing. Mr. Boudreau responded that there was not a state mandated

level but there might need to be a removal of officers from Humarock to cover other parts of the town and that overtime level would be extremely burdensome to officers.

Mr. Burkhead asked when the next meeting of the Committee would be held. Mr. Boudreau responded that there would be another meeting once the Select Board had decided a path forward and a plan had been developed. Mr. Gates asked if there was an revenue growth to be had and Mr. Boudreau responded that state aid would be the only item. Ms. Russo asked when state aid would be known and Mr. Boudreau responded it would be in late January at the MMA conference. Mr. Goodrich noted that the next wave of new growth would come once North Scituate has sewer.

Adjournment

Mr. Boudreau made a motion to adjourn the meeting at 11:38 AM which was seconded by Ms. Avitabile and voted unanimously in favor (9-0).

Respectfully Submitted,

Nancy Holt
Recorder