



**Finance Committee of the Town Council**

**November 10, 2020 2:00 pm**

**Virtual Meeting**

**Minutes**

Committee Members participating remotely: Chair Andrew Steinberg, Vice Chair Cathy Schoen, Pat De Angelis, Lynn Griesemer, Dorothy Pam

Non Voting Members participating remotely: Robert Hegner, Bernard Kubiak, Sharon Povinelli

Committee Members absent: None

Others participating remotely: Finance Director Sean Mangano, Comptroller Sonia Aldrich, Fire Chief Tim Nelson, Assistant Chief Jeffrey Olmstead, Assistant Chief Lindsay Stromgren, Minute Taker Lindsey McConnell

*Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, this meeting of the Governance, Organization, and Legislation Committee was conducted via remote participation*

Chair Steinberg called the meeting to order at 2:07pm, confirmed all committee members can hear and be heard, and announced audio and video recording.

**Agenda Item 4- Capital request from Town Manager to purchase ambulance**

Steinberg stated agenda Item 4, Capital request from Town Manager to purchase ambulance, would be covered first out of respect for the Fire Department staff's time. Finance Director Sean Mangano stated the ambulance was in the Capital Plan before it was reduced to create reserves and Chief Nelson raised the concern at that time that the ambulance could become an urgent need since it was on its last legs. The committee, Mangano and Comptroller Sonia Aldrich discussed the specificity of the order presented and options for funding the purchase of the ambulance including the Ambulance Fund, General Fund and grant monies.

Chief Nelson stated the ambulance that needs to be replaced is from 2011, is a year or so behind on the replacement schedule and has been parked for several months because of a serious oil leak that is very expensive to fix. Chief Nelson stated it needs to be replaced because if you want four ambulances, you actually need five since one is always down. Chief Nelson stated they were able to work with Town Sustainability staff to obtain a grant for hybrid features that allows the ambulance engine to shut-off when idling on calls. Chief Nelson stated this ambulance is cleaner, greener and has a better chassis. Nelson also stated the department is seeing a slow but steady increase in call volume.

The committee, Chief Nelson and Assistant Chiefs Stromgren and Olmstead discussed the pace of ambulance technology improvements, the increased safety features of the new ambulance, and the general wear and tear on a vehicle and how that impacts the ride for patients.

The committee, Town and Fire department staff discussed the benefits and concerns related to the hybrid battery system including: possible reduced wear on the engine, the lifespan of the technology and the ambulances, vehicle maintenance, and newness of the technology.

Schoen left and rejoined the meeting at 2:24pm to solve a microphone issue.

The committee, Town and Fire department staff discussed financial aspects of the purchase including: the \$275,000 cost for the vehicle, radio, stretcher and power loader; \$25,000 for the hybrid system, potential warranties for vehicle components; and the Fire Chiefs Association of Massachusetts purchasing program with the Metropolitan Area Planning Council regarding collective bidding. Fire department staff stated a custom ambulance takes six to nine months to produce so an approving now will mean the vehicle is ready by next July.

The committee and Town staff discussed budgeting specifics including the \$1.2 million balance in the Ambulance Fund, the anticipated use of \$2 million in FY22 and \$300,000 for ambulance, and the need to collect the remaining amount in revenue. Mangano stated ambulance rates were increased last year which may offset a decrease in call volume during the pandemic, the Town is looking at a grant to help further offset decreased call volume, and the fund gets revenue from UMASS looking back a year so the impact of a depopulated campus will not be felt until next year. Aldrich stated the Town will need to collect another \$930,000 for this ambulance by FY22 and that the Town took in in \$2.7 million in 2020 and \$2.4 million last year.

**MOTION:** De Angelis moved, Griesemer seconded, to recommend to the Council that the Council Appropriation and Transfer Order FY21 – 05B.

Hegner stated this is a wise investment in public safety and technology and the Ambulance Fund is healthy.

**VOTE:** 5 to 0 by roll call to recommend to the Council that the Council Appropriation and Transfer Order FY21 – 05B.

Nelson, Olmstead and Stromgren left the meeting at 2:45pm

**Agenda Item 1- Discussion of Financial Trends Report and FY22 budget projections presented at November 9, 2020 Financial Trends meeting of Council, School Committee, Library Trustees**

The committee and Town staff discussed the financial trends Mangano presented at the Town Council meeting.

Schoen asked Mangano about the impact of keeping budgets flat and if strategies used in the schools and libraries this fiscal year to avoid furloughs and layoffs can be repeated next fiscal year considering collective bargaining opening and health insurance increasing. Mangano stated the strategies the schools used to balance the FY21 budget may be available in FY22 and the first quarter budget report will be available soon. Mangano stated generally if you level funds, it usually results in reduction in

services. Mangano stated in the next few months the Town will find out about things like charter tuition costs, State Aide, PBTA assessment, and certified new growth estimates that may cause the Town to refine the budget.

Schoen asked about Capitol fund guidelines and when possible library debt will appear as an expense. Mangano stated none of debt payment will appear in FY22.

Pam stated confusion and concern about the lack of expenditures on schools to help students get back to in-person learning. Pam stated many experimental things could happen and she would be in support of spending funds to help find ways to bring kids to school without increasing safety risks for staff. Mangano stated Dr. Slaughter and Dr. Morris would be best to speak on those concerns. Mangano added the schools did spend money from CARES Act funds on constructing walls in open classrooms, improving the ventilation systems, and obtaining portable air filtration systems and PPE and disinfectants.

The committee discussed the School Committee's collective bargaining conversations aimed at balancing health and safety in regards to opening schools and the challenges of thinking about Capital Projects when schools are not functioning. Steinberg stated large additional budget expenses have not come in thus far but this could be a bigger problem next year if CARES Act funds are not available. The committee and Town staff discussed possible declining enrollment in schools and Mangano stated there will eventually be approved enrollment projections.

Mangano referred to the budget presented, stated an investment income of \$276,00 is a high number and acknowledged the hard work of treasurer Cheryl Boucher.

## **Agenda Item 2- Initial discussion of Council Budget Guidelines**

Steinberg stated the discussion goals of framing the Budget Guidelines and deciding what recommendations the committee will make to the Council regarding possible policy directives and the division of funds in major categories.

Schoen stated the need for a section that addresses collective bargaining contracts and the need to address where there is flexibility in the budget such as going back up to 8% on Capital and preserving the reserves that were built back to a healthy amount. Schoen spoke to the need to consider declining enrollment in schools, the possibility of no CARES Act funds, and general uncertainty.

The committee and Town staff discussed possible strategies if State Aid does not come through. Aldrich stated the reserves balance is \$17.5 million and at least \$1 million was added last year. Aldrich stated the plan was for the Town to build reserves to offset any peaks for debt services during the course of four capital projects, the Town did not have to use reserves for FY20 and Aldrich does not think the Town will need to.

The committee and Town staff discussed the need to resume planning and projections for major buildings with a model assuming the Town will do all projects, and the need to increase the Town's Capital back up to 9 or 10% in the next year or two.

Griesemer stepped out of the meeting from 3:18pm to 3:20pm.

### **Agenda Item 5- Update on CARES Act expenditures**

Mangano presented highlights of CARES Act spending including that the Town has been allocated \$3.4 million from the Municipal CARES Act and other departments have received money from other versions of the act. Mangano stated to be eligible, expenditures could not have been in the budget before March, had to be related to the COVID health crisis, and had to be spent by December 30<sup>th</sup>. Mangano stated some items also required the Town apply to FEMA for reimbursement. Mandano added this is a slow process and the Town has only received 25% of the cost reimbursed on some things because it is assumed the remainder will be reimbursed by FEMA. Mangano reviewed some of the ways the Municipal CARES Act funds have been used thus far including Rental Assistance, a Social work program, the Ambassador program, Zoom support, homeless shelter adaptations, a cooling station, HVAC improvements and wall construction in schools, more EMS staff, and virus testing for first responders.,

Schoen asked if adaptations to school playgrounds to be used as outdoor classrooms, a mobile library and HVAC filtration systems are eligible under the Act. Mangano stated outdoor classrooms may be possible, the mobile library likely is not because a similar request was already denied, and some HVAC filtration purchases have been made. Mangano stated the impression the program started broadly and has narrowed as it has been harder and harder to get things approved.

The committee and Town staff discussed upcoming uncertainty related to the program including funding for ongoing needs like PPE, the impact of more students returning to campus in the Spring, and worse-case scenario budget planning. Mangano stated the Town staff has been monitoring things like COVID rates and leave requests for CARES Act reporting and made conservative budget projections for FY22.

### **Agenda Item 8- Public comment**

None

### **Agenda Item 6- Capital inventory criteria**

Steinberg stated the committee is tasked with recommending possible criteria and what should be considered in an inventory. Steinberg shared a draft possible criteria based on the Town Charter, previous Council and Finance committee conversations and conversations with Mangano on the screen.

The committee discussed the idea of only including “significant” items; items that are relatively easy to count in a reasonable amount of time; and, the use of technology, other services and reports that are already in use to inventory things like computer, roads and cars. The committee agreed the process will be under development and it will take time to fine-tune. The committee agreed Steinberg and Mangano will put together a list that is attainable in the next round of inventorying and will bring that list to committee for discussion.

### **Agenda Item 7- Meeting schedule – confirm meeting plan for November 17, December 8, and December 22**

Steinberg stated the November 17<sup>th</sup> meeting will concentrate on an outline for a proposal for Council Budget Guidelines and possibly the inventory list. The committee discussed the timing of the Budget Guidelines with the Council’s timeline.

**Agenda Item 9-Topics not anticipated by the Chair 48 hours before the meeting**

None

Steinberg adjourned the meeting at 4:05 pm.

Respectfully submitted,

Lindsey McConnell

**Record of Agenda Packet Materials and Documents Presented**

Ambulance Replacement Memo to Town Council - 11-05-2020

CARES Update 11.3.20

CO FY21 - 05B PURCHASE OF A NEW AMBULANCE

Finance Committee Agenda 11.10.20

FY22 Financial Indicators Presentation - Final 11.9.20