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**TOWN OF NORTON
FINANCE COMMITTEE
Remote Participation Meeting
May 11, 2020
6:30 P.M.**

MINUTES

I. Call to Order

The May 11, 2020 meeting of the Finance Committee was held via Remote participation meeting and was called to order at 6:34 P.M., by Mr. William Rotondi, Chairman of the Finance Committee.

Finance Committee Members Present: Mr. Walter Eykel, Mr. Aaron Smith, Ms. Paula Daniels, Mr. William Rotondi, Mr. Richard Dorney, Mr. Thomas DeLuca, Ms. Bonnie Yezukevich, Mr. Michael Fiore.

Absent: Ms. Aimee Sawyer, Mr. Stephen Evans, Mr. Peter Carignan.

II. New Business

Review Draft FY21 Budget

Mr. Yunits began the meeting stating that they're looking at a 10% cut from the general government aid, totaling \$220,702.00. There will also be a reduction in chapter 70, which will be cut to level funded or \$70,000.00. If they cut chapter 70, there will be a \$1.2M cut.

In regard to local receipts, Mr. Yunits stated that there's a 23% reduction from the actuals of 2019, a little over a million dollars below what was collected in 2019.

Mr. Yunits stated that it is estimated that there would be a 2.5% increase in budgets. \$439,000 was proposed to be used from stabilization and \$100,000 from the ambulance receipts. He added that next Monday he will present the budget cuts with a little below 2.5% cut. The last local receipts were March, as the town was \$700,000 ahead of budget. He won't know until June what the state budget will be and some adjustments will be made in the fall, all based in the revenues coming in and determinations from the state.

Mr. Fiore asked how we came up with the \$400,000 amount in stabilization. Mr. Yunits answered that this was based from the 2.5% increase in budgets and this amount was needed to satisfy that.



Mr. Yunits stated that for Southeast Regional they were proposing a 7.8% increase before the March shutdown. They were reviewing the budget and Mr. Yunits will check with them on the status of their adjusted proposal.

Mr. DeLuca asked if we will receive a reimbursement from Southeast Regional, considering no one is going to school there now. Mr. Yunits stated that he's not sure what they have been doing, remote learning or whatnot. Mr. Rotondi stated that he knows there is remote learning on the academic side. He added that although there are some questions on the quality of education of remote learning, he emphasized that its being tried. Mr. Yunits added that there was an increase of 10 students from Norton in their original proposal.

Mr. Rotondi asked if the proposed budget cuts are actual, physical employee cuts. Mr. Yunits that there are no employee cuts and he's trying to avoid it. He will finalize the budget this week. He added that he's avoiding what happened in 2008, when we didn't have a full-time veteran's agent, no town planner, no library and no council on aging. He's emphasized that we can continue with these services, as they cater to a growing portion of Norton's population. We stated that on the bright side, Blue Star development is going forward and will begin to be occupied in August. Mr. Rotondi asked if this will be occupied by one tenant. Mr. Yunits stated that 50% of the building will be occupied by one tenant and it will happen this August.

Mr. Rotondi asked Dr. Baeta is the school budget will now be adjusted. Dr. Baeta stated that if local aid maintains their 10%, we should be okay. Otherwise, it would be devastating. Right now, they're working off a \$740,000 increase to the fiscal budget, brought down from the \$2.3M original request. He added that they have to consider the town meeting date and the mandates – there are concerns with providing the proper special education services online and that will require some financial backing. Non union personnel will take a 0% increase. When it comes to the roll backs, there are two major issues: the van pool (\$200,000, which should have been rolled back, as they are not currently providing the service) and Bloom (the general education, in town transportation – a service that is currently not being provided – so we are coming up with a plan to compensate for the \$4156.00 loss; he added that at the state level, there is a bill that if passed would allow towns to pay outside vendors if they so choose. A major issue is refunding major line items for services that the school department was supposed to provide and never did. This will potential become a throwback to the budget. The after-school property rental is also not being received (Champions). Dr. Baeta added an implications section of their budget, to allow some discretionary budget set aside for online learning, staggered schooling. He has asked Mr. Yunits to reconsider the capital improvement plan that would allow the 1:1 technology for k-3 students. Another implication would be the



amount of money that we would spend on capital every year. A last implication would be the impact of special education for the future.

Mr. Rotondi asked if we don't pay Bloom, can they come back and state that we violated the contract. Dr. Baeta posed that question to the legal team. He concluded that he has an issue with paying a third party when they don't provide the service. Mr. Rotondi asked how the student staggering would work. Dr. Baeta doesn't know this quite yet. He added that if the pandemic is still at this level, half of students would come one day, the other half the following day.

Update on Town Meeting Timeline

Mr. Yunits stated that we are waiting on what the governor's decision will be on 18th. The current timeline should be kept, and the process should move forward. Mr. Yunits stated that town meetings can happen, it's up to the boards to decide when to do them.

Discussion of 1/12th Budgets

Mr. Rotondi inquired when the 1/12th budget discussion will happen and whether we should try to push in the budget. Mr. Yunits stated that when the selectmen makes decision on May 18, hopefully we can set a date for that discussion. Mr. Yunits stated that he would prefer to have a town meeting to just discuss these budget issues. If we do the 1/12th budgets in July, we will do one in August and one major concern is that we have to have cash on hand to fund that budget. He's hopeful we won't come to that point. Mr. Rotondi asked if we will have cash on hand for July. Mr. Yunits stated that yes, we should be fine for that month as many payments come through then. He added that it would more functional to have a budget in place by July 1st.

Mr. Dorney asked if the Finance Committee would have to review the 1/12th budget on a monthly basis. Mr. Yunits doesn't know the answer. He thinks this has to do with the town accountant and the state has to approve it. Mr. Puello stated that the select board has to approve this budget as well and then will go to the state for final acceptance.

Mr. Rotondi inquired if the state approval for the 1/12 budget would be a quick one. Mr. Yunits stated that it could be a number of factors that could delay it. Mr. Dorney asked if the anticipated turnback's would benefit the month of July. Mr. Puello stated that he would have to close out the fiscal year, which won't be done until the end of August. He added that currently we have a \$1M left in free cash and \$600,000 of that is being used for the budget we have right now.



Dr. Baeta stated that if the schools go into a 1/12 budget, he would have to make significant cuts. His concern is that many communities that are faced with the 1/12th budget are the ones connected to regional schools. These budgets call for a lot of unknowns.

Mr. Rotondi added that his concern is trying to agree with a budget with so many unknown factors. He added that we could go the 1/12 route, as long as the support from the state is a lot less. Mr. Baeta stated that there are many unknowns come September, where there would be hybrid learning, a more comprehensive remote learning and social distancing and the use of PPE is an issue. But these all depend on the stages offered by the governor.

Dr. Baeta asked what the roll backs for FY21 and what the implications for the town budget are. Mr. Yunits stated that we do our best for revenue estimates, and how those will be. Mr. Puello added that 1/12th budget won't save the town any money, as services like police will still need to be paid. The budget is not final, until the October town meeting, as its then when the tax base is set up.

Mr. Dorney asked about the rainy-day fund from the state. Mr. Yunits responded that it will now be used to help Chapter 70. Dr. Baeta added that because of the current fiscal situation, there will be questions on roll backs from the student opportunity act. He also stated that he doesn't see much harm from the chapter 70, as the amount of funds we receive is not very impactful. Dr. Baeta stated that he's more worried about FY22.

Mr. Rotondi asked Dr. Baeta if he ever received a response from Senator Feeney regarding the June 1st and 15th notifications. Dr. Baeta stated that much pressure was brought to Kennedy and the House and Senate to make sure that additional funds can be guaranteed. He stated that union employees need to receive a notification by June 15th, and this year was changed due to the current pandemic circumstances.

Mr. Yunits asked if he wanted to wait a week or move on with the budget process. Mr. Rotondi stated that he would move with the process, unless the select board would say otherwise. He is pushing for the outdoor town meeting.

Ms. Yezukevich asked which of the articles would be included/excluded from financial reviews. Mr. Yunits stated that we would have to vote on the operating budget, the sewer and water enterprise budget, the capital plan, the pilot. The remainder items could wait for resolution at a later time. Mr. Rotondi stated 10



articles, to which Mr. Yunits concurred. He added that in the spring the capital is smaller, because payments have to be made and items have to be purchased for the October town meeting.

III. Old Business

IV. Open session for topics not reasonably anticipated 48 hours in advance

V. Review and Approval of Minutes

VI. Executive Session

VII. Adjournment

Mr. Rotondi entertained a motion to adjourn this meeting at 7:32 P.M. Mr. Fiore made the motion and Mr. DeLuca second the motion. All were in favor and the vote was unanimous.

Respectfully submitted by

Sonia Tsilis, Recording Secretary

Minutes Approved by Committee on:

6/10/2020

Signature:

William Rotondi

William Rotondi, Finance Committee Chair