

Town of Lunenburg

Finance Committee:
Terri Burchfield, Chair
Michelle Walton, Vice-Chair
Peter Beardmore, Secretary
John Henshaw
Jay Simeone
David Passios



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Lunenburg Finance Committee May 7, 2020 Meeting

Location: Zoom Virtual Meeting
Present: Terri Burchfield, Michelle Walton, Peter Beardmore, Dave Passios, John Henshaw, Jay Simeone
Absent: None

1. Call to Order

- Terri Burchfield, Chair, called the meeting to order at 6:30 PM and read the COVID-19 / Zoom meeting advisory statement.
- This meeting was recorded and is viewable on YouTube:
<https://www.youtube.com/watch?v=FNTruFwsptw>

2. Review Warrant Article and vote on Finance Committee recommendations.

- Background information:
 - Chief of Police James Marino explained warrant articles X and Y that would update two by-laws on dog kennel operation and fines.
 - Adam Burney, Land Use Director on the excavation and earth removal by-laws: The proposed bylaw for earth removal is more specific and provides more clarity than the bylaw it would supersede. Adam shared this proposed bylaw with Keating and others who do earth removal in Town. None of these parties raised any red-flags. The other article changes the permitting authority from the Board of Selectmen to the Planning Board. Neither proposed bylaw has a material financial effect.
- Finance Committee Recommendations on the Warrant Articles:

- Articles the committee determines do not have a direct financial effect or committee finds no action required:
 - A: Hearing committee reports. No reports presented.
 - D: Police Union Collective Bargaining.
 - W: Hearing an Interim report from TC Passios design committee.
 - CC: Earth removal: Amount of earth being removed increases a lot. No financial effect: No recommendation. (6-0)
 - BB: The article would Increase the fines for improper earth removal from \$50, \$100, \$200 to \$100, \$200, \$300. Note: The fines are limited by state statute. After discussion No financial effect. Vote: 6 in favor, none opposed.

- Articles that have been removed from the warrant: H, I, S, DD through HH.
 - H & I: Two collective bargaining agreements --removed by Board of Selectmen as negotiations are halted.
 - S:--Removed pending-certification of PACC's retained earnings later this year. PACC can only access certified earnings.

- Articles that the committee defers making a recommendation pending more information. Note: No vote required when deferring.
 - F: FY 21 Capital Plan, Dave moved to defer until the ATM when revenues and expenditures may be clearer. Defer to ATM.
 - J: Stabilization fund: Deposit \$210,000 from free cash. Defer until we know the exact amount.
 - K: OPEB trust fund payment. Removed from this warrant by the Board of Selectmen. This is deferred to the Fall Town Meeting.
 - L: FY 2020 adjustment for Sewer Enterprise Fund. None expected, but advised to keep this on warrant just in case something changes by ATM.
 - Q: Water Enterprise Fund. \$25,000. Revenue source?
 - U: To solicit estimates for demolition of the Old Primary School and future design of the space.
 - AA: Streetlights. The initial quote of \$87,600 may increase. Dave P. is concerned that the Town risks going into the ATM without all the information.

- Potential savings of \$30,000 per year from owning and servicing the lights per Dave Blatt.
 - Three potential funding sources: Capital stabilization account, stabilization account, or free cash.
 - Peter B. says the Town should fund this as part of the capital plan as it is a capital project.
- Articles that the committee voted to make a recommendation on:
 - B: John H. moved and Dave P. seconded. Vote: 6-0 to recommend approval.
 - C: Payment of prior year expenses: \$476.21. Dave Passios moved to recommend approval, John Henshaw Seconded. Vote: 6 in favor, none opposed.
 - E: Fund year one Police Officers' Collective Bargaining Agreement: Dave P. moved to approve, John H. Seconded. Vote: 6 in favor, none opposed.
 - G: Town Budget: Peter Beardmore moved to recommend approval. John Henshaw seconded. Vote: 6 in favor, none opposed.
 - M: Sewer Enterprise Fund budget , reserves, disposal costs. Note: Funded by retained earnings from Sewed Enterprise revenues. \$1,820,203.44 (M) Petetr B. moved to recommend approval, Dave Passios seconded. Vote: 6 in favor, none opposed.
 - N: Sewer Enterprise Fund reserves. John H. moved to recommend approval. Jay Simeone seconded. Vote: 6 in favor, none opposed.
 - O: Sewer Enterprise Fund disposal costs. John H. moved to recommend approval. Jay Simeone seconded. Vote: 6 in favor, none opposed.
 - P: Solid Waste Disposal Program. \$302,000. Dave P. moved to recommend approval. John H. seconded. Vote: 6 in favor, none opposed.
 - R: Public Access Cable. \$191.000. John H moved to recommend approval, Dave P. seconded. Vote: 6 in favor, none opposed.
 - T: Amends the salary admin schedule. Dave Passios moved to recommend approval, John H. seconded. Vote: 6 in favor, none opposed.
 - V: Authorize the investment of Library trust funds and other bequests in accordance with the prudent investor rule. Dave P: Move to approve, Peter B. Seconded. Vote: 6 in favor, none opposed.

- X: Kennel requirements bylaws: At the beginning of this meeting, Chief Jim Marino explained that the by-law on kennel requirements was more specific than the existing by-law it would replace. PB move recommend approval. DP second Recommend approval 4-0-1. Jay abstained as he finds no direct financial effect.
Note: John H. lost Zoom connection to the meeting, leaving five members in attendance.
 - Y: Kennel bylaw penalties: Chief Marino also stated that there were so few fines levied that he thought the proposed increase in the amount of each fine would have only a slight effect on Town revenue. Jay moved that there was no financial effect, Michelle W, seconded. The committee voted 4-1 to make no recommendation.
 - Z: Community Preservation Act: Town Manager says if the Town passes this by-law, the Town should establish a Community Preservation Committee to oversee the CPA. Peter B. Moves to recommend approval of the CPA and Jay S. seconded. Vote: 4 in favor, 2 opposed.
- Article II: Citizens' petition -- As it was not properly worded per Town Council and would be difficult to modify the wording of the motion to accomplish its aims, the committee made no Recommendation.

3. Budget Articles:

- No financial effect: Articles A,B, D.
- Financial effects: Articles C, E: F: Prior year expenses, Funding for half the Capital Plan and financed by free cash.
 - Dave Passios questioned need for ambulance w/o new hire
(~33:00)
 - Peter B on earmarks.
 - Streetlights: Dave Passios noted “going to ATM with no funding for streetlights, and that it should have been in list of capital items. It’s a value-added project because of the cost savings to the Town of the LED street lights.
 - Peter B. stated asbestos removal at Turkey Hill School could be pushed out for one year, freeing up some money for the streetlight project.
 - Article G: **(~ 40:00)**
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- Town Manager Heather Lemieux' FY 21 Budget presentation: (~**50:00 to 1:10:00**). Excess levy capacity reductions in money coming from state. Revenue include 2 1/2 % levy increase. \$1 million. COVID 19 will affect Town services. Karen Brochu stated the unappropriated \$1 million is in effect a surplus.
 - Revenues:
 - Town is levying to the limit of Prior Year plus 2 1/2 percent.
 - Reduction of funds coming from the state.
 - New growth was reduced to \$193,400, due to anticipated effect of COVID.
 - Expenditures:
 - Capital Plan: Defers ten projects in original capital plan and funding decreased to \$678,000, funded by free cash. (~**1:07:00**)
 - Postpones decisions on additional hours for some Town employees and for adding personnel.
 - Defers funding pavement management, ADA compliance projects, and deposit into OPEB Trust fund until Fall Town Meeting.
 - Funds all personell costs for FY 21 and existing contractual obligations.
 - Funds operating costs using current revenues with no draw on stabilization and free cash.
 - 1.58% increase in the FY 21 budget for Lunenburg Public schools and includes two new positions.
 - Excess levy capacity of \$1,055,950 would insulate effects of if state aid and local receipts come in lower than current FY20 levels.
 - Looking forward: The effects COVID will have on revenues and surpluses are uncertain. The Town will be able to apply for FEMA and CARES Act funding for unbudgeted COVID expenditures in FY20 and FY21.
 - Budget Dashboard Adjustments to revenues and Expenditures: FY21 Budget worksheet (~**1:20:00 to 1:24:00**)
 - Heather updated the committee on changes in revenues and expenditures and associated changes in debt.
 - The goal of OPEB deposit not included in this budget proposal. The budget does meet all other financial policy goals.
- Chair Terri Burchfield closed the public portion of the meeting at 8:35 PM

- Michelle Walton reviewed the Finance Committee Letter she has written for the Town Report and asked for committee feedback by the weekend so she can do a final draft.

Committee Comments:

- Peter B. stated that the Student Opportunity Act did not benefit Lunenburg and in fact the formula for aid disadvantaged our town. Furthermore, Chapter 70 has been and is being under-funded by the State of Massachusetts. (~03:15)
- Dave P. said that there is more opportunity to defer capital projects, and he does not feel comfortable with the Capital Plan as written. Peter B. said he would prefer to defer more capital project funding.

Minutes:

- John H. moved to approve the minutes of February 13 as written, and Dave P. seconded. Vote to approve the motion 6-0.
- Dave P. moved to approve the February 27 minutes as written, Michelle Walton seconded the motion. The vote was 5-0-1. John H. had not read the February 27 minutes, so he abstained.

4. Public Comment: None

5. Committee Reports:

- Dave P. updated the committee on progress of the TC Passios design project.
- The next meeting will be Thursday, May 14 at 7:00 PM. It will be a virtual zoom meeting.

6. Adjournment

- Motion to adjourn by Peter B. Seconded by Jay S. Approved by a 6-0 vote at 10:15.