

Town of Lunenburg

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



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Lunenburg Finance Committee February 13, 2020 Meeting

Location: Town Hall
Present: Terri Burchfield, John Henshaw, Dave Passios, Peter Beardmore, Michelle Walton, Jay Simeone
Absent:

1. Call to Order

- Terri Burchfield, Chair called the meeting to order at 7PM.

2. Communications

- Latest edition of The Beacon was circulated
- Terri Burchfield noted that over-spending of the budget line for participation in meetings (such as MMA) may require a line-item-transfer, any action was deferred by the chair
- **Public Comment** –
Peter Beardmore noted the class of 2022 won the LMHS competitive class plays, an encore performance was occurring presently. He also noted the service of Select Person Phyliss Luck, who announced she was not running for re-election. He also noted the continued discussion that has resulted from the presentation of the 5-year forecast. He suggested moving the 5-year forecast process out-of-sequence in the future, so it could be adequately deliberated, perhaps following town meeting. He also asked that the Finance Committee (perhaps in cooperation with the BOS) formally examine the town's debt, including current debt and future projects.
Dave Passios announced that an architecture firm for the TCP Project has been selected.

3. Preliminary Budget Presentation

- The Town Manager outlined her preliminary budget proposal and report which can be found at: https://www.lunenburgma.gov/sites/default/files/field/files-docs/fy21_budget_message_and_proposal.pdf
a line-item version of the budget was presented:
https://www.lunenburgma.gov/sites/default/files/field/files-docs/fy21_line_item_budget.pdf
and she presented a powerpoint overview of the preliminary budget:
https://www.lunenburgma.gov/sites/default/files/field/files-docs/fy2021_budget_presentation_02.13.20.pdf
- Highlights:
 - Review of budget timeline from July 2019 to present
 - Uses conservative revenue projections
 - Meets town financial policies
 - \$679,133 of free cash toward capital items
 - \$110,000 of free cash toward OPB (10% of previous year's free cash)
 - \$100,00 of free cash toward Stabilization Account
 - Outlined components of target budget vs. preliminary budget
 - Outlined preliminary budget as specified in powerpoint presentation linked above.
Notable revenue comments: new growth funds, growth in state aid, and free cash are all trending lower than previous years.
Notable Expenditures:
General Govt: Funds the target and above target requests for additional hours for Assistant Town Clerk, addresses election/census/reg workers salaries, new voting booths, increase in software costs
Police- Funds requested budget for additional FT Patrol Officer •
Fire – Funds target budget and \$6K of above target request
DPW- Includes additional \$50K for Pavement Management; additional \$20K for Facilities; additional \$10K for Cemetery; eliminates Asst Mechanic -\$40K; cuts electricity costs by -\$8K
Health Insurance- Currently reduced to max. of 3.7% increase or \$116,183 increase. Actual renewal by the end of February.
Lunenburg Public Schools – Preliminary recommendation 2.5% increase; due to the reduction in health insurance figure from 6.5% to 3.7%, the Superintendent's Proposed budget decreased from a 4% to a 3.64% increase or \$219K more than target budget.
Capital: \$1,329,133 – details outlined in linked presentation and budget docs.
Unallocated funds: \$135,000
Look ahead: outlined both debt and tax levy projections. Tax rate will increase by \$.04/1000. Budget calendar.

- Terri Burchfield noted that the finance committee should look at both debt and new growth trends in the future.
- Dave Passios noted that the unfunded capital projects related to ‘envelope protection’ of town buildings that may come forward as part of a separate capital plan in the future. He also advocated for more detailed budget line items in DPW so people have a better understanding of where funds are being spent. He also noted that the town is funding facilities spending that has previously been funded by outside sources such as The Friends of The Library. He also asked that the committee be made aware of contributions of town employees that they are not being paid for (such as attendance at evening meetings).
- Peter Beardmore noted that Ch 70 increases are trending lower, despite passage of The Student Opportunity Act.
- Michelle Walton inquired if grant research is part of the capital planning process. The town manager explained that availability of grant funding is part of the new capital planning criteria.
- Resident Carl Luck inquired if line-item details will be published. The town manager will publish. Mr. Luck inquired as to why excise tax revenue was being estimated so conservatively, he estimated by approximately \$200K, and noted that this is an area that is historically generating free cash. The town finance director clarified that the majority of 2019 free cash was unexpended appropriations. She noted the high variability of local receipts due to economic fluctuations as why this revenue line should be conservative. Mr. Luck inquired as to the reason for and percentage of the \$27K increase in regional dispatch. The town finance director noted that the budget for the regional dispatch is still being negotiated and she anticipates that the total will decrease. Mr. Luck inquired about the Mass DEP grant for the education coordinator, relating proposed updated hauler regulations. The town manager outlined that the grant will be shared by three towns and the details were still being worked out. Mr. Luck inquired if the assumptions in the preliminary budget relating to debt were the same assumptions that were used in the 5-year forecast, and why retiring debt isn’t reflected in projected tax rates. The town manager agreed to sending him the detail in excel.
- Resident Dave Rodgers inquired if the ‘MSBA expense’ is revenue vs. an expense. The town manager confirmed that this is a reimbursement of expenditures. Mr. Rodgers inquired as to what anticipated expenses may draw from unallocated funds in the preliminary budget. The town manager explained that there are retirement, insurance, Monty Tech, regional dispatch, school

budget, warrant items, snow and ice, special purpose stabilization fund, all still need to be resolved. Mr. Rodgers and the Town Manager discussed the timeline for the warrant articles and when some of these items may be accounted for in the budget. Mr. Rodgers noted there are looming expenses for buildings.

2. Town Manager Report

- Snow and Ice deficit is currently approximately \$43K

3. Funding Collective Bargaining Contracts

- Dave Passios outlined the background on town meeting passing over the article which would have funded (and affirmed) the first year of the patrolmen's association collective bargaining contract. Labor counsel believes that the handling of the contract was improper and that it should be resolved at the upcoming annual town meeting. He believes that all collective bargaining agreements should be affirmed by town meeting in the future.
- Peter Beardmore thanked Mr. Passios for pursuing this and explained that he is hoping to achieve better 'checks and balances.

4. Public Comments

- None

5. Meetings

- Upcoming meetings will be at 6:30 PM. Monday night meetings will be posted in anticipation of snow cancellations

6. Adjournment

- John Henshaw motion, Jay Simeone 2nd, unanimously approved (8:41PM)