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Town of Lunenburg

Finance Committee:
Terri Burchfield, Chair
Peter Beardmore, Vice-Chair
Heather Sroka, Secretary
John Henshaw
Christopher Menard
David Passios
Jay Simeone



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Lunenburg Finance Committee
September 10, 2020 Meeting

Location: Zoom Virtual Meeting
Present: Terri Burchfield, John Henshaw, Jay Simeone, Chris Menard,
Peter Beardmore arrived at 21:13
Absent: Dave Passios, Heather Sroka

1. Call to Order

- Terri Burchfield, Chair, called the meeting to order at 7:00 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=jSOVTrqv66U>

2. Public Comment:

None from the Committee or Public

3. OneDrive/Rubric

Terri doesn't want to go over the rubric without the entire committee. Wanted to know if John and Jay took a look at the file sharing system Chris had created for the Committee.

John – had to send an email to Chris because his current OneDrive was competing with the new OneDrive. Needs help from Chris.

Chris – uses the internet portal to sign into OneDrive to login using his town email and information.

Jay – had the same issue as John. Also was unsure how to separate and set-up a new account.

Chris – maybe Steve Malindrinos can assist with that issue.

John – conceptually he likes the idea a lot. Likes to have the folders and work in central location.

Chris – Maybe we need a data manager for this. Someone on the Committee or within the Town. Overtime all the historical documents would be located in one area.

John – the library has a lot of historical records and data.

Terri – would like to talk about it at the next meeting with Heather L. present to discuss how to manage and organize. Maybe Karen can maintain it since she has all the data.

Before Karen gives update – sharing the calendar for Special Town Meeting. October 8th to review, October 15th for recommendations. Discussion around Special Town Meeting, when the Committee will be discussing warrant articles, when will make recommendations. Any surprises on the articles or expected articles.
Chris started to create a rubric for projects.

Would have a one-page summary sheet about the project.
He then went into the financial considerations for fincom– can the Town afford this project, how will it be funded, does it affect the credit ratings, does it meet the needs of the town now and in the future – that would be both the Town side, the school side, boards and commissions, multiple use space, dedicated space, what are the financial impacts to the tax payor, what are the changes to operational costs if we move into this, if the building expandable modular – 30-50 year build, how does this fit into the larger building foot print, does the building provide equitable access are we meeting all of the Town's needs, are there other funding sources.

Information could help FinCom make informed decisions and may help citizens at Town Meeting. Should work with other committees to make sure that the questions are not a surprise to anyone at the end.

Committee thoughts and discussion for FinCom Rubric. Chris believes it would be beneficial to have a few other committee members work on this.

John – was the rubric just for buildings? Or other large expenses like Fire Trucks.

Chris – searched Town Financial Municipal whatever. 2019 Best in Class Budget competition Northborough won. For every project they came up with a one pager. Picture – description – justification – how is it funded. In the OneDrive – Municipal Finance Folder. Seems like a good idea for every capital project we go through. Packet on Capital Plan. Big ticket items with \$1M ticket. Not small items like scuba diving gear.

John – Would the Town be able to collect the information needed for the rubric. Asked Karen Brochu about that. Karen is unsure of the time frame for that.

Terri – don't want to overload Karen. Want to know if we can get the data. Some questions would be good to know because they have stopped people in their tracks from moving a project forward. The Building Reuse has been going on since Terri started on FinCom and buildings are still in the same state as they were at that time.

John – Overall thinks the rubric is a great idea.

Terri – Chris and John can have a discussion when Chris helps John with his OneDrive.

Chris thinks there should be more eyes on the rubric and the data looking for.

Peter present at 21:13

Terri –

Going through the rubric on the Agenda for large capital projects or building projects such as the TCP Building.

Peter – apologizes for tardiness.

Debt policy question – can't make out what he was saying – broke up Inclination is to stick to the Debt Policy project. Peter would like to bring that to a close first.

Terri will take a look at Rubric with Chris.

4. Finance Director Reports:

Karen Brochu – Providing Final Quarter Report for the FY20

Overall Revenues exceeded estimates by \$267,292. .6% of what was estimated

Expenditures were 97.2% of the total budget

Close out on the Expenditures side of \$1,182,589

State Assessments came in a little lower by \$36,759

Estimate for free cash range between \$1.6M and \$1.7M

If \$1.6M it is an increase of \$492,000 over last year

Terri - Covid funding is not included?

Karen – Correct - it was backed out of the general fund CARES Fund and FEMA fund in anticipation of reimbursement

Terri - Where does that stand?

Karen – plenty of funds left. Allotted \$1M

\$147,000 submitted for reimbursement estimated through June 30th

Peter – Deadline on the CARES Act Submissions?

Karen – Reporting Quarterly – report due the end of September.

Early March – December 2020 was the CARES Act timeframe.

Peter – Any indication from School Department what submission will be?

Karen – Has not received anything. CARES Act two pots of money – money from CARES Act on Town and then Schools were allotted monies. Schools received \$198,000 in Grant Funds. Town told by Department of Revenue that the schools should use their money first.

Peter – There is nothing preventing the Town from spending CARES Act money on the Schools – that money can be comingled?

Karen – Believes it can.

Always checks with the Department of Revenue to ensure the expense falls under the CARES Act. \$32,000 for Fire Department defibrillator.

Peter – going to be a need in the next couple of months for major IT upgrades at the schools with remote and hybrid learning. He sent email to

TM, Karen, IT Director and Superintendent. Unsure if this qualifies for CARES Act.

Karen – would like to know asap to check with the Department of Revenue to find out if it's eligible.

Peter – no responses from anyone except TM.

John – what's prompting the demand?

Peter – some students doing remote or hybrid. Hybrid students are in school two days with very little teacher interaction on the two days they are remote.

The reason for this is obviously the teacher has the students in front of them, but when asked about broadcasting from the classroom there were two excuses given to the SC.

The first was –

There was some legal hindrance from a privacy perspective. Has not seen anything publicly to support this.

The second is –

Don't have the IT in the classroom to support it. Don't have cameras in the classrooms, microphones, switches and routers and bandwidth.

Parents concerns are that the hybrid students are only getting two days of real education for their kids while the students who went fully remote are getting much more instruction. There is going to be a demand to figure this out. Anticipating these needs. The students are going to need the infrastructure to support them.

John – based on the notion that this Covid Hybrid Remote learning is going to persist for the remainder of the year and possibly into next year.

Peter personally sees no relief in the future. He has had some private conversations that have let him to believe that.

John – what's the argument against leasing equipment as opposed to purchasing.

Peter – leasing is the equivalent to buying on the dollar so question is if it's a capitalized or operational expense the banks are going to get all of their money back and that equipment is not going to be reused. He thinks it's worth looking into and pursuing. Bigger barrier is people doing design and implementation. We have limited staff.

John – training of teachers will be necessary.

Terri – big hairy monster. All options for schools provided her own example.

Peter – purely conjecture on his part – no validated by any school department personnel. Funds available - limitations should be addressed.

5. Committee Reports:

Peter – School Committee met last week. There will be another budget update in the near future. The authorized a number of stipend positions to deal with Covid related issues. School starts next Wednesday. PD for Teachers since last Monday preparing for the school year.

Chris – had a question – watched the SB meeting agreed to pay the bus fees for the services not rendered. He believes there should be a policy in place to address that issue.

Terri – typically this is not allowed – but the Governor stepped in and allowed this payment. Interesting questions – best practice – how do you pay for a service not received?

Peter – Hairy topic. Policy that we would adopt of even need falls into the emergency measures put into place. Leaves Fin Com out of the process. One thought was Mr. Alonzo's position – one time only vote - not clarity if this happens again. Contract language should be included to address future possible issues.

Chris – contract is up in a year. Jim Marino presented his thoughts were aligned with his. Federal Contracted sees that side. Often times services are rendered even if you don't see the yellow bus driving around town. They could be on call and expected to do something. Effort and money to be ready. Agreed with Jim. If in the future are we viewed on taking a hard line one everything – these companies not willing to cut us a break.

Peter – agreed with everything Chris said. Town has to think about the topic of resiliency. What services do we rely on in town and outside of town to be resilient? Operational resiliency.

Chris – maybe there are more services that should be outsourced. For example, DPW having trouble finding qualified candidates to do things. Maybe, there are private industry that could do that for the same or less.

If we're not going to recognize the Private/Public partnership that is often beneficial to the town maybe that wouldn't work.

Peter – There might be an issue due to the state's prevailing wage laws. We due outsource a ton of what happens in the DPW. There would have to be a thorough financial analysis.

Terri – It would be a good idea to look at that. There are some jobs like landscaping and snowplowing that don't fall under that. There are probably others. There is a whole process to set up other jobs. Interesting question and something to think about maybe after STM. Interesting to see one of the things she has thought would be a good idea for parks to have someone managing landscaping – managing contracts rather than having DPW doing the work. Probably a reason for it. Came up during Charter Review. DPW doesn't seem like parks and cemetery but more like roads and infrastructure.

Peter – will circulate document either tonight or tomorrow. Met with the Superintendent, Mr. Cassidy and Mr. Londa for projections for the Turkey Hill Project. Debt and analysis purposes. Mr. Londa went into detail the analysis of the approved plans across the state per foot basis and number of other ways of calculating this. In today's dollars he believes that THES replacement or renovation about \$30.5 projected out 6 years – 2026 with 3% inflation puts us up a little over \$33M before MSBA reimbursement. MSBA about 50% conservatively. Has a one pager with info – has not heard back from Superintendent, Mr. Cassidy or Mr. Londa and attach to these minutes.

Terri – Folders – rubric in the shared drive.

Chris – Current enrollment projections would THES need to make it larger? Reorg the layout of the schools.

Peter – No looking to solve that but provide a financial illustration. Based on school population of 400 more or less today's 3 grade levels 3-5 grades. Primary school starting to overcrowd.

Terri – THES make take some pressure from both the upper grade levels and the lower grade levels.

Peter – the lower absolutely. Narrative is the serious space concern is the LPS.

Terri –

Next Meetings

September 24th - Budget and Review

October 8th – Warrant to Review

October 15th – Warrant Review and Recommendations

Motion to adjourn moved by John and seconded by Chris. Unanimous vote.

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