

Town of Bourne Finance Committee

Meeting Minutes

Bourne Veterans Memorial Community Center

239 Main Street, Bourne, MA 02532

December 3, 2019

Joint Session with Board of Selectmen

Finance Committee Members Present: Chairman Mary Jane Mastrangelo, Judith Flynn, Dr. William Towne, Robert Wheeler, George Smith, Amanda Bongiovanni, Kathleen LeGacy, Renee Gratis, Richard Lavoie and Michele Ford.

Also present: Selectmen Judith MacLeod-Froman, Peter Meier, James Potter, Jared MacDonald and George Slade, Anthony Schiavi, Town Administrator, Glenn Cannon, Town Assistant Administrator, Erica Flemming, Finance Director, Michael Ellis, Town Accountant.

Documents: Agenda, Town of Bourne FY 20 Classification Hearing handout.

I. Call to order

Board of Selectmen Chair MacLeod-Froman called the Board of Selectmen meeting to order at 7:00 PM.

II. Note any excused/absent members – James Sullivan.

III. Enter into Joint Session with the Board of Selectmen/Sewer Commissioners – Chair Mary Jane Mastrangelo called to order the meeting of the Finance Committee at 7:15 PM.

- a. **7:15 PM Public Hearing: Tax Classification Hearing.** – Bruce Cabral, Director of Assessing, said that a decision will be made this evening on whether the Town of Bourne has a unified, or single, tax rate or a split rate, which would be split between residential and commercial, industrial and manufacturing properties. The Town of Bourne has never had a split rate and the Board of Assessors recommends that the same hold true again this year. Mr. Cabral then read what the Board of Assessors recommends to the Board of Selectmen:

“The Board of Assessors recommends that the Board of Selectmen vote to retain one tax rate for all classes of property for fiscal year 2020. The Board feels that the relatively small benefit to the residential taxpayer which could be achieved through the use of two tax rates, does not warrant the significant increase in taxes which would be shifted to the Commercial/Industrial/Personal Property taxpayer. Bourne is primarily a residential community that does not have enough of a Commercial/Industrial base to make a split rate classification worthwhile.”

Mr. Cabral talked about the percentages of levy by class with residential being almost 88%. He talked about the total valuations of all properties – the total for FY 20 is \$4,918,905,900.00, which is a 3.3% increase from FY 19. He then showed a slide on how the tax rate is determined. The anticipated tax rate for FY 20 is \$10.74 per thousand and FY was \$10.51. He talked about what the rates could be if there was a split rate. He also said that the Board of Assessors recommend not voting in the residential exemption.

Selectman Meier made a motion for the Board of Selectmen to adopt a single tax rate by selecting a residential factor of one and determining the allocations of taxes to be borne by the four classes of real property along with personal property for fiscal year 2020. The Board of Selectmen also will vote to not adopt an open space discount, residential exemption and small commercial exemption for fiscal year 2020. Selectman Slade seconded. With no further discussion, the motion was approved. 5-0-0.

- b. FY2019 Financial Review/Recap** – Erica Flemming, Finance Director, started the Financial Review/Recap by reviewing revenues. The four major revenue sources are: Property Taxes - 76%, State Aid – 11 %, Local Receipts – 12%, and Other. There was a small deficit in new growth, unlike most years. She talked about debt exclusions, local receipts and state aid.

Ms. Flemming gave a review of Appropriations, Expenditures and Assessments. The FY19 budget of 65.6 million dollars was increased 3.4 million, or 5.4%, from the prior year. She went over the turn backs and the cherry sheet assessments. The general fund operating budget was 65.5 million dollars. At the special Town meeting there was a budget increase of \$100,000.00 and added to some reserve fund transfers which brought the total budget to 65.9 million dollars. Overall 64 million dollars was spent which resulted in 1.8 million dollar turn back.

The debt service budget of FY19 was 6.1 million dollars which is 26.1% more than the previous year, mostly due to the Bourne Intermediate School and the new Police Station. There was some discussion on what is currently being financed.

Ms. Flemming talked about the three major financial policies: Free Cash – The Town strives to have a balance of at least 5% of the general fund operating budget. At the end of FY 19, free cash closed with 12.2% of the general fund operating budget. Stabilization Fund – The Town strives to have a balance of at least 6% of the general fund operating budget. The Town is at 6.04% of the general fund operating budget. She also talked about OPEB, which quite a bit of progress has been made.

Ms. Flemming ended the Recap by reporting about the enterprise funds.

IV. Adjournment

Dr. Towne moved to adjourn the meeting of the Finance Committee. Ms. Gratis seconded. With no discussion, the motion carried. 10-0. The meeting adjourned at 7:55 PM.