

Town of Bourne Finance Committee

Meeting Minutes

**Bourne Veterans Memorial Community Center
239 Main Street, Bourne, MA 02532**

January 14, 2020

Finance Committee Members Present: Chairman Mary Jane Mastrangelo, Co-Vice Chair Michelle Ford, Co-Vice Chair Renee Gratis, Amanda Bongiovanni, Judith Flynn, Richard Lavoie, Kathleen LeGacy, George Smith, Aaron Tobey, Dr. William Towne, Robert Wheeler, and James Sullivan (7:00pm)

Also Present : Finance Director Erica Fleming, Town Accountant Michael Ellis, Assistant Fire Chief David Cody, EMT/Paramedic Jason Silva

I. Call to order

Chairwoman Mastrangelo called the Finance Committee meeting to order at 6:45 PM.

II. Note any excused/absent members – James Sullivan excused - arrived a 7 pm.

III. Reserve Fund Transfer

Assistant Fire Chief Cody requested \$29,500 for the Fire Department to replace an air compressor that broke soon after the fall Special Town Meeting. The air compressor is needed to refill air tanks for the firefighters and maintain an air supply system for the tower truck. Bourne has been borrowing one from Barnstable County, who could take it back at any time. Cost analysis showed it would be cheaper to replace the unit than to buy the parts to fix it.

Dr. Towne questioned the Fire Dept budget, to which Town Accountant Ellis replied the budget line was originally \$6,000 but is currently funded at \$3,500.

Mrs. Flynn commented she had experience with purchasing similar equipment and said the requested price was good for the unit.

Mr. Wheeler asked about the trade-in and recycle cycle value of the old air compressor. Assistant Fire Chief Cody replied he was not sure. Chairwoman Mastrangelo explained that it is up to the Town Administrator to determine whether there is a trade-in, recycle or salvage value for the equipment. However, it is important to appropriate enough money to pay for the equipment to make sure the purchase can be made. If the amount needed for the purchase is underestimated based on trade-in or salvage, there may not be enough money to purchase the item.

Mr. Lavoie requested the Reserve Fund Balance. Chairwoman Mastrangelo responded \$300,500.

Ms. Ford moved the Finance Committee approve the Reserve Fund Transfer request of \$29,500 to replace the air compressor, Ms. Gratis seconded. The motion passed 10-1, with Robert Wheeler as the opposing vote.

Chairwoman Mastrangelo informed the Finance Committee of new member Aaron Tobey. Aaron Tobey introduced himself, and in turn each person present at the meeting introduced themselves.

Chairwoman Mastrangelo stated the schedule for future Finance Committee budget review meetings is tentative. She then asked Finance Committee members if it would be beneficial in a workshop to review the town's finance policies. Ms. LeGacy expressed interest in the workshop and after discussion, Chairwoman declared the workshop would be scheduled for February 3, 2020.

IV. Recess into join with the Board of Selectmen in Joint Session at 6:56pm

James Sullivan arrived at 7:00pm in time for the joint session.

V. Town Administrator FY21 Budget and Capital Program with Board of Selectmen

Board of Selectmen Members Present : Chairwoman Judy Froman, Vice Chairman James Potter, Clerk George Slade, Jared MacDonald, and Peter Meier

Others Present : Town Administrator Anthony Schiavi, Assistant Town Administrator Glenn Cannon

Finance Committee entered into joint session with Board of Selectmen at 7:00pm.

Town Administrator Schiavi gave his Budget and Capital Program Presentation, which covered Current Fiscal Health and Financial Policy Compliance, Methodology Used, FY21 Budget Assumption, FY21 Budget Constraints/Stressors, FY21 Budget Recommendation Overview, and Thought for the Future.

Fiscal Health and Financial Policy Compliance

- Free Cash to Fiscal Year Policy
- Stabilization Fund to Fiscal Reserve Policy
- Non-Exempt Debt Services to Financial Policy
- Health Ins. Trust, OPEB Trust, and other Stabilization fund

Methodology

- Revenue Estimation
- Expenditures
- Avoid the tendency to chase revenues

FY21 Budget Assumption

- State Aid at least level funded
- State assessments remain an unknown, Charter School and School Choice could have a significant impact
- School budget increase 2%
- General insurance increase 3%
- Health insurance cost 3%

FY21 Budget Constraints/Stressors

- Collective Bargaining Agreement increases
- UCT enrollment
- Barnstable County Retirement Association Assessment
- Capital Financing cost continue to increase

Big Picture

- FY21 GFOB - \$70,856,022
- General Articles - \$416,003
- Off Budget Expense - \$6,296.384

- Grand Total Expenses - \$77,568,409
- Property Taxes, Local Receipts, Other Sources, Estimated Revenue by Source FY21 \$77,568,409; Town Expenses \$19,396,415 – increase 0.03%;

What is included in the budget and what is not

- Core town services levels maintained
- Police, Fire and DPW salaries budgeted for full manning
- E-permitting and Dude Solutions are funded
- No new staff being added in FY21 budget
- Economic Development and Human Resources

School Expenses, Shared Costs, Debt Service, Total Expense – 77,568,409;

FY 21 Capital Program

Enterprise Funds – ISWM, Sewer

Look ahead to the future

- Discuss adjustments to Financial Policies to reflect the current future landscape
- Decrease reliance on Free Cash to support General Fund Budget structural deficit
- Monitor expenditures and make sure Budget is aligned accordingly
- Increase reserves to 10% to enhance bond rating and yield better investments in the long-term
- Establish a liaison committee to promote year-round visibility
- Implement a requirements or outcomes focused on budget model
- Develop current organization charges and staffing documents
- Study new efficiency ideas or ways to generate savings to reinvest back into the budget

Questions were asked regarding – on school side to show the impact of the Upper Cape expenses; when negotiations start with the Fire Department; lifeguards; structurally balance budget without using free cash; School budget and the new Superintendent; turn-backs weening process; Capital Budget – overview and description of all the Capital items that are being recommended by the Capital Outlay Committee; Capital Outlay spending;

Suggested - have an ongoing year-round discussion regarding budget;

Comment - start to think about how the new treatment plant will be funded

VI. Adjourn Finance Committee Meeting

Ms. Ford moved to adjourn the Finance Committee meeting, seconded by Ms. LeGacy. Motion passed 12-0. The Finance Committee adjourned at 7:55pm.