

DRAFT**Call to Order**

Chair Moffitt called the virtual meeting to order at 7:00p.m. and initiated roll call. Present were Chairperson Eugenie Moffitt-Y, Paul Russo-Y, Andrew Betts-Y, Spiro Christopoulos-Y, Linn Anderson-Y, Mary Ellen Logee-Y, John Barry-Y, Paul Monticciolo-Y and Bojay Taylor-Y. Also present were the Town Manager, Donna Walsh, Finance Director, Director and Patrick Lawlor, Assistant Town Manager. The meeting was videotaped and live cablecast.

Town Manager – COVID-19 Update – Impact on Revenue and Budget FY20

The Town Manager updated the committee on the impact of COVID-19 on the FY20 budget as follows:

- a) An anticipated overall revenue shortfall of 13% expected in fourth quarter of FY20.
- b) Regular communication with state officials revealed no 9C state aid cuts were anticipated.
- c) \$10M already received and \$1.1M expected within the week with no clawback expected.
- d) Local receipts (approximately 6.5% of overall budget) impacted are motor vehicle excise tax, meals and lodging tax.
- e) However, some revenue realized from Double Tree Hotel lodging first responders and others needing quarantine (approximately 60 rooms occupied.)
- f) License and permits reflecting downturn in market.
- g) Action initiated on April 1 to freeze all non-essential spending and replacement hiring.
- h) Positive fund balance anticipated at \$750K, assuming that state aid is unchanged.
- i) Accounting department tracking of costs by department since initiation of crisis to ensure future state reconciliation aid.
- j) Police and Fire have seen increase in overtime personnel costs due to backfilling of staff out on medical leave.
- k) Increased costs associated with purchase of essential personal protective equipment.
- l) Solid waste costs associated with increased large waste of households; particularly in first two weeks of crisis waste collection costs were up 30%, but are returning to normal levels.
- m) Republic Waste Collection authorized to collect all bulk and yard waste at cost of \$2.15/household resulting in \$22K/month total increased costs until normal collection resumes May 1.
- n) Public Safety, Town Hall and Library open with reduced staggered personnel shifts of latter two departments.
- o) Custodial staff doing excellent job of daily frequent sanitization of buildings.
- p) Full sanitization of schools done by custodial staff at cost of \$10K/building (utilizing sanitizing jetpacks) as opposed to outside vendors' quotes between \$45-60K/school.
- q) Elder Services has seen increase of meals on wheels from 75/meals to 125-130/meals per day.
- r) Generous donation by Andover Home for Aged of \$30K has enabled us to fill this increased need.
- s) Recreation has seen decrease in its revolving fee-based funds as spring programs cancelled and summer programs at risk.

In answer to the committee's various questions, the Town Manager answered as follows:

- a) No additional pension contributions will be made in FY20 by the town to Retirement Fund.
- b) Bald Hill was open to the public, but no additional public demand was realized.
- c) Seasonal hiring is ready to go, however, it is not expected to take place due to the likely cancellation of programming.
- d) Resident payment of taxes have been contributed on time, by escrow payments from third parties are expected in June rather than May.

Town Manager – COVID-19 Update – Impact on Revenue and Budget FY21

The Town Manager outlined his proposed budget for FY21 as follows:

- a) Mid-May 2021 is expected to reveal a revenue shortfall between \$3.2M and \$6.2M.
- b) The impact reflects a decrease of 15-20% excise tax; 15% local receipts; 25% license and permits; and 30% other income.
- c) Scenario A sees a level fund based on 1.48% in chapter 70 aid.
- d) Scenario B would see 10-20% reduction in state aid.
- e) Scenario C would see lack of federal assistance to states and negative impact to municipalities (although unlikely.)
- f) A 'budgeted working group' of senior management department heads has been assembled with the following goals for FY21: i) no staff layoffs; ii) maintenance of level of services; and iii) no additional cost to the taxpayer.
- g) Pension contribution cannot be maintained at \$1.7M.
- h) Monies from overlay surplus reserve will be used as offset.
- i) Health insurance came in under 5%.
- j) Essential Article 5 Capital Improvements are going forward including Senior Center and Ballardvale Fire station; others will be delayed.
- k) Town Meeting will be asked to approve "x-amount of money" to be used only after May 1, 2020 if needed due to state aid cuts.
- l) \$500K-2.0M anticipated budget impact will be split proportionately between town and school budgets; \$500K if level funded state aid and \$2.0M reflective of a 20% reduction in state aid.
- m) Collective bargaining negotiations (two for town) will continue as well as teacher unions.

The Town Manager will provide a written summary of both the FY20 and FY21 proposed budget changes.

Town Manager – Annual Town Meeting

The Town Manager updated the committee on the status of Town Meeting. Subject to the Governor's upcoming orders the current dates are June 9 – Town Election and June 22 – Town Meeting. Virtual town hall on the budget presentation is being planned.

The locale was initially set to be at the Field House, but because of summer conditions in that building without air conditioning, the locale has been changed to Collins Center and AHS cafeteria. Plans for social distancing are in the works with the intention of providing maximum social distancing and safety of public participation. The warrant is expected to be signed by the Select Board on May 18 with no new articles.

Article 40 – Acquisition of 157 Andover St.

The Town Manager stated that the acquisition of 157 Andover St. would be utilized for expanding parking capability (up to 17 spaces) for the Ballardvale Fire Station area, including the adjacent playground (see attached powerpoint presentation.) The price of the property is \$415K and \$150K for the site work which would include clean out of home and abatement as well as demolition and site grading and paving. The article would be funded from Free Cash.

Vote on Article 40 – Acquisition of 157 Andover St.

Upon motion duly made by Ms. Anderson and seconded by Mr. Barry, it was unanimously voted to recommend approval of Article 40 as read by Ms. Anderson. Chairperson Eugenie Moffitt-Y, Paul Russo-Y, Andrew Betts-Y, Spiro Christopoulos-Y, Linn Anderson-Y, Mary Ellen Logee-Y, John Barry-Y, Paul Monticciolo-Y and Bojay Taylor-Y. Motion passed 9-0.

Finance Committee Report and Letter

Ms. Anderson noted that the Town Manager's summary of proposed budget forecasts would be needed to rewrite portions of the report and letter. Mr. Lawlor will coordinate with Mr. Betts on remaining article explanatory "blurbs." The new report printing schedule was reviewed.

Next Meeting

Wednesday, May 8, 2020 – Mr. Russo will assemble list of questions on Article 19, School Revolving Funds, and invite member of School Committee

Triboard meeting proposed to discuss overall budget.

Adjournment

Upon motion duly made by Mr. Christopoulos and seconded by Mr. Betts, it was unanimously voted to adjourn. Chair Eugenie (Janie) Moffitt-Y, Linn Anderson-Y, Paul Russo-Y, Andrew Betts-Y, Mary Ellen Logee-Y, Linn Anderson-Y, John Barry-Y, Bojay Taylor-Y, Spiro Christopoulos-Y and Paul Monticciolo-Y. Motion passed 9-0. The meeting adjourned at 8:10PM.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

Attachments:

Acquisition of 157 Andover St.