

Tuesday, January 26, 2021
Board of Selectmen Meeting Minutes
Virtual Meeting
7:00 p.m.

Members Present: Mark Elfman, Chair*
Ed O’Leary, Vice Chair*
Stephanie McGowan, Clerk*
Leah Gibson*
Chris Mitchell*

Also Present:
William Keegan Jr., Town Manager*
Mike Johns, Assistant Town Manager*
Christina Metcalf, Community Info. Specialist*
George Samia, Finance Director*
Marie Almodovar, Town Accountant*
*Attended remotely

1. FY22 Budget Presentation BK – Thank you to Marie for putting the presentation all together and working with all of the department heads

CM – This is a great production and a thorough understanding of the budget and better presented than in years past. Every time I had a question it was answered as I read on.

LG – Marie, fabulous job with the visual presentation and the detail as well as getting back to me with all the questions I had asked.

ME – This is great, an easy read and user friendly.

BK – It is a great document and the goal was to get to the point to compete with the national award for budget presentation. The good news we are balanced at this point. We sought your direction a few weeks ago and didn’t quite get there but got to the point where we balanced things and we have a lot of department budgets that came in under budget and the budgets that did go over did not through any fault of their own. For example the fire department had a grant for 3 firefighters and that ended this year so taking on that will increase their budget. We are still in the beginning of this process and some numbers we don’t know yet that we are currently taking educated guesses right now. Our pension number is usually 8-10% and this year it is 5.5%. Our health insurance cost will go up around 3% this year and could come in lower. Our general insurance number is anticipated at 2.5% but that is not confirmed yet either. Ultimately we will be balanced.

Slide 1 – General Fund Budget Overview – Revenues & Expenditures

Town Manager’s Proposed FY2022 General Fund Budget totals: \$77,754,597

70% of our revenue comes from the tax levy. We anticipate our new growth should come in around 550,000 which is a very low estimate. The rest of our revenues is made up of State Aid (11%), Local Receipts (12%), Ambulance fund, water indirect costs, free cash (all 2% each), recreation revolving and sewer indirect (both at .1%) and overlay surplus (1%). This is why we build up reserves to use them but we are using free cash and overlay surplus, we are not touching our stabilization fund nor see the need to use it.

51% of our expenses are from education costs. Insurance & other (21%) public safety (13%), debt service (5%), general government (4%), public works (3%), culture & recreation (2%) and human services (1%) make up the remaining expenses.

Slide 2 – Breakdown by Function

This is a percentage breakdown of the budget by function so General Government, Public Safety, Education, Public Works, Human Services, Culture & Recreation, Insurance & Other, Enterprise funds and unappropriated accounts. Notably the GIS/IT budget line increased because of the Rainbow software and transferred all our IT functions for the Town into that account. Fire was up 6.64% because of the 3 firefighter positions we discussed earlier. Library came in lower due to the fact they had retirements last year

and were able to hire new people at a lower cost. One questions about unemployment was if we had fraudulent claims and we are keeping track of those claims.

Slide 3 - FY22 General Fund Revenue Expenditure Budget Summary

The Tax Levy is up 3.29% and includes new growth. State Aid is a flat number that will not be changing. Our local receipts is up 4.35% but we are below our average. The available/other line is other money that we are using to balance the budget. Town government expenses is up 2.79%, education is up 3.06% Shared expenses increased by 3.68% and other expenses is up 4.93%. Our overall expenses are up by 3.23%. Most of the impact is the fixed cost areas and not operations.

Slide 4 - Budget Increases

We will ask for a 3.15% budget increases. General Fund increase is 3.15% not including unappropriated accounts but the operational budgets appropriated by Town Meeting. The Enterprise funds are increasing by 8.55%.

Slide 5 – Summary

- General Government – no major increases. Expenses for Rainbow teleconferencing and HR onboarding software added to GIS/IT budget. Overall budget increase in line with guidance.
- Public Safety – increase is attributable to the salaries of three FT firefighter/paramedics (approx. \$204K) being added to the budget per the end of the SAFER Grant in January 2021. These salaries will be paid for with Ambulance receipts.
- Education – Foxborough Public Schools budget increasing 2.98% due to contractual salary obligations. Southeastern Regional assessment is currently estimated to increase 7.5%.
- Public Works – no major increases. Overall budget increase is less than guidance.
- Human Services – no major increases. Overall budget increase is less than guidance.
- Culture & Recreation – no major increases. Overall budget decreasing.
- Debt Service – no major increases. Overall budget decreasing due to decrease in debt service payments for previous bond issuances.
- Insurance & Other – Pension assessment is increasing 5.5% compared to initial 8% estimate. Group Insurance is estimated to increase 3%. Establishment of Salary Reserve budget line to fund collective bargaining costs, retirement payouts, and any unanticipated salary adjustments throughout the course of the year.
- Water - increase is attributable to estimated debt service payments for 9.4 million bond issuance. Budget is fully funded through water receipts and retained earnings.

Slide 6 – General Fund Operations Budget History: shows FY19, FY20 FY21 and proposed FY22 general funds operations budget history. Just another way to look at the breakdown of the budget over the past few years.

Slide 7 - Tax Levy History Slide from FY18 – FY22 proposed with a recap of the tax levy, plus Prop 2.5% increase, plus new growth, plus excluded debt showing the actual tax levy for the past four fiscal years. Our new growth is the lowest we've had in the last few years. The excluded debt number is made up of the high school, the public safety building, the library and middle school is the excluded debt. The town hall and Burrell School are included debt in the budget already. The \$55,717,059 will be what we have available for the budget for FY22.

Slide 8 - State Aid History – Total State Aid received on FY18 & FY19 Cherry Sheets, FY20 Budgeted, FY21 Proposed and FY22 Preliminary estimates subtracting assessments and charges for final State Aid. We anticipate unrestricted local aid to increase a bit this upcoming fiscal year. Not sure if we will see any federal aid this year. We anticipate \$8,608,290 for state aid totals in FY22.

Slide 9 – Local receipts history of FY18 & FY19 Actual, FY20 Budgeted, FY21 Proposed and FY22 Preliminary. We are being conservative in our estimate here but it is lower than FY18, FY19 and FY20.

Slide 10 - Available funds History – FY18 & FY19 Appropriated, FY20 Budget, FY21 Proposed and FY22 Preliminary of Free cash, overlay surplus, stabilizations, ambulance, recreation revolving, sale of assets, water fund, apparatus revolving, and other funds. We are using \$1.33 million for free cash this year, which is larger than other years and doing that this year to make things balance. This number will go up or down based on more information and numbers we get going forward.

We are using more free cash this year because of Covid. We will adjust as more numbers come and expect to go down

Slide 11 - Water Fund Budget Overview – Proposed FY22 Water Fund budget totals: \$7,502,061

Slide 12 - Sewer Fund Budget Overview – Proposed FY22 Sewer Fund budget totals: \$1,695,345

Slide 13 - FY22 Enterprise Funds Budget Summary – shows FY21 budgeted v. FY22 Preliminary expenses increasing by 8.55%.

Slide 14 - Next Steps – Advisory Committee budget review meetings begin January 27th and we will continue planning and forecasting efforts. When Covid hit we changed the budget last year to revise for what we expected to change in terms of revenue and costs. We are in a position to pivot under any circumstances and make our budget work.

Any Questions?

ME – Please realize that is a preliminary look and if we don't have any question now, Bill can answer questions.

CM – What are the buildings that we owe money on like the middle school, are those coming due? Can you send the presentation to us? You had mentioned \$5.4 million to balance the budget and the number that I found in the book doesn't match that.

BK – Both of those are coming due in 2025 and those are debt exclusions.

MA - Chris, the \$5,479,846 you see being used from Available Funds also includes the Indirect Costs. In the budget books on page 27. If you add the \$4,091,367 plus \$1,388,479 it totals \$5,479,846.

LG – Are we balanced [in the budget] including schools?

MA – We are balanced including schools and have a current \$39,000 surplus overall.

LG – Can you talk about the number on page 106 with appropriations?

BK – I think that is the number for next year, we'll get back to you on that if that is not the case.

SM – Thank you for the booklet. This is great to know that we are coming in on budget and the next couple years to maybe keep it that way. I would also like to suggest that if you can go to the Advisory Committee meetings that you do attend them because sometimes questions come up during those meetings that normally don't come up. Are we set up to officially attend tomorrow's Ad Comm meeting.

ME – We didn't post the meeting because it won't be people in a room but it will be able to be viewed on TV.

LG – That is inconsistent with what Christina and I spoke about earlier.

BK – Doc, we talked about this afterward and didn't think it was consistent with what we've done and if one of you wanted to raise a question that there would be a concern about it and put the board in a bad position. We decided to post it as a precaution.

BK – Going back to Stephanie’s comment about events and concerts at that stadium. Our revenues from July 1st to June 30th of 2022. We could see shows in the fall and next spring and they may be doing a lot in the spring. So we could have revenues and are more optimistic for revenues towards the end of FY22. Also remember we are also forgoing our OPEB payment because of hotel/motel tax but if we do get federal money we could make a payment toward our OPEB.

SM – Are ahead on OPEB payment?

BK – We are ahead by about \$12.5 million dollars. And we are only 8 years away from retiring that pension debt which is \$3.5 million a year and then take that and put it towards to the OPEB.

SM – If three selectmen are on online, do we call the meeting to order?

BK – That only comes into play if you are debating among yourself.

ME – We’ve never done that for and Advisory Committee meeting.

BK - If anyone has any questions please send them along.

SM – Ed and I will be meeting with Paige and Chris about the common rotary traffic.

2. Adjourn

Motion to adjourn by S. McGowan, 2nd by C. Mitchell.

Roll Call: CM – Yes, SM – Yes, ME – Yes, EO – Yes, LG – Yes.