

Tri-Board Meeting

March 6, 2019 7:30 PM EST
Veterans Memorial Building, Room #130
900 Main Street
Millis, MA 02054

In Attendance:

Finance Committee

Jodie Garzon, Chairman
Peter Berube, Vice Chairman
Doug Riley, Clerk
Joyce Boiardi
Jim Borgman (at 7:35 PM)
Jim Bullion
Peter Jurmain
Shawn Power
Craig Schultze (at 7:39 PM)

Board of Selectmen

Catherine MacInnes, Chairman
Loring Barnes, Vice Chairman
James McCaffrey, Clerk

School Committee

Steven Catalano, Chairman
Kerri Roche, Secretary
Robyn Briggs
Denise Gibbons

Invited Guest:

Michael Guzinski, Town Administrator
Carol Johnston, Finance Director
Nancy Gustafson, School Superintendent
Terry Wiggins, School Business Manager

Catherine MacInnes called the Board of Selectmen Meeting to order at 7:30 PM; James McCaffrey seconded. Vote: 3/0 motion carries unanimously.

Jodie Garzon called the Finance Committee Meeting to order at 7:31 PM; Pete Jurmain seconded. Vote: 7/0 motion carries

Steven Catalano called the School Committee Meeting to order at 7:38 PM; Kerri Roche seconded. Vote: 4/0 motion carries unanimously.

Opening Remarks:

Jim McCaffrey noted that this is the second Tri-Board Meeting for the FY20 Budget Cycle; the first meeting was held in January 2019. This meeting will focus on upcoming issues and challenges for FY20. He thanked the Finance Committee for accommodating this meeting during their regularly scheduled meeting night and thanked the Millis Community Cable staff for recording the meeting. He noted that this is a very valuable meeting and it's intended to generate dialogue between the committees and board. It is hoped that the group can work together in this forum for the best outcome for residents' services. Jim McCaffrey's role during Tri-Board Meetings is facilitator; to ensure the agenda items are discussed and the meeting adjourns at a reasonable time. Jodie Garzon and Steve Catalano agreed. The group was made aware that Healthcare costs for FY20 will increase by 5%.

FY20 Revenue Projections:

Carol Johnston presented a Preliminary Five-Year Revenue Forecast with three possible scenarios: most likely, conservative and optimistic. Revenue from Retail Marijuana sales was not included. The only change since the forecast presented at the January meeting was in the positioning of the Debt Exclusion line item; the net effect is zero in each scenario. The most likely and conservative models use 2.5% for New Growth; the optimistic model uses 4% due to known developments in town: Regency at Glen Ellen, Acorn Street, and the Tresca Brothers projects. It was noted that FY19 Free Cash includes \$45,000.00 from the School Bus Stabilization Fund. Enterprise Funds were increased by 2.5% but CPA (Community Preservation Act) Funds remained the same. Phase II of the Regency at Glen Ellen project is at the Planning Board stage which would likely generate more than 2.5% in New Growth after FY20. Real Estate development

is relevant for staffing needs. It was agreed that the information should be available to view on the town's website, it is a public record, emphasizing that this is a Preliminary Draft Five-Year Revenue Forecast.

Municipal Departments FY20 Priorities:

Department Heads have presented their FY20 Budget Requests to the Board of Selectmen; decisions will be made on their recommendations in the next couple of weeks.

Mike Guzinski presented his FY20 Above Level Service Recommendations listed by priority:

<u>Department:</u>	<u>Request:</u>	<u>Amount:</u>
Finance	Promote Assistant Town Accountant to Town Accountant	\$ 16,773.32
BOS/TA Admin	P/T IT Director – 10 hours per week	\$ 10,000.00
BOS/TA Admin	P/T Economic Director – 19 hours per week	\$ 45,000.00
BOS/TA Admin	P/T Grant Writer – 13 hours per week	\$ 21,000.00
Fire & Rescue	P/T Assistant – 20 Hours per week (Shared with Police)	\$ 26,050.00
Council on Aging	Extended Hours to 4:30 PM Monday – Thursday	\$ 23,656.08
Library	Technical Coordinator - Additional 10 hours per week	\$ 8,012.00
Library	Staffing – Extended Hours – Thursdays to 8:00 PM	\$ 6,153.00
Fire & Rescue	On-Call Deputy Chief & 4 th F/T Lieutenant Positions	\$ 7,000.04
BOS/TA Admin/School	F/T Human Resources Administrator – 40 hours per week	\$ 75,000.00
BOS/TA Admin/School	F/T IT Director – 40 hours per week	\$ 75,000.00
Police	(3) F/T Officers	\$180,000.00
Recreation	Fully Fund Director's Salary	\$ 33,076.00

Whether or not above level service requests can be met in FY20 will be determined in the next four weeks. The Finance Director and Town Administrator will work together in the next two weeks to determine if a level service FY20 Operating Budget can be adequately funded or will be in a deficit.

There is approximately \$13,000.00 in the Data Processing budget to be added to the PT IT Director – 10 hours per week for a total salary of \$23,000.00 per year. The Town Clerk's above level service request will be considered after the department's survey results are finalized. It was noted that the Library received above level service funding in FY19 for IT support in the amount of \$7,691.00 and are requesting an additional \$8,012.00 for FY20. The Police, Fire, DPW, Library and Town Hall all have separate networks. The IT committee is working to upgrade the antiquated systems with grants. The Grant Writer and Economic Director salaries should pay off over time. It was clarified that the Recreation Director salary is not the amount above but actually closer to the \$65,000.00 range. The town's Senior Citizen population will be growing rapidly over the next couple of years. Ultimately, decisions will be made based on the discretionary funds available for FY20.

School Department FY20 Priorities:

Steve Catalano:

The School Committee's strategic budgeting review for a level service FY20 budget results in a deficit of several hundreds of thousands of dollars for the fiscal year. Critical needs for FY20, approximately \$257,00.00, are SPED related; SPED costs are approximately 26% of the School's Operating Budget. The committee is focusing on trying to reduce expenses in order to save staff positions in FY20. Increased costs are expected with the opening of the new Clyde Brown Elementary School. Although the new school intended to relieve some of the SPED costs it is not enough to offset the unfunded mandates. School Committee meetings are not televised live but are taped and aired on the school's website Monday evenings at 7:00 PM. Overall, a 4.6% increase in the school's budget is needed for FY20. FY19 total budget = \$15,178,242.00 and FY20 = \$15,880,000.00. Teacher and Administrative contract negotiations are taking place and the School Committee hopes to control salary increases for FY20.

The Town Administrator and Finance Director do not have numbers for level service needs in FY20 for Municipal Departments at this time but hope to have the information available in the next few weeks; it was indicated it would be tight to fund everything. Contract negotiations are taking place for Police & Dispatch as well as SEIU.

Capital Planning Committee FY20 Priorities:

A memo from the Capital Planning Committee Chairman was provided as well as a list of items needed/requested in FY20. The committee has met with each department to discuss and review their needs for the next ten years. The committee has a list of 150 large and small items amounting to approximately \$50 million over ten years. The departments prioritized each item on the list. The committee reviewed thirty-five items for FY20. Each department was asked to rank their items as either high, medium or low priority and to further rank the list by priority in four tiers: Tier 1 – Highest Priority, Tier 2, Tier 3 and Tier 4 – Deferred to a subsequent year. The following are for FY20 priorities:

Tier 1: Ten projects totaling \$3,839,900.00
Tier 2: Eight projects totaling \$2,386,120.00
Tier 3: Five projects totaling \$105,250.00
Tier 4: Twelve projects totaling \$2,667,994

The total for FY20: \$8,999,264.00

Funding sources include General Funds, Enterprise Funds and Borrowing. Some of the FY20 Tier 1 items are already on the May Town Meeting Warrant. The committee is hopeful that some items can be funded through grants. The list in each tier has not been further prioritized by the committee.

Tri-County Regional Vocational-Technical School FY20 Contribution:

Millis' contribution for FY20 has increased 31% to approximately \$807,000.00 due to increased enrollment; forty-seven students to sixty. Although this results in decreased enrollment for the Millis High School the reduction is spread over several grades and does not justify cuts to staff. The town pays \$13,000.00 for each student attending Tri-County. Millis receives \$5,000.00 per student for their Choice-In program. When a student decides to attend Tri-County, Norfolk Aggie or a private school, the town receives approximately \$10,000.00 less in Chapter 70 funds from the state.

Special Revenue Sources FY20:

The Town of Millis has (2) Retail Marijuana Host Agreements with CommCan; (1) for Medical Sales and (1) for Recreation Sales. Each agreement has a five-year term. The agreements include 3% of Gross Sales and \$15,000.00 at signing. The Recreation agreement was signed on February 11, 2019 and that revenue will be recognized in FY19. The Medical agreement's terms include \$25,000.00 when the doors open which if expected to be some time in FY20. Subsequent payments will be received quarterly starting in the 19th month after the first sale. A minimum payment of \$20,000.00 per quarter is a condition of the agreement but sales are expected to be much higher. The funds will be put into the town's General Fund and will be used to mitigate costs for education, police, etc. Recreation Sales are subject to a 3% Sales Tax and that revenue will be received six months after a State review of the calculation. The total revenue from Recreation Sales should be a minimum of \$40,000.00 per quarter. CommCan already has its license for both Medical & Recreation Marijuana Sales and the facility is being built on the westbound side of Route 109.

The Town of Millis is negotiating a Host Agreement with 617, for a Manufacturing, Growing & Cultivating facility. This facility is not subject to the 3% Sales Tax.

The Revenue Forecast presented did not include revenues from either agreement. Some attendees inquired why they were not included in the Optimistic Revenue Forecast. Attendees

were asked to convey to the Town Administrator and Finance Director what they believed should be included in the 5-year forecast.

New Revenue Split Policy Discussion:

Jim McCaffrey acknowledged the 65/35 split, School 65 % and Municipal 35%, of new revenue has served the town well over the past twenty plus years. However, with the nature of the town changing it may be worth the time and effort to research, discuss and possibly consider changing the split.

Steven Catalano stated the School Committee would not support any change for FY20 and suggested a committee should be formed to research split changes for FY21.

Loring Barnes suggested allocating a portion of the projected revenues toward Public Safety Departments: DPW, Police, Fire and Rescue who will shoulder the lion's share of services for senior developments. She noted that senior developments, such as Regency at Glen Ellen, do not put a strain on the schools.

Craig Schultze agrees a plan should be in place for FY21 and noted that when there is a decline in revenues/deficit the split remains the same; the school absorbs 65% and the municipal 35%.

Jodie Garzon agreed it made sense to review objective data thoroughly before considering a change to the split.

Jim McCaffrey asked a representative from the board and committees to contact the Town Administrator if they are interested in participating in the New Revenue Split Policy Committee.

Tri-Board Meeting Schedule:

The board and committees agreed to schedule another Tri-Board Meeting in early to mid-April when firmer numbers are received from the State.

Adjourn:

Catherine MacInnes made a motion to adjourn the Board of Selectmen Meeting at 9:42 PM; Loring Barnes seconded. Vote 3/0 motion carries unanimously.

Doug Riley made a motion to adjourn the Finance Committee Meeting at 9:42 PM; Jodie Garzon seconded. Vote: 9/0 motion carries unanimously.

Dennis Gibbons made a motion to adjourn the School Committee Meeting at 9:43 PM; Steven Catalano seconded. Vote: 4/0 motion carries.

Respectfully submitted,
Deirdre Gilmore