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2020-07-20

10:25 AM

Town of Chelmsford
Tri-Board Meeting Minutes
Chelmsford, MA 01824

TOWN OF CHELMSFORD

PATRICIA E. DZURIS

Virtual meeting via Zoom

TOWN CLERK

May 21, 2020

Board of Selectmen Attending:

Kenneth Lefebvre, Chairman
Patricia Wojtas, Vice Chairman
Virginia Crocker Timmins, Selectman
George Dixon, Selectman

Paul Cohen, Town Manager
John Sousa, Town Treasurer
Michael McCall, Asst. Town Manager
Darlene Lussier, Town Accountant

Not Present:

Emily Antul, Clerk

School Committee Attending:

Jeffrey Doherty
Donna Newcomb
Maria Santos
John Moses
Dennis King, Chairman

Dr. Jay Lang, Superintendent
Joanna Johnson-Collins, Business Director
Dr. Linda Hirsch, Asst. Superintendent

Finance Committee Attending:

James Clancy, Chairman
Katharine Duffet
Eric Chambers
Ameena Langford
David Gosselin, Sr.

Not Present:

Annita Tanini
Vicki Lynn Parks

JOINT MEETING OF THE BOARD OF SELECTMEN, SCHOOL COMMITTEE, AND FINANCE COMMITTEE

Pursuant to Governor Baker’s March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, Section 18, and the Governor’s March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the Town of Chelmsford Board of Selectmen, School Committee, and Finance Committee will be conducted via remote participation to the greatest extent possible. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting, members of the public who wish to watch the meeting may do so by accessing the Chelmsford Telemedia website www.chelmsfordtv.org. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings in real time, via technological means. In the event that we are unable to do so, despite best efforts, we will post on the

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Town's website an audio or video recording, transcript, or other comprehensive record of proceedings as soon as possible after the meeting.

Link to the Chelmsford Tri-Board Meeting presentation:

<https://www.townofchelmsford.us/DocumentCenter/View/11175/Tri-Board-Meeting>

Call to Order – Notification of Live Telecast

Open Session/Public Comment

No one came forward at this time.

Town Moderator Jon Kurland: Whether, where, and how to hold the Spring Annual Town Meeting on June 22, 2020

Town Moderator Jon Kurland explained that after a number of discussions, it was decided that a virtual meeting will not work for all Town Meeting Representatives, and a meeting could be held at the Chelmsford High School gym. People's temperatures could be taken prior to entering the meeting. Mr. Kurland will issue a declaration on Tuesday with the AG's office to announce the date, time and new location for the Spring Annual Town Meeting.

This will be announced to the public using all the usual methods.

Town Accountant Darlene Lussier: Status Report and Projections for the Completion of the Current Fiscal Year (FY20) Operating Budget

Mrs. Lussier reported that revenues remain stable, and fourth quarter revenues will be monitored. She expects to see some decline in meals tax and hotels tax revenues, as well as motor vehicle excise tax revenues. Over 94% of motor vehicle excise has been collected. This year, the commitment is expected to be slightly less than last year, and may be even less in FY22.

Meals tax revenues were up 15% before the COVID pandemic hit, a decrease is expected as restaurants are only able to serve take-out. Hotel tax revenue will be much lower than last year, as hotels are shut down due to the pandemic.

Building permits were strong, but there are no large projects expected in the near future. People are doing small projects; therefore income from Permits will remain flat.

The Board of Health licensing income has increased due to new restaurants opening up, and because the fee structure was increased.

Overall fees from Fire Inspections decreased by 50%, mostly due to the elimination of fire boxes, which have been changed to fiber optic lines. This procedure is being reviewed.

Property tax collection is stable. Most of the revenue will be recognized by the end of the fiscal year. Future tax collection may be impacted due to recent unemployment, and a resulting increase in tax title takings.

The year will end without a deficit, and with a lower number for Free Cash.

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Expenditures were at 87% of budgeted through April. A mild winter created a surplus in the Snow and Ice Removal Account of \$688,000.00.

Mrs. Lussier is watching employee benefit costs, and expects more unemployment claims. Workers Compensation and Employee Injury claims are both higher than normal, and their costs were higher than expected.

Budget adjustments for Spring Town Meeting were summarized:

- The IT Department experienced increased costs due to telephone lines being moved to their jurisdiction. New software program costs were also moved over to them, for an adjustment of \$20,000.00.
- The Police Department hired six new officers, primarily filling vacancies due to attrition and completing lengthy hiring/training processes that were initiated in previous fiscal year(s). Recruiting costs, equipment, and training costs are \$65,000.00, as well as an \$8,000.00 in gas pump upgrades, software, and equipment.
- The Fire Department equipment and software upgrades will cost an additional \$107,000.00.
- Public Facilities personnel costs, longevity costs, longer work hours will cost \$13,650. Other building costs will add \$140,000.00 to that budget.
- Solid waste will cost an additional \$30,000.00 due to extra collection volume.
- The Parks Department will cost an extra \$4,000.00 due to longer hours and office space build out.
- Some costs for Special Funds will be recouped through FEMA grants, such as Meals on Wheels and the school food programs.

Revolving funds were summarized. Some School Department costs and processing items were described.

Reserved-for-Appropriations accounts were listed. These are mostly in the Sewer Department, and are traditionally addressed at Town Meeting.

Other revenue accounts were listed.

Revised Revenue Estimates for the Fiscal Year 2021 Operating Budget

Mr. Cohen explained that the state budget process is very uncertain, and will most likely make use of temporary budgets. He has not heard whether the Federal Government will send any aid to municipalities. The economic impact of the COVID-19 virus will impact the Town's budget for the next year, at a minimum. Forecasts are severe.

Property tax implications described, and new growth will slow down as construction slows down. Motor vehicle sales will decline, hotels are closed, and restaurants are serving less.

If there a resurgence of the virus, all activities will be impacted again, possibly including Fall Town Meeting.

Mr. Cohen anticipates that property tax revenue will decrease by \$100,000. State aid is expected to decrease by 20%, resulting in a \$3.7 million reduction. Chapter 70, and Unrestricted General Government Aid (loss of lottery sales) will also decrease.

Mr. Cohen explained that 2/3 of the Operations Budget is allotted to the Public Schools. The remainder goes toward Public Safety and Public Works. Mr. Cohen anticipates taxing to the levy limit to prevent further impacts to the community. Other town operations are already at minimal staffing limits.

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Next year's budget will decrease by \$3 million, however, taxes will still increase as other revenue sources decrease.

Available funds will have a reduction of \$83,000.00. The last phase of the Storm Water operation plan will be delayed, which will also save residents and businesses some money because there will not be an increase in assessments.

Decreases in Local Receipts, Motor Vehicle Excise, Meals & Hotels Taxes, Interest and Fees, Permits, Investment interest will result in an estimated \$1.89 million decrease in the Town's budget.

Finance Director John Sousa described the depreciation schedule for motor vehicles, as it related to excise tax rates. The formula is not set by the Town. Commitments are decreasing, and changes come throughout the year as people buy and sell cars. Mr. Sousa expects impacts to go into the next fiscal year.

Mr. Cohen anticipates an overall revenue decline of about \$5.8 million, or 4%, assuming no stimulus or other aid or relief is received.

Guidance for preparing Revised Fiscal Year 2021 Operating Budget Expenditures

Mr. Cohen's goal is to preserve services over the next two years. To do this will likely require use of the Town's Stabilization Fund, as this is what it was created for.

The proposal to balance this year's Operating Budget is to take \$2 million from the Stabilization Fund, and reduce the OPEB contribution from \$1.5 million back to \$1 million. Mr. Cohen expects a health insurance credit of \$500,000.00 due to less expenditures, similar to auto and dental premiums that are being refunded. Employees would receive a premium holiday, meaning there would be a pay check where employees would not have to pay their customary health insurance costs.

There will be no revenue put into the Property Tax Abatements Fund, and it is expected that Non-Excluded Debt Service will be reduced by \$100,000.00, as several bonds are paid off.

Mr. Sousa explained there is \$11.3 million in the Town's Stabilization Fund now. Free Cash can be used to replenish some of the \$2 million proposed withdrawal.

Mr. Cohen summarized that there will be a \$1.3 million budget reduction on the school side, and a \$1 million reduction on the General Government side.

Collective Bargaining agreements are still pending. Retroactive costs will also cause budget impacts. Presentations to the Finance Committee will still be held.

Selectman Dixon asked if legal fees were still within budget. He was advised that the annual amount of \$195,000.00 has not been fully expended, and the annual amount hasn't changed in years.

Eric Chambers requested more detail on the nature of the reductions. Mr. Cohen advised that the School Department has not decided what their portion will cover.

School Superintendent Dr. Jay Lang explained that meetings are ongoing. The reductions will be determined, and some will still need to be financed. He believes estimates are reasonable, based on 2008 actions. The state is still trying to figure out their budgets. He is working through time limits for

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contractual obligations, and he is working on a staffing model for the fall. He will continue to discuss changes with the School Committee. At this time, it is unknown when schools can reopen.

The Nashoba Technical High School budget is not controlled by the Town. They do not know what their impacts are yet. The Town has to wait and see.

Jim Clancy requested the status of other department reductions. Mr. Cohen reported that he has requested 5% reductions from all department heads. Some departments can't meet this, such as the Accounting Department, due to the nature of their costs. Overtime budgets, and snow and ice budgets may be easier to adjust. The plan is to rely on reserve funds to backfill expenses if needed.

Mrs. Duffet asked how the school bus contract would be adjusted now that children aren't in school, and whether utility costs decreased as the buildings were not occupied. Dr. Lang advised those areas are being reviewed, and he did expect some transportation cost savings. Dr. Lang also expects some cost increases due to facility upkeep and other accommodations, such as increased cleaning costs. There will not be much savings on heating costs due to the season. There may be minimal facilities utilities savings, as custodial staff are still in buildings.

Fiscal Year 2021 Revised Capital Expenditure Plan

Finance Director John Sousa described the budgeting and procurement process for capital projects. Most work for the school projects is done during the summer. Because Town Meeting has been delayed, it also means the projects cannot be done this summer.

Sidewalk construction, the library carpet replacement, and other road construction will be deferred. Security related items and some facility improvements will continue to be pursued.

The school kitchen upgrades will be delayed, vehicles will not be purchased, and the McCarthy auditorium work will not be done.

These actions will reduce required borrowing to \$1.34 million, which will allow some of the more critical projects to be completed.

Mrs. Newcomb asked whether the existing school kitchens were safe to utilize, based on the code compliance issues. Specific concern was raised about the proposed elimination of Capital Budget Line 15 "School – Parker Kitchen Code Compliance." Dr. Lang agreed to follow up with her, and to review bringing the Parker kitchen back up to code in the current budget plan.

Other Financial Articles on the Spring Annual Town Meeting Warrant

Mr. Cohen read the list of Articles planned for Spring Town Meeting into the record, and briefly described the Articles. There will be nine articles placed on a Consent Agenda, and it is hoped to have Town Meeting completed in one night.

Special Town Meeting to Appropriate Funds for the Recent Repair of the Southwell Sewer Main Break

Mr. Cohen explained this is a one Article warrant needed to approve funding of \$700,000.00 to be paid from the Sewer Enterprise Fund.

Schedule to the Spring Annual Town Meeting

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Scheduled meeting dates were presented for three Finance Committee and two Board of Selectmen meetings. This year, there will not be the traditional Pre-Town Meeting Session, but there will be a recorded session that people can watch from home.

Concluding Remarks

Mr. Cohen advised that economic impacts from the COVID-19 pandemic will present a multi-year economic challenge. There will be loss of revenue for FY2021 and FY22. The Town has received no word about any Federal or State assistance.

Mr. Sousa reported that the Middlesex Retirement Actuarial Review was recently completed for January, 2020. The assumed rate of return on investment is being lowered by .2% to 7.3 %, and assessments are expected to increase by 6.5%, or \$650,000.00. The Funding Schedule will be extended by two more years to 2037.

Solid Waste disposal costs will increase by \$200,000.00 this fiscal year.

Many other things are changing.

The goal continues to be keeping the tax levy increases consistent as a way to avoid spikes in bills.

Mr. Cohen expects to have a balanced budget ready for presentation by next Thursday, so the Finance Committee and Board of Selectmen can review and approve their recommendations in time for Town Meeting.

Adjournment

Motion: by Selectman Wojtas to adjourn the meeting at 8:55PM. Seconded by Selectman Dixon.
Motion carries, unanimous, 14-0.

Respectfully Submitted,

Vivian W. Merrill
Recording Secretary

Supporting Documents:

-Town Meeting Presentation and supporting budget documents