



## **Finance Committee** **Meeting Minutes** **March 2, 2022**

*The regular meeting was called to order at approximately 6:00PM by Acting Chair Stefanie Coxe. Roll call of Finance Committee members present: Stefanie Coxe-Y, Nathan Ladley-Y, Jack Moylan-Y, George Perkins-Y, and Robert Ciavarra-Y. Absent was Brian Gardiner. Also attending: Town Administrator Robert Whritenour and Assistant Town Administrator William Scott.*

William Scott, Assistant Town Administrator, read the advisory as required by Massachusetts General Laws, Chapter 30, Section 18-25, and pursuant to Chapter 20 of the Acts of 2021, an Act relative to extending certain COVID-19 measures adopted during the State of Emergency, consistent with Governor Baker's March 12, 2021 executive order and as amended and signed into law on June 16, 2021 extending Open Meeting Law provisions to April 1, 2022, and the public was welcome to attend the meeting either in person or via the alternative public access. The notice was posted and the Zoom link was provided as well.

### **1. Review Finance Committee Report**

Assistant Town Administrator Scott reviewed the narrative of the Finance Committee report that supported the committee's review and position on the budget.

Discussion ensued with regard to the staffing shortage. The suggestion was made to explore the possibility of partnering with the vocational school to apprentice students to use their skills for entry level positions that do not require certification in the departments of mechanics, town waste, golf and beaches.

**MOTION: To accept the budget with changes to overtime for the Fire Department and the position of the Conservation Commission as previously voted and inclusive of exploring an apprenticeship program as discussed above.**

**Motion by: Jack Moylan**

**Seconded by: Nathan Ladley**

**Roll Call Vote: Stefanie Coxe-Y, Robert Ciavarra-Y, Jack Moylan-Y, George Perkins-Y and Nathan Ladley-Y.**

**5 ayes; 0 nays. The motion passed unanimously.**

### **2. Review of Draft Warrant Articles**

Assistant Town Administrator Scott reviewed the latest draft of warrant articles.

Town Administrator Whritenour stated that as a result of the Board of Selectmen's discussion on goal setting, capital items that were removed from the budget during the pandemic were revisited. Roadway improvements that were financed by Free Cash were returned to the levy. The original override was voted in 2013 at \$1.1M, and that amount removed from the levy and funded through Free Cash was returned to the levy. The \$1.1M was increased each year to \$1.3M. Chair Coxe noted that providing background information to the committee would enable the committee to better explain this article to the voters.

Mr. Whritenour stated that this was an extraordinary year for state aid to the schools. Although he did not think that level of progress of aid would continue next year, the \$2.5M base floor would be retained. He is committed to approach municipal budgeting as conservatively as possible and keep overall growth down and reserve funds.

Discussion ensued on the \$3.7M debt service for the water main on Route 6A. Mr. Whritenour stated that the borrowing is a general obligation bond in order to ensure the optimum interest rate. However, it is programmed to be repaid 100% from the special revenue fund in the water treatment enterprise fund. The bond structure itself is not considered as a revenue bond. The Town's bond rating of AA+ by virtue binds the rates allowed to borrow at the lowest possible rates. Although the security is based solely on the revenue from the water district, if there was insufficient revenue to repay, the Town itself would be obligated for full payback. Even though interest rates are rising, municipal borrowing rates are historically low.

Mr. Whritenour also noted that the Police Department, in consideration of budget restraints, has agreed to keep police cruisers on the road one more year than usual before trade-in at four years instead of the typical three. Chair Coxe appreciated this feedback recognizing the spirit of departmental teamwork.

Mr. Whritenour stated that, at the Department of Revenue's recommendation, a revolving fund was set up to handle programming for Parks and Recreation. Checks and balances are put in place to ensure charges and program costs match, and at any remaining funds over \$10K at the end of the fiscal year are returned to the general fund.

Discussion ensued on the article addressing the short-term rental costs. Mr. Whritenour stated that the first year the tax legislation was passed, short-term rental costs and room taxes were not separated, and now they are separated. The warrant article appropriates 75% of short-term rental revenues to a stabilization fund for the wastewater treatment program. In answer to Chair Coxe's question why 75% and not 100% is designated, Mr. Whritenour stated that the fund was established to provide a cushion to the general fund budget to meet local service needs and to avoid an override of Proposition 2.5. The debt service strategy is to entirely fund Phase 1 of five phases to include the entire treatment plant with no contribution from the general fund. Phase 2 will be substantially less with the treatment plant having been fully funded and the burden taken off of the residential taxpayer.

Discussion ensued on the taxpayer's historical view of wastewater as optional. Wastewater indeed is not optional from an economical and environmental viewpoint. For the first phase the message is the Town has taken visitors' dollars as new revenue and appropriated monies to the wastewater project. Mr. Whritenour stated that the infusion of these monies helps to diversify the overall revenue mix and provide relief to the taxpayer. While he was committed to driving the project forward, he is doing so in light of maintaining a healthy ecosystem around general services. He also stated that the residential factor section of the state assessment law allows for a separate tax rate for season and year-round residences. Chair Coxe stated that this may be an option to consider.

Chair Coxe suggested a possible increase in the 75% to 80-85%. This will be an item for further discussion before the warrant is closed. Mr. Whritenour suggested including discussion with the Board of Selectmen on expressing divergent approaches.

Discussion ensued on Article 19 to amend tourism revenue preservation fund to exclude short-term rentals, and Article 20 to appropriate tourism revenue preservation fund. On the latter Mr. Whritenour stated that advice of Town Counsel stated that under the Act funding individual project categories includes special events, marketing, public improvements, etc. This amount including the proportionate share of short-term rental revenues boosted the fund from \$450K to \$567K. With the removal of short-term rentals into that fund it would like revert to its original \$450K. However, with a recent increase in room tax collections, the fund amount may likely go to \$500K+ range. Chair Coxe noted that if the hotel/motel collections continue to look good, the fund

for economic development could potentially be set at a higher amount. It may be worthwhile to revisit the amount of percentage going to economic development. Mr. Whritenour stated that the Town has received a commitment from the CDC for significant economic development work for the Town. The breakdown of funds reflects the standard amounts for the different categories.

Assistant Town Administrator Scott stated that the Joint Meeting with the Board of Selectmen is a hybrid public hearing scheduled for March 15th. The Capital Improvement Committee will present its FY23 plan, the Finance Committee and Board of Selectmen on the annual budget followed by the DY Regional Schools presentation. He will provide PowerPoint template for the meeting to the Committee. Mr. Whritenour will present an overall revenue overview.

### **3. Old Business**

Assistant Town Administrator Scott reported that the remaining Finance Committee meetings will be posted online in the next week. Minutes will be transcribed from the recordings thereafter.

### **4. New Business**

Mr. Scott presented budget transfers from collective bargaining to the tree program in the amount of \$24,100; and from various accounts to channel 18 in the amount of \$45,924. Discussion ensued. Mr. Whritenour stated that these transfers to the cable funds will not be necessary in the future. Remaining funds in inactive warrant accounts are used in these transfers that would otherwise be returned to the general fund. Chair Coxe suggested that funds for wastewater be returned to that fund.

**MOTION: To approve the transfers as presented.**

**Motion by: George Perkins Seconded by: Nathan Ladley**

**Roll Call Vote: Stefanie Coxe-N, Robert Ciavarras-Y, Jack Moylan-Y, George Perkins-Y and Nathan Ladley-Y.**

**4 ayes; 1 nays. The motion passed 4-0-1.**

### **5. Adjournment**

**MOTION: To adjourn.**

**Motion by: Jack Moylan Seconded by: Nathan Ladley**

**Roll Call Vote: Stefanie Coxe-Y, Jack Moylan-Y, Robert Ciavarras-Y, George Perkins-Y and Nathan Ladley-Y.**

**5 ayes; 0 nays. The motion passed unanimously.**

**Meeting adjourned at 7:50PM.**

Respectfully Submitted,

Christine Martin Barraford

*Attachments:*

Annual Town Meeting Draft Warrant Articles  
Draft Finance Committee Report  
Fund Transfers