

**TOWN OF WINCHESTER
JOINT MEETING MINUTES
BOARD OF SELECTMEN / FINANCE COMMITTEE / SCHOOL COMMITTEE
THURSDAY, MAY 28, 2020 6:30 P.M.**

-- Conducted by Remote Meeting –
Zoom Meeting ID: 962 8928 1040

Board of Selectmen

Present:

Audrey LaBrie, Chairwoman
Barbara Anderson, Vice-Chairman
Amy Salter
Michael Barbaro
Rick Ward

Keith R. Hickey, Town Manager
Joanne Goguen, Town Accountant
Linda Daigle, Executive Assistant
Taylor Tower, Executive Assistant

School Committee

Present:

Larry Murphy, Vice-Chairman
Felicia Nurmsen
Roanne Demanche
Pam Smith

Joan Landers, Superintendent
Anne Mahan, Business Manager
Carolyn Hendricks, Executive Assistant

Absent:

Greg Vine, Chairman

Finance Committee

Present:

Tom Kane Jr., Chairman
Maureen Ward
Philip Levine

Douglas Delay
Charles Corts

Absent:

Keith Kent
David Alexander

List of Documents Presented at Meeting:

- Introduction to Remote Meeting (filed)
- Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §20 (filed)
- Town Manager's Memo dated May 28, 2020 Regarding Closing the FY20 Budget, Implementing a Temporary FY'21 Budget and Changes to the Annual Town Meeting Date (attached)
- An Act to Address Challenges Faced by Municipalities and State Authorities Resulting From COVID-19 (attached)
- General Fund and Transfer Station FY'21 Proposed 1/12 Budget for the Months July – September 2020 (Attached)
- Executive Office for Administration and Finance Memo dated May 14, 2020 Regarding Federal Coronavirus Relief Fund (filed)

Due to Governor Bakers recent Executive Order and state of emergency declaration with the outbreak of the Coronavirus (COVID-19), this Tri-Board meeting was conducted remotely through Zoom Meeting. The public was notified how to join the meeting through instructions noted on the agenda.

Finance Committee Chairman Tom Kane called the Finance Committee Meeting to order at 6:30 p.m. and read the Remote Meeting Introduction.

Board of Selectmen Chair Audrey LaBrie called the Board of Selectmen meeting to order at 6:36 p.m. and noted the attendance of staff members including Town Manager, Keith Hickey, Linda Daigle, Executive Assistant, Taylor Tower, Administrative Assistant and Joanne Goguen, Town Accountant.

School Committee Chair Roanne Demanche called the School Committee meeting to order at 6:36 p.m.

All stood for the Pledge of Allegiance to the Flag of the United States.

Kane expressed that the focus of the meeting should be to formulate a strategy to implement in closing out the FY'20 budget that is favorable as possible to the Town. He would also like to see an explanation into how the FY'21 budget will be implemented on a temporary basis. He noted that the Annual Town Meeting has been postponed to an unknown date, likely in the late summer, and that the question for our town and all towns is how the state budget will end up. The Town can anticipate that there will be significant deductions in the state budget and the cherry sheets initially presented in February; however, we are not yet aware the degree to which the budget will be cut in Winchendon.

1. NEW BUSINESS:

1.1 Strategies to Implement in Closing Out the FY20 Budget – Kane asked Mr. Hickey to introduce and review the memorandum that he had put together in terms of strategy to close out the FY'20 budget. Hickey addressed the boards and explained that in the past several weeks, he had been working with the School Superintendent and other towns in an effort to source opportunities to save money, open up free cash and provide additional funding sources to meet the funding needs of FY'21. He reminded the boards of the mandatory spending freeze that he had implemented on April 8th and noted that a lack of turnover within the Town has been helpful in terms of savings. There were also some savings in appropriations across the budget. In his memorandum dated May 28th, Hickey had highlighted areas of savings that he sees within the FY'20 budget and he noted specifically that much of the savings came from school transportation. The school had gone out to bid and awarded a contract for transportation to start during the school year of FY'21; this contractor is a new one and the contract for the school bus company currently has expired. Hickey and Landers, the School Superintendent, had met with the town counsel to discuss the current contract and came to the conclusion that they cannot spend funds on municipal services that were not provided. As such, the bus company was notified that as of the school closure in March, the Town would no longer be liable to pay for transportation services.

Larry Murphy of the School Committee joined the meeting at 6:42 p.m.

Hickey continued to explain that the School Department had conversations with the special education bus company, who will be continuing their contract at the beginning of the new fiscal year. There is currently draft legislation that provides schools and towns more flexibility with the decision whether to pay bus companies for months they were not in service due to the COVID-19 shutdown. He indicated his belief that the Town does not have the authority to pay the bus company anything and he would be surprised if the legislation was approved. There may need to be a negotiation with the special education bus company to pay something toward their cost in an effort to maintain a working relationship with them and continue to utilize their services in September. He informed the boards that the memorandum

presented to them includes a current and accurate balance of \$76,515 in the in-town transportation funds. Many transfers were funded through line item transfers and that is the remaining amount.

Hickey continued to highlight important areas of the memorandum and noted that he has made cuts in assigned capital in the amount of \$11,560 and that depending on how drastic budget cuts will need to be, an amount of \$244,006 could be cut from capital expenses. He stated there is currently \$687,680 available in free cash; when combined with the capital expense cuts and the amount saved in transportation and unexpended budgets; the amount totals \$1,314,221 that could be applied to whatever budget deficit may arise as a result of budget cuts. Hickey had a conversation with Senator Gobi who indicated that the special deficit legislation submitted to request Winchendon to have access to the supplemental reserve seems to be going well; she expects it will be amended in our favor in the coming weeks to allow us to utilize if we so choose. The stabilization balance is at \$1,400,000 but Hickey expressed he has no desire to touch that money if at all possible, although it is a good resource to have if budget cuts are significant. Any use of stabilization funds would be required to go before the Board of Selectmen and the voters of the Town. Hickey stated that numbers will likely not be available from the state until late summer, which leaves the Town in limbo in the meantime. State legislation is allowing communities to present 1/12 budget for Board of Selectmen consideration, and this budget will be presented for approval at the June 1st Board of Selectmen meeting. Upon approval of this budget, it will be forwarded to the Department of Revenue for their consideration. Any approved budget will entail month-to-month spending until a Town Meeting is held and an annual budget is approved by voters.

Maureen Ward thanked Mr. Hickey for his clear and well-put-together presentation. She asked to whom the new transportation contract was awarded, to which Joan Landers answered North Reading Transportation was the winner of the bid award.

Kane asked Mr. Hickey if the outline identifying resources could be used to mitigate cuts in the budget for next year, as he has heard that the impact at the state level is likely to be played out over the next four to five weeks. He wondered if a discussion will be held as to what strategy will be used to maintain free cash stabilization and to recognize cuts to be made in the budget currently proposed for FY'21. Hickey answered that there had been no specific discussion at the Selectmen level on how to best address reductions in the state budget moving forward. State emergency legislation is allowing communities to utilize the budget shortfall, although Hickey expressed he would hope to avoid that if at all possible. The amount of free cash available has been built over the past two to three years as a result of fiscal prudence and Hickey would prefer to not use it. He said a balance will have to be defined as to how many cuts the community can sustain while still providing services and whether the community is willing to amortize the budget cuts over 2021. Until a clearer sense is given as to the gap between expected funding and what is actually received, any budgeting is speculative and an educated guess.

Hickey expects \$220,000 to be available in free cash as conservation and he plans to amortize the budgetary shortfall in FY'21. Kane stated that any shortfall will be due to the coronavirus. Hickey said that one area the Town is behind in terms of major line items is employee health insurance. He anticipates it will be short about \$100,000 but there are surpluses in other areas that will cover the gap. He plans to transfer money from transportation to employee health insurance which would leave \$76,000 in town transportation after the transfer.

Hickey announced that his office was notified that the Town will receive \$962,000 in funding to reimburse unanticipated COVID-related expenses. Unfortunately, this funding cannot be used to

supplement the budget and it cannot be used to purchase extra items for the FY'21 budget, but it can be used for expenses thus far in FY'20. This funding has been used to purchase machines to clean and disinfect the air in school and Town buildings. The Town is also seeking to improve technology in the school and the town to better distance learning and working outside of the buildings in the case that there is another pandemic similar to this. Hickey explained that this funding is available for any expenses occurring after March 12th and before December 31st. He has directed his department heads to craft a list of "want items", i.e. items deemed necessary that meet the criteria established by the funding source. This list will be presented to the Board of Selectmen for consideration. This funding will help the Town to balance the FY'20 budget and address any need there may be for COVID-related items in the FY'21 budget. This funding is greatly appreciated and will provide much assistance to the Town and the schools.

Barbaro expressed concern that as we move closer to the school opening, he stated it is not a question of if but a question of when the pandemic comes back up, is there an ability to purchase more Chromebooks and hotspots to provide access to those who don't have internet? Hickey answered that the grant funds allow the purchase of Chromebooks, iPads, hotspots and whatever the technology that the school department feels is most effective to educate children in the case of a pandemic. Landers added that the school district is eligible for \$292,000 in funding in addition to the CARE act. Kane clarified that this additional funding carries the same restrictions as the CARE act. Maureen Ward asked Mr. Hickey if this funding will be used for plexiglass dividers; to which Hickey answered yes, these products have been ordered and will be installed sometime next week at the Town Hall, library and schools. The Governor has issued a checklist to reopen Town Halls safely and all work will be done in compliance with said guidelines.

1.2 Changes to the Annual Town Meeting Date – Hickey reminded the boards that Town Meeting has been indefinitely postponed and that he does not expect to be able to reschedule until late August or September, based on the state budget projections. He said that this is an interesting time to craft and bring forward a budget and he and his team have done so to the best of their abilities. Emergency legislature approved by the state dictates that while Town Election must be held before June 30th, Annual Town Meeting does not, and that a 1/12 budget can be devised in the interim. This allows the Town to expend funds on a month-to-month basis.

1.3 Implementing a Temporary FY21 Budget – Hickey informed the boards that he has been working with the Town Accountant, Joanne Goguen to draft a month-by-month budget for July, August and September. This budget has been calculated using the approved FY'20 budget while making changes to accommodate for one-time expenditures that are exempt, such as pre-payment to the Worcester County Retirement to receive discounts, and property liability insurance with MIIA on which the Town receives credits. Legislature has approved these expenditures to be consistent with emergency appropriation. Hickey noted that this draft FY'21 1/12 budget is scheduled to be presented to the Board of Selectmen for approval on June 1st. If any changes are proposed, this budget will be revised and brought back before the Board on their June 8th meeting. Upon Board approval, the budget will be submitted to the Massachusetts Department of Revenue for review and hopefully, approval. This budget is a bare bones budget that only allows for essential spending and does not allow for capital spending. Murphy asked Hickey and Landry how this budget will impact employees within bargaining units, specifically, if layoffs need to occur, how it will affect Town and school employees. Murphy noted that teachers need to be informed before June 15th if their position will be eliminated. Hickey answered that there are no deadline requirements for notification of layoffs on the Town side, although he could not speak to the school requirements. Hickey explained that new legislation mandates that contracts agreed

upon and currently in effect are entitled to their step raises and cost of living increases. Hickey met with the five Town bargaining units and asked if they would be willing to forgo their increases in order to help balance the budget. Three of the five units were not willing and are entitled to their increases. Hickey and the Department Heads unanimously agreed to forfeit their raises. Maureen Ward asked Hickey if he had given thought to the possibility of a 15% reduction and if it would require personnel cuts, as opposed to a 25% reduction which would mandate personnel cuts. Hickey answered he is hesitant to discuss personnel matters at such length, as he is concerned it will concern and worry employees. He said there will be significant discussion with the boards in the future to discuss budget priorities.

Kane addressed Murphy's prior question regarding personnel and notification deadlines; he said he would hope to give sufficient notice to teachers if there is a chance that they will not be rehired.

Landers informed the boards that she will be speaking with legal counsel the following day. She continued to say that she is investigating other avenues in which the school could save money. She spoke with the Narragansett school district and discussed the option of sharing transportation on cooperative sports. She is also investigating the potential of funding a shared social worker due to the current emotional climate.

1.4 Planning for a Reduced FY21 Budget – Delay inquired about the 1/12 budget and was curious to know if it includes capital expenses. Hickey replied that it is 1/12 of the approved FY'20 budget and only appropriated money is allowed to be spent in July, August and September. He anticipates an extremely conservative budget in the hopes that it may provide flexibility moving forward.

2 MEMBER COMMENTS:

Maureen Ward thanked Mr. Hickey for his presentation and said it was well done. Hickey thanked Ward but expressed that Goguen had put together the budget spreadsheets and deserved the accolades.

3 PUBLIC COMMENTS:

There were no public comments heard this evening.

4 ADJOURNMENT:

Moe Ward moved to adjourn the Finance Committee; Charles Corts seconded. By roll call vote of all aye, the Finance Committee adjourned at 7:25 p.m.

Mike Barbaro moved to adjourn the Board of Selectmen; Rick Ward seconded. By roll call vote of all aye, the Board of Selectmen adjourned at 7:25 p.m.

Felicia Nurmsen moved to adjourn the School Committee; Roanne Demanche seconded. By roll call vote of all aye, the School Committee adjourned at 7:26 p.m.

Respectfully Submitted,

Taylor C. Tower

Taylor Tower
Administrative Assistant