

Foxborough Advisory Committee

Wednesday, April 29th, 2020

In attendance:

Bernard Dumont, Seth Ferguson, Thom Freeman, Jr., Jack Martin, Larry Ooi, Dennis Keefe, Paul Ivanovskis, Dan Peterson,

MINUTES

7:07PM - Meeting called to order by Seth Ferguson

2021 Revenue Projections

The meeting began with Bill Keegan announcing that the town is looking to the State to 're-open' @ June 1st. By any expectations, it will not be a robust economy for a while. Meanwhile, Foxborough is in a good position; we have established enough in reserves to earn a AAA rating by Bond agencies.

- 1) **Tax Levy** – New Growth was running at @ \$950K rate, now it is looking more like \$650K using an 8-year average progression. Items that will not be starting as expected: The Wall Street Apartments project has requested a 1-year extension; the Old Fire House sale is under appeal.

Seth F – Can prior year levy limits come down?

Bill K – It is staying at prior year + 2.5%. The new growth factor is an Assessors function which establishes the tax base.

- 2) **State Aid** – the final numbers are 'anyone's guess'; we're estimating it at -10% which equates to @ \$1.3M... but that is being aggressive. There's reason to believe it will not be level funded; money will be cut, but anything bigger than our estimate could actually bankrupt some towns.

Dennis K - Where does the Lottery fit in?

Bill K – Lottery revenues are part of the overall calculations. It will be based on money collected in 2021.

- 3) **Local Receipts** – As of March 31st, Foxborough has collected 84% of the \$11.3M assessed. These numbers are very good due to the fact that many residents who are paying mortgages are having their taxes escrowed.

Larry O – What was the Revenue for 2020?

Bill K - \$10.3M

Jack M – How does the accounting work for the delayed May quarterly payment.

Bill K – The state authorized the towns to delay the current payment without penalty at their discretion. Any more than a month and then the next scheduled payment would be approaching in another 6+ weeks.

- 4) **Free Cash** – Free Cash is actually up @\$58K. The Ambulance Fund is up \$250K; runs are 31 ahead of the previous year. Using the revenue figures from existing accounts, it is showing higher revenue than expected.

2021 Expenditures

- 1) New positions across 3 departments have been trimmed yielding a drop of \$244,883. Administration cut to what the town can afford to run the government

George S – There has been \$1.75M cut (\$.8M from Capital) from the original proposed budget.

- 2) Snow & Ice – This item is down \$96K. (2020 was \$250K). The overlay is @ \$1.1M
- 3) OPEB has been cut by \$1M / Roads has been cut by \$134. This is in response to the unknown drop expected in Meals Tax revenues.

This leaves the town with a budget that increases by only 1.23%. Bill Keegan stated that he was comfortable with the +3% increase in the School budget. The Fixed Costs are up 3.10% bringing the total budget increase to 2.99%. The CIP has been cut by \$875,568. This will result in less Free Cash usage and no overlay surplus. The town will hold off on backfilling any positions – these will be on a case-by-case basis. The town will still have money at the end of FY2020.

Thom F – Will we be able to get a run-rate of expenses through 4/30/2020?

Bill K – That might not be easy as it is a moving target; we may not really know until Town Meeting. As it pertains to the schools, Bill Yukna has said that ‘no one knows’ what will come from State obligations.

Dennis K – Assuming no surprises, should we be worried about State Aid?

Bill K – a 14% reduction seems to be a safe estimate. The Feds may still come through with an aid package for cities and towns.

George S – There were 200 cities and towns on a conference call this week. Many towns are on ‘the under’ and in terror at even level funding. Foxborough is in a good position even with a 14% drop.

Bill K – Dennis, what is it that gives you pause?

Dennis K – I fear that no good deed goes unpunished. (Seth concurred)

Larry O – I know it is challenging, and I feel the pain, but I am concerned that you are not being conservative with the local receipts estimates.

Jack M – Can we see the school department again?

Bill K – To ask the department themselves? They look at the whole entity.

Seth F – It may be summaries; 2020 is what we are considering now. I fear it may be more expensive later.

Jack M – I think the school department has questions as to how to spread students out next year. Since we aren’t in the department, it creates questions.

Seth F – Accommodations may cost more money in the fall. Any savings we realize in 2020 may be an anomaly.

Dennis K – What happens if there are unexpended funds this spring?

Bill K – Any unspent funds go back to Free Cash; the School Department does not hold onto it.

Thom F - Are there any opportunities to make accelerated payments in FY2020? Any items/services that might be cheaper now as businesses are trying to stay afloat?

Bill K – The Administration is morally, ethically, and legally bound to look for ways to save taxpayer dollars, and yes, we are looking.

Larry O – Is the town getting any insurance discounts?

Bill K – The town is already getting some breaks; we are waiting on the State Insurance Commission to authorize any further credits.

8:40PM – Warrant Article #6

Article #6 (\$100K to Stabilization Fund) has been removed from the Town Meeting Warrant by BOS. Bill Keegan voiced that he was not in favor at this time. The State has halted food and hotel taxes until August which dampens the revenue projections. It can be added to the Special Town Meeting Warrant in the fall, when we have a better understanding of the town's financial position.

8:45PM – Warrant Article #10 (formerly #11)

This article proposes the Town exchange ownership of 2 foreclosed properties to result in a small parking lot for downtown and a new duplex.

Paul I – will this free the town of liability on both properties?

Thom F – Will this result in adding a property to the tax rolls as well as increase surrounding property values?

Bill K – This would be a Housing Authority property which does not pay taxes.

Jack M – Will there be protections against the parking area being taken over by neighbors?

Paul I – Has the money already been appropriated?

Bill K – This will be a condition for the developer of the Fire Station property to clear and pave the area.

9:05PM – Committee Discussion

Seth reminded all that Animal Control would be on the Agenda for the next meeting. The committee will address revolving accounts. Warrant Article assignments will go out this week; watch for Revisions of the Town Meeting docs.

Bernard D – Regarding the non-payment to OPEB, will it dd one more year to Foxborough’s schedule? How far off will it put the projections?

Bill K – It could take more than a year to recoup; the town could choose to pay make-up payments over the next few years to catch up.

Dennis K – This is the strength of the town. Few towns have the flexibility in their budget to help this year under these extreme circumstances.

Bill K – The S&P AAA rating gave credit for such foresight.

9:00PM - Adjournment

Seth F – made the motion for Adjournment

Jack M - 2nd

Vote: 8 – 0 – 0

Minutes approved by Vote of the Advisory Committee.

Date of Meeting: 29 April 2020

Vote:

Signature of Chairperson

Signature of Vice Chairperson