



**Wednesday Oct 14, 2020**

**IN ATTENDANCE:**

Larry B. Ooi, Chairman; Bernard G. Dumont, Vice Chairman; John T. Mahoney; Daniel Peterson; Sharon E. Weiskerger; Paul Ivanovskis; Brian K. Guild; Thom H. Freeman; John Martin; Dennis D. Keefe, Jack Kerzner, Sharon Weiskerger  
Bill Keegan, Town Manager  
Frank Spillane, Town of Foxborough Moderator & Appointing Authority for AdCom  
George Samia, Town Finance Director  
Marie Almodovar, Director of Accounting  
Stephanie McGowan, Board of Selectmen Clerk

**MEETING MINUTES**

**7:00 PM - Meeting called to order by Larry Ooi**

- Larry welcomed Jack Kershner and John Mahoney to AdCom.
- Approval of prior meeting minutes – Jun 24, 2020; Vote 9-0-2.

**7:05 PM – AdCom Orientation - Frank Spillane, Town Moderator**

- Frank Spillane, Moderator in Town of Foxborough and Appointing Authority for AdCom; Summarized AdCom responsibilities and tasks at beginning of each fiscal year (FY).
- Chapter 5 of Code of Town of Foxborough = AdCom responsibilities and other statutory areas within State Law:
  - Reserve Fund Transfers - Does not mention; AdCom works with Town Administration at end of each FY.
  - AdCom = Consists of 15 registered voters within Town with goal to have diverse cross-section and broad representation; An independent Committee within the Town who reviews and advises on different issues in objective unbiased way, and making recommendations either at a Town Meeting or through other avenues,
  - Conflicting memberships = No members of AdCom can be a member of any other Town Committee or Board; anyone appointed to another Committee or Board is not within the Bylaw and has to step down; Members cannot be an employee of the Town and immediate family members need to talk to Frank for determination about conflict and/or issues within which you should not be participating either voting or involved in discussion.
  - Warrant Articles = AdCom reviews all budget Warrant Articles and makes recommendations at the Town Meeting in independent way with unbiased and objective reviews.
  - Budget under Bylaw = To be filed with AdCom no later than Feb 1; Requested amounts from different Departments, Boards, and Committees that oversee different departments is line item that goes into Warrant with regard to budget requested amount; Within Warrant that then sets ceiling within which Town Meeting cannot go above.
  - Budget presented at Town Meeting = Recommended by AdCom, Can make recommendation at Town Meeting lower than what Selectmen, Town Manager, or Water & Sewer Commissions request for budgets; Motion in front of Town Meeting is from AdCom and anyone at Town Meeting can increase amount but no higher than requested again back during Feb 1 or that may have been changed in interim.
  - Write-up = Before each Town Meeting, AdCom has Write-up of votes with regard to each Warrant Article giving overview of how AdCom discussed, reviewed, and voted on each Article, either approving or not approving.
  - AdCom Public Meeting = public meeting and not public hearing; Public hearing is where public has right to attend, make comments and ask questions; Public meeting offers right to attend but not speak; Board or Committee and Chairman decide to allow people to speak at each meeting through Chairman so not interrupting each other; Different Committees set time limits on what time going to end; Advise AdCom not vote on any Article presented that same night and take time to think about it and even vote the next week.
  - Personal opinions = Before filing publicly (e.g., Letters to the Editor, internet, etc.), talk with Chairman or Frank to provide heads up since reflection on AdCom.
  - Guide to Financial Management = available through Town gives people understanding about how AdCom (called Finance Committee in other communities) works and relates to other Departments, Committees and Boards.

**7:35 PM - Town Manager's Update – Bill Keegan**

- Welcomed new members and thanked Frank for time commitment and helping Town guide community with future decisions.
- Role of Town Manager = work on budget process with Finance Director and Director of Accounting;
- Budget document = produced throughout year for AdCom; First draft is culmination of all information collected during process; Submitted by Feb 1<sup>st</sup> of each year yet target middle of Jan.
- Covid-19 impact = Unique scenario not seen in 37 years where State budget (due Jan) not finalized until today by Governor, State passing resolutions to fund government month-to-month; In Mar when Covid-19 hit and before Town Meeting, requested AdCom relook at budget because assumptions made about this FY not true now; Plan to share information when get handle on this FY;

Down after one quarter and estimated low, Governor's budget about \$1.2M higher than estimate given to approve at Town Meeting; Room to maneuver Local Receipts.

- New Growth estimate = \$650K; Local Receipts low because no summer concerts and in-person football; Past 8 years averaged close to \$3M yearly; In payments of lower taxes from Gillette Stadium this year will hopefully be \$2M. May see concerts in spring - taking optimistic view and counting on \$1.5M or higher.
- Meals Tax and Hotel Motel Tax = money in for these.
- Motor Vehicle Excise Tax = higher so people buying cars and paying Excise Taxes meaning underlying economy strong.
- Real Estate Taxes = 98% collected because market tight and people still want to move to Foxborough - limited housing availability and prices still going up means squeezing people out of Town because value of houses becomes reflection on Tax Rate - want to be in position where housing value still stable and getting higher.
- Resources of information to AdCom = George, Marie, and Bill.
- Expenses = As expected; Not many events and extra work overtime needed.
  - No Public Safety training because people not going anywhere.
  - No added new business but filling critical positions to not create problem operationally; Laid off one person in Recreation because program runs on Fees, yet now part-time in Finance Department helps stay employed and teaches accounting system for return to Recreation.
  - Health Insurance = better and renewal for Retiree Insurance negative increase; Auto Insurance increase not as large.
- Town Meeting = May not need because conservatively estimated revenues and not need budget adjustments; Governor recommended budget not until Thanksgiving.
  - Federal and State Aid = Schools surviving with Federal and State Aid due to Expenses paid through Covid-19; Approx.. \$8,900,000 from Federal Government.
  - Closing Books = If Town Meeting in Jan or Feb, then call for Special Meeting despite the State running residual meetings every month to close books on 2020; As of Jul of Jun 30, books being closed; Close to target estimations and Free Cash position good.
  - Special Meeting = Option to have Special Meeting within Annual Town Meeting to fund things within existing FY and then Annual Meeting would fund things for the next FY.
- CAREs Act = Spent \$1M and about \$500K left; Currently storing PPE and asking for additional supplies.
- Local Receipts = One of biggest pieces is Motor Vehicle Excise out in Feb; Know where we are if see by Mar but get periodic payments throughout year; Have not seen Motor Vehicle Excise bill this year and no information from the State; Recently had payment go through and largest portion comes in May Jun Jul; See more money through Gillette Stadium if spring concerts.
- Balanced budget = Considering balanced budget for next year if Collections impacted for this FY; assuming 22FY better year and theory people will pay Property Tax because no alternative housing options and want to keep houses, etc.
- Revenue and Expenses for Patriots = To budget, go back 8 years and average \$3M a year; This year looking at minimum payment of \$1.5M with guarantee in lease documents that require minimum payment; End of FY (May/Jun/Jul of next year) may get more revenue into Stadium but may not and come in \$2M instead of \$3M this year.

**8:00 PM – Budget Orientation – George Samia, Town Finance Director**

- Overview for new AdCom members.
- Finance Committee focuses on numbers; Do an \$80M budget every year to match Revenues against Expenditures.
- Call office with questions.
- As of Jun 15 Annual Town Meeting = recap of what did, how got there, and show how budget gets built.

<ul style="list-style-type: none"> <li>○ <b>Foxboro Revenue Sources</b></li> </ul>	<p style="text-align: center;"><b>Foxborough Revenue Sources</b></p> <ol style="list-style-type: none"> <li>1.) Tax Levy 2021 <small>Real Estate and Personal Property Taxes</small></li> <li>2.) State Aid 2021 <small>Cherry Sheet Revenues and Assessments</small></li> <li>3.) Local Receipts 2021 <small>Excise Tax, Meals Tax, Inspection Fees, Fines and Interest</small></li> <li>4.) Available Funds 2021 <small>Free Cash, Stabilization, Overlay and Unused Account Balances</small></li> </ol>														
<ul style="list-style-type: none"> <li>○ <b>Tax Levy 2021</b> = Real Estate Personal Property Taxes = local house taxes.           <ul style="list-style-type: none"> <li>▪ Tax Rate = Proposition 2 ½ MA Tax Cap voted in mid-80s states cannot go up without Override or Debt Exclusion Override over 2.5% of Levy of Prior year's Levy Limit; Last year's Levy Limit was \$49,768,721, so 2.5% of that was \$1,244,218.</li> <li>▪ Override = Adding more revenue without expectation of paying it back.</li> <li>▪ Exclusion = Debt paying back and goes off books eventually and not to bottom line each year; like an Equity Loan.</li> <li>▪ Maximum Levy Allowable = What assessors use to set Tax Rate and Tax Rate is set based on Levy; State of Massachusetts does Tax Rate same in every Town; Assessor calculations certified and checked by the State at Tax Rate Hearing; Can dispute and get Abatement; Goes in Recap Sheet that regurgitates voted on budget; Feb first payment.</li> </ul> </li> </ul>	<p><b>1.) Tax Levy for FY -2021:-</b></p> <p style="text-align: right; color: #0070C0;">5/27/2020</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Prior Year Levy Limit</td> <td style="text-align: right;">\$ 49,768,721.73</td> </tr> <tr> <td>Add FY - 2021- 2.5%</td> <td style="text-align: right;">\$ 1,244,218.04</td> </tr> <tr> <td>Add FY - 2021 - New Growth</td> <td style="text-align: right;">\$ 650,000.00</td> </tr> <tr> <td>Add FY - 2021 - Override</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td><b>FY - 2021 - Levy Limit</b></td> <td style="text-align: right;"><b>\$ 51,662,939.77</b></td> </tr> <tr> <td>Add Fy - 2021 - Debt Excl.</td> <td style="text-align: right;">\$ 2,180,224.41</td> </tr> <tr> <td><b>FY - 2021 - Maximum Allowable</b></td> <td style="text-align: right;"><b>\$ 53,843,164.18</b></td> </tr> </table>	Prior Year Levy Limit	\$ 49,768,721.73	Add FY - 2021- 2.5%	\$ 1,244,218.04	Add FY - 2021 - New Growth	\$ 650,000.00	Add FY - 2021 - Override	\$ -	<b>FY - 2021 - Levy Limit</b>	<b>\$ 51,662,939.77</b>	Add Fy - 2021 - Debt Excl.	\$ 2,180,224.41	<b>FY - 2021 - Maximum Allowable</b>	<b>\$ 53,843,164.18</b>
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- **State Aid 2021** = Cherry Sheet Revenues and Assessments = Captures Taxes the State extracts through Sales Tax and returns and reallocates to the Town.

<b>2.) State Aid for FY -2021-:</b>	
	5/27/2020
Cherry Sheet Receipts (Less Charges & Offset Items)	\$ 7,412,252.80
School Construction Aid	\$ -
<b>Total State Aid</b>	<b>\$ 7,412,252.80</b>

- **Local Receipts 2021** = Excise Tax, Meals, Tax Inspection Fees, Fines and Interest; Differences between Fees and Taxes = a Tax comes in and you pay it, and a Fee (e.g., Building Inspection Fee, etc.) is paid if are building or doing another activity.

<b>3.) Local Receipts/Income for FY -2021-:</b>	
	5/27/2020
Local Receipts	\$ 10,250,000.00
Water Receipts (Budget) <small>Reduced By 10% of \$677,866.68 (See Other Available Funds)</small>	\$ 6,100,800.03
Water Receipts (Indirect)	\$ 1,101,458.00
Sewer Receipts (Budget) <small>Reduced By 10% of \$169,508.60 (See Other Available Funds)</small>	\$ 1,524,918.01
Sewer Receipts (Indirect)	\$ 148,847.00
<b>Total Local Receipts/Income</b>	<b>\$ 19,126,023.04</b>

- **Available Funds 2021** = Free Cash, Stabilization, Overlay and Unused Account Balances; Where get money from or already there as Free Cash stabilization overlay where money is in a bank account already being utilized; (NOTE: Grants cannot be allocated at a Town Meeting because these are for specific purposes with specific legal ramifications.)
  - Free Cash = High at \$8M built up over years then used to get new school done; Instead of Large Bond Issuance add to bottom line \$3M because payment on Bond Issuance \$940K for new school; Done within own budget and not by taxpayers – new way strategically looks good for Debtors who would loan money - increases value for Bond Rating because doing as maximum to bring revenue to Town; Allows Town to have backstop in negotiations with multiple unions saying just tax them more; If taxing at 1 % increase, tax more because have percentage basis each year that rolls over; Taxing to Cap worked well when in good years able to put more aside upfront and bad down years we've had it; Taxing to Levy gives ability to pay some things unlike how other communities manage finances.
  - Cash Flow = Sum of annual payment of Bonds; Article 4 document last page of budget plan see Debt Service Interest and Principle that consists of 15 or 20 different Bond Issuances each one for different year; Used 20-30 year Debt Expiration Table and Hilltop Securities Debt Book provided every year to see data, such as 2021 what paid off and difference between Debt Exclusion; Cannot do Debt Override without Town electorate vote; Override would carry over next year so does same as Debt Exclusion but doesn't go to bottom line like multiplying out 2.5 % on it and will disappear according to expiration date if don't issue more bonds.

<b>4a.) Surplus Revenue Free Cash for FY - 2021 -:</b>	
	5/27/2020
Free Cash	\$ 900,000.00
<b>Total Surplus Revenue Free Cash</b>	<b>\$ 900,000.00</b>

- Ambulance Fund = Every year add \$1.4M to offset Fire Department; Water Department used certified Free Cash to offset their budget; Not much revenue impact resulting from extended water ban because more people home utilizing own home resources.
- Overlay surplus using once every three days and used a \$1M towards Debt Service, trying to raise for next year so recharging itself for items like \$900K school project.

<b>4b.) Other Available Funds for FY -2021-:</b>	
	5/27/2020
Ambulance Fund	\$ 1,408,619.00
Recreation Revolving	\$ 61,367.00
Water Department Certified Free Cash <small>10% of FY21 Operating Budget or \$677,866.68 (See Local Receipts/Income)</small>	\$ 677,866.68
Sewer Department Certified Free Cash <small>10% of FY21 Operating Budget or \$169,435.34 (See Local Receipts/Income)</small>	\$ 169,435.34
Overlay Surplus <small>ATM Art. #4 Debt Service Principal 710 (Burrell School) \$61,260.64 ATM Art. #4 Debt Service Principal 710 (KS Renovation) \$450,000.00 ATM Art. #4 Debt Service Interest 751 (Burrell School) \$488,739.36</small>	\$ 1,000,000.00
Excess Closeout <small>Excess Closeout</small>	\$ 460,000.00
<b>Total Other Available Funds</b>	<b>\$ 3,777,288.02</b>

- Water Receipts = Enterprise Funds run with own money and Fee-oriented; If budget is \$9M this year approved by AdCom, then justified on opposite side in Fee structure so offset on Revenue side then offset on Expense side from Enterprise Fund segregated and coming back to Town's coffers.
- Local Receipts = AdCom decided to use \$400K to lower these and extra \$500K from Free Cash (excess between budgeted and expected coming in) free of obligation not held as Reserve against Bad Debt, Unspent revenues from previous FY and excess revenues raised beyond planned for budget; used for FY unforeseen circumstances; Foxborough always has Free Cash balance and is one of top five Committees in Commonwealth paying down obligation over time - Health Insurance benefits for retirees.

<b>1.) Expenditures/Expense for FY -2021-:</b>	
	5/27/2020
Total G.F. Appropriations (Budgets)	\$ 75,479,904.06
Total Water Enterprise Appropriations (Budgets)	\$ 6,778,666.71
Total Sewer Enterprise Appropriations (Budgets)	\$ 1,694,353.35
<b>Total Expenditures/Expense</b>	<b>\$ 83,952,924.12</b>

- Snow and Ice Deficit = The State allows overrun which was \$99K last year.
- Deficit = If do not spend full amount, then remaining goes into Free Cash; if go over, the State allows raising it.

<b>2.) Other Expenditures/Expense for FY -2021-:</b>	
	5/27/2020
Snow & Ice Deficits	\$99,003.98
Overlay Abatements & Exemptions FY 2021	\$1,100,000.00
<b>Total Expenditures/Expense</b>	<b>\$1,199,003.98</b>

- Top Tax Levy = \$53M State Aid, \$7.4M Local Receipts; \$19M used Free Cash; Expenditures are bottom of budget and getting raised \$1,199,003 for overlay and \$99K for Snow and Ice Deficit; \$85,050.51 or surplus of \$900K; Overlay a provision for Bad Debt, Abatements and Exemptions; In Tax Recap Sheet put in overlay number; Look at all Revenue Sources and Local Receipts is wild card (e.g., restaurants down 50% capacity that may continue until Mar and open up when people outside again in Apr with takeout service, etc.).
- Expenditures = See Article 4 document for numbers worked on all year and budgets presented by Fire Chief, Police Chief, etc., approved by AdCom and went to Town Meeting with \$83,852,924.12, including overlay to re-raise next year.
- Other Raise and Appropriations = \$1M and \$134K for Roads; receive \$700K a year from the State for Chapter 9.
- If the State comes in even this year, Town in good shape and gets \$1.2M from the State; Will help offset lower Local Receipts from Stadium; Hoping for \$2M for Local Receipts best case assuming \$1.5M is what getting from Stadium but depends upon virus impact on entertainer commitments to big venues in early 2021 and more likely scenario is second half of 2021 which will be FY22.

Budget Summary for FY -2021-		6/11/2020
<b>Revenues :</b>		
1.) Tax Levy for FY -2021-	\$	53,843,164.18
2.) State Aid for FY -2021-	\$	7,412,252.80
3.) Local Receipts/Income for FY -2021-	\$	19,126,023.04
4a.) Surplus Revenue Free Cash for FY - 2021 -	\$	900,000.00
4b.) Other Available Funds for FY -2021-	\$	3,777,288.02
<b>Total Revenues</b>	<b>\$</b>	<b>85,058,728.04</b>
<b>Expenses :</b>		
1.) Expenditures/Expense for FY -2021-	\$	83,852,924.12
2.) Other Expenditures/Expense for FY -2021-	\$	1,199,003.98
<b>Total Expenses</b>	<b>\$</b>	<b>85,051,928.10</b>
<b>Other Raise and Approp. (Articles)</b>	<b>\$</b>	<b>-</b>
<small>\$1,000,000.00 OPEB \$134,000.00 Roads</small>		
<b>Budget Surplus/Deficit</b>	<b>\$</b>	<b>6,799.94</b>

#### • Budget Process & Tools - Marie Almodovar, Director of Accounting

- CARES Act and FEMA grants = Finalized FEMA application for \$310K, of which 75 % from FEMA and 25% from CARES Act; Of \$1.5M eligible for CARES spent \$1.1M so \$400K still to spend and FEMA money already spent; FEMA actual expenses vs. CARES Act allows estimate.
  - CARES Act = Money available based on population. Requires going for FEMA reimbursement first; in Jun, Applied for \$1M with CARES Act and did FEMA application because submitting same expenses.
  - FEMA = Categories for reimbursement up to 75% of expenses; e.g., we had to spend almost \$700K on laptops for schools FEMA doesn't cover but CARES Act does.
- ClearGov.com = For budget meetings; Will be able to look up Town of Foxborough for actual Revenues and Expenses last 4 FYs; Purchased modules for Transparency, FY21 Budget Builder, and Forecasting to replace binder with 50-tab spreadsheet; FY22 budget will be interactive process using online copy of FY21 with logins; real-time features include version control, mapping, and alerts about formulas and deleted numbers; Forecasting Module downloads data in real-time based on sent files for 10-year revenue forecasts, etc.; Plan to create test version before starting FY22 budget in next weeks
- SEMRECC open for business Nov 17 and Dec 8 with all four Towns operating at new facility; another community and possibly another 3-4 communities interested in joining; more money from the State 911 Commission because advanced in process and able to drive cost to all cities, e.g., years ago paying \$1M for regional dispatch and now paying \$300K a year.

#### 9:00 PM - Next AdCom Meeting Date Discussion

- Reasons for Nov 18 and/or Dec 2
  - Get update from Bill Keegan within 5 weeks and can book to address other items, catch up from where left off in Jun, get assessment, and discuss what hearing from neighbors.
  - Case for Nov 18 = Preparation or proposing stuff so not just reactionary and also actionary; Interested in hearing reasons why new people joined (e.g., particular purpose, reason to be a participant, new ideas for different directions, etc.).
  - **Stephanie:** New members may want to go through process before spring gets busy with complicated budget; Unknowns during next few months related to COVID-19, Govenor's budget, restaurants shutting down, etc.; Complicated because will be unable to predict numbers by comparing future years, ask questions based on no information.
- Reasons to delay next meeting(s)
  - George and Bill finalizing first 3 months of FY, running expenses (e.g., Local Receipts, Real Estate Taxes, etc.), State Aid don't know, and local growth - more time to close books better number; Difficulty finalizing Contract because no information from the State - usually reason having Nov meeting is to vote on Contract.
- Joint meeting with AdCom and Board of Selectmen = Plan to discuss.
- Call meeting = Plan on either Nov and/or Dec 2 if get good information from Bill.

#### 9:15 PM - Motion to adjourn by Larry Ooi.