

Long Range Financial Planning Committee Meeting
December 20, 2018 7:30am
Selectmen's Meeting Room

Attending:	
Michael Walsh, Selectmen	Michael Jaillet, Town Administrator
Pam Dukeman, Finance Director	Al Wisialko, Town Collector
Emily Parks, School Superintendent	John Hickey, Selectmen
Heath Petracca, Schools Finance	Mike O'Hara, Finance and Warrant Commission
Maureen Bleday, Board of Assessors	Barbara Delisle, Finance and Warrant Commission

Update on FY20 Overall Budget

Pam gave a brief update on the current status of the FY20 budget process. Items such as the split tax rate, University Station revenue income and allocation, the tax revenue calculation, fixed costs, and revenue projections were reviewed and presentation materials distributed.

Consideration of Meals/Hotels Tax Revenue

The group reviewed the current status of the Meals/Hotels tax revenue account.

The group utilized a worksheet to walk through all the various options for use of the revenue, including targeted recommendations, minimum allocation in the account, percentage spent each year, etc.

- Currently, there is a balance of approximately \$800K in the account.
- After discussion, the group thought that a designated percentage (20-25%) of the balance each year should fund the Capital Stabilization Fund to offset known capital projects (the percentage is to be determined). An example is the turf field replacement, which have a standard life cycle. Funds could be set aside each year in the Capital Stabilization fund in order to have the necessary fund to do the replacement when needed,.
- The group also agreed that the account should be used for specific capital items each year in the annual budget that benefit the whole town.
- Applying this revenue to capital allows important projects to be completed and keeps these projects within Proposition 2 1/2.

The group asked that in advance of the next meeting, that the Finance Team work to update the information with the latest revenue amount, suggestions for the designated percentage, and an updated policy.

Consideration of Community Preservation Act (CPA)

The Committee continued their review of the CPA. The possible adoption of the CPA has been a popular topic among various parties around Town recently. The Committee discussed pro's and con's of the program. The program would provide funding for capital projects in the areas of recreation, housing, open space, and historic preservation. Surrounding towns have implemented great projects with the funding.

The Long Range committee has a number of concerns about the possible adoption of this tax. These concerns include:

- The federal tax law changes that have gone into effect have caused significant uncertainty about the impact on people's tax liability this year. As adoption of the CPA would be in advance of tax filing, it might not be the right time to add an additional tax
- The State is not matching at the same rate they did when CPA was established, they are now matching at a much lower percentage. Original state funding was a 100% match. That has been dropped to 20%. This could continue to drop based on more towns joining and with Boston joining in 2017. There are legislative efforts underway to change the funding.
- The CPA requires establishment of a CPA committee who makes the capital project recommendation to Town Meeting. This removes the CPA from the standard Board of Selectmen and Finance and Warrant Commission review process.

Recommendation: The Committee recommends to the Board of Selectmen that the CPA not be proposed for the May 2019 Town Meeting, but be reconsidered in a future period when these variables have settled out.

Review of FY20 Capital Budget Requests

The group asked that the materials Todd Korchin, DPW Director shared at the last meeting be redistributed to the group.

Also was recommended that a line item be added to be able to enact the recommendations that are expected from the School and Municipal building safety review that is currently underway.

The Committee continued discussion of other capital projects proposed for FY2020.

The Committee plans to meet again Thursday, January 24 at 7:30am.

Materials Distributed for this Meeting:

Agenda	Finance Presentation to the Board of Selectmen
FY20 Capital Requests	Meals and Hotels Tax Overview and Worksheet
CPA Background	Supplemental CPA Information supplied by Charlie Donahue