



CARVER FINANCE COMMITTEE MINUTES OF FEBRUARY 5, 2024, MEETING

Present: Chairman Alan Germain, Vice Chair Elizabeth Sulger, Walter Cole, Tony Macrina, and Patrick Meagher.

Also Present: Town Administrator Bob Fennessy, Interim Finance Director George Samia and Recording Secretary Ashley Swartz.

Mr. Germain opened the meeting at 7:06 PM

Pledge of Allegiance.

Public comment – hearing none

Town Administrator & Finance Director Updates

Mr. Fennessy began by giving an overview of the general revenues in town. The budgets have been submitted by each department and there is a deficit that is currently being worked on. The department heads were asked to assess where they can make cuts and will need those in order to balance the budget.

George is currently working in three towns, and he said the issue Carver is facing is not unique to Carver – and other towns are seeing these deficits. George said we are about \$1.175M in the negative. These numbers continue to evolve, and the deficit has decreased slightly since the discussion on Saturday. George said Carver has an early Town Meeting which is adding a level of difficulty to the issue. There are factors that are contributing to the deficit that are still being repaired (including the Governor's budget and duplicate line items). Mr. Meagher asked if FY'23 has already been closed (and if free cash is certified) – George said we should have something within a week (or so). There is about \$1.6M there – he noted this was a conservative number. Mr. Germain asked if the \$400,000 was moved to free cash. George explained that the free cash is the unreserved balance and once you close out at the year, if you have extra money the state reviews it and deducts particular line items. He further explained the money in free cash is "free of obligation". If money was rolled into a particular account (like capital) then it would be taken out of free cash. If there was a close out, the money would have been taken out and put into free cash. George said the free cash is a little better than last year, and he thinks the main driver is the in-trust income. Mr. Meagher was asking how they can have confidence for FY'25 without understanding how they closed out FY'24. George explained that they need to look at previous recaps on what they can 'get their hands around'. The balance sheet has been checked and adjusted to make this clean again – stating that closing FY'23 appears good. Mr. Germain said in previous years they got proposed and actuals budgets – which they can't get this year because of the new program (which didn't have the oversight it required). He followed by saying he found the financial state they are in concerning – saying they did not want to see anyone laid off when all areas of cuts have not been discussed. Ms. Sulger added that she wasn't comfortable voting on any of this because they had no idea where they were sitting with the actual FY'23 budget. George said he has looked at projected revenue (located in the budget summary). George reviewed some actual numbers in various parts of the budget (at a high level) with the Committee. Ms. Sulger asked about the Licenses and Permits jumped in 2021, came back down in 2022, jumped again in 2023 and appears to be coming back down in 2024. George explained that those numbers can change because they are not voted on – he looked at what was being used versus what was being taken out and found a substantial difference. He clarified the variance that had been occurring in previous years. Mr. Macrina asked how the investment income fluctuates – George said the interest rates going up is impacting those numbers. Ms. Sulger

asked if they would receive other documents to help prepare and vote on budgets – George said the problem was that certain things that were done when the system was being implemented should have been corrected and were not. There are numbers that are being littered into budget line items that should be segregated – making it difficult to understand the numbers. Mr. Germain expressed his concerns with how budgets can be approved when the numbers are not clear. He continued explaining that the lack of confidence in the numbers put the Committee and department heads in a difficult position. Mr. Meagher echoed the concerns Mr. Germain expressed, saying there needs to be a level of confidence on everyone's behalf and doesn't think it's possible. Mr. Fennessy added that experts have been brought in to help fix some of the issues – saying the problems have to be fixed in order to move forward with the budget, keeping a close eye on the status of where they sit financially for both FY'23 and YTD on FY'24. Mr. Fennessy said cuts need to be made and wants the Committee to discuss where cuts can be made – and make recommendations without voting on anything. There was further discussion regarding the software and the path forward. George clarified some of the nuances around the expenses and the receipts.

Budgeting Meeting: EMS, Emergency Management, Library & Town Clerk

Tom Walsh, Chief of Emergency Management

Other “professional services” is for a PR firm that would be on retainer in the event they needed their services. This would take \$12,600 out if we removed the retainer fee / services. There are no raises outside of the 2% raise. Tom clarified there are three salaries on this line item.

They would take the proposed budget and subtract the PR retainer leaving a budget of \$62,975.

Carol Julious, Library Department Head

Carol gave an overview of some of the requirements they needed to meet as well as what they must do in order to get a waiver. There is a false number in the salary line, and she explained the staffing changes (the bottom line is the same, but the positions have changed – splitting one position into two and a replacement hire). Carol said they could make cuts but would like to do it for expenses not personnel. She explained they are making additional money from passport applications and putting it in a revolving fund, saying she can spend that money to compensate for cuts. There were continued concerns due to the uncertainty of the actual numbers. Mr. Fennessy noted that the Committee should simply weigh out who can and can't afford to make cuts (depending on how tight their budgets are). Mr. Macrina reiterated that they are just looking for suggestions. Carol said they would recommend taking money from books and references as well as operating supplies. Carol's concern was how it impacts the waiver. Mr. Germain asked Carol to revisit her budget and see how they could eliminate the \$3,000 (level budget) and then review with a \$5,000 increase. Mr. Meagher asked about the revolving account and if there were limitations to how those funds could be used for. Carol said that used to be voted at Town Meeting but no longer is – it must be used for books and materials.

Cara Dahill, Town Clerk

Cara started by saying she didn't know where she could make cuts. There is \$24,000 that was pulled out of the budget. Mr. Fennessy is going to investigate whether the money was taken out because of the Articles. Cara explained that the election equipment is still in good shape. She said she already runs lean and wasn't sure where she could reduce the budget. There is \$5,000 in the “other professional services” that is related to election fees. Mr. Macrina noted that this appears to be a necessity list not a wish list – Cara reiterated a lot of the increases are due to state requirements. Mr. Germain asked where reimbursements went – and the reimbursements went to a general fund not back to the Town Clerk. The e-Code system may be able to move outside of the Town Clerk's budget (\$995.00). The Committee suggested the budget be left as presented.

Mike Ryan, Chief of EMS

Mike began by explaining that they keep their own logs of receipts, so he has a general idea of their spending. There will be raises throughout the year to make up for being behind in previous years. They can only bill people who are transferred and not for all the calls they respond to. Mike explained that there is new equipment and new medications that are now required will increase the budget. Mike called out that the budget is roughly

equivalent to what they expect to bring in based on his projections – adding that he is trying to stay self-sufficient. They discussed future wish-list items including another ambulance and new offices.

Committee Member Comments

John Cotter of the Select Board added some comments about what should be done to get the working numbers. He suggested finding an Excel expert to export data from the old system and manually import the data from the new system. Also, John said he would like to assess the percent increase and ask each department head to stay within that increase. George said the problem is the new software – and suggested some ways to get ahead of the issues.

They further discussed how they can view the information in a way that makes sense. Mr. Germain said he would like to see all the information put on a spreadsheet and leave it to the department heads to find the issues. Ms. Sulger added that they needed to figure out what's above the line and below the line – especially before providing numbers for the school's budget.

Mr. Germain made comments regarding George and Bob – saying that none of the comments are directed at them and thanked them for getting as far as they have with the budget. George said at least from the revenue side, he is utilizing the same program he has been using for years and revenues are historically a “guess” to begin with. Aside from local receipts, he is doing the same in other towns so the projections should be close.

Adjournment 9:32 PM.

Minutes submitted by Ashley Swartz.

Voted and Approved