



CARVER FINANCE COMMITTEE MINUTES OF FEBRUARY 6, 2023, MEETING

Present: Chairman Alan Germain, Ron Clarke, Bill Cullum, Walter Cole, Tony Macrina, Patrick Meagher and Elizabeth Sulger.

Also Present: Sue Moquin, Bob Fennessey. and Recording Secretary Ashley Swartz.

The Committee Chairman reasonably anticipates the following matters will be discussed and possible votes will be taken at this meeting.

Mr. Germain opened the meeting at 7:00PM

Pledge of Allegiance

Public comment - none

Town Administrator and Finance Director updates and Committee discussion

Bob noted there was a meeting with the boards and department heads- getting all the information out at once. On the town side the budget has been put together and they are now reviewing the budget items. Cuts must be made – we are not on a balanced budget. The school committee is voting on their budget tonight, and it could impact other areas. Mr. Germain asked for a ballpark idea of cuts – Bob said it could be \$800-\$900,000 to the general budget – this is based on the submitted requests that include some “wish list” type items. He noted that things have gone up (like gasoline) that also impacts the budget. Positions could be eliminated but nothing can be determined until they are reviewed. Mr. Germain also asked how much the school is cutting – they have come down \$2,200,000 which is about 3% from last year. They reviewed line by line seeing where they can reduce. Sue added that the school is also using a lot of “one-time money”. Mr. Meagher asked if the revenue isn’t coming in the way it’s supposed to – wouldn’t that be a cause to go back and look at the revenue and bottom line to evaluate the share between the town and the school. Bob said last year they changed the formula – Mr. Meagher said if that’s a factor they should investigate recalculating. Sue mentioned that the split was changed from 70% - 30% to 67.5% - 32.5% this year. It was clarified that they are working off the new split this year. Sue said about \$400,000 of revenue from last year they will not get this year due to solar expansion, or lack of. Ms. Sulger asked if they were discussing the line item from the report (New Growth – Solar Tax Agreements) – the new solar will be going in as miscellaneous. Ms. Sulger continued by asking about the two new line items (new to 2024 from 2023). Sue explained that cash needed to be measured coming in (revenue) in order to match it going out (example ambulance). Mr. Germain asked about the 2024 Rec Summary Final estimate – asking if the new growth was an estimate and if 2.5% was added. Ms. Sulger asked if the Rec Summary should match the forecast file. Sue said the forecast backs out an amount that Sue doesn’t do on her document.

Mr. Germain pointed out a line item that had to do with Silver Lake because of a solar project. This is not pilot money because it goes into a different account. There is \$884,720 sitting in an account that he is not sure if it's usable money. He has asked if this money can be transferred and if it can, why is it sitting there. Mr. Germain said they could take back the money for the Library and Town Hall and do the projects the "right way". Mr. Clarke asked why free cash wasn't added in from last year into the Rec Summary. Sue said this doesn't show as part of the revenue. Ms. Sulger noted the 2024 Forecast File – she asked why there is money not being put aside (pilot funds) – Sue said it is not its own line item/account. Ms. Sulger pulled the financial policies from the website, stating the pilot money should be divided up. Ms. Sulger questioned if we didn't have the funding because the revenue didn't come in or because we didn't have the operating expenses. Sue clarified that it is due to operating expenses – and would result in cutting services. Mr. Germain said this was supposed to be a designated account that the Town didn't have control over. This money was to never be part of the budget. Sue said they have a financial report from the DOR – the money is coming in as personal property revenue. She said they could vote at the Town Meeting to have a revolving account – the committee was under the impression it was already done that way. There was further discussion on how that money needed to be labeled. Mr. Clarke said the money was supposed to "sunset" and he believes the intent of this money was lost along the way – they are not supposed to be discretionary funds. Noe the money has been absorbed into the operating budget and they are wondering how that happened, when, and how to make the adjustments. Bob said the money is needed for the operating budget but because of the minimal new growth in the town – more than the 2.5% - there is a domino effect happening. Mr. Germain noted the items that have gone up since last year and the lack of growth in town is directly impacting on the budget. Mr. Meagher asked if they could go back and look at the pilot programs and see how it was done. Was the money being properly dispensed? He asked if there were changes, when did this happened and why. Mr. Clarke said it could have been miscommunicated as leadership changed. Mr. Germain said if the money was put into the operating budget it was put into the levy and then couldn't be backed out. Jon Cotter explained that the pilot program money was supposed to NOT go into the operating budget because they would ultimately come to an end. There were financial management policies that were established for these programs. He believes it was done correctly for years but the changes in leadership ultimately ended. Mr. Macrina asked what the three funds for – Middle/High School, OPEB and Capital and Stabilization funds. Money also came off the school bond. That policy was determined internally – so Mr. Clarke doesn't think that will be in any of the pilot program contracts. We have received money for the solar projects this year, but they came in under the personal property budget. If this money has been absorbed into the budget, Mr. Clarke suggested the dependency on that budget should be paired down year over year until we are weaned off the \$800,000 to avoid a larger deficit. Sue provided a pilot agreement from the Fisher Road project. Mr. Germain if they could investigate this further.

Ms. Sulger asked why there is only \$997k for Capital. There should be over \$3.4M, Sue said that \$3.4M included the existing debt – which was taken out to get to their 2024 number of \$997k. There have also been some tax challenges that were not settled in time - \$800k that cannot be allocated. Mr. Germain asked if they could get a current YTD report (everything). He asked to see FY 2022 budget and actual, and 2023 YTD budget and actual. He also wanted them to get with Bond Council to find out what the current bond rate would be. Mr. Meagher added that they

owe it to the residents of the town to update the library and town hall – bonding the projects and doing it right. Bonding rates were not locked down last year. Bonding the two projects would free up the \$900,000 that is currently allocated to these projects and being able to address other issues. Mr. Macrina asked about the school budget being reduced by \$3.1M. The budget is based on the revenue not the school's need. Ms. Sulger asked if the numbers from the Cherry Sheet – these numbers are based on last year what the governor voted. Bob said they got a wakeup call when they met with Ron on the school budget. Mr. Germain asked about a fund equity – Sue said this money should be reimbursed to the general fund. The money was from a snowstorm and took about 3 months to get the money. Some of the capital items are in consideration for ARPA – taking items off the list for Capital Outlay. Mr. Germain asked if the town meeting approves the bond and the money set aside for the buildings to go back, if it must go the capital, freeing up the budget, into general funds, etc. Sue said it could go back into another fund if it's voted into the fund through town meeting. Fund 20 is for CDBG Housing rehab. Individuals could use the money to fix their home, if they sold before a particular time, they had to pay the money back (0% loan if they stayed for 20 years). The money was given to the town as a grant from the state, and it can be moved into the general fund. Mr. Clarke noted that this could cause the same problem as next year (\$225k that can't be used the following year). There is \$53k grant for LED streetlights – the revenue came in 2020-2021 and has not been touched since. It was suggested to look at potential projects and grants to see what the money is allocated for and if the project has been completed. These are funds that could potentially be reallocated.

Mr. Germain discussed the property acquired next to the COA and a recreation area. The legislature established that there is a fund with the sole purpose of purchasing land. (61A property). He wants to come up with a master plan for the properties (COA, Conservation Property, and recreational portion). He suggested taking advantage of grants that are pro-renewable energy. There is a maintenance account that exists – The Wetlands Protection – that is a fund equity account that is supposed to be the Conservation Land Acquisition Account. If they are one in the same, Mr. Germain would like it reworded so it is more definitive and easier to find. Bob said he spoke to Mark Townsend about doing a study for that property – how the different areas may impact on the others. He also said there is a meeting tomorrow regarding renewable energy charging stations to be set up around town. Mr. Germain asked if anything was done with 44 Lakeview, he should involve Dan Badger. Dan added that some of the initial Conservation concepts came in as requests from the COA, the high school and other groups that asked for ideas and solutions regarding their needs. They are looking to use some off-grid concepts for the house that are truly off-grid – and will be self-sustaining. He added that he would like to see a committee to come up with ideas (or studies) and complete the project as soon as they can. Mr. Clarke noted the three departments that asked for nominal increases last year that he was hoping they could still assist and not decrease their funds. Bob said they will not be touched.

Mr. Germain said losing the North Carver project was a blow – and there is now a subdivision project under review. There was also discussion about the North Carver water district and staying connected to Middleboro. They are willing to work with us – provided the meter pit is constructed by Carver. The North Carver Water District has the funds to pay for their own bond payment – as well as owe the town \$210k.

There was further conversation about creating more transparency around where the money is allocated and how it is being spent (especially on the town website). Discussions about flexible policies, understanding how money is allocated, etc.

Update of proposed FinCom bylaw for TM warrant

Updated by Mr. Meagher and Mr. Clarke. Details include adding that the Finance Committee is strictly an advisory board. They may receive a stipend if voted on at the Town Meeting and can be reimbursed. The bylaw also spells out who can and cannot be a member of the Finance Committee, including the definition of a person with a financial interest. Mr. Germain noted that the Committee already self-polices in terms of voting but now it is spelled out. They also removed the ambiguity around sitting on Finance and another board or committee. Motion to submit the bylaw to the Select Board for inclusion in the warrant, seconded by Mr. Cole, approved unanimously 7-0-0.

Approve minutes of meeting: 11-07-2022

Motion to approve the minutes as written made by Mr. Clarke, seconded by Mr. Meagher, approved unanimously 7-0-0

Committee member comments.

Next meeting date: Monday, February 13, 2023, at 6:30PM

Motion to adjourn made by Mr. Clarke, seconded by Mr. Meagher, approved unanimously 7-0-0.

Adjournment.

Minutes submitted by Ashley Swartz.