

Finance Commission Minutes

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Date: Thursday, April 8, 2021 at 6:00pm via Zoom
Attendees: TOW: Anna Freedman, Robbie Powers
FC: Joe Hanlon, Richard Ferrino, Shannon Poulos, Brent Farrell, Jim Letterie, Tracey Honan, Bill Gault, Jan Twombly, Karin Chavis, Matt Gorzkowicz
Public: Various

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TOWN CLERK
ATHROP, MASS.

Meeting called to order with roll call at 6:05 pm by Letterie, Chairperson.

Introduced new member Matt Gorzkowicz.

Primary purpose of meeting to receive high level overview of initial draft of 2022 budget. Draft circulated to all committee members via Letterie at meeting commencement. Expected that draft will be presented to town council by April 20th, with a vote by the council in early to mid-June.

High level commentary from Freedman during initial presentation identified below:

Overview

- Noteworthy debt rolling off totaling \$468K
- Transfer from stabilization fund of \$130K
- ARPA funding allocation of \$400K, which is based on three-year average of revenue from 2019 to 2021 net of any one-time items
- Net increase in revenue excluding debt, ARPA, rainy day and building maintenance of \$806K, which is ~1.5% increase from 2021 FYE
- 2022 tax rate will not be approved by the state unless underlying assumptions are conservative

Expenses

- \$55.8MM in total requests, which is ~\$1.9MM increase over 2021
- Initial draft has \$54.9MM in funding
- After allocation of shared expenses, \$650K is available and split 70/30 between town and school
- Maintained most cuts instituted in 2021 except for the planner and A/P clerk
- School increase of 3%, but only \$1.2MM increase is required for level service
- Police / fire both increased ~2%

COVID Funding

- No money has been received yet from the state
- Expected amount to be received based on estimating tool from state is ~\$1.8MM
- County allocation is expected to be ~\$3.6MM, with total funding of \$5.4MM
- Funds can be utilized through December 2024

FYE 2021

- Expected to close 2021 with stable free cash
- Typical free cash generated annually is ~\$1.0 to \$1.5MM

Other Discussion

- Decrease in Enterprise Fund indirect cost of \$91K
- Increase in vocational school expenses of ~\$165K
- Project manager savings
- Utilizing rainy day fund versus accessing additional ARPA funding
- Creation of solid waste enterprise funds

- Status of FEMA funding
- Regional office and block grant funding related to conservation agent
- Annual funding for vacant middle school averaged ~\$64K from 2017 to 2020
- New vendor for information technology with shift to cloud based (over local server)
- Employee benefit overview / review
- Request for debt and debt service schedule
- Trash transfer to enterprise fund is based on prior contract town has and any additional cost is assumed will be raised via a fee.

Letterie requested town clerk to schedule meetings for every Thursday at 6:00pm for April and May.

Meeting adjourned by Letterie at 8:02pm.