

Holland Finance Board
Meeting Minutes for Wed, Nov 11th 2020
6:00 PM

Board Members only: 27 Sturbridge Road Holland, MA 01521
Holland Town Hall Community Room

Minutes

FB Members present:

- **In attendance:** Stacy Stout, Joe Yiznitsky , Ernie Fancy
- **Call In:** Kelli Robbins, Sharon Ashleigh, Andy Harhay

Others present: Laurie Bartkus

Meeting called to order at 6:00 pm

Review Agenda

Liaisons roles & responsibilities will be pushed to a future meeting so the board can focus on the STM

Minutes from the 10/29 meeting submitted by Andy are reviewed. Joe motioned to approve minutes as written, second motion made by Stacy

Free Cash – Laurie discovered her previous numbers had a duplicate entry for free cash (FB had it in an Operating budget for ATM, she did not catch that) so we actually have an additional \$208,624. Therefore, this spreadsheet reflects a total of \$194,504 free cash for STM WAs – including articles 7(police cruiser) and 9(highway dept road improvement) to keep the levy excess capacity within the target range. In reviewing the FY22 STM spreadsheet, it is clarified that we are looking at funding changes, not warrant article changes. Local receipts and cherry sheet receipts are both higher than anticipated, therefore, giving us more funds for use. Ernie states the cherry sheet numbers are not yet approved. Laurie clarifies that they have been approved and these are the minimum numbers which we will receive. Ernie continues to question who has approved the numbers. Andy asks if these are the numbers even if they still need to go through a number of committees. Laurie again explains we have received documentation stating these are minimum numbers which we will receive. Laurie states we were told these are the numbers which we must use to set the tax rate. Charter numbers went up slightly as well. It is requested by Ernie for Laurie to share the documents again.

Police cruiser warrant article will now be funded from available funds - Kelli questions when this was voted. Stacy clarifies that a motion to amend will need to be made on the town meeting floor. Kelli questions why this will no longer be coming out of Stabilization. Stacy explains that we need to take it out of available funds to make our excess levy capacity perfect. Andy adds that our capital purchase stabilization funds are a little low so this will work well.

Tree Warden warrant article \$10,000 was previously from general stabilization account, will now come from available funds.

Highway \$80,000 road improvement funding source will also change to available funds.

Fire fighter turn out gear warrant article 3 will also need a motion to amend from Deputy Collector reimbursement account and change to funds going to general stabilization. Then paying for the fire fighter turnout gear general fund. This will allow funds to be put into general stabilization account.

Ernie questions what we are going to do about the \$44,000 Sichel loan. Stacy reminds him we have already voted to pay that from available funds. Ernie questions which available funds. Laurie states this is all raise and appropriate. Andy agrees this was a done deal. This was article 5. Stacy goes back to clarify this was written as raise and appropriate or transfer. Ernie questions if this means it will come out of the operating budget. There is discussion on the correct wording. Laurie clarifies it is raise and appropriate - from the tax levy. Ernie questions if we are dealing with FY20 funds why this is an article now. Laurie also explains that by putting the money from free cash into the budget and the 20% reduction that never actually happened created \$280,000 free cash into the operating budget that didn't need to go there and a 20% budget reduction that never happened so we have about \$400,000 we need to spend or our tax rate will go down this year and shoot back up next year and that is not what we want to happen. Therefore, we need to get rid of the excess levy capacity.

Ernie questions why this article was not mentioned prior. Stacy explains this article was already written this way and she is only highlighting the articles which need to be changed.

Stacy goes on to explain that even with these changes, we are still under our tax levy capacity and need to make additional changes. However, we can not create anything new, we need to work with the articles that are already on the warrant. With this in mind, discussion now begins regarding article 9, Highway. This is the article which we are recommending the motion be made to amend from general stabilization to raise and appropriate and now add that an additional \$25,000 to be transferred to highway stabilization funds. Town Council has given approval for this change because it is still a

highway account. Kelli states this sounds like it is outside the scope of this article. Stacy says she agrees and that is why she sent it to Janine and Bettina to send to Town Counsel. Laurie says she agrees but says since Town Counsel approved. Kelli also reminds everyone the Moderator can shoot this article down. Laurie agrees and says residents can shoot it down as well. Andy questions if we do nothing, won't we see this money coming back to us next year. Laurie explains if article passes, everything will go as planned and tax rate will be set around where we have been setting it typically. If we do not spend all the money, we will see a real drop in the tax rate this year because we have too much excess levy capacity. So residents will see a drop this year in their taxes and it will go up next year. Laurie states she is not for this and knows JoAnne is not for the roller coaster tax rate. There is no other way. She further explains that no we will not see this money coming back to us because we will have voted to be in stabilization and it will be locked there unless we vote it out for purposes intended at next town meeting. The only other option will be to make sure we have checked with Chief Gagne to verify the turn out gear costs and possibly increase his article. This would create a buffer to cover his gear. Anything not spend out of that article line item would then be turned back to the town as free cash. Andy questions if we had the \$75,000 and chose to do nothing at this point, wouldn't that come back to us next year because we had money we didn't use? Laurie replies yes and no but it would still be detrimental to our tax rate before that happens. Andy replies it could work that way but it's not the way to go? Laurie agrees. Discussion ensues on the importance of expressing to residents at STM the importance of these changes happening to stabilize their tax rates rather than having them fluctuate.

Laurie suggests another option regarding article 10 tree warden. Discussion pertaining to how to fund this article, costs of tree removal. Previously, Bettina had suggested funding this at \$25,000 but was not agreed to by Clelland and was lowered to the now \$10,000. Given the current situation, we could put more funds in here. Anything not spent from this line item would go back to town as free cash. Kelli reminds everyone that if a larger amount of funds are put into this account, bids will need to be made and accepted for tree removal which may make FB feel more comfortable with this recommendation. Kelli recommends \$50,000. Ernie recommends \$95,000 to use the remaining excess levy capacity. There is some concern that the entire amount would get used and no money would come back as free cash. It is pointed out that if all the funds are used to take care of the dead trees, that is not a bad thing. Laurie is comfortable with the \$100,000 suggestion which would change the highway road article amount. This leaves \$5000 left to be allocated which Laurie suggest putting in fire turn out gear article.

All in approval to move forward with the proposed changes. Sharon suggests speaking to Brian to let him know why the changes were made so he is on board. As liaison, it is requested that Sharon speak to Brian. Sharon agrees.

Stacy will summarize all of the proposed changes to BOS and forward the information to them.

Janine is texting Stacy to get into the meeting. Stacy asks Sharon to text Janine the meeting information so she can join meeting.

Andy asks Kelli if we should be voting on these changes. Kelli explains that a vote is not necessary but recommends a sheet be made with suggested amendments which should be given to Town Clerk and Moderator. A vote can be taken regarding the sheet which more than covers everything discussed. Andy motions to approve all changes. Stacy seconds. All approve. Stacy will write this up and send to BOS.

Stacy asks Laurie if she has anything else she would like to go over. Laurie says no as long as BOS is on board and everyone understands we are simply trying to avoid the roller coaster tax rate. Laurie leaves meeting.

Andy mentions article 23 Conservation agent line item and if they are going to amend it on the floor or pull it completely. Stacy raises the question what happens if the money is higher. Kelli states that the budget will be unbalanced and we will need to rework the budget.

After Andy pointed out that Stacy is taking on too much. Stacy has now requested Andy to take point on the free cash strategy. Discussion pertaining to Holland's history of free cash and how it was hit during the crisis of 2008-2009. DOR suggests a target of 3-5% each year. Discussion pertaining to best procedures to obtain free cash. A concern is raised that if the operating budget is pushed to levy limit capacity and departments spend all of their budgets, there is no free cash. One option is over budgeting fixed budgets i.e. health insurance etc. Ernie asks Kelli what she does in Lanesborough. Kelli explains she has reduced tax rate by \$3 by reducing overall budget due to the fine line of overtaxing residents to create free cash. Discussion continues pertaining to ways in which to obtain free cash. Andy reminds everyone this is how we are able to purchase capital items. Ernie adds that another way to generate free cash would be to get the Tax Title accounts off the books. Discussion pertains to tax title, foreclosure, ways in which properties are able to be auctioned. Kelli explains that Linda and JoAnne would have the information on how many parcels the town now owns which can be auctioned (and have been foreclosed already) and how many are in the process of being foreclosed.

Sharon asks Kelli if she still obtains free cash now that she has a "bare bones" budget. Kelli says she does.

Discussion pertaining to liaisons and rolling it to next meeting. However, Ernie reminds

us that someone needs to reach out to whoever is handling Senior housing: Ernie agrees to be liaison to Senior Housing.

Review any correspondence received not covered by above - received Planning board public hearing notice - planning board warrant articles to be discussed

Expenditure report - transfers to special revenue account

Ernie states \$25,000 is probably funding OPEB account, however no one is sure what the \$82,000 transfer might be. Stacy will pose question to Laurie to verify. Andy suggest it may be related to Marijuana but Stacy will verify.

Stacy tells Janine there have been changes made to the STM warrant articles that she will forward to Janine and the BOS.

Roundtable - Andy thinks its interesting that Kelli brings up the point of OPEB being underfunded. Andy suggests this is due to BOS having no interest in funding this in the past. Stacy wants to work more closely with the BOS going forward to build partnership for the town's needs.

Bettina joins meeting informing all that the meeting is illegal. Stacy asks why. Bettina suggested all to review MGL part 1 title 3 ch 3A section 20. Sharon asks Bettina to repeat MLG info as does Kelli. Stacy apologies and states she was not aware of any issues. Sharon states she is understanding this law as reading you can count holidays when posting but does not state you can't meet. Bettina repeats you are not supposed to meet on holidays. Kelli asks where it says that. Bettina says hold on she just doesn't want us to get in trouble. Sharon asks Kelli her understanding of this law. Sharon states she sees in section 20 mentions holidays pertaining to posting, not meeting. Janine states her understanding of OML if the building is closed, that it is up to the board if they meet or not but not sure if this applies here. Kelli states that since we are dealing with Covid restrictions, the building being open or not may not be relevant. Kelli also states she sees nothing pertaining to not meeting. Bettina reiterates that she just didn't want us going against the grain. Kelli states she is familiar with this pertaining to hearings but not meetings. Kelli also suggests we also revote next meeting on anything we may have voted on. Bettina again states she just didn't want us in trouble. Stacy and Kelli thank Bettina for keeping an eye on such things. Bettina apologizes.

Stacy invites Bettina to stay on to hear some of our earlier discussions. Stacy goes back to spreadsheet. Bettina verifies that no other members of BOS are on the meeting. Stacy explains what the suggested changes are and why. Stacy will send all info in an email to BOS as well.

Stacy asks which members are able to attend STM in person. All members are planning

to attend. Stacy is asking if anything needs to be presented at the STM. Andy states that it always happens at the ATM however, at the last ATM, Clelland did not present anything. Ernie states that he would think at a STM we may just be answering questions, not presenting the budget. Kelli suggests that a more seasoned person or persons may speak on behalf of board. All in agreement that anyone can answer questions. Andy suggests the only article that may be questioned may be Conservation. Stacy asks what our response should be if we are questioned. Andy states the answer is the same as Town Admin's assistant, it simply isn't the time to add employees. It has been suggested they approach this as a contracted position, not an employee. Additionally, it is stated that particular FB members may answer questions - depending on which residents ask the questions simply to be sure it is conveyed in a way the particular resident may understand correctly. Ernie states he may leave the FB table when the Planning Board articles come up so he may ask questions as a resident. It is suggested that Ernie ask the Moderator what is the appropriate way to proceed in that situation.

Take-aways, Follow Ups Action items - Stacy will look into questions on Expenditure report, will look into OML question - Janine states she is also looking into it

Set Agenda for following week - next meeting will be Wednesday Dec 2, 2020 7pm
Budget review at that time, letter to all of the departments, scheduling of meeting all Committees/Boards/Departments, discussion if Saturday meetings are preferred/necessary

Kelli reminds FB to post a meeting because we will have a quorum at the STM, discussion pertaining to if this is necessary. Janine states she will find out if this is necessary. Ernie states past precedence has been set and we should follow that - meaning no posting of meeting at ATM or STM.

Ernie asks if we have received the audit report. Stacy states that we have but we all agreed to move that to after the STM. Stacy says she will resend if Ernie can not find it.

8:08 pm meeting adjourned