

07/21/2021 Paxton Finance Committee Meeting Minutes

Members Attending: Richard Fenton (Chair), Mark Love (Vice Chair), Anthony Domineck (Clerk), June Herron, Seth Peters

Members Not Attending: Tim Linton, Jennifer Lennon

Additional Attendees: Carol Riches, Peter Bogren, Larissa Kennedy, Kateri Clute

Virtual meeting called to order at 7:30 PM EST.

- June 16 meeting minutes. No changes. MTA Love, 2nd Herron. UA
- July 1 meeting minutes. No changes. MTA Herron, 2nd Peters. UA
- Discussion of revenue topics
 - Enterprise Funds:
 - Riches: What are the specific questions?
 - Love: Warrant article 1 year ago re: water department. What happens if receipts exceed or fall short of budget? Per research (document distributed during meeting) an enterprise fund may make a payment in lieu of taxes. Not suggesting that we demand this, want to have a discussion. Tree Warden indicated he had some issue with trees near wires. End result was reserve fund paid for tree warden transfer. Couldn't light department provide some funds for services such as this?
 - Fenton: This is beyond the finance committee powers. Several areas (AMC, Cemetery) have funds available via pilot but do not pay. Will contact someone in charge of pilot to negotiate.
 - Love: If it's an income strain this may be within finance committee domain.
 - Riches: I consider water enterprise an PML different. PML different than water, became enterprise 10+ years ago. Water tower would have been a big financial burden if not in enterprise. Have approached in the past, don't want to do it again. Good relationship currently, don't want to spoil it.
 - Love: Not suggesting a wide-open relationship, maybe just certain items such as trees.
 - Fenton: This could cause PML to raise rates.
 - Love: It's worth having the conversation
 - Bogren: Drafting a letter is worth a try. Currently have a good relationship, need to word carefully.
 - Local Revenues
 - Handout distributed with local revenues going back to 2016
 - Love: Going back to 2016 schedule distributed shows we were budgeting on average over \$100k less than what we were realizing. We should be conservative but suggest increasing budgeted revenues before making cuts to the budget side. FY2021 budget was \$200k more than prior year and this year was \$100k less.
 - Riches: Not sure what create the increase in 2013. We did have ice storm FEMA money, may have contributed. DOR wants estimates to be conservative,

increases must be documented. FY21 took money from overlay to balance, had to scramble last minute and increase revenues. Had to be conservative for FY22 again without knowing final FY21 numbers. If we increased local revenue, free cash would be reduced following year. Not gaining any extra revenue. DOR wants towns to keep free cash.

- Clute: Issue with DMV upgraded computer system, caused issues. Resulted in delays to excise process making it hard to estimate excise revenue.
 - Fenton: From 2007 – 2011 there was a negative impact on revenue. If we had assumed, we were going to get the full amount we would have been wrong. Why?
 - Riches: This is when I started and worked with town accountant to balance budget. Shortfalls hit free cash.
 - Love: Focusing on 2013 – 2022. Not advocating to increase what we budget substantially. Suggest increasing by \$25k-30k.
 - Bogren: Aren't we just borrowing from 2024?
 - Love: Just suggesting that we increase the revenues to address the current budget to avoid making some cuts to budget side.
- New Growth
 - Clute: 4 single family homes. 2 condos. Several newly created lots to be assessed. Asked for budget to be increased for utilities. Appraisals came back, one increased by 82%. Approximately \$6700 over FY21. One utility had approximately \$54k. May be some revenue associated with cell tower appraisals as well.
 - Fenton: Do winter months impeded ability for an accurate estimate?
 - Clute: Yes, it is difficult to predict. Receive the list of renovations over the winter/spring.
 - Riches: In the past, assessor provided a number. Went to town meeting, did inspections then battle with DOR to get it certified June/July time frame. Assessor puts best foot forward to put numbers out.
 - Love: 2017 realized 5x budget. 2018 realized 3x budget. Disconnect between realized and budgeted. Home improvements.
 - Herron: How often are utilities re-evaluated.
 - Clute: Every year.
 - Riches: Assessor provides the number. Should not pressure to estimate above what they feel is comfortable.
 - Fenton: 2021 estimate and actual were very close. This increases the levy limit which increases our ability to increase taxes to offset expenditures.
 - 5% Policy
 - Riches: Started as a recommendation to put 5% into capital depreciation, 5% into stabilization and 5% in OPEB. Only accomplished 1 year.
 - Fenton: Good idea if you have excess revenue.
 - Riches: Intended to cut budgets if needed to make this happen.
 - Love: Great policy, agree that cannot always do it. Suggest that we do focus on trying to do it. Example: CD has \$119k, just bought a truck. FY19 almost none

was related to 5%. This should be a focus when we do our budget. Large gap between Collins report projects and cap dep funds. Maybe do less than 5% certain years?

- Reserve Fund
 - Love: Request was to have a good schedule and we got that. We lose sight of what got transferred out every year, we should keep this fresh in our minds. Is this a place where we have too much set aside? 2018 we set \$40k aside and spend \$400 dollars.
 - Riches: Not wasted money. Need it to for emergencies. Would not go lower than \$40k. We've used it wisely
- Reorganize the Finance Committee
 - Fenton: Nominate Mr. Fenton for Chair, Mr. Domineck for Clerk and Mr. Love for Vice Chair
 - MTA Herron, 2nd Peters. Unanimously approved.
- New Business
 - AMC fireworks for 75th anniversary. Julia Pingiatore doing fundraising.
 - Fenton: We should support our local college. Suggest we help subsidize.
 - MTA looking for funding for the display: Herron, 2nd Love. Unanimously approved.
- Motion to adjourn Herron, 2nd Love. Unanimously approved
 - Adjourned 847pm

Respectfully Submitted

DocuSigned by:

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Tony Domineck, Clerk

New Growth

Year	Estimated	Actual
2016	30,000	71859
2017	35,000	149763
2018	50,000	148356
2019	130,000	154443
2020	61,000	120729
2021	85,000	90276
2022	70,000	

New Growth (New Construction) is estimated by the Assessor.
Inspections take place between April & June depending on weather.
DOR certifies new growth and the number is included as part of the Levy.

Local Receipts	Estimated	Actual	Estimated	Actual	Estimated	Actual	Estimated	Actual	Estimated	Actual	Estimate	Estimated
	FY16	FY16	FY17	FY17	FY18	FY18	FY19	FY19	FY20	FY20	FY21	FY22
Motor Vehicle Excise	635,000	665,601.00	660,000.00	694,736.20	643,500.00	717,270.3	674,000.0	703,924	675,000	703,037	703,037	703,037
Other Excise (Includes Meal Tax)	500	523.00	500.00	463.00	500.00	670.8	500.0	14,167	13,000	17,672	17,672	17,672
Penalties & interest on taxes and excises	24,000	24,054.81	24,000.00	22,646.05	15,000.00	42,757.4	30,000.0	26,867	26,000	22,987	21,000	20,000
Payment in Lieu of Taxes	12,770	22,128.46	22,128.00	22,681.67	20,000.00	31,198.9	30,000.0	31,814	30,000	43,013	43,013	43,013
Other Charges - Trash	274,000	281,298.00	276,000.00	278,934.56	255,000.00	280,462.9	275,000.0	281,653	280,000	278,821	355,680	300,000
Fees	70,000	69,955.93	69,000.00	70,659.84	49,000.00	60,964.8	50,000.0	67,620	50,000	58,903	58,900	58,900
Rental (10 West St)	4,000	4,400.00	1,000.00	4,796.00	3,000.00	3,600.0	2,500.0	5,200	4,800	4,800	4,800	4,800
Cemeteries	10,000	12,150.00	10,000.00	9,800.00	7,000.00	14,950.0	7,500.0	5,750	5,750	13,800	13,800	9,000
Other Departmental Revenue	27,635	12,649.82	12,650.00	7,315.97	5,000.00	25,553.0	10,600.0	23,895	10,600	26,569	26,500	26,500
Licenses and permits (all dept)	58,000	75,143.50	50,000.00	68,923.35	55,000.00	79,196.6	55,000.0	75,426	55,000	78,080	78,000	70,000
Fines and forfeits (all depts)	10,000	7,002.50	6,000.00	9,103.50	6,000.00	10,392.8	6,000.0	34,149	20,000	33,786	33,000	20,000
Investment income	4,800	5,636.95	4,850.00	5,269.91	2,000.00	11,478.5	5,000.0	12,862	5,000	18,421	18,400	18,000
Miscellaneous recurring - Teachers	24,200	18,538.47	8,000.00	8,355.80	8,000.00	20,184.4	15,000.0	16,704	15000	19,088	6,088	6,088
Total	1,154,905	1,199,082	1,144,128.00	1,203,685.85	1,069,000.00	1,298,680.3	1,161,100.0	1,300,031	1,190,150	1,318,979	1,379,890	1,297,010

Meal tax started FY19 but DOR does not allow to be estimated until until the following year ie FY20

Payment in Lieu of Taxes - Assessor was able to assess the City of Worcester more PILOT in FY18 & FY20

CLR 7/8/21

	<u>Estimated Local Receipts versus Actual Receipts</u>			
FY	Actual Local Receipts	Estimated Local Receipts	Difference	Difference as % of Estimate
2000	1,147,733.00	1,141,139.00	6,594.00	0.58
2001	1,074,577.00	1,176,597.00	(102,020.00)	(8.67)
2002	1,180,970.00	1,067,584.00	113,386.00	10.62
2003	1,335,480.00	1,243,955.00	91,525.00	7.36
2004	1,617,678.00	1,476,200.00	141,478.00	9.58
2005	1,667,573.00	1,654,769.00	12,804.00	0.77
2006	1,684,847.17	1,643,962.00	40,885.17	2.49
2007	1,087,918.10	1,107,704.48	(19,786.38)	(1.79)
2008	1,113,664.35	1,181,367.00	(67,702.65)	(5.73)
2009	1,107,174.49	1,235,559.79	(128,385.30)	(10.39)
2010	1,043,543.53	1,076,268.20	(32,724.67)	(3.04)
2011	1,050,935.00	1,097,934.00	(46,999.00)	(4.28)
2012	1,076,402.00	1,065,935.00	10,467.00	0.98
2013	1,183,723.00	1,062,364.00	121,359.00	11.42
2014	1,145,295.00	1,043,665.00	101,630.00	9.74
2015	1,169,629.00	1,043,665.00	125,964.00	12.07
2016	1,199,082.00	1,154,905.00	44,177.00	3.83
2017	1,203,685.00	1,144,128.00	59,557.00	5.21
2018	1,298,680.00	1,069,000.00	229,680.00	21.49
2019	1,298,680.32	1,161,100.00	137,580.32	11.85
2020	1,318,979.00	1,190,150.00	128,829.00	10.82

WATER ENTERPRISE FUND
Schedule of Revenues and Expenditures
For the Year Ending June 30, 2021
*** NOT FINAL as of 7/15/21**

REVENUE / BUDGET to ACTUAL

	Budget	Actual	Difference	% Received
User Charges	1,017,151.00	1,121,693.66	104,542.66	110.28%
Connection Fees	30,372.00	26,817.88	(3,554.12)	88.30%
Other Departmental Revenue	1,000.00	687.65	(312.35)	68.77%
Investment Interest	2,000.00	869.83	(1,130.17)	43.49%
Totals	\$ 1,050,523.00	\$ 1,150,069.02	\$ 99,546.02	109.48%

EXPENDITURES / BUDGET to ACTUAL

	Original Budget	Supplemental Budget	Year to Date Expenditures	Carried to Fiscal 2022	Available to Date	% Remaining
<u>WATER ENTERPRISE</u>						
Compensation	182,127.00		156,140.27		25,986.73	14.27%
Expenses	772,495.00		707,460.70		65,034.30	8.42%
Debt	95,901.00		95,900.43		0.57	0.00%
Tank Asnebumskit Rd	105,672.00		105,672.00		-	0.00%
Article 16 Transfer to G/F	15,000.00		15,000.00		-	0.00%
Prior Year Encumbrances	82,627.78		82,216.78		411.00	0.50%
WATER ENTERPRISE TOTALS	\$ 1,253,822.78	\$ -	\$ 1,162,390.18	\$ -	\$ 91,432.60	7.29%

**Town of Paxton
Reserve Fund Budget and Budget Transfers**

	Fiscal 2016	Description	Fiscal 2017	Description	Fiscal 2018	Description	Fiscal 2019	Description	Fiscal 2020	Description	Fiscal 2021	Description
Budget	40,000		40,000		40,000		40,000		50,000		40,000	
Reserve Fund Transfer	(110)	Town Clock	(600)	ACO expenses	(304)	Building Comm. Reimb.	(5,500)	COA heat	(37,344)	Assist. Fire Chief Vehicle	(1,900)	Short term interest
Reserve Fund Transfer	(24,500)	Fire Payroll	(2,100)	Ins. increase Vehicles	(36)	Ins. increase Work Comp	(1,300)	MIS Outsourcing	(5,240)	Waste Collection	(750)	Tree warden
Reserve Fund Transfer			(2,773)	Int/fees for borrowing	(60)	Ins. increase Property	(9,500)	Animal Control Vehicle			(3,950)	Tree warden
Reserve Fund Transfer			(225)	Tree warden	(62)	Ins. increase DPW Truck	(170)	Central Purchasing Oil			(2,800)	Tree warden
Reserve Fund Transfer			(4,000)	Legal due to Union Neg.			(4,875)	Flagpole on common			(1,960)	Tree warden
Special Town Meeting									20,000			
End of Year Balance	15,390.00		30,302.48		39,538.25		18,655.00		27,416.00		28,640.00	