

**TRURO SELECT BOARD WITH
THE FINANCE COMMITTEE
WORK SESSION**

**Tuesday, February 16, 2021
Remote Meeting**

Select Board Members Attending: Robert Weinstein, Chair; Kristen Reed Vice-Chair, Susan Areson Clerk, Jan Worthington, and Stephanie Rein

Attending: Town Manager Darrin Tangeman; Assistant Town Manager Kelly Clark; Town Accountant Trudi Brazil; Finance Committee Chair Robert Panessiti, and Members Steven Roderick, Richard Wood; Recreation and Beach Director Damion Clements; DPW Director Jarrod Cabral, Health and Conservation Agent, Emily Beebe; and Library Director Tricia Ford.

Select Board Chair Robert Weinstein opened the Select Board Meeting at 10:00AM. He introduced the Board and guests to the meeting.

Finance Committee Chair Bob Panessiti introduced the Finance Committee members in attendance.

1. REVENUE UPDATE

2. DISCUSSION OF FY 2022 BUDGET

- a) Overall Budget—Revenue and Expenditure Recap**
- b) Personnel Requests**
- c) Credit Card Fees**
- d) Line Items Requiring Further Discussion**

Town Accountant Trudi Brazil reported that the free cash certification from the DOR has not been received yet, but she believed that the Town will come in at or slightly above last year's certification which will be revisited when the figures are certified. She explained where the local revenues come from (Beach, Harbor, Recreation, Conservation Commission receipts, etc.) which are currently down. She spoke of the detailed amounts of how much the departments were down. The receipts-reserved is only \$418,000 and the State Aid projection is \$610,000.

The free cash includes a million dollars against the tax rate. There is an estimated levy capacity of 18 million. She reported that they are not balanced at this time. She added that the CPA is still finalizing their figures. There is a 3% tax levied on real estate property, but she will wait until the Committee comes in with their recommendations. Select Board Chair Weinstein asked for a definition of the Free Cash. Town Accountant Brazil responded that each year there is an estimate of the local revenues and from that projection the tax rate is set.

Finance Committee Chair Panessiti explained that Free Cash is not uncommitted capital. Select Board Chair Weinstein asked about the revenue for the rental occupancy tax and the funds from

the Klein property. Town Accountant Brazil responded that the rental tax for Fiscal Year 20 was \$560K which goes towards the General Fund. Monies that come in the current fiscal year cannot be spent for use in the current fiscal year as they need to be certified. The Dennis Family Gift Account (Klein Property) receives \$250K each year, for 10 years, and is not a dedicated revenue stream. The use of the funds is discussed with the Select Board Members.

Select Board Clerk Areson asked how much of the funds are remaining for the Walsh Property interest. Town Accountant Brazil responded that \$124,550K was committed at Annual Town Meeting. Town Accountant Brazil reviewed the Budget Summary Recap expenditures. They are recommending that the expenditures be subject to exclusion (as Capital Items). There would be a one-year override to increase the tax capacity for those projects. The DPW tractor was deferred and then failed on the Ballot question on Election Day. It will be revisited again this year. Capital Maintenance at the Truro Central School of \$228K is being requested, there is a request for additional personnel which is subject to an override. This would increase our Levy Capacity to fund these personnel. Town Accountant Brazil explained the costs for the personnel in the Health and Conservation Department and Library. She then reviewed the expenditures not appropriated at Annual Town Meeting.

Town Accountant Brazil then reviewed the Revenues on the budget summary. She reported that the difference between revenue and expenditures is \$409,953. Select Board Clerk Areson asked for clarification on whether the Town will have a Recreation program in 2021. Town Accountant Brazil responded that the presentation assumes the program is running in 2021. Select Board Chair Weinstein asked if the expenditures for the department personnel will remain an ongoing cost to the Town. Town Accountant Brazil agreed, it would be.

Town Manager Tangeman stated staff's approach to the Budget, noting that they went through the major variances, and evaluated and looked for efficiencies. Town Accountant Brazil noted the 2.71% increase to the principal and long-term debt, due to being in the 3rd year of short-term borrowing for the Walsh property, East Harbor debt, and the previously approved purchase of a fire apparatus. Finance Committee Chair Panessiti spoke of upcoming long-term projects facing the town in the next couple of years.

Select Board Clerk Areson noted that the group health insurance has increased. Town Accountant Brazil replied that the Town has accounted for the mid-year qualifying events, personnel changes, and built-in rate increase assumptions. The vacancies are budgeted at the most expensive family plans as the Town does not know what a prospective employee will select for their health care program, explained the Assistant Town Manager Kelly Clark. Finance Committee Chair Panessiti reminded the Task Force and the viewers that the Town cannot deficit spend except in the case of snow and ice removal so all other expenditures must be addressed.

Town Manager Tangeman displayed a spreadsheet with the current vacancies for Town positions, stating that the Town has to budget for the maximum insurance needs for these vacancies. Finance Committee Member Steven Roderick asked if the Town has looked outside of the Cape Cod Municipal Health Care for coverage. Town Manager Tangeman responded that there are penalty fees for leaving and there would have to be a pretty significant policy decision

to leave. Town Accountant Brazil commented that there are not enough members to accommodate better rates.

Town Manager Tangeman said that staff reviewed the budget to see where the large variances were within the Budget. He went through each line item for the various departments.

Health and Conservation Personnel Requests

Emily Beebe, Health and Conservation Agent explained that her department is requesting a full-time Health and Conservation Assistant. She broke down the duties and tasks within her office and the role of the new position.

Health Agent Beebe touched on the changes in the department within the last year, with real estate, redevelopment, and water/wastewater. She next explained the position of the part-time Office Assistant. She spoke of the importance of having the part-time position overlap (Health/Conservation and Building) to make things run smoothly, especially if someone is out of the office.

Select Board Vice-Chair Reed asked if the part-time Office Assistant position's tasks could be facilitated to use public awareness and communication through the website. Town Manager Tangeman explained that there are some opportunities for organizational changes that would help facilitate the need for outreach and better communication with the public. Health Agent Beebe felt that any improvement with sharing information with the public is welcomed. Town Manager Tangeman spoke of the importance of engaging the public.

Finance Chair Panessiti commented that the demands on this department are going to grow, as well as the demands on the Building department and the importance of providing a healthy environment for everyone. Select Board Member Worthington felt the positions were warranted but had concerns about if the Town could afford the positions. She stated concern over the increased budget over the years affecting year-round homeowners in the long run. Finance Chair Panessiti countered with the cost of not addressing issues in the current years and the increase in cost for the same items if not addressed. He felt that these positions were more of a preventative measure.

Select Board Member Stephanie Rein echoed her colleagues statements and voiced her support of the additional personnel.

Finance Committee Member Wood agreed that the increases happen especially with the environmental projects and felt that it is up to the Select Board to give direction to the Town Manager. Select Board Clerk Areson fully recognized the Health Agent's need for assistance and supported the request. She wondered if once they are past the workload associated with the pandemic if work will slow down some for the staff. She felt that a top-down review of the departments could expose where there are synergies.

Finance Committee Member Steve Roderick asked if there is an opportunity for revenue through an increase in Title V inspections. Health Agent Beebe responded that the department is revamping the inspection process. He agreed that the department is understaffed, and it is

important to keep these departments from burnout and continue to explore sources of revenue versus increases in cost.

Finance Committee Chair Panessiti asked when the last time the fees were reviewed. Health Agent Beebe noted that fees are looked at regularly for the transfer station, but they will look at Conservation fees again. Finance Committee Chair Panessiti was concerned with things that take up staff time without additional fees added. He added that he looks forward to an Economic Development plan for the Town to reduce the tax rate.

Select Board Chair Weinstein wondered whether the current Assistant and other staff have the necessary qualifications. He commented that he wants to make sure that staff that Truro currently has is being utilized efficiently and is competent to fulfill those roles.

Health Agent Beebe commented that her department has skilled staff and training is ongoing. She is concerned about continuing to operate with current staff levels. Select Board Chair Weinstein felt that it is important that the Community understands the weight of their office work and hopes people pay attention to her explanation.

Select Board Vice-Chair Reed commented on the Health Agent's narrative of the workload. Finance Committee Chair Panessiti said that there is a policy in place for adding positions. He spoke to infrastructure breakdowns, work not being completed, stress on staff, and cautioned the domino effect of bad short-term decisions. Select Board Vice-Chair Reed added there is also the importance of compliance, and when the Town is not in compliance can also have liability costs. Select Board Chair Weinstein also agreed that there are necessary tasks that need to be addressed by staff and the Finance Committee Chair's comments address that.

Town Manager Tangeman stated that the priority would be fund the Assistant position, followed by the OA2 position.

Library Personnel Requests

Town Manager Tangeman spoke to the request from the Library for the summer clerk position. The position will be an override. Library Director Tricia Ford highlighted the limited services that the Library has provided during Covid. This summer she anticipates the Library being open only for the Grab and Go program in which a patron is in the library for an hour. She anticipates the Library Trustees' support of this position. Select Board Vice-Chair Reed thanked the Library Director for her mindfulness of this request. Select Board Chair Weinstein asked if she could speak to the position not being filled.

Library Director Ford commented that there are too many people through the library in the summer which burdens the staff. However, if the library is not open full hours to the public, the staffing would be sufficient without the summer clerk addition. She said she would be requesting this for the next budget. Select Board Chair Weinstein asked his colleagues for their input. Finance Committee Chair Panessiti agreed that the library use has increased over the years, and especially this year, and cautioned against not filling the needs of the departments.

Credit Card Fees

Assistant Town Manager Kelly Clark, at the request of the Budget Task Force, reached out to other Cape communities regarding their credit card fees. Due to Covid many towns have increased credit card transactions. There is no consistency with the fees for each town. She noted the increase in fees for the Town of Truro from 2019 to 2020. The total fee requests for FY2022 is \$21,500.00. Staff recommends adding the ability of ACH (e-check payment), passing the fees along to the consumer, with the exception of transfer station permits, if the software allows. Staff is working to streamline the credit card providers as well as providing greater efficiency for the Accounting department on the fee transactions.

Town Manager Tangeman said that the Board needs to consider the impacts if the fees are passed on to the consumer. Transfer Station permit credit card fees could have an impact. Select Board Member Worthington agreed with excluding the Transfer Station customers from paying the fees and possibly the Beach sticker customers and asked what the fee would be to the consumer. The percentage will vary depending on the company and the specific credit card used. Town Accountant Brazil explained to Vice-Chair Reed payments can be made online for property taxes for a percentage.

Select Board Worthington felt there would be an issue adding the fee to using credit cards. Select Board Vice-Chair Reed reiterated that there are other payment options. Town Accountant Brazil explained that cash is not accepted at the Transfer Station. Town Manager Tangeman hoped to bring as many options as possible back to the Board from the credit card vendor. Town Accountant Brazil felt that the use of credit card payment, does have a processing component and explained that process. Finance Committee Member Roderick felt that the fees should be charged as credit cards are used widely. Finance Committee Member Wood felt that the fee should be on the user.

Finance Committee Chair Panessiti felt that the fee is a service fee that will not burden people. Select Board Chair Weinstein noted the people using credit cards are paying for convenience. Select Board Vice-Chair Reed agreed to passing the credit card fee on to the user. Finance Committee Chair Panessiti expressed concern over the Town covering the cost of the credit card fees.

Town Accountant Brazil explained to Board Member Rein that checks will still be accepted at the Transfer Station. Chair Weinstein felt that there was consensus to pass the credit card fees on to the users.

Town Manager Tangeman noted the Chamber of Commerce Budget changed to \$37,975 (reduced by 2.5%). Finance Committee Chair Panessiti said it seemed reasonable but deferred to others that understand the Chamber. Steve Roderick, speaking on behalf of the Chamber, commented that they will budget this year instead for the amount of \$29,145.00, with some changes they would make with respect to data collection and transparency of their budget. Select Board Worthington felt that there needs to be a discussion on assisting the Chamber. Select Board Clerk Areson felt more data will help make a better assessment. Select Board Chair Weinstein agreed that the data collection will better inform them in the future.

Town Manager Tangeman stated that there might be the addition of Free Cash that can go towards the Reserve Fund and the advantages of this recommendation. This would be advantageous in helping with unanticipated issues that come up during the year. Finance Committee Chair Panessiti commented on the budgeting parameters of the Reserve Fund. Town Manager Tangeman asked for feedback from the rest of the Budget Task Force Members noting a policy regarding Reserve Funds should be in place.

Select Board Clerk Areson felt that there should be preparation for an explanation to taxpayers about all of the items that Free Cash is being moved for. Town Manager Tangeman contributed that any requests of the funds go to the Finance Committee. Town Accountant Brazil added that any funds expended from this account must be extraordinary and unforeseen. Finance Committee Chair Panessiti said as the budget increases potentially more things can go wrong and more unanticipated expenses can come up. Select Board Chair Weinstein reiterated that the Reserve Fund has Statutory requirements. Town Manager Tangeman stated that they will work on a policy to bring back to the Board.

Town Manager Tangeman highlighted the Capital Exclusion for a school project of \$228,200. This was a collaborative decision between the Town and the School Committee. The project is for windows and siding that needs to be done. The next item is the Fire and Rescue Analysis to be completed in FY 2022 with a possible override in FY23 budget. Town Manager Tangeman spoke of FEMA funding of 3-year positions through grants to offset the upfront costs but then those municipalities must absorb those funds.

Select Board Member Worthington asked about regionalization being a part of the analysis. Select Board Vice-Chair Reed spoke of the department needing personnel as it relates to Lower Cape Ambulance. Town Manager Tangeman replied to the Fire Chief's desire to have the adequate number of personnel on a rescue call. Select Board Member Worthington noted that the staff levels must meet the needs of the community if the Town no longer contracted with Lower Cape Ambulance. Finance Committee Chair Panessiti spoke of the changing demographics, and the importance of the many factors involved. Select Board Clerk Areson stated that timing will be critical in informing the public of the needs of staffing.

Town Manager Tangeman backed the one full-time position but stated concern over the part-time employee being increased to fulltime during Covid for Health and Conservation. The Town is currently looking for assistance to all the regulatory Boards for minutes which the department does need help with to keep current. Select Board Members Reed, Areson and Rein appreciated the Town Manager's input on the positions in that department and supported the one full-time position. Finance Committee Chair Panessiti noted the need for the public to be aware of the entire situation. He added that synergies should be looked at between departments.

Town Manager Tangeman stated that the WROC budget would be placed in the Health and Conservation department. Select Board Member Worthington worried this would eliminate the public from speaking on the water issues. Town Manager Tangeman felt that the line items were more appropriate in the Health and Conservation department. Select Board Clerk Areson had no issue with this request. Select Board Member Rein reported that WROC had not met in 2020.

Select Board Chair Weinstein spoke of the Chair of the Board of Health stating that WROC fulfilled the objectives of its charge.

Town Manager Tangeman next reviewed the Council on Aging request to change the FY22 request for programs to \$22,500. Next item was a discussion on the desire to use the Dennis Family Gift Account for the principal or interest on the Walsh Property. The interest and principal total is \$275,750. With interest through January, there is \$1,165,152.78 in the Dennis Family Gift Account. Select Board Member Worthington felt that it was a good use of the money due to the relationship between the properties. Finance Committee Chair Panessiti spoke of the debt and whether there was a better way to spend the funds.

Select Board Clerk Areson asked if this goes to Town Meeting, is it a separate Article? Town Accountant Brazil responded it would be listed as it was last year. The issue with taking the debt out of the Article, is that if it is voted down, the debt still needs to be paid. Select Board Member Worthington said that it is important to continue to have trust from the Community. Town Accountant Brazil commented that they cannot permanently bond the acquisition.

Town Accountant Brazil stated that the acquisition was excluded and that once the Town knows what is being done with the property, then we will be raising the tax rate to pay that year's portion of principal and interest on the debt. Chair Weinstein also spoke of there not being a bond until there is a dedicated use of the property.

Town Manager Tangeman stated that there is a vacancy of the Assistant Beach and Recreation Director but also a lack of programming due to Covid. He suggested that they keep the position but hold off as long as they can to hire. He noted concern that if the position is eliminated there would be a reduction in programming. He asked that any decision be made after the pandemic. Select Board Clerk Areson felt that they need more information on programing, but she was alright with temporarily filling the position and then coming back to the Board with recommendations.

Select Board Member Reed thanked staff for their efforts and the visual aids. Next steps would be an updated budget. Assistant Town Manager Clark said that they would bring the budget back to the Board in March. Town Manager Tangeman said he would be working on the policy for Reserve Funds and Town Accountant Brazil is working on the Certification for Free Cash. Select Board Member Worthington asked for better understanding of the budget for defense of it and stated concern that they may be running out of time to review these things due to Town Charter requirements. Once there is certification of the Free Cash, the Board will have a better understanding of the Revenue- Expenditure gap.

A date of February 23, 2021 for submission of the Budget to the Select Board will not be met, the Select Board Chair Weinstein stated. Finance Committee Chair Panessiti didn't see any issues so far. Finance Committee Member Wood thanked the staff for the process. Select Board Clerk Areson also thanked staff.

Adjournment

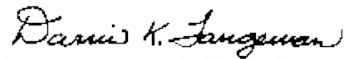
Select Board Clerk Areson made a Motion to adjourn. Select Board Vice-Chair Reed seconded the Motion. Motion passes, 5-0-0.

The meeting was adjourned at 2:02pm.

Respectfully submitted,



Nicole Tudor, Executive Assistant



Town Manager, Darrin Tangeman
Under the Authority of the Truro Select Board

Public Records material of 2/16/2021

1. Budget Presentation Slideshow