

Budget Subcommittee Meeting Minutes

November 18, 2020

6:00 PM

Members Present: Councilors Matt Kelly (Chair), Deborah Pellegri, Melanie Hamblen, Thomas Mercer

Also Present: Town Administrator - Jamie Hellen, Assistant to the Town Administrator - Chrissy Whelton, Executive Assistant - Alecia Alleyne

Meeting called to order at 6:00 pm.

FY21 Budget Update & Discussion: Recommendation on Recreation & Clerk Departments, Recommendation on Budget Stabilization Deposit

Town Administrator Hellen opened the meeting with a quick debrief on the current budget status both locally and at the State level. He noted that the Finance Committee, at their meeting dated November 17, 2020, unanimously approved the recommendations currently in front of the Budget Subcommittee, these recommendations will later be moved to the Town Council for their final approval. Town Administrator Hellen opened with some relatively good news, Franklin's local aid numbers were not cut nearly as much as was initially anticipated. The state legislature agreed to do FY20 local aid and assessment numbers, this ultimately means that the Town will lose far less revenue.

Town Administrator Hellen then summarized the three recommendations in front of the Budget Subcommittee. The proposed adjustments to the Town budget are as follows; \$75,000 appropriated to the Town Clerk's department and \$75,000 appropriated to the Recreation Department, additionally, the Town will have an anticipated surplus (unused levi capacity) of \$853,842 dollars, the recommendation is to save this money and put it into the budget stabilization account. There is currently no money in the budget stabilization account. Mr. Hellen noted that the House of Representatives and State Senate are currently debating their budgets and should vote on them in December. The town has lost approximately \$664,000 in state revenue, though this is not too concerning because the Town anticipated it to be much worse, (approximately 3-4 times the \$664,000 loss). The hotel motel tax money has created approximately \$200k in surplus and the Town saved approximately \$400,000 in its charter school assessment. The Town has been managing approximately 4.5 million dollars in federal money through CARES & FEMA. It is important to note that the money from CARES will be gone come December 30, 2020 barring any congressional action

Councilor Mercer asked Mr. Hellen what the Town plans to do come the new year when CARES act money will no longer be available but PPE, disinfectant etc. is still needed by the Town. Mr. Hellen responds, stating that FEMA money will still be available and will reimburse qualifying purchases at a rate of 75%. Since CARES Act money is slated to expire come December 30, 2020, Mr. Hellen proposed putting a hold on the capital program and reserve free cash to get the Town through the beginning of 2021, Franklin has put in large orders for PPE & Disinfectant to carry first responders, staff and schools through the upcoming months. Global

supply chain delays have made it challenging for the Town to complete many COVID-19 related projects on their original projected timeline.

Councilor Hamblen commended the Assessors for keeping the new growth assessments up and the HR department for negotiating a favorable health insurance rate for the Town. Councilor Hamblen asked what unemployment insurance was and why its associated price went up. Mr. Hellen expressed his concerns regarding unemployment insurance because the line item is slightly over budget, the Town is hoping that department wide savings will help to subsidize overage in the current unemployment insurance. On the municipal side no layoffs occurred, some municipal employees were furloughed but the Town anticipates that many if not all municipal employees will be back before years end. The Town is hopeful that by the end of the year departmental savings will be able to cover the extra costs due to unemployment. Mr. Hellen also noted that health insurance premiums were decreased by 15% for a designated month during the height of the pandemic.

Regarding the Town Administrator's suggestion to put capital programs on hold, Councilor Hamblen inquired as to how the Town is ensuring that maintenance contracts are kept so our vehicles etc. are safe for our employees. Mr. Hellen stated that the Town has yet to receive a request from a department for a big piece of equipment.

Councilor Kelly stated that he would like to see capital requests prior to the end of the year particularly if there is a major need or concern. He commended the Town Council and department heads for navigating ways to prevent the need for an override this year. Councilor Kelly stated that the Town has to keep in mind that the State is eight billion dollars in debt and so the Town has to come up with strategies to successfully stand on its own.

The Budget Subcommittee then voted to move the following items to the Town Council for their decision:

1. Councilor Mercer made a motion to recommend to the Council that the Town appropriate \$75,000 to the Towns Recreation Department, Councilor Hamblen SECONDED, **Approved 4-0**
2. Councilor Mercer made a motion to recommend to the Council that the Town appropriate \$75,000 to the Town Clerk's Department for our recent and upcoming elections, Councilor Hamblen SECONDED, **Approved 4-0**
3. Councilor Mercer made a motion to recommend to the Council that we appropriate \$853,842 to the budget stabilization fund, Councilor Hamblen SECONDED. **Approved 4-0**

Councilor Kelly made a motion to adjourn, Councilor Hamblen SECONDED.

Meeting Adjourned at 6:33pm.