

Town of Longmeadow

Minutes of the Finance Committee for April 27, 2020

Teleconference

Finance Committee Members present: Andrew Lam-Vice-Chair, Chaya Kosofsky, Eileen Morin-Clerk, Donald E. Griffith and Tom Dignazio

Finance Committee Members absent: Maury Garrett, Jr.-Chair and William Welch,

Visitors: Paul Pasterczyk-Finance Director, Marybeth Bergeron- Building Committee (7:12 pm), Peter Landon-Audit Committee (7:15 pm)

The meeting was called to order at 7:00 pm

A motion was made and seconded to accepted the minutes of March 11, 2020 as presented (5-0 in favor)

A motion was made and seconded to accepted the minutes of March 23, 2020 as presented (5-0 in favor)

Discussions:

- Mr. Pasterczyk gave the Finance Committee (FC) a generic overview of his revised FY 2021 revenue guesstimates resulting from the lingering COVID-19 pandemic. In total Mr. Pasterczyk provided a reduction in FY 2021 revenues of approximately \$600K consisting mainly of an estimated 15% drop on the unrestricted local aid category on the Cherry Sheet and a drop in anticipated Motor Vehicle Excise Tax revenues. Mr. Pasterczyk estimated lesser reductions in new growth, licenses and permits and meals taxes. Additionally, reductions in Ambulance and Day Care revenues would be offset by reductions in correlating appropriations. Given that the pandemic had not really started until the early months of calendar 2020, Mr. Pasterczyk explained that the valuation used for calculating the FY 21 property taxes would not be impacted because sales data from calendar 2019 would be the basis of that estimate. Mr. Pasterczyk explained to the committee that he and Town Manager Lyn Simmons would be proposing FY 2021 appropriation cuts equal to or greater that the loss of revenues and that the School Department would be asked to share in the cuts. These recommendations would be given to the Select Board for consideration of a revised FY 2021 budget at the May 4, 2020 Select Board meeting. FC members asked questions regarding MA School Building Assistance (MSBA) funds and some historical perspectives on the Town's valuation. Currently the Town is not receiving or expecting any MSBA funds. Valuations from a 15-year historical perspective showed drops in valuation peaked at roughly 4% in any one year and about 7.5% in any two or more consecutive years going back to FY 2006.
- Tom Dignazio mentioned that the next Tax Ceiling Tax Force meeting would be held April 29<sup>th</sup> and that the Task Force would be voting on 2 possible options dealing with Proposition 2 ½ relief. Option 1 is to eliminate the \$25/\$1,000 valuation cap and Option 2 is to raise the limit from the \$25/\$1,000 amount to an amount higher.
- The next meeting is scheduled for May 26, 2020 at 7:00 pm
- Motion to adjourn at 7:45 pm (5-0in favor)

Respectfully submitted,

Eileen Morin, Clerk