

MUNICIPAL FINANCE DISCUSSION WITH DEPUTY REVENUE COMMISSIONER SEAN CRONIN QUESTIONS ASKED SUMMARY – APRIL 23RD

Options for Relief

Is there any special legislation being considered for cities and towns that are at their levy ceiling?

Is the Administration considering 1) Early Retirement Incentive - Legislation allowing early retirement adding 5 years of service or 5 years of age. This would allow cost savings on the operational budget and potentially prevent some layoffs; 2) MSBA Consideration of funding additional construction costs and costs related to the COVID 19 Crisis for on-going school projects?

Can grant deficits be extended to 10/31 versus the current 9/30?

DESE says we should continue to pay our Vocational Education Assessments and Regional School Assessments, what is DLS opinion on this?

FY21 Budget Passage/Town Meetings

For budgets done using the one-twelfth method, what about large non-recurring costs that only pop up during certain months like the pension appropriation, debt service, etc.?

Small thing, but does the 1/12th budget need council/town meeting approval or only DLS/DOR approval?

We need to choose from various options as it relates to establishing the budget and don't have clarity as to whether DOR/DLS deems them appropriate. Our choices are (A) Town Meeting budget based on 10% - 15% revenues cuts - If it can be done by June 30 (B) No Town Meeting – Town needs to send in Monthly budget request only using tax revenue that is level with prior year. The only allowed expenses would be level funded payrolls, payroll based on contract (which should be relooked at), Items like health insurance premiums, Worcester Co Retirement – so we can take the discount, insurance premiums. Other Assessments like regional schools, dispatches etc should be relooked at and only what is needed be spent until we have actual budgets. (C) Do we only do a zero-based budget and we only spend what is approved bi-weekly with Town Admin/Mayor/Selectmen/Finance Committee approvals?

How do we budget for self-insurance claims related to COVID? (Possibility of shortages of funds)

Does the Town have the right to encumber funds for Special Town meetings that were pushed to fiscal year 2021?

For Towns with Town Meetings that will occur in the near future, would it be a positive strategy to focus those meetings towards budgeting for operations and holding an STM in the future for capital needs? Are there other similar strategies Towns are using?

For budgets done using the one-twelfth method, what about large non-recurring costs that only pop up during certain months like the pension appropriation, debt service, etc.?

Meetings can only be extended past 6/30 if the emergency is extended. What if you push it beyond 6/30 and the emergency is lifted?

Issue with FEMA requirement to accept maps which require town meeting vote, many municipalities may not make deadline. If any of the 31 municipalities have not accepted maps all 31 are out of FEMA flood insurance. Serious issue with hurricane season coming?

Federal Funds

Municipalities with ambulance services have been receiving stimulus federal funding from HHS - There is not much guidance on what it can be spent on. Does DLS/DOR want this to go to the Ambulance RRFA, GF, Special Revenue?

When will the state stimulus package be distributed to Town/Cities and should we build this as a federal grant since it is a pass through?

Is setting up a CARES Act Special Revenue Fund appropriate for expenses outside the budget for reimbursements.

Can we use this money to support park and rec enterprise fund deficits or FY21 budget issues?

Will interest expenses for RAN's be included in the stimulus package?

The CARES Act includes \$50.9 million specifically for schools. Can those funds be designated for cities and towns with a levy ceiling issue or for Gateway cities?

Question about the CARES Act and Fed purchase of debt. The Fed set aside \$500bn for the purchase of municipal debt but limited to cities over \$1m and certain counties which means only 10 cities and 15 counties nationwide are eligible. That said, States can request on behalf of a consortium of smaller cities and towns. Is this something that the State is doing/is open to doing?

Would CARES Act funding cover pay outs of specific departmental vacation time? At this time, our first responders and a few other departments are unable to take any time off and we are worried that any carryover of remaining time will lead to significant over-time costs. Do you think that could be covered?

The state received a Federal Disaster Grant of \$6.9m and my understanding is that it allows temporary jobs to be paid by the grant and created to respond to the disaster. It would be great to consider using those funds to hire personnel within and by our communities to respond to the COVID crisis who may have been laid off by other industries or would be furloughed by municipalities without this aid.

State Budget and Funding

What is the expected impact to Chapter 90 appropriation & reimbursements both amounts and timetable?

What is the status of the state budget in terms of a timeline?

Do you have a sense of what change to H1 Chapter 70 and UGGA for FY21 based on the reduced revenue picture? Will SOA monies be funded? Will it even make it to target aid? Will UGGA be cut below FY20 level?

Labor Issues

If we furlough our part-timers, are there any penalties that we should expect to incur as they relate to our FEMA reimbursements? What if we are self-insured for unemployment?

Departments (DPW) with staff out and having to hire outside contractors to assist, is there a pay rate set and are those funds reimbursed?

Would teachers or other staff be allowed to apply for unemployment over the summer if the summer programs are cancelled?

If we furlough some of our part-timers who have no work, are there any penalties that we should expect to incur as they relate to our FEMA reimbursements?

Can we legally pay for contracted services that are not being performed, such as special ed trans and OOD tuitions?

Seasonal/senior work-off individuals applying for unemployment. Is Town on the hook for these costs?

Public agencies are responsible for absorbing all the additional FMLA/sick leave costs under the new federal guidelines. Private companies can get reimbursed, but we cannot. Have you tried to estimate how much this will cost the state and local governments, and will the state help us to address this issue with federal officials?

If we redeploy existing personnel to other departments, is there a waiver on the law that forbids employees to work for different depts in the same municipality? Also, can we pay employees as 1099 employees who are also working on outreach, food banks, etc?

Revolving Funds

How should we be handling Park and Rec and other Revolving Fund deficits?