

DRAFT
CITY OF BEVERLY
PUBLIC MEETING MINUTES

BOARD OR COMMISSION: Financial Forecast Committee
SUBCOMMITTEE:
DATE: January 30, 2020
LOCATION: **Beverly City Hall – Council Chamber/Conference Room B**
ABSENT: Kelly Ferratti
RECORDER: Sharlyne Woodbury

In Attendance

City Council Appointees: Chairperson and City Councilor Scott Houseman; City Councilor Stacey Ames; City Council Appointee Karen Fogarty

School Committee Appointees: School Committee Member(s) Lindsay Ducharme; Lorinda Visnick

Mayoral Appointee: Paul Manzo

By Ordinance: Finance Director Bryant Ayles; Beverly School Finance Director Jean Sherburne

Ex Officio: Gerard Perry

Guests: Beverly Superintendent Dr. Sue Charochak; Rachael Abell

Chair Houseman calls the meeting to order at 6:35 p.m.

Discussion

Chair Houseman begins the discussion immediately. Tonight's topic is Revenues. Below is the Revenue outline:

- A. Property Tax: Prior FY levy limit
- B. Plus 2.5 % Increase
- C. Plus "New Growth"
- D. Levy
- E. Less: Overlay (Provision for abatements)
- F. Tax Revenue Net of Overlay
- G. State Aid (to general fund) net school choice reimbursement
- H. School Construction Reimbursement
- I. PILOTS
- J. Medicaid
- K. Medicare D
- L. Motor Vehicles, Boat Excise
- M. Local Receipts
- N. Meals and Room Tax
- O. Internet Income
- P. Transfers from Enterprise Funds
- Q. Other Available Funds (Special Rev transfers)
- R. Penalties and Interest
- S. One Time Revenue

Members take some time to discuss in depth line items A-D. Perry speaks to the line items and their significance within the budget forecast. The main topic within the line items A-D centers on increasing the property tax, Line item "A". Houseman solicits member's comments and thoughts. At this time members fully discuss the pros and cons as well as the public impact. Members are mostly concerned with the impact to their wards. The main concern for Beverly citizens is affordable housing and cost of living. Houseman comments to the need for funding programs and where that funding comes from. Fogarty echoes his sentiments, and speaks to the conflict in what the city can deliver vs the constituent's demands and expectations for services. Ayles suggests making "place holders" for certain line items the committee would like to revisit. Members agree it is not their purview to set policy. Perry explains increasing the property tax 2.5% over the next 2-4 years is prudent to meet the needs of the community over the next few years. Otherwise, expenditures will require significant cuts. Perry and Ayles jointly in both their official and professional capacity support the tax increase.

Houseman keeps schedule and begins discussion on Line item "C". Ayles explains the processes and data he used to determine the new growth number. This number is typically conservative. Members discuss the subcategories of new growth. Visnick asks for a comparison of Line item C as it relates to the city's Master Plan believing the financial forecast should support the city MP. Houseman offered another developed area for comparison explaining the length of time for project completion in relation to new growth. Ayles details there are expenditures not accounted for in the report as they are not appropriate to note here. Perry reaffirms financial forecasting is strictly based on operational needs. Members are concerned with explaining the numbers to their constituents. Houseman suggests as part of their recommendation to the council they require a graph or some type of visual tool for the public.

Houseman moves the conversation to the remaining line items listed. The committee reviews items G through I with no major issue. These numbers are consistent and conservative as past figures present with historical data to support it. Ayles provides a brief summary for Line item "I" PILOT. The only change is Endicott College nearing the end of their agreement. The city will need to renegotiate a new agreement with the new college president. Once the solar field install is complete the city will have a PILOT agreement with them. Moving on to Medicaid, Sherburne offers comment on Line item "J" and the rule changes. Superintendent Charochak explains the change in billable therapeutic services provided to the schools. They will no longer be allowed to bill for these services because they do not have qualified staff in the classrooms. She notes the school will be permitted to bill for services previously not billable due to the Medicaid changes, yet does not know what the reimbursement will look like. The school will need a full year to study the official impact of these changes.

Members continue on reviewing items K through S. Most line item numbers do not experience volatility and remain fairly consistent. Houseman asks for clarification on why Line item "L" is not part of new growth. Ayles explains historically this is one of the positive revenue sources yearly. Moving to item "M" Ayles notes this fund contains about 120 streams of local revenue i.e., dog registration, fees, licenses, etc., and is stable. Line item "N" is new and does not contain a lot of historical data. Ayles notes this line item experiences an annual step increase of 1%. Members finish the line items with Ayles noting for Line item "S", a further explanation will be given during the Expenditures meeting.

Houseman solicits final questions, comments or concerns. The Chair notes further line item explanations will be detailed in the accompanying narrative reports once reports are finalized.

Items:

Approval of minutes (as available)

N/A

Conclusion

Houseman moves to accept the numbers on the spread sheet subject to modification with the inclusion of notes in the narrative. Manzo and Ames seconded. The motion carried (8-0).

Perry reminds everyone the fourth meeting is at the main Beverly Public Library February 6, 2020.

Adjourn

Houseman motions to adjourn. Visnick seconded. The motion carried (8-0). Meeting adjourned at 8:20 p.m.

Next meeting scheduled February 4, 2020.