

**RELEASED**

**APPROVED**

**MINUTES  
SELECTMEN'S MEETING  
REMOTE PARTICIPATION ONLY  
Wednesday, May 27, 2020  
4:00 P.M.**

**SELECTMEN PARTICIPATING:** Larry Ballantine, Stephen Ford, Donald Howell, Michael MacAskill, Edward McManus.

**ALSO PARTICIPATING:** Interim Town Administrator Joseph Powers and Town of Harwich Department Heads

**CALL TO ORDER**

Mr. Ballantine opened the meeting at 4:00 pm, and called to order the Board of Selectmen. Roll call: Mr. Howell - Here, Mr. Ford - Here, Mr. MacAskill - Here, Mr. McManus - Here, Mr. Ballantine - Here. The Chairman declared a quorum is present.

**NEW BUSINESS**

- a. Discussion on Fiscal Year 2021 Budget Status with Town of Harwich Department Heads

Mr. Ballantine explained that the intent of this meeting is to discuss the budget going into next year. This year has become difficult and next year will become more difficult with all the shut downs and the decrease in revenue during the year. Our initial reaction is to postpone most capital budget items. There is a penalty for doing that, and we may pay later for increased expenses, but our revenues are limited. The point of this meeting is to have an open discussion, as we are all in this together. Mr. Ballantine then turned it over to Mr. Powers.

Mr. Powers explained to the Department Heads that over the past couple of weeks, there have been meetings with the Board in Executive Session, regarding collective bargaining. This has been an opportunity to get an understanding of the obligations that exist, both through collective bargaining and personal services contracts and other things. The purpose for this today

is to first give Department Heads a sense of the headwinds that we are facing in FY20 and the stronger headwinds that we expect to impact us in FY21.

The Board accepted his recommendation, at their meeting last evening, regarding postponing the annual Town Meeting. They are hopeful that Monday September 28<sup>th</sup>, will be the new date for the Annual Town Meeting and that it will be as broad and robust as we have seen every other spring. In order to do this, they will begin with a process of dealing with a 1/12 budget. This is a monthly appropriations plan that will need to be formulated in July and then submit for August and September, until such time as the Board and Town Meeting have adopted an operating budget. As Mr. Ballantine mentioned, they are being impacted in their revenue line items and that will have an impact on how they budget going forward. Gone are the days that they had a \$1.8 million deficit. They had all struggled with it, but had reached a conclusion at the March 7, 2020 budget meeting; in anticipation of the Town Meeting.

We are not announcing on this call any actions or measures, certainly not layoffs or anything of that nature. The intent of this call is to give the Department Heads, the first heads-up that the Board will start using their weekly meetings, starting on Monday, June 1<sup>st</sup>, to continue to strategize on where they are at for the updated revenue projections, as well as what decisions will need to be made.

This meeting is really meant to represent the partnership that exists between the Board of Selectmen, Administration and Department Heads. Even though this is a public meeting, he speaks for the Board when he says they wanted the Department Heads to hear it from them first, and have a conversation, before getting into the planning and decision making.

Mr. Powers explained, again, that there are no specifics and they are not announcing layoffs or job actions of any sorts. He will be reaching out to each of the Department Heads over the next few days and weeks, as well as the Collective Bargaining Associations and everybody, to start strategizing to react to the devastating financial impacts of COVID-19.

Mr. Powers turned it back over to Mr. Ballantine and the Board.

Mr. Ford said that he thinks one of the important things that he and the other Board Members wanted to convey to the Department Heads, is how important a role they play in the process and are appreciated for what they do. They are a part of this team. The reason they are having this call is to ensure that they know they are part of this team, and that they are part of the decision making process. They should feel free to speak with Mr. Powers, or the Board of Selectmen, with any ideas, thoughts or concerns. It is such a difficult time and as they move into the 1/12 budget, it is going to be even more difficult. They will need help in defining the budget, as they move forward. They really wanted them to know that they are such an important part of this process and they greatly appreciate what they are all going through today, and what they are all going to go through to make sure this town functions in a way that serves all the tax payers.

Mr. MacAskill said that Mr. Ford could not have said it any better. He wanted to thank all of the Department Heads, for the sacrifices they have made. He also wanted to extend his apologies, because he learned that a lot of people were anxious about the meeting today. He is not sure that the Board did a good enough job letting them know that this was not going to get into staffing, that they weren't going to lose part of their departments or their jobs. He gave his apologies as a Board Member for not communicating enough on what this meeting was about. As Mr. Ford said, they have a lot of important decisions to make, so guidance from each Department Head is going to be extremely important.

Mr. McManus said, he thought that Mr. MacAskill and Mr. Ford said it well. It is going to be a tough year. They will need to communicate well to make it through, and they should feel free to reach out at any time, to let the Board know what is going on.

Mr. Ballantine said that they are all in agreement, that communication and joint action is critical. This is the start of the process, not the end, so we will continue to have these open discussions and input.

Ms. Sheila House, Licensed Mental Health Counselor, Youth and Family Services, asked if they go forward on June 1<sup>st</sup>, is there a plan for what this is going to look like? Will there be stuff on the agenda regarding which departments will be discussed, or will it be more of a blanket discussion? She

does not have a feeling for what this is going to look like, and wanted to know if there is any guidance for that.

Mr. Ballantine said that they are some time away from looking at specific department issues. The issues they have right now, are some assumptions on where the revenues might be, and how it is changing as they go through the various directives from the Governor on COVID-19. They will need to see how many businesses might open, how many visitors they might have, the potential for Government aid. The first few meetings will be broader based, about where the revenues will be before it can get into the specific departments.

Mr. Powers said that Mr. Ballantine was spot on, and further explained that what they can expect on June 1<sup>st</sup>, is a public presentment of a statement of where they think they are with revenue impacts for FY20, as well as FY21. This will be the start for getting it out there in the community, so that people begin to understand what we are up against right now, and continue that discussion going forward. As they get into concrete ideas and solutions, more discussions will happen at the department level, long before they would go to the public level.

Mr. Ballantine offered one other comment, following on what Mr. MacAskill said about this meeting scaring a few people. In terms of expenses, they have personnel expenses, debt expenses, capital budget items and some other issues that they can worry about expenses. The discussions about personnel or departmental, will be the very last thing they take up. He said that they are not over staffed and do not have a lot of leeway. They will take the other avenues first, and hopefully that will be the only avenue they will need to take.

Chief Clarke commented on having to go through the 2005 situation, with the layoffs and drastic budget cuts. It was devastating to the community, and certainly to the departments, and they were all involved. He just wanted to remind everyone, as the glass half full, the economy did not cause this. In 2005, they were in economic tough times, this is a virus and most viruses pass, like this one is going to. The Cape is doing really well, and we had anticipations of doing really well and that is going to come back. We need to work together and we are going to have to make drastic cuts, but they are temporary. On the other side of this, is a much brighter day. He strongly believes that in 12 to 18 months they will be back on track.

Mr. Howell said that it hasn't been said quite this way, but what they are really looking for is creativity. Perhaps doing things somehow differently, might save money without sacrificing jobs. How everything interrelates and how we can do things in a more effective manner to find some savings. This is really a revenue problem and they need some creative thoughts to address it.

Mr. Ballantine explained that they are doing things to get the job done with the people we have. For example, instead of hiring someone, they were able to ask for volunteers to help with the plovers this year.

Mr. Ford asked if Mr. Powers or Ms. Coppola, would be able to give a sense of where they are today, to share with the people on the phone.

Mr. Powers said that he would defer to Ms. Coppola. Ms. Coppola said that she would like to review the current fiscal year first. Basically, for the current fiscal year, they have collected real estate and personal property tax for the 4<sup>th</sup> quarter in higher quantities than they anticipated, which is really great news. All of the tax services have sent their \$9 million worth of payments, right on the original due date or before, which was May 1<sup>st</sup>. As they may be aware, the Board had authorized the real estate and personal property payments to be extended to June 1<sup>st</sup>, and also waived interest and penalties till June 30<sup>th</sup>. They do expect to receive quite a bit more. They have outstanding about \$2.7 million, and she expects to collect at least another \$1.5 million before the end of the fiscal year. That is great news.

Ms. Coppola also explained, that the golf department is more functional than they originally anticipated when the numbers were put together for the current fiscal year. They are doing really well and they are really busy. She has been speaking with Roman quite often, about where he thinks his revenue stream will be.

For this fiscal year, she is anticipating a surplus, which is based on the fact she thinks they are going to come close to expending all of their salaries and wages. They have debt they are still obligated to pay and school districts that they are obligated to pay, and other items as well. In addition to some health insurance, which is part of our requirements. So, she does think this year they will wind up in a surplus, but does not think it will be as large as it has been in prior years. For FY20 they will be ok. FY21 is where a lot of work has been done in estimating revenues and short falls in revenues. What is curious

is how lodging will be able to open up, and what restrictions will be placed on that. Also, what restrictions may be placed on restaurants and short term rentals. How many people will buy new cars and how many people will go to the beach. In addition to that, she does think that there are a bunch of people that are not going to be able to pay their taxes in the first couple of quarters, so they have reduced that as well. Right now, after reviewing some numbers at the end of last week, they increased their revenue estimations for golf, which is great. Right now, she is thinking they will be \$4.1 million in a shortfall for FY21, in revenue.

She was able to take part in a webinar today, that was hosted a week or so ago, and it talks about the CARES Act Funding. There is special legislation out there now, that may allow on the Federal level for the CARES Act money to be used for revenue reductions. That has not gone through yet, but she has her fingers crossed for that, so that they may be able to apply some of those funds. That is what she has right now, and she is happy to answer any questions.

Mr. Ballantine continued and talked about being in a hiring freeze, though they will need to hire additional part-time help this summer. This will be required, to be able to follow the Governor's directives on social distancing, space at the beaches, the golf course and cleaning bathrooms. It does turn out that they are able to get reimbursed through the CARES Act, so that will not come out of their budget. So, even though we have a hiring freeze on, there are two different revenue streams that we expect to cover the hiring that is needed. It will be necessary if we want to keep our beaches, golf courses and other public areas in town open. He is hoping that they understand and if anyone has questions, they should reach out to Mr. Powers.

Mr. MacAskill would like to comment, based on other things he has heard on the revenue loss. He does not want to minimize the \$4.1 million short fall, in anyway, and he would say the country is facing a giant economic disaster. At this point, small businesses and the heartbeat of the U.S. is about to take a huge hit. This could be a problem that extends well into 2022 and 2023, as people lose second homes, businesses, and restaurants, that are struggling.

Mr. Macaskill explained that the budget was built based on a 3 ½ to 7% growth over the last 7 years. As they look at the budget and look at cuts, the last thing he wants to do is lay anyone off. He believes that they need to look

at people last, otherwise, all of these families will be affected. Everyone should recognize that this is not going to be a 2020/2021 thing. This is going to go on for a while, and the economy is going to suffer, not just our revenue.

Dan Pelletier, Superintendent at the Water Department, asked about the 1/12 budget. He said that the Water Department pump a lot more water in the summer then they do in the winter. As they start to move into this 1/12 process, their electric bills for July, August and September are more than 1/12 of their annual electric line item. Are there any provisions to allow them to fund it, where it is needed, or is it purely 1/12 of the prior year?

Ms. Coppola said she could answer that. They have been meeting with the Department of Revenue and have received some guidance, and they are still waiting for more guidance.

Based on the fact that those on the Cape have different types of expenditures in the first quarter of the fiscal year, they will need to explain it, that is all, and they will need to provide an explanation that is not merely a 1/12 budget. She does not think it is insurmountable. Mr. Ballantine confirmed that Mr. Pelletier was satisfied with that answer.

Mr. Howell wanted to talk about the elephant in the room. This is not 2005, and the circumstances are different. There is not a single member of the Board that is thinking they can just go back to the public and ask for the additional revenues, in the form of an override. The very nature that Mr. Ford and Mr. MacAskill were talking about, is something that is going on everywhere. It is not just us. It is a question of being creative going forward. He would just caution not to look back at that circumstance, and say that is happening again. We do believe we can get through this together, if we understand what kind of efforts we can do to reduce the cost of operations.

Charleen Greenhalgh, Town Planner, said that she appreciates the communication and being made a part of this. She wanted to let Mr. Powers know that she will be out for a week and a half to two weeks. He can reach her on her cell phone if there is anything she can do to help, while she is out.

Mr. Ballantine said that they have a lot of experience here, and a very positive working relationship between the Department Heads and town staff. They can make this were they want it to be. They can look at how to improve

efficiencies and if Mr. MacAskill and Mr. Ford are right, this will likely be more than a one year process. They can learn from this and they will all need to keep communication open.

Mr. Powers would like to thank the Board and the Department Heads, for being on the call. They will continue the communication and partnerships in the days and weeks ahead.

Mr. Ballantine asked if they would like to continue the calls with a positive response from the Department Heads. They all agreed the more communication the better.

## **ADJOURNMENT**

Mr. Howell moved that they adjourn at 4:32 pm. Seconded by Mr. McManus.

**Roll Call Vote: Mr. Ford - Aye, Mr. McManus - Aye, Mr. Howell - Aye, Mr. MacAskill - Aye , Mr. Ballantine - Aye. Motion carried by unanimous vote.**

Respectfully submitted,

Lisa Schwab  
Administrative Assistant