

MINUTES OF THE WARRANT ADVISORY COMMITTEE MEETING

February 11, 2020 – 7:00 PM

**Salisbury Town Hall, 5 Beach Road, Salisbury, MA 01952
Colchester Auditorium**

Present: John Moak, Chairman; Ronald Guilmette, Tom Pease, Susan Bartlett, Kevin Henderson
Also present: Town Manager Neil Harrington and Finance Director Karen Snow

1. Call to Order

Chairman Moak called the meeting to order at 7:00 PM.

2. Review of FY2020 Budget

Ms. Snow informed the Committee that revenues as of January 31 were coming in at 67% of the amount budgeted for the fiscal year. The first commitment for auto excise revenue will be going out shortly, so no revenue has been realized from this source yet. Projected auto excise revenue is about \$1.5 million. Room occupancy revenue is up significantly this year. The first distribution of marijuana revenue has come in and the Town will be receiving two more quarters of revenue before the end of the year. This is likely to be a significant new revenue source for the Town. Parking revenue is looking good and new parking kiosks are being installed in the spring.

Mr. Pease asked for an explanation of the revenues the Town expects to receive from the new recreational marijuana establishments. Mr. Harrington explained that there are three types of revenue that the Town is anticipating. The first is the up-front payments that are spelled out in the two host community agreements that the Town has signed; the second is 3% of gross sales, after the first anniversary of the first year of operation, which is also in the host community agreements; and the third revenue source is a 3% excise tax, which was approved at Town Meeting. There are also voluntary contributions to local charities pledged from each of the two host community agreements.

On the expense side, Ms. Snow explained that the Town is at 62% of budget, which is about the same as last year. There are only a few line items, including Fire Department overtime, that may run short, but which can be covered by transfers from within the budget. Surpluses are expected in Veterans Benefits and Snow/Ice. All department heads are watching their spending. Finally, there are no concerns in the two enterprise fund budgets.

3. Preliminary Discussion of FY2021 Budget

Ms. Snow noted that she had distributed preliminary FY21 budget information to the Committee, including revenue estimates. This number includes about \$310,000 in New Growth plus about \$538,000 in new property tax revenue (2.5% of the levy limit). State Aid is projected to decrease slightly. A few questions were asked about retiring debt, and Ms. Snow explained that the last year of the Triton middle school debt is FY21. She also noted that the FY21 budget includes a significant increase, as noted above, in income from recreational marijuana sales. Chairman Moak estimated total new project revenue, including local receipts, at about \$1.4 million.

On the expense side for FY21, Ms. Snow noted that Triton has given the Town Manager a worst case scenario of a \$985,000 increase over this year's assessment, or 7.8%. Mr. Harrington explained that Salisbury's percentage of Triton's total enrollment is close to 40%, which affects Salisbury's assessment. Another major factor is that the total enrollment in the District is decreasing, but Salisbury's rate of decrease is less than the other two communities; thus, we are seeing very large projected increases in our Triton assessment. On the flip side, the assessment for Whittier is expected to decrease due to a decline in Salisbury's enrollment. Finally, the Town's retirement assessment and health insurance costs are also expected to increase.

4. Non-Financial Issues for the Annual Town Meeting

Chairman asked if there are any upcoming warrant articles, such as zoning changes, that the Committee should expect to see at the Annual Town Meeting. Mr. Harrington explained that proposed warrant articles have not been submitted yet by department heads, but he does not believe there any major new zoning proposals being contemplated. He did note, however, that he expected to be putting forth a bonding authorization to borrow funds for the construction of the new visitors' center and public restroom facilities at the beach.

5. New Business - none

6. Minutes – none

7. Schedule Upcoming Meetings and Public Hearing

The Town Manager noted that Town Meeting is on May 18 and the warrant articles must be posted by May 1. Then there needs to be a public hearing on the warrant articles. Chairman Moak suggested that the Committee schedule a meeting prior to the posting deadline to go over the draft budget and then another meeting to review the draft warrant articles. He said that he may be out of town for any meeting in March, so the Vice-Chairman can preside, but that he should be back for any April meeting. The Town Manager also noted that he will be on vacation for a week at the end of March/early April. The Chairman asked everyone to check their calendars and be prepared for the two meetings referenced above, as well as a public hearing.

8. Adjournment

Mr. Pease moved that the meeting be adjourned at 8:03 PM. The motion was seconded by Mr. Henderson, and was approved unanimously.

Respectfully submitted:

Neil J. Harrington, Town Manager