



# Lowell City Council

## *Finance SC Minutes*

Michael Q. Geary  
City Clerk

**Date:** September 22, 2020  
**Time:** 5:30 PM  
**Location:** Zoom/Remote Participation/Council Chamber

### **PRESENT:**

Present on Roll Call were Chairman Elliott, C. Conway, and C. Nuon. Also present Conor Baldwin (CFO), C. Chau, C. Drinkwater, Allison Chambers (Asst. CFO), C. Mercier, C. Rourke, Tina Masiello (Auditor), Billie Jo Turner (School Business) and Manager Donoghue.

### **MEETING CALLED TO ORDER:**

C. Elliott called the meeting to order and noted return to chamber.

### **ORDER OF BUSINESS:**

C. Elliott commented on level funding by the State in regards to local aid and Chapter 70 monies and that the remainder of budget will be voted upon at Council meeting. Manager Donoghue commented on the amount that the City would be receiving and the work that will need to be done in order to balance the budget. Manager Donoghue noted that the City was in a strong fiscal position before the pandemic and that was a major reason that balancing this budget could be attained but that much oversight will be needed moving forward. Mr. Baldwin and Ms. Chambers made a presentation entitled "Fiscal Year 2021 Proposed Budget". Mr. Baldwin noted the fiscal challenges; defunding vacant positions; charter school impact; Covid impacts; mitigating Covid factors; highlights and initiatives; net school spending; revenue sources; tax facts; and appropriation of funds. C. Conway commented on the charter school spending and reimbursement and the gap that exists between the two. Mr. Baldwin commented on the funding gap and the tremendous increase throughout the years and noted that it was part of the net school spending formula. C. Conway questioned the maintenance of effort agreement with the schools. Mr. Baldwin noted the request has been made to schools for their final budget number and many discussions have taken place with them. Manager Donoghue noted that changes must be sought regarding charter school reimbursement from the State. C. Elliott commented on charter school spending and noted that major changes must be made to the formula as it takes away from other public schools and any funding comes straight from the tax



levy. C. Nuon questioned the impact that local aid would have on level funding the budget. Mr. Baldwin noted that any State revenues are spread throughout the budget in the general fund. Manager Donoghue noted that level funding would not cover the increase in fixed costs associated with the budget; including charter school costs. C. Elliott requested that there should be a mechanism to prevent charter schools from expanding to control costs. Manager Donoghue noted that the Law Department would be reviewing that issue. **Motion** by C. Conway, seconded by C. Nuon request City Manager have Law Department prepare an opinion regarding control of charter school costs and reimbursements. So voted. C. Rourke noted that recycling costs are on the rise as well and will continue to rise having a detrimental effect on the budget. Manager Donoghue noted that changes must be made to the program as the costs are unsustainable. C. Rourke noted contamination fees continue to rise and there must be significant changes made. C. Conway noted changes to recycling should be made to simplify the process. C. Mercier commented on the stability of the tax rate in the City. C. Mercier questioned costs associated with assisting the homeless and the programs in place for that matter. Manager Donoghue noted that there were no new programs but resources are being added to them. C. Chau noted that people with fixed income cannot afford any increase in taxes and fees and that there should be some protections for that class of people. Mr. Baldwin commented on such exemptions including abatements available. C. Elliott noted that even if fees increase there are exemptions in place for the elderly and other classes of people. C. Drinkwater noted that the use of reserves and saving on costs was the correct approach to balance this budget. Mr. Baldwin commented on the use of the reserves and the plan to replenish them during budget season. C. Elliott requested update regarding school budget. Ms. Turner commented on the different scenarios used for budget projections which included level funding. Manager Donoghue noted that additional monies under Ch. 70 was included to cover cost of inflation. Ms. Turner outlined grant programs used to assist with balancing the budget. C. Nuon questioned the Covid fixed grants. C. Conway questioned status of the bus coverage for upcoming year. Ms. Turner noted that there are not enough busses to date as the number of seats allowed are reduced. **Motion** by C. Nuon, seconded by C. Conway to have a joint Finance SC along with School Finance SC to discuss final FY21 budget. Adopted per Roll Call vote 3 yeas. So voted. C. Nuon commented on possible federal bailout. Mr. Baldwin commented on that process and Manager Donoghue noted monies, if any, would be coming from federal government.

#### **ADJOURNMENT:**

**Motion** to recess by C. Nuon, seconded by C. Conway. So voted.

Meeting adjourned at 6:25 PM.

Michael Q. Geary, City Clerk

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