Minutes of the Meeting of the Norfolk County Advisory Board Finance Committee
Wednesday, April 22, 2020
via GoToMeeting Teleconference
11:00 a.m.

On Thursday, March 12, 2020, Governor Baker issued an “Order Suspending Certain Provisions of the Open Meeting Law, G.L. c30A, Section 20.” That Order was effective immediately until it is rescinded or the State of Emergency is terminated

Welcome/Call to Order

Advisory Board Chairman Paul Connors led the recitation of the Pledge of Allegiance

Finance Committee Chairman Joseph Reardon called the Meeting of the Norfolk County Advisory Board Finance Committee to order at 11:00 a.m. Mr. Reardon called the roll and Owen Dugan of Wellesley, Helen Donohue of Norwood, Carl Balduf of Plainville, Mr. Connors of Randolph, and Elizabeth Childs of Brookline responded present. Mr. Reardon declared a quorum.

Mr. Reardon stated the current COVID-19 situation has increased unemployment and strained municipal budgets. He stated today’s meeting is about how the County can grapple with COVID-19 and its impact on the FY20 budget. Mr. Reardon stated the current fiscal picture is not good and he urged members to keep in mind their cities and towns when making decisions. He stated the County Commissioners have instituted a hiring freeze. Mr. Reardon stated the current situation is fluid and changing frequently. He thanked Michael Mullen, County Director, for his hard work.

Discussion of the Impact of COVID-19 on the FY20 Budget, Revenues & Expenditures

Mr. Mullen discussed the impact of COVID-19 on the FY20 Budget, revenues, and expenditures. He thanked County employees for their hard work and dedication during this time of crisis. Mr. Mullen the County has a challenge in closing out FY20 in the black. He stated prior to COVID-19 closing out FY20 would be a challenge but the Coronavirus outbreak made the situation more concerning and difficult.

He stated Registry of Deeds revenues were strong through the summer and fall and the refinance market was busy. Mr. Mullen stated the FY20 and FY21 Budgets called for a $500,000 from the General Unexpended Balance to address the structural deficit in the County budget. He stated as of mid March Registry of Deeds of transaction fees were approximately $355,000 ahead of estimates and excise collections were approximately $323,000 ahead of estimates. Mr. Mullen stated recreational receipts were ahead of projections as Presidents Golf Course opened early on March 8. He stated online Registry of Deeds online receipts were approximately $89,000 below estimates.
Mr. Mullen stated Court Rental revenues were approximately $45,000 below estimates, interest
earnings were below estimates, and there was no buffer for health insurance and a potential
shortfall existed. He stated FY21 revenues were tightly forecasted and the Commissioners
instituted a hiring freeze.

Mr. Reardon reminded Finance Committee members and others connected to today’s Remote
Meeting that the meeting is a public meeting and asked those participating to conduct themselves
respectfully and to refrain from vulgar language.

He stated the Commissioners have always had the health and safety of County employees in
mind and the COVID-19 situation evolves daily. Mr. Mullen commended Facilities
Maintenance for their COVID-19 response and thanked the Norfolk County Sheriff’s Office for
their assistance in cleaning and disinfecting County facilities with electrostatic backpack
sprayers.

Mr. Mullen stated the County had strong revenues through mid-March and the close out status of
April through June 30 is unknown. He expects an approximate $175,000 decrease in recreational
receipts based on a May 20 opening. He stated qualifying events have impacted the Group
Insurance account, including situations in which a husband or wife may have lost insurance
through a layoff and the family switches to the other’s insurance as a County employee.

He stated Commissioners’ staff is monitoring revenues closely, but the County has to prepare for
a worst case scenario. He stated the worst case scenario is a $1,065,000 deficit for FY20. Mr.
Mullen stated these are unprecedented times and we will not know the full impact of COVID-19
on April and May Registry of Deeds revenues until mid-June, which will require additional
County Commissioners, Finance Committee, and Advisory Board action. Mr. Mullen stated
there is concern of a second round of COVID-19 outbreak in the fall and its impact on County
finances.

Mr. Mullen recommends that the Finance Committee votes to recommend to the County
Commissioners a comprehensive spending freeze, except for payroll, current contractual
obligations, emergency issues, and capital projects using bond proceeds. He stated
Commissioners’ staff identified approximately $712,000 of across the board budget reductions to
address the estimated $1,065,000 shortfall in FY20. Mr. Mullen stated these reductions do not
impact current employees. He stated the worst case scenario is based on zero April-June
Registry of Deeds revenues. Mr. Mullen stated COVID-19 will impact the FY21 Budget as the
County will not have access to the $500,000 Unexpended Balance carried into FY21. He stated
the actions and recommendations illustrate the reality of the current situation and the desire to
maintain County staffing levels.

Mr. Reardon asked for questions about the impact of COVID-19 on the FY20 Budget, revenues,
and expenditures.
Mr. Dugan asked about the $275,000 Other Post Employment Benefits line item. Mr. Mullen stated the FY20 amount was paid in August 2019. Mr. Dugan asked about layoffs. Mr. Mullen stated there have not been any layoffs. Mr. Dugan stated he generally agrees with the County Commissioners and wants to do everything possible to keep County employees working and noted the Governor’s Order regarding essential employees.

Ms. Childs asked about the budget timeline. Mr. Mullen stated there are challenges related to the timeline. He stated the fiscal year end is 2 months away and April, May, and June revenues will greatly impact the FY20 Budget and reiterated his recommendation of a spending freeze. Mr. Mullen recommends an additional Finance Committee meeting to address the FY20 Budget prior to the scheduled May 20 meeting of the full Advisory Board.

Mr. Reardon stated given the current situation a spending freeze is in order and the Finance Committee may make a motion to offer an advisory opinion to the Commissioners regarding a spending freeze in FY20.

Register of Deeds William O’Donnell spoke to the proposed spending freeze. He stated the Registry of Deeds is open every day and maintaining operations, which includes printing books and recording documents. Register O’Donnell stated he wants to maintain Registry operations and he has not heard of a spending freeze until today’s Finance Committee meeting. He asked if a spending freeze would impact Registry operations. Ms. Donohue stated she trusts that Register O’Donnell can discern between operational expenses and other expenses.

Mr. Reardon stated the proposed spending freeze does not impact payroll or contractual obligations. He stated the Registry of Deeds is not the only department impacted. Mr. Reardon stated the Register’s position is understood. Register O’Donnell asked if he and Registry of Deeds staff could view the slides used in today’s discussion. Mr. Reardon stated the slides are readily available and viewable on the GoToMeeting video conference. He stated Mr. Mullen sent a link to the GoToMeeting conference on the meeting agenda and Registry staff could have joined the GoToMeeting through the link.

Ms. Childs stated she wants to make sure existing operations are included in allowed spending. Mr. Mullen stated all departments have existing contracts. He stated the Registry of Deeds and the County use existing contracts to carry out their functions. Ms. Childs asked about the duration of the proposed actions. Mr. Mullen stated he recommends through the end of the fiscal year.

Ms. Childs made a motion to recommend that the Norfolk County Commissioners institute a comprehensive spending freeze, except for payroll, current contractual obligations, emergency issues, and capital projects using bond proceeds. Mr. Balduf seconded the motion.

On the roll call vote,
Mr. Balduf voted “yes”

Ms. Childs voted “yes”

Mr. Connors voted “yes”

Ms. Donohue voted “yes”

Mr. Dugan voted “yes”

Mr. Reardon voted “yes”

It was then:

Voted: to recommend that the Norfolk County Commissioners institute a comprehensive spending freeze, except for payroll, current contractual obligations, emergency issues, and capital projects using bond proceeds (Unanimous).

Mr. Reardon stated there is a remote Finance Committee meeting on Wednesday, April 29, 2020. Mr. Connors recommended members have availability on May 6 and May 13 at 2 pm for any further meetings. Mr. Reardon stated when information is available the Finance Committee must begin planning for FY21. Mr. Reardon stated he wants to avoid layoffs and maintain services.

Ms. Childs asked if any Norfolk County employees or their families have lost anyone to COVID-19. Mr. Mullen stated he is not aware of the deaths of any county employees or relatives.

Mr. Connors recommended that the full Advisory Board meet on May 20, 2020 at the Norfolk County Agricultural High School without dinner. Mr. Mullen stated he is planning any further meetings with school administration. He stated the County Commissioners will vote on the FY21 Budget this afternoon and he expects to distribute copies of the FY21 Budget tomorrow or Friday.

Mr. Connors thanked Mr. Reardon for his time and effort on today’s meeting.

There being no further business to come before the Finance Committee, Mr. Balduf made a motion to adjourn the meeting. Mr. Dugan seconded the motion.

On the roll call vote,

Mr. Balduf voted “yes”

Ms. Childs voted “yes”
Mr. Connors voted “yes”

Ms. Donohue voted “yes”

Mr. Dugan voted “yes”

Mr. Reardon voted “yes”

It was then:

Voted: to adjourn the Meeting of the Norfolk County Advisory Board Finance Committee at 12:15 pm (Unanimous).
Norfolk County Fiscal Year 2020 Operating Budget

Projected revenues and expenditures as impacted by the global COVID-19 pandemic; recommendations to close-out the year
Financial Status through mid-March

- Registry revenues $590,000 over projections; planning FY21 budget using $500,000 unexpended balance
  - Transaction fees trending $355K over benchmark
  - Deeds Excise trending $323K over benchmark
  - Online fees trending $89,000 below projections

- Golf course revenues above projections in late-fall; opened early on Sunday, March 8th, closed on March 14th

- Launched successful paid parking program at Quincy District Court
Financial Status through mid-March
...with challenges on the horizon

- Court rental submission $45,000 below projections
- Interest earning projections in FY20 not being realized
- Potential shortfall in Group Insurance account due to employee movement (i.e. new employees and qualifying events)
- Tight budget year with challenging FY21 revenue forecast prompts Commissioners to enact early March hiring freeze
- Aggie managing a tight budget year with more expected challenges in FY21; school institutes spending freeze for remainder of FY20
Assessing financial status from mid-March to end of fiscal year (6/30/20)

• Constantly evolving situation to which County Commissioners, Advisory Board, Administration and Department Heads have had to adapt (i.e. budget timelines, employee health/safety, legal considerations, and cleaning costs)

• Like our municipal partners, County must evaluate the impact of the pandemic as it progresses and ensure needed flexibility to make changes...

  • Strong March Registry numbers based on February and early-March pipeline, but expect Recording and Deeds Excise fees to be significantly impacted through end of the year

  • Golf Course $175,000 under projection based on revised May 20 reopening; may need to be revisited

  • Impact on Group Insurance account based on higher than expected qualifying events due to employee spouse layoffs, furloughs, etc.
# FY20 Revenue Projections

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<th>FY19</th>
<th>FY20</th>
<th>FY20 Variance</th>
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<td><strong>General County Revenues</strong></td>
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<td>Registry Transaction Fees</td>
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FY20 Registry Deeds Excise through March 2020
FY20 Registry Recording Fees through March 2020
Assessing financial status from mid-March to end of fiscal year (6/30/20)

- We are dealing with unprecedented circumstances and won’t know the full impact on April and May Registry revenues until mid-June; will require additional action by the Commissioners, Finance Committee and Advisory Board.

- Ever-shifting factors make it difficult to present comprehensive solution, but we can take immediate steps to keep the County in the best possible situation.

- Steps would mitigate impact of evolving economic/fiscal challenges to County, and mitigate impacts to essential County employees (including Facilities Maintenance and Registry employees).
Planning for the worst, hoping for the best...

- Recommend that County Commissioners institute comprehensive spending freeze, except for payroll, current contractual obligations, emergency issues and capital projects using bond proceeds

- Across the board Departmental budget reductions—an estimated $712,286 of $1,065,183 can be saved based on YTD-to-projected year-end spending, with no employee impact

- April and early-May revenue numbers will be vital indicators; expect additional actions to be taken and have impact on FY21 budget