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**CITY OF BEVERLY
PUBLIC MEETING MINUTES**

BOARD OR COMMISSION: Beverly Financial Forecast Committee
SUBCOMMITTEE:
DATE: April 12, 2021
LOCATION: Remotely held meeting through Zoom
MEMBERS PRESENT: Chair Scott Houseman, Rachael Abell, Paul Manzo,
Stacy Ames, Jean Sherburne, Lorinda Visnick,
Bryant Ayles
MEMBERS ABSENT: Lindsay Ducharme
OTHERS PRESENT: Suzanne Charochak, Gerry Perry, Karen Fogarty
RECORDER: Sarah Scott-Nelson

Call to Order

Houseman opens the meeting and reads the virtual meeting guidelines and notes that the meeting is being held in accordance with temporary Open Meeting Law adjustments due to the State of Emergency associated with the COVID-19 outbreak. Houseman calls the meeting to order at 7:05 p.m. and makes a roll call for those present. Houseman notes that Karen Fogarty is present as a guest as her term on the committee expired in December.

Abell - Yes
Ames - Yes
Ayles - Yes
Houseman - Yes
Manzo - Yes
Sherburne - Yes
Visnick - Yes

Opening Comments by the Chairperson

Houseman explains that the purpose of this evening's meeting is to update the December report given the approved supplemental appropriation by the state and the subsequent vote of the City Council.

Approval of Minutes

The Committee reviews the minutes from the December 1, 2020, December 3, 2020, and December 15, 2020 meetings and offers edits. Abell moves to approve the three sets of meeting records with the typography and editorial changes denoted in Houseman's version. Seconded by Visnick. Houseman takes a roll-call vote.

Abell - Yes
Ames - Yes
Ayles - Yes
Houseman - Yes
Manzo - Yes

Sherburne - Yes

Visnick - Yes

The motion carries 7-0.

Visnick comments that past minutes stated an addendum would accompany the report. Houseman states that this addendum will be the updated spreadsheet—if adopted—which the Committee will review shortly, and a brief cover statement. Visnick asks about the historical data aspect of the addendum. Ayles notes that he previously drafted some language on some historical variances but did not add charts.

Revenue and Expenditure Update, Vice Chairperson B. Ayles

Ayles explains the updated spreadsheet, reviewing numbers which were adjusted in the revenue section, to account of the supplemental appropriation. Namely, State Aid, Motor Vehicle Excise Tax, and Other Available Funds increased. Perry reads the numbers from the previous report as Ayles reads the updated numbers. Visnick asks for clarification on line 26, concerning stabilization funds. Ayles clarifies that stabilization funds did not need to be drawn and this line includes a few other items, such as the Parking Meter Receipt fund. Ayles and Perry continue reading the updated and pervious numbers on the expenditure side of the spreadsheet, noting that Salary and Wages and School Funding went up, State/County Assessments went down, and a one time expenses line was added.

Visnick asks whether the City will still be able to accomplish its annual goals this year. Ayles confirms that it will be able to do so. Visnick asks whether departments will be asked to turn back funds. Ayles clarifies that the reason for the turn backs last year was due to a threat of deficit which is not expected for this forecast. Ayles states that the City expects about 2 million dollars between expenditure turn backs and positive revenue variances.

Visnick reaffirms the benefit of including last year's actuals in the report for comparison. Houseman comments that the history has been included in narrative form. Ames expresses her desire for an addendum with previous years' actuals to be included. Fogarty notes that this Forecast is primarily for the City Council and the School Committee who have access to previous years' actuals and notes that this report mainly focuses on red flags for policy makers. Visnick expresses concern that residents perceive the City as less than transparent and notes that while the City Council is the primary audience for the report, it is not the only audience. Houseman comments that while a comparison of previous years' actuals could be beneficial, he does not think that the Financial Forecast is the place for such comparison. Ames reaffirms her desire for comparative numbers, stating that she would not accept the document as-is. Ayles notes that Perry is a resource for such information. Ames notes that this information is not always easily accessible and would like for it to be more accessible to the public.

Houseman redirects conversation to the approval of the updated spreadsheet. Manzo moves to approve the spreadsheet that has been presented and discussed this evening as an addendum to the Financial Forecast. Seconded by Abell. Abell confirms that an introductory letter will also be included, drafted by Perry and approved by Houseman. Abell notes that this document will be shared with the School Committee, City Council, and Mayor. Houseman takes a roll-call vote.

Abell - Yes
Ames - Yes
Ayles - Yes
Houseman - Yes
Manzo - Yes
Sherburne - Yes
Visnick - Yes

The motion carries 7-0.

Houseman invites the committee to submit in writing further thoughts on who the audience of the Financial Forecast should be and what should be included in the document for the benefit of that audience. Visnick requests that actuals from past years be included. Perry comments that it is time-consuming to include every line of past actuals but offers to add the Undesignated Fund Balance and Free Cash numbers from the past 3 or 4 years, which would serve as a summary. Visnick comments that this would be a good start. Manzo suggests a graphic representation is of the variances to show the balancing of the budget annually. Ayles notes that this could be misread easily and lead the public to distrust the forecast. Visnick raises concern about communicating data with Beverly residents concerning when revenues come in higher than expected and expenditures come in lower than expected. Ayles identifies two goals: 1. The reconciliation of the Forecast to the past budget and 2. Budget Variance Reports.

Adjournment

Houseman notes that the formal goal of the meeting has been accomplished and suggests that the audience and content of future Financial Forecasts be continued at a later time. Abell moves to adjourn at 8:45 p.m. Seconded by Manzo. Houseman takes a roll-call vote.

Abell - Yes
Ames - Yes
Ayles - Yes
Houseman - Yes
Manzo - Yes
Sherburne - Yes
Visnick - Yes

The motion carries 7-0.