The Selectmen recommended an FY21 operating budget of $238 million dollars in January 2020. With some minor changes, the Advisory and Finance committee approved the same. This is what we planned to bring to the Spring Annual Town Meeting prior to the covid-19 outbreak and subsequent continuance of Town Meeting.

-In mid-April, in my Town Manager’s report, the Select Board received information related to possible spending reductions primarily on items on the Town meeting warrant;

-On April 13, 2020, I provided you with possible reductions totally $6 million dollars;

- In the April 23, 2020 Town Managers report, I provided the Select Board with information on the outlook for a very different financial position next fiscal year. In this report, I advise that we need to begin thinking about furloughs, layoffs, and state aid reductions. The report also listed steps that the Selectmen could take to make adjustments to the FY21 budget;

- On April 27, 2020, the budget message update outlined historical decreases in revenues during a recession. If history were to repeat itself, this would mean almost 6 million dollars in reduced revenue for FY21. We outlined the steps for the Select Board to take regarding policy direction for the FY21 budget;

- On May 2, 2020, the Select Board reviewed further data on potential reductions for FY21 and the Board requested staff put together two budget exercises reflecting cuts in the operating budget: (1) what the budget would look like with a $5.7M decrease and (2) what the budget would look like with a $2.85 million dollar decrease;

- On May 8, 2020, we provided the Board with those budget exercises. The $5.8 million dollar decrease showed that the cut would result in approximately 32 layoffs of Town employees. The schools provided their exercise early this week and it showed approximately 40 school employees would be cut;

- The May 16, 2020 Town Manager’s report read that some towns were considering a 10 or 20% reduction in state aid.

- I further updated that report on May 20, 2020 to show the timeline for making budget reductions. If the Select Board did want to reduce the budget for FY21 as reflected in the exercises above, that would require that Selectmen make their decision by May 27\textsuperscript{th} or June 2, 2020 at the latest.

Deadline dates: The reason we are asking for budget policy direction from the Select Board to happen now is twofold:

a. If the Select Board directs us to make budget reductions, the school department has a contractual requirement to notify employees of any layoffs by June 15, 2020. The Superintendent indicated that they could always retract those precautionary pink slips (call the employee back) in the event the state aid is not reduced or we find grants/funding sources to backfill the loss of revenue.

b. As need has arisen and as situations evolve, and/or as state guidance is being distributed, some town employees have resumed the work schedules outlined in their collective bargaining agreement. This will continue as we all work through changing events. In addition, we have some furloughed employees that have return dates or that could be recalled. However, if there are going to be further cuts in the budget beginning July 1, 2020, we know some of these plans would most likely change or need to be modified. It would be preferable to avoid bringing someone back and then cutting the position 4 weeks later. Thus the budget policy direction is needed at this time.

Melissa G. Arrighi
Plymouth Town Manager