

MEETING MINUTES
Finance Committee
Wednesday, February 22, 2012

Call to order: 7:00 PM

Members in Attendance: Chairman S. Jon Stumpf, Joanne Marden, Mary O'Donoghue, Peggy Kruse, Paul Fortier, Greg Rigby, Mark Merritt and Linn Anderson.

Also present: Assistant Town Manager Steve Bucuzzo, School Committee Member Dennis Fogue, Finance Director Donna Walsh and Town Clerk Larry Murphy.

Linn Anderson was introduced as a new member of the Finance Committee.

Approval of Minutes:

By a vote of 6-0 the minutes of January 11, 2012 were approved with changes.

Open meeting Law Update:

Town Clerk Larry Murphy gave an update on the new Open Meeting Law. His presentation focused on remote participation guidelines, audio requirements and attendance requirements as well as permissible reasons for allowing remote participation. Discussion followed.

Communication & Liason Updates:

Debt Sub-committee: Ms. Marden provided a handout created by the sub-committee showing the tax bill impact of the three exempt projects. Bancroft School (already approved), Town Yard and Ballardvale Fire Station. Certain assumptions were made (see attachments) but the exercise showed that the combination of existing exempt debt and anticipated exempt debt amounted to approximately 4.5% of the average property tax bill in the peak year of debt service. Discussion followed.

Bancroft School Bldg Committee: Ms. O'Donoghue reported that the Town received a letter from the MSBA giving the go-ahead on the project. The Committee will be voting soon on which access road will be the primary construction entrance. If all goes well, a Spring 2014 opening is planned with the demolition of the existing school planned for Summer 2014. Discussion followed.

Town Yard Task Force: Ms. Kruse reported that there was not much news on the project. Discussion followed with the focus on the possible need for a fuel depot somewhere closer to the Public Safety Center. Also, how would DPW and P&F operating expenses change with the new Town Yard? Also, concern was raised about the level of Community Outreach done to date.

Ballardvale Fire Station: Mr. Fortier reported on the two most recent meetings. Selectman Major's Position Statement to recommend that both Ballardvale Fire Station-related warrant articles not be inserted into the 2012 Annual Town Meeting Warrant was discussed. In addition, the recommendation that a new sub-committee be formed to identify the best site for the new station was discussed. Most agreed that although the existing Ballardvale Fire Station Task

Force did a good job identifying the best location from a response time standpoint, they failed to take into account certain other variables which could potentially impact the South School community and neighborhood.

Information Technology (I.T.) C.I.P: Mr. Rigby answered questions previously submitted by the Finance Committee. Ms. Marden expressed her concern about the plan given the fact that classroom projectors valued at \$576,000 are now part of the plan but were not detailed in the past. All seemed to recognize the need for Infrastructure improvements (wireless and data center upgrade) but if the Committee is to recommend approval of \$2.5M they want to know exactly where and when the funds will be spent. Discussion followed. Mr. Rigby was asked about ROI for this project and explained the difficulty in measuring this on a project of this nature.

Audit Committee: Mark Merritt reported that he and Audit Committee member Steve Caron are continuing to work on the “Citizen Dashboard”.

Schools: Chairman Stumpf reported that the School Department’s preliminary budget asks for more funds than the Town Manager has recommended. Also, Out of District Special Education spending is in good shape year to date.

Preliminary Warrant Articles: The Committee discussed which Articles required additional information before a position could be reached. Assistant Town Manager Steve Bucuzzo stated that the Town Manager did not want to fund Article P-15-Funding OPEB Trust Fund with Free Cash. In addition, he’d like to see this as a line item in the operating budget (Article 4) in the future.

Unclassified Expenses: Finance Director Donna Walsh explained how much of FY12 unclassified expenses (salaries) was for contract settlements and how much was for other items.

Adjournment: 9:45 P.M.

Minutes submitted by Finance Committee member Paul Fortier.

Exempt Debt Service Exercise

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	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Existing Debt	3,900,532	3,747,718	3,524,884	3,363,779	2,307,850	1,574,178	1,508,173
SBAB	1,551,446	1,551,446	1,551,446	1,551,446	1,142,103	0	0
To Be Taxed	2,349,086	2,196,272	1,973,438	1,812,333	1,165,747	1,574,178	1,508,173
Tax Bill Impact	168	157	141	130	83	113	108

Bancroft \$27,886,000			2,230,880	2,189,051	2,147,222	2,105,393	2,063,564
Tax Bill Impact			160	157	154	151	148

Town Yard							
Land \$3,800,000		304,000	298,300	292,600	286,900	281,200	275,500
Building \$14,000,000			1,120,000	1,099,000	1,078,000	1,057,000	1,036,000
Total		304,000	1,418,300	1,391,600	1,364,900	1,338,200	1,311,500
Tax Bill Impact		22	101	100	98	96	94

Ballardvale \$6,100,000				488,000	478,850	469,700	460,550
Tax Bill Impact				35	34	34	33

Projected Average Tax Bill Within 2 1/2	7,878	8,154	8,439	8,734	9,040	9,357	9,684
With Existing Exempt	8,046	8,311	8,580	8,864	9,124	9,469	9,792

Total Debt Service for All Projects	2,349,086	2,500,272	5,622,618	5,880,984	5,156,719	5,487,471	5,343,787
Tax Bill Impact	168	179	402	421	369	392	382
Projected Average Tax Bill with all Projects	8,046	8,333	8,841	9,155	9,409	9,749	10,066

Projects Not Fee

*Pre-n
AS Remarking
Best Site*

Assumptions:
 All projects bonded for 20 years at 3% interest
 Average property tax bill within Proposition 2 1/2 increases 3.5% per year
 \$1 million adds \$71.51 to average tax bill based on FY2012 actual levy and actual \$7,786 average property tax bill

Exempt Debt Service Exercise

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
	1,456,925	1,246,989	797,250	536,058	208,929	191,376	183,850	29,504	28,431
	0	0	0	0	0	0	0	0	0
	1,456,925	1,246,989	797,250	536,058	208,929	191,376	183,850	29,504	28,431
	104	89	57	38	15	14	13	2	2
	2,021,735	1,979,906	1,938,077	1,896,248	1,854,419	1,812,590	1,770,761	1,728,932	1,687,103
	145	142	139	136	133	130	127	124	121
	269,800	264,100	258,400	252,700	247,000	241,300	235,600	229,900	224,200
	1,015,000	994,000	973,000	952,000	931,000	910,000	889,000	868,000	847,000
	1,284,800	1,258,100	1,231,400	1,204,700	1,178,000	1,151,300	1,124,600	1,097,900	1,071,200
	92	90	88	86	84	82	80	79	77
	451,400	442,250	433,100	423,950	414,800	405,650	396,500	387,350	378,200
	32	32	31	30	30	29	28	28	27
	10,023	10,374	10,737	11,113	11,502	11,904	12,321	12,752	13,198
	10,127	10,463	10,794	11,151	11,517	11,918	12,334	12,754	13,200
	5,214,860	4,927,245	4,399,827	4,060,956	3,656,148	3,560,916	3,475,711	3,243,686	3,164,934
	373	352	315	290	261	255	249	232	168
	10,396	10,726	11,052	11,403	11,763	12,159	12,569	12,984	13,366

Impact of \$1 Million Debt Exclusion on Average Residential Tax Bill

<u>Fiscal Year</u>	<u>Property Tax Levy</u>	<u>Average Single Family Value</u>	<u>Total</u>	
			<u>Average Single Family Tax Bill</u>	<u>Impact of \$1,000,000</u>
FY1994	44,275,449	224,750	3,403	77
FY1995	47,955,136	227,300	3,650	76
FY1996	50,284,408	235,480	3,864	77
FY1997	52,665,286	260,668	4,035	77
FY1998	54,958,638	263,091	4,162	76
FY1999	58,081,474	284,814	4,321	74
FY2000	61,739,103	313,800	4,597	74
FY2001	64,931,425	316,370	4,720	73
FY2002	69,830,570	352,852	4,986	71
FY2003	75,831,100	470,000	5,466	72
FY2004	79,164,340	497,800	5,710	72
FY2005	81,667,810	522,000	6,008	74
FY2006	86,009,003	561,360	6,400	74
FY2007	90,261,283	591,800	6,658	74
FY2008	94,077,719	581,568	6,799	72
FY2009	97,976,754	580,087	7,054	72
FY2010	101,290,116	548,860	7,239	71
FY2011	104,729,225	529,775	7,480	71
FY2012	108,874,155	550,219	7,786	72

<u>Assessed Value</u>	<u>FY2012 Tax Bill</u>	<u>Impact of \$1,000,000</u>
200,000	2,830	28
300,000	4,245	42
400,000	5,660	56
500,000	7,075	70
600,000	8,490	84
700,000	9,905	98
800,000	11,320	112
900,000	12,735	126
1,000,000	14,150	140

UNCLASSIFIED EXPENSES

	<u>FY12</u>	<u>FY13</u>	<u>Explanation</u>
Town Manager	26,526	18,603	Sick, Vacation Sellback, Goal Based Payments/Add'l 15% per contract
Town Accountant	24,156	18,805	"
Finance Admin	17,622	12,728	"
Town Clerk	11,876	12,134	"
Information Tech	-	23,128	" Variance for final salary changes
Elder Services	2,617	-	Add'l 15% per contract
P&F - Admin	12,922	-	Sick, Vacation Sellback, Goal Based Payments/Add'l 15% per contract
Police	190,316	158,621	Sick sell back for all officers/Sick etc Chief
Fire	213,836	214,060	Sick sell back for all officers/Sick etc Chief
DPW-Admin	12,922	-	Sick, Vacation Sellback, Goal Based Payments/Add'l 15% per contract
Library	<u>11,577</u>	<u>12,138</u>	"
	524,370	470,217	
Finance	20,493	-	FY12 Salary Increases - FY13 Salary Increases Budgeted in Compensation Fund
P&F	17,566	-	"
Police	38,059	-	"
Fire	38,059	-	"
DPW	11,710	-	"
Library	<u>8,782</u>	-	"
	134,669	-	
Grand Total	<u>659,039</u>	<u>470,217</u>	

ANNUAL TOWN MEETING - April 30 & May 1, 2, 7, 8, 2012		BOARD RECOMMENDATIONS										
Date: 2/13/12		Vote	Appropriation	Selection	FinCom	Planning Board	School Committee	Conserv	Health Dept	ACOD	Type	Speaker/Notes
Article Description												
P-1	Annual Town Election	M										
P-2	Election Not Require by Ballot	M										
P-3	Salaries of Elected Officials	M										
P-4	FY-2013 Budget	M										
P-5	FY-2013 Capital Projects Fund Appropriation	M	\$2,020,000									
P-6	Budget Transfers	M										
P-7	Supplemental Budget Appropriations	M										
P-8	Free Cash	M										
P-9	Unexpended Appropriations	M										
P-10A	Grant Program Authorizations	M										
P-10B	Road Contracts	M										
P-10C	Town Report	M										
P-10D	Property Tax Exemptions	M								ST		
P-10E	Contracts in Excess of Three Years	M										
P-10F	Accepting Easements	M										
P-10G	Rescinding of Bond Authorizations	M										
P-11	Granting Easements	2/3										
P-12	Unpaid Bills	4/5										
P-13	Chapter 90 Authorizations	2/3									ED	
P-14	Jerry Silverman Fireworks	M										
P-15	Funding OPEB Trust Fund	M										
P-16	Revolving Accounts	M										
P-17	Elderly/Disabled Transportation Program	M	\$8,000								Taxation	
P-18	Insurance Recovery Transfer	M	\$24,694									
P-19	High Plain Road at Fish Brook Improvements	2/3	\$1,100,000								B	
P-20	DPW Vehicles	2/3	\$300,000								B	
P-21	Fire-Rescue Communications Upgrades	2/3	\$200,000								B	
P-22	Town Building & Facility Maintenance	2/3	\$400,000								B	
P-23	Balnoral Fence & Masonry Repairs	2/3	\$125,000								B	
P-24	Town Playground Replacements	2/3	\$200,000								B	
P-25	School Building Maintenance and Renovation	2/3	\$1,000,000								B	
P-26	21st Century Classroom Connectivity	2/3	\$1,600,000								B	
P-27	School & Town Technology & Communications Equipment	2/3	\$900,000								B	
P-28	Sewer Infrastructure Maintenance Vehicle	2/3	\$250,000								B	
P-29	WTP Filter Backwash Discharge Tank	2/3	\$300,000								B	
P-30	Major Water Main Replacement	2/3	\$1,439,000								B	
P-31	Water Distribution Maintenance	2/3	\$500,000								B	
P-32	Balnoral Dam Removal - Eminent Domain Taking	2/3									ED	
P-33	Balnoral Dam Removal - Eminent Domain Taking - Const. Easement	2/3									ED	
P-34	Town Yard - Acquisition of 65 River Road	2/3									B-ED	Prop 2 1/2 debt excl.
P-35	Town Yard - Acquisition 5 Campanelli Dr - Acquis, Des & Con.	2/3									B-ED	Prop 2 1/2 debt excl.
P-36	Town Yard - Acquisition 5 Campanelli Dr - Acquis. & Design	M									B-ED	Prop 2 1/2 debt excl.
P-37	Lease of Land at 100 Lowjoy Road for Solar Facilities	2/3										Lease - Change of Use
P-38	Lease of Land at 126 Tewksbury Street for Solar Facilities	2/3										Lease - Change of Use

