

Approved 9/6/2018

FINANCE COMMITTEE

MINUTES

AUGUST 27, 2018

Regular meeting of the Finance Committee was held on Monday, August 27, 2018 at 7:00 p.m. in Room #112, Town Hall with the following members present: M. Trudell, R. Ardine, J. Burke, M. Ahigian, B. Bain, E. Barmakian, A. Flowers, K. Greulich, A. Hamilton, S. Lawson, R. Nottebart, D. Shea, M. Sullivan and Lisa Van De Linden. Member absent was D. Crowley. Also in attendance was Town Administrator J. Johnson, Finance Director M. Thompson, Town Accountant J. Cuneo and Assessor D. Flis

Chairman's Comments

Article 22 – Recreational purposes at Jarvis Farm. Petitioner, K. Carroll has cancelled tonight's meeting. This will be rescheduled at a future meeting. Article has not been withdrawn.

Meeting schedule – No meetings will be held on Thursday, August 30, 2019, next meeting of the Finance Committee is scheduled for **Thursday, September 6, 2018.**

Minutes

MOTION MADE by S. Lawson, Seconded by K. Greulich to approve the minutes of August 20, 2018 as amended, Motion Approved (14-0-0) (14 voting) Unanimous

Town Administrator

Town Counsel is presently reviewing the October 15, 2018 Warrant, then it will be signed by the Board of Selectmen. He has sent Article 4-School Feasibility Study on to the School Department for review of the wording by their Counsel in anticipation of the MSBA Program acceptance.

Capital Budget Committee is meeting on their articles and is scheduled to meet with the Finance Committee on September 6, 2018.

School Building Tours – To be held on September 20 at 7:00 p.m. and September 21, 2018 at 9:00 a.m., tours to begin at Old Post Road School and do as many schools as people want. In addition, Town Administrator recommends touring the new DPW facility.

Committee requested that the back-up information on the school articles be submitted to the committee prior to meeting with them in order to have the opportunity to review the information ahead of time. Town Administrator will contact the School Department.

Article 2 – Budget Adjustments - \$205,000 estimated shortfall. It is anticipated that a shortfall in the Building Maintenance Budget for utilities due to now picking up the utilities for the Old Police/Town Hall, new DPW Garage and new Senior Center. This number will be finalized prior to Town Meeting.

October 15, 2018 Fall Annual Town Meeting

Article 21 – Tax Rate Reduction

Speaking to this article was A. Ragosta and R. Damish. It was explained that the article calls for 25% of the Certified Free Cash balance as of June 30, 2018 \$6,331,794 be applied to reduce the tax rate for FY2019. Over 200 taxpayers have signed the petition. Similar article had been presented at Town Meeting last year.

The following documents were presented pertaining to this article. Walpole Property Tax Trend Report from 2008-2018, Average single family tax bill for 2003-2018, Excess levy capacity, Certified Free Cash from 6/30/13 to 6/30/18. Also presented were charts on the Stabilization Fund Balance from 2013-2017 and Unassigned Fund balance data from 2013-2017. All this information has been received from the Massachusetts Department of Revenue.

Town is outpacing our ability to pay. Comparison of 10 towns was presented. Walpole ranks 213 of the excess levy capacity rank, and 248 excess levy capacity as % rank. This money could be used to reduce the tax levy. Town has used money from Free Cash to by-pass the Town's 5 year Capital Budget Plan. They are attempting to stop a little of the increase in taxes.

Ms. Ragosta spoke to Walpole residents are being taxed out of Walpole, Walpole has plenty of money to help reduce the tax burden. Other communities have done this. Walpole did it in the early 80's. She feels strongly as a Selectmen on this obligation, expressed concerns on the cost of living in Walpole, and concerned about the children, what good are things if you can't afford to live here. She spoke to there being two problems, Fall Town Meeting is to be used for zoning articles and not to be used for use of Free Cash. Town is not adhering to the five year capital plan. She feels that the purchasing of equipment, construction of ball fields is by-passing a process. She spoke to there should be minimum amounts in rainy day accounts. Debt is appropriate way of funding large items. Valuation of property doesn't count, people are not selling and the value of a house is irrelevant. People pay a fixed rate based on value of home. Commercial property, people don't live in.

Finance Committee Member A. Flowers presented handouts showing Walpole's Certified Free Cash for 2018 being 6.98% (median Mass municipality of 4.8%), Debt Serve % of Budget for 2016 being 2.79%, (median municipality 4.6%), percentage of income for average single family tax bill for 2018 is 14.8% (median Mass Municipality of 14.4%) \$305 is the capital outlay and debt service per student. This is 68% lower than similar districts. He spoke to the process vs priorities. He questioned how we are going to fund priorities. He feels there is a savings in use of Free Cash rather than spending it on interest. Town really needs capital expenditures.

Assessor D. Flis spoke to approximately 235 exemptions granted last year at a cost of approximately \$260,000. A. Ragosta spoke to advising people of what exemptions are available. She spoke to it being good to turn back the money to people that have paid the taxes through a reduction in their tax bill.

Town Administrator spoke to Eversource, Siemens and Walpole Mall being the biggest tax payer. There are programs available for the elderly to defer their taxes. (65 years or older are allowed to defer and are charged 4% interest.) There are only a small amount of residents that take advantage of this.

Commercial properties will see a benefit with this passing, it is not just for the residents. Everyone pays taxes. Very expensive homes will also see a benefit.

OPEB Discussion

The 64 million liability on OPEB is a real concern, (Town's current balance is \$2,883,904) This number is going to keep growing. Possibility of not returning the money to the taxpayer from this article and used to go into this fund is a possibility. Town's biggest problem is OPEB, concerns with spending money that isn't on the 5 year plan. Money should be targeted to people that really need it. Town needs a format to make spending work, need to have a plan.

A Ragosta spoke to this being a policy issue. Town arbitrarily puts money into different funds each year. A policy needs to be put in place.

Some members spoke to concerns over commercial property receiving a tax brake. This could discourage commercial establishments from coming here. Town needs commercial properties. They choose to come here and it shows the Town's willingness to work with them, but consideration should be given to returning moneys back to the taxpayer.

OPEB is a serious problem and every cent left over should put into it. Different people have different priorities. Town is ignoring OPEB by retuning money to the taxpayer that should go to OPEB. There needs to be a program for people that really need it. In prior year's if we haven't used the Free Cash money, Town wouldn't be able to do the Police, Fire, and Senior Center. All these buildings were needed. There is a need to look at other alternatives for helping residents and explore with Selectmen and Town

Administrator. Some towns handle OPEB by doing an Override. There is the potential to losing major services in the Town if we are forced to fund it. It needs to be addressed. The best way to spend Free Cash needs to be discussed.

Some of the Free Cash monies come from Medicaid Funds, Parking and McKinney Vento Act, these funds are returned annually to the School Department.

Chairman spoke to the only vote allowed is what is written under Article 21.

MOTION MADE by A. Flowers for No Action on Article 21, Seconded by S. Lawson, Motion Approved (11-3-0) (Voting in opposition: M. Trudell, D. Shaw, and E. Barmakian (14 voting)

Article 3 - 1-A Playing Fields – Town Administrator spoke to the town purchasing the land in 2013 from the State, taking two to three years to close. Last Fall came before Town Meeting and money appropriated to hire an architect firm to lay out the fields. Money is being requested under capital this year for 1.5 million for this project. This project has been in the works a number of years.

Further Discussion

Committee needs to meet with the Selectmen and need to put a budget in place prior to starting the budget process and come up with a plan on how to increase the OPEB contribution, possibly set aside a set amount each year. Committee could meet with Selectmen and School Committee separately. People want to see certain things addressed. Discussed whether it is worthwhile for a small group to brainstorm. Town Administrator will provide the Committee with a video on the OPEB discussion from April 5, 2018. Possible future meetings for discussion would be September 24 and September 27, 2018 with a follow up meeting with Selectmen on October 1. Town Administrator spoke to possibly holding a meeting at the new Police Station.

Town needs to do a better job of publicizing exemptions that are available, possibly informational sheets at library. Exemptions are deal with real need. Some residents don't know about deferments. Information could possibly be put in a tax bill. There are legitimate needs.

Aggie Ball Fields - Town owns the lower field and could possibly explore use of the fields at the aggie, this would be an additional source for the various sport teams.

Adjourn:

MOTION MADE by A. Flowers, Seconded by K. Greulich to adjourn the meeting at 9:30 p.m., Motion Passed (14-0-0) (14 voting) Unanimous

Respectfully submitted,

Clare P. Abril
Clerk