

FINANCE COMMITTEE

Minutes

February 25, 2016

Regular meeting of the Finance Committee was held on Thursday, February 25, 2016 in Finance Committee Room, Town Hall with the following members present: J. Burke, D. Bruce, K. Guyette, R. Mariani, A. Healy, J. Denneen, D. Crowley, J. Vaillancourt, Stasiukevicius, T. Bowen, at 7:30 S. Lawson, 7:35 M. Trudell and 8:15 P. Hinton. Member's absent were: J. McDermott and J. Lowre. Also in attendance was Town Administrator J. Johnson, Selectmen Chairman C. Snuffer, Fire Chief T. Bailey, Finance Director M. Thompson, and Town Accountant J. Cuneo.

7:00 p.m. –Quorum being present, the meeting was called to order by Chairman D. Bruce

May 2, 2017 Spring Annual Town Meeting

Department of Public Works Budgets. Present for this discussion was DPW Director R. O'Brien and Superintendents of the various Department of Public Works Departments.

It was noted that the Department of Public Works is the second largest budget after the School Department.

Building Maintenance/D. Anderson, Superintendent.

This department has the largest budget after the Sewer and Water Departments. There is a big increase in Heating/Boyden School to \$40,000 due to the increase in gas prices. Budget is pretty much level funded, budget is flexible and they pay attention to the base line. Department is in good shape to date and they are looking into improving the boiler systems. Superintendent feels that there are no major problems at any of the facilities Committee had questions on the big jump in the personnel budget since 2013 from \$640,000 to \$760,000. It was explained that the staff has remained pretty consistent with the exception of a new custodial position at the library and to backfill a position that was previously funded in the prior year's budget. Department consists of one foreman, seven craftsmen and four custodians. There are no anticipated changes in staffing, other than filling the foreman position. rest of department would stay the same. Mr. O'Brien will provide information on the staffing changes in this department to the Committee.

Longevity – It was explained that these are paid each year to the individuals and are part of the union contract. Employees start receiving them after five years and they are similar to a stipend.

Library update – Committee had questions on the status of the new Library. When first opened there were issues, but they have a good handle on it now. Most of the problems were high tech issues and they just weren't working right. It is now working well.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Building Maintenance Budget in the amount of \$2,094,199, Motion Passed (10-0-0) (10 voting) Unanimous

Engineering/Assistant Town Engineer C. Johnson

Mr. Johnson was filling in for Town Engineer M. Walker. He is new in this position. . There is a reduction in Personnel services due to Mr. Johnson coming in at a lower step than previous engineer (\$77,185). \$34,000 in Temporary part time is due to overseeing the CBD project downtown. Tom Harney has been hired for this position and he has previously worked for the Town. He will be working on a temporary basis and he oversees the contractors, eliminating the need for outside consultants. Town spends less money this way. It was explained that the Town will need to spend money in the future on storm water management and a tracking program. Stipend of \$4500 is for the Administrative Assistant who does the GIS mapping for the department. Staff consist of two full time and two part time personnel.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Engineering Budget in the amount of \$314,351, Motion Seconded, Motion Passed (10-0-0) (10 voting) Unanimous

DPW Administration/R. O'Brien, DPW Director

Department consists of DPW Director and Administrative Assistant and a clerk who works at the DPW yard and handles payroll, grants. New line item of \$12,494, is to be used for the stormwater management program that is now required by the Federal Government. Mr. O'Brien would rather handle this in house than spend money on a consultant, but there is the need for seed money to get program going (\$12,494) and bring Town in compliance with the Federal Government.

Town Administrator spoke to meeting with the Sewer and Water Commissioners on the Stormwater Management Program. Towns are allowed to assess fees on the residents, but he is not recommending this. First year is for seed money, then the Town will have to included it in the Capital Budget on future costs. Catch basins are the most costly, along with the enforcement of the program. This is another unfunded mandate by the Government and will entail significant costs to municipalities.

7:30 p.m. – Committee Member S. Lawson

Selectman C. Snuffer spoke to the cost being between \$350,000 to \$500,000 for this stormwater program. Town has 5,000 catch basins and costs will take away from every

other department. They are attempting to work with congressman to have this mandate go away.

Drug testing – is done on all new employees and personnel that are required to have a commercial drivers license.

7:35 p.m. – Committee member M. Trudell.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action in on the DPW Administration Budget in the amount of \$311,826, Motion Passed (11-0-1) (M. Trudell abstained) (12 voting)

Highway, Parks and Cemeteries Assistant Superintendent D. Hand

It was explained that budget is pretty much level funded, with a small increase in the personnel line item due to an internal transfer and amodest increase in expenses. This budget is also responsible for snow and ice. Gas line item has not been reduced due to the department always on the road and has many vehicles. Committee questioned if there was any plans for the new police and fire station to install gasoline tanks. Selectmen are looking into this.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Highway, Parks and Cemeteries Budget in the amount of \$849,374, Motion passed (12-0-0) (12 voting) Unanimous

Snow and Ice – Budget is in good shape, \$443,000 has been spent to date. In addition they have also filled the salt shed, present balance is \$371,000. This is a guestimate due to not all the bills being received to date from the outside contractors. Costs approximately \$10,300/per mile for snow and ice. They attempt to manage the storms in house and don't call in the outside contractors until absolutely necessary.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Snow and Ice Budget in the amount of \$818,000, Motion Passed (12-0-0) (12 voting) Unanimous

Street Lighting – This budget is a guestimate, and Town Administrator spoke to FY2016 budget right on tract where the Town should be. He doesn't anticipate any increases at this time. They have been working with a consultant and locked in the rates for another year. He is comfortable with the number of \$420,400. Committee questioned the use of having solar lights, Town can't do this as we don't own the street lights. There are some stop signs with flashing lights with solar panels. These are expensive, but there are a few around Town, anticipates that they will be installed in the future at bad intersections. Police Department tracks the street lights that are out and provides the electric company with a list. Town Administrator has requested an update of the list.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Street Light Budget in the amount of \$420,400, Motion Passed, (12-0-0) (12 voting) Unanimous

Landfill Maintenance – No money being requested. Budget is kept open as we have to monitor it as part of Department of Environmental Regulations.

Cemetery –There is a decrease in personnel services due to a long time employee leaving, new employee transferred into the department at a lesser rate. Moderate increase in expenses. They will be approaching the Selectmen to take money out of the perpetual care account for repairs to the stones. Town has five cemeteries and will look into having as an eagle scout project to preserve the stones. Labor would be free. They are also looking into digitalizing the grave sites, this would be done by one person. Any expansion to the cemeteries would have to be a Capital Budget request.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Cemetery Budget in the amount of \$163,003, Motion Passed (12-0-0) (12 voting) Unanimous

Vehicle Maintenance – DPW Director R. O'Brien spoke to this budget. Staff consists of four personnel. Department maintains all the Town's vehicles (150) with the exception of the Fire Department. They have a program showing how much is spent on each vehicle and keeps track of the warranties. There has been a turnover in personnel in department and one position went vacant for a period of time. There is a problem with competing with outside shops and it is sometimes difficult to fill a position, department is now at full staff.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Vehicle Maintenance Budget in the amount of \$378,298, Motion Passed (12-0-0) (12 voting) Unanimous

Parks – Department takes care of all the athletic fields and roadside areas. Staff in department consists of 8 personnel, plus seasonal employees during the summer season. Committee questioned the \$27,000 for water. This is due to watering the athletic fields. During the winter, employees pick up brush and do routine maintenance projects. They are presently expanding the Fisher School basketball court and Elm Street playground. PACS donated the money for the materials. Off season, they also do brush cutting, pick up Christmas trees and also assist in snow and ice operations.

MOTION MADE by J. Denneen, Seconded by D. Crowley for Favorable Action on the Parks Budget in the amount of \$599,837, Motion Passed (12-0-0) (12 voting) Unanimous

8:15 p.m. – Committee Member P. Hinton

March 7, 2016 Special Town Meeting

Article 1 – Tax Increment Financing Agreement

Present for this discussion was Chairman of the Board of Assessors J. Fisher, Town's Appraiser D. Fliss, P. Macchi, Attorney representing Siemens and M. Mason from Siemens.

Discussion

Town Meeting members are being asked to approve the Tax Incentive Funding (TIF) Agreement for the expansion of the Siemens facility on Coney St. Assessor's responsibility is to develop assessments for purposes of taxation.

Proposed complex is located on Coney Street, and there is only preliminary information available as final plans have not been prepared. Estimates are preliminary and will change as the engineering and architectural plans for the project develop. Project is categorized as a Research & Development (Engineering) property. Proposed construction cost is \$61,700,000, with a land value of \$3,250,000 for a total of \$64,950,000.

Siemens represents one third of the commercial tax base of the Town. Current FY2016 taxes on existing facility are \$1,120,790.

Assessors provided the Committee with the Key Points of an independent valuation that had been done by Sheehan & Company. This was based on only having preliminary information available. Final plans have not been prepared. It was a guess as to what kind of building it would be, looked at existing buildings and assumed new addition would be of the same quality or better. There are no facilities like this (other than Siemens) in surrounding communities. Best approach would be to come up with a single value and establish a range.

Siemens supports their businesses in highly specialized areas. Lab areas are secured and have specialized equipment that is not in a normal office building. Office space is adjacent to manufacturing and labs. They are very specialized and this is what drives the high cost to 300,000 million. It is an investment in their business. If property was to be sold, price would be significantly lower as there is no interest in specialized areas. A fair market value is required by law, and is different than construction value. Assessment is only on the physical structure of building.

Value range is 60 million to 65 million. This will change as they come up with a design. Value won't be known till the building is done and detail plans available. It will be the responsibility of the Assessors to come up with the assessed value and they will use the

guideline provided by Sheehan & Company. Facility is considered a Level 2, not a Level 3.

Selectmen C. Snuffer spoke to if the project is to go forward, they need to through all the different boards, permit situation. Planning Board, Conservation, Sewer and Water would be held to a properly constructed project. It would be part of the requirements for Siemens to pay for it. Mass Works to receive 2 ½ million. Presently there is no plans to put a ramp on to Route 95. If this was to happen, there would be no cost to the Town. Traffic study plan would be the responsibility of Siemens. Board of Selectmen want a peer review, when completed would be turned over to Engineering Department.

Town Administrator feels the Town will break even on fees (\$250,000) and accounts will be set up to monitor the fees. Fees go back to the General Account, not the individual departments. FinCom discussed that the Town's staff is already strapped and would be unable to oversee the project. In addition Siemens would elect to provide contributions in the amount of \$100,000 towards the construction of playing fields, \$160,000 towards snow removal equipment and \$250,000 towards a new fire truck.

The first five years Town will receive very little revenue, unknown is the traffic impact.

Some members spoke to the TIF Agreement not fair to the town, should receive the 8 million in a shorter time period than 20 years. It was explained that the only thing pending before Town Meeting is to vote. Total cost to the town is underestimated. Walpole Mall should be greatly affected by the project.

Some Finance Committee felt that the project seems to be great for Siemens and for the State, and not a good deal for the Town. Money should be received in a shorter period of time than 20 years.

Chairman spoke to Finance Committee's role is not to renegotiate, vote should be to approve or not approve.

MOTION MADE by D. Crowley, Seconded by S. Lawson _for Favorable Action on Article 1 of the March 7, 2016 Special Town Meeting, Motion Passed (8-5-0) Voting in favor were D. Bruce, P. Hinton, M. Trudell, J. Burke, J. Denneen, A. Healy, S. Lawson, D. Crowley, opposed were T. Bowen, K. Guyette, R. Mariani, P. Stasiukevicius and J. Vaillancourt (13 voting)

Adjourn:

MOTION MADE by J. Denneen, Seconded by S. Lawson to adjourn the meeting at 9:20 p.m. Motion Passed (13 -0-0) (13 voting) Unanimous

Respectfully submitted,

Clare P. Abril
Clerk