

The Board of Selectmen met on Tuesday November 7, 2017 beginning at 7:00pm in the Main Meeting Room of the Town Hall. The following members were present.

Eric Kraus, Chairman
Mark Gallivan, Vice Chairman
Nancy Mackenzie, Clerk (arrived at 8:10pm)
David Salvatore
Ann Ragosta

Also present:
James Johnson, Town Administrator
Cindy Berube, Executive Assistant

Mr. Kraus called the meeting to order followed by the Pledge of Allegiance

APPOINTMENTS

11-1 VOTE OF THE BOARD OF SELECTMEN, Bond and BAN

Ms. Thompson explained we went out to borrow long term and short term. The long term is from the Articles of STM. The BAN articles that we had borrowed short term and each year we pay it down. Got really good rates.

Ms. Ragosta for the debt payments each year will that be going up? Ms. Thompson yes it will include interest payment in May for the new borrowing and one for 2019. The BAN we budget each month will be paid Thursday. Ms. Ragosta wanted to know Long term what is our current payment. The \$171,00 principal payment and the interest almost \$203,000. Ms. Ragosta we will be adding approx. \$375,000.

Mr. Salvatore so the short term you are adding road improvements and school. Those were approved by T. Mtg. and the Long term 3.2 for COA. Ms. Thompson we hear the interest rates are going up but we have not seen

MOTION moved by Mr. Kraus to support the motion for document 11-1 for the Bonds and BAN as Written below seconded by Mr. Gallivan, VOTED 4-0-0

I, the Clerk of the Board of Selectmen of the Town of Walpole, Massachusetts (the "Town"), certify that at a meeting of the board held November 7, 2017, of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: that the sale of the \$5,161,000 General Obligation Municipal Purpose

Loan of 2017 Bonds of the Town dated November 1, 2017 (the "Bonds") to Fidelity Capital Markets, a Division of National Financial Services LLC at the price of \$5,622,240.87 and accrued interest is hereby approved and confirmed. The Bonds shall be payable on November 1 of the years and in the principal amounts and bear interest at the respective rates, as follows:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2018	\$171,000	5.00%	2028	\$285,000	4.00%
2019	190,000	5.00	2029	300,000	4.00
2020	195,000	5.00	2030	315,000	4.00
2021	205,000	5.00	2032	655,000	3.00
2022	215,000	5.00	2033	260,000	3.00
2023	225,000	5.00	2034	265,000	3.00
2024	235,000	5.00	2035	280,000	3.00
2025	250,000	5.00	2036	285,000	3.00
2026	260,000	5.00	2037	295,000	3.00
2027	275,000	5.00			

Term Bond due November 1, 2032

Year Amount

2031 \$320,000
 2032* \$335,000

*Final Maturity

Further Voted: to approve the sale of a \$2,366,461 2.00 percent General Obligation Bond Anticipation Note of the Town dated November 10, 2017, and payable November 9, 2018 (the "Notes"), to Eastern Bank at par and accrued interest plus a premium of \$17,769. preparation and distribution of a Notice of Sale and Preliminary Official Statement dated October 17, 2017, and a final Official Statement dated October 26, 2017 (the "Official Statement"), each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that in connection with the marketing and sale of the Notes, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated October 17, 2017, and a final Official Statement dated October 26, 2017, each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Bonds shall be subject to redemption, at the option of the Town, upon such terms and conditions as are set forth in the Official Statement.

Further Voted: that the Town Treasurer and the Board of Selectmen be, and hereby are,

authorized to execute and deliver continuing and significant events disclosure undertakings in compliance with SEC Rule 15c2-12 in such forms as may be approved by bond counsel to the Town, which undertakings shall be incorporated by reference in the Bonds and Notes, as applicable, for the benefit of the holders of the Bonds and Notes from time to time.

Further Voted: that we authorize and direct the Treasurer to establish post issuance federal tax compliance procedures in such form as the Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Bonds and Notes.

Further Voted: that each member of the Board of Selectmen, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b) at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds or the Notes were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

11-2 Year ending June 2016 Audit Chad from Roselli, Clark & Associates

Management Letter year ending June 30, 2016

You had a very good year at the end of 2016. The balance in the general fund and Stabilization fund ended at about \$10.3 million. This was an increase of about 3.7 million. In FY14 you recovered nicely in 2016 to 10.3 million left you with a reserve ratio of 13.4 percent. Little bit of growth also. The 13.4% is still below what S&P suggest at 15% or more. It could have an impact on the Towns bond rating. You are still not at the upper tier of bond matrix. The certified free cash surplus is nearly \$7.5 Million. You are maintaining \$2.15 million in the Stabilization fund. Your OPEB at the end of 16 you had 1.79 million. You did add \$350,000 in FY17 you have about 2.25 million dollars.

OPEB the plan and operation and how the calculations are determined. Similar to retirement footnote change that happened a few Years ago, as part of the second tier. The calculation of OPEB is changing significantly. Calculated off your current Retirees. How much will you need over their life span about 27.0 million dollars starting in this fiscal years not only the retirees but current Employees. That will tag on another 17 million dollars about 44 million. At \$2 million

you are about 5% funded on OPEB. You are acknowledging it, and it will grow fast. There is planning that needs to be done to cover these funds.

Student Activity accounts those are reviewed by the Department of Education. There is a separate issue report on the High school. It runs very well here.

Single audit, as part of the Uniform Guidance, they want documentation on how the controls are working. Encouraging the Towns finance team prioritize this to properly establish their internal control system before large federal awards.

The Municipal Modernization Act became effective 11/15/16. Big improvement on how finances were handled in town. The premium is being applied to pay down the interest. TIF agreements starting FY17 to disclosed in the financial statements. We worked with the Payroll school dept.

Findings themselves, unused special revenue balance, grants, revolving accounts, no one is using the money, we encourage the dept. Heads review and see if they can offset their budget.

S&W purchasing did not follow MGL. Should be careful moving forward.

Encourage taxpayers to pay. The Munis system updates and happy to say the last of the largest phases was accomplished. The system had not been updated in 10-15 years. Pleased to say that you are in the final phases of that.

Ms. Ragosta you are saying we have submitted 5% in OPEB. What should we be at? Auditor, GASBY would tell you 100%, you have to fulfill this by 2040. Similar rule, GASBY understands it is going to take longer, the idea should be. Ms. Ragosta, what do you have for a plan?

I have some towns that use the hotel and foods tax into it. There is no ideal percentage. Ms. Ragosta, if we are required to have OPEB fully funded. We are looking at 42 million that we need to put in by 2040. A nice target the actuary uses a lower discount rate, the growth of the liability; you are not putting any money in the Bank. They are required to use a 7% number. and they can show you are putting in enough, they can use the lower interest. As far as funding what the town has been doing you have saved money. A lot will depend on what the health market is doing. Over a multiyear period it is 7% growth.

Mr. Gallivan, this year you said there is no fixed day to fund the OPEB liability. Have you heard when they want towns to do this? They just came out with these GASBYs and will not give a deadline. He knows the state is concerned about this Number. He would not be surprised when you get to 2030 they will change the rules and give you longer time.

Mr. Gallivan was glad there is not a hard date. Chad knows that Wellesley took out a bond. They have about 50 clients, and he thinks 1 or 2 are fully funded. They are small towns. None

of my regular city or towns they are not there. Walpole is average with 2 million dollars. With all of this free cash over the last years, you are now 6 out of 10 putting money in.

Mr. Salvatore the money there what is it doing? Is it gaining interest? Where is the growth rate of this liability? There was discussion about putting money into the market but it was explained that it is very risky. You put it in the market and it drops you still owe the debt on that money.

Mr. Salvatore noted the contributions have allowed us to get the lower factor, how do we know if we are in danger of losing that advantage. Chad suggested talking to town's actuary.

Ms. Ragosta the purchase orders on Page 8. Auditor we were doing a test on fixed assets. This is this came into play. She asked your Testing was for capital assists. My interpretation is that they were using the PO as a tracking. Ms. Ragosta did you look at our process for PO, compare to see that it was followed. AUD your normal process works.

Mr. Salvatore wanted to know what accounts were looked at, and is school part of this. Chad explained the whole general ledger of the town. A lot of mini audits.

Mr. Gallivan, looking ahead MMA rule TIF disclosure for next year, are there other things coming down the road that will require special treatment? They are looking at Lease disclosures. Operating leases are like the copying leases. From accounting tracking it could be more challenging, in regards Agency funds are assets not a liability. That is one of the changes.

11-3 PUBLIC HEARING, Classification

MOTION moved by Mr. Gallivan to open the Classification Public hearing, seconded by Mr. Kraus, Voted 4-0-0

Dennis Flis and Jack Fisher talked about what the purpose of the hearing is. Referring to document 11-3, it is summarized it in the middle of on page 2 as a result of the shift the town adopted. On page 3 the residential is about 87%. The limit is set by MGL, is what we paid Last year about 2 ½%. You can skip to page 6 of the document and Page 7 is new growth certified new growth is \$934,028. Below that is where the new growth comes from. On page 13 it shows what the average tax bill would be. One thing that is important when you do comparison, you take into account the commercial/Residential base. On page 20 has the report that summarizes the difference in category. On pages 21 & 22 you have tax rate and history. The Board has gone thru the data and recommend you make no change to the shift. You change the shift you would see a disproportionate for small business. Every one-dollar a resident saves is seven on business. The Board recommends 1.275% shift.

Mrs. Mackenzie arrived at 8:10pm.

Ms. Ragosta when she was looking at the tax rate calculation is exactly just what you advised us tonight. One of the components is the shift and the total valuation what the town wants to spend. From her research the town decided to spend in the spring \$ 69,134,000 and change. A Million maximum is 69,418,000 so that is a swing of \$284,000 dollars more than we appropriate. Is there any reason why we can't set the tax rate based on \$69,134,000 Can we set the tax rate less. You can levy any amount up to the levy limit. The town meeting funded the funding sources. Ms. Ragosta this is something we want to think about. Before we decide if we want to levy to the maximum or what we budgeted in spring and fall. There was \$64,000 appropriated for Fall Town Meeting Article#2. Mr. Johnson noted there is a shortfall of \$15,000 in the School budget .We has our budget and clearly budgeted for Spring Town Meeting. We have for actual new growth we have about \$200,000. Mr. Johnson explained that would go out to free cash.

Mr. Salvatore so this is for FY 2017. I think we do have to look at this idea, with current mindset. You take up to the maximum. He noted that page 5 is blank for new growth. Mr. Fisher stated they do not have amended new growth. Mr. Salvatore it shows that new growth is in vacant land. Mr. Fisher noted that would occur when you have land that has been subdivided. Mr. Salvatore so this amount is the increase in value. Mr. Flis noted the majority came from the Sunny rock Subdivision. Let's say you have a piece of land and subdivide you might be able to get \$200,000 for each lot. So the new growth would be \$200,000. We start the budget process now and are asked to project what new growth is next year. We are conservative.

Mr. Gallivan talked about the budget process. That includes all the departments in town. As we go along and find out what we get from the state, there are a lot of needs and wants and we have to eliminate things, as we do not have enough money. He thinks where the shift is now is appropriate and he is not proposing a change in the shift. Mr. Kraus agrees it a good balance between residential and commercial. Ms. Ragosta we are talking about the shift and the rate. The \$200,000 swing which has been budgeted and our max allowable levy.

The Board talked about delaying the vote; however the Assessors explained once you vote on the shift, you are adjusting the levy and then we have to submit to the state. It is critical to have this done soon. Two weeks can put them at a really risky point. We may not get the tax bills out on time. Take a look on the impact on the residents is about \$15 dollars.

Mrs. Mackenzie stated she has been involved in this for 15 years, the quality of life is important; residents are not interested in overrides. Within the Budget we are dealing with the COA center, Police Station and Fire Station. This values green space, paying down our OPEB, plenty of storms all over the country. Spending money on infrastructure, our ponds are being taken care of. She thinks the town has done a good job in the budgeting process built in some extra so we do not have to go back and ask for more money. Budget is tough in my house. To know that \$15 difference will be looking out for everyone. We need to keep our businesses. Walpole is doing pretty well; people still want to move here. The school system is working great. She thinks they are on the right track and should stay on the right track.

Ms. Ragosta, the town has already budgeted that money, and has \$200,000 that does not need to be used. Not a lot of money, that is the reason we do a budget. We have excess levy. We could

meet in a week and come up with the right number for the levy. Ms. Ragosta questioned if it is the law to have it by 12/31 or can you do estimated.

Mr. Kraus can you go over the \$15 a person

Mr. Hasenjaeger was asked to come here regarding the letter (document 11-4) we agreed not to change the shift. We were upset about moratorium.

Jon Vaillancourt, taxpayer and chairman of Finance Committee. He had read thru the report, on page 19 shows 18 area towns and their Tax bill and their shift some have a higher shift than Walpole. He would encourage the town to look at the 1.5 shifts. That would be an increase of \$1 in the average tax bill. On this list of 18 there are only 7 communities with taxes higher than Walpole. Our taxes are going up every year, free cash at Town Meeting and we have generated between 2-5 million above and beyond what was received and not spent. The three buildings will be fully funded. This is about giving \$200,000 back to the taxpayers. He supports reducing the rate and reexamining the shift.

Mr. Gallivan noted a lot of the towns you mentioned have a higher commercial base. If we do a higher shift that really impacts the businesses. Mr. Vaillancourt with the discussion about OPEB is another hidden cost of Town Employees. It is not just what we see here that comes back to the budget, show some prudence and thoughtful management in growth in those Budgets.

Harry Brousaides, RTM and Chamber of commerce stated we need a larger commercial tax base. Trying to get the town to get behind us. Walpole has been looked at as a place to attract new businesses. We need to increase the commercial Tax base. We have a lot of other problems, infrastructure going down RT1A. We need to help commercial base. He talked about there being a possible bailout for OPEB. Chad has not heard of anything like that. He is concerned with the increase in Health costs.

Mr. Brousaides feels the town does have to reign in where our expenses are going. We are starting to get to a point where the salaries and pension and get reform.

Donna Sherman, Precinct 6 after what I heard. So respect the time and effort that you give. I am not a financial Person, what I do see and hear is \$15 a person. I moved from Needham, as it was an override town. Talked about the increase on her tax bill. If that keeps growing that is compound interest going against us. I have been looking for 6 months to move out, as I cannot afford this anymore. The condo owners do not get plowing, trash pickup etc.

She is upset that the condo owners are paying taxes for services they do not get. I have a recommendation to make, how many large businesses in town. Mr. Kraus how do you qualify that? How many small businesses do we have? Mr. Brousaides stated between 800-1,000. Mr. Gallivan talked about how agreements were made with condo establishments.

MOTION: moved by Mrs. Mackenzie to close the public hearing

Ms. Ragosta would like to continue the hearing. Mr. Kraus would like to know where everyone is on this issue.

Mr. Salvatore feels it is important the whole board be available. He does not want to force it to another date. Mr. Gallivan is willing to vote for this the way it is. He does agree with the point, when we meet with School Committee and Finance Committee we should build in time to look at the number. Does not want to put an impact on cash flow but talk about the timing of this process next Year. Ms. Ragosta we are pretty solid of the \$200,000 over the levy. If we keep the shift the same and give them the dollar amount, the Assessors would calculate the two rates based on the amount.

Mr. Johnson in the past we have used these funds. To make this decision this evening, we are talking about changing the way we do things over the last 2 hours. Mr. Kraus agrees for the next fiscal year we can discuss this. Ms. Ragosta we have almost seven million in free cash. Mr. Salvatore somehow we managed to build these facilities without an override, we did that by raising the levy. Now that we have spent that money, we should be looking at to spend on what we need. Prop 21/2 has become a floor. At Town Meeting we do not make great decisions. Not real choices. Much easier to spend one million on dredging the pond. We keep rising to the levy limit you have money left over at the end of the year. This is a process for the last budget, what we need to do is fix it going forward. While I appreciate the idea of reducing the levy by \$200,000, we need to look at saving a million and a half next year. Suggests putting that \$200,000 to OPEB.

Seconded by Mr. Salvatore VOTED 4-1-0 (Ms. Ragosta opposed)

MOTION moved by Mrs. Mackenzie to adopt a Shift of 1.275% with a Residential Factor of 95.7774 for Fiscal year 2018, seconded by Mr. Gallivan VOTED 4-1-0 (Ms. Ragosta opposed)

OPEN FORUM

NEW BUSINESS

11-5 Spring Town Meeting

MOTION moved by Mrs. Mackenzie To open the 2018 Spring Town Meeting and close it on January 23, 2018, seconded By Mr. Gallivan, VOTED 5-0-0

11-6 Chapter 90 reimbursement

This is reimbursement for work done on various streets in town.

MOTION Moved by Mr. Salvatore to approve and Sign Chapter 90 reimbursement in the amount of \$557,149.11, Seconded by Mr. Gallivan, VOTED 5-0-0

11-7 and 11-8- Postponed until November 21st.

11-9 One Day Wine and Malt, Adams Farm December 16, 2017

MOTION moved by Mr. Salvatore to approve the one day Wine and malt license for Adams Farm for December 16, 2017 with the condition that there be two police officers from 10am to 5:30pm and that No consumption of alcohol be outside the designated area. Seconded by Mr. Gallivan, VOTED 5-0-0

CONSENT AGENDA

MOTION moved by Mr. Salvatore to approve the Consent Agenda Items as listed below
Holiday Display Permit, Chamber of Commerce, for Nativity/Manger Scene (11-10)
Request to hold annual Santa parade November 25th at 11am(11-11)
Gift Acceptance, First Church Christ Scientist, to Library Gift Account \$100.00 (11-12)
One Day Live Entertainment, Jalapeno's Grill Inc November 22, 2017 7-11pm (11-13)
One Day Live Entertainment, Jalapeno's Grill Inc. December 9, 2017 7-11pm (11-14)

Seconded by Mrs. Mackenzie, VOTED 5-0-0

TOWN ADMINISTRATORS UPDATE

Budget-if you want changes you need to discuss it with me prior to my budget message of February 1, 2017. Please give me some direction. He sent out the budget directive letter this week to the Department Heads. He is going to prepare the budgets as he has in the past.

Mr. Salvatore if you want to do ponds or other things budget accordingly. Lets have real discussion on these issues. Mr. Gallivan felt there needs to be discussion on all of the things that need to be done and narrow it down. Ms. Ragosta we need to encourage people to come as she thinks it is important to hear from residents what is important to them. My goal is to hear the face of the taxpayer. Mr. Gallivan I think we will get more people involved. Mr. Johnson is seeking a vote of the Board before Christmas. Mr. Kraus the thought is to have a task force. Mrs. Mackenzie if that happens, come up with ground rules. Mr. Kraus the task force can make recommendations.

Community Development Director-Liz Dennehy has given her notice. He suggested in the short term Tom Gregory and Patrick Shied assist in her absence. Mr. Kraus, I am a fan of Patrick but would rather see the Asst. TA take this over. Mrs. Mackenzie feels the lack of a planner has caught up with the town. Open space for clean development is not there anymore. The ability to have someone in house that can navigate that. Protecting the integrity. I would advocate a full time planner. Maybe having a part time community development person is the way to go. She thinks Patrick did a great job with recreation; maybe he and Tom can reach out to the dept. and see what their thoughts are. There is no other support staff other than their Assistants. Let's assess that. Mr. Kraus does not disagree with the town planner. I think one person is needed to assist not both. Ms. Ragosta noted that Liz Dennehy's job description was

not voted on. Mrs. Mackenzie noted that Liz does not have stamp, she is not a certified planner. We should talk to them and find out where they have been w/o a planner.

MSBA Statement of Interest-Supt Lynch wants to meet with the Board In December to update you on the process.

Parking Meeting-Police Chief providing recommendations for parking. The business owners have been notified and the commuters are invited to attend as well.

Political Activity Policy- Mr. Gallivan does not know where we are going with this. Mr. Salvatore feels some of the Language was too strong. Rules when you rent schools etc. I wanted a set of guidelines and rules. Mr. Gallivan starting to think about Walpole Day. Mr. Kraus is Walpole day appropriate to have candidates?

MINUTES

MOTION moved by Mrs. Mackenzie to approve but not release the executive session minutes of October 10, 2017, seconded by Mr. Salvatore VOTED 5-0-0

MOTION moved by Mr. Gallivan to adjourn at 9:55pm seconded by Mrs. Mackenzie VOTED 5-0-0

Respectfully submitted,

Cindy Berube, Executive Assistant