

**TOWN OF WINCHENDON
JOINT MEETING
BOARD OF SELECTMEN / FINANCE COMMITTEE
MEETING MINUTES
Monday, March 20, 2017
Town Hall, 2nd Floor Auditorium
109 Front Street, Winchendon, Mass.**

Selectmen Present:

Barbara Anderson, Chairwoman
Audrey LaBrie, Vice-Chairwoman
Austin Cyganiewicz
Michael Barbaro

Keith Hickey, Town Manager
Linda Daigle, Executive Assistant
Debra Dennis, Recording Secretary

Absent: Amy Salter

Finance Committee Present:

Thomas Kane, Chairman
Christian Orobello, Vice Chairman
Charles Corts
Dr. Maureen Ward
James Robichaud
Tonya Dokulil

Debra Dennis, Recording Secretary

Absent: Robert Guenther

List of Documents Presented at Meeting:

- Town Manager's Fiscal Year 2018 Budget Message (attached)
- Town of Winchendon Town Manager's Recommended Fiscal Year 2018 Budget (attached)
- Town Manager's FY18 Power Point Slide Presentation (filed)

The meeting was called to order by Chairwoman Anderson at 6:30 p.m.

The Finance Committee reconvened their meeting at 6:30 p.m.

Announce audio/video recording disclosure – When asked, no one announced they would be audio recording the meeting this evening.

SELECTMEN'S COMMENTS: None

PUBLIC COMMENTS AND ANNOUNCEMENTS: None

PERMIT/LICENSE APPLICATIONS/PUBLIC HEARINGS: None

JOINT MEETING WITH FINANCE COMMITTEE:

Town Manager, Mr. Hickey thanked both Boards for allowing him to present the budget to both of them this evening. He explained the budget is similar to last year and includes detailed information of the water, sewer and transfer station rates as well as a breakdown of the indirect costs related to the school department.

Mr. Hickey said he included in the booklet his budget priorities which are to develop a structurally balanced budget, maintain reasonable consistency in the tax burden to the Winchendon taxpayers, deliver an adequate level of critical services, continue to decrease reliance of grant funds not yet approved to fund key departmental positions and

properly account for indirect costs to enterprise funds and the school department. Indirect costs have decreased since FY17 except for the transfer station which has gone up. This year we have actual numbers for health insurance and retirement costs. He said there were more wants than funds available. There was an emphasis on services and priorities, then funding accordingly. Increased transparency for costs of services is critical. Sustainability is also one of the budget priorities.

The future budget goals are to maintain structurally a balanced budget from year to year, preserve critical services to improve/sustain quality of life for Winchendon residents, forecast revenues conservatively and increase/replenish reserves and to pay down the deficit legislation in accordance with the State amortization schedule.

Mr. Hickey spoke of the upcoming Town Meeting warrant articles; one and two are housekeeping, three through seven are zoning articles. There is a separate warrant article for a lease of a truck. There is a place holder article for acquiring street lights and upgrading them with LED lighting. The proposed cost could be paid by the solar electricity savings.

Mr. Hickey went over the staffing proposals. The Morton Converse Trust established is coming due with one of the beneficiaries being the town cemetery. James Robichaud asked what the balance is in that account. Mr. Hickey said around \$375,000.

Included in the budget is an additional \$101,000 for Snow and Ice Removal and Capital purchases of \$458,059. The \$101,000 for Snow and Ice would be \$36,000 for sand and salt and \$65,000 in a separate Finance Committee reserve account. He discussed replacing the pumper/tanker truck since it needs \$100,000 in repairs and said it is not cost effective to repair. They discussed the Sally Port for the Police Station for around \$675,000 which they would borrow money with the understanding if they don't receive the grant from the Robinson-Broadhurst Foundation then the sally port would be a no go.

Mr. Hickey said the proposed town budget would be \$29,289,632. The funding sources are real and personal property taxes, state aid, local receipts, indirect charges, transfers from other funds and free cash. He noted free cash has to be certified before it can be spent. If free cash isn't, then the \$300,000 in capital purchases would have to wait until the fall meeting.

Mr. Hickey asked if the Finance Committee had any questions for himself or the department heads who were in attendance. He explained the total maximum allowable levy limit for FY16 was \$11,833,188. The dollar amount he used for property taxes is around \$78,000 less than the maximum.

He said the debt exclusion amounts for fiscal 2018 equals \$390,581. The debt exclusions are for the police station renovations, fire ladder truck, library access renovations and school generator. The amounts received from the state have increased by only 1.5% since 2009 while the budget has increased over 10%.

Christian Orobello questioned the charter school reimbursements. Mr. Hickey said when a student decides to leave after six months, the town would receive six months reimbursement. Indirect costs for the water department, sewer department have gone down but the indirect costs for the transfer station have gone up.

Mr. Hickey said the proposed budget is for \$29,289,632 which is an increase of \$1,027,200 from last year. He went over the budget. There is an increase in the Town Manager's budget line of \$10,000 for cost to be incurred at the Ingleside Property and \$5,000 for the Fall Festival. Selectwoman LaBrie questioned how moving forward with the Ingleside property would be handled. Mr. Hickey said you might want to separate out Ingleside.

The Assistant Town Clerk position would be full time, he continued. The Police Department budget has increased due to moving into a bigger building with more costs associated with it. The Fire Department has an increase for Fire Call Officers. There is also an increase in the Fire Department line due to an employee who will be retiring in FY18. Employees hired before a certain time receive their accrued sick time as a payout. This expense is just over \$21,000. The solar field should be done by the middle of May. An analysis was done and the town wide savings should be around \$157,000 annually. He noted he used only three fourths of the savings in the FY18 budget. Some new items in the budget is the storm water permitting which is a requirement in FY18 at a proposed cost of \$30,000.

There is also a section of Old Town Road that the town is required to improve to a passible standard. There is an increase to the Public Library line item primarily due to funding an existing part time position from the Operating Fund. The employee benefits show a decrease of \$271,403 which is primarily due to health insurance.

He said the town has to go out to borrow for the deficit bond each year. The first two years, the interest rate was .75%. In FY18, the rate will be 1.25%.

Dr. Maureen Ward questioned why the state assessment for education has gone up. Mr. Hickey said he would have to research it.

Mr. Hickey said there is \$90,000 included in the Water Fund budget for cleaning four dead end lines known as bleeder lines. A small constant flow of water is maintained to maintain the water quality. Over the past year the Town has lost twenty four million gallons of water from the bleeder lines. There is a proposed increase in the water rates of fifty seven cents. The water department has lost \$25,000 in revenue due to the closing of The Winchendon Golf Course. Christian Orobello questioned why there are water bans with there isn't a lack of rain. Mr. Hickey said it is the decision of the Water Commissioners to put a water ban on. Christian commented when a ban is in effect it decreases the water department revenue. Mr. Hickey said a water loss impacts the amount of water we have but isn't the sole reason for a ban. Selectman Barbaro said we haven't done maintenance in years; we are paying the price for it. Chairwoman Anderson noted the Board voted to raise the rates each year by one half of a percent. Mr. Hickey said he wasn't aware of that. DPW Director, Al Gallant came forward and said the first year the proposed rates increased but it hasn't been done in two years. Christian Orobello questioned whether they could increase water users. Mr. Gallant said we are at our limit. He explained the water ban is through the DEP and it is by dates May 1st-October 1st.

Mr. Hickey said the sewer department is in much better shape. He proposed replacing a sewer jet that no longer operates. The cost for the sewer jet is \$55,000. The only other change is a second year lease payment of a three year lease at a cost of \$16,041. Chairman Kane questioned the sewer enterprise expenses increase. Mr. Hickey said the sewer disposal has high concentrate of copper then what is allowed. He proposed sending cameras down to identify where the copper is coming from. Mr. Gallant said he would have to rent six cameras at a cost of \$10,000 a camera. He said the town is under court order to fix the copper concentration which is believed to be from corrosive material used to keep the pipes clean.

The Town Manager believes in FY17 the transfer station will be in the black. There has been a savings going to single stream recycling. He talked about maybe increasing the cost of bags to cover the cost of indirect costs. There is a truck not being used at the Transfer Station which might cover some of the costs. Chairman Kane asked Mr. Hickey if he could recheck the pension costs for the one employee. Mr. Hickey said he would. The public works department collects trash on the side of the road that is sent to the transfer station. There is a cost of disposing it. He proposed money should be appropriated from the Operating Budget to cover the cost associated with road side trash. He said he would have a discussion with the Board. Selectwoman LaBrie said the transfer station is no longer using the containers, could we sell them. Mr. Hickey said some of the containers we purchased but some were provided to the town by the DEP. If they are surplus containers, we can sell them if they are the DEP's we can give them back.

Mr. Hickey concluded his presentation of the FY18 budget. He will provide the questions given to him by the Finance Board Chairman along with the answers to both Boards. He noted the department heads did a tremendous job. They understood the challenges we are facing.

Dr. Maureen Ward thanked Mr. Hickey for his budget presentation which she felt was very clear and concise.

A motion was made by Dr. Maureen Ward to adjourn the meeting; Christian Orobello seconded. All aye.

ADJOURNMENT: A motion was made by Selectman Barbaro to adjourn the meeting; Selectwoman LaBrie seconded.

ANDERSON (Y) LABRIE (Y) BARBARO (Y) CYGANIEWICZ(Y)

The meeting was adjourned at 8:29 p.m.

Respectfully Submitted, Debra A. Dennis, Recording Secretary