



# TOWN OF ADAMS

## SELECT BOARD WORKSHOP MINUTES

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TOWN CLERK

January 28, 2015

CLERK

### Board of Selectmen Meeting

On the Above date the Board of Selectmen held a Workshop Meeting at Town Hall at 7:00 p.m. **Chairman Arthur Harrington** presided. Present were **Members John Duval, Joseph Nowak,** and **Vice Chairman Richard Blanchard.** **Member Jeffrey Snoonian** was absent. Also in attendance were **Town Administrator Tony Mazzucco** and **Community Development Director Donna Cesan.**

*Meeting called to order at 7:00 p.m. by Chairman Harrington.*

### OFFICAL BUSINESS

#### *Revenue Source Discussion*

**Town Administrator Mazzucco** advised he is looking into additional revenue sources for the Town to continue funding operations as well as funding the community, economic development efforts, and the quality of life. There are four options, including Fees, Meals Tax, Lodging Tax, and the Community Preservation Act (CPA). Information was provided to the Board on these different sources in an effort to look at how the Town can manage declining budgets and resources, and to look at revenue sources that don't impact the elderly or those who cannot afford increases.

#### *Fee Structure*

Some of the Building Permit Fees are not covering the cost of inspections. Building fees are set from the Town Charter.

**Town Administrator Mazzucco** initiated discussion about whether to keep fees in the Charter or not. Fees should cover the cost of the service that is provided. He suggested looking at local services being provided to keep in line with costs to provide inspections and be comparable with local communities as well.

Other fees are also listed in the Charter, such as those for the Zoning or Planning Boards. Some fees may be high and some may not be high enough. Costs should be relatively the same in local communities because of advertising, but the Town needs to investigate this. It is time to look at plumbing and electrical fees as well. Positions with a stipend that do those inspections are fairly costly, but there is no advertising required; just the cost of inspection. *Board of Health* re-inspection is no different than the first inspection. Fees need to expand beyond building and include sub-trade fees and advertising costs.

Last month the *Board of Health* raised their fees, and though they are a separate entity it would be important to look at how they came about their increased rates.



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Fees were last updated in 2004, and the Select Board made a commitment then to review them annually. Town Counsel made a decision at that time to put the fees in the Town Code, so it has to go through Town Meeting to make changes. The Town has not kept up with the fees to make sure people benefit from this review to receive a proportionate cost. Town Counsel will be asked why it needed to be incorporated it into Town Code at that point.

When the Charter was reworded to include the plumbing and electrical inspector, the electrical fees went up, but they were inconsistent. Some were in the Charter and some were not. Electrical fees are outside of the charter. The Board needs to look at whether it should be in the Charter or not, and also whether fees are adequate. If the fees need to be changed they would have to be changed in the Charter, which would need to be addressed at the next Town Meeting.

### ***Community Preservation Act***

The *Community Preservation Act* levies a surcharge on the property value of 1%, 2% or 3%, with some exemptions that the Town could build. If the first \$100,000 was exempted it would not likely present a substantial revenue source to the Town, but it would be matched by approximately 40% by state funds that are created by the deed transfer fee paid to the Registry of Deeds. The money goes into a state pool, which is then apportioned out to the *Community Preservation Act* communities. The more communities that are involved with it the more it gets spread out, but for the last few years it has been averaging 40%. If the Town raised \$500,000 the community would get 40% of that. The CPA spending is limited to 4 areas – open space, recreation, housing, and store preservation. Staff costs can be included if they are specifically working in those areas, but it is not designed for operating costs or to replace costs seen elsewhere. It is designed to add quality of life to the community and focuses primarily on capital and capital acquisition. They focus on acquiring housing rather than just repairing and maintaining what is there. With historic preservation they want to repair or replace what is there and the same for open space. The concentration is more on what is being added rather than what is being repaired. A lot of communities have been very successful with it and it could generate 40 to 50% of funds, as is seen in the eastern part of the state.

**Member Nowak** informed the Board that he went to a CPA informational meeting in the past and found that the towns from Berkshire County that participated in the program were the well-to-do towns of Williamstown, Stockbridge, Great Barrington, and Becket. He expressed concern about the fact that the program has significant fluctuations, and with the dollar-to-dollar match it even went down to 20%.

Each Board Member discussed with the Town Administrator their concerns about what the cost would be versus what the homeowner is willing to pay, and how it would impact all property owners at a time the Town is trying to reduce costs. This program would





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have to be looked at very carefully, and communities that have already been using CPA money should be analyzed to see how it solved some problems. Massachusetts Municipal Association (MMA) and Berkshire Regional Planning Commission (BRPC) may also be able to be involved with this as excellent resources.

**Town Administrator Mazzucco** will set up a presentation for the Board from the CPA Coalition Director to give more information about the program.

### *Meals Tax*

The Meals Tax increase was addressed at Town Meeting in the past and was voted down. Many people saw it just as another tax for local residents and thought it would hurt local business. Now, there are more people who are not residents going to restaurants in town.

By not utilizing the Meals and Lodging Taxes the Town is passing up an opportunity of approximately \$70,000 or \$80,000 in revenue each year. It could be attempted again with a better explanation of the benefits of these taxes to the community

Many restaurants in town are just barely making a living, and increasing the meals tax may make an impact on them with increased meal prices.

Funds either come from revenue sources or there will be reduced services from cut taxes. If there is not an increase in revenues through these types of initiatives, unfortunately that is the alternative.

### *Lodging Tax*

Lodging Tax was in the past voted in at Town Meeting to increase 2%, but it would not make a large impact up front because there are few facilities that offer lodging in town currently.

**Community Development Director Donna Cesan** informed the Board that now is the time to put the increases in place, before the Greylock Glen has leases to be negotiated.

If these tax increases go before Town Meeting now, once they are ready to be implemented with future opportunities the foundation will already be in place for the revenue to come in. This revenue could be treated as General Fund revenue or it could be earmarked toward Community Development or Retirement Funds, for example. It is important to have a discussion about the benefits of these taxes and set them up in a way that would best benefit the community. Other generated revenues to be used for the Greylock Glen will be used for maintenance of the property.



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Meals and Lodging Taxes can be ready for the next regular Town Meeting. It is important to move forward fast enough so it has an effect on the next budget year, as it will play a key role in planning.

**Town Administrator Mazzucco** will reach out to those impacted by Meals tax and lodging tax for an informational session. Having a public meeting on these topics would be great to inform of the benefits to the community, create public awareness of any issues before Town Meeting, and hear concerns.

### *Town Owned Property*

**Town Administrator Mazzucco** advised it would be advisable to look at all Town-owned property to see whether the Town is interested in selling, or re-using, etc. He suggested creating an Ad Hoc committee to look at these, since there are a number of them and it is important to get information on them. For example, some of these were Town-abutted land for a good reason in the past, so they need to be vetted through the Assessor's office.

The full Select Board will go through the Town-owned properties as a group to decide what categories they can be identified into, such as selling, fixing, or needing research. Many of the properties are small slivers of land that may have become Town-owned for a specific reason at the time they were acquired.

This list is not believed to include owner-unknown properties. There once were old paper streets, where there were parcels of land between two lots that the Town doesn't own. Sometimes if people take care of the land for 7 years they acquire the land successfully. Even if the parcels are given to the party who owns property next to them, they will be on the tax rolls.

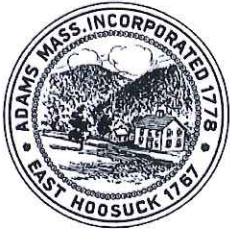
The Town Administrator was requested to put together more information on the properties presented so the Board would have more background on them for discussion.

### *20 East Street Property*

The Town is ready to go forward with Requests for Proposals (RFPs) on the *20 East Street Property* but may hold off because the Youth Center needs to have a place to go. If there is a willing buyer of the property this may help, as it may be funds to make the Memorial School more viable for the Youth Center to move into. An RFP can stipulate that there is an existing occupant that will need a reasonable amount of time, such as 90 days, to relocate without creating hardship.

Several Board Members expressed support of the Youth Center moving into the Middle School, and hoped for funding to get the HVAC system put in to help this to go forward.





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**Community Development Director Cesan** advised there are no quotes back for the HVAC yet but the estimate will likely be over \$300,000. The earliest it could be completed would be the middle of October, if the Town gets environmental clearance, the proposed grant funding, and is able to go forward immediately. She said that typically the Town will hear whether CDBG Grant funds are awarded around July or August. If the RFP goes out it will be advertised in larger cities such as Albany, Springfield, and Boston. The Board and Town Administrator will be advised when an RFP is ready to move forward. For any auction or RFP of property it must be a very public process and there may be a difference in how it is handled between a tax-acquired or Town-owned property.

*Consensus was reached by Board Members to go forward with an RFP for 20 East Street.*

### ***Compensated Absences***

**Town Administrator Mazzucco** explained that Compensated Absences are employee accrued sick, vacation, and personal time which are recorded as a liability. They don't need to be funded at 100% because the only way it would be needed to be fully funded would be if all employees are using them at the same time. The percentage of funding has declined and there may need to be a shifting of funds in the budget to bring it up because the Town is anticipating it to be used more heavily over the next few years, since a number of employees will be retiring. The Town is currently at 30 to 40% and would be better prepared at 60 to 80%. As a fiscal update, in 2006 or 2007 there was quite a bit of money and it has drained down since then. Health Care liability is also more challenging with schools, which is a challenge facing many towns in Commonwealth. Employees have a cap on how many sick days can be cashed out.

When people cash out their days they are at a higher pay scale than when it was accrued.

**Member Nowak** suggested putting in \$5,000 annually.

**Town Administrator Mazzucco** will check with the Town Accountant to see how long it has been in place and who is utilizing it. He advises that in the 15 to 20 year horizon it will go down some.

This topic will be revisited to assess an appropriate Compensated Absences increase as recommended by the Town Administrator. It cannot currently be changed due to contracts for a couple years but the Town can put more money into it to get the percentage back up to where it should be.




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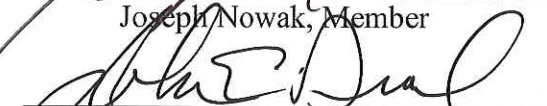
*Motion made by Vice Chairman Blanchard to adjourn*  
*Second by Member Duval*  
*Unanimous vote*  
*Motion passed.*


*Meeting adjourned at 7:59 p.m.*

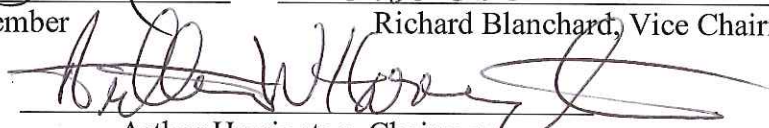
Respectfully Submitted by Deborah J. Dunlap,  
Recording Secretary.

  
Joseph Nowak, Member

Jeffrey Snoonian, Member

  
John Duval, Member

  
Richard Blanchard, Vice Chairman

  
Arthur Harrington, Chairman