

**TOWN OF ASHBURNHAM
BOARD OF SELECTMEN MINUTES
JANUARY 17, 2006
SELECTMEN'S OFFICE, TOWN HALL**

This meeting was aired live on local cable television Channel 8.

PRESENT: Jonathan Dennehy, Chair, Mark Carlisle, Clerk, Ron Reed, Member, Kevin E. Paicos, Town Administrator and Sylvia Turcotte, Administrative Assistant.

I. APPROVAL OF AGENDA: Dennehy called the meeting to order at 7:00 p.m. and read the agenda. Carlisle moved to accept the agenda, Reed seconded and the motion was carried.

II. PRESENTATIONS, REPORTS & CORRESPONDENCE

A. **Tax Classification Hearing:** (Dick Coswell of the Board of Assessors was present) Reed motioned to open the Tax Classification Hearing and was seconded by Carlisle. Motion carried.

Dick Coswell began the hearing by stating that they have received many questions on the new values from the 1,234 out of town owners. He added that they have made 34 changes to the values and it comes out to .900 of 1% difference.

Coswell stated that he would be sending the forms to the DOR the following day and that he recommends that the Board of Selectmen adjourn the hearing until next Monday or they could call a special hearing as he hopes to get the response back by next week. Dennehy stated that they would adjourn the Tax Classification Hearing to Monday, January 23rd at 6:45 p.m.

Reed motioned to postpone the Tax Classification Hearing to Monday, January 23rd at 6:45 p.m. and was seconded by Carlisle. Motion carried.

Reed motioned to come out of the Tax Classification Hearing at 7:07 p.m. and was seconded by Carlisle. Motion carried.

B. **Town Administrator's Update:** A copy of the update is attached to these minutes.

Paicos stated that he was hoping to do some interviews for the Treasurer position on Friday morning with a few more the following week. He stated that we had received many very impressive resumes.

Paicos stated that he had opened union negotiations with Dispatch and Fire and that they are already close to an agreement after only one meeting.

Paicos stated that he had sent out appointment slips to the Affordable Housing Committee members and that they had more interested parties apply than was needed. He added that it was a good response and they are an excellent group of people. Dennehy read the list of members: John MacMillan of the Planning Board, Donna Brooks of the Board of Appeals, Rachel Fowler of Habitat for Humanity, Dale Proulx Pastor, Community Church, Nancy Fiske citizen at large, Pat Dennehy realtor, and Carol Corstange realtor.

Paicos stated that he had received conflicting information as to how to go about reopening the Landfill from the DEP but that he is still waiting for more information.

Paicos said that he has distributed his Revenue & Expense Forecast Report to all department heads, committees and boards, as well as members of the press. He went on to state that he has met with each department head to go over their FY07 budget but that he still had to do a lot of trimming. He added that he originally planned to have the budget all done by the end of the week but now it will be probably the next week.

Dennehy inquired about the dam situation and Paicos stated that we hadn't received a letter yet because they are really busy with the more threatening dams. Dennehy stated that he wanted to make sure that the Town has demonstrated due diligence and has done everything possible. He added that Paicos shouldn't drop this item off his list to follow up.

III. OLD BUSINESS

No old business.

IV. NEW BUSINESS

- B. Tax Impact Update re: Public Safety Building Project:** Dennehy stated to accommodate Chief Zbikowski and his family, who were present, they would go ahead and discuss Item B first.

Paicos stated he and the committee has done a lot of work on the 3 alternatives. He added that the Board needs to take a position, not necessarily now, but at the special town meeting. He went through the alternatives:

- 1) Full project as currently bid with all 5 alternates (cost to finance \$8.5m, cost impact \$.93 per \$1,000 for an average home \$250,000 = \$230.50 a year. \$12.50 more than the original bid in 2004)

Carlisle went over the alternates. Alternate 1 – storage room under sally port, which is part of the foundation in a secured area at a cost of \$28k. Alternate 2 – Fifth apparatus bay at a cost of \$115k. Alternate 3 – Training tower, which has to be put in with the apparatus bay at a cost of \$150k. Alternate 4 – Training area finished at a cost of \$22k. Alternate 5 – Living quarters on the 3rd floor for the Fire Dept. at a cost of \$285k. The total for the alternates is \$670k.

- 2) Base bid with alternates 1, 2 and 3 - (cost to finance is \$.81 per \$1,000 – cost per year of \$202.50 for average home - \$17.50 less than the original.
- 3) Base bid – (cost to finance of \$.77 per \$1,000 – \$27.50 less than the original.

Paicos compared the options:

Option 1	\$12.50 per year more
Option 2	\$17.59 per year less
Option 3	\$27.50 per year less

Carlisle stated that in 2004 he had said that he wouldn't come back to the taxpayers but now, due to the hurricanes, oil price etc. the cost has gone up for the project.

He added that the committee is supporting Option 2 and stated that the tax rate difference went from \$.88 to \$.81, saving money.

Paicos stated that there are 3 major differences:

- 1) In the past two years, the Town's value has grown and the tax rate impact is not a lot greater.

- 2) USDOA now is interested in offering loans to towns with less than 10,000 population and added that \$2m will be funded. Can go out up to 40 years with loan.
- 3) Most municipal debt has a declining interest rate when borrowed over 20 years at 5¼% which is computed on remaining principle. It starts heavy and finishes to "0".

Paicos stated that for the 1st 5 years we would pay 50% of the debt but now there are more even payments. He added that level debt essentially is the same payment and greatly reduces the effect on the taxpayers. Dennehy inquired how this would affect other projects such as the Town Hall, the Highway Building or Briggs? Paicos stated that the longer you carry the debt it has an unfavorable impact but added that Ashburnham has very little debt which is considered a strength.

Paicos added that he has received all this information from the First Southwest Bank and he is confident that the information is correct. He also stated that it will take about a year to issue the debt on this project and he is confident that it will go lower by then.

Chief Zbikowski was then asked if he had any comments to add and he stated that the committee will go forward on Thursday with their recommendation. He added that it is up to the people to decide and that the committee is proposing the \$.81 level.

Paicos added that right now there is a very robust building market.

Reed stated that he wanted to thank the committee on this arduous task. He went on to say that he recognized the costs have gone up on the interior work and in the grand scheme of things we should go ahead with either options 1 or 2. He went on to state that the Town will continue to see some growth in the next 40 years and it would be unwise to stop the project now. He added that he has reconciled his mind that it would be prudent to go ahead with this project and stated that waiting is not in the best interest of the Town. He stated that he encourages the voters to approve this at the Special Town Meeting. He said that this is the biggest project the Town has taken on its own and it is a great testimony of the people to come out and fund this.

Dennehy agreed that he is in support of option 2 and that the building is necessary. He added that we can't continue to have fire trucks across Town even though Cushing has been generous to let us use their building. He added that he has been to many of the committee's meetings and that they had to make a lot of tough decisions. He also stated that he was critical of the committee because they weren't coming before the Town to explain how this came about.

Dennehy stated that he recognizes that we do need this building and he is in favor of option #2. He added that we can't wait any longer.

Carlisle stated that he is in total dismay that the State tells the Town that they have to use the prevailing wage scale which adds a lot of money to the project. Reed stated that this could change to region rather than state which would be better for us if it is passed.

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Carlisle motioned that the Board unanimously supports the construction of the Public Safety Building under option 2 and Reed seconded. Motion carried.

Dennehy stated that the Advisory Board will meet and vote on this article a half hour before the meeting on Thursday.

A. Town Administrator's Revenue/Expense Forecast for FY07: Reed stated that at the MMA

meeting this past weekend it was noted that the lottery cap would be lifted. He urged every citizen to call Senator Brewer's office to lift the lottery cap this year for FY07. He added that there is also an increase in the PILOT funding and they need to impress the legislature to support this as this would help ease the burden and we could see almost 20% more to the Town.

Carlisle stated that the Town now gets \$800k in state aid and that with the governor's proposal we are looking at another \$150-\$200k. Reed stated that this is a lot for our Town.

Dennehy stated that we must insist this goes thru so that we get some money and we need to demand that they never take it away from us again. He added that the lottery cap must go. Reed added that the state recognizes the over-reliance on property taxes and that he is very encouraged by hearing all this.

Paicos added that we can take all the revenue we can get.

Paicos stated that the Revenue total is \$550k due to new growth and proposition 2½. He went on to say that we have begun a more aggressive collecting of tax liens and we will be more aggressive next year. Right now we have \$600k in debt from tax liens.

He added that he is budgeting for a 20 hour a week Treasurer and this will go into this effort so it will cost us \$15k to generate a lot of money in collecting these delinquent taxes. Reed added that the Town has always been very willing to help residents with payment plans on delinquent taxes.

Paicos stated that the motor vehicle excise revenue is \$50k and that there is a good upswing in new car sales right now. He added that the Town is growing and every new home built generates at least 1 or 2 more vehicles.

Paicos stated that the bottom line is that he will be giving a balanced budget predicting \$100k in new lottery aid but that the governor will give us more.

Reed stated that it's an election year so we should see this decided early.

Paicos stated that there is \$17-\$18m in total revenue but it's not all usable revenue and added that our usable revenue is \$554k.

Paicos stated that the school will go up 5%, at \$320k, which leaves general government with a 3% or \$92k. He added that we can't make just the 3% increase due to \$100k increase in energy costs. He stated that \$2.40 a gallon is the current cost of oil which is double from last year. The employee health insurance is up to \$76k and our current plan is going up by 6%. He added that we have the lowest co-pay possible right now and we have to work with the employees to address this situation.

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Paicos added that debt service was supposed to go down but the fire truck will cost us \$72k. He also stated that snow and ice will go over \$100k again this year. He stated that we added a police officer and a fire fighter this year so this is an additional expense to be carried over into FY07.

Paicos went on to state that last year Norm Thidemann, the Interim TA and Jim Shanahan worked on the budget and the expenses were higher than they anticipated. He stated that the school gave us a one-time payment of \$153k and Thidemann and Shanahan used it to balance the budget.

Paicos stated that general government can't go up 3% with energy costs at this level. He stated that Steve Nims was the only Department Head to actually submit his budget at 3% because the others had more energy costs. He added that it will be a maintenance budget at best and that lay-

offs could be a possibility.

Paicos stated that he has some ideas to help balance the budget. The first is to review all the department fees; the second would be to look at every large dollar amount in energy and look at innovative ways to reduce them, adding that the VMS and Town Hall bill to heat for the year is \$50k; third, the increased state aid; fourth, the possibility of a cell tower and the revenue that would generate; fifth, the water/sewer rate increase which is needed; sixth, aggressive delinquent tax collection; seventh, quarterly tax bills; and eighth, take the fire truck exempt 2 ½.

Reed asked if the budget was off by a half million and Paicos stated that it was around \$300k - \$400k.

V. APPROVAL OF MINUTES

A. **December 19, 2005 – Executive Session (6:00 p.m.)**

Carlisle motioned to approve these minutes and was seconded by Reed. Motion carried.

B. **January 3, 2006 – Regular Meeting**

Carlisle motioned to approve these minutes and was seconded by Reed. Motion carried.

VI. OTHER MATTERS

Dennehy stated that it's his pleasure to present the application for a Common Victualer's Licence for Dunkin Donuts at 6 Gardner Road. Carlisle motioned to approve the Common Victualer's license and was seconded by Reed. Motion carried.

Dennehy stated that Dunkin Donuts will open on Wednesday, January 18th.

Dennehy stated that there is a notice of a Public Hearing on Monday, February 6th at 7:00 p.m. thru MRPC. He proceeded to read the notice which stated that the hearing was to solicit citizens' comments.

Dennehy then announced that the Board received a packet from Supt. Mike Zapantis asking them to consider signing in support of an all day kindergarten funding thru grants. He added that they are looking for funding thru grant 702 which is funding for teachers. He added that right now there is ½ day sessions available.

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Paicos stated that depending upon how many new staff positions he would question where the remainder of funding will come from. He added that he is very concerned about what this commits us to and he sees a funding gap and stated that if state funding is reduced down the road, he questioned where the funds would come from.

Dennehy stated that the school committee has been working on this for some time. Reed stated that we have questions that need to be answered. Dennehy asked how much extra beyond the \$14,500 do we pay? Reed asked about the busing situation and lunch plans? Dennehy asked after the grant is over, how do we absorb this in our budget?

Dennehy stated that this will have to be done quickly as it is time sensitive. Paicos stated that he would ask more questions and get back to the Board.

Dennehy stated that the Special Town Meeting is Thursday, January 19th in the Team Room at Overlook not at the Town Hall. He also announced that Gail Dumont along with Dave Uminski

and Linc Stiles have arranged for free babysitting at Overlook during the Special Town Meeting. He added that the Special Election will be on Tuesday, January 24th from 9:00 a.m. to 8:00 p.m.

Dennehy also mentioned that the Worcester State Special Election would be on February 7th at J.R. Briggs from 7:00 a.m. to 8:00 p.m. to vote for State Representative.

VIII. EXECUTIVE SESSION

At 9:14 p.m., Dennehy stated that the Board would enter into Executive Session to deliberate upon matters which, if done in open meeting could detrimentally affect the position of the Town regarding the purchase, exchange, lease or value of real property and not to reconvene into regular session.

IX. ADJOURNMENT

At 9:36 p.m., Reed motioned to adjourn the meeting and was seconded by Carlisle. Motion carried.

Respectfully submitted,

Sylvia Turcotte, Administrative Assistant