

# Town of Ayer

## Finance Committee

### Ayer Massachusetts, 01432



Location: Ayer Town Hall, Meeting Room  
Finance Committee Minutes

Wednesday December 14, 2011

Present: Brian Muldoon; Chairman, Scott Houde; Vice Chairman, John Kilcommins; Clerk, Michael Pattenden; Member

In Attendance: Laurie Nehring, Mary Spinner, Lisa Gabree, Gary Luca, Jim Fay, Pauline Conley, Frank Maxtant, Robert Pontbriand, Stephanie Ginter, John Canney.

Called to order at 7:01 pm by Brian Muldoon

- Fincom Survey
  - LN Initiated a discussion of the 2011 Ayer Fincom survey.
  - LN-This was a great thing to do. Keep in mind that this is a small sampling when reviewing the results. This should be repeated next year.
  - SH-Goal was to get more data to dissect and analyze.
  - LN Offered to help with the next round of surveys.
- Liquor Licenses
  - BM-Is it possible to withhold licenses until back taxes are paid? This would follow our policies.
  - GL-What is in arrears? 6 months?
  - GL-We need to know what we can do from John Canney. Does he send notices?
  - MP-We need to collectively define what is delinquent.
  - PC Cited Mass General Law Chapter 40, Section 57 which states that the town may deny, suspend, or revoke licenses and permits to those neglecting to pay.
- Delinquent Taxes
  - BM-When are taxes considered delinquent?
  - JC-When they are unpaid per the Mass DOR.
  - GL-When does the collection process start? Do you contact them? When does the tax title process begin?
  - JC-We need to be comfortable that we have accurate records before publishing them.
  - JF-When does the interest stop accruing?
  - JC-It never stops; interest accrues even in tax title.
  - BM-We are trying to figure out what the problem is and how we can fix it. How do you see it John?
  - JC-Reading from a prepared statement. (Copy attached). Collections extend beyond the tax collector's office. It is a shared responsibility.
  - SH-What is the process? Do you send notices?
  - JC-There is no formal process, we address it as we notice things in the computer. We are a very busy office and we don't have the resources in the office. We can't publish a listing (of delinquent payers) because there is not enough money, time and personnel to review the thousands of records.
  - SH-There is nothing in the bylaws to prevent us from publishing. We have a revenue problem.
  - JK-I would think that you could publish it to the town website to save money.
  - LG-On a quarterly office you should be calling the top ten debtors. My department will help.
  - JF-Is there a late payment schedule? 30/60/90? Do you send out notices?
  - JC-No.
  - JF-Is there anything preventing you?
  - JC-No but there are practical considerations. We do not have the staff or money to do this.
  - SH-You were elected to do this. This is your responsibility, are you saying you are not responsible?
  - JC-That's not true. I disagree that we do not have polices in place.

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- SH-The concern is we are four quarters out by the time we communicate. This impacts free cash. Is there communication between the collector and the boards to tell who is behind on licenses and such?
- JC-Yes, I get a list from Janet Lewis in December.
- SH-We need a repeatable process going forward.
- JF-What are the parameters for a payment plan?
- JC-I ask what they can afford to pay and then work with them.
- JK-In my business I waive the small claims court application and get paid. Can the town use this?
- JC-We have a series of legal actions available but who would do it? Who would pay for it?
- PC-You would pay for it with the proceeds.
- FM-Use an intern.
- GL-Do you let the people on payment plans know that the BOS can withhold their license, permits, etc?
- JC-That's your job.
- GL-That's disingenuous. You are not serving the taxpayer and the town.
- SH-Were all for the best interest of the taxpayers. There is a broken process with communication here in town hall. We need to be proactive not reactive. We now have 400K less in free cash because of this.
- BM-Are we bound by anything when working out payment plans? Does MAGL dictate payment terms?
- JC-I am bound by the best interests of the town. Collecting some money is better than none.
- JK-Robert, in Fitchburg how did you do it? Any policies or procedures that we could adopt here?
- RP-We published delinquent payers on the web site to save on cost. We had aggressive collections; a punch list went with each project/license with each department signing off. Finally collections have to be a priority.
- BM-What happens when the town treasurer gets the tax title?
- SG- I input the data from the tax collector. I start a file and increase the interest from 14% to 16%.
- BM-How is the homeowner notified?
- JC-Newspaper ad that I place.
- LG-Does the treasurer have any payment agreements? Do you ever call the citizens to come in and set up a payment plan?
- SG-There is one open agreement. Any installment plans I make can only go out two years. I have not phoned people.
- LG-That's reactive not proactive.
- PC-When does the file get sent to the lawyer?
- SG-Six months.
- SH-What expenses run through your (budget) account?
- SG-Certificate of redemption fees.
- SH-We need to move forward to collect. We'll do a reserve fund transfer if needed, don't slow collections because of budget concerns.
  
- Rates and Fees
  - BM Led a discussion of rates and fees.
  - RP-Working on comparative data. I suggest that Fincom schedule a public hearing. We should align rates and fees with costs and not set them as a profit maker.
  - GL-Are we charging a fee just because we can?
  - BM-We are not looking at a profit. Costs have gone up over the years.
  - PC-Rates and fees run on an annual calendar not a fiscal calendar.
  - SH-We should coordinate rates and fees with the department heads as we meet with them during the budget cycle.
  
- Tax Rates
  - BM-What is the BOS' plan on tax rates?
  - PC-The distribution between commercial and residential has changed.
  - BM-What is the BOS' goal?
  - JF-To make Ayer hospitable for businesses.

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- GL-We are adjusting the 55/45 split to give businesses a break.
- Vicksburg Square
  - GL-I think it's a good project. Ayer gets 4 million dollars of Devens tax revenue at build out. Why is this not sustainable? Vacancy rates are under 4%.
  - MP-Vicksburg will draw Ayer renters out of Ayer.
  - GL-I think it's sustainable; the residents will bring disposable income.
  - SH-The issue is the 80% of low income housing. This deflates the tax revenue coming into town. We haven't seen Devens at full build out. Companies come in and out depending on their TIFs.
  - MP-I'm all in favor of Vicksburg Square being saved, just not on Ayer's back.
  - FM-Finances aside we don't need a city block in the middle of no where. Mass Development has failed to market Vicksburg for business. Mass Development are the ones who let these properties go.
  - JF-As it stands now I am against it. There are many units for rent now. The infrastructure is not here to support Vicksburg Square.
  - SH Led a review of his draft reply to Trinity's rebuttal of the Fincom's original letter to the editor. Copy attached.
  - Motion to have SH submit the reply to the press.

Motion	JK
Second	SH
B. Muldoon	Aye
S. Houde	Aye
J. Kilcommins	Aye
M. Pattenden	Aye
Vote	4 - 0

- Budget Memo
  - BM Led a review of the Fincom budget memo for FY 2013 as well as the budget schedule.
  - Motion to accept the budget memo and send it to the town administrator.

Motion	SH
Second	JK
B. Muldoon	Aye
S. Houde	Aye
J. Kilcommins	Aye
M. Pattenden	Aye

- Motion to adjourn at 10:40 pm

Motion	SH
Second	JK
B. Muldoon	Aye
S. Houde	Aye
J. Kilcommins	Aye
M. Pattenden	Aye
Vote	4 - 0

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**Finance Committee**  
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Brian Muldoon, Chairman \_\_\_\_\_ Date \_\_\_\_\_

Scott Houde, Vice Chairman \_\_\_\_\_ Date \_\_\_\_\_

John Kilcommins, Clerk \_\_\_\_\_ Date \_\_\_\_\_

Michael Pattenden, member \_\_\_\_\_ Date \_\_\_\_\_