



TOWN OF HADLEY
SELECT BOARD
June 26, 2013
Meeting Minutes

Call to Order: (Joint meeting with Select Board, School Committee and Finance Committee)
Meeting of convened at 6:00 pm, Room 203, Hadley Town Hall

Present: Joyce Chunglo, Guilford Mooring, John Waskiewicz, Dan Dudkiewicz - Chair

Absent: Brian West

Also in Attendance: David Nixon (Town Administrator); Molly Keegan, Robie Grant, Linda Dunlavy (School Committee); Linda Sanderson, Matthew Lustig, Frank Aquadro, (Finance Committee); Peg Jekanowski (Administrative Assistant), Richard Trueswell (TV-5);

Announcement:

Dan Dudkiewicz opened the meeting with the following announcement from DPW Director Gary Girouard:

"Please be advised that the Town of Hadley is currently chlorinating its public water supply on a temporary basis in order to remove non-harmful bacteria.

Although the Town has detected the presence of coliform bacteria in the water system, the tests confirmed that there is no fecal coliform in the water. There is no need to boil water.

Immune-comprised individuals may want to drink bottled water, or consult with their doctor.

The Water Division is working diligently to resolve the problem. Every effort is being taken to ensure the continued safety of the water system and water quality.

For further information please call 586-8756."

Business: Positioning the Town of Hadley for the next 3 to 5 years: Revenue Forecast

Mr. Nixon presented the following provisional projected numbers from the Department of Revenue Forecaster Tool. (Details attached to these minutes.)

The 2010 through 2012 numbers are actuals, 2013 are estimates, and 2014-2017 are projected numbers.

There are five categories of receipts of revenues. For FY 2014, the figures are as follows:

- **Property Tax Levy - \$9,722,052**

Mr. Nixon noted that he used a new growth number of \$93,000.00 for 2014 – 2017, as he felt that is a sustainable number. Discussion ensued as to the basis of this number, new growth is new construction and new renovations. Some of the numbers are driven by formulas, others are guessed based upon past experience.

- **State Aid - \$1,951,769**

This is most recent, but we have not received final numbers yet. It does not include Chapter 90, it does include Chapter 70, Charter, School Choice, School Lunch, "lottery and other smaller accounts.

- **Estimated Receipts - \$2,109,306**

If we don't pay attention to this we are in danger of consuming meals' tax for operating rather than capital cost. Mr. Nixon identified this as an area of weakness that needs to be addressed. It was also identified that we have a five year PILOT with UMass and have one more year in that contract before it will need to be renegotiated. This will happen in 2015 and may result in an increase, historically the increase has been 5%.



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- **Enterprise Funds - \$2,100,794**
This includes water, waste water, administrative charges and \$10,000.00 water reserves and \$10,000.00 waste water reserves used to create small reserve fund for operational budget of those two funds.
- **Other Sources - \$549,908 (See attached for detail and explanation)**
- **Total Revenue: \$16,433,829**

Discussion ensued as to next steps now that the projected revenues are known. Mr. Nixon stated that the next tasks are to look at projected expenses, and come up with a strategic plan which includes deciding where the Town is going, what to support and how to pay. We also need to look for opportunities to build the revenue stream.

Mr. Nixon stated that he has asked department heads for a three year budget projection; they have until July 24th to get the information to him. Discussion ensued as to what was needed, and the Tri-Board determined that they want the following from Town Departments:

- A level SERVICE Budget (for FY 15, 16 & 17)
- A level SERVICE Budget with new initiatives separated out (for FY 15, 16 & 17)
- A Level FUNDED budget for 2014. (This budget is already done, the Board would like it included for comparative analysis.)

It was noted in discussion that there needs to be a distinction of operational costs versus capital items costs for departments, and that it is important for departments to know the capital projects that are being funded. Mr. Aquadro stated that the priorities of the Capital Planning Committee are life safety issues and buildings. There was also brief discussion about how to move forward with buildings, and possibilities for funding including CPA.

The Tri-Board then discussed having a subgroup go through the revenues in more detail before the next Tri-Board meeting: a meeting date of Tuesday, July 16th, at 4:30 PM was scheduled. The next meeting of the Tri-Board is scheduled for July 31, 2013 at 6:00PM. The focus of this meeting will be expenses and review a draft of a town-wide survey.

Other Business: (Select Board only):

***Motion to approve appointment of Joan Zuzgo as Assistant Town Treasurer: Chunglo Second: Mooring
Vote: 4-0-0***

Mr. Nixon stated that the Niebala property on Moody Bridge Road (Parcel ID: Map 9, Lot 38) is being conveyed over to US Fish and Wildlife. This is Chapter 61A land and the Board may exercise its right of first refusal or not, and may opt to waive the 120 day waiting period or not. ***Motion that the Hadley Select Board not exercise its right of first refusal on this property, and further to waive the 120 day waiting period: Dudkiewicz Second: Waskiewicz Vote: 4-0-0.***

Announcements:

The Board offered condolences to the family of Mrs. Joan Forman who recently passed away.

6:55 PM Motion to adjourn: Dudkiewicz Second: Mooring Vote: 4-0-0.

Respectfully submitted,

Margaret J. Jekanowski
Administrative Assistant

NOTES AND EXPLANATION
REVENUE PROJECTION
June 26, 2013

The Department of Revenue's budget forecast module Revenue Summary consists of five categories of revenue sources. Generally, these revenue streams are an aggregation of many sources of revenues, and this document makes more explicit the revenue sources and assumptions.

Revenue Summary Sources:

Property Tax Levy: This revenue type consists of three sources: tax levy, new growth, and debt and other exclusions. The tax levy increases 2½% each year. New growth is expected to be constant. Debt exclusion reflects the current debt schedule, with no new debt added in future years.

	FY 2014	FY 2015	FY 2016	FY 2017
Property Taxes	\$8,9099,647	\$9,214,047	\$9,526,165	\$9,857,319
New Growth	\$93,000	\$93,000	\$93,000	\$93,000
Debt Exclusion	\$719,405	\$540,966	\$527,891	\$464,658
TOTAL	\$9,722052	\$9,848,013	\$10,147,056	\$10,414,977

State Aid: This revenue type comes from the total revenues listed on the most current Cherry Sheet (including offsets). The FY 2014 figures reflect the Senate Budget – a final state budget agreement is still weeks away.

	FY 2014	FY 2015	FY 2016	FY 2017
State Aid Receipts	\$1,951,769	\$1,975,000	\$1,980,000	\$2,000,000
TOTAL	\$1,951,769	\$1,975,000	\$1,980,000	\$2,000,000

Estimated Receipts: Revenues listed as local receipts, including any PILOT payment from the University of Massachusetts. Local receipts must be held at or near constant levels in order to build capacity in the budget. Allowing local receipts to rise will threaten the Town's ability to sustain its capital program funding.

	FY 2014	FY 2015	FY 2016	FY 2017
Local Receipts	\$2,059,306	\$2,050,000	\$2,100,000	\$2,150,000
UMass PILOT	\$50,000	\$50,000	\$50,000	\$50,000
TOTAL	\$2,109,306	\$2,100,000	\$2,150,000	\$2,200,000

Enterprise Funds: Revenues consisting of water and wastewater revenues, administrative charges, and enterprise reserves for operating expenses. All such revenues are shown as constant, as any increases or decreases will be offset in the budget.

	FY 2014	FY 2015	FY 2016	FY 2017
Water	\$1,060,257	\$1,060,257	\$1,060,257	\$1,060,257
Water Admin	\$171,052	\$171,052	\$171,052	\$171,052
Wastewater	\$709,470	\$709,470	\$709,470	\$709,470
Wastewater Admin	\$140,015	\$140,015	\$140,015	\$140,015
Ent. Reserves	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL	\$2,100,794	\$2,100,794	\$2,100,794	\$2,100,794

Other Sources: These revenues include transfers of Free Cash, stabilization, capital stabilization, water reserves used for capital, wastewater reserves used for capital, and all other special funds. In future years, monies will be used mainly to fund the capital program and to replenish the capital stabilization account. Water enterprise funds will be used to supplement special stabilization accounts for the water plant filtration units and the water meter replacement program.

	FY 2014	FY 2015	FY 2016	FY 2017
Free Cash	\$280,000	244,000	244,000	244,000
Capital Stabilization	\$240,000	244,000	244,000	244,000
Overlay Surplus	\$9,908	0	0	0
Ent. Reserves	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL	\$549,908	\$508,000	\$508,000	\$508,000