

**Board of Selectmen's Meeting  
October 25, 2010, 7:00 AM  
Town Administrator's Conference Room  
Town Hall, 155 Village Street**

**Present: Chairman Dennis Crowley, Selectmen John Foresto, Andrew Espinosa, Glenn Trindade, Richard Dunne, and Town Administrator Suzanne Kennedy.**

Also Present: Melanie Phillips, Finance Director, Carol Pratt, Town Accountant, Allison Potter, Asst. to Town Admin.

At 7:04 AM Chairman Crowley called the meeting to order, and the Board recited the Pledge of Allegiance.

**Middle School Repair Project – Continued Discussion:**

The Board was in receipt of estimated tax recap analyses showing the impact of the Middle School project under various funding scenarios; a spreadsheet showing the annual cost to the taxpayer for the \$11,526,691 debt for a 20 year borrowing term with varying BAN terms; and a table showing the effect of the refunded general obligation bond and the Middle School project on the average assessed Medway residential property (\$366,000) dated October 23.

Chairman Crowley reminded the Board the purpose of this meeting was to review information gathered by Melanie Phillips.

Ms. Phillips stated she focused on balances as of today, what would happen with the middle school, and when that falls off the grid, what happens to the average homeowner, and the impact of a refunded bond. A refunded bond reduces debt approximately \$2.5 million, and this contains a little funding of the sewer project. She noted the effect to the homeowner is an average reduction of \$125, and clarified that debt runs out in 2016. She stated that bonding is usually connected to numerous projects and it is difficult to piece out the effect of a single project. Discussion followed on bonding and voting options.

Questions considered: How much to fund out of general fund? Within confines of current revenues, how much can go into this project and how much funded elsewhere? What will the impact of a school debt exclusion have on the current tax base? Ms. Kennedy noted it is impossible to know what the municipal budget will look like in the future as there are many variables.

Ms. Phillips briefly reviewed the effect of middle school repair project over 5-year period including impact on homeowners. In the third year, the Town would be required to make payment on debt service, resulting in a larger impact on taxpayer. In 2009 debt service was over \$2.3 million. In the prepared chart, she estimated the debt service figures through 2018. Considering principal and interest payments on the debt service, the impact to the average homeowner would be around \$56.

Responding to a question from the Board, she clarified that these figures do not take revenue into effect as that is an unknown.

Selectman Espinosa stated he did his own calculations to determine an average net effect with timeline of 2010 to 2018, and came up with a 4% increase in debt exclusion taxes. He briefly explained that he used an average assessment per household with an average payment of \$468, and noted that the figure was lower in 2011 and 2012. Discussion followed. Selectman Espinosa reiterated his concern for a large impact on the homeowners. Selectman Dunne opined that without a larger business and commercial presence in town, the residents will be the ones to carry this kind of burden.

Ms. Kennedy cautioned that there may be a reduction in state aid, which affects the overall municipal budget. State aid is always an unknown until it comes in so it should not be considered a "given."

Selectman Dunne suggested that, for this year, maybe the Town should not collect funds under the Community Preservation Act, not increase salaries, and lessen other expenses, in order to lessen the impact on homeowners. Chairman Crowley suggested looking at reduction in other municipal projects, i.e., not doing the roads, repairing sewers, etc. in order to save money that could be put toward the school repair project. Discussion followed.

Selectman Dunne opined that if it costs a million dollars to pay the debt over 20 years, maybe the Town should bill the residents for \$800K and take the other \$200K from the general fund. He stated this could be another way to help reduce the cost of the debt service.

Selectman Foresto asked Ms. Kennedy if the state has to know how the Town plans to fund the project. Ms. Kennedy stated we can do it in any combination we like, but that the financing must be defined in the motion at Town Meeting. It was noted that if debt exclusion is not pursued on this project, repairs might be accomplished piecemeal, which could yield a lesser-quality outcome and increased disruption to students. Discussion followed.

Ms. Kennedy asked Ms. Phillips how a debt exclusion might impact future necessary debt for projects. Ms. Phillips responded that it would depend on amount of money needed and the economic climate.

Discussion followed regarding the possibility of no CPA funds being collected as a trade-off in homeowner burden for the funding of the school repair project. Selectman Espinosa stressed the importance of keeping the public informed as to all options, letting them know the Board is looking for the best possible way of funding this project with as little impact as possible. It was noted that any decision regarding CPA funds would have to go to the citizens in election, and relying on that result could prove detrimental to the project, i.e., residents may want both CPA and the school project.

Selectman Trindade stressed the importance of developing a business tax base into the community. Having a larger business presence would alter the impact on homeowners. Right now, residents look at what they are getting [in services] for what they are paying in taxes. He opined the municipal budget is tight now, opining further there is little that can be cut out. Discussion followed.

Ms. Kennedy asked Ms. Phillips if the funding source could be changed in the future year if revenues improved considerably. Ms. Phillips responded it could not as the whole project has to be voted at the outset.

Discussion followed on reduction of services, possible inability to maintain basic services, budget analysis, free cash and stabilization funds. Selectman Dunne noted that when there was extra money, it was put away and not spent, resulting in the existing reserve funds.

Selectman Espinosa stated that while he supports the project, he is not in favor of debt exclusion of 90%. Selectman Dunne echoed those sentiments, noting he would support debt of 85% with the remaining 15% coming out of general fund. Chairman Crowley opined that, while non-local revenue cannot be predicted, the only thing that can increase is local receipts. There is no guarantee that state funds will increase. This is a conservative snapshot of the financial forecast. Ms. Kennedy added that federal stimulus funds cannot be considered as they are not consistently available.

The Board asked what information has to be provided to the MSBA with regard to the school project. Ms. Kennedy responded the form of motion presented at Town Meeting.

Selectman Trindade opined people without children in the schools need to support this project. He opined further that prospective homebuyers [with children] look at the house, the neighborhood, and the schools. If the school and quality of education is not what they want, they will move on to the next community, and homes of folks retiring to another locale will not sell. New homeowners will want the most services for their money.

Chairman Crowley acknowledged there would be discussion on this project during tonight's public session, possible 10-15 minutes. At that time each selectman would give his viewpoint, and the Board would announce that they will continue to meet toward a collective decision.

There was general discussion on the ballot question, election date, potential voting outcome, importance of availability of the PowerPoint presentation for residents, and continuing to consider funding strategies.

**Article on Thayer Property:**

Chairman Crowley stated he asked Mark Cerel, Community Preservation Committee (CPC), about that group's position on the article on repairs to the house at 2B Oak Street (Thayer property). He indicated Mr. Cerel responded that they were waiting to hear what the Board had to say, and that a representative was coming to the meeting tonight. It was suggested that the Board should consider a lump sum. The funding will come from Community Preservation Act funds. All Community Preservation Committee projects have to have CPC approval first, before going to Town Meeting.

**Recreational Trails Program:**

Ms. Kennedy stated she has the letter for Chairman Crowley to sign relative to the recreational trails program. She noted that the Open Space committee is supporting the trail and the committee hopes to

obtain grant money. The Board had no objection to discussing the matter at the tonight's public session.

**Route 109 Project:**

There was a discussion regarding the justification of the article requesting funds to design and construct water main replacements on West and Main Streets. Mr. Holder stated that the reason for requesting both the design and construction funds together at this early stage was to allow the Town to follow a seamless expedited project schedule rather than have a gap between the design and construction phases causing a delay in project completion. His approach was to complete the necessary water mains replacement on Main Street completed so as not to jeopardize the Town's ability to get its Roadway Project onto the State's Transportation Improvement Plan (TIP).

Selectman Dunne suggested that the Board approve a warrant article supporting designs for both West Street and Route 109 repairs.

**At 8:45 AM Selectmen Trindade moved to adjourn; Selectman Espinosa seconded. No discussion. All ayes, 5-0.**

Respectfully submitted,  
Jeanette Galliardt  
Board Secretary