

FINANCE COMMITTEE
Minutes

Date: August 29, 2006

Time: 7:00p.m.

Present: Turbitt, O'Connor, Raymond, Hachey, Floser, Hebert

Absent: Tripaldi

Meeting called to order at 7:00p.m.

Mary Ann Harris, Denise Marlboro, Richard Handfield, Joe Chase, Tom Fox and the Fire Engineers were in at 7:00p.m.

Article 7-DEP Soil Testing at the Landfill-\$33,900

Raymond: Do you have any documentation for this article?

Joe Chase: I have the consent order.

Floser: What was found?

Joe Chase: They found leach aid.

Hachey: Is it in the pond?

Joe Chase: Yes, it is. DEP is requiring us to test the soil at the landfill.

Raymond: We budgeted \$18,000 for testing at the landfill. What additional work will we get for the \$33,900?

Joe Chase: This will cover the additional testing that is required by DEP.

Floser: Could the problem be coming from the sand pile?

Joe Chase: It is not coming from there.

Hachey: Is there a definition on what the allowable limit is?

Joe Chase: This cost is for the testing. They will let us know what the allowable limits are.

Floser: Why wasn't this on the annual Town Meeting?

Joe Chase: It came in after the close of the warrant.

Raymond: Is it possible that this will cost less than the \$33,900?

Joe Chase: It depends on what they find.

Raymond: Can we get a copy of the bill?

Mary Ann Harris: I don't have it. Paul has it. I will get you a copy.

Raymond: How soon can we get it?

Mary Ann Harris: I will try to get it tomorrow; otherwise it will be next week.

O'Connor: Who is responsible for the landfill cap?

Joe Chase: It is under the direction of the Board of Health. This would have been fixed last fall, if we knew we were going to get a flood and if we knew that DEP was coming to check on it.

O'Connor: Ultimately, it is the responsibility of the Manager.

Joe Chase: We do the mowing, but the testing is under the Board of Health. They have been doing the monitoring and the testing. There was money in an article for the testing, but it was transferred to the sewer project about 3 years ago.

Article 11-Emergency Action Plans for Dams-\$8000

Joe Chase: There are 2 orders. The Dam safety has already been sent in and the emergency action plan. This needs to be completed by December 15th and it needs to be done by a dam safety company.

Turbitt: Is Brierly Pond included in this?

Joe Chase: The Town does not own that dam.

Raymond: Would this qualify for the Reserve Fund?

Joe Chase: I wasn't sure what to do, and Paul said to put it on the Warrant.

O'Connor: Has anyone informed the DCR that the Town does not own this dam?

Joe Chase: We have a package going out to them.

Article 8-Hazardous Waste Day-\$20,000

Joe Chase: This should cover the cost. If we don't use all of it, we will return the balance to the Town. Propane tanks would not be covered. We would have to charge people to dispose of them.

Raymond: The Town Manager said that he may be able to get some money. Do you know where he plans on getting it?

Joe Chase: I do not know where he is getting the money from.

Floser: Why wasn't this on the annual?

Joe Chase: The Board of Health was doing this out of the article that the Town transferred from 3 years ago. It will be a budgeted item from now on.

Article 12-CEMLEC-\$12,000 from the Tank Removal Account

O'Connor: Can we get some information on this fuel tank account?

Mary Ann Harris: You voted an article for the School Department for fuel tank removal. The reimbursement check came in last week. There was \$36,000 more in reimbursements.

Hachey: What position is this for?

Richard Handfield: This is for the Special Victims Unit. We were members before. We want to get back on board. I will have in back in my budget next year. This is the startup cost.

Hachey: What does this do to your manpower?

Richard Handfield: The person would do their training on their own time. If we are short on manpower, then they cannot go.

Hachey: Is this voluntary?

Richard Handfield: Yes, it is. They need to be accepted in order to go.

Floser: Can this go under the Homeland Security Grant?

Richard Handfield: No, it cannot. The grant might be able to cover some overtime.

Floser: If we do not belong to this, will we still get help from other towns?

Richard Handfield: We will get the help, but we will have to wait longer.

Article 13-New Police Officer-\$7000

Richard Handfield: You can reduce this amount to \$4000. This person is already academy trained. He should be starting on Friday.

O'Connor: Was this position open at the Annual Town Meeting?

Richard Handfield: Yes, but it opened up sooner than I thought it would and I couldn't get it into this year's budget.

Article 1-Renovation of the Police Station

Richard Handfield: This is a public safety facility. The building is solid and bullet proof. The station needs to be expanded. It makes sense to keep the station where it is.

Hachey: How many square feet will it go to?

Richard Handfield: It will be about 10,600 square feet. It is necessary to do this work. We need to become a modern facility.

Hachey: I wonder if we should be putting the money into renovating or should we re-build?

Floser: There is no doubt that it needs to be done, but that is a lot of money for a building that is below ground.

Richard Handfield: There is a lot involved in this.

Floser: We know that the upstairs part of this building will not service the Town for a good amount of years. It just seems like a lot of money to spend on the basement of a building.

Richard Handfield: If you stall this for 2-3 years, you will be paying more in the long run. Things have to be replaced.

O'Connor: I would feel comfortable if I could get an answer to the question that I have been asking. I have asked the Town Manager how long this floor will service as a municipal office building. He hasn't given me an answer. I understand that with the renovations, the Police Stations will service the Town for 15 years.

Richard Handfield: Whatever is done for renovations, will not go to waste.

O'Connor: We haven't received a capital plan in years. If we received one annually, we could have had time to have all of our questions asked. The problem is that no one has been able to answer my questions.

Deleted: on

Richard Handfield: I don't think you will lose your investment. The ambulance is looking for a place to house their vehicles also, but I can only speak for my department. I can only ask for support on the article. There is a definite need here.

Hachey: Is the \$4,800,000 a firm figure?

Richard Handfield: I would say yes. That figure came from the architect.

Hachey: Who will make the financial presentation at Town Meeting?

Mary Ann Harris: I will be doing that.

Floser: I am concerned about the cost. I don't want to have to go back to Town Meeting for more money.

Mary Ann Harris: I don't have the information on the article.

Raymond: As far as the financing of the project, do we have any percentage amounts?

Mary Ann Harris handed out answers to the Finance Committee's previous questions.

Mary Ann Harris: It will take a span of 2-3 years to complete the projects. Once the projects are completed, it will go out for permanent bonding for 20 years. Short-term borrowing will need to be done until then. We can, after year 12, re-finance if the rates go down.

Raymond: So, the percentage rate is between 4-4-1/2%?

Mary Ann Harris: Yes, it is.

O'Connor: How will you handle the interest in the short-term borrowing?

Mary Ann Harris: We will estimate the amount.

O'Connor: Would this go into the regular budget?

Mary Ann Harris: It would go under excluded debt. You will be voting on whether to go above the levy limit for these 2 projects. You are allowed to go \$1,000,000 above the levy limit.

O'Connor: Why not borrow the \$10Million right away?

Mary Ann Harris: We may not use all of it. There are regulations that prevent us from borrowing right away.

Hachey: Historically, we have received debt schedules for projects of this size.

Mary Ann Harris: We were not asked to do this.

Hachey: People are going to ask how much their taxes are going to go up.

Mary Ann Harris: I will contact our financial advisor about this.

Raymond: We should know what it is going to cost each year.

Mary Ann Harris: We only received the dollar amount last week. We didn't receive any backup.

Denise Marlboro: I can have an answer for you tomorrow.

Hachey: Is the HVAC project debt funded?

Mary Ann Harris: It will be budgeted for. Paul plans to pay off the short-term borrowing within 3-5 years.

Mary Ann Harris: Our bond rating is based on our ability to pay. We are capable to handling a \$10Million project. As long as we have debt, we will have ratings.

Hachey: What are our reserves today, compared to 2003?

Mary Ann Harris: It is way down. Nothing has been put into the Stabilization Fund and you have been using all of your Free Cash to offset the tax rate.

Raymond: We have the 70th highest debt in the State.

O'Connor: Does the \$37,385,115 include the sewer project?

Mary Ann Harris: Yes, it does.

O'Connor: The debt limit is \$69,737,138.

Deleted: \$1.4Billion

Mary Ann Harris; I would like to have you come in and see the Financial Advisor to get some answers to your questions.

O'Connor: At what point do they raise your bond rating?

Mary Ann Harris: It is all based on your ability to pay.

O'Connor: You are going from 1.8% to 3.9% of the EQV in one year. Without a current 5-year plan, it makes it difficult to understand. I would just like to know if we are taking on more than we can afford.

Floser: We don't know what is in the capital plan for the next 5 years.

Raymond: Is there a concern in your office that this could change our bond rating? Do you feel comfortable with these projects?

Mary Ann Harris: I am not going to answer that.

Raymond: Is it possible to get an opinion?

Mary Ann Harris: I have not heard about any other projects.

Floser: We have \$25Million to use over the next few years. We know that we have to do something with the Municipal Office Building in the next 5 years or so. Do we take the \$10Million out to fix 2 problems, or take \$15Million to fix 3 problems?

Mary Ann Harris: This building meets the accessibility requirements. I don't have all the information. The Town Manager has them, but he is not here.

O'Connor: At what point does the bond issuer decide that you cannot bond anymore?

Mary Ann Harris: In 2003-2004, the Town had to get approval from the Emergency Finance Board for the Sewer Debt of \$21Million. I cannot give you a figure at this point in time.

Richard Handfield, Joe Chase, Mary Ann Harris and Denise Marlboro left at 8:30p.m.

Article 3-Fire Station-\$5,600,000

O'Connor: Isn't there supposed to be a presentation for the public?

Dave Rudge: The Town Manager is working on this. We are waiting for him to do his presentation. I hope it is done before the Town Meeting.

O'Connor: Could it be done at the Town Meeting?

Dave Rudge: I believe the architect will be at Town Meeting to explain it. I am very surprised that the Town Manager is not here tonight. I expected him to be here.

Hachey: Have you finalized the plans?

Dave Rudge: The construction plans are not finalized.

Hachey: What about the equipment and manpower?

Dave Rudge: It is not finalized. There is \$100,000 in the quote for rental space while the building is being worked on.

Hachey: Will this building take care of the ambulance also?

Dave Rudge: Yes, it will.

Raymond: We haven't received an updated capital plan for 3 years. Do you have one?

Dave Rudge: We submit one every year.

Raymond: What about your other buildings?

Dave Rudge: Station 2 is in good condition. Station 3 is having the front done now. The rest is in good condition. Station 5 is in good condition.

Raymond: How far down the road is a full-time fire department?

Dave Rudge: If we maintain what we are doing, I am not looking at a full-time department. It could be 5-10 years from now.

Raymond: What is the life expectancy of the new building?

Dave Rudge: I would say 50 years, at least, even if we went full time.

Floser: How good of a number is the \$5.6Million?

Dave Rudge: It is right on the money.

Article 9-Fire Codes

Floser: Why wasn't this on the Annual Town Meeting?

Dave Rudge: I cannot tell you why. This goes back over a year. We asked for this before Town Meeting. The Town Manager has to appoint a hearing officer. This should be in a revolving fund. This is to start a paper trail with the department of fire safety.

The Fire Engineers left at 9:00p.m.

Special Town Meeting Warrant

Article 5-Housing Partnership

O'Connor: Is this the article that was missed at Town Meeting?

Raymond: Yes, it is.

Motioned by O'Connor, seconded by Hachey to recommend that Article 5 be accepted as written. Unanimous.

Article 6-Medicare Benefits

Turbitt: I would like to know who will administer this.

Motioned by Turbitt, seconded by O'Connor to recommend that Article 6 be deferred to the Board of Selectmen. Unanimous.

Article 14-Petitioned Article-Signs

Motioned by Hachey, seconded by O'Connor to recommend that action on Article 14 be indefinitely postponed. Unanimous.

Turbitt: I would like to see the impact on the tax rate, for the bonding articles, before we vote on them.

Article 4-Board of Health-Intermunicipal Agreement

Motioned by O'Connor, seconded by Turbitt to recommend that Article 4 be deferred to the Board of Health.

Hachey: Has anyone come in to speak to us about this?

O'Connor: No, they haven't.

Raymond: I spoke to them and they explained that this is in the event of an outbreak.

Hachey: We should make sure that if they speak on this article, that they explain the impact of this.

Floser: I would personally like to see indefinite postponement due to lack of information.

Turbitt: With an indefinite postponement, they could still get up and speak about it.

O'Connor: The article states that it is with the approval of the Board of Selectmen, so they are ultimately in charge of this.

Vote on motion: Floser opposed, rest for.

Article 7-DEP Soil Sampling at Landfill-\$33,900

Motioned by Floser to recommend that action on Article 7 be indefinitely postponed.

Floser: This should have been done at the Annual Town Meeting.

Raymond: You know that the numbers are high.

There was no second.

Motioned by O'Connor, seconded by Hachey to recommend that \$33,900 be raised and appropriated for the purpose of article 7. Floser, Hebert and Raymond opposed. Turbitt, Hachey and O'Connor for.

Turbitt: I am very concerned that we have so much money left in the levy limit.

Floser: Their accountability is not acceptable.

Article 9-Fire Code-\$2500

Motioned by Hachey, seconded by Hebert to recommend that \$2500 be raised and appropriated for the purpose of Article 9.

Floser: This should have been done at the Annual Town Meeting.

Vote on Motion: Unanimous.

Article 10-Assistant Town Accountant-\$26,850

Motioned by Floser to recommend that Article 10 be indefinitely postponed.

Floser withdraws his motion.

Article 12-CEMLEC-\$12,000

Motioned by Turbitt, seconded by Floser to recommend that Article 12 be accepted as written. Motion and second were withdrawn.

Motioned by Turbitt, seconded by Floser to recommend that Article 12 be accepted as written and that the sum of \$12,000 be transferred from account number 26-300-4600-6503 for the purpose of this article. Unanimous.

Article 13-New Officer-\$7000

Motioned by Floser, seconded by Turbitt to recommend that Article 13 be accepted and that the sum of \$4000 be transferred from account number 26-300-4600-6503 for the purpose of this article. Unanimous.

O'Connor: I would like to see if there is any way to get the Selectmen's stand, on record, for the three bonding articles.

Discussion was held concerning the upcoming Thursday night meeting with the Board of Selectmen.

Motioned by O'Connor, seconded by Turbitt to accept the minutes of August 14, 2006 as written. Hachey abstained, rest for.

Motioned by Turbitt, seconded by Hachey to adjourn the meeting at 9:40p.m.

Unanimous.