

**BOARD OF SELECTMEN  
MINUTES  
NOVEMBER 18, 2011**

Present: Thomas Creamer, Chairman  
Mary Dowling  
Mary Blanchard  
Priscilla Gimas  
Shaun Suhoski, Town Administrator

Angeline Ellison was absent.

The Chairman called the meeting to order at 10:00 a.m. following the Pledge of Allegiance.

**Special Town Meeting Warrant**

**MOTION: To reopen the second Special Town Meeting warrant for  
December 5, 2011, by M. Blanchard.**  
**2<sup>nd</sup>: P. Gimas**  
**Vote: All in favor.**

S. Suhoski said that earlier in the week debt service payments had come due, and it had come to the Finance Director's attention that there was a portion of existing debt that was not part of the refunding of the municipal bonds that were done in January. He said that it was necessary to transfer money from fund balances to pay it. He noted that the items will not affect the water/sewer rate for FY12, as they are transfers from fund balances.

Barbara Barry, Finance Director, appeared before the Board. As stated in her memo dated November 15, 2011, she requested that an article be added to the December 5, 2011 Special Town Meeting Warrant to fund debt service that was due and paid on November 15, 2011. Article #65 would request that the town vote to transfer:

- \$234,8878.50 from the F/B Reserved for Phase III Betterment Account #28440-35826 to the Phase III Sewer Debt Account #28440-59300;
- \$20,425.00 from the F/B Reserved for Phase II Betterment Account #28440-35825 to the Phase II Sewer Debt Account #28440-59100;
- \$51,062.50 from the Sewer F/B Reserved for Construction and Repair Account #28440-35800 to the Sewer Debt Service Account #28440-59000;
- \$10,212.50 from the Water F/B Reserved for Construction and Repair Account #29450-35800 to the Water Debt Service Account #29450-59000.

M. Dowling noted for the record that the refunding of the debt resulted in a savings. T. Creamer said that had this been part of the Annual Town Meeting warrant, it might have been known then that the rates people saw would have been higher. He asked whether it was doing residents a disservice by not using more of the money that is sitting in fund balances to reduce their tax burden. He requested justification as to why such a significant amount of money is in fund balances. B. Barry said that the Town must raise the same amount of money per year and the new rate is set per year so that people are aware of it. She said that she will do a bond issue in January, and the balances are around \$1.3 million. She noted that debt service is for 20 years; if a significant amount is taken out of it, there will still be 19 years to pay it. She is trying to make it go over the lifetime of the debt. She said that the water and sewer rates are set so that people can set their expenses for the year. She noted the importance of having fund balances in free cash, in case there is a catastrophic repair that needs to be done. She said that once the Town is bonded, she will know what the debt will be each year.

P. Gimas asked about the possibility of offsetting it for a year or so until the economy turns around. B. Barry stressed the need to have fund balances in the event of emergencies. She said that it is necessary to make the fund balances last in order to be able to continue to offset the rates. T. Creamer said that everyone recognizes that the new treatment facility will cost a significant amount of money.

S. Suhoski said that when the Board had discussed the rates in April, the fund balances were projected to be less than this. He said that there should be \$1 million in reserve. He suggested scheduling an agenda item for discussion.

M. Dowling said that debt service tends to go down over time. She stated that any attempt to offset rate increases should be constant over time, rather than a greater offset now, if it means a hike in future years. She said she is happy that the cash reserve is in the water and sewer accounts to address emergencies as it has proven to be prudent in having sufficient free cash to pay for storm damage.

T. Creamer requested that B. Barry formulate a plan and provide a rationale on the amount of money held in reserve.

**MOTION: That the Board place and support Article #65 Water and Sewer Debt Service, by M. Blanchard.**

**2<sup>nd</sup>: P. Gimas**

**Vote: Four in favor; A. Ellison was absent.**

**MOTION: To close the warrant for the second Special Town Meeting for December 5, 2011, by M. Blanchard.**

**2<sup>nd</sup>: P. Gimas**

**Vote: Four in favor; A. Ellison was absent.**

**MOTION: To adjourn, by M. Blanchard.**

**2<sup>nd</sup>: P. Gimás**

**Vote: Four in favor; A. Ellison was absent.**

The meeting was adjourned at 10:35 a.m.

Respectfully submitted,

Judy Knowles

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BOS Clerk

Date