

**TOWN OF WINCHENDON  
BOARD OF SELECTMEN MINUTES  
MONDAY, MARCH 9, 2015  
Town Hall, 2<sup>nd</sup> Floor Auditorium  
109 Front Street, Winchendon, Mass.**

Present:	Fedor Berndt, Chairman	James M. Kreidler, Jr., Town Manager
	Elizabeth R. Hunt, Vice-Chair	Linda A. Daigle, Executive Assistant
	Robert O’Keefe	Donna Allard, Town Accountant
	Keith Barrows	

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List of Documents Presented at Meeting:

- Proclamation – DPW Worker Employee Appreciation Day (attached)
  - Kevin Miller’s submitted question regarding FY14 Audit (attached)
  - Board of Health letter dated March 3, 2015 regarding 2015 Lyme Disease Awareness Campaign including slide outline presentation (filed)
  - Town Accountant’s Year to Date FY15 Town Government Budget as of Feb. 26, 2015 (filed)
    - o Town’s Negative Balance Accounts as of 2/18/15 (filed)
  - Town Accountant’s Year to Date FY15 School Budget as of Feb. 26, 2015 (filed)
    - o School’s Negative Balance Accounts as of 2/28/15 (filed)
    - o School’s FY15 Year To Date Report (filed)
  - Board of Selectmen Boards/Committees March Vacancy Notice (filed)
  - Morin 5K & Kids McFun Run June 20, 2015 Road Race Application, Clark/YMCA (filed)
  - Zombie Run 5k Oct. 24, 2015 Road Race Application, Clark/YMCA (filed)
  - Voluntary Boot Drive April 25, 2015 Permit Application, Charlie’s Angels Relay For Life Team (filed)
  - Solicitation Permit Application – Jahan Manasseh of Edward (filed)
  - ABCC Population Estimates for Seasonal Licenses in 2015 (filed)
  - Town Manager’s Report (attached)
    - o Loan Amortization Tables (attached)
    - o Solar Land Lease/Power Purchase Agreement for Landfill (attached)
  - Approved Minutes: N/A
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Chairman Berndt called the meeting to order at 6:26 p.m. with the Pledge of Allegiance to the Flag of the United States of America. The meeting aired live on local cable access channel 8.

Announce audio/video recording disclosure - When asked by the Chairman if anyone would be audio or video recording the meeting this evening, there was no response.

**SELECTMEN’S COMMENTS:**

**PROCLAMATION** – “*DPW Worker Employee Appreciation Day*” – SPRING, March 20, 2015 – Selectmen O’Keefe read a Proclamation for the DPW workers in appreciation of their great efforts this current winter season. Selectmen Barrows seconded the proclamation. All aye. John Deline read the employees, George LaBarge, Morris (Red) LeBlanc, Dave Letendre, Randy Paul, Steve Valliere, P.J. Anderson, Leonard Tenney, Brad Berlied,

Al Gallant, Pat McCarthy, Lee Rice, Richard Pezzolosi, Ryan Scoville, Steve Neal, Mark Frye and Wendy Stevens. At 6:35 pm the Board took a couple minute recesses so that a picture could be taken. The meeting reconvened at 6:47pm. Selectmen O'Keefe said that Commissioner Deline did a great job helping us acknowledge each of the employees in his department but he forgets himself. It was John's leadership that helps encourage these men to work as hard as they did. He would like a copy for each member of the department. On Friday, March 20<sup>th</sup> he would, along with others, deliver them to DPW offices along with pizza. The DPW employees were applauded.

#### **PUBLIC COMMENTS AND ANNOUNCEMENTS:**

**Speaker's Bureau – Penny Maliska** – Happy Birthday to her. She was here in January proposing/organizing a speaker's bureau and is here to give an update. She is calling it "Winchendon Looks Up and Up." She said that since she was here last she has sent inquires to Governor Baker's office. She reached out to a survivor of the Boston bombing and her first responder which was an EMT. She said she also reached out to a local gentleman who was part of the events in Mogadishu which led to the book "Black Hawk Down." She reached out to a local oncology group and to the office of the Superintendent of State Troopers, Colonel Tim Albin, and also to be named a representative of Patriot Nation. Those are the potential speakers. She had a quick response from the Governor's Office. There are five Wednesday's in March 2016; we can reserve the fifth one in case we get snowed out. Governor Baker's office with a year lead time is to be the first speaker and the remaining three from other organizations. She will come back in another couple months with a full docket of speakers and schedule. She will then have job openings for anyone who would want to join in as a volunteer. It will be every Wednesday evening in this auditorium, beginning at 6:00 pm with appetizers and refreshments followed by speaking and questions. The cost will be \$5.00 for the evening to enjoy information and socialization. People can contact Penny directly or through the board and she will follow up. Bob asked Linda to note the days when the room will be booked and put on the town calendar. The Wednesday's are March 2, 9 16, 23 and 30<sup>th</sup> will be a snow date.

Ms. Maliska also asked about Citizen of the Year, wondering if it would be possible to have as an announcement at the Annual Town Meeting so the ensuing year people could participate. Selectwoman Hunt asked Linda to put in the tickler file. Kreidler said another community has citizen of the year program and once a month names are put into a hat and maybe local businesses could donate gift certificates. We could start this coming June, culminate following May and each month there is a drawing and a name pulled.

**Kevin Millers submitted question regarding FY14 Audit.** Mr. Miller came forth and said that he had submitted a set of questions for the Joint Meeting. Several of those questions were answered at that time. He asked what the impact could be expected on the entire FY16 budget given that the audit report there is an estimated \$400,000 repayment on the borrowing. Jim answered while the budget is in preliminary condition, the borrowing for deficit which is a three million dollar bond was sold and purchased at .5 % interest. This is less than \$15,000 in interest which is roughly a \$315,000 impact on the budget. Consistent with the deficit reduction plan it was described there would be a pro rata distribution of that debt payment. If you look at, roughly 66% school, 33% town side, for simple math it is roughly \$200,000 School through indirect costs and \$100,000 general government budget. Three weeks ago the Superintendent of Schools reported out that he was planning on a health insurance increase of \$400,000; that increase is closer to \$200,000. There is room for that \$200,000 deficit note which would run to the school through indirect costs. Selectwoman Hunt asked about the School Business Manager if they were part of this discussion. They said they are adhering to the Dept. of Revenue (DOR). Jim explained indirect cost that were projected by the Superintendent of \$3,759,000 which would include consideration of an increase in unemployment projected and health insurance as projected. As of this afternoon fine tuning indirect cost, total included deficit note, \$200,000 increase for insurance, \$100,000 increase in unemployment, there are several reductions in the total amount appropriated for schools. As decided last year we use the per pupil administrative dollar figure established by the commonwealth. That roughly will save the school department in indirect costs around \$75,000. End of day today all wrapped in using the best information from Governor's budget and the assessments that come from it, we are at a \$70,000 difference than what the Superintendent projected and where my sheet is today. We have a meeting with DOR tomorrow and can drill down this quite a bit.

Kevin asked on the general government side what impact would be the \$100,000. From one year to next the \$250,000 increase under prop 2 ½, take that number and perhaps a little bit of projected growth and that is the new delta force to factor in the budget where we see increases. Using the Governor's budget house one there is a slight increase of \$76,000 for local aid. If you take all of those you are dealing with \$320,000, the health deficit is close to eating that new delta.

### **BOARDS/COMMITTEES/DEPARTMENT HEADS:**

**Fire Chief Tom Smith – Budget Discussion** – Jim said when charter voted by citizens in 1981, description of role of Selectboard being able to become involved with or actively participate with dept. heads. It is unfounded that select board members can't talk to department heads. Chief. Smith came before the Board. Department-wise they have been extremely busy since the first of the year. We are talking about almost 400 calls at the end of February that included, fire and ambulance. We are busier than most communities other than Gardner. We handled these calls in professional manner as well as they could. Many times we have 2 or 3 calls at same time. We have had our older ambulance down for maintenance issues; this ambulance is ten years old. My guys work more with less, with the tight budget constraints, we have cut back as much as they can without jeopardizing public safety. I won't cut back on things that will render the care of the citizens of Winchendon. He said he won't jeopardize the firefighters, EMT's, safety of community. I have been going through budget process with the town manager. I wish there was more funding to bring more to the community. We have two people on around the clock; we rely heavily on people coming in on-call. I believe they have done an above average job. The office door is always open to discuss what changes we could make trainings for the community, training topics. It is important to keep that open line of communications. Selectwoman Hunt asked about the new fire truck questioning how old it was. She is looking to know about things and would like to see some graphs on the data. She wants people to see the worth of the new vehicle, how many ambulance calls, how many outstanding IOU's they have for ambulance calls. She's looking at finance and constraints. We are fortunate to have individuals that are volunteers. She wants to show the true value. Kreidler said one of the things of any insurance, that's what a Fire Department is, you hope to never call on it. They're not going to question or complain if they use it. There had been many questions about the tower and the ladder truck. It was a very public vote. The community spoke, saw the value in the purchase. Jim said about the tower, ladder truck, there is a suggestion again floating around that the truck was purchased for \$850,000, it didn't really cost that and is nonsensical to him. It was \$200,000 discounted and it is mysteriously unaccounted for. Jim said that documents exists, we used the state bid list. We have documents that can be copied, scanned and emailed. Any time we do a capital project initially we do a temporary borrowing. In the Treasurer's debt section, there is long term and short term borrowing until you take physical possession and do permanent borrowing. The timing of the ladder truck, voted in July of 2013, 290 day lead time, ten months to get it build. We took possession this past June just before the parade. It took ten months to build and then we do permanent borrowing. We are blessed in that regard, borrow three months ago our double AA credit rating. Due to for sight of this board, we were able to get it rolled into debt legislation to take already voted and get them in qualified bonds, full faith and credit backing of the commonwealth. We just did a \$3mil note with .5% benefit. We will see the same benefit, when we see the police station and the ladder truck.

Selectmen O'Keefe asked about sending letters to the resident affected IOUs. Smith explained it comes from Coastal Medical who sends out bills, late notices. They will send out another notice and after that point it will be brought in house. We can look at talking to Coastal over there avenues to get a better return in. He will be meeting Coastal on the bill sent to the insurance company first without going through the resident. Tom said there was a lag time. Coastal does mail to person after the first one. Beth asked about writing off a loss. Jim said audit said we can address with coastal with what chief is doing, and then it's a policy that come back to you. The board can write off as commissioners. Beth asked about a municipal lien. Jim said that could be part of the policy. Jim said you are likely going to see the uncollectibles are people that don't live in the community. Jim said do you want to have a collection agency going out aggressively to collect. Selectmen O'Keefe said let's assist in take care of locals but go after the ones that aren't local. Smith said they do also bill the insurance company. Selectmen Hunt asked next time to bring outstanding IOU's. Tom made contact with data company to look at it to see areas we can spend less or more. Selectmen Barrows asked if they are receiving reporting from Coastal? Chief Smith

said yes. Selectmen Barrows said it was a callout from audit and something we should be looking at. Selectmen Barrows asked if it was an inflated number. Chief Smith said it is available but cannot share any HIPPA and he would have to redact private information. There is also lag time and Coastal doesn't consider late until 180 days. Jim Kreidler mentioned that Selectmen O'Keefe brought something to his attention that the City of Gardner was involved with the Collins Institute and UMass. Selectmen O'Keefe said that there is not much to say, they are experts in looking at specific departments in a municipality. In Gardner they did the Fire Department and the DPW. By looking at one or two departments it allows them to get down to the data layer and try to find ways to improve. He said that Collins is part of a State University it come very inexpensive. Selectmen O'Keefe would like to know the specific number of outstanding accounts receivable. He wants to know if the numbers are going up or down. The dollar amount is always going to get bigger. We won't know if the situation is improving if we are focusing on number. Jim said we run a combination department. We have on call fire fighters and permanent firefighters and also EMT's. Nationwide, call departments, more difficult, people traveling further away for the jobs. It's a balancing act Chief Smith goes through is to have certain trained and skilled professionals to do the job. We focus two guys full time, but they couldn't do it without the call guys today in spite of the fact that they are far and wide now and still take time in a drop of the hat. Maybe the next round of acknowledgements should be those guys. Kreidler said when that the snow emergency operations unit was full force, the chief had guys wanting to staff the station. This shows the commitment to the community. He had stopped by when they were cooking, an amazing culture and wanted to call those guys out. Selectmen O'Keefe commented his appreciation of the Fire Dept. as well as the DPW.

Chairman Berndt asked if there is something that would make their job better for the public. Did he have a wish list, special training, tool, special pack and asked the Chief to put something together for them. Chief Smith said they were looking at updating the computer system with a great depth of paperwork they could link him into the system to help with that billing. Jim said an analysis was done when Coastal was first used. The level of effort to do and chase in house versus sending to Coastal 3 to 7 days, it was determined that was the best of use of time and investment. Chief Smith was thanked.

**Veteran's Agent Scott Gauthier** – Budget Discussion – Mr. Gauthier was welcomed. Ironically, he said, when the fiscal year started, it looked as though with the current budget they were going to make it with the client load down to 47, it was cruising well for a bit. As Christmas hit and then January, it always increases. It quickly grew from 47 to 54 and 3 more waiting. It is disheartening watching how people are actually living, some at their lowest points. The benefits for veterans and spouses are not permanent; there are also federal benefits. You have heard the debacle at the VA, cases submitted and how long cases get settled. He is running into that. He has 39 elder clients and hard to see elderly he knows struggle. In their 80s and 90s they have outlived their savings and the little benefit he gives them is quite a help to them. He is concerned about his budget and feels like part of the deficit and is apologetic but wants to continue the benefit. His job is to provide that benefit. People find him. He waits each year at the May town meeting for someone to question his budget. He worked closely with the Town Manager with his budget. From the first year, the budget was \$8,000 and quickly went to \$35,000. It then just increased each year thereafter; the clients are increasing. He relies heavily on the town to process bills and for the most part it is happening fairly well as of late. Each month he has to reconcile the month before, matching expenditures to what was sent to the state. He said the big question is we are getting the 75% reimbursement. It is actually true, that there is a cost of business, that on occasions he might have missed it. Usually small change, probably hung on three clients since he's been here. He gave an example. His job is to make sure he gets the 75%. He works with the Treasurer and if he sees a denial, he tries to get into the next month. The VS6 form which is submitted to the state was explained. He said the majority of his expenditures are being reimbursed back to the town. Selectwoman Hunt asked about compiling data and charts showing the trends. Scott had started that and did a five year comparison. He mentioned he always has to go to the Finance Committee to assist with his budget. Selectwoman Hunt asked if the trend is that the new generation is expecting help. Jim also said the economy tanked as well. There is a new group of Veterans created. Jim talked about the additional budget which has gone from annually from \$10,000 to \$500,000 now. The Veteran Agent explained benefits. He said there are two types of benefits. He said his job is to get every outside agency to give them help. PTSD is something he hasn't seen before. People aren't the same anymore; they can't hold a job because of challenges. He has six of them now.

People are so destitute, so deep in the hole, they can't pay back. Selectman Barrows mentioned the Annual Town Report. If there is something in the report that we see we need more, you provide detail information. He's not questioning the good work being done. The Veterans who come to you are fortunate. The things that are helpful are to look at expenditures and reimbursements. What does it equate to per client? Selectman O'Keefe said that it is about \$5,000 per client. This is not a lot of money. You are taking care of their critical needs.

Jim mentioned that there was a gentleman that wanted to speak under public comments but was missed earlier. Mr. James Gurly, 14 Duval Ct., was one of the 30 property owners in town that had his water service freeze. Due to no fault of Mr. Gurly this would be done one time and the water was unfroze. He was told to keep the water running. Mr. Gurly said his daughter came while he was at work and did laundry. She saw the water running and shut it off. Jim explained the he can't find anyone to do the service because of the length of the pipes at Duval Court. He had called contractors that couldn't help because of the distance. He came to Jim seeking grace against the policy that he can't provide but that the Water Commissioners could hear him out. Mr. Gurly said he's tried everyone he has had no luck. Selectman O'Keefe asked if the DPW had time to go back. Jim said he would be put on the back end of the list. Three are yet to be done. You don't know until you get in and start trying to thaw this out. At the time we approved thawing, it was 9 and it is up to 30 now. Jim said he has never seen this before. He explained High St., Benjamin to Eagle, the main that taps off of Benjamin to Eagle is frozen. That's our responsibility per your regulation. People are without water, we believe two are involved. It has been an extraordinary winter. Selectman O'Keefe said he is willing to approve a one-time exception. **Selectmen Barrows moved to give a one-time exception based on extenuating circumstances. You have actively gone out to solicit someone to do this, but it's not feasible. Recognizing what we are up against, what should be spring, moved to allow as a one-time exception; Selectman O'Keefe seconded.** Kreidler brought it to the attention of Chairman Berndt that he was an affected resident and that last time he recused himself. Chairman Berndt recused himself and removed himself from the table. Selectwoman Hunt feels terrible but is concerned others might come forward. Selectman Barrows felt it a valid concern and each situation should be evaluated on its own merits. Selectman O'Keefe said a great policy we allow DPW to assist without coming to us only this one exception. Kreidler said Mr. Gurly reached out to a sub-contractor, at least a nominal fee would be charged and he was willing to pay a substantial fee. Selectman O'Keefe said he would ask Commissioner Deline to come up with an estimate for the second attempt and they could modify their policy that DPW could go help someone the second time but not having the benefit of Mr. Deline now thought to proceed with the motion and vote.

**HUNT(Y)            BARROWS(Y)            O'KEEFE(Y)**

Mr. Gurly said thank you.

**Board of Health Lyme Disease Campaign** – Mr. Jason Moury BOH member said that he is here to enlighten the public. He said that Lyme disease is on the rise in town and in the state. He proposed the Board of Health do a public health campaign and preferably we will see a difference. He provided this information to the School Committee and will take on a multi-prong approach to Lyme disease education. There will be informational slides with ages most affected, children and elderly. We will be spending considerable amount of time trying to raise the awareness level. He will be working with the School Committee and will have material available electronically. He created and is repurposing the favorite pieces of the "WANTED" flyer. He said he is doing this digitally and people can print them out themselves, saving the budget. The Board of Health has a Facebook page and is the main way to communicate. The School Department said they will post on their website and Dr. Khelfaoui recommended sending it out to all employees as well. Chairman Berndt asked if the School treats the fields they play on for ticks and mosquitos. Mr. Moury said the best thing is to cut down brush. He said that ticks don't fly; they transfer by brush. You should have a 3 foot buffer zone between you and the path you walk. There is a brochure that will be placed on the website for prevention. It has steps people can take at home. Selectwoman Hunt asked about animals. He said it was addressed in part. We are reaching out to various organizations and committees. We have been given 10 UV protected signs from the Center for Disease Control to put in various places in town. He said you should check yourself, check your pets. The longer a tick is attached the higher the rate that tick passes on Lyme disease. Kreidler said it is amazing the size of a deer tick. Mr. Moury has 500 cards that identify the type of ticks in the Health Agent Office. Selectwoman Hunt asked if the cards can be shared with

the Clark Memorial/ YMCA. He said that the Clark is essential to us. It is the central hub of health for us. We will be able to utilize them for their connection with the community. Kridler said that we have had good service with Monty Tech and they might be able to help out. Chairman Barrows also asked about putting it on the website. He said that he will check. Mr. Moury or a representative from the Board of Health will be back in a couple months. Mr. Moury was thanked. Selectman Barrows said what you are doing is a very good thing. You are spot on with community outreach from a public health perspective. He said this is one of his goals and why he ran wanting to move the needle of health in Winchendon.

**PERMIT/LICENSE APPLICATIONS, HEARINGS:**

**Road Race – Morin 5K & Kids McFun Run June 20, 2015 – Clark Memorial/YMCA** – Ms. Whitmore came forward and explained the race. The route was manageable last year. Selectmen Barrows mentioned working with Lt. Walsh with safety and traffic control. She said when it gets closer she will contact him. **Selectmen Barrows moved to approve both applications contingent upon meeting with Lt. Walsh and ironing out traffic control. The motion was second by Selectwoman Hunt.**

**BERNDT(Y)                      HUNT(Y)                      BARROWS(Y)                      O'KEEFE(Y)**

**Road Race – Zombie Run 5K October 24, 2015 – Clark Memorial/YMCA** – Ms. Whitmore also explained the annual race. She said that Hannaford is helping out with wrapped snacks, fruit and water. Selectwoman Hunt said to thank the Manager. Ms. Whitmore said when it gets closer she will contact Lt. Walsh concerning traffic control.

**BERNDT(Y)                      HUNT(Y)                      BARROWS(Y)                      O'KEEFE(Y)**

**Voluntary Boot Drive Permit** – April 4 or 25<sup>th</sup> – Charlie’s Angels Relay For Life Team – Mary Hassleman came forward on the application. She said it is the number 1 Relay for Mass. She spoke of the Greater Gardner Relay for Life and the funds they raise. This is one of their best fundraisers. Last year we raised over \$1,800 standing out in the street. They will have signs in various locations advising of Relay for Life Boot Drive warning folks. We have DOT approved vests, safety cones and we pull equipment if safety vehicles come through. Selectmen Barrows asked about both dates. Concern was raised about snow banks and use the later date requested April 25<sup>th</sup>. Time from 8:00 – 1:00. **Selectmen Barrows moved to approve the application to be held on April 25 8-1 p.m. The motion was second by Selectmen O’Keefe.**

**BERNDT(Y)                      HUNT(Y)                      BARROWS(Y)                      O'KEEFE(Y)**

She was thanked. Mary said she was moving and her daughter would be taking over.

**Solicitation Permit** – Jahan Manasseh of Edward Jones – Jahan Manasseh came forward. He said that he is working out of Edward Jones office in Gardner. They stick to old fashioned values and will go to businesses and door-to-door introducing himself. They are a source of information for the community and surrounding towns. He will work with Advisor Norm Wironen. His expectation he said would be staying here. Selectmen Barrows said it is helpful to folks at home to explain experience. He said typically he goes to the door and knocks, introduces himself, informs them he is working through the Gardner office, old fashioned advertising, not here to sell them anything. This may open up to questions and discussion. He asks permission if he can call them. He doesn’t pitch stock or securities. **Selectmen Barrows moved to approve the application for solicitation permit, 8:30 a.m. - 7:00 p.m. Mon. – Sat. until Sept. 30, 2015; Selectmen O’Keefe seconded.**

**BERNDT(Y)                      HUNT(Y)                      BARROWS(Y)                      O'KEEFE(Y)**

**ABCC Population Estimates for Seasonal Licenses in 2015** – Selectwoman Hunt made a motion to keep it at 1,000. Selectmen O’Keefe seconded.

**BERNDT(Y)                      HUNT(Y)                      BARROWS(Y)                      O’KEEFE(Y)**

**Seasonal Liquor Licenses Renewal Certification 2015** –Selectman Barrows said we had one past seasonal license holder, but since Zoe is at the clubhouse, they surrendered their license. This is to just sign the document stating no seasonal renewals. **Selectmen Barrows moved to place certification of seasonal renewal with no seasonal renewals for 2015. The motion was seconded by Selectwoman Hunt.**

**BERNDT(Y)                      HUNT(Y)                      BARROWS(Y)                      O’KEEFE(Y)**

A brief recess was taken at 8:38 pm. The meeting reconvened at 8:41p.m.

**TOWN ACCOUNTANT MONTHLY UPDATE:**

Town Accountant, Donna Allard was present for her report along with TMS Consultants Andy Paquette and David Lockwood from the School Business Office. Ms. Allard said she hasn’t had a chance to go over the data with TMS but feels will match theirs. She said they have a meeting together tomorrow with the DOR and the weather will be ok. What we have here is a different kind of report. Selectman Barrows asked if there is a set agenda for the meeting tomorrow. Kreidler said tomorrow is the first meeting of the group to scope out an agenda as to what it will look like on a monthly basis. Standing issues to discuss are indirect cost, an update on payroll and how it is against the general ledger. This report on a historic perspective, budget year to date, specific line items showing deficits and story behind it being listed. They have not had meeting to discuss that; they are a bottom line budget with the school. Selectman O’Keefe asked if all the expenses are in through Feb 28<sup>th</sup>. The Town Accountant said no. Andy Paquette said they are processing payrolls now because of the issues with Harpers; they do not meet needs of the reporting requirement to the Department Of Education and for federal grants management. Harpers doesn't have the ability to budget by individual. We get it be general ledger and we have to post another separate general ledger, acceptable method and will be processing monthly payments through Munis. If you were to look at accounts this way, we are nowhere near deficit accounts shown, one was a resource officer. Selectmen O’Keefe asked can you have the numbers in before the end of the month report and will it be accurate. Mr. Paquette replied we have separate reporting needs. At this time Harpers doesn’t do it. There are columns on there about projected expenses. We have a personnel control ledger that has employees being paid out of local budget. In absence of formal encumbrances we revisit that regularly if there is a change of pay. The question from DOR is how they manage their budget.

Jim Kreidler asked if the spreadsheet could actually show what is committed. That would jump out to somebody. Mr. Paquette said that we can't charge anything to circuit breaker until the funds are there. We have \$94,000 held by the state until we get the FY14 and FY15 indirect costs figures from the town. That is going to be a deficit there. Selectwoman Hunt asked what they needed from them. Donna said that they will be having a discussion tomorrow. Mr. Paquette said that questions about their management he takes personally when he hears things are being done inappropriately. He said that this is a different way of showing you, which is from a Department of Education point of view. They have concerns, but if you were to hear the full story, it's a different thing all together. He said they will be shifting salaries from the federal 240 grant into the local budget. Selectwoman Hunt asked about adding a comment section to the spreadsheet so you can explain the deficits. You are saying in reality its negative today because of grants or something but there is money there to cover it. Bob asked about the date of the document. Mr. Paquette said the date is March 6. Selectmen O’Keefe asked how we provide an accurate complete report monthly to DOR if DOR wants the expenses in by the end of the month. Mr. Paquette said this will be discussed at the meeting tomorrow. Mr. Paquette explained when done posting to the general ledger, they

take from Harpers, run a second set of payroll into Munis so it hits every single person, every single penny. Selectman O'Keefe said then why are we using Harpers. Donna said we did have a discount and Harpers is present in many communities. They assured us this isn't something they can't do, and they assured us there are no problems. Selectman O'Keefe said we have extra scrutiny. Jim Kreidler said some of this discussion is premature. We will be in a room with DOR tomorrow and if TMS can explain to DOR and they are satisfied, regardless at the end of the day, DOR must be satisfied. Selectman O'Keefe asked how long it takes the current processes to get into Munis after Harpers does it. Mr. Paquette said he hoped to be done by the end of the week, so about ten days. Selectman O'Keefe suggested we send the report to DOR after this is done. Donna said that she would like to see in writing that Harpers is not able to meet our needs. Jim Kreidler said the bottom line is that DOR needs to be satisfied and it will be a discussion tomorrow. Donna said her general ledger needs to be whole. At the next meeting, we can bring things back. Selectwoman Hunt said the money is there, everyone is going to be paid. She cautioned the document is misleading that the school could be broke. Mr. Paquette said there is some unanticipated cost the school district has experienced this year. They need to go back to town for supplemental appropriation. Jim said no argument that the school has unanticipated costs during the year. Jim said what Mr. Mountain said is correct, what Mr. Perry said in January is that the expectation was to have the school department return funds in its net school funding budget at the end of year. The suggestion at the last School Committee meeting was to create a warrant article to seek an appropriation to cover what was categorized as unforeseen. It's hard to, when you lay off a functional section of the school dept. says it is unforeseen. Kreidler said that in January when tuition comes in, you have no control over that. The issue of appropriation, the only area is stabilization, which is not available to us probably until April. Any appropriation, back fill of unanticipated is to use current available funds. Mr. Paquette said he has no details of Indirect Cost for FY14 or FY15.

Selectmen Barrows said in interest of time, there are other issues, they are meeting tomorrow, they can clear up a lot of this. We need to stick to agenda items; we should let professional staff deal with this. Selectwoman Hunt asked what the job is in details, past officers, how many students in a class, wanting to look at trends. Is school choice trending? Is it shifting? She said that she would like to see data. Selectman O'Keefe offered to help her obtain the information from the Department of Education's website where it can be found, although cumbersome.

Selectmen Barrows asked Ms. Allard if there was anything about the budget summaries that was bothering her. She said that the most concern was a negative line item that hasn't been addressed yet. How will we fix the unemployment and thought it would be dealt with at the meeting tomorrow. Also moving forward, within the line item budget total, we have done a lot of transferring around budget which is doable at this time within line items. It gives her an idea of where we are going to make changes in FY16. There is nothing glaring except the things like snow and ice. The next year to date budget report will be even more up to date. It will have the purchase orders in there. What she sees trending is that most departments are around 63% for expenditures of personnel services. Selectmen Barrows said right now no other surprises but unemployment. Selectman O'Keefe brought up the line item deficit list. Donna said that department heads spent outside the purchase orders. Selectman O'Keefe wants to see it stay at the department's desk. He said that before they submit an invoice for payment, they need to modify one of their purchase orders. Donna said they are working on that now. Donna said there are two purchase orders that are being discussed. These two need to be modified and will be. Selectman O'Keefe asked how we prevent this going forward. Kreidler explained that they should have been and they will be. It won't happen in the future. It was a longer list and was worked on. They haven't gotten to Chief Smith's yet. Selectman Barrows said we are managing by exception. Donna said we need this. Selectman O'Keefe said they don't need the school's deficit list. Selectman O'Keefe asked about the Department of Public Work ones. Jim said the highway operator is an indirect cost between the water department and the cemetery summer just needs to be reclassified. Selectman O'Keefe questioned the deficit under Montachusett Regional. Kreidler said it's an assessment overage. Donna said there is no account. Selectman O'Keefe said that we plan on transferring the \$75.00 from any surplus account. Selectman O'Keefe questioned the crossing guard which was fixed. Kreidler explained how to actually affect the WRA stipend. He said that it is possibly a 1099 because it can't be a salary. It still needs to be worked out. Selectman Barrows requested color code on the report. Jim said they plan to convert to a spreadsheet. Jim hopes it will only be snow and ice further down the road.



Kreidler said that his expectation of the next meeting between the Town Accountant and the representatives of TMS will be pleasant and productive. He said some discussion was unfortunate and premature on the eve of the meeting the next day. TMS was thanked for their attendance. Selectman Barrows said we need to continue to straighten things out and further define how things need to be done from an accounting perspective. Ms. Allard was also thanked understanding what she's going through from audit and cleaning up accounts and fielding questions. Her patience and professionalism was appreciated.

### **APPOINTMENTS/RESIGNATIONS:**

March Vacancy Notice – Chairman Berndt read the vacancy notice. Anyone that is interested or wants further information, please reach out to the town office. He said to send your letter of interest to the board.

### **NEW BUSINESS:**

Yard Sale Policy – 1<sup>st</sup> Reading- Passed Over.

### **OLD BUSINESS:**

Class II Policy Discussion – Kreidler reported there have been staff meetings down stairs working toward this issue.

### **TOWN MANAGER'S REPORT:**

#### **1. Personnel Updates-**

- a. Public Works Director-** As has been publicly reported, Public Works Director John Deline has given his notice of resignation to take a position in the City of Fitchburg Water Department. Obviously losing John is an incredible blow to the department and the town. In his 3 ½ years in the job great things have been accomplished.

As I stated in the local media, I recognize that we chose public service out of a need to give back to our community but that we also must be cognizant of what is in our family's best interest. In John's mind, the move to Fitchburg is in his family's best interest so I am left to step back and wish him all the best.

The advertisement for his replacement is on the street.

- b. DPW Worker Appreciation Day-** The Proclamation was given out at the beginning of the meeting.

#### **2. Financial Updates-**

- a. FY16 Budget-** The Governor has released his budget proposal, known as House 1. It calls for slight increases in both local government aid and school Chapter 70 aid the net of which is about \$70,000 for each side of the budget. This is still just the starting point of the state budgeting process. We still have the House, the Senate, the Conference Committee and then back to the Governor before finalized.

Also as requested, and in conformance with your policy regarding communication with department heads/staff, I have invited two department heads to your meeting tonight to discuss any issues of interest or importance to you. You will see Fire Chief Smith and Veteran's Agent Gauthier.

**b. The Deficit Note** - As earlier reported, the \$3,000,000 deficit borrowing was completed last week. We were able to sell the note for an interest rate of one half of one percent (  $\frac{1}{2}$  % ).

**c. Other Capital Project**- Kreidler reported one issue that he hadn't discussed publicly being the ancillary benefit we are realizing within the details of the deficit legislation. To point, at the end of the process we were able to get language added into the deficit legislation that allows us to issue the notes for the police station, ladder truck as "qualified notes" under the Commonwealth. What does this mean to us? Quite simply, it means significant savings to be realized by the taxpayers in Winchendon for the cost of these projects.

**For example:**

**Police Station Project**- The original calculations for the cost of the Police Station Project planned for a borrowing of \$2,750,000 over 20 years at a projected interest rate of 4.5%. This would have resulted in an annual payment of \$211,409 and a total interest cost over the life of the note of \$1,478,187.94. By way of example, as a \$3,000,000 qualified note for the deficit we just realized an interest rate of .5%. The same .5% rate on the police station would result in an annual payment of \$ 144,832.74 and a total interest cost of \$146,654.86. This reflects an annual savings to the taxpayer of \$66,576.66 and a life of the loan savings of \$1,331,533.20.

This is a significant value to taxpayers. Getting that worked into the deficit legislation, \$1.3 million for the life of the loan. Selectman O'Keefe said because of deficit legislation, we will save \$100,000 a year which is also the amount to pay back the loan. Jim said the deficit will be paid off shorter than ten years. These would have lasted 20 years. Selectmen O'Keefe said that this will reduce the amount of taxes for the taxpayers. The taxpayers will save directly.

**Ladder Truck**- The original calculations for the cost of the Ladder Truck planned for a borrowing of \$850,000 over 20 years at a projected interest rate of 4.5%. This would have resulted in an annual payment of \$65,344.72 and a total interest cost over the life of the note of \$456,894.45. By way of example, as a \$3,000,000 qualified note for the deficit we just realized an interest rate of .5%. The same .5% rate on the Ladder Truck would result in an annual payment of \$ 44,766.48 and a total interest cost of \$45,329.68. This reflects an annual savings to the taxpayer of \$20,578 and a life of the loan savings of \$411,565.

Once the project is ripe we will petition the State Auditor's Office to roll the Library project in under the same classification which would yield the same savings.

Jim talked about the boiler and the toy town generator which are a couple small ones to bundle with the library. Jim said the DOR said we have the ability to go in and ask for funding. Selectmen O'Keefe said the preexisting is more likely to be approved, it's not new.

**3. Project Updates-**

**a. Town Solar Farm** - Kreidler reported included in their packets they will have seen the recently finalized solar land lease/power purchase agreement for our town solar farm on the property adjacent to the capped and closed landfill on River Street.

As background, you will recall that we negotiated and executed a deal with a company called Axio Power as they were the successful bidder to our RFP back in December of 2010. That deal would have provided power to us for \$.01/kwh for ten years and \$.0875 for the following 10 years. Right in the beginning stages of construction, however, Axio Power was bought by Sun Edison. Sun Edison continued to keep the project alive including performing significant site development work into 2012 and ultimately they determined that the economics of the project as agreed to by Axio could not be financed so they walked away from the project. We have worked tirelessly to keep

the dialogue open in an effort at realizing a project without the expense and risk associated with litigating the matter.

As reported over the past several months, we have been working to come back together around a deal that works for all parties and the document in your packets reflects just that end.

As an overview, the deal calls for Sun Edison to build and maintain a 2.6MW DC solar filed on our property and to sell us power in the form of net metering credits from the site to meet our town wide power load.

We are currently paying \$.223/kwh for our power needs for an annual cost of \$602,100 (2.7 million kwhs @ \$.223/kwh ). This is for electricity for all town of Winchendon functions---schools, water and wastewater, street lights, and all other municipal buildings.

Under the terms of the PPA in front of you we would see a rate of \$.075/kwh for our power needs for an annual cost of \$202,500 (2.7 million kWhs @ \$.075/kwh) representing an annual savings of \$400,000 to be divided, pro-rata, between the schools, the enterprise funds and the general government. Selectman Barrows wanted the town manager to emphasize to the residents that the under the agreement the 7.5 cents is for municipal government only, not for residents. Jim said the credit will accrue and apply to government meters and all municipal accounts including the school.

Jim wanted to clarify two separate issues, municipal aggregate, one benefits one on your tax bill the other your checkbook at your table. Jim said that they will be before DPU at the end of March.

That bid will be out on the street on the May bills. This is seeking bids on the power component of your bill. You have your service and your distribution on your bill. For private people and business it's for power component only. The town deal for the solar farm is for both pieces. The law doesn't allow you to get to the transmission component just the power piece.

Additionally, while the average annual increase in electricity rates in New England over the past 20 years is 3.9% with annual spikes as high as the 33% we saw in 2005 and the recent 30% hit, the terms of the PPA tie the rate of annual increase to a flat 2% per year. Under these terms, even 20 years out from today we will only be paying \$.1093/kWh, which is less than half of what we are paying today!

Lastly, please be advised---as I have stated each step along the way---this is not done until the switch is flipped and in that regard I am not counting on any power savings in my calculus for the FY16 budget. The terms of the agreement provide Sun Edison no more than 270 days to begin construction and then no more than 180 days to complete the project. While it is believed that the time frame will be much shorter than that, the document provides those outside timelines. At the end of 2016, the federal tax credit for these projects goes away. Their expectations, a lot of work done, it will be quicker. Selectman Barrows asked with regards to the interconnection permit he recalled there were concerns about that. Jim said that they have done over the course of time they have been dancing, have been required to pay a fee. They have let it time out and they are regretting it now. For what it is worth, the document also provides that Sun Edison is required to pay us \$12,500 per quarter for the option rights regardless. Starting July 1st, this will be paid each quarter until operational. The initial document in front of you has those four quarters being the max. If they are asking for 5 quarters, they should pay us five quarters. We also would have additional expense of litigation, expense of counsel in doing this revision. We talked about a push back to get money. They would fund an amount of money to a gift account that you would need to set up to pay legal. Lastly the original deal with Axio there was no real estate tax to be paid because of municipal land. If in the future some law says they need to pay it, they would pay it and in the next year we would pay it back that exist here today. He spoke with the chairman and it was a penny deal, this is 7.5 cents. There should be some consideration on taxes. He asked for a vote of the board to authorize the chair to execute on behalf of the town after we made this one

final push back on those three listed points. If we get something it is a better deal. If we don't it's this deal. Selectman O'Keefe asked if we go for taxes would it be a pilot payment. It would be a personal property tax.

**A motion was made by Selectman O'Keefe to authorize the chair to execute on behalf of the Town after we make this one final push back on those three listed points. The motion was second by Selectwoman Hunt.**

**BERNDT(Y)                      HUNT(Y)                      BARROWS(Y)  
O'KEEFE(Y)**

Jim said the contract we did originally lives and is still enforceable. If they walk away from this they have the ability to sue for the penny. Sun Edison said they have the ability to walk away from the deal because they said the deal is not financeable. Our counter, you can only get out of the deal if you can't do one of these four things. We have in writing from your agent that you had financing in place. They said that he wasn't actually their employee. Jim said he has the email chain stating they have the financing.

Selectman Barrows said he is encouraged by this but cautious. It's important to note , things are being said by people who are just joining the discussion and don't know the history, what folks need to be aware that just because you don't see it at a meeting doesn't mean the work isn't being done. It takes two sides to engage. We did the appropriate thing by not slinging arrows, by not filing a law suit and legal fees and trying to work through the issue. We'll see what will happen with this final push. Quarterly payments will be coming if lack of action.

Jim explained when the second RFP was on the street in the Commonwealth, Axio had a business strategy to bid ridiculously and aggressively. They matched their Massachusetts projects. They made themselves a very attractive looking company. Sun Edison bought Axio. Axio played it well for Axio. We did the deal at the time. Pittsfield and Greenfield did the same. The difference is that Axio never had the ability to finance from their balance sheet. They were going to package and sell it. Sun Edison is different; they have the ability to finance off balance sheet. They have the ability to build without going to someone else for money. They are the largest holder of operational facilities in the common-wealth and the largest existing portfolio in the process in the commonwealth. The fact we got this far with them and the deal is inkable, is a big deal.

Selectman O'Keefe asked what if you have the ability today to do a contract for power are you excluded from Municipal Aggregation. Jim answered, no. As explained to him by a representative from Colonial Power if you have a contract for supply with xyz company and aggregation comes in you'll have ability to pick either You have to opt out if you have a contract. There will be a postcard mailing explaining you are in unless you opt out. There is a link to Colonial's website, or you can call. Some providers sign up for a period of time without penalties to cancel. Selectman Barrows said it is important to residents if they have a plan and have penalties, they need to opt out. Jim said it will be on the card. Residents can come in or out for six months period. Jim will confirm if six months or monthly. He will email the board.

**b. Proposed Business-** While recognizing that nothing is real until it is real Kreidler reported the following:

ONGOING-Salvadore Auto group's proposed Jeep dealership project at the intersection of Rt. 140 and Rt. 12 is scheduled to be before the Planning Board in April Jeep dealership.

It will be an exceptional gateway business and create new tax base and jobs for the town.

ONGOING-we have been working with a business, which wishes to remain confidential for now, in an effort at landing them here in town as they seek to expand from another location within the region. They are currently functioning in a 10,000sf space and are looking for a minimum of 30,000sf. Their projection is 20 jobs. They got into a bidding war with #3 and 3 won.

ONGOING-UPDATE\_-White's Mill has made an offer on a property in town and the offer was accepted. This group is pursuing the adaptive reuse of a currently vacant building in town for their operations. Their initial job creation estimate is 50 new jobs created here in Winchendon. This is the former Mylec Building. They have a combo of uses. The large part of use would be hydroponic year round, organic vegetables. They have operation in another community and are looking for a larger space. They have a companion piece which is a char and fertilizer company. They will be heating with biogas. The outgoing product is Char. It is a form of charcoal which is a byproduct which is the waste of the heating system. It is char waste which is ground with shellfish, and creates a compost and fertilizer for application in the mid west. It's a vertical grow, Selectwoman Hunt said. The mill could probably feed the entire town. She has concerns that the compost fertilizer could be dangerous. Jim said concerns are combustion and odor. We are going to go on tour of their Leominster facility.

ADDITION TO REPORT - Two big buildings downtown: He spoke about the courthouse worth. There was a public request for proposal that came from town meeting. Jim spoke about the courthouse building fair market appraisal. It was deemed the building and parcel where it sits was worth \$630,000. They needed more land for parking and that cost \$40,000. The owner had to buy the 15 foot strip which cost \$100,000. The total is \$770,000 then there was \$40,000 for abatement. The total is \$810,000; the bid was \$830,000.

The next building, the RHI building, sold for \$50,000 at auction. The floors and ceilings have caved in. They have water damage and none has been repaired. It is not remotely to code. The court house is code compliant; it has heating, ventilation and air conditioning. The cells are to code, the elevator is to code and the floors aren't caved in and the walls foundation isn't crumbling. For those who want to make some connection, they should stop because it's not true and it makes them look silly.

**Police Station Filed Sub-Bids-** The bid specification documents for the project are on the street with filed sub bids due on March 25, 2015 and the general contractor bids due on April 2, 2015. I will be keeping you updated as we progress.

#### **4. Miscellaneous Updates-**

- a. **Town Meeting Warrant Articles-** As earlier reported, they have draft warrant articles to create an Audit Committee, and Insurance Advisory Committee, Multi-family residential unit inspections and placeholders for the issue of retiree health insurance. He said that he will need a little more guidance from the board before the closing of the warrant in April.

#### **5. Tickler File-**

- a. Yard Sale Policy-** You have copies of several versions of yard sale policies for your review and consideration.

**MINUTES:** N/A

**COMMUNICATIONS:** None.

**AGENDA ITEMS:** None.

**ADJOURNMENT:** With no Executive Session being called for this evening. **A motion was made by Selectwoman Hunt to adjourn. The motion was second by Selectman Barrows.**

**BERNDT(Y)**

**HUNT(Y)**

**BARROWS(Y)**

**O'KEEFE(Y)**

The meeting adjourned at 10:18 p.m.

Recording Secretary,

Debra Dennis