

BEAN COUNTING MEETING

FINANCE COMMITTEE, BOARD OF SELECTMEN, SCHOOL COMMITTEE
IPSWICH TOWN HALL, ROOM A
25 Green Street

SATURDAY, April 9, 2016, 9:00 AM

Accepted by FinCom 9/3/2016

Pursuant to the Open Meeting Law, M.G.L. Chapter 30 A, §§ 18-25, written notice posted by the Town Clerk delivered to all Boards/ Committee members, a meeting of the Finance Committee, Board of Selectmen, and School Committee was held on April 9, 2016 at 9 AM in the Selectmen Chambers.

The meeting was called to order at 9:15 AM.

- o Finance Committee Present: Mitch Feldman, Chair; Jamie Fay; Walter Hartford; Richard Howard; Ingrid Miles (left 12:40 PM); Kevin Murphy; Michael Schaaf; Janice Skelton (left 12:35 PM); Robert White
- o Board of Selectmen Present: Nishan Mootafian, Chair; Judy Field, Edward Rauscher, Charlie Surpitski
Not Present: William Craft
- o School Committee Present: Carl Nysten, Chair; Jennifer Bauman; Barry Hopping, Hugh O'Flynn; Feruza Krason; Sara Player; Charles Whitten (left 11:30 AM); Superintendent Dr. William Hart
- o Also Present: Robin Crosbie, Town Manager (left 12:50 PM); Tom Murphy, Town Moderator (left 11:25 AM); Stephanie Frontiera, Town Accountant (left 11:45 AM); Catherine Tinsley, Recording Secretary

Public Information:

Recorded with permission by ICAM

2016 Warrant for the Annual Town Meeting (ATM)

Fiscal Year (FY) 2017 Budgets

Citizen Queries - There were none.

Update Revenue Projections

Ms. Crosbie stated the estimated revenue projections are being maintained until the Fiscal Year is closed out. The Town will not have the state aid numbers until the fall. The Essex Vocational School assessment is also not available until the fall.

Ms. Crosbie reported the Whittier Assessment was \$193,310 less than budgeted for FY17, and although this would be further discussed during the budget, the BOS amended their budget accordingly and voted \$100,000 be used for Fire Department personnel with the remaining balance of \$93,310 for school needs.

Review of Annual Town Meeting Warrant

The Finance Committee will assign speakers for the Town Meeting at their April 12, 2016 meeting.

Mr. Mootafian reviewed the Town Warrant Articles. Those articles discussed in detail are as follows:

ARTICLE 2 - Finance Committee Election Requested By Board of Selectmen: To see if the Town will vote to appoint one [1] member of the Finance Committee for three [3] years, or to take any action relative thereto.

Walter Hartford was introduced as the interim appointment for Marion Swan. Mr. Feldman gave a brief overview of Mr. Hartford's financial experience that made him a good candidate for the Finance Committee. Mr. Hartford spoke to his interest in serving on the Committee and about his financial knowledge.

Article 11 - Annual Capital Plan: The motion is being amended for the Capital Plan allocations as adopted by the BOS: \$892,801 from Free Cash, \$61,079 from Capital Stabilization, and \$87,000 from the Water Ways Account.

There was a discussion that remaining funds may be available for school capital or the Education Stabilization Fund; this can be further discussed for the fall town meeting.

Some capital requests related to security for the schools were accelerated and included in the FY17 budget.

The BOS agreed that citizen's petition articles be staggered through the Warrant. Article 12 is the first citizen's petition.

ARTICLE 13 - Creation of an Artificial Turf Field Stabilization Fund: Requested By Town Manager

To see if the Town will vote to establish an Artificial Turf Stabilization Fund pursuant to Chapter 40, Section 5B of the Massachusetts General Laws for the purpose of funding repairs and refurbishment of the School Department Artificial Turf Field, or take any action relative thereto.

Ms. Crosbie gave an overview of the proposed Stabilization Fund for the turf field. She explained usage fees will go towards staffing the field during events, operational costs, funding the Turf Stabilization Fund (up to \$30,000), future capital, with any remaining funds to be used towards paying off the debt.

The FinCom noted the motion only establishes a Stabilization Fund without including the distributions.

Ms. Crosbie indicated additional financial details would be included in the summary; the policy for the Stabilization Fund is with the School Committee. There is a Memorandum of Understanding (MOU) between the Town and the School.

It was noted a turf field has an average life of 10-12 years. Although the primary purpose of the fund is for maintenance, it is anticipated the future capital fund would be used to reduce field replacement costs in 10-13 years; estimated replacement cost of the field is \$400,000.00.

It was agreed to amend the motion to include the additional wording "and pursuant to the MOU dated (10-30-15)."

Mr. Murphy questioned adding a new subject matter (pursuant to the MOU) may not be allowed and said he would get back to the Town Manager regarding his concern.

The School will submit itemized costs related to the turf field.

Article 14 - Obstruction of Sidewalks by Brush, Debris, Landscaping - Amend Bylaw

There was a general discussion about the importance of keeping (private) landscaping off sidewalks to allow for the safe passage for pedestrians. It was noted that funds were added to the budget for sidewalk repair/reconstruction. It is the intention of the Town Manager to leave this funding in future budgets to continue sidewalk repair around town.

Mr. Howard asked that right of ways be included; this will be considered for a future warrant.

Article 15 - Citizen Petition: To amend the General By-Laws of the Town of Ipswich Chapter II section 1 (a) to hold ATM second Tuesday of May to be held the second Saturday of May.

A discussion followed that referenced the Government Study Committee (circa 2003) that was thought to have addressed this issue. It was suggested to review this information and the minutes from those meeting on this subject.

It was noted that there may be a financial impact in moving Town Meeting to a Saturday, such as the possible loss of funds from the inability of using the arts center the night before due to set up.

Article 12 - Citizens Petition: Restrictions on plastic bags and expanded polystyrene containers.

There was a general conversation regarding this article.

Article 17- To see if the Town will accept the provisions of Chapter 44, section 53F1/2 of the Massachusetts General Laws establishing sanitation, solid waste and recycling as an enterprise fund effective July 1, 2017 or take any action relative thereto. Summary: Revenues from solid waste and recycling programs that currently go into the general fund would be retained in this fund to support these operations and offset costs to the general fund.

A lengthy discussion followed. Ms. Crosbie explained the purpose of the proposed article was for the funds to stay with recycling / refuse programs to reduce impact to the general fund, especially if there is an increase in fees. In addition, it would separate fines collected to repay the services specific to solid waste and

recycling. Because this is an expense only to the town, this revenue should not be included in revenues shared with the schools; an Enterprise Fund would simplify the budget process.

Mr. Fay opined that this is a net zero change, does not create new revenue, and limits the control of the Town.

The Finance Committee requested data specific to supporting this article.

Article 19 - OPEB (Other Post Employment Benefits): To see if the Town will vote to transfer from Free Cash the sum of \$150,000 to the special Other Post-Employment Benefits account (OPEB) as established under M.G.L., Chapter 32B, Section 20, or to take any other action relative thereto. Summary: The Town is setting aside funds toward payment of future insurance benefits for retirees of approximately \$2.69 million. By contributing regularly to the OPEB account, the Town reduces its future liabilities. The overall liability as a percent of payroll decreased from 147% as of July 1, 2013 to 119.4% as of July 1, 2015

The Finance Committee had not yet discussed funding OPEB but agreed collectively to consider the contribution be increased. Ms. Crosbie suggested increasing the Stabilization Fund instead, noting it could still be used to fund OPEB, but could be used for other expenses if needed, citing a 10.7 % increase in health insurance costs.

ARTICLE 20 - Citizens Petition: Discharge of Firearms: To Amend Chapter XV: Miscellaneous Provisions for Public Order and Safety; Section 2: Discharge of Firearms. Summary: The proposed Amendment of Chapter XV will not take your guns away. Nor will it stop you from using your firearm to defend your family or property from harm. It will not limit your ability to hunt as long as you comply with current State regulations. It will not stop you from target practice at the Ipswich Gun & Rod Club. What it will do is limit the establishment of back yard shooting ranges in heavily populated areas where the discharge of a firearm is a public safety concern. As Ipswich expands its open space and strives to become a family-friendly town, limiting the discharge of firearms in an uncontrolled setting is paramount. A stray bullet can travel over a mile. Someone shooting at cans in one part of town could cause property damage or injury to persons, pets or livestock across town. You could be sitting in your back yard and be struck from a stray bullet shot over a mile away. Stray bullets contain lead, which could leach into well water, streams and the rivers that crisscross our town. This could affect your drinking water and potentially cause the closure of the clam beds. We are fortunate to have an established shooting club in our town where individuals can learn the proper handling of a firearm in a controlled setting. A yes vote would help update this article which was originally written in 1937 and last amended in 1973 to reflect our current population and their needs. I would appreciate your support in this matter.

Ms. Crosbie summarized the current bylaw does not prohibit backyard (target) shooting. This article addresses a concern that "backyard" shooting ranges are unsupervised and pose a danger.

Tom Murphy noted the citizen plans on amending the motion to add under section 2: Discharge of fire Arms two additional exceptions (7 and 8) to include state statutes; Moderator will rewrite the motion.

It was requested the Police Chief attend the hearing to explain the current situation/bylaw.

Article 21 - Citizen's Petition - To see if the Town of Ipswich will vote to approve the following resolution relating to the climate crisis and the viability of Essex County Retirement System. Summary: This article lists findings regarding the investment of the Town's pension funds and the implementations of the Town's Climate Action Plan. The article requests resolutions regarding studying the investments of pension funds, and the implementation of the Plan. It proposes a resolution to create a Climate Change Committee to undertake the review of the investments of the Town's pension funds in fossil fuels to determine if the funds are losing value and to make recommendations for changes in vestment based on that review, and to review the status of recommendations of the Climate Action Plan and to recommend implementation goals for all of the Plan's recommendations.

The proposal is for a one-year ad hoc Committee to be formed made up of nine members including four at-large members, to give a report that would be included in the Finance Committee report.

Mr. Murphy stated the citizen plans to amend the motion on Town Meeting Floor to incorporate some of the BOS concerns. The amended motion would be provided, as required, a minimum of three business days before the ATM.

ARTICLE 23 - Amend Animal Control Bylaws: To see if the Town will vote to amend the General Bylaws of the Town of Ipswich, as amended under Articles 19 and 20 of this Town Meeting, as follows: of following Section under;

Summary: The purpose of the above recommendations is to help defer the cost of “on call” personnel who are needed to respond to animal calls for service after operational hours. Additionally, the changes in impounding fees help defer some of the cost in housing stray animals at the Shelter. The final changes in violation fines create consistency within the Animal Control bylaws, allowing improvement of enforcement and compliance, while allowing the Animal Control Officer some measure of discretion for first-time offenders who are blatantly disregarding this by-law. This Animal Control by-law (dog fouling & leash requirement) have been in place for many years and no longer needs an “educational period.”

Mr. Surpitski referenced on a recent study presented to the Shellfish Committee on the dangers of pollution. One major cause is fecal matter. If not corrected, there is a potential for the river to be closed due to pollution.

Ms. Crosbie observed there are dog-waste containers around Town. She suggested expanding this program, noting these are picked up at no cost with the trash. Ms. Crosbie stated she also supports increasing enforcement / fines.

ARTICLE 24 - Infrastructure Improvements to Brown Square/Soffron Lane: To see if the Town will vote to transfer, from free cash to the Department of Public Works, the sum of \$83,550, to undertake certain infrastructure improvements at Soffron Lane, Brewery Place, and Brown Square, including the installation of a sidewalk and street reclamation and repaving within the right-of-way of the northeasterly leg of Brown Square, and the installation of a top course of pavement within the right-of-way of Brewery Place and Soffron Lane; or to take any other action relative thereto.

Ms. Crosbie summarized the 2008 vote at the Special Town Meeting, that authorized the Selectmen to enter into a Tax Increment Financing Agreement with Mercury Brewing to provide six years of local tax relief from the additional tax burden generated by a \$1.5 million capital investment in the property, was not upheld. This transfer will allow the Town to complete the original project. This area is part of the economic development strategy of linking areas to downtown for easy pedestrian access.

Mr. Fay noted this was a deal created 10 years ago. Because of various unforeseen reasons, the improvements were not done as anticipated, but the business does generate new tax revenue and jobs. It was noted the Brewery did not receive tax relief from the Town. It was agreed this area is in need of improvement.

ARTICLE 25 - Access Easement for 12 Hillside Road: To see if the Town will vote to authorize the Board of Selectmen to grant an access easement to the owner of 12 Hillside Road over Town-owned property between said property and Cape View Road, on such terms and conditions as the Board deems to be in the best interests of the Town, or take any action relative thereto. Summary: Approval of this article will provide the owner a recorded right of access to owner’s property from the road to the owner’s property. This has been the historic access to this property and has been used by the owner/owners since the 1950s.

Ms. Crosbie confirmed there is no fee or land swapping associated with this transaction. There is an historic access to a private property over Town-owned land. This property is being readied for sale and this action will “tidy-up” the deed. It was suggested this easement would increase the value of this property and questioned why the Town was not being compensated.

The FinCom requested a map and survey of this property be provided at Town Meeting and the easement be specifically referenced in the motion.

The DPW has opined this land has value to the Town, recommends the property not be released, and the Town retain ownership.

ARTICLE 26 - Citizens Petition: Electronic Voting System Requested By: Philip J. Goguen - Present To direct the Board of Selectmen and the Town Moderator to accept from Options Technologies Interactive their offer of a no-cost turn-key demonstration of electronic voting system, such demonstration to be in conjunction with the next special town meeting

Mr. Goguen requested the moderator to change the word “direct” to “authorize” the Board of Selectmen.

Tom Murphy left the meeting.

REVIEW OF TOWN OPERATING BUDGET

Town Budget - Ms. Crosby talked about the primary change in the Town Operating budget to use \$100,000 to add a supporting management position at the Fire Department of Assistant Chief. She explained that the Whittier Assessment was \$193,310 less than budgeted for FY17 due to a reduction in students attending,

and that this money be used to fund the Assistant Fire Chief position in FY17 and that this expense would be absorbed in future budgets.

The FinCom noted their concern that this is a “one time funding source” which would become a permanent part of the Town’s future base budget. Ms. Crosbie noted that this position has been carefully considered for quite some time. She referred to other similar departments in Town that have this ‘non-union assistant management position” and talked about how it increases efficiency in the departments. She went on to give a summary of the expectations of this non-union position as having the ability to assist with payroll, oversee operations, provide management present during more shifts, and respond to calls as needed. Although there is no plan to reduce staff, there may be some reorganization in the future.

This is the only amendment to the budget.

Mr. Surpitski spoke to the supporting position citing various practical reasons; having served as Police Chief he has a clear understanding of public safety facilities/ departments.

The \$100,000 increase is all inclusive of salary and benefit costs. The FinCom requested data to support this request.

The FinCom asked for the Fire Chief to be present at the Warrant Hearing.

Charles Whitten left the meeting.

The Town Manager reported she put together an Economic Advisory group to look at development issues. Committee member Selectman Rauscher noted a marketing plan is one of the first recommendations. He noted that quarterly meetings with various department and groups would be beneficial.

Ms. Crosbie observed that some things are beyond the scope of the Committee. One of the biggest issues for businesses in town is the lack of web support. She was asked if the Committee had funding and responded there is some funding available but it depended on what is expected of the Committee and what is considered economic development.

Discussion followed that available real estate and parking are important issues as well as working with the bigger companies in Town.

Stephanie Frontiera left the meeting

REVIEW OF SCHOOL OPERATING BUDGET

The School Committee stated that there were no changes in the School Budget since the presentation last month.

Mr. Fay questioned why there was an outside article (Article 11) for capital that included \$35,000 for painting, which he considered maintenance.

Dr. Hart responded that he and the Town Manager disagree if painting is maintenance or capital. Dr. Hart explained this painting project is considered a major project for the school; smaller painting projects are in the maintenance budget. The objective is to “right size” the maintenance budget year to year and by removing the large and backlogged projects and funding them separately, the maintenance budget would be actual and maintainable. He went on to say if the \$35,000 (painting) and the \$73,000 (backlogged projects) were included in the maintenance budget, it would falsely inflate the budget going forward. It was noted the maintenance budget was increased by 9% partially to support additional, unforeseeable work for the aging high school.

The FinCom requested a memo explaining why this is a one time funding, and further explaining the plan with supporting data.

The plan to use Whittier savings as a one time funding source for maintenance was discussed in detail. The FinCom reiterated this is not a permanent increase in the school budget but a one time funding source to be appropriated to address the backlog of maintenance.

The Town Manager will confirm with the Moderator to amend Article 7 to properly reflect the adjusted budget “to raise and appropriate the sum of \$74,000” as one time funding.

The Board of Selectmen stepped out into the hall for a side discussion regarding the proposed budget changes using the \$193,310 (Whittier) funds.

They discussed the proposed Fire Chief Assistant position they support funding with \$100,000 of the \$193,310 and that the balance of \$93,310 be added to the school’s commitment toward maintenance and the option to include either or both of these in the base budgets.

MOTION: Mr. Rauscher moved, and it was seconded, to recommend the Selectmen's base budget increase and the two new base budgets are as follows and it be done on an annual basis. The base budgets for FY17:

Town Budget - \$23,113,619 (included the \$100,000)

School Budget - \$30,379,867 plus \$93,310 equals a total budget of \$30,473,177

VOTE: The motion carried unanimously.

Janice Skelton left the meeting

The BOS returned to the meeting and stated they unanimously recommend to the meeting the apportionment of the Whittier funds, following the traditional split (65/35) for the Town's operating base budget to increase by \$100,000 and the School's Capital base budget to increase by \$74,000.

A lengthy discussion resulted in this proposal during which it was noted this is really an issue for next year's budget.

In review, of the \$93,310 - \$74,000 will go to the school capital improvements with the remaining balance of \$19,310 to be transferred to the stabilization fund via the special fall town meeting.

Mr. Howard moved, to express the sentiment of the Finance Committee to support the municipal budget increasing \$100,000 subject to approving the plan of the proposed Fire Position. Under discussion: It was suggested this motion be held pending the decision at the Warrant Hearing. The vote to support the budget was unanimously deferred to the Warrant Hearing.

It was suggested in the future, the review of the Warrant be done outside of the Bean Counting meeting in an effort to reduce the length of the Bean Counting meeting.

Ingrid Miles left the meeting

Ipswich Elementary School Building Project

The School Committee noted when they met with the Board/Committee there was some information that was not available and questioned if a review of the process would be helpful.

Mr. Fay interjected that he spoke to the School Committee Thursday night before they voted suggesting they defer their position on the school building project until they vetted this more broadly in the community, particularly with the BOS and FinCom who has not had the time to look closely at the project details, at the numbers, options, or implications for the community as a whole. But the School Committee went ahead and voted. He encouraged them to retract their vote to present, set up meetings, and schedule working sessions to go forward as a Town with confidence, instead of moving forward with the project that is not yet supported, stating a collaborative discussion did not happen.

Mr. Nylen responded the School Committee is amendable to suggestions to achieve a consensus, and that he was uncertain where the flexibility in the process was to achieve the consensus support being referenced. He acknowledged it was an imperfect process but questioned after two years of planning, how the Finance Committee and BOS were not updated as they both had representation on the School Building Committee that were providing updates. He reiterated there was no intent to go around the Boards/Committees and he thought the process was thorough.

The BOS/FinCom acknowledged they received general updates from the representative but the Tri-Board meeting that was scheduled to include detailed updates was changed and never rescheduled. It was questioned if the meeting with the Architect and School Building Authority on Wednesday, could be a Tri Board meeting to provide opportunity to bring the Boards up to speed on the decision-making. Decisions for the preferred design option and the site is scheduled for a vote at the end of the month.

Mr. Nylen offered to schedule as many meetings as it takes for the FinCom and BOS to be comfortable with the location, configuration, building size, etc. The School Committee welcomed input to assist in understanding other implications in the community. The final decision must be made in June. The final vote lies with the School Committee but with the recommendation of the architect, SBCand input from FinCom/BOS.

The School Committee was encouraged to gauge the entire community and not just parents of school children noting this affects taxes, bonding, town land, and municipal buildings.

Discussion continued along the same line to rescind the vote and how information would best be provided, and the meeting schedule going forward.

It was the consensus of the meeting that the April 13, 2016 meeting be a Tri Board meeting with a presentation from SBC regarding cost estimates and a discussion of the three potential sites. The FinCom has a meeting on April 21 and will use this as a follow up meeting.

The vote on the site selection is on the April 28 meeting agenda.

All information related to the school building project is posted on the town's web site under School Building Committee.

Adjournment

The Finance Committee, School Committee, and BOS unanimously adjourned at 1:41 PM

Respectfully submitted by

Catherine Tinsley
4.22.16