

TOWN OF IPSWICH
Warrant Hearing 1
Finance Committee Minutes
March 28, 2023
Ipswich Town Hall, Meeting Room A
25 Green St. Ipswich, MA

With a quorum present, the Chair called the meeting to order at 7:30pm.

Finance Committee members present: Michael Dougherty, Emilie Smith, Walter Hartford, Ken Swenson, Joseph Bourque, Rob White, Robert Chambers, Jamie Fay, Michael SchAAF

1. Welcome – Michael Dougherty

2. Citizens Queries – Michael Dougherty

- None

3. Town Manager Update – S. Crane/ S. Johnson

Michael explained the Finance Committee’s suggestion to use a different funding source for the elementary school roofs. Sarah Johnson, Finance Director, said she understands why the Finance Committee asked about funding this with reserves vs. the debt exclusion that was recommended. Sarah read the debt policy, the Stabilization policy, and the Free Cash policy. Sarah said we have worked as a town to improve our reserves and she does not think it’s a good idea to deplete these reserves. We have a AAA rating because of our reserves, and Sarah is concerned that depleting the reserves would affect the rating and also make it so we would have to drain Free Cash for the new roofs. Sarah spoke to the financial advisor and he strongly discouraged using reserves. There would be an impact of \$4.3M in interest and expenses over 30 years vs. \$600k of costs for borrowing for the roofs.

Jamie asked what the interest rates are that the financial advisor assumed when he made those projections. Sarah said she isn’t sure but she can find out. Rob asked if the advisor is saying that when we invest in a new fire house, our rating isn’t going to change, and when we do a water department pant, the rating won’t change. Sarah said he didn’t say that but she went over a chart to show how the rating is affected. The economy is 30%, management is 20%, budgetary flexibility, budgetary performance, and liquidity are all 10% each, debt and contingent liabilities is 10%, and institutional framework makes up the rest. We can’t say for sure we will retain our AAA rating but most likely we will. Rob asked if they could use the FinCom Reserve Funds and the ARPA funds and the Bamford Bylaw. Stephen said the ARPA money has been dedicated to the Public Safety Building.

Walter said it may make sense to bond it. He had asked for information regarding the amount that has been spent in the past to fix the roofs which will be saved in the future. It was around \$200k. Walter also said he agrees that this is the way to go and he would be happier bonding in September vs. now. Michael asked the committee if they are comfortable supporting this override request. Jamie suggested they discuss that during the warrant article. Joe asked if the debt would be paid off in 5 years. Sarah said for the elementary schools we would only be borrowing for 5 since the roofs are only made to last for 5-7 years and the HS roof will continue to be paid off for 10 additional years.

4. 2023 Annual Town Meeting Warrant Presentations – S. Crane/ S. Johnson

- Motion to open the Warrant Hearing 1 for the 2023 Town Warrant made by Emilie, seconded by Bob
→ *Motion passed unanimously, 9-0*

Article 12: The Empower Act

David Seaton, junior at Ipswich High School introduced the citizens petition to lower the voting age for town voters to 16 years of age, and discussed reasons for this citizens petition. Young people ages 16 and 17 are able to drive

on the roads, work in the town without restricted hours, and can legally determine the future of their education. Youth voting is far more common than people think. In roughly 1/3rd of the towns in MA 17-year-olds are able to vote in primary presidential elections. Studies conducted in places that have youth voting have found that the towns' culture in civic literacy can be revived, and they also see increases in participation in town government. Allowing 16- and 17-year-olds to vote would allow them to elect the town's executive body and would allow for them to vote at town meeting and have a say with the town bylaw and the budget. This is an opportunity to guide the community forward and David asked the Finance Committee for their support.

Michael said there have been a handful of communities that have voted this in and the legislature has yet to act and asked if that weighs into this. David said he knows that the state legislature has been busy and he is still looking forward to sending this to them. Emilie said she encourages all young adults to be more engaged and pursue their passions, and thanked David for bringing this forward. Joe said perhaps instead of starting to vote at age 16, students can instead get involved in the town or the boards. He said young people voting may not make a big difference in larger elections, but for the town, a few extra votes can make a big difference and that is concerning. David said the high school has approximately 500 students, so we would be talking about a very small amount of people. Likely around 200. Joe said his concern is when you look at the number of people that come out to vote, it doesn't take a lot to swing a vote. There have been a lot of close elections in town. Walter said he agrees with Joe that it could very well swing a vote at Town Meeting. Walter asked Michael if this impacted his ability to partake in the civic parts of the community not being able to vote until 18. Michael said he doesn't feel it had an impact and he feels his perspective changed on things significantly from ages 16 to 18. One concern he has is that it is very easy to vote on something when it has no impact on you. For example, 16-year-olds will not be paying the tax impacts when these decisions are on voted on at Town Meeting. It's easy to say yes to things when it doesn't have any direct impact on you financially. Michael said he thinks waiting until 18 allows time to mature more before making very critical decisions that affect thousands of people. David responded to Michael's comment about young people not being directly affected by the policies. David said people over 18 vote for policies that don't affect them all the time but we trust them to make a good decision. Young people can get involved in politics but there is no substitute for voting. David also said nobody, at any age, can be completely shielded from influence.

Ken asked what percentage of high school students vote in student elections. David said he doesn't have those numbers. Rob thanked David for coming and said he thinks it's great for David to experience the elected world and lobby for something. Rob said he thinks David needs to have an argument why someone who doesn't pay taxes gets to decide on taxes. Rob said the town state rep won by 10 votes, so allowing students to vote certainly could swing a vote. Rob suggested he poll the junior class to see how many people would like to vote on it and understand it. Those are the types of things that would help. David said this would only be for Ipswich town elections and town meeting. Michael S. asked what this would improve or why should we do this. David said voting should be a fundamental right and that people that are educated and influenced by policy every day and should have a say in that. Young people contribute so much to their communities and believe that if you contribute that much than you should have the right to vote. Bob said he was impressed by David's presentation and asked if they still elect a student that will become a member of the School Committee. David said yes they do. Bob asked if he can think of a few issues that the students would really have a lot of interest in and does he think by changing this policy, would it be likely that students could have an impact on these policies. David said a main priority for many students in Ipswich is environmental issues.

Jamie said when he was David's age, the voting age was 21. There was a lot of feeling at the time that that wasn't fair, that you could be sent overseas to fight in a war but you couldn't vote. Jamie said he is in favor of helping even younger people vote. We have too few people voting as it is and he supports this. Michael D. asked why 16 and not 15. David said because 16-year-olds have been given the ability to drive cars and the ability to work without restrictions on hours and the ability to drop out of school

Article 23: Town Government Study Committee Report to Town Meeting

Gary Champion, 3 Palomino Way, Chair of the Government Study Committee, presented the warrant article. This warrant article is signed by 13 citizens that would like the GSC to make a report at the Annual Town Meeting. This is also intended to allow Town Meeting to fulfill the requirement that Town Meeting will refer topics to the GSC, which is in the GSC bylaw.

Michael asked if the committee will have a report for the Town Meeting, Gary said they are anticipating to finish this in April. Michael asked why this is not in the Consent Calendar. Gary said they were unaware other committees would be making reports in the Consent Agenda. Michael asked if this report would need to be in the book prior to distribution. Gary said he doesn't recall that it needs to be posted but it will be ready before them. It is a brief report and will be posted on the screen at Town Meeting. Lastly, Michael said it looks like it's one article for two asks and said they have seen articles in the past that have been broken up so we can vote individually and asked why they didn't break it up. Gary said he thinks it's more simple, easier to understand, and less time consuming to do it this way.

Emilie asked what they would do if Town Meeting votes not to accept the GSC report. Then the motion fails and they won't be able to get recommendations from town. Emilie said they have spent a significant amount of time on the report, it is more of an announcement. She also said she looks forward to the day when they get topics from the Select Board so they can get to business. Gary said making reports in the Consent Calendar, it can be a lot and it's surrounded by financial matters. Other committees that make reports are just providing information, they are not asking for ideas. Joe said when this came up a year ago he spoke in favor of it and advocated for the fact that there should be dynamic exchange from the citizenry to the Select Board to the GSC, not just the Select Board coming up with ideas.

Joe asked why we need Article 23 because the GSC report is included in the Consent Agenda. Jamie said that was changed today. Gary said they were not told that was an option and were discouraged from making a report. Gary said they have not received a topic from the Select Board in 2 years. Joe suggested they get some clarification if it is already in the Consent Agenda, and if so, do we need to move forward with Article 23.

Michael S. asked Gary what kind of response he expects to get from the floor of Town Meeting and who decides which responses are worthwhile to pursue. Gary said that any topic referred from Town Meeting in this way has to be legislative in nature and they would be given a list and would then prioritize the list. Bob said we should make sure people know about this ahead of time so they can come prepared to make suggestions. Jamie said this seems to be an awkward process that we haven't quite figured out. Jamie asked if there has ever been a Town Meeting action that directed the GSC on a topic. Gary said a few times citizen petition warrant articles have been referred to the GSC by Town Meeting. Jamie said he thinks that is the right way for this to happen. Gary said in the fall 3 Select Board Warrant Articles were not passed and were not recommended to the GSC. Walter said he thinks they should use this year as a test case at Town Meeting.

Article 24: New Construction Moratorium

Torii Bottomley, 60 Central St, said that due to extreme drought conditions they proposed a new construction moratorium in Ipswich for the period of one year. Torii said currently the town gives people who are interested in making a proposal for construction the option of paying a below market price for 40B housing. It seems to be not fiscally responsible. We have a very fragile infrastructure and we have a lot of projects that are only half way built. Torii said she is just asking for a pause and then to see where we are in a year. Michael asked if this applies to all construction. Torii said it's any new construction, not renovations. Michael asked what action will be done within that year to mitigate issues with extreme drought. If nothing gets done within a year than all we have done is lost the ability for new growth. What action would be done during that year time frame so we can get a better handle on this during this pause? Torii said she does not have a good answer for that. This is a very personal and emotional petition that is not grounded in any understanding of construction.

Emilie asked if this would pause already begun new construction. Torii said it would be for new permits only. Emilie asked if the hope is that we replenish water reserves. Torii said not necessarily. It is because we are in a drought situation right now and we may not be in one year. Joe noticed there was no summary for the article and he thinks that would be beneficial to citizens. Walter suggested that Torii add financial effects to the summary. For example, there would be jobs that would go elsewhere, sandwiches that would be bought elsewhere, building permits that wouldn't be filed, and most importantly new construction would not go into the tax base and go toward revenues. Rob said he thinks Town Meeting will likely ask where we would be in 18 months and suggested that Torii come prepared to answer that. Michael S. thanked Torii for her initiative and he also shares her concerns about the drought. His concern is the relationship between residential new construction and what the true issues are that are related to water in town. He has not

seen an analysis regarding how much additional water we have used due to new construction and would like to understand that so it is clear if new construction is actually an issue with water use. Having that information will also help people in town to decide on this. Bob suggested we should ask the country club what their plans are for adding additional units and how this would impact their development. He also said the Bruni project should be considered. Michael D. recommended Torii reach out to the Town Moderator about the statement and thanked Torii for coming out and speaking about this.

Article 25: Amendment to the Noise Control Bylaw

Robert Weatherall, 33 Labor and Vain Rd., said it seems to him that the town is getting noisier because we have an increasing quantity of commercial landscape and tree operations. The noise ordinance would limit the hours that commercial landscapers can operate to 5p.m. and also not allow Sundays and holidays. For homeowners, to stop by 7p.m. instead of 9p.m. Michael D. said he was hesitant when this was first proposed due to the residential restrictions, and said if someone owns a house they should be able to do what they want with it. However, he understands it especially about the commercial side. He asked why change the times and why not just change the Sundays and holidays. Robert said it doesn't allow for people to have some quiet at any point in the weekend. Emilie said a 5p.m. cut off may impact commercial business models especially when there is a lot of rain and they have to make up missed time. Emilie said she finds this to be more limiting than is reasonable. Joe said he would prefer a later start on Sunday. Walter commented that the enforceability could be an issue and if it is just a fine, some companies may want to just pay it. Rob said he is supportive of this. Michael S. also is supportive but asked if there are any exceptions, such as if a tree falls on a house. Robert said he didn't think of that but he doesn't think a neighbor would complain about something like that. Michael S. also asked if there could be exceptions for electric tools because they are much quieter. Bob said perhaps there could be a provision for cordless vs. corded. Robert said he is feeling creep that this is not going to be supported because there are factors that are not present in the existing document. He would like to keep this to the hours and if there are modifications that needs to be made to the existing document, he would be happy to also be a part of that.

Article 1: Consent Calendar

Stephen said the funding mechanisms were consistent from last year's Consent Calendar. In terms of the GSC, Stephen misunderstood that the private citizens petition was supposed to replace the GSC item on the Consent Calendar, but that was not the intent so the GSC item has been put back on the Consent Calendar. They are increasing the amount of the food inspection services and the town wharf revolving fund, to reflect increases in spending. There is a change to the Cranes Beach Fund. Sarah said they created it and put it on there when there was no policy. They had thought they would add an additional fee to the beach stickers and then generate more revenue. Then Covid happened so they put it on hold, and then needed the additional money so they used "raise and appropriate". It wasn't raised to the recap so it wasn't levied, and therefore people weren't taxed on it. In effect the \$100k they thought they had raised wasn't actually raised, so there is no money in the Cranes Beach revolving fund. Walter asked how much revenue we bring in from beach stickers. Sarah said last year they took in \$148,455 and in 2021 they brought in \$54,415. Ken asked if the revolving funds are funded by fees. Stephen said yes. The beach stickers go into the general fund. The fees from the trustees also go into the General Fund. Walter said he doesn't see why that can't be used to maintain the beach. Michael S. said he doesn't understand the rationale for eliminating number 4. Stephen said it wasn't structured or funded properly so they want to take it off the books, and if we do want to establish a revolving fund for Crane Beach in the future than we can. Jamie said he supports this and thinks we also have some other revolving funds that are worth looking at as well. Jamie asked what we are getting for revenues for the Electric Vehicle Charging station. Sarah said she would get back to him. Jamie said he thinks it's a good idea to include the GSC in article 1.

Article 2: Amend FY23 Municipal Operating Budget

Sarah said if you look at the motion for the Operating Budget for this current budget for the town, and you total up the revenue, the Stabilization Fund was missing. It was missing from last year's book and if you add it up, it doesn't equal the budget. Jamie asked why they used the Stabilization Fund to fund the Operating Budget. Sarah said they used it when Covid happened. This year they are not using it. It is in the Stabilization policy that if there is an issue, you can use it to fund the Operating Budget. When they did that, they used Free Cash to replenish it so it didn't drop dramatically.

Article 3: Finance Committee Election

Michael said Bob will be up for re-election and the Finance Committee members discussed how the motion would take place at Town Meeting.

Article 4: FY24 Municipal Budget

Emilie asked if we ever got a final health insurance projection. Sarah said it came in at 8.9% and they didn't make any changes. We had forecasted 10% so Sarah put in 8% with a \$100k cushion. We have 32 people that don't take health insurance so it's important to have a big cushion.

Article 5: School Budget

Michael said he is assuming not much has changed since recent discussions. The Finance Committee members had no comments.

Article 6: Whittier High School Regional Budget

Sarah said they just got a new number, and Stephen updated it in the Budget Book. Ken asked who the representative is. Walter said its Gary James. Michael asked if the figure is on the conservative side. Sarah said they got the actual number early this year so that is the number.

Article 7: Essex Tech

Sarah said that is not the actual number because the town is not a member. They will have to plug that in in the fall.

Article 8: Transfer of FY23 Appropriated Budget Funds to Education Stabilization Fund

Jamie said they are estimating about \$2.5M and they were given a \$1.8M override, and they are returning \$2.5M to stabilization. Michael said they don't have an exact figure in this article and asked why. Stephen said it was just presented last week but it will be added.

Article 9: Finance Committee Stabilization Fund

Stephen said the numbers will be filled in once they have the exact numbers for Hammatt St.

Article 10: OPEB

Michael asked for an update on where we stand and what a timeline is for being fully funded. Sarah said currently in the OPEB Fund we have \$8,490,000. Our OPEB / Free Cash policy states that we hold \$1M of Free Cash and 25% of anything over \$1M goes toward OPEB. That total is \$507,724. Part of the base budget process also is to increase it a little more each year so we raise and appropriate a little more. This year's propose increase is \$89,410. That will give us an OPEB total of \$9,087,134 after Town Meeting. We plan to be fully funded by 2040. If liability keeps increasing it could be 2045.

Article 11: Annual Capital Plan

Stephen said there have not been any changes since they last spoke about this. Rob asked about the pavement, curbing, and floor replacement at the high school. Stephen said it's the parking lot resurfacing. It is in the facilities assessment book. Michael S. asked why the HVAC duct cleaning is a Capital Project, Stephen said because of the expense, and because it is not annual.

Article 13: Resolution in Support of Changing the State Flag and Seal of Massachusetts

Michael asked Stephen if the person presenting this citizens petition was present at the Select Board Meeting, Stephen said he doesn't recall anyone showing up to discuss this.

Article 14: Ipswich River Ecological Restoration Permitting

Stephen said the Select Board is responsible for administering this project and the action steps will be Select Board votes. The Select Board would like to know where the town stands on this before moving forward with permitting. Jamie said this is not just to support going after the permits, this is also to support the process itself. Jamie asked what the cost to the town will be, and said we are asking voters to give an opinion on this without knowing the cost. Stephen said he doesn't know the cost but he does know there has been a grant and they have gotten some estimates.

Article 15: Grant of Easement to 69 South High Street

Stephen said the property owner on 69 South High Street found out that their front yard is town owned and this article would authorize the Select Board to enter into easements with the property owner. They have received a site plan from the attorney with proposed easements but it doesn't mean that will be exactly what is accepted. Stephen said if this is approved they would then work with the property owner to find something that meets the needs and also is best for the town's interest. Rob asked who pays taxes on the land if it is an exclusive vs. non-exclusive easement. Stephen said it's town owned so they would not pay taxes on the land. The town could sell the land to them but they don't want to because it gives the town access to the fish ladder.

Article 16: Acquisition of Hammatt Street Parcel

Stephen said this has been on the books to do this for a number of years. The site has a brown field which is pretty common. The site is clean, from a regulatory standpoint, and that is different from the subsurface being free of contamination. Under the laws that regulate environmental conditions in the Commonwealth, there is an "activities use limitation" on the property that states you can't dig more than 3ft down. Because the AUL is in place the site has a status of "non-significant risk". Rob said regarding the price he thinks they should take it because it has gone nowhere in 20 years. We need to be cautious about the cost. Michael S. asked if National Grid would take any responsibility for the property after they sell it. Stephen said no. Jamie said he is concerned about moving forward with this regarding potential liability down the road.

Article 17: Authorize Select Board as Water Commissioners to enter into Lease of Farm Field at 16 Mile Line

Stephen said entering into a lease requires a town meeting vote. There was a lot of work that went into this being available for lease.

Article 18: Middle School High School Roof

Michael said he doesn't think they have any questions but they should have a discussion on moving forward so there is not confusion going forward. Emilie said as much as they had hoped to find a different funding source, they need the functionality of the new roofs. Rob asked if they should move the Finance Committee Reserve Funds to ease the bonds. Stephen said there are potential needs for transfers for legal services as well as for police and fire overtime. There is no other place to go for those if we use the Reserve Funds for the roofs. Stephen said he would rather see whatever is left at the end of the fiscal year, and commit to offsetting the cost of the projects. Michael asked if we are bonding for the \$1.98M or is it per project. Sarah said it's by article. Michael said even if this gets approved at Town Meeting, we may not have to move forward on it if there is another way found to structure the \$444k. Michael said since there are no questions about Article 18 and 19 and we are supportive of them, we will move forward but we can have some offline discussions about funding for Article 18.

Article 20: Water Department Infrastructure Improvements

This is for the valve at the bottom of the reservoir which Vicki gave a presentation on at a previous meeting.

Article 21: Waste Water Department Infrastructure Improvements

Jamie said he would like to see more of a plan for where this is going to be as well as a breakdown of the project. Michael said he will get that from Vicki.

Article 22: Authorize Select Board as Electric Commissioners to Borrow \$5 Million From USDA

Michael said they have not heard from Jon Blair. Michael S. said the ELD conducted background analysis for green energy upgrades. One obstacle is the availability of financing to fund these improvements. The ELD then sought out approval for an interest free \$5M loan that would fund ELD for energy efficient projects. The ELD would then loan this money to residential customers for energy efficient home improvements.

- Motion to close Warrant Hearing made by Emilie, seconded by Ken
→ *Motion passed unanimously, 9-0*

5. New/Old Business – Michael Dougherty

- none

6. Adjourn – Michael Dougherty

- Motion to adjourn made by Rob, seconded by Emilie
→ *Motion passed unanimously, 9-0*

Respectfully Submitted By
Alyson von der Esch
4-11-23