

TRI-BOARD MEETING MINUTES
Slade Building – Senior Center
September 9, 2010

Present: Board of Selectmen Matt Castriotta, Mike Stauder, Ernest Newcomb; Finance Committee Dave Simmerer, Jamie Pitney, Ben Prentiss, Mark Connery and Chris Norcross; Capital Planning Diane Lanney and Kevin Motta; and residents Walter Ducharme, Tom and Gardner News Reporter Jean Paul.

Meeting commenced at 6:03 pm

Mr. Castriotta opened the meeting, turning the meeting over to Ms. Roussel to proceed. Ms. Roussel presented a summary forecast derived from the DOR forecasting tool, adding that she was not happy with the outcome, as it showed excess capacity in each year, which has not been the case. Ms. Roussel indicated she had spoken with members of her professional association regarding the tool and they had indicated similar disappointment. Ms. Roussel suggested capturing a specific percentage of the levy per annum specifically for capital expenditures; suggesting a goal of three percent.

Ms. Lanney reported the first year after the financial plan was initiated was the only year of success for funding capital outside of the levy. Subsequently, the plan has not worked. Furthermore, since that time we have failed to capture funds retiring from prior capital expenditure and allowed it to be reallocated to services. Ms. Lanney noted we began FY11 with \$50,000 retiring from capital and she did not recall any discussion between Finance, Capital Planning and Board of Selectmen questioning whether we should reallocate that \$50K or leave to try to fund capital purchases...so maybe that's the discussion we should have.

Ms. Roussel recalled there was discussion, with the funds relinquished to services. Mr. Simmerer recalled discussion as well. Ms. Roussel indicated the decision had been made to continue to attempt to fund capital outside of the levy at that time, recognizing the lack of capacity within the levy given the current level of services. Mr. Pitney interjected with recollection that the problem was that even at the level of funding available for the budget, we still had to come up with some magic. Mr. Castriotta indicated there was no magic. It's simple, you either increase revenue or reduce spending. To date, voters have directed the reduction in spending.

Ms. Roussel indicated that both as Ms. Lanney and Mr. Castriotta portrayed – if we are going to go back to funding capital from within the budget you either have to cut expenses/services or find increased revenue. Ms. Lanney suggested allocation of the 2.5% increased allowed annually to capital.

Mr. Simmerer asked if it was possible to allow a more flexible capital procedure; taking advantage of low interest rate for borrowing when available. Ms. Lanney indicated Capital Planning has a policy we try to follow. Last year Capital Planning asked the Board of Selectmen if they intended to maintain the policy with such rigidity; putting forward recommendations with capital both in and outside of the levy, noting they are trying to be flexible, recognizing limitations. We have included some with down payments from stabilization; we suggested 10% of Chapter 90 funds for one purpose. We tried to be very creative with our presentations, even more so based on the failures outside of the levy.

Mr. Pitney indicated that is what it is coming down to...we don't have the money and the projections are that we are not going to have the funds to purchase capital outright, whatever it is. Anything over \$25,000 we are not going to be able to fund within the levy within the next five years and there's no appetite for outside of the levy; none whatsoever. Representatives from both boards worked very hard on the truck proposal and got overwhelming support at Town Meeting and got beat up at the ballot box. We need to be more creative in public relations.

Mr. Simmerer asked what the current level of debt was for the Town at this time. Members noted only long term debt within levy at present was fire truck. Slade Building repair is being funded as short term at present. District debt consisting of middle/high school project is outside of levy. Center School

funding completed this fiscal year. High School atrium project will cost Town approximately \$80,000 annually after reimbursement from State, assuming 50%. However, it has not been put forward nor approved as debt exclusion, so until must be funded within.

Mr. Castriotta indicated we will need to get very creative with both revenue and expense. Mr. Simmerer said, speaking on behalf of Finance Committee, in absence of Chair we need flexibility. How high can we reasonably go with our debt ceiling and then after that, we have to go outside of the levy. Ms. Roussel indicated the Town is at the top of the levy limit; can't raise further tax unless you accept local meal or hotel taxes. Need to look at revenue streams, fee structures. Look at possibility for industry.

Mr. Castriotta suggested establishing revenue and expenditures committees with representatives from all three committees present. Look for ways to economize government and bring in more revenue.

Ms. Lanney asked if we could look at what 2.5% increase represents. Mr. Castriotta asked if we use only available increase in capacity for capital, do we level fund all other services?. We have a policy that allows use of free cash for purchase of capital noted Ms. Lanney. Capital planning put aside one of the purchase recommended this fiscal year waiting to see what comes back for free cash to subsidize or fund the one capital purchase. Mr. Castriotta indicated that number, free cash, is getting smaller each year and we shouldn't count on it.

Ms. Roussel indicated that this year before the tax rate is set, what was appropriated by ATM, approximately \$54,000 is not needed for the purpose it was appropriated. That represents the reduction in regional tech budget and out of district tuition and transportation, which could be available for capital. Mr. Pitney asked if we were expecting funds for raise to the top funds, which he believed were to be allocated at the local level. Ms. Roussel indicated that would only be true if the city or town had single K-12 district and did not participate in a region and further, believes funds can't be used to suppress assessments.

Mr. Simmerer indicated that the Town voted to accept the Community Preservation Act close to five years ago, asking if it was feasible to take those funds, as the State doesn't give much anyhow, yet still keep that taxation and use for capital expenses. Ms. Roussel explained the expenditure was approved outside the levy; essentially an override for a dedicated purpose. It would require rescinding and an override for capital purposes. That's what I'm saying indicated Mr. Simmerer, get rid of the CPA funding and replace with override for building roads. Mr. Newcomb asked if the CPA funding is every five years. Ms. Roussel indicated you must keep CPA in place for five years and it stays in place unless revoked. Mr. Stauder indicated that with the current climate in Town, if you revoke the CPA, you are not going to get anything else with those funds. At least right now you're making 30% return on your money from the State; townspeople are not going to decrease their taxes and go back to increase for another purpose. Mr. Newcomb indicated you would have to keep it in place to fund projects approved. Ms. Roussel indicated belief that current projects are covered with what is in available.

Mr. Castriotta noted he had made recommendation for subcommittees for revenue and expenditures with representatives from each of the three groups; is anyone in favor of that? Mr. Newcomb indicated we already have Capital Planning, and Finance, why do we need more committees. Ms. Lanney asked what Finance Committee is doing? Are you looking at revenues and expenditures in a more detailed level; I would think that is in your purview. I know Mr. Pitney has done extensive work. Mr. Prentiss indicated they have ample homework assignments after each meeting; some of the members have been going to other Towns and looking at highway department structures. Mr. Castriotta indicated since you have your own committees and we can await your recommendation.

Mr. Pitney asked what happened to the recommendation from the Finance Committee for a grant writer. Mr. Castriotta indicated Hubbardston is considered wealthy by most calculations. Mr. Newcomb indicated he understands that the writer can be funded by the grant. Ms. Roussel reported Town does use administrative funding when available to pay for grant writer, citing current CDBG grant as example. Funding to support grant administration is included in application, so that the Town is not paying for it.

Ms. Roussel further explained you have to indentify a need, then locate grants for the need, noting some grants allow administrative expense and some do not, specific to the grant. It was asked how communities such as Winchendon fund full time grant writer? Winchendon is a poorer community which creates greater opportunities for grants. Mr. Pitney asked how the wealth is computed. Ms. Lanney indicated wealth is based on Department of Revenue per capita income, which she has to use for exemption purposes in her duties as an Assessor. Hubbardston's per capita income was \$50,000 and 75% of 600 residents between the ages of 35-45 are earning greater than \$80,000 she noted, exclaiming she was flabbergasted at the relative wealth of the community. Mr. Connery asked where he could locate the information. Ms. Lanney indicated it was available on the DOR. Mr. Pitney indicated it hard to believe, particularly in this economy that there isn't a grant writer that works on commission that can cover multiple towns. Understood they're not going to file grant applications for things we don't need, but search for grants that fill our needs for which we are qualified. Ms. Roussel indicated need to extrapolate what the needs are first. Highway trucks and police cars responded Mr. Pitney. Mr. Stauder indicated he did some research and found multiple companies available to write grants on commission. Mr. Connery indicated funds received from grants frees up funds for services. Mr. Castriotta indicated, given the current economic circumstances, the pool of money for grants will be shrinking, so while he agreed to investigate, indicated need for more immediate permanent solution. Ms. Lanney indicated Hubbardston is behind the bus again; all those years where tons of grants were available, three or more years ago, we sat back and couldn't get there from here and now that we decided to get there that pool is dwindling. The same thing with the administrative fees indicated Ms. Lanney, those are getting fewer and fewer. Mr. Castriotta noted in fairness to Trudy O'Connell who was the Administrator, she knew our wealth status and kept abreast of the opportunities available; I don't believe there was many opportunities we missed. Ms. Roussel indicated the Rec Field was paid for with grants, the skate park and walking path was paid for with grants, Mt. Jefferson was purchased with grants; Malone Road parcel was purchased with grants. Road work is done annually with grants; Community Development Block Grant in current year was purposed and funded for Hubbardston. Mr. Pitney asked about stimulus money for shovel ready projects. Ms. Roussel indicated she consistently reviews federal grant website, grant.gov which lists all federally available grants. In terms of funding for roads, funds goes from Federal to the State, to the Regional Planning Agency and applied in accordance with the Transportation Infrastructure Plan (TIP) for the Region.

Mr. Simmerer asked isn't it important to have a representative at the regional planning and we get burnt because we don't have a voice? Ms. Lanney agreed. Mr. Castriotta indicated Route 62 should be renamed in honor of Mr. Hale; he represented the Town at those meetings and reminded them constantly how important that project was for Hubbardston. Mr. Simmerer asked how does Oakham get the roads money? Mr. Murray acknowledged it was ARRISA funds, bringing forward suggestion to have gentleman from Princeton, Larry Green, who serves as the chair of their Roads Committee to talk to you. Mr. Green has said that if a Town doesn't have a seat at the regional TIP board, they're not on the list; it's participation, participation, participation. Mr. Pitney asked would it make sense for the Highway Superintendent to represent us. Ms. Roussel indicated there are two different committees; Mr. Gauthier attends the meetings with Superintendent presiding; the other is made up of finance committee and boards of selectmen.

Mr. Ducharme agreed with what is being said about MRPC/TIP, squeakiest wheel and it is very political; turning down a request to serve as the Town's representative. He noted the thing to consider is that 2.5% satisfied the need for expenses in 1980 and doesn't keep up with inflation. Mr. Stauder reported on a New York Times article reporting that New Jersey is looking at a proposition similar to our 2.5. Writer of the article indicated that proposition 2.5 is the single, biggest reason why Massachusetts is not progressing, why the roads are bad, why there are no facilities, no infrastructure, simply cannot keep up with inflation. Mr. Ducharme indicated 3.5 percent would be breakeven point. Mr. Castriotta noted for the time being we are shackled with 2.5; we need to look at revenue and expenditures in order to be prepared for the delta that may exist. Mr. Simmerer indicated need to prioritize, get a representative for the TIP, noting Mr. Newcomb is the BOS representative. Mr. Newcomb indicated he felt a conflict exists with his serving, as an employee of the department. Mr. Pitney indicated perhaps he or Chris could serve in that position, as highway liaisons. Mr. Simmerer agreed to put on agenda for next Finance Committee

meeting. Mr. Ducharme declined representation regionally, as only remaining member of roads committee; not up to that extent. Mr. Ducharme did speak in favor of grant writer, to get someone on board quick like and get to work. Ms. Roussel agreed to contact towns who have grant writers and see if they are interested in sharing services.

Mr. Murray indicated discontent from prospective of capital planning. No capital planning to do at this point; can't get plow truck approved at town meeting; can't agree amongst ourselves on the funding mechanism. Confused as to what CIP role is in immediate future. If we no longer have targeted stabilization, CIP is essentially the keeper of a spreadsheet that lists all the equipment the Town either has, needs or wants. Mr. Murray indicated he understands CIP has to address immediate needs, but don't see a lot of thought for the future coming out of this discussion; apologizing for arriving late. Mr. Castriotta brought him up to date on discussion this evening.

Mr. Murray still wondered why CIP exists; doesn't believe is being utilized to full extent, nor are they utilizing themselves. Don't think is working in concert with everyone else; harassing department heads to get information without getting them what they need; very disheartening. Don't see leadership of this Town looking for long term plans for improvements; I see us struggling to survive year to year.

Mr. Simmerer welcomed Mr. Murray to the group of disenchanting people; agreeing we don't have a long term view of how we want this Town to grow without a Master Plan. He indicated we need to have a long term plan of what we want Town to look like in five or ten years; that's what CIP should be doing. Mr. Murray indicated capital planning across the state is actively planning for schools, making sure there is stabilization funds, money set aside; that's not happening in our town. We're spinning our wheels, beating up the highway superintendent to prove seven times over that he needs a seven wheel truck and not a five wheel truck.

Ms. Lanney indicated the other part is lack of communication on new projects, citing the need for a new roof at Quabbin as an example, which was never presented to CIP. She also noted the drive for a Senior building not coming before the committee. No one communicated need to capital planning. Ms. Roussel pointed out that Mr. Murray serves as a member of the Building Committee. Ms. Lanney felt the Selectboard is bypassing or not involving capital planning. Mr. Castriotta took offense at Mr. Murray's statement, paraphrasing, lack of leadership or the leadership of this town not looking long term. Mr. Murray indicated he was referencing the room, not any one individually. Mr. Castriotta noted he was speaking on behalf of Paul Hale and Kristie Casey, who served alongside him believing they were thinking long term. Voters were presented with alternatives, the cost of doing business to operate the Town. We came close to passing an override and we wouldn't be sitting here tonight if the first override had passed. I think we have thought long term, but haven't convinced enough people to get on board with the plan. It's frustrating; I'm frustrated, you're frustrated. Revenues are going down, expenditures are going up and we have one of the lowest tax rate in Central Massachusetts and that's why we can't get a comprehensive capital plan in place because we just don't have enough revenue.

Mr. Newcomb indicated understanding frustrations, believing CIP can get involved in looking at possible revenue streams or investigating things along that line. He couldn't see, as Bill had said that we're going to accomplish much harassing department heads for things we know we need. It comes down to how we are going to get the money. I think we need targeted stabilizations. The ultimate goal would be to have both the targeted and the general stabilization; the general to handle the unexpected and the targeted for future capital for departments. Until the economy turns around, that's not going to happen and I don't see it happening at least for three to five years. One of the few things CIP can do is look at numbers and work with administration to look at what are revenue totals; getting the spreadsheet figures like this right.

Mr. Simmerer responded to comments on targeted versus general capital stabilization, realizing the recommendation had come from Finance Committee. However, they hadn't deleted stabilization for capital, just combined into one, rather than individual department capital accounts, not understanding what difference it makes. Mr. Newcomb responded it's a psychological point of view, trying to encourage department heads to save money. The idea was to encourage department heads to try to save money

within their levy limit, so when there's free cash it can go to targeted stabilization for their department. They should see that as dedicated to their department; you're not going to encourage savings in budgets.

Mr. Simmerer indicated we've been through this discussion many times before and don't want to get into the right and wrong of what we did with stabilization. No matter what we call the fund; the monies are there. Mr. Murray indicated it is not the same; it is subject to the whim of the finance committee, condition of most need at any particular time. As Ernie rightly said, some departments did an outstanding job of planning for the future with the stabilization and did a really good job of targeting it for fire truck refurbishment. Mr. Murray believed it to be a motivational tool, as well as a good fiscal tool. Many, many successful towns use that methodology because it works. Now ours is subject to the political and fiscal needs that are not targeted as specifically as they should be and that's why CIP doesn't think it's a good idea. Ms. Lanney indicated we have created a logistical nightmare; how much is dedicated to fire, how much is highway; what can they count on? If they are sitting there with a ten year plan; should we not count on this stabilization at all because maybe what one department had counted on will go to another? Who's going to keep track of it now? Mr. Simmerer indicated that prior to the change in stabilization we had three separate entities that didn't communicate. Now we're all here in the same room, which is helping. This doesn't help department heads plan Ms. Lanney indicated. CIP agreed to the change due to the crisis Finance Committee claimed. But, CIP absolutely vehemently does not agree that it's the right thing to do except in a case of extreme emergency, because it's harder to do said Mr. Murray. Ms. Roussel reminded everyone that it was also recommended in the DOR management report, adding that it is possible to utilize one capital targeted stabilization and that CIP should be tracking there is sufficient funds to cover the plan.

Mr. Castriotta asked for a show of hands to take Dave's suggestion to allow flexibility, with some of the capital expenditures within the levy; it was overwhelmingly supported. Mr. Castriotta indicated we are back to where we were an hour ago, cut in expenses or increase in revenues. Bottom line is we need more money to cover the cost of the capital plan in total. Mr. Pitney noted he would argue that the harder task is even if we do everything we've talked about this evening, there still would not be enough money to fund the capital plan. Assuming we start to demonstrate to the Town a success, I still think there is a much larger task at hand than selling it to Town Meeting, which is winning at the ballot box. The big rock we should consider rallying around, what is our public operations strategy to selling the capital plan. Selling it targeted by each ballot initiative. Finance Committee indicated their intent to limit to one override. If we can't pass one, we can't pass anything. If we show some efficiency, we test the water again next June. We can't expect Walter to stand on the streets begging ballot questions.

Maybe we need to know why people won't vote for capital, said Ms. Lanney. Mr. Ducharme indicated 95% of the voters at the last town meeting voted in support; they were informed; only 42% of the people voted in favor at the ballot; that's what I need to understand. My confidential poll tried to get an understanding of why we can't get people that go to ballot to vote similar to the Town Meeting. Town Meeting wasn't stacked; there was an effort put into marketing the question, which we can't do it from this building. Need to do it outside of government, going door to door. I'm sure more than 42% are in favor. There were people that live on roads that were already paved that didn't vote to support the override, thinking they're all set. Mr. Simmerer suggested looking at difference between percentage of total voters that attend election over town meeting; different population. Mr. Ducharme indicated we need an understanding. Mr. Simmerer agreed with need to understand the voters. Mr. Newcomb indicated need to get the voters in support out to vote. Need to get more understanding of the need for the override indicated Mr. Ducharme. Mr. Stauder noted the economy was better when the last override was put forth. Mr. Pitney remarked that someone had indicated Hubbardston was one of the only towns in the Commonwealth that had never voted a general override. Ms. Lanney indicated that was correct. Mr. Castriotta asked the Capital Planning Committee if we were to give you a number within the budget so that you could prioritize, the most important capital within the levy, anything else goes outside and see what the voters say. Ms. Roussel recommended the three boards agree on a specific figure or percentage, as you are spending to the limit on current level of services, reminding boards of other needs beyond capital that we aren't meeting, including maintenance, sufficient personnel, payroll and long term building needs, which is something CIP can address.

Ms. Roussel suggested we start with \$50,000 within levy for FY12. Mr. Pitney asked if we could start sooner, in this fiscal year, as finance committee was hoping to put as much as possible into stabilization at fall town meeting. Ms. Roussel indicated fall town meeting date hasn't been set as of yet; Assessors still playing catch up; not yet been able to address tax rate. Mr. Stauder indicated we have \$50,000, but we have \$80,000 for roof needed. Ms. Roussel indicated first payment isn't until FY12 and would recommend that be voted as debt exclusion so it is outside of the levy. Ms. Roussel reminded members that if the ballot question for November fails we will need to fund the \$90 from ice storm. Mr. Castriotta indicated we would have to drawn down stabilization. Mr. Stauder believed there would be sufficient free cash to cover. Ms. Roussel noted the free cash figure is not known at present. Mr. Pitney noted our hope for passing a universally accepted ballot question for ice storm to free up free cash to seed capital stabilization. Finance team is on target for certifying free cash; Treasurer and Accountant have balanced cash for FY10. Ms. Lanney asked if it were still Board's intent to use free cash for stabilization. Free cash is to fund stabilization indicated Ms. Roussel, which can then be drawn for capital. When free cash is known, Board will advise team. Mr. Castriotta believed meeting was beneficial; made progress tonight with agreement to be flexible between in and outside of levy. Mr. Stauder cautioned, need for limit for outside of levy. With each success, build more success. Start slow with baby steps. Caution all of you not to have a list of override questions. Mr. Murray asked if school roof, \$80,000, project we are targeting for next year's tax rate? It was agreed that would be question to put forth outside.

Ms. Lanney asked if we could put public relations on next tri-board meeting agenda. Mr. Pitney asked for clarification on what the Town is allowed to do in terms of getting the word out on ballot initiatives? Ms. Roussel explained that bill voted by Town Meeting was still before the legislative, however the State passed, as part of municipal relief bill a similar option. Comparison will be presented to the Board on Monday meeting; main difference is it requires mailing to each voter, where Town filing made available to voters through a variety of options –website, email list serve. Date next meeting of tri-board scheduled for Wednesday, November 3, 2010 at 6 p.m. Capital Planning members adjourned from the meeting.

Mr. Murray, representing the Senior Center Building Committee presented; noting his committee had met with MRPC earlier this evening and that another site was made available. Residents of High Street attended the meeting, voicing concern about the High Street site. MRPC indicated if we cannot schedule a Special Town Meeting to purchase a parcel, it threatens our ability to apply for the regional grant with Westminster and it also threatens Westminster's success in the grant cycle. Finance Committee indicated intent to put forth the purchase by borrowing a sum of money and payment would be made by sale of the five Ragged Hill parcels. Ed Blanchard has secured a purchase and sale signed by the seller, however the Building Committee is not putting forth any specific location at this time, as an additional site also became known as of today. Ms. Roussel recommended given there are multiple sites available, that the Board of Selectmen must issue a Request for Proposals, suggesting the building committee recommend a site from the process. Mr. Stauder asked for clarification on what occurred between the appointment of the senior center committee, because at that time the plan was to add a second floor on the Slade Building for the Seniors, utilizing the current senior space for offices. Mr. Murray explained impracticality related to structural and associated costs. Mr. Murray also explained cross contamination of grant funds, not allowed to use grant funds for general improvements on structure that is unrelated to the senior center. Ms. Roussel indicated it was cheaper to build a new building on a parcel than go up on the Slade Building, noting key factors were water and sewer requirements. Ms. Roussel asked the Board to delay scheduling of a Special Town Meeting date until Monday evening, to allow sufficient time to review a timeline.

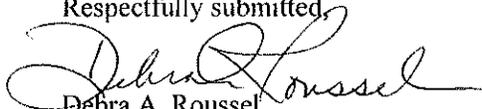
Mr. Stauder asked about need for sewer downtown to attract business, not to mention ability of homeowners to sell property. Mr. Murray indicated amazing grant opportunities available for those purposes. Cronholm property for sale across from the highway department, which he believes has adequate space for onsite treatment plant and municipal well. It is adjacent to DCR watershed/land, endangered species and vernal pools which provides eligibility for open space protection, DCR water protection, State Revolving Fund for low to no interest for construction of waste water treatment plant

and sewer lines and water supply grants for all of it. He indicated it was also remotely possible that we could purchase the land for no money if we pull it all together, however the Town would have to spend some money up front to get it in place. Ms. Roussel indicated that adding greater services would require additional support services, maintenance costs, essentially a Department of Public Works. Mr. Stauder again noted that it would provide support for those buildings downtown that are just rotting because you can't do anything. Possibilities for funding would take three to five years and would require design and permit up front and then borrow from State Revolving Funds to pay for sewer lines. A return on investment for a project like this would provide a reduction to homeowners in the district for fire protection, because it would provide opportunity for hydrants. Mr. Murray exited the meeting.

Ms. Roussel presented ten copies of a revised right of first refusal received from Town Counsel. The draft provides credit for the appraised value of the land in the event the Town purchases the Church property or it provides for the Church to pay the Town in the event a third party purchases the property. Town Counsel reminded in her cover memo that the Right of First Refusal is subject to a limitation of fifty years. Question was raised as to whether the law allows an extension of the fifty years. Does the Board wish to go forward if there is a limitation of fifty years and an extension is not allowed; Town Administrator recommended the Board resolve rather than leave to future generations. Mr. Simmerer indicated the building needs to be maintained and insured no matter who owns. He is afraid no one will want to accept that responsibility over the long haul, doubting seriously that the UUW would hang on to the building. Ms. Taylor indicated the current members of the Church noted they are maintaining and insuring and intend to continue as long as they own. CPA doesn't fund an operating budget and church doesn't have intent to file for further loans. Ms. Roussel indicated purpose for handing draft out this evening was to provide opportunity for review prior to meeting scheduled with the church on the 20th of September. Ms. Taylor indicated she had provided bylaws and main UUA charter to Town Counsel. Mr. Simmerer asked if bylaws are the same as a charter and which does the church operate under. Ms. Taylor indicated they have bylaws.

Meeting adjourned at 7:40 p.m.

Respectfully submitted,


Debra A. Roussel,
Town Administrator

Approved: October 12, 2010.