

CHELMSFORD FINANCE COMMITTEE
MINUTES



September 12, 2019

MEETING: A meeting was held on Thursday, September 12, 2019 at 7:30 PM at Town Hall Office Building, 50 Billerica Road, Chelmsford

PRESENT: J. Clancy, A. Tanini, A. Langford, E. Chambers and V. Parks

ABSENT: K. Duffett and D. Goselin

ALSO PRESENT: P. Cohen, J. Sousa, D. Lussier, G. Persichetti, S. Jahnle, G. Ryan, R. Jackson, and V. Crocker Timmons

HANDOUTS: 2019 Annual Town Meeting Presentation Slides, Fall 2019 Finance Committee Warrant Book Schedule, Property Tax Exemption – The Brave Act (Bill S.2632) Information

The meeting was called to order at 7:32 PM.

Approval of Minutes:

April 29, 2019:

A. Tanini made a motion to accept the minutes of April 29, 2019 as written. A. Langford seconded the motion. J. Clancy, A. Tanini, A. Langford, and E. Chambers voted in favor of the motion. V. Parks abstained from voting. The motion passed. The minutes were approved as written.

FY2019 Town of Chelmsford Close and Current Conditions:

D. Lussier reported that FY2019 closed on June 30, 2019 and she noted that it was a very good year. She said that at \$11,782,215 local receipts had exceeded the budgeted amount by 13%. She reported that motor vehicle excise had been budgeted at \$5 million and it came in at \$5,642,117. J. Clancy commented that this had been budgeted a little lower as it was expected that the growth would plateau. D. Lussier agreed and noted that a factor in the excise amount was that a lot of people were leasing. She added that she still wanted to be cautious in budgeting this line item as it would slow. She added that with an economic turn it was also a line item to turn to, so she didn't want to budget motor vehicle excise too high.

D. Lussier reported that most local receipts were at 100% of budget or more. She pointed out that the meal tax was at 102.9% of budget and the hotel/rooms tax with the hotel opening ended at 117.9% of budget. She stated that the interest investment had been low in the past few years and last year had ended negative of budget. She said that for FY2019 it had been budgeted at

\$250,000 due to this trend, but it came in at \$585,388. She reported that permits came in strong due to the increase in fees and the inspector going out and making sure residents were building what they said they were building. E. Chambers asked D. Lussier if she had a sense of how much of the increase was due to increased activity versus the fee increases. D. Lussier replied that more of it was due to the fee increases. She explained that fees had not been increased in some time. She added that the inspector was also getting out there and correcting any errors.

D. Lussier reported that the real estate and personal property tax had a 98.5% collection rate.

A. Tanini asked what the \$944,777 in Misc. Recurring covered. D. Lussier replied that this included the Medicare School reimbursement, SRED receivables and three agreements of payment in lieu of tax for Harvard Vanguard, Chelmsford Woods and 100 Wotton Solar SOCAP, LLC. She added that there was also another \$201,231 in Misc. Non-Recurring funds with most of it being one-time funds from FEMA for a storm occurring two years ago.

D. Lussier reported that certified free cash came in for FY2019 at \$1,760,238. She pointed out that there had been a number of retirees from the Fire Department resulting in a large turn-back in Public Safety. She noted that there was a turn-around time of about a year from when fire fighters came out of the academy to when they were in a station working. She said that they planned to delve down deep into the next budget, but she noted that they could only guess as to who may retire. She said that the new hires came in at a lower rate than those retiring. G. Ryan added that they had five fire fighters retire during the fiscal year. D. Lussier reported that there was a \$59,000 turn-back in the DPW due to a decrease in solid waste tonnage. J. Clancy asked if this was from the by-law change regarding multi-family housing or if it was indicative of a trend. D. Lussier replied that it was mostly due to the by-law change and would be a one-time savings. E. Chambers asked if something had happened with the debt given the \$59,000 turn-back. J. Sousa replied that this savings was a result of the lower interest rates and smaller issuance cost. He added that the \$1.7 million in free cash was a result of being conservative with the budget.

D. Lussier reported that the enterprise funds operated independently and had their own free cash amounts. She said that the Sewer Enterprise free cash amount was \$1.9 million which was about \$23,000 more than last year. She said that some of this would be used for upcoming work on the sewer. She noted that there had been no sewer rate increase. She reported that the Golf Enterprise free cash amount was \$152,000 which was \$32,000 more than last year. She said that funding had been approved at Town Meeting to allow them to take money from their enterprise fund for the work on the green. She reported that the PEG Access free cash came in at \$120,291. J. Clancy commented that this was a little higher than last year. D. Lussier said that they had not wanted to do anything big due to the uncertainty that they are under. She reported that Stormwater Enterprise had a free cash amount of \$598,000 which was similar to what the Sewer Enterprise had looked like during its' first year. D. Lussier stated that the Ice Forum came in at \$200,000 in free cash for its' first year.

D. Lussier stated that the general stabilization fund had been \$9.7 million to which \$1.3 million had been added resulting in an ending balance of \$11 million. She explained that \$776,000 in free cash had been added in free cash at Town Meeting and another \$562,000 in interest earnings had been added. She said that the Sewer Trust Fund had a \$1.8 million balance while OPEB

ended at \$10.4 million after the \$1 million addition approved at Town Meeting and another \$50,000 in interest income. She noted that interest was helping the balance on the stabilization trust funds. She added that the CPC fund balance which had been lean was also growing. She said that the CPC undesignated funds were at \$2.2 million and budgeted reserves were at \$430,000. She added that the CPC planned to take from the reserve accounts at next Town Meeting rather than borrow. D. Lussier reported that the CPC debt schedule was tapering as large projects like the town halls came off the schedule. She said that she had pointed out to the CPC that if they were looking at adding another big project or wanted to do another borrowing the best time to do it would be after 2021 when there was a large dip in the CPC debt service.

D. Lussier reported that the auditors were in and things were going well. She added that it should be completed in October and the audit should be before the Board of Selectmen before Thanksgiving. J. Clancy asked if the auditors were Powers & Sullivan. D. Lussier replied in the affirmative.

2019 Fall Annual Town Meeting Warrant:

P. Cohen stated that he was pleased with how borrowing had gone in June and he said that Chelmsford was where it should be after 10 years of an economic recovery. He said that it was still unclear what lies ahead, but they would proceed with guarded optimism. He stated that he thought that they had a good plan for moving forward. He added that as he has said before the philosophy that they liked to adhere to regarding one-time monies was that they should be spent on one-time expenditures.

P. Cohen stated that there were 32 articles in the warrant. He quickly ran through the articles as follows:

1. Reports of Town Officers/Committees:

P. Cohen commented that J. Sousa was already looking forward and starting on the FY2021 budget. He added that the regular five-year forecast would be done at Fall Town Meeting.

2. Rescind Remaining Authorized, But Unissued Borrow for Purchase of Chelmsford Forum:

P. Cohen reported that nearly \$100,000 was sitting as a commitment on the Town Books even though the funds were never borrowed. He stated that this article would rescind the \$98,229 which was not needed for the Forum.

3. Rescind Unexpended Appropriation for Progress Avenue Sewer Pump Station:

P. Cohen stated that Article 3 would rescind the \$93,200.64 which was not used for the reconstruction of the Progress Avenue Sewer Pump Station. He noted that the funds would return to the Sewer System Capacity Impact Fund.

4. Rescind Unexpended Appropriations from the Community Preservation Fund:

P. Cohen reported that Article 4 would rescind four small unexpended amounts which would return to the Community Preservation Fund. He said that the amounts were from Oak Hill, Pond Street and the Town Hall restoration projects.

5. Cemetery Improvement and Development Fund:

P. Cohen reported that Article 5 was for the continuation of the Pine Hill Cemetery Project. He stated that it would transfer \$50,000 from the Sale of Graves and Lots to the Cemetery Improvement and Development Fund.

6. Appropriate Commonwealth Transportation Infrastructure Fund Monies:

P. Cohen stated that Article 6 would transfer the Town's share of the community ride share assessment to sidewalk ramps along Golden Cove Road. He explained that there is a 20-cent assessment on ride-shares such as Uber of which half or 10 cents goes to the community. J. Clancy commented that this was only for rides originated in Chelmsford. P. Cohen said that was correct and the assessment is done on the calendar year. He stated that the distribution last year for 2017 had been \$5,035.80 and the amount this year for calendar year 2018 was \$7,802.50. He noted that these funds must be used to address needs within the Town's transportation infrastructure.

7. Funding for Collective Bargaining Agreements:

P. Cohen reported that the Board of Selectmen approved the police collective bargaining agreement on Monday night. He stated that the amount for the article would be \$215,000 and the agreement would cover the current year and the next two years. He stated that the agreement would include a 2% annual wage increase and would eliminate the bottom two steps of the wage schedule such that it would go from seven steps to five steps. He explained that this would bring in recruits at a higher wage and was a more competitive wage schedule. P. Cohen stated that the education incentive of 10% for an associate's degree and 20% for a bachelor's degree was also included in the contract. He said that funding for the Quinn Bill from the 1970's had been removed in 2012. He explained that the market has remained the same with educational incentives so reinstating this funding is Chelmsford's commitment to conforming with the market. He said that it was a matter of recruitment and retention. He added that they did not reinstate a 25% provision for a master's degree because they could not justify that there would be any return at that level. J. Clancy asked how many of the officers had a degree. P. Cohen replied that 36 in the bargaining unit had a degree which was at the "tipping point".

P. Cohen reported that he met with the library union yesterday and had an agreement which would go before the Board of Selectmen on October 8th. He added that he would continue to meet with the other unions. He reported that the next mediation session with the sergeant's union was next Tuesday which would be followed by a meeting with the

fire union. He added that he was also seeking to meet with the dispatchers and had reached out to the highway union. He added that he did not want any of the unions to wait until right before Town Meeting. He stated that he wanted all meetings to be completed before the October 7th Board of Selectmen's meeting. A. Langford asked which unions were outstanding. P. Cohen replied that five were left including the police sergeants, fire, dispatchers, clerical and highway. He said that he was optimistic for there to be agreements.

8. Amend Fiscal Year 2020 Operating Budget:

P. Cohen reported that there were no amendments to the operating budget. He said that he had left the article in "just in case", but there would probably be no action requested.

9. Sewer Construction Stabilization Fund:

J. Sousa reported that Article 9 would transfer \$384,996 from free cash to the Sewer Construction Stabilization Fund. He explained that this was the amount of interest earnings from the Sewer Capital Improvement and Betterment accounts for FY2019. He explained that interest had to flow into the general fund to free cash and then Town Meeting had to transfer the funds to the Sewer Construction Stabilization Fund. He said that if this action was not taken the interest would stay in the general fund and the sewer plan would end up being short.

10. South Row Elementary School Roof Repair:

P. Cohen reported that the \$400,000 request in Article 10 was for a partial roof replacement at South Row School. He said that the MSBA had voted on an Accelerated Repair Program for partial roof replacement which Chelmsford was accepted to participate in. He said that the estimated state reimbursement would be 50%. G. Persichetti added that the MSBA submits for the project manager and designer. He said that the South Row roof had been installed in 2000 and they have done significant work to areas to keep it going, but now it was at the end of its life. He said that this would cover two sections of the roof. He noted that they had done a similar project at Byam School about four years ago. A. Tanini asked why they wouldn't replace the entire roof. G. Persichetti replied that the costs would be astronomical as they would have to remove, repair and replace solar panels. P. Cohen stated that they planned to approve the funding at the end of October and then go out to bid during the winter with the intent on doing the project next summer. He noted that the \$200,000 reimbursement wouldn't be received until the following year. P. Cohen added that the next project for schools would probably be boiler replacement next year. He explained that the MSBA was currently reimbursing for boilers and roof replacement.

11. Fire Department Replacement of Breathing Air Compressor Unit:

P. Cohen reported that Article 11 would request \$95,000 in funding for a breathing air compressor unit for the Fire Department. G. Ryan stated that now that Massachusetts was an OSHA state they needed to have certain equipment inspected. He explained that their current unit which was manufactured in 1998 was not in compliance with OSHA. He explained that the unit was not in compliance because it did not have a carbon dioxide automatic shutdown alarm and it does not log and record cylinder and fill action. G. Ryan explained that newer machines sense impurities and shut down automatically. He added that the log would allow them to know when the unit was filled and who filled it. He explained that this would allow them to guarantee that the air introduced is pure. A. Tanini asked if there would just be one unit or if a unit was needed at each station. G. Ryan replied that it would just be the one unit. He added that the useful life of such a unit was 15 year and they have had their unit for 21 years. E. Chambers asked if they would be able to sell the unit. G. Ryan replied that they could see what they could get but reiterated that it was not compliant. He added that it would cost about \$49,000 to recondition the unit and then it would only have a 5-year life expectancy. J. Clancy asked what the expected life would be for the new unit. G. Ryan replied that it would be 20 years.

12. Rectangular Rapid Flashing Beacons:

P. Cohen reported that Article 12 would address a safety issue. He explained that they have found that flashing lights significantly increase driver yielding. He said that this article would request \$80,000 for rectangular flashing beacons at specified crosswalks and intersections. S. Jahnle reported that they had recently installed two flashing lights which had sensors rather than a button to push. He explained that people did not know to press the button. J. Clancy asked if the projected \$80,000 was an estimate. S. Jahnle replied that this amount was based on actual pricing as they had just installed two flashing beacons two weeks ago. He said that the button beacons were \$14,200 each while the beacons with sensors were \$18,400 each. J. Clancy asked if they envisioned any maintenance requirements. S. Jahnle replied that they required no maintenance. He added that the solar battery was the only thing that could go and said that this would be easy to replace.

13. DPW Alpha Road Facility Bituminous Concrete Top Coat:

P. Cohen reported that the DPW has been at Alpha Road for six years now. He stated that this Article would request \$250,000 for the installation of the binder top coat at the facility. S. Jahnle stated that they have done the calculations and it was a good time to finish this project. He added that they just needed to finish the small section of the lot in the front. P. Cohen commented that the price of petroleum was good right now, so they would like to complete this project.

14. Chelmsford High School Parking Lot Resurfacing and Granite Curbing:

P. Cohen stated that now that the back lot had been done they wanted to complete the front parking lot of the high school. He stated that the cost for this would be \$550,242.

A. Tanini asked if anything had been done in the front lot since the high school had been built. S. Jahnle replied that only side walk patches and repairs had been done. P. Cohen added that what they would like to do next is the basketball courts. He explained that they had almost not held the summer program at the school.

15. Transfer Free Cash to Reduce the FY20 Property Tax Levy:

P. Cohen stated that he would not request action on Article 15.

16. Transfer Free Cash to the General Stabilization Fund:

P. Cohen stated that he did not plan to request action on Article 16. He noted that the stabilization fund was at a solid spot at 8.1% of the town budget.

17. Community Preservation Fund - Roberts Field Ballfields:

P. Cohen reported that the Roberts Field renovations have been tremendously successful, and the field gets a lot of usage. He stated that Article 17 would request \$214,200 from the Community Preservation Fund General Reserve for the reconstruction of the ballfields. S. Jahnle explained that the playground took away the better of the fields which they knew ahead of time. He explained that they wanted to flip the fields and push baseball to the back and move soccer to the front field. He explained that \$50,000 in funding was available from the state for new fitness equipment and a walking/running circuit. He said that they needed to build the fitness section in FY2020 and it made sense to do the work on the ballfields at the same time. He explained that he did not want to put in the walking trail only to dig it up a year from now. He stated that if approved they would be ready to roll next summer.

18. Community Preservation Fund – Planning and Design of Pedestrian Bridge:

P. Cohen reported that Article 18 would seek \$60,000 in CPC funding for a pedestrian bridge across Beaver Brook. He added that a sub-committee would be formed for this project. A. Langford asked for clarification that this would be a new second trail and would not close the first trail. P. Cohen replied that this was correct.

19. Community Preservation Fund – Building Façade Program in Town Center/Vinal Square:

P. Cohen reported that Article 19 would appropriate \$100,000 in CPC funding for the creation of a façade improvement program in Vinal Square. He explained that the intent was to improve the appearance in the area. He said that the program would invite private interest and there would be a 30% match. He gave an example of a business owner putting up an awning in front of their business. He noted that changes would need to be

approved by the appropriate parties. J. Clancy said that it offered an incentive for business owners to improve the area.

20. Sewer Capital Projects:

P. Cohen reported that the Sewer Enterprise Fund free cash balance was \$1,935,605. He said that sections of the sewer project were no longer new with some having been put in in 1993. S. Jahnle stated that the current setup of the older pump stations was to have controls down in wet wells with portions exposed to the elements. He stated that the newer stations had a shed which would house all components out of the elements and above ground. He added that many of the older contracts had used different equipment and now they had a standard control panel and standard equipment. A. Langford asked if this change to having the equipment in sheds would extend the life of the equipment. S. Jahnle replied that it would. A. Langford asked if he could estimate how much it would extend the equipment life by. S. Jahnle replied that he would guess that it would add 10 to 15 years to the equipment.

21. Home Rule Petition – Change the Name of the Board of Selectmen to Select Board:

P. Cohen stated that Article 21 would be a home rule petition to change the name of the Board of Selectmen to Select Board which was gender-neutral. He noted that once the change was made the Town Charter would need to be gone through to change all references to Board of Selectmen. He said that this would have to go to the legislature and then come back at which point the bylaws would need to be adjusted. J. Clancy commented that there would be a period where the Town Charter and Town By-laws did not match. P. Cohen agreed, but added that it needed to be done in this order. He explained that the By-law changes needed to be approved within 90 days.

22. Zoning Bylaw Amendment – Route 40/Groton Road:

P. Cohen stated that he would not go through the zoning articles of 22 through 27 since the Planning Board who were the experts on the subject would be in.

23. Zoning Bylaw Amendment – Continuing Care Community Overlay District.

24. Zoning Bylaw Amendment – Amend Commercial Enhancement and Investment Overlay District to Allow Multi-Family in Industrial Areas.

25. Zoning Bylaw Amendment – Preexisting, Nonconforming Single & Two Family Residential Lots.

26. Zoning Bylaw Amendment – Minor Updates to Cluster Open Space Zoning Bylaw.

27. Zoning Bylaw Amendment – Historical Preservation and Reuse.

28. Zoning Bylaw Amendment – Eliminate Sign Advisory Committee.

P. Cohen reported that Article 28 would remove the Sign Advisory Committee from the Zoning Bylaw. He stated that this committee was something that you do not find in other communities and Chelmsford is not using the committee. He added that there was already a Planning Board and Board of Appeals to handle signage. He added that the Zoning Board was supportive of this article.

29. Zoning Bylaw Amendment – Rear Lots:

P. Cohen reported that no action would be requested on Article 29 as it had been pulled.

30. Real Estate Tax Exemption for Parents and Guardians of Deceased Active Service Members:

R. Jackson stated that Article 30 would adopt clause 22H of section 5 of Massachusetts General Laws Chapter 59. She said that currently this would be applicable to two families for a total tax exemption of less than \$20,000. A. Langford asked if the deceased service member had to be single for this exemption. R. Jackson replied that they did not have to be. She explained that the spouse was already fully reimbursed under section 22D. She said that section 22H applied to parents and the spouse and parent could both receive the benefit. She said that Article 30 would provide a tax exemption for parents or guardians of deceased active service members. She said that it would only apply to tax years starting with 1/1/2019 and the property must be occupied by the surviving parent and they must have resided in Massachusetts for the five consecutive years prior to filing for the exemption or the veteran must have resided in Massachusetts for 6 months or more prior to service. She said that this is the first fiscal year which this exemption has been available. She added that 16 other communities in the state are currently going through Town Meeting to adopt this exemption.

31. Waive Dog License Fee for A Dog Owned by a Person Aged 70 or Older:

P. Cohen reported that Article 31 would waive the dog license fees for residents aged 70 or older. He added that of the 4,700 licensed dogs in town 371 were owned by residents aged 70 or older. He said that the estimated reduction in license fees would be \$6,000.

32. General Bylaw Amendment – Retail Use of Single-Use Plastic Checkout Bags:

J. Clancy asked if there were any changes to Article 32 from the article presented last year. P. Cohen replied that there were no changes to the article. He said that they had decided to re-submit it because it was a year later, and several other communities had banned single-use plastic bags. He reiterated that the language of the article remained exactly the same as the prior article.

J. Sousa commented that even though D. Lussier had provided an optimistic report regarding the close of FY2019 he wanted to share that he was still being cautious. He said that even a small ¼

point decrease in the interest rates could make a big difference. He explained that similar had happened between 2017 and 2018 when the Fed tried to normalize rates after the recession. He explained that during that period the rates had been adjusted seven times. He added that there was also a lot going on globally which can impact the U.S. economy. He said that the interest rates needed to be monitored going into FY2020 as it was possible that the Feds might decrease the rates several more times during this period.

Finance Committee Warrant Book – Timeline and Future Meetings:

J. Clancy suggested having meetings on September 19th and September 26th with the intention of voting on the 26th.

J. Clancy reported that Chelmsford Public Schools and Nashoba would be coming in next week to give reports on the close of their fiscal year and updates regarding the future. He noted that things looked good with the fiscal year's closings in both cases. He stated that he would reach out to the Planning Board to see if they could come in next week. He asked if the Finance Committee members would like to get the Recycling Committee back in to discuss the plastic bags recycling article. E. Chambers replied that he did not want to have the same lengthy discussion again. A. Langford noted that last year the Finance Committee had made some suggestions which they did not seem to be open to. J. Clancy agreed, noting that the article had not changed at all. A. Tanini said that she thought that the committee should invite them in again. J. Clancy said that he would reach out to them. A. Langford agreed that they should have an invitation as a courtesy, but she added that they should not be allowed to go on for too long.

A. Langford commented that it looked like there would need to be a Finance Committee Meeting the night of Town Meeting. J. Clancy agreed that it sounded like that was the case. He noted that it would be a short meeting and would be recorded for audio.

A. Tanini made a motion to adjourn. A. Langford seconded the motion. All voted in favor.

The meeting adjourned at 9:10 PM.

Respectfully submitted,

Pamela A. Morrison