

**West Newbury Finance Committee
Minutes of the Meeting
Monday, March 28, 2016**

Chairman Codair called the Finance Committee to order at 5:07 p.m. in the second floor hearing room of the 1910 Building with Mr. DeLena, Ms. Grammer, Mr. McGrath, Mr. Phillips, and Mr. Winch present. Mr. Bertino was also present.

There being no public comment, the Committee considered its agenda.

Articles Review

Chairman Codair stated she had been hopeful the committee would have the new budget in hand.

Annual Town Meeting

Article 5 — To see if the town will vote to appropriate, in anticipation of Water Department revenue, the sum of \$684,379.00 of which \$181,601.00 for Salaries and Wages which include \$1,700.00 for Water Commissioners stipends, \$33,514.00 for Insurances, \$30,772.00 for Debt Service, \$12,00.00 for Extraordinary and Unforeseen, and \$48,096.00 for Indirect Cost. By request of the Board of Water Commissioners.

Mr. Bertino noted the Water Department operating budget is supported by user fees. He explained the budget increase of 3%. A majority of the increase (2.5%) is due to COLA and the remaining 0.5% is due to a seasonal fluctuation. Mr. Bertino stated, technically, this should be a line item not an Article. *He will make a note to present it as a line item next year.*

FinCom voted to approve the Water Department budget, 6-0-0.

Article 6 — To see if the town will vote to transfer the sum of \$7,300.00 from the Water Enterprise Fund Stabilization Account for the purchase of a Hydraulic Power Unit. By request of the Board of Water Commissioners.

FinCom voted to approve the expenditure, 6-0-0.

Article 7 — To see if the town will vote to transfer the sum of \$50,000.00 from the Water Enterprise Fund Stabilization Account for the purchase of a $\frac{3}{4}$ ton, 4-wheel drive utility pickup truck with plow. By request of the Board of Water Commissioners.

FinCom voted to approve the expenditure, 6-0-0.

Article 8 — \$26,000.00 To see if the town will transfer from the Water Enterprise Fund Free Cash Stabilization Account to the Water Enterprise Stabilization Fund. By Request of the Board of Water Commissioners. By request of the Board of Water Commissioners.

FinCom voted to approve the expenditure, 6-0-0.

Mr. Winch agreed to author rationales for the Water Department Articles.

Article 9 — To see if the town will vote to accept the provisions of Massachusetts General Laws, Chapter 40 Section 5B to create a special purpose Stabilization Fund to be known as Pension Liability Stabilization Fund in order to fund future pension liabilities; from available funds the sum of \$_____ for such stabilization fund, or take other action related thereto. By request of the Board of Selectmen.

Mr. Bertino explained West Newbury is one of forty-five communities belonging to the Essex Regional Retirement System. The town will owe a sum of \$6.4 million. Currently, the system does not have a vehicle in place for prepayment. The establishment of the fund would allow the town to earn interest while anticipating the future debt. Mr. McGrath suggested the amount will increase over the years in order to cover the retirees. It is ongoing. He proposed removal of the Article. Ms. Grammer expressed she would like to see money placed into the Stabilization Fund for capital improvements. The text of the Article indicated the amount of funds to be deposited \$50,000.00.

Because of insufficient information, FinCom voted to postpone, 5-1-0.

Article 10 — To see if the town will transfer the sum of \$9,244.00 from the Septic Loan Revolving Account for the repayment of debt service. By Request of the Board of Health. FinCom voted in favor of the transfer, 6-0-0.

Article 11 — To see if the town will transfer from available funds the sum of \$107,400.00 to pay the debt service with the Dunn Property Acquisition. By request of the Board of Selectmen.

Ms. Grammer questioned if the funds will be appropriated from Free Cash. Mr. Bertino replied the funds would come from reserve money received from grants.

FinCom voted in favor of the transfer, 6-0-0.

Mr. DeLena agreed to author the rationale for Articles 10 and 11.

Article 12 — To see if the town will vote to raise and appropriate the sum of \$107,216.00 to be placed in the special purpose municipal stabilization fund established pursuant to Massachusetts General Laws c. 40 §5B in order to fund future capital expenditures for school related building projects, or take any other action related thereto. By request of the Board of Selectmen.

FinCom voted in favor of the appropriation, 6-0-0.

Ms. Grammer agreed to author the rationale for Article 12.

Article 13— To see if the town will vote to raise and appropriate and/or transfer from available funds the sum of \$5,000.00 to add to the special fund established in accordance with the provisions of MGL, Chapter 44, Section 53I for the celebration of West Newbury's Bicentennial in 2019. By request of the Board of Selectmen.

Mr. DeLena inquired if a committee had been formed. Mr. McGrath replied one had not been established.

FinCom voted in favor of the expenditure, 6-0-0.

Chairman Codair agreed to author the rationale for Article 13.

Article 14 — To see if the town will vote to raise and appropriate and/or transfer from available funds, the sum of \$30,401.00 to remodel the G.A.R. Library's Children's Room into a dynamic early learning space. By request of the Library Director.

Ms. Grammer remarked the remodel would be funded with Free Cash. She also noted the new furniture offers greater flexibility. Chairman Codair stated there is no pressing need but it would be nice to have. Mr. Phillips asked for the reason behind the purchase. Mr. DeLena replied in order to support programs for the children and teens. There is also a need for space to accommodate the "tween" population.

FinCom voted in favor of the expenditure, 6-0-0.

Mr. McGrath agreed to author the rationale for Article 14.

Article 15 — To see if the town will vote to raise and appropriate and/or transfer the sum of \$41,023.00 to purchase a new Police vehicle and to authorize the Board of Selectmen to dispose of the old vehicle in the best interest of the town. By request of the Chief of Police.

Chairman Codair began the discussion by stating there is some reluctance to decrease the current police vehicle fleet. Ms. Grammer recapped Chief Reed's thoughts regarding the replacement of the vehicle. Chief Reed commented, owning four marked vehicles, allows the Police Department to maintain the vehicle pool. Currently, in addition to the Chief's car, there are four cruisers-two sedans and two SUVs.

Mr. McGrath provided some history. There are now four cruisers. However, prior to 2007, the count was three marked cars. The fourth vehicle was added in 2007. Chairman Codair asked if the purchase presented to the townspeople who approved the purchase. Mr. McGrath replied the Town did not approve the vehicle. The former Chief leased the vehicle and thereby the acquisition was not put up for approval. The Selectmen agreed to the lease of the car. Mr. McGrath continued by stating the size of the Police Department has not increased during this time period. Each shift is covered by one and sometimes two officers. Now there are four marked cars in addition to the vehicle used by the Chief. Both Ms. Grammer and Mr. DeLena stated the obvious scenario would be to replace the older 2008 vehicle. Mr. DeLena proposed retiring the older car and not replacing it. Mr. McGrath suggested FinCom explain to the Town the fifth vehicle was a relatively new addition to the fleet. Mr. Bertino stated if a replacement was not approved, the Department most likely would continue to run the fifth car.

Ms. Grammer commented at any given time, only two of the four marked cars are out. However, in the long run, is it more cost effective to purchase a new vehicle for insurance and maintenance purposes? Ms. Grammer also noted that Chief Reed indicated that if a School Resource Officer were hired, that would not necessarily require another Police car. Mr. Bertino followed up with Ms. Grammer regarding maintenance. He stated the garage in town maintains vehicles at a minimum cost.

Mr. McGrath remarked the old vehicle should be retired. He used the example of patrolling on Route 95. Mr. McGrath stressed the importance of police cars being provided with high quality, new equipment. Chairman Codair inquired if the older vehicle was often out of commission. Mr. Bertino stated he did not believe so. Mr. Winch asked if the car would be replaced by another Crown Victoria or is the choice now a small SUV. Mr. McGrath stated the Crown Victoria cars are no longer manufactured. He also mentioned the Police Ford Explorer had been purchased to

replace a pickup truck. Ms. Grammer reaffirmed Chief Reed's desire to keep the current status quo. Mr. Phillips inquired if it were a capital expense. Ms. Grammer replied it was not viewed as capital. Mr. Phillips followed up by asking if there should be a policy to replace a vehicle every year. Mr. McGrath stated it would be good management to discard all older vehicles and if they are to be replaced, an SUV is the recommended vehicle.

Mr. Winch questioned why the car was listed as a line item and now considered an Article. Mr. Bertino stated the vehicle was at first a line item, removed, and then presented as an Article. *FinCom voted to disapprove the expenditure 1-5-0, Winch approving.* Mr. McGrath agreed to author the rationale.

Chairman Codair suggested the Police Department runs four vehicles. If one car is out of commission, they would be able to function with three. She continued by stating the Police could request a new vehicle during the next budget round in the fall. Ms. Grammer suggested Mr. McGrath add in the rationale three vehicles would be sufficient.

Article 16 — To see if the town will vote to re-authorize the Summer Recreation Revolving Fund for the Park and Recreation Commission as described in Chapter 44, Section 53E½ of the Massachusetts General Laws, for FY17. This revolving fund would be to accept receipts from fees charged to participants of the Summer Recreation Program. The receipts would be expended, not to exceed \$42,000.00 in FY17 by the Park and Recreation Commission for the payment of program-related wages, expenses and filed trips of the 2017 Summer Recreation Program or to take any other action relative thereto. By request of the Park and Recreation Commissioners.

Ms. Grammer stated the amount had increased. Mr. Bertino remarked the amount taken in every years needs to be spent. Mr. Winch inquired if the Program was self-funding. Mr. Bertino replied in the affirmative. If they take in more, they will spend more. *FinCom voted in favor of the re-authorization, 6-0-0.*

Article 17 — To see if the town will vote for the re-authorize a Revolving Fund for FY2017 for the Cable Advisory Committee as described in Chapter 44, Sections 53½ and 53¾ of the Massachusetts General Laws. This revolving fund would be to accept funds received in connection with a franchise agreement between a cable operator and a municipality commonly referred to as PEG (Public Education and Government). The receipts would be expended, not to exceed \$56,000.00 in FY2017 by the Cable Advisory Committee for the payment of program-related wages, expenses, and equipment or such other purposes as permitted by the statute, or to take any other action relative thereto. By request of the Cable Advisory Committee.

Mr. Bertino stated it is necessary to re-authorize revolving funds annually. Mr. Kemper is on the Committee. *FinCom voted in favor of the re-authorization, 6-0-0.* Mr. Phillips agreed to author the rationale for Articles 16 and 17.

Article 18 — To see if the town will vote to transfer from available funds the sum of \$7,500.00 to procure services pertaining to aerial photography of the Town for the purpose of providing information to the Assessors' Office, the Building Inspector, Planning, Conservation and others. By request of the Finance Director.

Mr. Winch asked the frequency of the fly overs suggesting every two to three years. Mr. Bertino answered in the affirmative. Mr. DeLena added the flyovers offer more detail than satellite photographs. *FinCom voted in favor, 6-0-0.*

Mr. McGrath agreed to author the rationale.

Chairman Codair remarked Articles 19 and 20 appear to go together.

Article 19 — To see if the town will vote to accept the provisions of Massachusetts General Laws, Chapter 40, Section 13 to permit the Town to establish a Municipal Buildings' Insurance Fund. By request of the Finance Director.

Mr. Bertino reported the town had saved \$13,000.00 in premium costs. If there were to be losses, the savings would help to offset the deductible. Mr. McGrath questioned whether there are deductibles in varying amounts. Mr. Bertino replied there are varying amounts. He added as insured item age, the deductible will be re-evaluated.

FinCom voted in favor, 6-0-0.

Article 20 — To see if the town will vote to transfer from available funds the sum of \$25,000.00 to be deposited into a Municipal Buildings' Insurance Fund. By request of the Finance Director.

Mr. McGrath inquired as to how the amount of \$25,000.00 was agreed upon. Mr. Bertino reported the amount is based on the possibility of the possibility of five occurrences of paying a \$5,000.00 deductible. He believes the amount to be a comfortable level.

Mr. Winch asked if there were no claims are more funds added. Mr. Bertino replied in the negative. Chairman Codair inquired if the funds are dedicated to claims. Mr. Bertino answered yes-to claims and claim-related items. Chairman Codair asked if there have been many claims. Mr. Bertino reported he was only aware of two during his two year tenure.

FinCom voted in favor, 6-0-0.

Chairman Codair agreed to author the rationale for Articles 19 and 20.

Article 21 — To see if the town will vote to allocate and/or reserve from the Community Housing Reserve funds the sum of \$90,000.00 and to transfer the sum of \$30,000.00 from Free Cash for a total of \$120,000.000 to purchase an Emergency Generator to provide electric power during outages for the 1910 Building, the 14 elderly housing units of the Housing Authority, and the Town Annex. By request of the Housing Authority and the Board of Selectmen.

Ms. Grammer asked Mr. DeLena about the Capital Improvement Committee's (CIC) thoughts on the Housing Authority generator. Mr. DeLena replied reported there have been no recent meetings. Mr. McGrath remarked it is important to have an Emergency Management Plan in place. Ms. Grammer added the town should compile a list of people who are able to take in others in the event of an emergency.

FinCom voted unanimously to disprove, 0-6-0.

Mr. DeLena agreed to author the rationale.

Article 22 — To see if the town will vote to allocate and/or reserve from the Community Preservation Fund annual revenues, the amounts recommended by the Community Preservation Committee for Community Preservation Projects, Committee Administrative Expenses, and other expenses in Fiscal Year 2017, with each item to be considered a separate appropriation:

<i>From FY 2017 estimated revenues for Community Housing Reserve:</i>	<i>\$36,722.00</i>
<i>From FY 2017 estimated revenues for Historic Resources Reserve:</i>	<i>\$36,722.00</i>
<i>From FY 2017 estimated revenues for Open Space & Recreation Reserve:</i>	<i>\$36,722.00</i>
<i>From FY 2017 estimated revenues for Committee Administrative Expenses:</i>	<i>\$18,361.00</i>
<i>From FY 2017 estimated revenues for Budgeted Reserve:</i>	<i>\$238,692.00</i>

FinCom voted in favor, 6-0-0.

Ms. Grammer agreed to author the rationale.

Article 23 — To see if the town will vote to transfer from available funds the sum of \$10,000.00 for administrative costs for the Community Center Committee. By request of the Community Center Committee and the Board of Selectman.

Chairman Codair stated FinCom has received no information regarding the Intergenerational Community Center. Mr. Bertino reported information he was aware of. The establishment of the Community Center is a means to bring citizens together from teenagers to older adults. He stated there may be some information at the Selectmen's meeting this evening. Ms. Grammer inquired if they were investigating to build a new facility. Mr. Bertino responded he was unaware of the reason for the monetary request. He suggested the funds may be slated for studies. Chairman Codair stated FinCom needs more information.

FinCom voted in favor of no action.

Article 24 — To see if the town will vote to accept the Provisions of Massachusetts General Laws, Chapter 59, Section 5, Clause 22, which section authorizes the town, to grant the exemptions for real estate taxes available pursuant to MGL c. 59 Section 5 Clause 22 A-F to otherwise eligible persons who have resided in the Commonwealth for one year prior to the date of filing for exemptions granted for any fiscal year beginning on or after July 1, 2016, This acceptance will reduce the residency requirement for veterans who were not domiciled in Massachusetts six months before entering the service from five years to one year before application. By request of the Board of Assessors.

Mr. Bertino stated the Article decreases the waiting time for eligibility of veterans to receive benefits.

FinCom voted to approve, 6-0-0.

Mr. Winch agreed to author the rationale.

Article 25 — To see if the town will vote to accept the provisions of Massachusetts General Laws, Chapter 59, Section 5, Clause 37A, which section authorizes the town to grant exemption for real estate taxes in the amount of five hundred dollars to a blind person who is a legal resident, to be effective for exemptions granted for any fiscal year beginning July 1, 2017. This will replace the exemption granted in MGL c. 59, Sec. 5 Clause 37. By request of the Board of Assessors.

Mr. DeLena asked Mr. Bertino if this was optional for the town. Mr. Bertino replied in the affirmative. Mr. McGrath questioned if there has been a change in the amount. Mr. Bertino stated the abatement on property taxes was increased to \$500.00.

Mr. Phillips agreed to author the rationale for Article 25.

Article 26 — To see if the town will vote to amend the Town of West Newbury Bylaws by adding Section XXXVIII — Demolition Delay Bylaw. The purpose of the proposed bylaw would be to provide a delay to the issuance of demolition permits for historically significant building over one hundred years old, or take any other action pursuant thereto. By request of the Historical Commission.

Chairman Codair stated she expressed mixed feelings with regards to the bylaw. Mr. Winch agreed but was more inclined to favor it. Chairman Codair added there is no harm in a best case scenario, but there may be instances in which it could be a burden to the homeowner. Ms. Grammer proposed there is a possibility for litigation. She questioned if the Commission has spoken with Mr. Clohecyc, the Building Inspector.

Mr. McGrath suggested the town could be proactive by designating more historic sub-districts. Mr. McGrath also questioned if homeowners would approach the CPC to complete repairs and if so would the CPC receive a return of their investment if a home was sold. Ms. Grammer expressed a desire to maintain the fabric of the town but has some concerns certain issues may escalate. She pointed to Newburyport for an example of some escalated situations. Ms. Grammer stated Mr. Clohecyc could quickly determine the age of the buildings to establish a base inventory. Mr. McGrath suggested there is no size limitation and thereby many structures could be involved, as the bylaw now stands.

Mr. DeLena followed up by suggesting they move forward to identify buildings but give residents a few years to ponder. Mr. McGrath stated the Planning Board has the authority to designate an area as historic. Mr. Phillips mentioned it is not always that straight forward. His own home was built in 1728. However, the surrounding homes were constructed in the last ten to twenty years.

FinCom voted 0-5-1, Grammer abstaining.

Chairman Codair agreed to author the rationale.

Article 27 — To determine whether the town of West Newbury will vote to approve the Whittier Regional Vocational Technical District Committee's vote on February 10, 2016 to General Laws, said Stabilization Fund to be invested and to retain its own interest earnings as provided by law and further set-up an operational line item to be created to transfer available monies into said Stabilization Fund or take any other action relative thereto. By request by the Whittier Regional Vocational Technical High School Committee and the West Newbury Board of Selectmen.

FinCom voted to approve, 6-0-0.

Ms. Grammer agreed to author the rationale. FinCom adjourned to the Selectmen Meeting at 7:00 p.m. Please refer to the Selectmen's Meeting Notes.

FinCom Meeting

FinCom reconvened in the second floor hearing room of the 1910 Building in order to review the Articles.

Article 9 — To see if the town will vote to accept the provisions of Massachusetts General Laws, Chapter 40 Section 5B to create a special purpose Stabilization Fund to be known as Pension Liability Stabilization Fund in order to fund future pension liabilities; from available funds the sum of \$_____ for such stabilization fund, or take other action related thereto. By request of the Board of Selectmen.

Chairman Codair reiterated the Article will be split into two separate Articles – the first to establish and the second to add an amount of \$50,000.00.

Vote to establish account

FinCom voted in favor, 5-1-0, McGrath dissenting.

Vote to add \$50,000.00 to the account.

FinCom voted in favor, 5-1-0, McGrath dissenting.

Article 23 — To see if the town will vote to transfer from available funds the sum of \$10,000.00 for administrative costs for the Community Center Committee. By request of the Community Center Committee and the Board of Selectman.

Mr. McGrath commented the CCC requests funds but did not articulate any plans for concrete social events. Residents can visit the new facility in Newburyport. They would also be welcome in Merrimac. Mr. Winch stated a questionnaire had been distributed four to five years ago. Some interest was generated. Mr. DeLena suggested the possibility of using the Car Post. When complete, it will be a perfectly preserved empty building. Ms. Grammer agreed stating it will be ADA approved and have both kitchen and rest room facilities. As it now stands, there is no real outline and is very vague.

FinCom voted, 0-6-0.

Ms. Grammer agreed to author the rationale.

Special Town Meeting Articles

Article 2 — Vote to transfer the sum of \$5,267.07 from Free Cash to pay the following outstanding bills from prior Fiscal Years:

To reimburse the Housing Authority, for the Town's portion to heat the Annex \$5,113.07

To reimburse the Housing Authority, for the Town's portion to pump the septic \$154.00

By request of the Board of Selectmen.

Mr. Bertino stated the town is responsible for 10% of the expenses for the building, oil, and septic repairs. Ms. Grammer commented there appeared to be a random seven cents. *Mr. Bertino he will recheck the numbers. FinCom voted in favor with minor changes to the total, 6-0-0.*

Chairman Codair agreed to author the rationale.

Article 3 — Vote to transfer the sum of \$30,000.00 from the Water Enterprise Fund Free Cash Account to purchase and/or repair valves, hydrants, water main, meter pits, or any other devices that are associated with the water distribution system. By request of the Water Commissioners.

FinCom voted to approve, 6-0-0.

Mr. Winch agreed to author the rationale.

Article 4 — Vote to transfer the sum of \$42,000.00 from the Water Enterprise Fund Stabilization Account to remove trees and stumps on the access road from Hilltop Circle to the Brake Hill Standpipe. By request of the Board of Water Commissioners.

FinCom voted to approve, 6-0-0.

Mr. Winch agreed to author the rationale.

Article 5 — Vote to transfer the sum of \$40,000.00 from the Water Enterprise Fund free Cash Account to purchase water from the city of Newburyport. Any remaining funds in this account at the end of the Fiscal Year 2016 will close-out to the Water Enterprise Fund Free Cash Account. By request of the Board of Water Commissioners.

FinCom voted to approve, 6-0-0.

Mr. Winch agreed to author the rationale.

Article 6 — Vote to transfer from available funds the sum of \$173,365.98 to pay outstanding remaining balance on the lease of the Fire Department's Tower Fire Truck. After such payment the town will owe the Tower Fire Truck outright. By request of the Finance Director and the Board of Selectmen.

FinCom voted to approve, 6-0-0.

Mr. McGrath agreed to author the rationale.

Article 7 — Vote to transfer from available funds from the sum of \$39,950.00 to purchase a 4-Wheel Drive, F-250 Pickup Truck with Plow or comparable vehicle for the Department of Public Works, and to authorize the Board of Selectmen to dispose of the old vehicle in the best interest of the Town. By request of the DPW Director.

FinCom voted to approve, 6-0-0.

Mr. DeLena agreed to author the rationale.

Article 8 — Vote to transfer from available funds the sum of \$56,307.00 to purchase a 4-Wheel Drive, F350 Dump Truck with Plow or comparable vehicle for the Department of Public Works, and to authorize the Board of Selectmen to dispose of the old vehicle in the best interest of the Town.

FinCom voted to approve, 6-0-0.

Mr. DeLena agreed to author the rationale.

Article 9 — Vote to transfer from available funds the sum of \$30,000.00 for repairs to the G.A.R. Memorial Library Exterior Trim. By request of the DPW Director.

FinCom was in favor with a minor change in wording from "for repairs" to "to repairs".

FinCom voted to approve, 6-0-0.

Mr. Phillips agreed to author the rationale.

Article 10 — Vote to transfer from available funds the sum of \$100,000.00 for repairs, renovation, and maintenance of the Page School, the Children's Castle and other Town Buildings. By request of the DPW Director.

FinCom voted to approve, 6-0-0.

Ms. Grammer agreed to author the rationale.

Article 11 — Vote to transfer from available funds the sum of \$150,000.00 for the repair, improvement, and maintenance of Town Roads. By request of the DPW Director.

Mr. McGrath preferred FinCom control the wording. He suggested adding "for the repair, improvement, safety, and maintenance." Chairman Codair stated it could be incorporated into the rationale. *FinCom voted to approve, 6-0-0.*

Mr. McGrath agreed to author the rationale.

Article 12 — Vote to transfer from Community Preservation Act Funds the sum of \$11,000.00 for digital imaging of historical reports and records, said sum to be taken from the CPA Unrestricted Fund Balance Reserve, or take any other action relative thereto. By request of the Town Clerk.

FinCom voted to approve, 6-0-0.

Mr. Phillips agreed to author the rationale.

Article 13 — Vote to transfer from Community Preservation Act funds, the sum of \$15,000.00 for Walkway Renovation, Site Restoration, and improvements to enhance ADA access to the G.A.R. Memorial Library; said sum to be taken from the CPA Unrestricted Fund Balance, or take any other action relative thereto. By request of the G.A.R. Library Trustees.

FinCom voted to approve, 6-0-0.

Mr. McGrath agreed to author the rationale.

Article 14 — Vote to transfer from Community Preservation Act funds the sum of \$25,000.00 for preservation and rehabilitation of the Action Cove Playground Facility, said sum to be taken from the CPA Open Space and Recreation Reserve, or take any other action relative thereto. By request of the Park and Recreation Commission.

Mr. Bertino expressed some concern regarding insurance. *He will look into insurance risk management.* Ms. Grammer followed up by stating a smaller but compliant structure could be installed. Chairman replied it was possible but the park would need to be shut down. Mr. McGrath stated the first step is to assess repairs that need to be completed. Ms. Grammer suggested the possibility of removing individual structures. Mr. McGrath stated it is important to complete an assessment. He provided some background information. The structure was first developed in 1993 by a couple in town and thereby has some sentimental attachment. It was maintained by volunteers and then turned over to the Parks and Recreation. Mr. McGrath moved to approve. Mr. Winch asked about liability Mr. McGrath replied by approving, he was not endorsing the condition. He recommended the rationale would include inspection and preservation, as well as insuring safety. Mr. McGrath and Mr. Winch will conduct their own inspection.

FinCom voted to approve, 6-0-0.

Ms. Grammer agreed to author the rationale.

Article 15 — Vote to transfer from available funds of \$ _____ to fund the Snow and Ice deficit. By request of the DPW Director.

Chairman Codair stated FinCom has not received a dollar amount.

FinCom Discussion

A discussion of Stabilization vs Free Cash ensued. Mr. Bertino stated 5% of the funds are in the form of Free Cash. Generally Free Cash is used on items purchased every five years or less. Whereas special purchases or Capital Improvements are from Stabilization.

Chairman Codair stated the fire truck was paid off with Free Cash. Mr. McGrath commented the ladder truck was a capital improvement funded through stabilization for twenty-five years.

Mr. Bertino explained Free Cash is unique to Massachusetts. In most other places it is referred to as equity. Chairman Codair questioned if Free Cash were used in order to avoid the $\frac{2}{3}$ vote. Mr. Bertino stated each Article stating the words “available funds” should say Free Cash. He also remarked money placed in the Market should remain there for four to five years. Ms. Grammer suggested someone should be delegated to review the funds on an annual basis. FinCom should then plan the rationale accordingly. Mr. Bertino remarked the Capital Improvement Committee should meet on a regular basis. He added the town’s net assets should include items such as roads and pipes. Mr. McGrath stated if Free Cash varies too much, expenses have been over or underestimated. In order to reduce interest rates, Mr. Bertino is planning another buy down. He will have to reevaluate finances at the end of the year.

Mr. Bertino explained the BOS prefer a slow, steady tax rate increase below 2.5%. He noted individual tax bills will depend on the assessed property value. Ms. Grammer suggested the CIC should be encouraged to collaborate with the investment people and perhaps invest in some short term accounts. Mr. DeLena reported they are still working on the number and data updates, Mr. McGrath suggested polling Department Heads for their long term needs. Mr. Bertino offered the scenario if two town buildings will require a roof a few years apart, the town could bid out for both and receive a lower rate. Funds could be placed in the appropriate accounts. He also stated several vehicles of similar types could be purchased at the same time and thereby reducing the cost of the individual vehicles. It is important to examine synergies between buildings.

Members will write rationales for the FinCom Booklet. Ms. Grammer remarked the BOS needs to vote on the Whittier budget.

Upcoming Schedule

The next meeting of the Finance Committee is scheduled for Monday, April 4, 2016 at 7:00 p.m.

The Committee meeting adjourned at 10:20 p.m.

Respectfully submitted,

Elisa J. Grammer
Recording Secretary