

Date: December 18, 2017

Date Minutes Approved: January 22, 2018

TOWN CLERK

BOARD OF SELECTMEN

2018 JUN 12 PM 2:42

Present: Shawn Dahlen, Chair; David Madigan, Vice-Chair; and Theodore J. Flynn, Clerk

Absent: None

Staff: René J. Read, Town Manager; John Madden, Finance Director; Nancy O'Connor, Executive Assistant; and Joe Grady, Conservation Agent (Executive Session only)

CONVENED IN OPEN SESSION –

I. CALL TO ORDER - The meeting was called to order at approximately 6:30 p.m.

II. VOTE TO ENTER EXECUTIVE SESSION

Mr. Flynn moved that the Board of Selectmen vote to enter Executive Session for the purposes of discussing strategy with respect to pending litigation since an open meeting may have a detrimental effect on the litigating position of the Town, if the Chair so declares, in accordance with Mass. General Laws Chapter 30A, Section 21. This Executive Session will adjourn when completed and the Board will reconvene in Open Session on or about 7:00 PM.

- As Chair, Mr. Dahlen declared the necessity for Executive Session due to the confidential nature of discussions pertaining to litigation.

Mr. Madigan seconded the motion.

ROLL CALL VOTE: Mr. Dahlen – Aye; Mr. Madigan-Aye; and Mr. Flynn - Aye.

ADJOURNED EXECUTIVE SESSION & RE-CONVENED IN OPEN SESSION

At approximately 6:55 p.m., after completing the business of the Executive Session, Mr. Flynn moved that the Board adjourn the Executive Session and immediately re-convene in Open Session.

Mr. Madigan seconded the motion.

ROLL CALL VOTE: Mr. Dahlen-Aye; Mr. Madigan – Aye; Mr. Flynn – Aye.

III. OPEN FORUM Nothing presented

IV. NEW BUSINESS

7:01 p.m. Fee Hearing – Discussion and review of proposed fees: Fire Dept - Ambulance

Mr. Flynn moved that the Board of Selectmen open the advertised public hearing regarding the proposed fee changes for Ambulance Fees. Seconded by: Mr. Madigan Vote: 3:0:0

Fire Chief Kevin Nord was in attendance along with Kirsten Piper, the newly appointed EMS Manager. Chief Nord presented his ambulance fee increase request to the Selectmen along with his memo to the Treasurer, ambulance fee increase worksheet with analysis of other fees charged, current rates, suggested increases and costs to operate. Chief Nord further mentioned that there hasn't been a fee increase since 2014. He continued to say that due to call volume, they needed to increase

infrastructure (adding another ambulance to capture the call volume) and needed to capture additional revenue in order to sustain annually. Mr. Madigan asked how they set rates off Medicare.

Chief Nord responded that he figures out the costs of services annually and looks at the payer mix (MassHealth/ Medicaid/Medicare/Private) to find out what we can collect. Mr. Dahlen asked if they bill the customer or bill insurance company. Chief Nord answered that they collect from insurance company. He continued to say that he recognizes that this is a big jump, but there hasn't been an increase since 2014. Mr. Flynn noted that the new rates proposed put us in the middle range as compared to other communities. Mr. Dahlen stated that this is the single most important service that is provided to the residents of Duxbury. Chief Nord responded that the men and women are very talented and skilled, and we have had a lot of saves.

Mr. Flynn moved that the Board of Selectmen approve the Ambulance Fees as presented in Chief Kevin Nord's memo of November 22, 2017, with the new fees to be effective January 1, 2018.

Seconded by Mr. Madigan Vote: 3:0:0

Mr. Flynn moved that the Board of Selectmen close the advertised public hearing.

Seconded by Mr. Madigan Vote: 3:0:0

Discussion regarding amendments to the Rules and Regulations for the Licensing of Alcoholic Beverage Sales in the Town of Duxbury – presented by Scott Lambiase and Chief Clancy

Mr. Lambiase began by stating that the changes made are minor such as some of the requested information is already collected, change of neon signs to lighted, and change of notification from 14 days to 30 days by hand as 14 days was not practical. Mr. Lambiase further mentioned that they will make sure that all licensees receive this information.

Mr. Flynn moved that the Board of Selectmen, acting as the local liquor licensing authority, approve and adopt the amendments, as presented, to the Rules & Regulations for the Licensing of Alcoholic Beverage Sales in the Town of Duxbury, for any licensee serving or selling alcoholic beverages pursuant to Massachusetts General Laws Chapter 138 and Chapter 140, and such amendments will be in full force and effect immediately upon adoption. Seconded by Mr. Madigan Vote: 3:0:0

***Discussion pertaining to Lincoln Street Land Disposition
(Scott Lambiase spoke on behalf of Diane Bartlett, DAHT)***

Mr. Lambiase stated that this was put out to bid, and they received three favorable bids. After reviewing the bid packages, the Duxbury Affordable Housing Trust (DAHT) felt that it did not meet the needs of the Town. This original bid covered affordable and market housing. The DAHT is recommending to the Selectmen that they reject all bids and put back out to bid to reflect what they want to include moderate housing and to be more specific in their style of home.

Mr. Dahlen mentioned that this was no fault of the bidders – all good proposals. The market rates are between \$600,000 - \$700,000, and the DAHT felt this should be a lot less. There was an overall feeling that there is a potential opportunity to capture affordable and moderate rate units.

Mr. Madigan asked if it was multi-family housing? Mr. Lambiase replied that it was condo-style, single family units. Mr. Dahlen continued stating that it would be cleaner to cancel all proposals and reissue the RFP again. Mr. Madigan asked the difference between moderate and affordable housing and the restrictions. Mr. Lambiase responded that there would be a deed restriction, but there would be a different income/price threshold.

Mr. Flynn asked why wasn't this thought through beforehand. Mr. Lambiase responded that the DAHT worked with a consultant, but for some reason this didn't make it into the RFP.

Mr. Flynn moved that he Board of Selectmen reject all of the bids for the Lincoln Street Land Disposition and to direct the Director of Municipal Services and the Duxbury Affordable Housing Trust to rebid with the intent to have affordable housing, moderate housing, and full market value housing. Seconded by Mr. Madigan Vote: 3:0:0

Discussion pertaining to Chapter 61A Notice of Intent to Sell – 761 Temple Street

Mr. Flynn moved that the Board of Selectmen do not exercise their right of first refusal for a parcel known as Lot 4 located on Laurel Street and shown on a plan entitled "Plan of Land in Duxbury, MA at 761 Temple Street" dated October 23, 2017 by South Shore Survey Consultants, Inc. containing 63,172 square feet which is a portion of the Assessor's Parcel ID #037-022-000.

Seconded by Mr. Madigan Vote: 3:0:0

FY19 Budget Presentation by the Town Manager to the Board of Selectmen

Mr. Read presented the following:

Good evening. Tonight I present to you my balanced FY 2019 preliminary budget.

Every year developing, and more importantly balancing, the budget is no easy task as each year presents its own set of challenges. It does not get more difficult each year, just difficult. The budget guidelines expressed in the annual budget letter to all departments asked for departmental budgets with salary increases limited to contractual agreements and that expenses be held without any increases. We understand that level funding is not always possible in certain situations; however, it is important that the message be made clear with regard to initial expectations.

There are no new positions being recommended in this budget. Our department heads understood long ago that "more money, more people" is not an acceptable solution to solving problems. Our departments have become quite adept at developing alternative solutions in order to deliver quality service to the residents of Duxbury. We do recognize that there are times when increasing staff is necessary but we just don't see it as the first option.

Having said that, we did determine that the Veterans' Agent position be elevated to full-time. As required by the Department of Veterans Services, all communities with a population exceeding 12,000 are required to have a full-time VSO. Currently there remain 13 communities, including Duxbury that are non-compliant.

The Duxbury Regional Emergency Call Center continues to expand its services, having added the Town of Halifax effective January 1, 2017, and the addition of the Town of Rochester effective January 1, 2018. While this expands the number of Duxbury employees, their compensation and all benefits, including OPEB contributions, are funded by their respective communities as well as the State Emergency 911 grant.

The Town has installed a major technology upgrade with the implementation of Human Resources Applicant Tracking software. This software promises to streamline the onboarding and off boarding process that is currently a completely manual and time consuming process affecting many departments.

This upgrade will also make the outside application process easier for applicants seeking employment with the Town.

For the last four years, the Town has supported through funding the lease of 1,200 laptops as part of the School's education technology program. That lease is due to expire at the end of FY 2018. We are recommending that this \$300,000 be transferred into the School operating budget. This transfer, combined with the \$700,539 increase that I am recommending, brings the total funding added to the School operating budget to over \$1,000,000. This represents a 2.90% increase over FY 2018.

While the Town has done an excellent job of controlling Healthcare costs, it is becoming more and more difficult to hold the line. Increases in claims costs and increases in prescription drug expenses required a 12.0% increase in rates for FY 2018. Obviously this rate of increase cannot be sustained. During this fiscal year, management met with union representatives to come to an agreement in which the employees would take on a greater portion of their medical expenses. Through higher co-pays and deductibles, the Town's consultants believe increases will become more moderate. It is anticipated that an additional 8.0% increase will be required for FY 2019.

Every two years the Plymouth County Retirement Board conducts an actuarial study of its assets, liabilities, and progress towards fully funding its retirement obligations. This study resulted in the recommendation that the Pension Assessment for the Town of Duxbury be increased by 8.9% in FY 2019 and 3.2% for FY 2020. An 8.9% increase would translate into nearly \$300,000 of additional funding. We are recommending that the Town pre-pay \$137,000 during the Special Town Meeting. This would reduce the Annual Town Meeting increase to \$160,000, or 4.86%.

Taxation

Taxation revenue provides over 81% of the revenue required to balance the budget which is consistent with the support provided in prior years. As is often the case in prior years, at this point in the budget process we have allocated nearly all tax levy available to fund the operating budget. Ultimately, this is not our intent. We recognize that as a primarily residential community, the resident shoulders the burden of paying for services, supplies, and salaries. Each year we strive to reduce that burden by seeking other renewable revenues while at the same time managing to control costs.

In FY 2017 the Town utilized all but \$400,835 in allowable taxation. The results of the most recent tax rate setting process for FY 2018 indicated an unused levy amounting to \$422,877. Both FY 2017 & FY 2018 are unusually high amounts; the result of much greater than expected New Growth. During the five years prior to FY 2017, the amount of New Growth averaged \$434,288. For fiscal years 2017 & 2018 New Growth has amounted to \$898,607 and \$845,923 respectively. We would like to point out, however, that since 2007 the Town has annually expended, on average, 1.88% rather than the 2.50% of levy growth allowed by law. At this point in the budget process we are anticipating that we will utilize nearly all of our levy capacity.

State Aid

Overall, Local Aid experienced an increase year over year of 1.21%. Chapter 70 revenues increased by 1.81% while Undesignated Governmental Aid, formally known as Lottery, increased by 3.90%. Over the past three years Local Aid has shown an average annual increase of 1.82%; 2.45 percent over a five year period. In short, don't go looking to the State for any sudden inflow of cash. During FY

2018 Local Assessments decreased slightly by 3.91%. Local Aid Assessments over the past three years has shown an average annual increase of 1.87%; 7.28 percent over a five year period.

For purposes of revenue budgeting, we are predicting a fiscal year 2019 increase of 2.48%. State Aid provides approximately 9.12% of the revenue necessary to balance the Town's budget.

Local Receipts

Local receipts for FY 2019 are projected to be \$8,049,124, or about 10.54% of total revenues. This represents an increase of 1.06 percent over FY 2018 estimates. Increases in local receipts over the last few years have been driven by Motor Vehicle Excise and Licenses & Permits. This past year, Motor Vehicle Excise rose 1.39%, while Licenses & Permits dropped by 2.46%; this, despite an increase in beach stickers. This could mark a slowing in car sales. Additionally, we are treating the decrease in building-related revenue with caution. At the same time, the Duxbury Beach Assessment will be increasing by \$50,000 for the third consecutive year.

Local receipts over the last few years have begun to stabilize. The three year average annual increase for local receipts is 3.89%; for the five year period the average annual increase has been 3.12%.

Expenditures

The Preliminary FY 2019 Budget being presented tonight amounts to \$76,070,992. Additionally I am presenting a Water Enterprise Fund budget of \$2,710,080. All totaled the appropriations equal \$78,781,072. I emphasize that this budget is preliminary. While I do not expect any substantial changes, the Town is in negotiations with the Police Patrolman's Union. It is my hope that an agreement can be arrived at prior to Town Meeting.

This budget is balanced based on my recommendations. I, along with the Finance Director John Madden, and Frank Mangione of the Finance Committee, and finally the Finance Committee as a whole, have reviewed all of the budgets with my recommendations at this time.

The graph before you illustrates the allocation of the General Fund Budget direct costs by function. From time to time we are asked to illustrate the costs by function after the designation of shared costs. This function provides the allocation of costs by function after the assignment of the major shared costs (ie. Medicare, Pensions, Health Insurance, and Debt Service).

Capital Improvement Program

This year's Capital requests total \$2,146,057. While the Fiscal Advisory Committee is still reviewing submitted projects with their sponsors, I too am going through the same process with the Finance Director. While we recognize the value of all these requests, it is unfeasible to fund them all but it is, however my expectation that we will be able to fund a great many of the requests. During the last five years, on average, \$2,024,252 in project requests have been submitted. During that same time period, 76.27% of those requests have been funded. It is important that we provide for a robust Capital Program. While the requests, from time-to-time include items that may never be seen again, most requests are to replace major pieces of equipment or repairs to facilities. This pairing of one-time or variable items for purchase with one-time revenues is a financially prudent practice.

Funding for these requests will come from a number of sources. Free Cash has been the locomotive that drives the train. However, over the years other funds have been utilized to support the program such as: Tax Levy, Overlay Surplus, Waterways Improvement Funds, Borrowing, and Ambulance Receipts Reserved for Appropriation funds. These funding sources are subject to change as the process moves forward. The slide before you indicates funding sources for the current year's Capital Plan.

Water Enterprise Fund

The operating budget for FY 2019 of \$1,952,904 is approximately 15.93% higher than FY 2018. This is due primarily to contract settlements that include prior years and increases to employee benefits including Pension and Health Insurance. The remainder of the budget is almost entirely level funded.

The Debt Service budget of \$757,176 will increase by over 40% in FY 2019. The department has taken on two very large projects recently; the Temple Street Water Main Extension and the Rehabilitation of the Captain's Hill Water Tank. Both of these projects should be completed by the end of the current fiscal year. The debt service for these two projects will total \$258,000 in FY 2019.

The Water Department has three capital requests this year above and beyond the usual water main replacement and PCE pipe replacement ongoing projects. The largest of these projects is perimeter fencing for the Birch Street Water Tank. The others are an Air Compressor and a mobile vacuum system. Funding for these projects will come from Retained Earnings within the Water Enterprise Fund. The cost of these projects is estimated at \$404,500.

The Water Enterprise Operating Budget, Debt Service Budget, and Capital Plan can all be funded within the current water rate structure.

Summary

In summary, the budget being provided tonight will be funded with ongoing, renewable revenues. As is always the case, this budget is preliminary and it is based on my recommendations after working closely with the Finance Director and many department heads. We are confident in our revenue and expenditure projections. However, it would be foolish to suggest that nothing will change between now and Town Meeting. This budget is a work-in-progress budget and this budget, and the one that is ultimately brought before the voters at Town Meeting, will be balanced.

This budget will utilize other recurring revenue sources other than taxation. Some of the sources that have been used in the past and will most likely continued to be used are Bond Proceeds, Receipts Reserved for Appropriation, Pension Reserve, and Water Enterprise funds, to name a few. We have carefully managed these funds with the intention that they will be available for many years to come.

This budget, while lean, will continue to bring the high quality of services to the residents of Duxbury. Our department heads continue to develop new and creative ideas to maintain services. As I stated before, management and staff collectively recognize that "more people, more money" is not always the best or only solution to a problem.

Each year we make contributions to several Reserves & Trust funds. This year at the Special Town Meeting we intend to fund several of these with over \$600,000 of Free Cash. These include;

- School Special Education Reserve Account
- Pension Reserve Fund
- Stabilization Fund
- OPEB Trust Fund
- Unemployment Fund
- Accrued Liabilities & Compensated Absences Fund

Finally, I would like to thank the Finance Committee for their assistance in this process. John and I have been meeting with them weekly and we will continue to do so through the coming months as we begin to review the warrant (a draft of which I am intending to have available in the next week or two).

Also, I would like to thank all of the department heads for their assistance in this process and for attending and contributing to numerous meetings with both John and myself and the Finance Committee. Their help is truly appreciated.

And of course, I want to thank Finance Director John Madden – without his help and guidance, none of this would have been possible.

V. TOWN MANAGER'S REPORT

(Mr. Read presented the budget which is part of his report)

Mr. Read did as Mr. Madden a question posed by Mr. Madigan regarding when February and May tax bills would be available to pay online. Mr. Madden said that they are not online yet as the printing is outsourced, but the physical bills should be available by December 29. Mr. Madden will follow up on this.

VI. COMMITTEE APPOINTMENTS/RE-APPOINTMENTS/ RESIGNATION

None presented

VII. ONE-DAY LIQUOR LICENSE REQUESTS *None presented*

VIII. EVENT PERMITS *None Presented*

IX. MINUTES

Open Session Minutes:

Mr. Flynn moved that the Board of Selectmen approve the 12/11/17 Selectmen's minutes, as presented. Seconded by Mr. Dahlen Vote: 2:0:1 (Mr. Madigan abstained as he was absent)

X. ANNOUNCEMENTS

1. Holiday Closure Schedule:

The schedule of holiday closures for Town Hall, the Senior Center, Duxbury Free Library, Percy Walker Pool and Transfer Station has been posted in the Town News section on the Town website.

2. Next Board of Selectmen's meeting: January 8, 2018

XI. BONUS SHELLFISH SEASON FOR JANUARY 2018

Mr. Flynn moved that the Board of Selectmen declare a temporary Bonus Shellfish Season for:

- 1) the **commercial** harvesting of **softshell clams** for the month of **January, 2018** in accordance with posted Attachments B & C.
- 2) the **commercial** harvesting of **quahog clams** for the month of **January, 2018** in accordance with posted Attachments A & C.
- 3) the **recreational** harvesting of **softshell clams** for the month of **January, 2018** in accordance with posted Attachment D.

XII. ADJOURNMENT

At approximately 8:00p.m., Mr. Flynn moved that the Board adjourn.
Seconded by Mr. Madigan Vote: 3:0:0

Minutes submitted by Nancy O'Connor

LIST OF DOCUMENTS (documents are kept in the Board of Selectmen files)

- 1) *Agenda*
- 2) *Executive Session Motion (Exec Session materials kept confidential)*
- 3) *Fee Hearing documentation re Ambulance Fees*
- 4) *Lincoln Street Land Disposition cover*
- 5) *Rules and Regulations for the Licensing of Alcoholic Beverage Sales*
- 6) *Ch 61A – 761 Temple Street documentation*
- 7) *FY19 Budget Presentation*
- 8) *Open Session Minutes*
- 9) *Announcements*
- 10) *Bonus Shellfish documentation*