

**Board of Selectmen
Minutes of Tuesday, January 17, 2017
Bourne Community Building
Bourne, MA 02532**

RECEIVED

2017 FEB -3 AM 9:23

TOWN CLERK BOURNE

TA Tom Guerino

Selectmen

Don Pickard, Chairman
Peter Meier, Vice-Chairman
George Slade, Clerk
Stephen Mealy
Michael Blanton - was excused

Note this meeting is being televised and recorded. If anyone in the audience is recording or videotaping, they need to acknowledge such at this time – Michael Rausch Bourne Enterprise.

All items within the meeting agenda are subject to deliberation and vote(s) by the Board of Selectmen.

Documents

6:00 p.m. Call to order in open session

1. **Executive Session:** Roll call Vote to convene in Executive Session pursuant to MGL Chapter 30A, 21 (a) (1) - To hear Complaints brought against an Employee. The Chairman has determined that an Executive Session is necessary for compliance with the Open Meeting Law.

Roll call Vote to convene in Executive Session for the purpose stated. The Board will reconvene in open session following the Executive Session.

Voted Stephen Mealy moved and seconded by George Slade by roll call vote to go into Executive Session.

Roll call Vote to reconvene in open session.

Voted George Slade moved and seconded by Stephen Mealy by roll call vote to reconvene in open session.

Meeting Called to Order

Chm. Pickard called the meeting to order at 6:30 pm.

Moment of Silence for our Troops and our public safety personnel /Salute the Flag

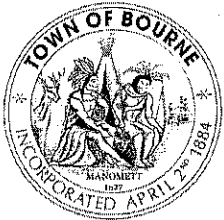
4) 6:30 P.M. Joint Meeting – Board of Selectmen and Finance Committee

Present for the Finance Committee were: Mary Jane Mastrangelo, Chair, Michelle Ford, Vice Chair, Bill Towne, Brian Lemee, George Smith, Renee Gratis,

Mary Jane Mastrangelo said they only have six members present so they don't have a quorum.

5) Town Administrator FY 18 Budget Message
a. Comments and Questions

Tom Guerino presented the budget message for FY18. He highlighted a couple of positive things that happened this year.



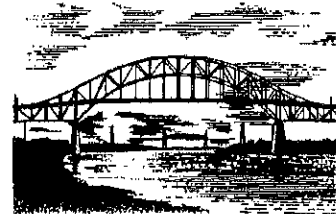
TOWN OF BOURNE

Town Administrator

24 Perry Avenue

Buzzards Bay, MA 02532

Phone 508-759-0600 x 304 - Fax 508-759-0620



Thomas M. Guerino
tguerino@townofbourne.com

JANUARY 17, 2017

The Honorable Board of Selectmen, Bourne Finance Committee
Town of Bourne - Town Hall
24 Perry Avenue
Buzzards Bay, MA 02532

General Statement and Facts – Summary – January 17, 2017

Dear Board Members:

As required by the Town of Bourne Charter, I am forwarding the proposed Fiscal Year 2018 Budget and this accompanying report and Message. This Message includes a summation of projected revenues, anticipated expenditures and presents a balanced budget for FY 2018. This budget depicts that with belt tightening by both Town and School Departments the Town has been able to "live within its means." Adherence to the refined Financial Policies has also been a great help in finding the municipality's balance.

As we all begin to study different ways to achieve the financial mandates directed by the citizens, think smart on the labor, administrative and professional needs of the entire Town of Bourne and the distinct villages within its boundaries, we, as a community, stand in a good position. Both the Municipal and School Departments' are looking to move forward and provide the best services available on Cape Cod and throughout the South Coast region. Through the combining of positions, reallocation of some staffing, and rethinking the long term needs of the Town, we together are beginning to put in place the staffing requirements that will serve on well

into the future, without large requests for additional funding. We are adding some positions with the future in mind by taking actions in other areas to minimize any additional costs. Many new staffing need requests were brought forward by the Departments. Some are concurred with and some are not recommended. The Selectmen have indicated support for these and are additionally supporting the position of an Assistant Town Administrator, at this point in the budget process.

This year, we have a good handle on what our expected outlay will be and realistic regarding what the income streams are to fund this budget. In conjunction with the Director of Finance, all income streams have been studied and reviewed and anticipated receipts adjusted in a manner that is reflective of recent historical data. We are providing additional documentation for your review. Similarly, we have a good handle on many of the fixed outlays where numbers are currently available.

We will not know the true picture of State Aid or State Assessments until later in the Spring/Early Summer of 2017. General insurances can only be closely estimated as the actual figures are provided very close to the renewal dates of July 1. Thus, some factors will not be clear until later in this budget cycle. However, we are fairly certain that State assessments will rise slightly and local aid is expected to be at about a level rate of funding.

There are increases to non-direct and non-programmatic municipal expenditures. The increase from the UCRTS is much less than in the recent past, estimated at about two per-cent overall.

There is an expected rise in health insurance related costs. These appear to be less than the industry as a whole or our neighboring communities. This is in large part due to the work of the Treasurer, Town Administrator, Board of Selectmen and the various bargaining units within the Town and School Departments. The Town and representatives of all of the bargaining units entered into a three year agreement beginning in FY 2017, which raised many costs to employees ranging from prescription drugs to office visit and hospital stay co-pays. This action provides a much more stable foundation for predicting health insurance costs for the next 3 years.

Departmental turn backs at the end of each year are as expected and show only in those areas where there is a large turnover or current recruitments are difficult due to civil service compliance. It is not recommended that we make substantial changes to the Police, Fire and DPW salary lines since vacancies are often unpredictable and we need to assure full funding to help the ability in recruitment and retaining employees.

We are living within our means but for unforeseen catastrophic events or a major shift in state aid or assessments, and demanding that any augmentation to the budget is sustainable in the long term. Working closely with the Board of Selectmen, changes in this budget have been vetted and, for the most, part approved prior to the delivery of this message. The Town has been extremely frugal and staffing continues to be at what is considered a minimum to provide services and in some areas less than what is required to perform at required levels.

What programs we do offer that are not marine based or public safety related are those used mostly by our taxpaying citizens. This year we begin to work on the future human infrastructure needs of the Town. The Capital Outlay Committee has undertaken this for our physical plant and rolling stock. The citizens have recognized these efforts and recommendations by investing

heavily in new facilities. As we have undertaken the investment in our buildings, we must now begin to make an investment in our staffing needs both in "Town Hall" and within the School Department. Bourne cannot continue to use the adage that "if it's not broke, don't fix it."

I have indicated at public meetings, the Town is beginning to experience retirements of long term valued employees, many of whom are departmental leaders. I have described the next couple of years' potential of those who can or will leave the employ of the Town as a "mini-tsunami". The recent loss of Mr. Leitzel and Mr. Tribou will prove difficult to replace. The work ethic and institutional memory of these two gentlemen is honored and greatly appreciated. We must be prepared to fill important positions such as these gentlemen held, perhaps in a different configuration.

However, as more of our departmental leaders chose to move toward retirement, we must be prepared to retain excellently qualified replacements and provide some "shadowing" time for new professionals in to work with those whom will depart. And because many of the departments are extremely small with professional staff only at one per department, the importance of this is paramount. Institutional knowledge transfer is a must. We are also requesting that employees provide substantial lead time regarding their plans to retire or otherwise leave the employ of the Town. I am currently working on an incentive program for employees to provide as much lead time as possible. The program will keep the town within its current fiscal policies.

Additionally, as has been stated on numerous occasions, several years of incremental staffing reductions in Town Hall, DPW, School and Library has left these areas very short handed. Recent staffing changes have provided opportunities to re-structure how administrative support staff provide assistance to department leaders and the public. This budget combines an administrative assistant position in Inspections and Health.

Earlier in the current fiscal year, a position was reassigned to the land use area of the Town Hall and is now providing much needed help to Planning, Conservation and Engineering Tech. I have internally promoted a qualified person whom was previously shared in Planning and Engineering. This allows for the hiring of an Assistant Planner at a minimal net cost to the Town. The Selectmen have been most supportive in these internal initiatives. I have also combined a Supervisory position in the Sewer Department within the Department of Public Works, as the Charter calls for. There has been a restructuring of the Facilities Manager's position that provides more hands on work and less administrative management. There has been either a cost savings to these changes or a very modest increase with great benefits to the ability to provide services to the citizens. We have added an additional Health Inspector in this FY 18 budget.

There is a request for 6 fire personnel. I am not including the funding for this request in my recommendations. I do advocate that the Selectmen take a similar position on this funding request as it did for augmentation to the Police ranks several years ago --- being the Voters of Town be asked if they are willing to spend money outside the recommended budget for this via a targeted general override for this purpose. With the SAFER grant running down, the need for this staff must be determined by the electorate. The Town will revert to pre-2014 levels of

staffing once the grant has expired. The request here is to continue to fund 4 firefighter positions, an EMS Director, and a position of Assistant Chief. The estimated cost for these positions is \$460,000, inclusive of any training and equipping costs.

Our recreation, library, and other culture and "recreational/human service" related departments offerings and services public utilization numbers are up as well. People use these services and they are as important to many as our schools and public safety departments are to all. Customer service to our citizens is the prime focus of what we all do. I am recommending an augmentation hours at the Recreation Department. The Rec. Director has assumed a vast majority of the duties of running and managing the Community Building. The addition of the 130 hours annually is justified and recommended. I am also recommending a Library Circulation Assistant.

The activity of at the Library requires this position and will allow the Director and Assistant Director to work on future plans and new programming for the Library.

It should be reported that the new DPW facility is working well and has proven to be an excellent investment. Town citizens have authorized a new Police Facility and Elementary School. A bold and step forward for the future of this community. The Town Administrator's ISWM Futures Working Group continues to work with the Town's hired and elected leadership to move many projects and ideas forward to assure a long life at the landfill site.

The Budget:

As stated earlier in the message, the Town is in a position to continue operations in a similar manner for the upcoming year and provide a bit of additional help in specific areas. All of the expenditures proposed in this budget adhere to the new stringent comprehensive financial policies mentioned earlier. There is realignment and trade-offs in staffing as previously discussed as we all continue to work within tightly defined financial parameters. As is always the case in Bourne's budget preparation, the drivers of the budget are those of fixed and shared cost items.

As is always the case, this Budget understands that the current revenue forecast is limited. It is anticipated that State aid will remain basically level funded (GOV -House 1) overall and state/county assessments will rise resulting in a net loss as compared to the prior year. In the 14 budgets I have worked to provide the citizens of the Town, I have never heard that this is a good financial year from the Commonwealth. The Town will hold approximately 11% (at policy) of the proposed FY 2018 budget in savings after the use of up to \$750,000 in free cash for budget offset and a transfer from free cash to the general stabilization account. (As a comparison, Town has expended \$958,085 of free cash for the current budget.) Money's in excess of these policy amount are recommended to be placed in the Capital Stabilization Account and General Stabilization Account. The Town was fortunate to receive substantial one time revenues from the Town Auction, sale of the Coady School and long overdue reimbursement from FEMA, totaling about \$800,000. These funds are not being used in the general operating budget. I recommend \$420,000 be used from free cash to help fund the Capital Budget.

The budget presented will continue the swim lesson and lifeguarding program but in the same manner as this past year. While the program is generally successful, the Town's ability to recruit summer help is severely hampered as our hourly rates are markedly less than surrounding towns, thus allowing us to only staff Monument Beach this past summer. The increase in the state minimum wage to \$11.00 per hour for 2017 is requiring that our rates for specialty and seasonal employees rise in recreation, DPW, and DNR.

The continuing realignment of Public Works/Facilities is working well. The positive impact of the work of this realigned department has been realized in a very short timeframe. The new structuring of some management functions within the Public Works/Facilities have been reassessed and are working well.

The Town's overall financial position will remain stable and in compliance with current fiscal policy. The Bond rating remains excellent. The Town's most recent borrowing rate on bonded debt was net 2 %.

While strong financial reserves are important, necessary and have served the town well there is a point where when at limits we must begin to look at 21st century needs in personnel and technology. The Town should adhere to its' financial policies and continue to refine the policies as economic conditions demand. **There is no need nor is there a recommendation for a general fund override other than for the proposed targeted funding for Fire Department personnel, should the Board of Selectmen decide to put it forward to the voters.**

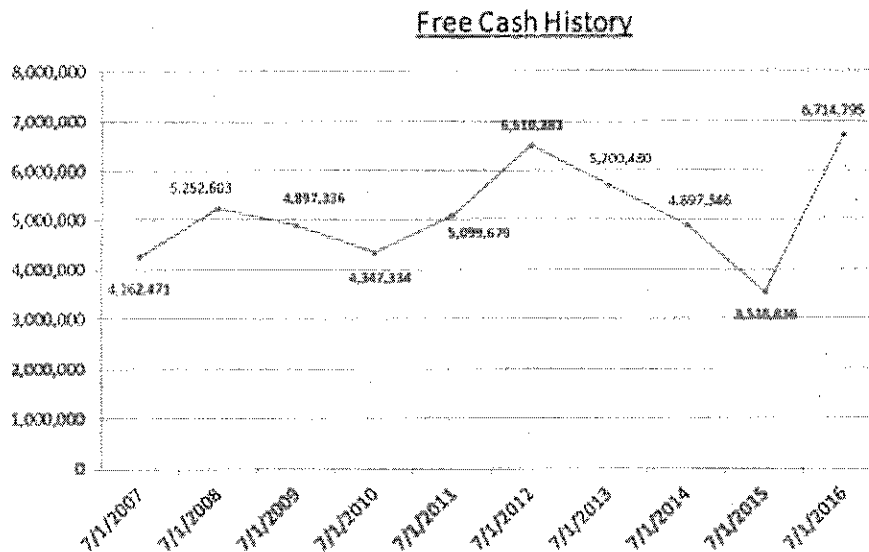
The recommended school budget appropriation is recommended at \$21,718,234. This represents a 3% increase in the budget and remains a minimal amount for the funding of the Bourne School Department. Public Safety, including DNR is up approximately \$297,000. We are budgeting DPW Snow and Ice to a more realistic level given the last several years of costs therein.

Notwithstanding the above necessary changes, I strongly believe this budget meets the expectations of the Townspeople. It is fiscally responsible while providing adequate value for the dollar in services offered.

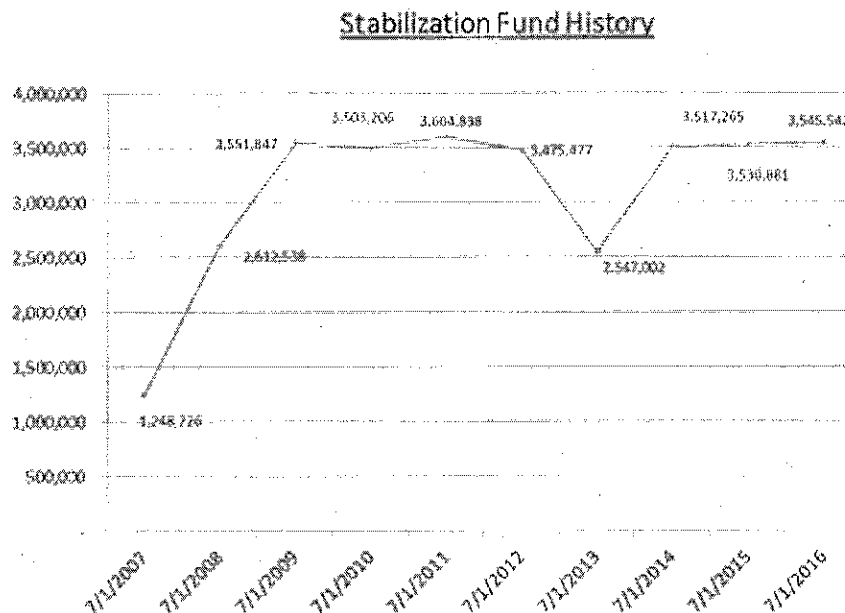
Town utilized the reserves to fund portions of the FY 2018 current budget, pursuant to the Financial Policy established by the Selectmen, Town Administrator, Finance Director, and Finance Committee. The rationale for the prudent and amounts of expenditures are noted above.

The Town departmental spending restraint and smart town/school labor contracts have resulted in a current General Fund Free Cash balance of \$6,642,817. All of the bargaining units settled with to date, School and Town, are commended for amicable and professionally held negotiating sessions. The Stabilization Account is \$3,558,523. As the budget has grown so has the amount necessary to be placed in to General Stabilization Account to meet policy requirements. A transfer from free cash of \$150,000 is required to meet policy expectations. There is currently \$329,523 in Capital Stabilization. Below, please find a historic view of free cash and stabilization balances.

HISTORY OF FREE CASH



HISTORY OF STABILIZATION



Based on the assumptions made within this budget the Town remains within the policy guidelines established. The use of the reserves as recommended will do much to help in appropriate funding levels for the School and Town Government. It will also continue to

protect the current bond rating provided by Standard and Poor's. As the Board is aware the AA "Stable" bond rating provides the Town more favorable rates on items and facilities purchased via borrowing.

Representatives of Town Leadership (Administrator, Selectmen Chairman, Finance Director, School Committee Chair, Superintendent, and Finance Committee Chair) continue to meet on a regular basis to keep all lines of communication open and to brainstorm ideas that benefit the entire Bourne Community.

Override Recommendations

Other than the issue related to Fire Department Personnel, no override is recommended or needed for FY 18.

Enterprise Funds

ISWM

The recommended ISWM FY 2018 expenditure budget represents a continuation of the significant change in how the department will be successful moving forward. The Town can look to many years of vitality from this public enterprise fund. The current Landfill Futures Working Group has done an exceptional job in scoping future endeavors for the ISWM department and is to be so commended. The Offices have been moved and new cells are under construction. ISWM, in conjunction with the DPW and with approval of the Selectmen and Town Meeting, instituted a new trash and collection methods and town wide policy. It is working positively beyond expectations with recycling rates up substantially.

Sewer Department

As previously mentioned The Sewer Department functions have been incorporated into the workings of the DPW, as the Charter requires. It continues to function with minimal labor and equipment costs. Costs associated with this budget are largely a function of costs assessed by the Town of Wareham for materials used in the treatment process at the Wareham Plant. Note that the underground infrastructure and associated pumping stations are old and will need ongoing commitment. As was noted last year, obtaining timely information from the Town of Wareham has been challenging and we are not completely sure of some of the accuracy. We have requested that the invoicing and the financial provisions of the Inter-municipal Agreement (IMA) be reviewed by our Town Auditors. It is difficult to budget and we must be assured that the ratepayers of the Sewer system are being charged the minimum amount to treat and transport wastewater to the Wareham facility.

BUDGETARY HIGHLIGHTS

This Budget Message also includes the following for the Board's review and comment. While some may appear to be redundant from the text above it provides a numerical basis for the budget recommendations:

◆ Sources and Uses Chart estimates with Revenue & Expenditure Projections

- ↔ Ambulance fees will be adjusted slightly due to new approved rates.
- ↔ For FY 2018, \$420,000 of free cash is recommended to fund Capital Expenditures. The Capital Outlay expenditure recommendations are included in this report. We will make final recommendations on two projects (Buzzards Bay Park renovations and Wastewater treatment facility at the Queen Sewell Park area) will be made prior to Town Meeting.
- ↔ The projected cost of Health Insurance continues to be less than most communities for FY18. This line item is increased approximately 5% above FY 17 costs.
- ↔ Town General Insurance rates are expected to rise modestly.
- ↔ Heating fuel, gasoline/diesel, and electricity costs are predicted to be somewhat stable. Natural gas are stable due to the three year agreement entered into with the School Department. Volatility remains in the fuel and energy sectors, though gasoline and heating oil while remaining less than in many of the preceding years will rise approximately 10% via the County Bid. It is anticipated that the County bid will depict increases over last year. This area continues to require cautious budgeting, though utilizing the County programs saves money.
- ↔ PILOT funding is anticipated to be level funded. It is less than it was several years ago but has been at a relatively stable level over the last couple of years.
- ↔ Chapter 70 Aid to education is expected to be stable.
- ↔ General Assistance to Cities and Towns is expected to be similar to last year's.
- ↔ While ISWM offsets remain stable for the upcoming year, the Town continues to utilize the money from the landfill in an appropriate manner.
- ↔ "New Growth" is estimated at \$500,000.
- ↔ There is no Budget for Overlay Reserve in this budget due to changes in current law.
- ↔ An article will be placed on the annual town meeting warrant to fund Other Post-Employment Benefits (OPEB) at an appropriate level for FY 18. It is expected to be a \$200,000 investment in this fund.

◆ Debt Service Schedule and Analysis

↔ Debt service on existing exempt and non-exempt debt is appropriate for a community of this size and complexity.

GENERAL FUND BUDGET

The recommended TOTAL FY 2018 General Fund Operating Budget without Enterprise Funds is \$61,779,322.

I anticipate the need for several modifications to this budget proposal prior to the final budget brought forth to Town Meeting.

It is an annual challenge to construct a budget for presentation to the Town's citizens. Numbers shift dramatically back and forth over the course of several months. Specifics from the Commonwealth will once again be held until the last possible moment allowed by law. Working figures from the Commonwealth have not yet arrived. Without the strong willingness and candor by Bourne's Department Leaders, finding the right balance of expenditures would have been much more difficult. The Town is indeed fortunate to have the workforce and departmental leadership currently in place. It cannot be forgotten that the proposed budget has continuing implications to service delivery.

I would be remiss if I did not thank several people who have provided great assistance in preparing this budget and Budget Message. The Department Heads and employees have been instrumental in endeavoring "to make this budget work". The Director of Finance is personally thanked for her continued supportive expertise and guidance. I thank the Board of Selectmen who have provided early priorities to the Administrator. This has helped in framing the budget proposal before you.

I look forward to reviewing this budget with the Board of Selectmen, Finance Committee and Citizens of Bourne.

Respectfully submitted,

Thomas M. Guerino
Town Administrator

Bill Lemee questioned the Safer Grant.

Don Pickard said the Safer Grant expires in the middle of August of this year.

Mary Jane Mastrangelo spoke about the Safer Grant

Don Pickard explained how the Safer Grant changed going forward.

Don Pickard requested the Board members review the budget. If anyone has anything they think should be addressed or changed now is the time to review it per the charter. It will go back to Tom Guerino next week. On the 31st Mr. Guerino will give the budget to the Finance Committee per the charter.

George Slade commented on the FTEs and permitting.

Peter Meier stated he hopes that whatever is proposed in the budget is self-sustaining and long term, so we won't have to lay people off in a few years or ask for an override.
Tom Guerino stated based on the numbers we have this is a sustainable budget.

George Slade commented about OPEB. Are we looking at \$200,000 a year?

Tom Guerino said we will contribute as we can.

Mary Jane commented about the bonding company and the Policy.

Tom Guerino spoke about the audit company coming in to look over the budget. The budget will be put on the website.

Anne-Marie Siroonian spoke about the process of the budget.

6) Adjourn Joint Session with Finance Committee

There wasn't a quorum for the Finance Committee so they didn't have to adjourn.
The Selectmen continued with the Selectmen's meeting.

7) Selectmen to continue meeting

8) Selectmen's Business

Stephen Mealy reported to the Board they had a good meeting with members of different committees to discuss the funding of the Buzzards Bay Park for this year's Town Meeting. Mr. Mealy read an update from the Building Inspector relative to the building at 129-137 Main Street, Buzzards Bay. The Main Street Steering Committee would like to come back and update the Board as to the progress and to provide some updated information based on the final submission for CPA funds. Also to update the Board on a naming contest with the public for what the name of the park should be.

Peter Meier spoke about the town of Arlington and their bylaw about vacant buildings. We need to look at ways to hold our commercial property owners accountable. Once I receive a copy of the draft bylaw I want to pass it onto the Board and the Town Administrator to see if it is the right bylaw for Bourne.

The next Bourne Selectmen meeting will be on Tuesday, January 24th at 7:00 P.M.

9) Adjourn

Voted Peter Meier moved and seconded by George Slade to adjourn. Vote 4-0.

Respectfully submitted – Carole Ellis, secretary.
From Thumb Drive