Board of Selectmen
Minutes of January 29, 2013
Bourne Community Building
Bourne, MA 02532

TA Guerino

John Ford, Chairman (excused)
Don Pickard, Vice-Chairman
Peter Meier, Clerk
Earl Baldwin
Linda Zuern (excused)

Meeting Called to Order
7:00 pm.

Moment of Silence for our Troops/Salute the Flag

Public Comment – Non-Agenda Items
None requested.

Approve Minutes: Regular Session of 1/22/13
Meier MOVED and SECONDED by Baldwin to approve minutes of 1/22/13 as submitted. UNANIMOUS VOTE.

Licenses/Appointments

a. **A Bourne Taxi – change in location**

Baldwin MOVED and SECONDED by Meier to approve Change of Address for Bourne Taxi Company at 1 Ridgehill Lane, Sagamore Beach, MA or the storage of 2004 Mercury Marquis Public Livery #LV46591 Vehicle to 1 Ridgehill Lane, Sagamore Beach, MA 02562. VOTE 3-0.

b. **7th Annual Fourth of July Parade**

Meier MOVED and SECONDED by Baldwin to approve the 7th Annual Fourth of July Parade on Thurs. 7/4/13 to begin at 10:00 am starting at the intersection of Academy Drive and Main Street, finishing at the Bourne Veteran's Community Building parking lot. The parade will be approximately 90 minutes. VOTE 3-0.

TA Guerino – a routing slip will be sent out and will fall under general liability coverage and hopes the board sees fit to move forward.

Town Administrator's Report

a. Fire Department Contract

The Local 1717 Bourne Fire Department contract has been ratified last Wednesday evening. The Union leadership on this contract worked hard and compromises were made. In the end, we have a very good working document. TA Guerino is in favor and asks the board for a vote of concurrence on the contract to move onto the next chapter.

Meier – asked about the cost - $200,000 which needs to be ratified by Town Meeting.

Meier MOVED and SECONDED by Baldwin that the Board of Selectmen to concur with TA Guerino's determination on the Fire Union Contract. UNANIMOUS VOTE.

Selectmen's Business

Meier – attended in Sagamore the Habitat for Humanity house ceremony on Flintlocke Lane with Zuern.

Pickard – the board will present the Boston Post Cane and put on the 2/5/12 agenda of 2/5/12. Mr. Sasso's approval of up to 12,000 tons per year to our landfill from their community and collaborate hopefully with solid waste. It is a 10 year contract with a potential 5 year extension. TA Guerino to respond to Miss Robin with regard to her letter of last week about lifeguards.

Meier MOVED and SECONDED by Baldwin to recess for 5 minutes.

Meier MOVED and SECONDED by Baldwin to reconvene to open public comment for Rep Dave Vieira.

Rep Dave Vieira – The Governor's Supplemental Budget is asking for a 1% cut in discretionary local aid. At this point, he doesn't any cuts as the revenue was above benchmark, but hasn't fully recovered. Any changes, he will let the town.

This year's budget was based on a 3.9 increase in Revenues, (slightly aggressive). The Governor's budget recently showed an increase in Local Aid and an increase with Chapter 70. That project for Local Aid is based on $1.9 billion dollars of new taxes and fees; he is not sure there is appetite to increase taxes and revenue by that amount, but advises to be cautious to level fund or have minor reductions.

TA Guerino – responded that he is comfortable with level funding for Local Aid. He is more concerned about assessments. Bourne is 50% owned by the Commonwealth with regard to the AFNG base: 1) we don't know the year to year assessment of that land; and 2) it is hard to budget monies put on state owned land, as there is no consistency. Rep Dave Vieira to set up a meeting with the Town Assessor and speak with Rep. Hunt for a structural remedy.

Rep Dave Vieira – believes a structural change is needed to be able to report to cities and towns a level to plan on.

Rep Dave Vieira met with the School Committee and discussed the impact aid issues – structural aid for military children and included reservation children for said monies come to Bourne. The Governor did not include in his budget but Rep Hunt will fight to get it reinstated.

With regard to the legislation to consolidate power with Housing Authorities, these are structural changes. Rep Dave Vieira is working with the Housing Authorities Directors for these structural changes.

Transportation Reform bill was sent back to the Dept. of Transportation to recognize transportation in all areas of the Commonwealth and not just the Boston areas.

Meier – since the Sandy Hook Elementary tragedy, there are still communities struggling and wondered if the State would consider reimbursing and putting the monies back into the schools. Rep Dave Vieira said we need to carve out municipalities who can apply for small school projects with regard to safety. He hasn't heard of funding for a Resource Officer.

Rep Dave Vieira – requesting to come back before the board in April. TA Guerino to put Rep. Viera on a future agenda item.

Meier MOVED and SECONDED by Baldwin to recess for 5 minutes. UNANIMOUS VOTE.

Joint Meeting with FinCom
FinCom members present tonight are Vice Co-Chair Elinor Ripley and Jeff Perry.

Pickard called joint meeting at 7:43 pm.

General Statement and Facts – Summary – January 29, 2013
As required by the Town of Bourne Charter, I am forwarding the FY 2014 Budget Message. This Message includes a summation of projected revenues, anticipated expenditures and presents a balanced budget for FY2014. The TA PROPOSED Budget understands that the current revenue forecast is limited.

It is anticipated that State aid will remain level funded or slightly diminished overall, and state/county assessments will rise resulting in a net loss. However, the past several years of prudent and conservative revenue forecasts, dependable departmental budget management of expenditures and sophisticated, professional administrative management, the Town remains in an enviable position by again exceeding its' own established policies for reserves. The Town currently holds approximately 15% of the proposed FY 2014 budget in savings after the use of 1.4 million for the upcoming FY 2014 budget year.
Note that the Town has utilized 1.864 million of free cash in budget offsets for FY 13. The use of this money in FY 14 will not diminish the Town's excellent fiduciary position.

FY 2013 has proven to be the year of greatest challenges regarding the balance of adding needed expenditures for Bourne municipal government while keeping in mind the economic realities of this area. Many departments remain in a holding pattern with great need for supplemental investment.

Yet, the investments necessary to provide a fully functioning municipality continue to be unfulfilled in Planning, Economic/Community Development, Natural Resources/Marinas, Internet and Technology, Recreation, Public Works, Education and Administration. New or expanded positions for FY 14 are being offset by revolving fund, water way improvement, and fee revenues, or there is reallocation of currently approved expenditures and are sustainable. An additional expenditure is for a part-time contract professional in the IT department.

The Town has assumed the responsibility of many of the programs and offerings at the Council on Aging. While this has been politically difficult and hard feelings linger, the bumps in the road to make this work effectively have had no measurable impact on the Town finances. Moreover, these actions place the Town in the legal position it should and needs to be. To date the transformation is working extremely well. Legal and workers compensation liability potential has been greatly reduced in this arena.

The professional departmental leaders at Finance, Human Resources, and the COA Director, in Partnership with the Town Administrator, have done an outstanding job in sorting out a very complicated and emotional situation. The new Director of the COA is doing an tremendous job in implementing a new and difficult organizational structure.

The Town reinstated lifeguards and swimming lessons at four town beaches and placed the responsibility of this summer program under the direction of the Recreation Department.

The budget presented will continue the program in the same manner as in the summer of 2012. This department has also assumed the program and implementation responsibilities for SWISH basketball. Both of these endeavors are much more complex tasks than meet the eye.

An important milestone for the Town this year was the securing the financial stability of the Department of Integrated Solid Waste Management (ISWM). The long term agreement with Covanta assures the ability of the Town to maintain a significant presence in the field of solid waste management.
It also allows the Town to move forward with new technologies to keep this great asset available to the Town of Bourne for the very long term. The Covanta agreement also provides the residents of Bourne extremely inexpensive trash disposal through 2030. The Landfill Futures Working Group has brought together a tremendous amount of business expertise and molded it to work well in a municipal climate.

Pursuant to the expressed goals of the Board of Selectmen, with the concurrence of the Capital Outlay Committee and Finance Committee, my office has retained the services of a Municipal Facilities Manager. The positive impact of the work of this department has been realized in a very short timeframe. There will be additional significant departmental shifts. Recent events have provided an occasion to realign some management functions within the Public Works/Facilities arena.

As appropriate staff is brought into this department in the form of experienced craftspeople, the short and long term savings to the Town (including schools) will be swiftly evident. The proposed budget provides for a full-time craftsperson within the salary constraints of the existing structure.

The Town's financial position remains in excellent shape. We continue to be fully within the Town's financial policies regarding reserves to debt.

The Town's most recent borrowing rate on bonded debt was net less than 1 %. We must take advantage of these historic low rates where planned and appropriate. On this, the Town must look to repair and replace aging, neglected facilities and other infrastructure. The Town must build a new public works facility. This project is fully supported by the Selectmen, Finance Committee, Capital Outlay Committee and Management of the Town. Note that almost 60% of the cost is being absorbed by ISWM and strategic use of municipal reserves.

If the long-term plans for ISWM are to be achieved and the town is going to continue to reap substantial benefits from the enterprise operation, the DPW must be relocated. This has been known for over a decade. More important however, is the fact that the current Highway facility is inadequate, outmoded, unhealthy and functionally obsolete.

The Public Works Facility Building Committee has done exceptional work in trimming costs while providing the basics for a well functioning facility.

Year end free cash certifications, and supplemental funds for education (POT HOLE) secured by Senate President Therese Murray continue to help keep the Town in very good shape. However, the continued increase of state assessments on the Town, other fixed cost increases and relatively stagnant Unrestricted General Government Aid keep the Town Administrator and professional staff on guard against unfettered spending.

The School Department has wisely reserved many funds for strategic expenditure but now must help the Town by offsetting current costs for educational purposes with use of those dollars. The Town will again begin to offset a small part (less than 5%) of the cost of School staff benefits with a portion of the pothole money. During the toughest part of the economic down turn the Town halted the split of these funds to assist the School Department in direct program spending. The School Department benefit costs represent approximately 63% of the total benefit spending.
Thus, to help in offsetting the rising cost of benefits the shared use of these funds to is an appropriate use of the legislature's generosity. The above being stated, I extend a note of professional thanks to Superintendant of Schools Steven LaMarche.
Our working relationship is exceptional which transcends to a better school system and town government.

Bourne has budgeted on reports of level or slightly diminished state aid. It has built up financial reserves to offset anticipated substantial projected losses.
Departments do more with less. As a result, the Town has not invested appropriately in needed human and programmatic assets. The little additional expenditure presented this year is sustainable in the long-term. They are smart, well thought, and vetted.

While strong financial reserves are important, necessary and have served the town well, there is a threshold wherein the Town cannot have too much in reserve. Taxpayers demand frugality. This is rightfully so.

The Town should adhere to its' financial policies but must also provide appropriate services today and into the foreseeable future.

The budget presented to the Finance Committee and Selectmen is smart and sustainable in the long term and is balanced. The budget fully adheres to the Town's Financial Policies, continues the municipality to be in compliance with all laws and regulatory requirements. Additionally, this budget provides for a realignment of the Public Works function; realigns support staff in the Finance Department within current salary boundaries; to fund an operational Assistant Chief at the Bourne Fire Department with full intention of filling the position this year; increases hours at the Bourne Recreation through the use of the revolving fund. It also provides for a contract consultant to assist with IT and Web based issues. The Police Department is also brought into a realistic budgetary line. It can finally be stated that we are increasing the staffing authorized through the override. The recommended school budget is up about 2.00%, as are the operations portion of the municipal side of the budget. The Tech School budget is up substantially due to increased enrollment of Bourne students.

General liability and other non-health related insurances are up considerably in FY13 and will stabilize at this higher amount for FY14, similar to most municipalities.

For another year, the Town continues to outpace rival communities in containing health and related insurance costs. The Town has been diligent in holding appropriate reserves in Trust, pursuant to established policies.

Out of pocket expenses and employee deductibles related to prescription drugs, office visits, diagnostic tests and emergency room services rose in FY 13. There will not be an increase in the FY 2014 appropriation, though it is expected that "premium" costs will rise slightly. Please note that any balance in the Trust Accounts may not be used for general fund appropriations.

Notwithstanding the above, this budget meets the expectations of the Townspeople in being fiscally frugal while providing a very good value for the dollar in services offered.

General Government: The current budget represents an $819,298 increase or an overall 1.4% increase from the current fiscal year. The spending request is within about 1% for the budget of 2 years ago (FY11). New growth in real estate projected by the Assessors is limited to $200,000 which is an increase of $50,000 over FY 2013 budgeted amount. Revenues have been predicted at the highest level deemed comfortable by the Town Administrator and Director of Finance.

This budget is a direct result of adhering to policy The town keeps its' financial integrity in-tact. While there are a number of areas that continue to require attention, this budget continues to slowly and systematically address municipal needs while continuing the Bourne tradition of fiscal conservativeness and sustainability when looking at the larger picture. Capital expenditures are responsible and necessary. We continue with scheduled upgrades and replacement equipment as required. Upgrades/repairs to the Town Hall are needed. Repairs are specifically needed to the roof, a replacement of the back-up generator and upgrades to the electrical system to the Town Hall.

Fiscally Responsible use of Reserves - The Town utilized the reserves to fund portions of the FY 2013 current budget, pursuant to the Financial Policy established by the Selectmen. However, while the Town adhered to the goals within the policies, it did utilize $1,864,000 of free cash to fund the current

year. I recommend that $1,400,000 be used for the FY 2014 budget as currently presented. Based on trends over the last several years and our own internal forecasting, this is sustainable. It is anticipated that the Commonwealth's budget will at a minimum, be level or slightly reduce general assistance to cities and towns. There will be a better sense the level of aid once the House/Senate Committee on Conference will report out a FY14 budget recommendation for enactment by the General Court.

The Town's spending restraint and smart town-side labor contracts have resulted in a current General Fund Free Cash balance of $6,510,383 (July 1, 2012). Town departments returned $1,623,396 from FY2012 appropriations. Note, this larger than normal year end funds return was an anomaly primarily due to the very mild winter. The Town side of the budget will not continue this level of excess balance returns to the general fund from FY2013. Thus, the town must be prudent to protect reserves to help maintain a positive bond rating. The Stabilization Account is $3,488,093 (July 1, 2012) and there is currently $687,181(July 1, 2012) in Capital Stabilization. Below, please find an historic view of free cash and stabilization balances.

The use of the reserves as recommended ($1,400,000.00) 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.

This Town Administrator has steadfastly protected the Town's financial standing and the results of this programmatic implementation have placed the town in very good shape. Though always extremely tempting, I do not recommend that Town leaders entertain discussion for a general fund Proposition 2 ½ override. We are coming to a time of budgets that within the next few years a general override will be necessary. I am however, again recommending a debt exclusion for a new Public works Facility. It is imperative that this facility be constructed.
For the record I will repeat last year's message and the year before that:
Most departments remain understaffed while the complexities of running a municipal business continue to grow. A plan must be developed to address the most critical staffing needs as depicted earlier in this document.

Override Recommendations

I do not recommend a general fund override for FY 2014.

School Departments

As indicated in the beginning of this summary statement, and after consultation with the Supt. of Bourne Public Schools, the Town Administrator recommends an increase of approximately 2.00% to the School budget from the current year. Additional Chapter 70 funds and the School Departments wise pay forward policies combined with the school department's placing in reserve a substantial sum of money will assure the schools are well funded and programs are secure.
As noted earlier, the Upper Cape Tech. School budget is up significantly primarily due to increased enrollment.

Enterprise Funds

ISWM

The recommended ISWM FY 2014 expenditure budget represents a significant change in how the department will be successful moving forward. The long term contract with Covanta will assure stability

over the long run and reduce many of the odor and other potential environmental problems that could occur is this type of operation.
The Department is well run and the Town can look to many years of vitality from this public enterprise fund.

Sewer Department
The Sewer Department continues to function with minimal labor and equipment costs. There is a recommended budget increasing capital expenses from retained earnings. Most
Costs associated with this budget are largely a function of costs assessed by the Town of Wareham for materials used and Debt Service 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 is challenging.

The remainder of this report provides additional information for the your and the public's review. Much is redundant to what has been verbally depicted but will provide you more of the basis regarding the construction of this budget.

I will state that the TOTAL FY 2014 General Fund Budget without Enterprise Funds is:
$53,356,829. Without the strong willingness and candor by Bourne's Department Leaders, finding the right balance of expenditures would have been much more difficult.
It cannot be forgotten that the proposed budget has continuing implications to service delivery and will change as the review process begins.

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 have been instrumental in assisting to construct this budget. Without their assistance and willingness to work in finding the right balance of expenditures to projected revenue sources would have been much more difficult.
As an Administrator I am fortunate to have the professional departmental stewardship currently in place. Do not forget that the proposed budget has continuing implications to service delivery.
I would like to take this opportunity to specifically thank Linda Marzelli, Director of Finance for her continued supportive expertise and her unyielding commitment to the Town.

I look forward to reviewing this budget with the Board of Selectmen and Finance Committee over the next several weeks.

Chm. Pickard – the entire community benefits from the new DPW facility. TA Guerino – we are one of the last towns where citizens are not required to bring their trash to a transfer station. This facility needs to be built.

Chm Pickard – thanked the Department Heads and Ms. Linda Marzelli. He also thanked prior boards and committees.

Adjournment
Meier MOVED and SECONDED by Baldwin to adjourn. Meeting adjourned at 8:10 pm.

Respectfully submitted - Lisa Groezinger, sec.