

## **MINUTES OF THE FINANCE COMMITTEE MEETING**

April 23, 2018

Meeting held at Town Hall, 139 Main Street, Rowley, MA

7:00 p.m.

**MEMBERS PRESENT:** Sharon Emery; Larry White; Paul Jalbert; Dennis Roy. Peter Censullo – ABSENT. Jami Snow – ABSENT (Town Administrator Deborah Eagan, Assistant Town Administrator Amy Lydon)

**PUBLIC ATTENDEES:** Joel Favazza; Larry Berger; Brent Baeslack; Vanessa Johnson-Hall; Tom Corben; Ursula Corben; Nancy Liebe; Susan Leach; Barbara Blanchard; Mark Emery; Benjamin Dei; Brian Forget; Bryan DiPersia; Kirk Baker; William Mehaffey; Sean McFadden; George Gallant; Barbara Berry; Tina Tzortz; Jill Chouvelon; Richard Hydren; Sharon Hydre; Bradley Maravalli; Katherine Chattan; Barbara Stanley

### **7:00 p.m. JOINT MEETING WITH BOARD OF SELECTMEN AND BOARD OF WATER COMMISSIONERS**

- Informational Hearing on the April 30, 2018 Annual Town Meeting Warrant and the April 30, 2018 Special Town Meeting Warrant

Chairman Perry called for a motion to open the Joint Meeting of the Board of Selectmen, Finance Committee and Board of Water Commissioners. Bob Snow so moved, Cliff Pierce second, all in favor roll call – Joe Perry –aye; Bob Snow – aye; Cliff Pierce – aye; Dave Petersen – aye; Bob Merry – aye.

Chairman White called the Finance Committee Meeting to order. Chairman White called for a motion to open the Joint Meeting of the Finance Committee, Board of Selectmen and Board of Water Commissioners. Sharon Emery so moved, Paul Jalbert seconded, all in favor roll call – Sharon Emery – aye; Larry White – aye; Paul Jalbert – aye; Dennis Roy – aye. Peter Censullo – ABSENT. Jami Snow – ABSENT.

Chairman Emery called the Board of Water Commissioners meeting to order. Chairman Emery called for a motion to open the Joint Meeting of the Board of Water Commissioners, Board of Selectmen and Finance Committee. John Manning so moved, Bernie Cullen seconded, all in favor roll call – Mark Emery – aye; John Manning – aye; Bernie Cullen – aye.

Joint meeting opened at 6:58 p.m.

Perry said if anyone wishes to speak, they need to use the microphone and to state their name and address. If someone agrees with a previous speaker to say that they agree and not repeat what was already said. This meeting is being video and audio recorded and will be shown at a later date.

Perry read the articles on the Special Town Meeting warrant. There were the following comments:

Article 17: A resident named Carol said the way the Town spends money is ridiculous. She said the carpet for the Selectmen's Office costs \$9,000 and she did her whole house for \$7,000. She asked if estimates were received as this seems excessive. Petersen said this is part of the Capital budget. Perry replied that this amount covers tearing the carpet up, installing the new carpet and moving the office furniture. As well, we need to pay prevailing wages, and this work will go out to bid. Carol said this seems excessive.

Article 21: Bob Petrillo of Haverhill Street said he recommended insulating the pipes at the Water Treatment Plant two years ago, and it is about time something happened. This is a lot cheaper than a big HVAC job.

Perry read the articles on the Annual Town Meeting warrant. There were the following comments:

Article 2: Perry said we are required under Massachusetts General Laws to have a balanced budget at the end of Town Meeting. If we are not balanced, we may need to continue the meeting to another night.

Article 4: Larry White said to keep it simple for the Triton budget. If you are for the full Triton budget, vote yes on Article 4, yes on Article 5, and yes on the override question on the ballot. If you are for the limited Triton budget, vote yes on Article 4, yes on Article 5, and no on the override question on the ballot. The Town of Rowley is allowed to increase taxes by 2.5% each year, and there is some new tax revenue. In December of 2017, the Rowley Board of Selectmen sent a letter to the School Committee offering half of the Town's new tax revenue, estimated at \$200,000. The Triton final budget is requesting a \$732,640 increase, which is 3.5 times Rowley's proposal. Article 4 has a \$200,000 increase for Triton, and approving this is a \$532,000 shortfall from Triton's requested amount. Article 5 appropriates and sets aside the spending for the override, should it pass on the ballot after Town Meeting. Fully funding Triton has two parts: Article 5 and the override vote. The override will be a permanent tax increase if it passes. If it fails, Triton will need to reconsider its budget.

- Line 71: Ben Dei of 34 Pleasant Street asked why this line is nearly doubling. Fire Chief Broderick said there are 25 call firefighters and 3 full-time firefighters. All three full-time firefighters are nearing retirement age, and information needs to be transferred to new people so that the Rowley Fire Department can continue. The call firefighters have their own lives, jobs and families and do not know the ins and outs of the Department. They are looking to hire two additional full-time firefighters, as Rowley is the only Town in the area with only 3 full-time firefighters and with a Fire Chief who is on the fire truck every day. Petersen said

at night, sometimes only two call firefighters show up, which is unsafe for them and the residents. We need to increase the number of firefighters. The Chief has been requesting this for the past five years and the Town keeps putting it off. Barbara of Farnham Road asked if this would reduce the budget for call firefighters. Broderick said no, they get paid when they respond to a call.

- Line 131: Richard Ziemelick from 26 Hammond Street asked why the Field Maintenance line is increasing by \$10,000. Petersen said they are working on developing fields on the newly purchased Gwynn property, which will add to maintenance costs. Maintenance costs in general along with the electricity costs for the concession stand are increasing, and plumbing work is also needed. The budgets have been level funded for so long, and we now need more money for maintenance.
- Line 125: Kathy Chattan from Wethersfield Street asked what the \$190 budget for ADA Compliancy is used for. Eagan said it is used for miscellaneous items such as replacing signs or adding new signs. Chattan asked if more than \$190 could be funded for ADA Compliancy. Eagan said large items are capital expenditures that are funded through articles, and this line is only for small general expenses.

Article 5: Perry read the article and said passage of this article needs to be followed up with the override vote on May 8<sup>th</sup>. The following comments were made on this article:

- Danby Whitmore asked what will happen to the school if the override fails. Perry said all we can do is vote yes or no. If it doesn't pass in Rowley and it doesn't pass in one of the other Towns, then the School Committee needs to vote on a revised budget. Whitmore asked where the Selectmen see that the increases are needed. Perry said people have to go the School Committee meetings as he doesn't want to give a second hand interpretation, and Superintendent Forget is here. Whitmore asked if the sales tax or meals tax can be used to fund this. Perry said the sales tax goes to the State and the Town is requesting the meals tax. White said the meals tax and marijuana tax are not yet approved, and are not part of this budget. The final budget is posted on the Triton website, and people can look at it to see the priorities. White urged people to start attending the School Committee meetings and to ask specific questions. The Town doesn't tell Triton how to run, but we can't afford how it is running now.
- Barbara Stanley of 21 Country Club Road asked what the tax impact is if the override passes. Treasurer/Collector Karen Summit said for a \$532,640 override on the average house value of \$429,749, the annual tax increase would be \$227.77 per year, and this is a permanent override.
- Superintendent Brian Forget said the entire budget would be reconsidered if two out of the three towns don't approve the budget. They haven't determined the cuts yet, but the cut to the \$200,000 increase for Triton, would mean \$1,500,000 in total cuts, which is the equivalent of 51 individuals. Another scenario has 20 to

25 individuals cut. The School Committee meeting is scheduled for May 16<sup>th</sup> to address this if needed.

- John Manning asked what happens if it passes in the other two towns, but not in Rowley. Petersen said \$532,000 will be cut out of the Town budget to fund Triton, which is an amount that is difficult to cut. He said the Fire Department would not get the two additional firefighters. This is a difficult situation and there is only so much money. Manning said the teachers raises are an enormous amount of money and their contract is up in another year. Forget said the teacher increases for FY 19 are 2.75%, which is larger than the historical 2.5% because there were additions to their basic job requirements. The teacher's pay is in the middle of the pack and they aren't overly paid in the region. They aim for average salaries and benefits, and the teacher's pay is not the cause for the override. The increases are \$900,000 to \$1,000,000 each year for 435 employees, and in a normal year, this this can be handled, but this year Special Education increased by \$1,200,000. The employer payment percentage for health insurance is higher for Triton employees than for Rowley employees, but are spot on with the other Triton communities and other school districts. The health care is being negotiated next year, and the teacher's contract is being negotiated in two years.
- Bernie Cullen said he has a different view on Triton's finances. The raises are substantially higher than 2.75% when you factor in the steps for the first 10 to 11 years of a teacher's career. Triton increases are significantly higher than increases given to Town employees. The Triton increases are significantly higher than what the Town can manage. The school needs to abide to Proposition 2.5%, otherwise the school will become a larger and larger part of the Town's tax levy. People need to look carefully at the Triton budget documents.
- Ben Dei said we have one shot to fund the schools for the kids, and the Town is saying they can't fund the schools, but has money in reserves, is increasing staff and is doing capital improvement projects.
- Forget said it is standard for teacher's pay to start low and to get step raises for the first 11 years. At 12 years, they only get a COLA and 65% of the teachers are at the top step and to move columns, they need to get advanced degrees.
- Jill Chouvelon of Homestead Lane asked what the impact of school choice is on Triton's budget. Forget said this is a State program and \$5,000 is received for students choicing in, and \$5,000 is paid per student choicing out. Now Triton choices out 273 students, and choices in 140 students, so we are paying out more than we are receiving in. Triton needs to balance the costs of students coming in and going out.
- Bob Snow said the Fire Station, Police Station and Pine Grove School projects are debt exclusion overrides, and once they are paid off, the tax money goes back to the taxpayers. This override would be forever. Karen Summit said 30% of the money has been borrowed for these projects. These are fixed costs, and are not negotiable. Taxes will continue to rise as the projects are fully funded. Town Accountant Sue Bailey said these funds are not available to fund the general budget. Summit said the borrowing for these projects will continue over the next two to three years and the tax impact will be \$2.05 for the next 20 years.

- Larry White said the Triton budget is presented as level funded, but includes \$450,000 of increases. The \$45,000 per individual used for Triton's layoff calculation equates to 12 people in Rowley. People need to go to the School Committee meetings and voice their concerns.

Article 6:

- Barbara of Farnham Road asked why the wages increased by \$156,000 between FY 17 and FY 18. Mark Emery said due to a lack of employees, and Pennichuck is now handling the billing for the Department. Bernie Cullen said the budget projects filling positions that are required by the State, but we are having a difficult time finding qualified personnel.

Article 5:

- Jeanne Masher said Bachelor's degrees are required for teachers; State funding is \$100,000 lower in 2019 than it was in 2002, and asked when the last educational override passed in Rowley. Petersen said in 2007 for \$590,000; in 2011 an override for \$130,000 failed. Snow said Town budgets were cut 2% across the board in 2011.

Petersen said there is a lot of talk that the Selectmen conspired to do these large projects all at once. Funds for the Police Station were requested in 1999, 2002 and 2004, and these overrides failed. In 2002, the cost was \$4,600,000, and in 2017 the cost grew to \$12,000,000. Time is money, and if the station was built in 2002, it would be paid off. These projects are desperately needed and we cannot afford to wait on them.

Chairman Perry called for a motion to close the Joint Meeting of the Board of Selectmen, Finance Committee and Board of Water Commissioners. Dave Petersen so moved, Bob Snow seconded, all in favor roll call – Joe Perry –aye; Bob Snow – aye; Cliff Pierce – aye; Dave Petersen – aye; Bob Merry – aye.

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Joint meeting closed at 9:22 p.m.

Respectfully submitted,

Amy Lydon  
Assistant Town Administrator

**ATTACHMENTS**

1. Meeting memo regarding 7:00 p.m. Joint Meeting with Finance Committee and Board of Water Commissioners
2. April 30, 2018 Special Town Meeting Warrant
3. April 30, 2018 Annual Town Meeting Warrant