

**MINUTES OF THE JOINT SELECTMEN'S MEETING
RECYCLING COMMITTEE MEETING
OCTOBER 16, 2013**

PRESENT: Willard J. Boulter, Jr. (Chairman), Arthur P. Boyle, Jr. (Vice-Chairman), Lewis W. Stone (Clerk), Michelle Burt (Selectman), Edwin J. Thorne (Town Administrator), Ben Bastianelli (Recycling Committee Chairman), Gordon Martin, Len Rusczyzk, Mike Virta, Sabrina Chilcott (Executive Assistant), and others.

At 6:30 pm, Mr. Boulter called the meeting to order.

There was general discussion on staffing levels at the Recycling Center. Mr. Bastianelli stated that the Recycling Committee would like feedback from the Board of Selectmen on what they would like to see done with the Recycling Center. He stated that the Recycling Committee has had numerous conversations on this, including some that involve investing money to increase services and some that involve decreasing the money that is spent. Mr. Bastianelli stated that the Recycling Center runs at a deficit, spending \$4 for every \$1 that is collected. Mr. Rusczyzk stated that the committee has received a technical assistance grant and it is important for the committee to move forward. Mr. Thorne referenced the DEP report sent to the Recycling Committee and the town and stated that the committee should meet and invite Janine Delaney to review the report. Mr. Thorne stated that he is aware of her need to cancel her last appointment. Mr. Boyle indicated that Ms. Delaney stated she was using 2011 figures to compile the data in the report and these figures should be updated. Mr. Stone pointed out that the future of the Recycling Center was only one of the committee's charges; they are expected to identify cost savings opportunities and methods for increased recycling. Mr. Stone advised the committee that he worked to see textile recycling brought to the school buildings for residents. Mr. Stone then read a portion of the DEP report that suggested a variety of options, including keeping the Recycling Center open, increasing the hours to residents and including the participation of small businesses and schools in the program. Mr. Stone stated that some ideas may not be practical, but many are good ideas. Mr. Martin agreed and stated that the issues facing the Recycling Center are fixable; he cited Pembroke's diversion rate at 22% while the states is at 34%. He also said that Wellesley sees 10,000 cars per week at their center. He stated that the town needs to divert more material out of the waste stream. He cited a report he authored in August recommending that the Recycling Center's hours be promoted, that the center accept more types of material and offer participation to small businesses and the Pembroke Public Schools. Mr. Bastianelli asked the BOS if they support increased funding and resources at the Recycling Center; he advised that Pembroke has 6,000 households so the Wellesley statistics are not comparable. Mr. Bastianelli further stated that more hours require more people and more products require more handling. He also voiced concerns that materials stocked, warehoused and transported would not be a break even proposition. Mr. Martin reiterated that there are items not being recycled that are finding their way into the waste stream. He further stated that high volume isn't needed; what is needed is increased quality of product. Mr. Boulter stated that he is not in favor of increasing expenses at the Recycling Center at this time and recommended the committee look into private entities that could run their programs from the Recycling Center. Mr. Bastianelli agreed but stated that issues arise when a private business is restricted to residents only; they will not be able to cover the cost of their overhead. Mr. Martin indicated that if private businesses were able to participate, overall costs would lower. Discussion ensued of logistics of small business participation. Ms. Burt asked if the participation of small businesses and the schools would close the deficit gap; Mr. Bastianelli stated no. The dual costs of staffing the center and hauling the material would offset any increases in revenue. Mr. Martin suggested that the Town of Pembroke purchase their own roll off truck for hauling, which could then be used to plow in the winter. Mr. Bastianelli detailed how this measure would be cost prohibitive. Ms. Burt asked if the committee could put together a report on where the finances would be if the town offered participation in the program to the schools and local small businesses. Mr. Rusczyzk stated that they cannot; he stated that the committee needs a new charge he indicated that he felt that solid waste and recycling should be together and shouldn't have been split. Mr. Boulter asked the committee if they felt the inclusion of small businesses while negotiating the new solid waste contract would be beneficial to the town; Mr. Bastianelli stated that the town cannot force a small business to participate in the town's program. Mr.

Thorne recommended that the Recycling Committee meet with Janine Delaney to review the DEP recommendations and make their own list of recommendations; a follow up meeting will be scheduled to review those with the Board of Selectmen. Mr. Boulter recommended that the committee consider surveying the small businesses in town to determine their interest in participation. Mr. Martin pointed out that small businesses would be more profitable if they did not single stream; he stated that the price of cardboard sells at \$113/ton. Mr. Stone also pointed out that the current mission statement for the committee tasks them with developing and promoting new recycling methods. Consensus was achieved to schedule a follow up meeting once the Recycling Committee has a list of recommendations; the Board was in recess to attend the Cash Management Meeting.

**MINUTES OF THE BOARD OF SELECTMEN
CASH MANAGEMENT MEETING
OCTOBER 16, 2013**

PRESENT: Willard J. Boulter, Jr. (Chairman), Arthur P. Boyle, Jr. (Vice-Chairman), Lewis W. Stone (Clerk), Michelle Burt (Selectman), Edwin J. Thorne (Town Administrator), Stephen Curley (Advisory Chairman), Michael Buckley (Town Accountant), Frank Hackett (School Superintendent), Erin Obey (Dir. Finance and Operations, School), Kathleen McCarthy (Treasurer), Catherine Salmon (Chief Assessor), Elizabeth Bates (Assessor), Linda Peterson (Advisory), Patricia Elsner, Kathy Hassey, James McCollum, Anthony O'Brien, Steve Walsh, Ben Bastianelli, Robert DeMarzo, Deborah Wall, Richard Wall, Sabrina Chilcott, Patriot Ledger reporter, and others.

At 7:15pm, Advisory Chairman Stephen Curley called the meeting to order.

Mr. Curley presented Advisory's proposed budget revisions to balance the budget; he advised the two columns represent figures now and adjusted figures should the meals tax article pass at STM; should it pass, the Committee felt more confident in using an additional \$100,000 in local revenues. With the meals tax included the town needs to cover a deficit of \$474,147; without it the town must cover a deficit of \$576,367. Mr. Curley stated that the Advisory Committee went through the existing budget and made minor modifications to revise it to balance. Discussion ensued on individual line items. Mr. Curley advised that the fire department payroll item may change as the proposed cut was based on the fire chief stating he would not need the additional \$85,000; when the one year firefighter contract was awarded, the chief added ten percent of the payroll budget of \$2,200,000 or \$220,000 and has since stated that the ten percent was not fully necessary. The Town Administrator's budget doesn't have the \$85,000 reduction so Advisory needs more information. Ms. Bates asked how maturing debt principal and interest can be cut; Mr. Buckley explained that items that were authorized were not borrowed; Town Meeting may have authorized the expense but the town put "on hold" and did not borrow. Ms. Bates asked what these items were; Ms. McCarthy listed three sanders, a one ton truck, an air compressor, an F350 pickup truck and 6 ton dump truck for the DPW, and the Library Generator. Ms. McCarthy stated they will remain unauthorized unissued items that can be borrowed at some point time; previously these items had been budgeted for and this results in the reduction. Mr. Buckley stated that the fire department payroll proved to be accurate and not in need of additional funding once each firefighter was individually calculated, the current payroll number proved to be accurate which resulted in the \$85,000 discrepancy. Ms. Peterson asked if any other budget was inaccurate; Mr. Thorne stated not to the towns knowledge. Mr. Buckley drew everyone's attention to the handout with the Town Administrator's proposed budget reductions. Mr. Buckley stated that he and Mr. Thorne spoke with the department heads to arrive at these figures. Mr. Hackett stated that the number represented in this proposal is \$70,000 higher than the number they discussed without communicating with him; discussion ensued. Mr. DeMarzo asked when an approved meal's tax would kick in and when would the town receive the revenue; Mr. Curley stated there would be one quarter received for FY14, approximately \$70-75,000 and a full year in FY15, approximately \$250,000 if approved. Mr. DeMarzo asked if these numbers were based on the DOR numbers for revenue; Mr. Curley stated yes. Mr. DeMarzo asked if \$75,000 was removed from the reserve fund, how much would be left in the fund. Mr. Curley stated the total budgeted amount is \$150,000 and in

Prepared by Sabrina Chilcott

the past few years the Town has not exceeded \$75,000. The state allowed as a temporary measure the Board of Selectmen and Advisory Board, in conjunction, to move monies between departments without going to Town Meeting, starting in June. This measure has since been made permanent. Mr. DeMarzo asked if the town was budgeting for anticipated separation pay benefits; Mr. Curley stated that the fund has been created and the Town Administrator's recommendation for this year is to add \$100,000 from free cash. Mr. Buckley stated that the exposure to the town is \$1.2million. Mr. Curley clarified that this is if everyone retired now. Ms. Burt asked if the surplus real property auction proceeds would help; Ms. McCarthy explained that the money will not be available until FY15. Ms. Burt asked if the school department can use the Medicaid reimbursement to offset their cut; Ms. Obey explained that the amount will eventually be \$16,000 and cannot fund these cuts. Mr. DeMarzo asked about the motor vehicle excise tax revenue estimate; Ms. Salmon stated that she worked with the Town Accountant to produce a conservative estimate, so this has been reviewed and revised. Ms. Salmon inquired about the balance in the ambulance fund and asked how much money is received each year. Mr. Thorne stated that this is a billing for usage; Mr. Buckley added that this is a revolving fund, not a 53E½, governed by its own statute and they keep all of the money they collect to buy medical supplies, to buy new ambulances and it is used to subsidize their budget. Ms. Bates asked Ms. Salmon about the new growth increase of \$60,000; Ms. Salmon stated that it is the new final growth figure of \$269,000 which is \$60,000 more than projected. Ms. Bates asked what comprised the \$30,683 in local receipts – rentals figure; Mr. Thorne stated that this is cell tower revenue from leases. Mr. Curley explained that increases in revenue estimates now will reduce free cash later; excess revenue collected becomes free cash the following year so if it used now, it cannot be used later, so this is not new money being created. Mr. DeMarzo inquired about the COA transportation fund revenue of \$40,000; Mr. Curley advised that this GATRA reimbursement is allowed to roll over to the next year and this amount represents the excess in the fund. Mr. O'Brien asked Mr. Thorne whose version of the budget reductions, Article 3, is published in the warrant. Mr. Thorne stated that this is the first time this has been done; normally, the Town Administrator and Town Accountant present this budget with Advisory making recommendations on it. Mr. Hackett requested clarification on reductions to other departments. Mr. Curley clarified the police department is cutting \$40,000 in the form of a replacement cruiser, no cut to the fire department and DPW cuts to summer help, the assistant director and in forgoing the aforementioned equipment. Mr. Curley did clarify that these are delayed purchases, not cancelled. Mr. Bastianelli claimed that the last time DPW delayed a purchase it took seven years to obtain the funding. Mr. Hackett stated that he feels the original cut to the fire department has been allocated to the school department. Mr. Curley stated that the library cuts were the deepest as a percentage. Ms. Hassey stated that the meals tax article must be presented well and these cuts will be reduced. Ms. Peterson asked if the member from the Board of Selectmen has been selected yet to present the meals tax article; Mr. Boyle stated that has not yet been decided. Ms. Peterson advised that this Town Meeting must be balancing the budget, the meals tax and the school roofs; there is no money to fund the wish list contained in the warrant articles. Mr. O'Brien concurred on the presentation of the meals tax and school roof articles being highly important. Mr. Bastianelli recommended keeping it simple and giving the voters a clear understanding of the impact of their vote. He stated that he hears from residents who vote for an item and then never see it; they didn't understand the financial impact of what they were voting for at the time. Mr. Buckley stated that the issue must be clear and printed in the warrant for the residents to digest two weeks in advance; he discouraged handouts. Mr. Curley asked what the last moment is for these figures; Mr. Thorne stated Monday, October 28th before 4:30 as the BOS signs the warrant that evening for posting on Tuesday. Mr. Buckley additionally recommended that the meals tax calculations not be included to avoid confusion; he would prefer not including any potential revenue from meals tax until FY15. Ms. Bates pointed out the possibility that it will not pass. Discussion ensued on the proposed meals tax. Ms. Bates asked if the three new positions were filled when Advisory recommended a hiring freeze; Mr. Curley confirmed that they were and he would like to balance the budget and avoid layoffs if possible. Mr. Hackett stated that a \$100,000 cut means significant layoffs to the school department which will have to factor in the added cost of unemployment benefits to the budget figures, resulting in additional layoffs. Ms. Bates stated that three people need to be laid off for every two to cover these costs. Mr. Hackett also pointed out that this is the middle of the school year; he questioned whether other departments will be forced to layoff. Mr. DeMarzo asked if it would be clerical or teachers; Mr. Hackett stated that they have laid off for the last four years and have already laid off custodians, clerical, other admins and staff outside the classroom. Chief Wall asked Mr.

Curley what would be left in free cash after Town Meeting; Mr. Curley stated \$500,000 in free cash would be held in reserve to fund future contracts, leaving \$300,000 available to fund some of the warrant articles including separation pay fund, fire vehicles, etc. Chief Wall stated that spending money on requested purchases makes no sense when the potential for layoffs exists and recommended funding none of them. Mr. DeMarzo suggested that FY15 will be even more problematic; it is his preference not to throw structured classrooms into upheaval in the middle of the school year. Mr. Hackett stated that a cut of this magnitude would require the fourteen months to plan for the reduction as it impacts classroom planning. Mr. DeMarzo suggested using free cash this year only to allow for FY15 budget planning that includes the cuts. Discussion ensued on spending free cash on recurring debt. Ms. Bates asked how this budget imbalance occurred. Mr. Curley pointed out that State Aid numbers were not available prior to Town Meeting; the Advisory Committee used an estimate and the actual aid number came in \$400,000+ less; the fire contract came in at 10% for a single contract and mediation does not allow for discussion while it is ongoing, prohibiting financial planning for the final amount. Ms. Bates asked when the last time was the town conducted layoffs; Mr. Curley stated that the school department has laid off every year, but the town hasn't laid off since 2003. Ms. Burt asked Mr. Hackett if the school department could absorb the \$30,000 originally quoted. Mr. Curley stated that Advisory is meeting on Tuesday to discuss new developments as outlined above with the Town Administrator's new recommendations to see if they can get closer. Chief Wall asked if the departments that submitted the articles can withdraw them; Mr. Curley stated yes. Mr. Curley asked what the general opinion is on using free cash; this recommendation cannot be fractured and the ideal scenario is to request residents vote what is printed in the warrant. Ms. Salmon pointed out that the budget must be balanced coming out of Town Meeting or the DOR will not certify the tax rate, preventing the town from sending out the tax bills before January 1st. Discussion ensued on the 300th Anniversary Committee turning the balance of their account back to the town; Mr. Boulter stated that there are a few unpaid bills that need to be resolved and then the committee's intent is to turn back the balance which is currently \$40,000. Mr. DeMarzo asked about the work done to date on setting the FY15 budget; Mr. Curley stated that department heads were asked to submit their FY15 budgets for level services and they submitted their requested budgets with increases. Mr. Stone recommended consideration of using free cash to balance now with appropriate budgeting cuts applied for FY15, allowing department heads time to make the adjustments, in an attempt to avoid layoffs. Mr. Boulter agreed, stating he believes that Tuesday's meeting with Advisory and the Town Account will result in a unified proposal for Article 3. Discussion ensued on a hiring freeze and unnecessary spending. Mr. DeMarzo suggested improved communication from the Cash Management Committee to each board, committee, commission and department head. Ms. Salmon stated that there is no mechanism for committee members to enact what is decided in the meeting; Ms. Bates outlined the meeting structure and communication delivery in Marshfield as an example of a working model with proactive financial planning. Ms. Peterson asked when the Financial Management Review report from the DOR will be available; Mr. Thorne stated it will be available after Thanksgiving. Mr. DeMarzo asked if the school contracts allow for sick time buyback; Mr. Hackett stated that it is minimal at \$35/day for up to 70 days on retirement only. Ms. Burt confirmed that the next Advisory Committee meeting will be Tuesday, October 22 at 7:30pm.

At 8:50 pm, Mr. Boyle made a motion to adjourn the Selectmen's meeting; Ms. Burt seconded the motion. The vote was unanimously in favor.