



Board of Selectmen **Regular Meeting Minutes** **September 20, 2016**

The regular meeting was called to order at approximately 6:00 p.m. in the Town Hall Hearing Room by Chairman Jim Quirk. Selectmen present: Tracy Post, Mike Stone, Norman Holcomb, and Erik Tolley. Also attending: Interim Town Administrator, Peter Johnson-Staub.

1. Public Announcements & Comments

Ms. Vida Morris commented that the Cemetery Committee and the Substance Abuse Committee appointed by the Board of Selectmen are superb and exactly as they should be with dedicated individuals who are serving for the good of the town. She also commented on the social worker position established by Senior Services in the spring and does not believe that position was ever fully explained to the public.

Ms. Andrea St. Germaine, D-Y Regional School District Committee, mentioned that Captain Dan Burbank, USCG (Ret.) and astronaut, approached Deputy Chief Xiarhos with a request that Deputy Xiarhos provide a memento of his son, the late Nick Xiarhos, USMC, and Captain Burbank would ensure the items would be taken into space. Capt. Burbank spent 150 days in space, brought the mementos back, framed. Deputy Xiarhos presented the memento to Principal Jenks, D-Y High School, to be displayed in a place of honor. Ms. St. Germaine also commented on the "Blue Light of Recognition" which is meant to symbolize, in a quiet way, your respect for law enforcement personnel by displaying a blue light on your property. She again commented on the "All Means All" symposium held before the school year started which included every phase of leadership within the school district, which emphasizes standardized teaching throughout the district and aids teachers to become better teachers.

2. Age-Friendly Community Team Charge and Appointment

Kathi Bailey, Director of Senior Services, made the presentation to the Board. Also present was the Age-Friendly Community Team members and she asked the Board to approve the charge as presented and to appoint the team. Ms. Bailey also mentioned that last week, Yarmouth Senior Services hosted a panel discussion about age-friendly community building for Cape Cod. Colleagues from Boston, Berkshire County, Dedham, and Martha's Vineyard were in attendance and made a presentation which will be used to launch a region-wide age-friendly community through Barnstable County Human Services. Mr. Johnson-Staub explained to the Board the action that Senior Services is seeking from the Board. The current Age-Friendly Community Team has been operating as an ad hoc, temporary group and what is being proposed is to appoint them as a standing committee and to serve as the advisory committee to Senior Services and the Senior Center.

Selectman Tolley asked if there are already people in place to fill this committee. Ms. Bailey stated that the current members would like to remain in place. The total number of personnel on the committee would be seven individuals, with staggered terms. The Board discussed moving the team appointments to the next meeting to allow roles and terms of appointments to be discussed.

MOTION: To move that the Board of Selectmen approve the Age-Friendly Community Team Charge as presented.

Motion by: Tracy Post

Seconded by: Norm Holcomb

Yea 5 Nay 0

Ms. Bailey thanked the Board and invited them to Yarmouth's first-ever intergenerational Model UN pilot on Saturday, October 15, 2016 from 1-4 pm at the Senior Center.

3. FY2016 Results and Free Cash Review

Mr. Johnson-Staub explained to the Board that this presentation by Town Accountant Rich Bienvenue is intended to kick off the FY18 budget season and also to discuss free cash as the Board members indicated previously they would like to have a discussion on free cash. Mr. Bienvenue also introduced Bev Connors, Assistant Town Accountant, who is responsible for a lot of the grunt work in compiling accounting reports which are required by Mass Department of Revenue. Mr. Bienvenue explained the FY16 financial overview, our S&P Bond Rating scores, and incorporated the town's financial policies into the presentation as a reminder that those policies are also reviewed by and affect our Standard & Poor's (S&P) score. He then reviewed our general, stabilization, and reserve fund balances as of June 30, 2016 and how those balances are in line with S&P goals.

Mr. Bienvenue provided a history of our free cash account from 2006 through 2016 which shows a steady growth over the past two years. He then reviewed estimated receipts and savings by account, local receipts trends, appropriation' savings by account, salaries vs. expenses, the free cash outlook, and possible uses for free cash. Mr. Bienvenue summarized his presentation by reminding the Board of our financial policies, continuing to use free cash for improvement in financial position or identified needs, and not use free cash for recurring expenditures.

Selectman Holcomb asked for clarification on S&P's free cash target amounts. Mr. Bienvenue explained that over the past few years, S&P's rating criteria has become much more rote due to S&P receiving much more controversy for some of the ratings they issued and have therefore become more transparent and less subjective in their rating process. Part of that transparency was to develop this rating process.

4. FY2018 Budget Outlook

Mr. Johnson-Staub provided an overview of the FY18 budget outlook based on the Board of Selectmen's goals and financial management policies, FY18 revenue estimates, expenditures, challenges, and a draft of the Selectmen's FY18 Budget Policy Statement. He discussed the revenue estimates based on a local receipts history over the past 26 years. Mr. Johnson-Staub explained the expected FY18 cost increases for the schools, town wages, pensions, health and property insurance, and roadways.

Mr. Johnson-Staub explained the FY18 potential challenges beyond the base budget, one of which is D-Y school enrollment increases for Yarmouth. Massachusetts School Building Authority projects Yarmouth enrollment will remain flat over the next 10 years while Dennis enrollment may decline by 30%. The enrollment figures for FY18's assessment will be available in October 2016.

Further challenges include:

- The state's significant budget challenges, potential reduction in state aid and increased state charges;

- Energy costs are not yet known for FY18;
- Snow and ice average expenditure exceeds budget by \$250,000;
- Public safety dispatch costs yet to be determined by a consultant study;
 - The Board had a discussion on the merits of spending funds for a study before YPD and YFD have reached a consensus on location. Selectmen Holcomb commented that the Board needs independent input from other communities that have gone to a third party agency to determine if those communities are satisfied.
- 4 additional firefighters' net cost will be \$100,000;
- Senior Services transportation usage is low due to lack of staff, the cost estimate to staff this program is \$50,000;
- Conservation's workload is rising; part-time administrative support is needed at an estimated cost of \$25,000;
- Library budget needs to increase to obtain state certification and to expand West Yarmouth's hours.

Mr. Johnson-Staub explained that health insurance and Other Post-Employment Benefits (OPEB) obligations will continue to outpace the 2.5% levy growth. He then reviewed capital facility needs items that will need to be discussed in greater detail at a future date:

- Waterways / Coastal Infrastructure;
- DPW Facility;
- CC Tech School;
- Wastewater;
- Mattacheese School;
- M. E. Small School;
- Library;
- West Yarmouth Fire Station;
- Police Firing Range.

Mr. Johnson-Staub explained that new debt for these projects could be in the range of \$4 - \$6 million. Existing school and town debt is \$2.5 million and an increase in debt could be \$2 million or more. He also explained that the tax implications of a \$2 million debt would equate to a tax impact of 3.6% or \$117 on a \$325,000 home. The tax impact can be reduced by: alternative funding sources for wastewater (CPA, real estate tax, user rates, betterments); preserve debt drop-off and generate new funding for debt within the levy; set aside funds in Stabilization or Wastewater Improvement Fund; or defer some projects.

Mr. Johnson-Staub summarized the FY18 budget outlook explaining the base budget can be funded without service loss or tax increase beyond 2.5%. Any new town spending will require new revenues or offsetting spending reductions; a D-Y assessment of over 2.5% will be difficult to accommodate with an override; and significant work will be required to meet capital needs while keeping the tax impact to a minimum.

5. Budget Policy Statement and Calendar

Mr. Johnson-Staub reviewed the proposed FY18 budget policy statement and highlighted the main elements in the statement as:

- Preserve essential town services;
- Fully fund contractual wage increases, pensions, and insurance obligations;

- Include \$1.5M in routine capital spending within the tax levy;
- Include \$1.2M for road maintenance funds within the levy;
- Provide for an increase to the town's stabilization fund reserves above \$3.0M;
- Allocate a combination of recurring and one-time funding sources to the OPEB Trust;
- Preserve "debt drop-off" for future capital borrowing and create additional, recurring funding sources to meet future borrowing needs;
- No new staff positions are to be established unless they can be funded with corresponding budget reductions or a recurring funding source;
- No increases in expense budgets with the exception of utilities and insurance and rare instances where uncontrollable costs require an increase to maintain existing service levels;
- Plan for increase of up to 2.5% for the D-Y and Cape Cod Tech Regional Schools; and
- If D-Y assessment increase is above 2.5%, it will not be funded from reductions to town services or rely upon revenues that are not sustainable.

Selectman Tolley commented that he is not satisfied with the D-Y assessment bullet point in the proposed statement. He would like more time to think about that point and believes there is better language to use in the statement and he is not ready to adopt the statement as it is worded at this time. Selectmen Holcomb asked what we anticipate including in the budget for OPEB and where would that put us in terms of our contingent liability increasing or decreasing. Mr. Johnson-Staub explained that the OPEB amount anticipated for the budget and the revenue stream to fund it is the same as last year. Mr. Holcomb suggested that language needs to be included in the policy statement that directs no increase to contingent liability which would be passed on to future generations.

Selectman Stone suggested that adding language to the effect that it is an objective to fully fund the required level of OPEB, if feasible and practicable, based on revenues. Including this statement would demonstrate a commitment to funding of OPEB but not at any and all costs. Mr. Stone also commented that the budget statement regarding D-Y assessment should include some flexibility since shifts in student population cannot be predicted.

Chairman Quirk commented that when creating the Board's budget policy statement the Board should be looking at the current debt before worrying about future debt. Mr. Quirk also expressed concern about the language of not hiring new staff (item #11 in the proposed statement) and how that would affect the Board's ability to hire new firefighters should they choose to do so. Mr. Johnson-Staub explained that if he were to propose hiring 4 new firefighters, he would also provide the funding source for the new hires, which is consistent with that statement.

Further discussion was held among the Board members regarding the merits of applying some free cash to the unfunded liabilities or using free cash to reduce the 2.5% increase to something less.

MOTION: To move that the Board of Selectmen adopt the FY18 Budget Policy Statement as presented.

Motion by: Tracy Post

Seconded by: Erik Tolley

Yea 4 Nay 1

MOTION: To move that the Board of Selectmen adopt the FY18 Budget Policy Statement with the amendment that the budget include the annual contribution for OPEB.

Motion by: Norm Holcomb

Seconded by: Mike Stone

Yea 5 Nay 0

6. Board of Selectmen

a. Board and Committee Actions.

1) Selectman Tolley requested the Board appoint Elinor Lawrence and Brendan Quirk be appointed to the Conservation Commission as regular appointments to fill three-year, unexpired terms to run through June 2018.

MOTION: To move that the Board of Selectmen appoint Elinor Lawrence and Brendan Quirk to the Conservation Commission as regular appointments to fill three-year, unexpired terms to run through June 2018.

Motion by: Jim Quirk

Seconded by: Tracy Post

Yea 5 Nay 0

2) Selectman Tolley requested the Board appoint Jeffrey Senecal to the Open Space Committee as a regular appointment for a one-year term to run through April 2017.

MOTION: To move that the Board of Selectmen appoint Jeffrey Senecal to the Open Space Committee as a regular appointment for a one-year term to run through April 2017.

Motion by: Jim Quirk

Seconded by: Tracy Post

Yea 5 Nay 0

b. Upcoming Agenda Review. Mr. Johnson-Staub reviewed next week's meeting agenda items with the Board as well as the October meetings. Mr. Johnson-Staub asked the Board members if they could finalize a date for the town administrator interviews. The Board confirmed they are all available on November 19th for the interviews. Due to two Board members potentially not being available for the October 4th meeting, that meeting will be cancelled and those agenda items rescheduled to later meetings.

c. Individual Items.

1) Selectman Post informed the Board that Mr. Joe Sarnosky has passed; he was a 14-year member of the Board of Appeals. Ms. Post thanked Mr. Sarnosky's family for sharing him with the town. Her thoughts and prayers are with his family at this time. Selectman Stone reiterated Selectman Post's wishes to Joe's family and thanks for his service to the town.

2) Selectman Holcomb commented that he sent an email to the Board members regarding the history of Bass Hole Beach. He reviewed the history of Gray's Beach and Bass Hole Beach back to the early 1900's and how inaccessible Gray's Beach was until the town built a boardwalk from Bass Hole to Gray's Beach. After significant weather events in the 1950's, Gray's Beach and the boardwalk were destroyed; it wasn't until after those events that the town dredged out Bass Hole Beach to clear the damage caused by hurricanes. Mr. Holcomb concluded that conservation regulations should not stand in the way of the town restoring a beach to what it was originally.

7. Town Administrator's Items

a. Consent Agenda:

1) Letter to BOS from YFD dated September 4, 2016 re: Seaside Festival Bon Fire permit.

DISTRIBUTED MATERIAL AGENDA PACKET

- Charge for the Age-Friendly Community Team
- Intergenerational Model UN Flyer
- FY2018 Budget Policy Statement
- FY2018 Budget Schedule
- FY2016 Year-End Financial Overview PowerPoint Presentation
- Financial Management Policies
- Memo to BOS from Appointments Chairman dated September 13, 2016 re: Open Space Committee Appointment
- BOS Projected 2016 Agenda Items
- Letter to BOS from YFD dated September 4, 2016 re: Seaside Festival Bon Fire
- Proposed Letter to MassDOT from BOS re: District 5 Guide and Traffic Sign Replacement Plan for the Mid-Cape Highway
- Memo to BOS from YFD dated September 14, 2016 re: Gift
- Email to Route 6A Neighborhood from Director of Community Development dated September 15, 2016 re: October 6 Meeting - Route 6A Improvements
- Community Preservation Annual Public Meeting Agenda for September 22, 2016
- Yarmouth Substance Abuse Committee (Y-SAC) Logo Contest Flyer