Finance Committee
Minutes of October 27, 2014

Present for the Finance Committee meeting was: Chairman Louise Tremblay, Helen Hamel, Michele Green, Ed Pitta, Bob Corey and John Zimini. Also present was Town Manager James Duggan, Finance Director Ann Vandal, Town Accountant Linda Wright, and Recording Secretary Samantha Carver. The meeting was held at the Varnum Room at the Historical Society 1660 Lakeview Avenue, Dracut, MA.

The Chairman opened the meeting at 7:00 p.m. and began by asking the Committee Members to introduce themselves for there were two new members on the Committee.

Moderator Leo Gaudette briefly stopped in at the meeting to provide a handout of a portion of the Town Charter relative to the Finance Committee and a section of the bylaws relative to the duties of the finance committee. He also requested that the Finance Committee provide a summary sheet once they have taken action on the articles to be handed out at Town Meeting. Mr. Gaudette stated this is part of the Town bylaw and was done years ago and felt they needed to get back to this process.

Town Manager Duggan began the discussion on the articles. He stated the only articles with financial impact that they will be presenting to the Finance Committee are Articles 2,3,5,6,7,8,9,10,11.

Article 2 – to accept the provisions of MGL Chapter 40U Sections 1-18 Inclusive for the purpose of imposing a lien on real property for any unpaid fines issued in accordance with the State Sanitary Code.

The Committee asked how many properties this would impact; and how many times it had been used. Mr. Duggan stated he did not have that information as far as how many properties it would affect but could get that for them and he would look at the ticketing data to date. These would be issued through the Board of Health.

Mr. Zimini made a motion to recommend. Mr. Corey seconded the motion. The motion carried unanimously.

Article 3 – to see if the Town would vote to set the salaries and compensation of all elective officers of the Town, as provided by MGL, Chapter 41, Section 108 as amended, to be effective July 1, 2014…

Mr. Duggan reported that they met with Attorney Hall he is still looking at the timing of introducing this article to Town Meeting after it having been addressed at Town Meeting in June. He has not issued a legal opinion on whether it could be reintroduced as an amendment and be able to support it with case law. It will most likely come up for discussion at the Selectmen's meeting Tuesday night.

Mr. Zimini would not feel comfortable voting on something that he believes is a conflict. Mr. Zimini requested a copy of the voter petition.

Mr. Pitta made a motion to vote on the article. Mr. Corey seconded the motion. The motion carried 5 in favor one opposed (Mr. Zimini voting opposed).

Motion to recommend Article 3 by Mr. Corey. Mr. Pitta seconded the motion. The motion carried five in favor one opposed (Mr. Zimini voting opposed).

Article 5 – to see if the Town will vote to accept the amendment to MGL Chapter 60, Section 1 paragraph 8 as follows:
…the excise imposed shall not apply to a motor vehicle owned and registered by a resident who is in active and full-time military service…and has been deployed or stationed outside the United States for forty-five days or more…

Mr. Zimini made a motion to recommend. Mr. Corey seconded the motion. The motion carried unanimously.

Article 6 – to see if the Town will vote to raise and appropriate from the Community Preservation Fund a sum of money for the property listed as 509 Hildreth Street…
Discussion was the additional sum being requested was $150,000.

Mr. Zimini made a motion to recommend. Ms. Green seconded the motion. The motion carried unanimously.

Article 7 – to see if the Town will vote to raise and appropriate from Community Preservation Funds a sum of money for the property listed as 467 Pleasant Street…

Discussion was the additional sum being requested was 80,000 for construction contingency. The Town was approved for $260,000 for the project with no cushion and the costs are coming in higher than anticipated. They will reuse portions of the house for the restroom project to save costs.

Mr. Zimini made a motion to recommend. Mr. Corey seconded the motion. The motion carried unanimously.

Article 8 – to see if the Town will vote to act on the report of the Community Preservation Committee to raise and appropriate from Community Preservation funds a sum of money for a Senior Housing Feasibility Assessment said parcels to be the Richardson Property and Spring Park Avenue…

Discussion was that the amount being requested was $100,000 for soil testing, hard construction cost estimates, design estimates. Mr. Duggan reported an RFQ was out for the feasibility study and they are looking to have it completed by April 2015. This would be for a total of 13 units with local lender financing as well. No money will be provided through the general fund. Mr.

Duggan noted that he has also completed a grant application for two P.A.T.H. grants which if approved would subsidize $50,000 toward this feasibility cost.

Ms. Green asked who would be responsible to the local lender. Mr. Duggan responded Dracut Housing Authority.

Mr. Zimini made a motion to recommend. Mr. Corey seconded the motion. The motion carried unanimously.

Article 9 – to see if the Town will vote to act on the report of the Community Preservation Committee to appropriate and expend funds from the Community Preservation open space reserve account a sum of money for the purchase of signs and sign making materials for identifying various CPA projects…

Ms. Helen Dunlap presented Article 9 and stated that the Greater Lowell Technical High students would be making the signs and they have already been approved for $500 however the Committee is asking for an additional $1,000 for the materials which were more expensive than anticipated.

Mr. Corey asked if it was possible to get a map of the areas that you can walk through and put it at the library or the Town Hall because he has been approached by people wondering where all these trails are. Ms. Dunlap stated Open Space has created a nice map of the trails and are in the process of updating it.

Mr. Corey made a motion to recommend. Ms. Green seconded the motion. The motion carried unanimously.

Article 10 – to see if the Town will vote to fund the construction of a 47x20 bathroom and storage facility and an adjacent 16x26 covered shelter and related site work, for the Town owned property at 1624 Lakeview Avenue…

Ms. Dunlap stated that Mr. Graham from the School Department was going to be present to explain this however she stated that they had requested funding to refurbish the track and this is an additional request of $350,000 to fund bathrooms, storage and a covered shelter. Ms. Dunlap explained that using CPA funds is allowable for a building if it enhances, increases the value or in some way improves or is necessary for the open space or in this case it would be the track that has already been funded.

Mr. Zimini asked who would have access to use of the storage area. Ms. Dunlap responded the public will definitely have use of the restrooms beyond that she was not sure. Mr. Duggan stated that he was unsure but thought it was for junior varsity and High School sports. Mr. Zimini asked if it were allowable or does it have to allow access to other community groups? Mr. Duggan cited an example of a similar building in Gloucester and how that building is being used and shared. Mr. Corey asked who was to maintain the restrooms. It was discussed that it was the School Department maintenance and custodial staff.

Mr. Zimini made a motion to recommend. Mr. Green seconded the motion. The motion carried unanimously.

Article 11 – to see if the Town will vote to appropriate a sum of money from the Community Preservation Act funds for the purpose of purchasing a Conservation Restriction on a certain property knows as the Alden and Esther Fox Property located at 52A Avis Avenue …consisting of 27.7 acres more or less.

Ms. Dunlap explained the Fox parcel and where it was located. She stated they are hoping to use CPA funds not to purchase the parcel but to purchase a conservation restriction on the parcel which would prevent this property from being developed. They are sending in the application tomorrow to the State for preliminary approval. The CPC had an appraisal done by a qualified appraiser someone qualified to determine three values. The first is highest and best use which is if the land were developed as a housing development. The second is the ability to develop the land after the value has been "extinguished" so what you're left with is a very low value and the third is the difference between the two and this is called the value of the development rights or the value of the conservation restriction. The problem is the CPC and the Fox representative have not been able to come to an agreement on the Fair Market Value of the property. The appraisal that was done, the family considers very low as do a number of other qualified people.

Ms. Dunlap stated that the CPC has not voted on anything yet and she has been advised by Attorney Hall along with the Community Preservation Coalition that they could put the value as an amount "up to" before Town Meeting on this parcel and that this has been done on other Community Preservation projects within the State. Ms. Dunlap stated they would be looking for an amount of up to $1.5 million dollars.

Ms. Green asked how much money the Community Preservation fund currently had. Ms. Vandal responded $7.2 million.

Ms. Dunlap stated the conservation restriction will be part of the deed in perpetuity on the property.

Mr. Zimini stated we still need to think about the tax payer and felt as though an "open check" is being offered to the Owner he is not comfortable with that. Mr. Zimini questioned whether the Fox Family was looking to have another appraisal done that may come up with a higher value that they would be more willing to negotiate with. Ms. Dunlap stated that they were looking for an alternate appraisal. Mr. Zimini stated he would not feel comfortable voting for this because they have a fiduciary responsibility to the Town knowing what he knows now. Mr. Zimini also stated this is a bad precedent and that the people who are coming to the Committee to preserve their land are "driving the bus" whereas the Town is not.

Ms. Green asked if this was a case where this article should be tabled to get a firm number from the Community Preservation Committee and then Finance can meet before Town Meeting. Ms. Vandal asked who makes the final determination if another appraisal is sought. Who decides which appraisal to go with? Ms. Vandal stated that is not how it's been done in the past as long as she has been here. Mr. Zimini commented that it sounded like "appraisal shopping".

Ms. Tremblay felt that this article should be tabled until the night of Town Meeting so the CPC has time to gather the information they need to move forward and was looking for a motion.

Mr. Zimini made a motion to table Article 11 until November 3, 2014 the night of Town Meeting for further review and consideration. Ms. Hamel seconded the motion. The motion carried unanimously.

Invoice

The Committee reviewed the invoice for annual dues to the Association of Town Finance Committees. A question was asked as to what this association does. Ms. Vandal responded that it's an association to help new members get familiar with town finance and they also can provide training.

Mr. Corey made a motion to approve the invoice for the annual dues. Mr. Pitta seconded the motion. The motion carried unanimously.

Minutes

Mr. Zimini made a motion to table the minutes until the meeting before the November 3, 2014 Town Meeting. Ms. Green seconded the motion. The motion carried unanimously.

New Business

The time set for the meeting before Town Meeting would be 6:30 p.m. with a location to be determined.

A discussion on moving the Finance Committee meetings to the New Town Hall meeting rooms ensued.

Adjourn

Mr. Zimini made a motion to adjourn the meeting at 7:15 p.m. Mr. Corey seconded the motion. The motion carried unanimously.

FINANCE COMMITTEE