
**Tri-Board Meeting
Minutes of December 17, 2012
Board of Selectmen/Finance Committee/School Committee**

I. Call to Order/Roll Call

Chairman Salafia called the Triboard Meeting to order at 8:00 P.M. in the Board of Selectmen's Meeting Room, in the Town Offices. Present from the Board of Selectmen (Roll call): Chairman Salafia-Y, Selectman Major-Y, Selectman Kowalski-Y, Selectman Vispoli-Y, and Selectman Lyman-Y.

Chairwoman Paula Colby-Clements opened the meeting for the School Committee at 8:01 P.M. Present from the School Committee (Roll call): Annie Gilbert-Y, Richard Collins-Y, and Dennis Forgue-Y, David Birnbach-Y.

Finance Committee Chair S. Jon Stumpf opened the meeting for the Finance Committee at 8:01 P.M. Present from the Finance Committee (Roll call): Joanne Marden, Mary O'Donoghue, Mark Merritt, Margaret Kruse, Greg Serrao, Linn Anderson, and Jeannie Moffitt-Y.

Others in attendance: Town Manager Buzz Stapczynski, Assistant Town Manager Steve Bucuzzo, Director of Finance Donna Walsh, Superintendent Marinel McGrath, and Assistant Superintendent Paul Szymanski.

The meeting was duly posted and cable-cast live.

II. Opening Ceremonies

A. Moment of Silence/Pledge of Allegiance

Chairman Salafia asked for a Moment of Silence followed by the Pledge of Allegiance.

School Committee Chair Paula Colby-Clements spoke on behalf of the School Committee to thank and commend Dr. McGrath and Janet Yedinak on the communications they sent out regarding the tragedy in Connecticut. She also thanked all the teachers and staff members for their work in the schools today returning students to their normal routine. It is important to remember that Dr. McGrath cannot go into specifics about the safety plans for our schools without compromising such safety.

Dr. McGrath said this has been a very sobering time with a tragic loss of life in the school community. Student safety is our top priority and each school has security plans in place to secure, shelter, and evacuate. The plans are annually reviewed with our crisis teams when necessary. Providing the public with specifics would absolutely compromise safety at our schools.

III. Continued Capital Improvement Program Discussion

A. Debt Analysis Presentation

Assistant Town Manager Steve Bucuzzo began the presentation of the Debt Analysis Tool connecting to several different debt schedules. Most of the slides tie into the data on the handout distributed to those in attendance.

Primary Debt Policies are funded through long-term debt should identify the impact on the average tax bill, and identify the impact on the annual budget. Large building projects should be funded with exempted debt outside of the Prop 2 ½ levy limits and the General Fund debt service should not exceed 10% of General Fund revenues. Water and Sewer Debt Service should not exceed 40% of those operating revenues and 50% of outstanding debt principal should be paid off within ten years.

Total existing authorized exempt debt authorized is \$89M with \$64.4M paid off \$24.6M outstanding, with \$7.3M to be reimbursed by the State, leaving the net remaining debt \$17.3M of to be paid. Total new and potential debt of \$67M includes all large building related projects including Bancroft School \$28M, Bancroft additional funds \$6M with estimated debt for the

Ballardvale Fire Station \$8M, Town Yard \$18M, AHS additions/renovations \$10M and the Early Childhood Center \$5M.

In FY-13, the average single family tax bill was \$7,967, the Debt Service Budget Projections are 3.0% per year. Non-exempt Debt-Projected Debt Service for existing, approved FY-14 CIP is slightly higher than \$3,500,000; we are well above the 3% growth rate and should be mindful of when the debt will impact future taxes.

Finance Director Donna Walsh provided a review of how the Debt Analysis Tool works showing Non-Exempt Debt for existing debt, and each approved planned future project using a 3% interest rate. She also explained how it impacts the budget as a percentage.

Finance Chair Jon Stumpf would like to have a 5 year CIP number as accurate as possible and would like to work towards a true 5-year projection. Joanne Marden referred to the data for Debt Service History on the last page of the hand-out and noted the levy increasing at 4.25% per year.

The Town Manager said they are working applying for grants towards the purchase the Phillips Academy Boat House and the Reichold Property. The AHS Friends of Tennis have been holding fundraisers and also have applied for grants to cover refurbishing of the courts at AHS. Their hope is that grants applied and private contributions will offset the debt.

Comments on the discussion on Non-Exempt Debt included the question of what the baseline for debt increases will be, establishing a reasonable rate and that the increase should be no faster than the increase in revenue. Action Item: Build in 3% and send the information to all members of Triboard.

Exempt-Debt discussion comments: Look at the impact on the tax rate, how to justify the increase to taxpayers, let taxpayers vote on what items/projects they want. Look at the collective amount of Town debt and show the impact of each project on the budget.

Members discussed options for additional Bancroft School funds which included exempt debt, non-exempt debt (with or without a vote), and free cash. Consideration of a non-contingent appropriation eliminates extra risk; continue to pursue other areas to obtain funds. Consider going to the Special Town Meeting and ask for \$6M not as exempt or non-exempt funds but straight up – help frame up at the Annual Town Meeting.

VI. Adjournment

At 9:35 P.M. on a motion by Selectman Major with a second by Selectman Lyman, it was voted 5-0 to adjourn. Roll call vote: Mary Lyman-Y, Brian Major-Y, Alex Vispoli-Y, Dan Kowalski-Y, and Chairman Salafia-Y.

On a motion by Annie Gilbert and seconded by David Birnbach the School Committee voted 5-0 to adjourn. Roll call vote: Paula Colby-Clements-Y, Dennis Forgue-Y, David Birnbach-Y, Richard Collins-Y, and Annie Gilbert-Y.

On a motion by Mark Merritt and seconded by Peggy Kruse, the Finance Committee motioned to adjourn. Roll call vote: Jon Stumpf-Y, Mary O'Donoghue-Y, Greg Serrao-Y, Jeannie Moffitt-Y, Joanne Marden-Y, Margaret Kruse-Y, Linn Anderson-Y, and Mark Merritt-Y.

Respectfully submitted

Dee De Lorenzo

Dee DeLorenzo, Recorder