

**HOLLISTON FINANCE COMMITTEE
MEETING MINUTES
October 21, 2014**

The Committee convened in Room 105 at the Town Hall at 7:04 PM. Present from the Committee were Chairman Ken Szajda, Vice Chairperson Michelle Zeamer, Dan Alfred, Bill Dowd, Beth Liberty and Brendan Shea. Charlie Kaslow was absent.

1. Minutes – Moved by Bill Dowd, Seconded by Dan Alfred to approve the minutes of the October 14, 2014 meeting as most recently circulated with changes Ken Szajda made. Six in favor, none opposed, no abstentions, the motion carried.
2. Action Item List – The updated Action Item List was circulated. (Attachment I) Item 73 regarding the meeting with the School Committee on the topic of union contracts has been rescheduled to November 18. Ken Szajda reported that the capital inventory template was going to be discussed at a Department Head meeting he intends to attend. Two other items were postponed until Town Administrator Paul LeBeau was back in the room.
3. Town Meeting Presentation review – Ken Szajda directed the Committee's attention to the draft presentation he circulated by e-mail just before the meeting. Peter Barbieri, attorney representing the buyer of the property at 34 Rogers Rd, the property which is the subject of Article 13 on the October Town Meeting warrant, distributed a letter containing the terms of the transaction as envisioned by his client. (Attachment II) It also included a comparison of the pros and cons of his proposal versus the Open Space Committee's proposal. Peter believed that his client's proposal was more advantageous to the Town because it would enable the Town to take possession of about 20 of the 34 acres without cost, and would leave the Industrial zoned land available for development that could provide additional tax revenue to the Town. Peter said he had been unaware of the intended purchase by the Town until very recently, and had met with the Selectmen, but was unsure of the outcome of the Selectmen's deliberations. He was concerned that the terms of his client's purchase were not known to the FinCom at the time of its vote to recommend favorable action on the Open Space Committee's proposed purchase. Bill Dowd stated that, in retrospect, it was a mistake to have taken action on the Open Space Committee's article without having them in to explain and defend it. Bill's position was that every sponsor of every article on the warrant should be required to come before the FinCom before the FinCom takes a position. Ken Szajda pointed out that Frank Chamberlain of the Community Preservation Committee had vetted the proposal and had come before the Finance Committee to present and defend the use of CPA funds. Bill replied that Frank's job is to justify the use of Community Preservation Act funds, and that the FinCom should not mistake the CPC's proposed funding as a substitution for deliberations on the merits in the context of the FinCom's mandate, particularly where the Open Space Committee's proposal involves \$100,000 of non-CPC funds. Mr. LeBeau explained that a notice was received from the attorney for the seller in the summer. Town Counsel reviewed the notice and advised the seller's attorney of flaws in the notice. A new notice was received in August that triggered the Town's right of first refusal. The Selectmen met with the Open Space Committee and the Agricultural Commission to confirm their interest in acquiring the property. A second meeting was held with the Open Space Committee, the Agricultural Commission and Attorney Barbieri to discuss the latter's proposal. The Open Space Committee, the Conservation Commission, the Agricultural Commission, the Community Preservation Committee and the Selectmen all have confirmed their support for the Open Space Committee proposal. He does not know who else has seen the proposal submitted this evening by Mr. Barbieri. Mr. LeBeau also noted that when land is acquired with CPA funds there must be a

conservation or preservation restriction placed on the property. Ken Szajda said he would ask the Open Space Committee to attend the FinCom meeting at the High School on the evening of Town Meeting to have an opportunity to hear their view on this matter. Ken Szajda pointed out that Open Space Committee's agenda of September 8, 2014 included this item and that there should not be any thoughts of this being rushed along at the last minute.

Ken Szajda reported on a meeting involving Police Chief Moore and Charlie Kaslow and Ken as liaisons to the Police Department. Ken informed the Chief that while the Finance Committee had not taken any action on the proposed purchase of tasers due to a number of concerns, one of which was the need for a broader community discussion, if someone were to move to amend the motion under Article 8 at Town Meeting to appropriate the \$9,600 for tasers, he believed there would be majority support for it from the FinCom. This is because by doing so, there would be the opportunity for the kind of discussion that some members of the Finance Committee believed was needed. However, since the Selectmen have not had a chance to consider taking that approach, it is uncertain if any such proposed amendment of the Capital purchase motion under Article 8 will even happen. Ken said that even though no one made any motion for action on the purchase of tasers during the FinCom deliberations on Capital, based on reactions to that since then, he thought it was fair to apprise the Chief that the matter could still be brought up, and based on his assessment of FinCom member sentiment, it could receive majority support from the FinCom. Brendan Shea pointed out that when the recommended Capital list was developed, it was organized simply by which potential expenditures received the highest rankings amongst FinCom members. Members ranked all items proposed by the Library, the Schools and the Selectmen. Brendan believed that the Board of Selectman had the ability to amend the warrant article in time to add an article regarding tasers and chose not to. Brendan stated that adding a discussion point to the FinCom presentation reflected the general consensus that member's feelings toward the purchase of a new weapon should be brought to the town for further discussion.

Bill Dowd suggested that the slide on Capital state the amount by which proposed Capital spending exceeds the amount appropriated in May. Ken agreed to add that to the presentation.

Bill Dowd suggested that the slide on Free Cash be changed to either delete a reference to reducing property taxes or make sure that it is clear that of the \$974,000 currently estimated, \$4,000 was recommended for use to reduce property taxes.

With Selectman Jay Leary in attendance, Brendan Shea asked if Town Meeting approves the Open Space Committee proposal, could the Town subsequently do the things contained in Mr. Barbieri's proposal? Mr. Leary said he had not seen the most recent document supplied to the Finance Committee at this meeting so he could not comment. Paul LeBeau pointed out that the property at 34 Rogers Rd was covered by an agricultural exemption that significantly reduced the annual property tax bill on the property. That is why the Town has the right of first refusal on purchase. He pointed out that the property tax numbers in Mr. Barbieri's letter were taxes that in theory could be collected; they are not the property taxes the Town would lose out on by purchasing the property,

4. Other Business – Bill Dowd expressed his satisfaction with the fact that there were no “The Finance Committee will make its recommendation at Town Meeting” in its report. He credited the Chair and the Committee for the time and effort involved in dealing with everything on the table by publication date. Bill asked Town Administrator Paul LeBeau for an update following his inquiry to the departing Town Accountant about the status of the financial review of the Park Commission. Paul reported that the Town Accountant responded that there hadn't been much progress on that before his departure.

Bill asked Paul if he had been able to determine the amount of the journal entry made in recognition of the benefit costs covered by Extended Day tuition. He replied he had not. Bill asked if there was a plan to look further into the energy saving proposal received by Ken from Mr. Hager. Ken said it would be on a future agenda. Bill reported that he had inquired of Town Treasurer/Collector Mary Bousquet for the names of those part time elected officials who were enrolled in the Town's health insurance plan. Mary replied that there was one person so enrolled, but declined to provide the name because it was a violation of the Health Insurance Portability and Accountability Act (HIPAA) to do so. Bill has requested specifics as to the sections of the law or regulations that pertain.

5. Next Meeting – the Committee will be meeting at 6:00 p.m. on October 27 in the High School library. Due to November 4 being Election Day and November 11 being Veterans Day, the next meeting of Finance Committee will be November 18, 2014.
6. Adjournment – At 8:25 PM moved by Dan Alfred, seconded by Michelle Zeamer to adjourn the meeting. Six in favor, none opposed, no abstentions, the meeting was adjourned.

Approved____11/18/14_____

Finance Committee
Action Items List

Item	Meeting Date	Issue Description	Responsible	Target Date	Resolved	Notes
27	13-Aug-13	Develop a list of topics/info the FinCom needs from the Town Accountant	FinCom	31-Dec-14		Merged with 28 and 72.1 (Formerly 80)
28	13-Aug-13	Start quarterly in-person reviews with the Town Accountant	FinCom	31-Dec-14		Merged with 28 and 72.1 (Formerly 80)
38	3-Sep-13	Fill recording Secretary position	FinCom	Ongoing		
50	22-Oct-13	Determine timing and trajectory to achieve reserve target.	FinCom	31-Dec-14		Merged with Policies
60	4-Feb-14	Release December 10th Executive Session when appropriate	Ken Szalda	31-Dec-14		
61	4-Feb-14	Review Bylaws as it applies to Finance Committee offices et al	Ken Szalda	31-Dec-14		
62	17-Jun-14	Capital Plan	FinCom	31-Dec-14		
63	17-Jun-14	Include FinCom in OPEB valuation review with Actuary	Paul LeBeau	1-Jan-15		
65	17-Jun-14	Develop guidance for handling overlap with retiring staff	Paul LeBeau	31-Dec-14		
66	24-Jun-14	Purchase Order / Requisition process needs to be revisited to deal with visibility of outstanding liabilities	FinCom	31-Dec-14		
68	24-Jun-14	Inquire about and resolve Park Commission revolving fund	FinCom			
71	24-Jun-14	All revenue lines in FY15 worksheet - including new growth data - to be reviewed by, and set by full committee	FinCom	31-Dec-14		
72.1	24-Jun-14	Beth Liberty's memo - financial reporting	FinCom	31-Dec-14		Merged with 27 and 28
72.2	24-Jun-14	Beth Liberty's memo - policies	FinCom	31-Dec-14		Paul LeBeau circulated drafts on 9/16/14
72.3	24-Jun-14	Beth Liberty's memo - credit ratings	FinCom	31-Dec-14		
72.4	24-Jun-14	Beth Liberty's memo - benchmarking	FinCom	31-Dec-14		
73	24-Jun-14	Meeting with School Committee to review latest teacher's union contract	Ken Szalda			
75	19-Aug-14	Draft a revised budget format to include revolving funds	Bill Dowd			
79	19-Aug-14	Evaluate the method of handling Extended Day benefit costs	FinCom	30-Nov-14		
80	16-Sep-14	Circulate and request completion of Capital Asset Inventory	Ken Szalda			
81	14-Oct-14	Re-evaluate how to handle Capital proposals on the Warrant	FinCom	28-Feb-15		

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October 21, 2014

Paul LeBeau
Town Administrator
Town Hall
703 Washington Street
Holliston, MA 01746

RE: *Rogers Road Property*
Assessor's Map 12, Block 4, Lots 17 and 18

Dear Mr. LeBeau:

As you know, I represent 34 Rogers Road, LLC, the Buyer, pursuant to a Purchase and Sale Agreement for the aforementioned Premises.

Based upon the meeting with the Board of Selectmen and the Open Space Committee, I understand that the article to request Town Meeting approval for the acquisition of the aforementioned property is proceeding. I also understand, based upon comments from the Open Space Committee, that the two (2) reasons for the acquisition of the property is to provide an area for "community gardens" and to preserve the agricultural use of the property for prospective owners/tenants to farm the property.

As to the community garden use of the property, we reviewed the present facility at the golf course which includes approximately 35 plots. It appears that approximately 24 plots were used this year. To address the concern for additional plots, my client is willing to create and build 35 new plots at the golf course or on other Town owned land.

As to the intent to preserve the farm use and to lease/sell the land to potential farmers, although that is a worthy cause, it does not appear necessary or valid. The recent Chapter 61A filings identify over 900 acres of land which are subject to a Right of First Refusal. Not all of the land is actively used for farming and could be leased/purchased from the landowners directly. Whether the Town should be a lessor or seller of the land for agricultural use is a legal question. We have also heard that should the Town acquire the land, then no rollback taxes would be due as the use would not change.

{Client Files/29439/0018/01598845.DOCX }

Please direct all correspondence to our Framingham office.

Fletcher Tilton ^{PC}

Attorneys at law

Paul LeBeau, Town Administrator

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Based upon the aforementioned, enclosed please find a revised Pros and Cons Schedule.

We believe that the best interests of the Town are served by the Town not acquiring the land and are available to discuss the matter at your convenience.

Should you have any questions, please do not hesitate to call.

Very truly yours,
Fletcher Tilton PC



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PRB/cam

Enclosures

cc: Kevin G. Diamond, Esquire
Open Space Committee
Finance Committee
Community Preservation Act Committee

OPEN SPACE ACQUISITION**PROS AND CONS****ACQUISITION:****Pros:**

1. Acquisition of 30.7 +/- acres for Open Space Land. Land not identified as Target Parcel in Open Space and Recreational Plan.

Cons:

1. Acquisition cost \$550,000.00 plus Appraisal and Standard costs (\$560,000.00)
2. Loss of Industrial Property Taxes (11 +/- Acres):
Average Value Assessor's Information
Industrial Land - \$69,000.00 per acre
\$759,000.00
Tax Rate \$19.88 per \$1,000.00
Non-acquisition of 11 +/-
\$15,000.00 Land Value Tax
3. Loss of Building Valuation: \$25.00 per s.f.

Contractors Facility:
10 Acres - .35 F.A.R.
152,460 s.f. - \$3,811,500.00 (\$25.00 p.s.f.)
Building Tax - \$75,800.00
Phase I: 50,000 s.f. (Value - \$1,250,000.00)
Tax - \$24,850.00
4. Lost Employment:
Estimate twenty (20) employees
5. Demolition Cost:

NON-ACQUISITION**Pros:**

1. Acquisition of 20 +/- Acres of Open Space - No Cost
2. Industrial Land Tax - \$15,000.00 Annually
3. Building Tax - \$24,850.00 Annually
4. Building Permit Fees – Phase I \$12,500.00
5. Employment
20 Employees - Estimated
6. Access and Parking for Open Space - \$40,000.00
7. Gain of Roll Back Taxes
8. Creation of 35 Community. Garden Plots on Town Owned Land

Cons

1. Non-acquisition of 11 +/- acres of Industrial Zoned Land as Open Space

1950 Structure - \$20,000.00

6. Access Cost:
Cost of building driveway and
Parking for use of Open Space
Land - \$20,000.00
7. Lost Permit Fee:

Commercial Building \$10.00 per
\$1,000.00 value
Value – Phase I - (\$1,250,000.00) – Fee - \$12,500.00
8. Loss of roll Back Taxes:
9. Cost of development of 35 Community Garden Plots
Buyer to create 35 Plots on town owned land

Costs/Loss

Year One

1. \$652,350.00
(Acquisition Cost, Lost Land and Building Tax (Phase I only),
Demolition and Parking Development Costs and Permit Fee)
2. Loss of Roll back Taxes
3. Cost of development of 35 Community Garden Plots

Annual Loss

Land Tax - \$15,000.00, plus annual increase

Building Tax – Phase I - \$24,850.00, plus annual increase

Building Tax (Zoning F.A.R. Allowed)

Building Value: \$3,811,500.00 – Annual Tax - \$75,700.00