

Town of Holliston, Massachusetts

Report of the

**FINANCE
COMMITTEE**

for the

October 29, 2012 Special Town Meeting

To the Citizens of the Town of Holliston:

The Finance Committee respectfully submits this warrant and associated articles for your consideration.

Financial Overview

In May, the Finance Committee reported that, as in the last several years, the budget outlook for FY13 continued to remain somewhat uncertain, although local aid and other revenue sources were expected to be stable for the first time since the financial crisis in 2008. In the months since May the economic outlook has remained relatively unchanged: Economic indicators continue to show that overall the state economy is in recovery, although the rate of recovery is considered “anemic” at best. For Holliston, the final budget numbers from the state were slightly better than our estimates originally predicted, largely due to additional funding added to the Senate version of the budget that survived the final budget votes. In addition, the Town also recognized a slight surplus in the benefits budget as a result of final plan selection by Town employees. These two factors, combined with the strict budget controls implemented over the past few years, have created a larger than expected surplus in the FY13 budget. The Finance Committee recommends using a small amount of this surplus to fund budget adjustments that are expected to result in “payback” savings elsewhere, to fund a veteran services program under Article 12, and to fund a pilot sharps waste disposal program under Article 17. The Finance Committee will be making a recommendation for appropriation of the remainder of these funds at Town Meeting since the final amounts have not yet been certified. As has become the standard operating procedure, the recommendations for the Fall Town Meeting are centered on capital expenditures as outlined below.

Committee Objectives for October Town Meeting

The Finance Committee is not recommending any significant budget adjustments at this time. Most of the adjustments in Article 2 reflect adjustments due to the differences between preliminary and final numbers received after the May Town Meeting. The adjustments to the Selectmen, Treasurer, and Town Clerk budgets are for efficiency improvements that are expected to result in overall savings to the Town. In Article 7 we are recommending a series of capital

purchases, in line with the Committee’s commitment to implement a regular capital replacement program (funding for which has been set-aside annually as part of the May budgeting process), as well as some additional “catch up” capital purchases due to deferrals in prior years.

Capital Reserve/Stabilization Funds

For several fiscal years, the Finance Committee has set aside approximately \$350,000 of the annual omnibus budget to support the ongoing capital needs of the Town. At the May town meeting \$486,000 was placed in the Capital Expenditure Fund for this purpose.

Capital Spending

At this time, the Finance Committee, in Article 7, is recommending the following purchases; all are part of the Town’s long-term capital plan:

- \$170,000 for the purchase of an excavator and dump truck/snow plow for the highway department;
- \$7,678 for lighting and energy efficiency improvements at the Library;
- \$98,000 for vehicles and \$2,200 for a photo ID system for the Police Department;
- \$25,000 for improvements to the Central Fire Station;
- \$67,900 for School Department capital (technology, repair to the Placentino/Miller Cafetorium wall); and
- \$60,968 as the Town’s share of capital improvements to Goodwill Park and the Miller School playground.

As always, the Finance Committee is indebted to the many Town officials and employees whose efforts make this process and report possible. We also would like to commend the other elected and appointed committees with whom the Finance Committee interacts on an ongoing basis for all their cooperative efforts. We would especially like to thank our secretary, Faith Antonioli, for her support through our many meetings.

Respectfully submitted,

HOLLISTON FINANCE COMMITTEE

Kenneth S. Szajda, Chairman
Michelle F. Zeamer
Charles M. Kaslow
Anita L. Ballesteros

Kathleen A. White
Michelle L. Johnson
Daniel G. Alfred
Faith Antonioli, Clerk

Fund balances available prior to the Finance Committee recommendations:

Available for Appropriation (estimate)	\$ 663,918	Free Cash (estimate)	\$1,800,000
Overlay Reserve	\$ 0	Water Surplus	\$ 86,207
Capital Expenditure Fund	\$1,575,291	Conservation Fund	\$ 20,680
Stabilization Fund	\$2,656,529	Open Space Fund	\$ 267,858
Ambulance Funds	\$ 230,728	Golf Course Capital	\$ 174

Commonwealth of Massachusetts
Middlesex, ss.
Town of Holliston
To any Constable of the Town of Holliston, Greetings:

In the name of the Commonwealth you are hereby required to notify and warn the inhabitants of the Town of Holliston who are qualified to vote in Town Affairs to meet in the High School Auditorium on:

MONDAY, OCTOBER 29, 2012

at 7:30 p.m. to act on the following Articles, to wit:

ARTICLE 1. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for unpaid bills from prior years; or take any action relative thereto. **(Board of Selectmen)**

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN RAISE AND APPROPRIATE THE SUM OF \$10,086.33 FOR THE PURPOSE OF PAYING INVOICES FOR SERVICES FROM PRIOR FISCAL YEARS (SIX IN FAVOR, MS. BALLESTEROS ABSENT).

ARTICLE 2. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the purpose of supplementing various accounts of the Town's fiscal year 2013 annual budget, previously voted by the Town under Article 16 of the Warrant for the 2012 Annual Town Meeting; or take any action relative thereto. **(Board of Selectmen)**

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN RAISE AND APPROPRIATE \$10,000 TO THE SELECTMEN'S BUDGET; RAISE AND APPROPRIATE \$2,000 TO THE TREASURER/COLLECTOR BUDGET; RAISE AND APPROPRIATE \$7,348 TO THE TOWN CLERK BUDGET; RAISE AND APPROPRIATE \$750 TO THE POLICE DEPARTMENT BUDGET; RAISE AND APPROPRIATE \$233,464 TO THE SCHOOL BUDGET; RAISE AND APPROPRIATE \$36,999 TO THE DEBT SERVICE BUDGET; REDUCE THE EMPLOYEE BENEFITS BUDGET BY \$155,283; TRANSFER \$20,166 FROM RESERVED FOR APPROPRIATION TO THE WATER DEPARTMENT BUDGET; AND TRANSFER \$190 WITHIN THE AUXILIARY POLICE BUDGET; ALL AS SHOWN IN THE RECOMMENDED CHANGE COLUMN BELOW (SIX IN FAVOR, MS. BALLESTEROS ABSENT). The Finance Committee will make a recommendation at Town Meeting regarding firefighter compensation and may make additional budget recommendations or revise these recommendations at Town Meeting based on financial information that was pending at the time this report was prepared.

DEPARTMENT	CURRENT FY13 BUDGET	RECOMMENDED CHANGE	NEW FY13 BUDGET
SELECTMEN'S ACCOUNT 52000	45,100	10,000	55,100
TREASURER/COLLECTOR ACCOUNT 52000	42,200	2,000	44,200
TOWN CLERK ACCOUNT 51000	111,774	7,348	119,122
EMPLOYEE BENEFITS ACCOUNT 51750	4,422,113	(150,416)	4,271,697

EMPLOYEE BENEFITS ACCOUNT 51780	1,718,323	(4,867)	1,713,456
POLICE DEPARTMENT ACCOUNT 58000	3,500	750	4,250
AUXILIARY POLICE ACCOUNT 57000	190	(190)	0
AUXILIARY POLICE ACCOUNT 54000	7,071	190	7,261
SCHOOL ACCOUNT 51000	22,310,017	233,464	22,543,481
DEBT SERVICE ACCOUNT 57600	5,702,356	36,999	5,739,355
WATER DEPARTMENT ACCOUNT 57000	1,105,177	20,166	1,125,343

ARTICLE 3. To see if the Town will vote to transfer from available funds a sum of money for the purpose of reducing the amount of money to be raised through property taxes for fiscal year 2013; or take any action relative thereto. **(Board of Selectmen)**

THE FINANCE COMMITTEE WILL MAKE A RECOMMENDATION AT TOWN MEETING. Final figures were not available prior to the printing deadline for this Report. The Finance Committee expects to recommend a transfer of Free Cash of approximately \$1,800,000; the final, exact amount of Free Cash will be available at the time of Town Meeting.

ARTICLE 4. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the Stabilization Fund; or take any action relative thereto. **(Board of Selectmen)**

THE FINANCE COMMITTEE WILL MAKE A RECOMMENDATION AT TOWN MEETING.

ARTICLE 5. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the Capital Expenditure Fund; or take any action relative thereto. **(Board of Selectmen)**

THE FINANCE COMMITTEE WILL MAKE A RECOMMENDATION AT TOWN MEETING.

ARTICLE 6. To see if the Town will vote to authorize the Board of Selectmen to hold a public auction for the purpose of disposing of surplus departmental equipment; or take any action relative thereto. **(Board of Selectmen)**

ARTICLE 7. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money for the purpose of capital expenditures, including replacement and new vehicles and equipment, for the Highway, Police, School, Park, Council on Aging, Library, Water and Fire departments, and authorize the Board of Selectmen to trade or sell used equipment toward part of the purchase price; or take any action relative thereto. **(Board of Selectmen)**

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$98,000 FROM THE CAPITAL EXPENDITURE FUND FOR THREE POLICE DEPARTMENT VEHICLES; APPROPRIATE \$2,200 FROM THE CAPITAL EXPENDITURE FUND FOR EQUIPMENT FOR THE POLICE DEPARTMENT;

APPROPRIATE \$25,000 FROM THE CAPITAL EXPENDITURE FUND FOR IMPROVEMENTS TO THE CENTRAL FIRE STATION; APPROPRIATE \$57,900 FROM THE CAPITAL EXPENDITURE FUND FOR SCHOOL TECHNOLOGY; APPROPRIATE \$10,000 FROM THE CAPITAL EXPENDITURE FUND FOR REPAIRS TO THE PLACENTINO/MILLER CAFETORIUM WALL; APPROPRIATE \$170,000 FROM THE CAPITAL EXPENDITURE FUND FOR AN EXCAVATOR AND DUMP TRUCK/PLOW FOR THE HIGHWAY DEPARTMENT; AND APPROPRIATE \$7,678 FROM THE CAPITAL EXPENDITURE FUND FOR LIGHTING IMPROVEMENTS TO THE PUBLIC LIBRARY (SIX IN FAVOR, MS. BALLESTEROS ABSENT). The Finance Committee will make a recommendation at Town Meeting regarding capital improvements for the Senior Center.

ARTICLE 8. To see if the Town will vote to act on the report of the Community Preservation Committee on the fiscal year 2013 Community Preservation budget and to appropriate or reserve for later appropriation monies from the Community Preservation Fund annual revenues or available funds for the administrative expenses of the Community Preservation Committee, the payment of debt service, the undertaking of community preservation projects and all other necessary and proper expenses for the year; or take any action relative thereto. (**Community Preservation Committee**)

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE THE SUM OF \$90,484 FROM THE COMMUNITY PRESERVATION FUND BUDGET AND APPROPRIATE \$15,968 FROM THE CAPITAL EXPENDITURE FUND FOR A NEW PLAYGROUND AT THE MILLER SCHOOL, AND APPROPRIATE \$255,000 FROM THE COMMUNITY PRESERVATION FUND BUDGET AND APPROPRIATE \$45,000 FROM THE CAPITAL EXPENDITURE FUND FOR REPAIRS TO THE GOODWILL TENNIS/BASKETBALL FACILITY (FIVE IN FAVOR, MS. JOHNSON ABSTAINED, MS. BALLESTEROS ABSENT).

ARTICLE 9. To see if the Town will vote to accept the provisions of section 75 of Chapter 135 of the Acts of 2012, amending section 3 of Chapter 44B of the Massachusetts General Laws, to extend the exemption under the Community Preservation Act to commercial and industrial property; or take any action relative thereto. (**Board of Selectmen**)

ARTICLE 10. To see if the Town will vote to authorize the Board of Selectmen to seek special legislation substantially as follows:

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. As used in this act, the following words shall have the following meanings:

“GASB 43 and 45”, statements 43 and 45 of the Governmental Accounting Standards Board as amended from time to time and their successors.

“Other post-employment benefits” or “OPEB”, post-employment benefits other than pensions as that term is defined in GASB 43 and 45, including post-employment healthcare benefits,

regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

SECTION 2. (a) There shall be in the Town of Holliston an OPEB Trust Fund, which shall be under the supervision and management of a five (5) member board of trustees comprised of the Chair of the Board of Selectmen, the Town Administrator, the Town Treasurer and Tax Collector, the Chair of the School Committee and a resident appointed by the Board of Selectmen. The Town Treasurer and Tax Collector shall be the custodian of the OPEB Trust Fund and may employ an outside custodial service.

(b) Beginning in fiscal year 2012, the OPEB Trust Fund shall be credited with all amounts, appropriated or otherwise made available by the town for the purposes of meeting the current and future OPEB costs payable by the town. The OPEB Trust Fund shall be credited with all amounts contributed or otherwise made available by employees of the town, for the purpose of meeting future OPEB costs payable by the town. Any interest or other income generated by the fund shall be added to and become part of the fund. Any reimbursements that a political subdivision receives, as a participant in the Retiree Drug Subsidy Program created under the Medicare Prescription Drug Improvement and Modernization Act of 2003 (Pub. L. No. 108-173) or a qualified retiree prescription drug plan under 42 U.S.C. section 1395w-132, may be added to and become part of said fund. Amounts in the OPEB Trust Fund, including any earnings or interest accruing from the investment of these amounts, shall be expended only for the payment of the costs payable by the town for OPEB in consultation with said retirement board. Subject in each instance to the approval of the Board of Trustees, the Town Treasurer and Tax Collector shall invest and reinvest the amounts in the OPEB Trust Fund not needed for current disbursement consistent with the prudent person rule and sections 3, 4, 5, 8 and 9 of Chapter 203C of the General Laws, but no funds may be invested directly in mortgages or in collateral loans. All monies held in the fund shall be segregated from other funds and shall not be subject to the claims of any general creditor of the Town of Holliston.

(c) Said board of trustees may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the OPEB Trust Fund and may pay from the OPEB Trust Fund for this advice and other services determined by said board of trustees. Procurement for these services shall be subject to Chapter 30B of the General Laws.

SECTION 3. (a) An actuary, who shall be a member of the American Academy of Actuaries, shall perform an actuarial valuation of the town's OPEB liabilities and funding schedule, as of June 30, 2012, and no less frequently than every second year thereafter. The determinations shall be made in accordance with generally accepted actuarial standards and shall conform to the requirements of GASB 43 and 45 and the actuary shall make a report of the determinations to the town. The report shall, without limitation, detail the demographic and economic actuarial assumptions used in making the determinations and each report after the first report shall also include an explanation of the changes, if any, in the demographic and economic actuarial assumptions employed and the reasons for the changes.

(b) Beginning in fiscal year 2012, all payments for the purposes of meeting the town's costs of OPEB under this act shall be made from the OPEB Trust Fund. Funds in the OPEB Trust Fund

shall be segregated from all other funds. Disbursements from the OPEB Trust Fund, including any earnings or interest accruing from the investment of these amounts, shall only be based on sections 1 to 3, inclusive, of this act.

SECTION 4. This act shall take effect upon its passage.;

or take any action relative thereto. (**Board of Selectmen**)

THE FINANCE COMMITTEE RECOMMENDS FAVORABLE ACTION (SIX IN FAVOR, MS. BALLESTEROS ABSENT).

ARTICLE 11. To see if the Town will vote to accept the provisions of section 20 of Chapter 32B of the Massachusetts General Laws, as amended by section 57 of Chapter 68 of the Acts of 2011, to provide for a separate Other Post Employment Benefits Liability Trust Fund; to determine the custodian of the fund; and to raise and appropriate or transfer from available funds a sum of money for the purpose of the fund; or take any action relative thereto. (**Board of Selectmen**)

THE FINANCE COMMITTEE WILL MAKE A RECOMMENDATION AT TOWN MEETING.

ARTICLE 12. To see if the Town will vote to accept the provisions of section 5N of Chapter 59 of the Massachusetts General Laws; create a veterans' volunteer services/real property tax obligation program; determine whether said program shall include approved representatives of disabled veterans and determine whether the maximum of the tax obligation reduction shall be based on 125 hours or one thousand dollars (\$1,000); and raise and appropriate or transfer from available funds a sum of money for the purpose of the program; or take any action relative thereto. (**Board of Selectmen**)

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN RAISE AND APPROPRIATE THE SUM OF \$10,000 FOR THE PURPOSE OF A VETERANS' VOLUNTEER SERVICES/REAL PROPERTY OBLIGATION PROGRAM (SIX IN FAVOR, MS. BALLESTEROS ABSENT).

ARTICLE 13. To see if the Town will vote to accept the provisions of clause 41A of section 5 of Chapter 59 of the Massachusetts General Laws and increase the annual income limit for seniors applying for tax deferral from thirty thousand dollars (\$30,000) to forty thousand dollars (\$40,000); or take any action relative thereto. (**Board of Assessors**)

ARTICLE 14. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the purpose of revising and updating the Town's Web site; or take any action relative thereto. (**Board of Selectmen**)

THE FINANCE COMMITTEE WILL MAKE A RECOMMENDATION AT TOWN MEETING.

ARTICLE 15. To see if the Town will vote to raise and appropriate, transfer from available funds, or borrow a sum of money for the purpose of providing additional funds to complete the construction of a new well house at well #7; installation of the necessary water main to connect to the existing Dopping Brook Water Treatment plant; make any necessary modifications to the existing treatment plant; and complete modifications to the Joseph M. Finn Water Treatment Facility; or take any action relative thereto. (**Board of Water Commissioners**)

THE FINANCE COMMITTEE RECOMMENDS THAT \$195,351.50 BE TRANSFERRED FROM PREVIOUS TOWN MEETING APPROPRIATIONS FOR THE PURPOSE OF THIS ARTICLE AS FOLLOWS: \$160,000 FROM ARTICLE 13 OF THE WARRANT FOR THE OCTOBER 25, 2010 SPECIAL TOWN MEETING; \$17,378 FROM ARTICLE 27 OF THE WARRANT FOR THE 2008 ANNUAL TOWN MEETING; AND \$17,973.50 FROM ARTICLE 31 OF THE WARRANT FOR THE 2010 ANNUAL TOWN MEETING (SIX IN FAVOR, MS. BALLESTEROS ABSENT).

ARTICLE 16. To see if the Town will vote to transfer a sum of money from Water Surplus Retained Earnings to the General Fund; or take any action relative thereto. (**Board of Water Commissioners**)

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN TRANSFER \$25,000 FROM WATER SURPLUS RETAINED EARNINGS TO THE GENERAL FUND (SIX IN FAVOR, MS. BALLESTEROS ABSENT).

ARTICLE 17. To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the purpose of establishing a sharps disposal program; or take any action relative thereto. (**Board of Health**)

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN RAISE AND APPROPRIATE \$2,640 FOR THE PURPOSE OF ESTABLISHING A SHARPS DISPOSAL PROGRAM (SIX IN FAVOR, MS. BALLESTEROS ABSENT).

ARTICLE 18. To see if the Town will vote to authorize the Board of Selectmen to petition the General Court for special legislation substantially as follows:

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Notwithstanding the provisions of Chapter 32B of the Massachusetts General Laws, part-time elected officials of the Town of Holliston who receive an annual stipend of less than five thousand dollars (\$5,000) shall not be eligible for participation in the Town's contributory health and life insurance benefits plans effective May 22, 2013; except that such elected officials may be deemed eligible to participate in said plans provided that they pay the full monthly cost, plus any administrative costs assessed by the Board of Selectmen, to the Town.

SECTION 4. This act shall take effect upon its passage.; or take any action relative thereto. (**Board of Selectmen**)

ARTICLE 19. To see if the Town will vote to amend Section V-L Groundwater Protection District of the Zoning By-laws as follows in accordance with the Commonwealth of Massachusetts Executive Office of Energy & Environmental Affairs Department of Environmental Protection Drinking Water Program permit issued to the Holliston Water Department on July 18, 2012 (strikethrough indicates text to delete and bold italic text is new):

V-L GROUNDWATER PROTECTION DISTRICT

3. Establishment and Delineation of Groundwater Protection District

The boundaries of this district are delineated on maps at a scale of 1" – 600' entitled "Aquifer Protection District, Town of Holliston" and ~~1" – 1000'~~ **1" – 3000'** entitled "**Zone II and Zone III Delineation**" (1998, ~~Earth Tech~~ **prepared by Whitman & Howard, 1996 and approved by the Attorney General on September 21, 2000**) on file with the Office of Town Clerk and Inspector of Buildings, which maps are hereby made part of this by-law. (**Previously amended May 2000 – ATM, Article 35**)

and

4(A)(3) Zone II: Permitted Uses.

- b. Residential development of single family detached dwellings or any residential building, structure or use other than single-family dwellings on lots of at least 40,000 square feet in area, such that no more than ~~20%~~ **15% or 2,500 s.f. whichever is greater**, of ~~the any~~ building lot is rendered impervious **unless a system of artificial recharge of precipitation is provided that will not result in the degradation of groundwater quality** and on-site sewage disposal is equal to, or less than, 110 gallons per day per 10,000 square feet of lot area, but no greater than 15,000 gpd.

and

4(B)(2) Zone II: Prohibited Uses.

- k. Storage of animal manure, unless ~~the storage container is covered or contained in accordance with the specifications of the Natural Resource conservation Service~~ **within a structure designed to prevent the generation and escape of contaminated runoff or leachate.**

or take any action relative thereto. (**By Petition**)

ARTICLE 20. To see if the Town will vote to authorize the Board of Selectmen to grant an easement on the public way known as Curve Street for the benefit of Lots 2W (418 Washington Street) and 6 (46 Curve Street) on Block 3 of Assessors' Map 11G, said lots currently owned by L.M.C. Realty Trust; or take any action relative thereto. (**Board of Selectmen**)

ARTICLE 21. To see if the Town will vote, in accordance with section 134 of Chapter 164 of the Massachusetts General Laws, to authorize the Board of Selectmen to enter into a process to aggregate electrical load for electric utility customers in the Town of Holliston; or take any action relative thereto. (**Board of Selectmen**)

And you are directed to serve this Warrant by posting true copies thereof, attested, on and within the Town Hall fourteen days at least before the date of said meeting. Hereof fail not and make return of this Warrant with your doings thereon at the time and place of said meeting.

Given under our hands this 10th day of October A.D. 2012.

Joseph P. Marsden, Chairman
John D. Leary, Jr., Vice-Chairman
Kevin P. Conley, Clerk

**BOARD OF
SELECTMEN**

REVENUE ASSUMPTIONS FOR FISCAL YEAR 2013

PROPERTY TAX LEVY

Base levy	\$34,955,864
New growth	325,000
Excluded debt	2,733,369
TOTAL PROPERTY TAX LEVY	38,014,233

STATE AID

General	8,403,315
Offsets	718,762
School Building Assistance	2,263,760
FY12 Supplemental	79,609
TOTAL STATE AID	11,465,446

LOCAL RECEIPTS

MV excise	1,660,529
Interest	25,000
Water	2,536,390
Other	1,172,000
TOTAL RECEIPTS	5,393,919

AVAILABLE FUNDS

Free Cash (estimate)	1,800,000
Capital Expenditure Fund	236,000
Water Surplus	20,250
Community Preservation	219,100
Ambulance Funds	383,223
Other	101,699
TOTAL AVAILABLE FUNDS	2,760,272

TOTAL REVENUES **\$57,633,870**