

Town of Holliston, Massachusetts

Report of the

**FINANCE
COMMITTEE**

for the

October 30, 2017 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 Update

The October Special Town Meeting is our opportunity to work with actual information on a number of significant assumptions that we used in May, and finalize our FY18 (July 1, 2017-June 30, 2018) spending plan. Here are the key updates since our last report in May:

1. Local Aid ó When the final state budget was approved during the summer, net local aid to Holliston was lower than anticipated prior to Town Meeting in May. The reduction was within the fluctuation anticipated by the Finance Committee so there is no meaningful impact to the approved budget at this time. However, when the financial picture at the state level is uncertain, as it has been for the past two years, the Finance Committee increases the reserve fund to better cushion the town budget. This helps the town avoid having to reduce town budgets mid-year. This is part of the recommendation for Article 1. This boost is possible because local receipts (permit fees, etc) have been trending slightly above our benchmarks for several months; as a result we have adjusted our local receipts expectations for FY18 and have used the anticipated revenue to fund the recommendations in Article 1.
2. Free Cash ó At the close of each fiscal year on June 30, a final accounting of actual revenues and expenses is made and is compared with the revenue assumptions and appropriations voted by the Town. Any excess funds (such as revenue that exceeded targets or appropriations that were not completely expended) become "Free Cash" that can be applied to the following fiscal year's budget. "Free Cash" also includes one-time moneys (settlements and the like) that the Department of Revenue certifies as "unreserved" or "undesignated." This year, Holliston's Free Cash amount is \$2,273,203 and was primarily driven by higher than anticipated local revenue. The state

recommends that Free Cash be used only for one-time expenditures as it is not a reliable source of funding; the Finance Committee follows this practice. Our recommendations for free cash include adding to our reserve and capital expenditure funds, eliminating the need for a tax increase to fund the downtown traffic light project, and paying for evaluation and bid preparation for HVAC and roofing work at the library.

3. Reserves – The Finance Committee has adopted a policy to build and maintain our reserves at 8.1% of the omnibus budget, just above the 8% level considered “strong” by bond rating agencies. Maintaining strong reserves (the total of the Stabilization Fund plus Free Cash) is key to Holliston’s bond rating, which directly impacts our debt borrowing costs. If Town Meeting supports the Finance Committee recommendations, the Stabilization Fund will stand at just over \$5 million, which meets our reserve target. The Stabilization fund provides financial flexibility in times of economic stress (rainy day funds), and should be used only for extreme events such as natural disasters, emergency conditions, sudden economic stress, or as a bridge for short term financial events.

Capital Spending

In FY09, the Finance Committee initiated an ongoing annual commitment to fund \$350,000 per year for capital purchases. It has increased annually since FY13 and now stands at \$1,000,000 in FY18. Although capital purchases are usually approved at the Special Town Meeting, due to seasonal issues several capital purchases were approved in May totaling \$201,300, with the entire amount going to the DPW for various seasonal needs. This left \$798,700 remaining for allocation in October. The Committee reviewed capital proposals and decided to supplement capital funding with some of the Free Cash in order to meet some of the requests.

The Committee evaluated each capital proposal and is recommending the following capital expenditures:

- | | |
|---|-----------|
| • Town Hall door replacement | \$30,000 |
| • Sound system for the Holliston High School auditorium | \$50,000 |
| • Technology for the Miller/Placentino schools | \$100,000 |
| • School information system (for students and parents) | \$100,000 |
| • Pick-up truck with plow for DPW | \$52,000 |
| • Livescan fingerprint machine for the police department | \$17,245 |
| • Police vehicles | \$77,645 |
| • New Fire department rescue truck and associated equipment | \$400,000 |

The \$826,890 in recommended spending is funded entirely from the Capital Expenditure Fund. With these actions and the additional funds from Free Cash there will be a net addition of \$580,013 to the Capital Expenditure Fund in FY18. The ending balance in the fund will be over \$2.4 million, a level considered acceptable by the Finance Committee in light of potential large expenditures on the horizon.

The Finance Committee has been working with the Town Administrator and Board of Selectmen to improve Holliston’s capital planning and to create a more comprehensive Capital Plan. The Finance Committee will continue to work with the Town Administrator and the Board of

Selectmen as needed to further this effort since a robust Capital Plan is essential to proper financial planning for the town's future capital needs.

Warrant Articles

The Finance Committee recommendations appear with each article in the warrant.

Recommendations of note include:

- Adjustments to the Reserve Fund budget to prepare for anticipated cuts to local aid (Article 1);
- Elimination of the need to borrow for the downtown traffic light project (Article 1);
- Appropriation of Free Cash for various purposes (Articles 2, 3, and 13);
- Capital recommendations outlined above (Article 5);
- Appropriation from the Water Surplus for water main replacement (Articles 8 and 9);

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 like to give special thanks to our secretary Nancy Farrell whose support through our many meetings was vital to our success.

HOLLISTON FINANCE COMMITTEE

Kenneth S. Szajda, Chairman
 Suzanne K. Nersessian
 Timothy A. Maxwell
 Benjamin R. Sparrell, Clerk

Michelle F. Zeamer, Vice Chairman
 Daniel G. Alfred
 Vincent J. Murphy, Jr.

Fund balances **prior** to the Finance Committee recommendations:

| | | | |
|--|--------------|----------------------|-------------|
| Available for Appropriation (estimate) | \$ 140,935 | Open Space Fund | \$ 70,217 |
| Capital Expenditure Fund | \$2,630,001 | Overlay Reserve | \$ 0 |
| Community Preservation Fund | \$2,253,416 | Stabilization Fund | \$4,830,508 |
| Conservation Fund | \$ 11,608 | Water Surplus | \$1,790,104 |
| Free Cash (estimate) | \$2,273,203 | Water Infrastructure | \$1,366,150 |
| OPEB Trust Fund | \$10,502,047 | | |

Fund balances available **after** the Finance Committee recommendations:

| | | | |
|--|--------------|----------------------|-------------|
| Available for Appropriation (estimate) | \$ 14,160 | Open Space Fund | \$ 70,217 |
| Capital Expenditure Fund | \$2,411,314 | Overlay Reserve | \$ 0 |
| Community Preservation Fund | \$2,052,616 | Stabilization Fund | \$5,080,508 |
| Conservation Fund | \$ 11,608 | Water Surplus | \$1,228,504 |
| Free Cash | \$ 0 | Water Infrastructure | \$ 16,150 |
| OPEB Trust Fund | \$10,502,047 | | |

TOWN OF HOLLISTON FALL TOWN MEETING

Commonwealth of Massachusetts

Middlesex, ss.

Town of Holliston

To any Constable of the Town of Holliston, Greeting:

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 Holliston High School Auditorium, 370 Hollis Street, Holliston, MA:

MONDAY, OCTOBER 30, 2017

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

ARTICLE 1: FISCAL YEAR 2018 BUDGET ADJUSTMENTS

SPONSORED BY: Board of Selectmen

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 for the Town's Fiscal Year 2018 annual budget, previously voted by the Town under Article 14, of the Warrant for 2017 Annual Town Meeting; or to take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$1,400,000 FROM FREE CASH FOR THE DOWNTOWN SIGNAL PROJECT AND RAISE AND APPROPRIATE THE FOLLOWING SUMS: \$120,000 FOR THE "OTHER FINANCIAL ADMINISTRATION/RESERVE FOR TRANSFERS" ACCOUNT; \$1,165 FOR THE TOWN ACCOUNTANTS BUDGET; \$340 FOR THE TOWN CLERK BUDGET; AND \$170 FOR THE TREASURER/COLLECTOR BUDGET (UNANIMOUS).

ARTICLE 2: STABILIZATION FUND

SPONSORED BY: Board of Selectmen

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.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$250,000 FROM FREE CASH FOR THE PURPOSE STATED (UNANIMOUS).

ARTICLE 3: CAPITAL EXPENDITURE FUND

SPONSORED BY: Board of Selectmen

To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money from the Capital Expenditure Fund; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$608,203 FROM FREE CASH FOR THE PURPOSE STATED (UNANIMOUS).

ARTICLE 4: SALE OF SURPLUS EQUIPMENT

SPONSORED BY: Board of Selectmen

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

THE FINANCE COMMITTEE RECOMMENDS FAVORABLE ACTION (UNANIMOUS).

ARTICLE 5: CAPITAL BUDGET

SPONSORED BY: Board of Selectmen

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 of old vehicles and equipment, for the following departments: Board of Selectmen, School Committee, Department of Public Works (Highway), Police and Fire and authorize the Board of Selectmen to trade or sell equipment toward part of the purchase price; or take any action relative thereto.

| Project | Department | Estimated Amount |
|-----------------------------------|-------------------|-------------------------|
| Town Hall Door Replacement | Selectmen | \$30,000 |
| Sound System High School | School Committee | \$50,000 |
| Technology (Miller/Placentino) | School Committee | \$100,000 |
| Information System (New Students) | School Committee | \$100,000 |
| Pick-Up Truck with Plow | Selectmen/DPW | \$52,000 |
| Livescan Finger Print Machine | Selectmen/Police | \$17,245 |
| Police Vehicles | Selectmen/Police | \$77,645 |
| Rescue Truck Replacement & Equip | Selectmen/Fire | \$400,000 |
| Total: | | \$826,890 |

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE THE FOLLOWING SUMS FROM THE CAPITAL EXPENDITURE FUND: \$30,000 FOR TOWN HALL DOOR REPLACEMENT; \$50,000 FOR A SOUND SYSTEM AT THE HIGH SCHOOL, \$100,000 FOR TECHNOLOGY AT THE MILLER/PLACENTINO SCHOOLS, \$100,000 FOR A SCHOOL INFORMATION SYSTEM; \$52,000 FOR A PICK-UP TRUCK WITH PLOW; \$17,245 FOR A LIVESCAN FINGERPRINT MACHINE; \$77,645 FOR POLICE VEHICLES; AND \$400,000 FOR A NEW FIRE RESCUE TRUCK AND ASSOCIATED EQUIPMENT (UNANIMOUS).

ARTICLE 6: FUND TRANSFER TO AFFECT THE TAX RATE

SPONSORED BY: Board of Selectmen

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 2018; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS INDEFINITE POSTPONEMENT (UNANIMOUS).

ARTICLE 7: COMMUNITY PRESERVATION COMMITTEE REPORT

SPONSORED BY: Community Preservation Committee

To see if the Town will vote to act on the report of the Community Preservation Committee on the fiscal year 2018 Community Preservation budget and to appropriate or reserve for later appropriation monies from the Community Preservation Fund annual revenues or available funds for 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.

THE FINANCE COMMITTEE RECOMMENDS FAVORABLE ACTION (UNANIMOUS).

ARTICLE 8: WATER MAIN REPLACEMENT CONSTRUCTION COSTS

SPONSORED BY: Board of Selectmen

To see if the Town will vote to appropriate from Water Surplus (Retained Earnings) \$350,000, and from the Water Infrastructure Reserve Account \$1,350,000 for tasks related to the replacement of approximately 6,500 linear feet of water mains and a booster station in the Cedar Street area including Cheryl Lane and portions of Turner Road including 1,200 linear feet of water mains for the water extension on Hanlon Road to Forest Park Drive. The scope of work includes new water mains, service connections, valves, fire hydrants and a pressure booster station and all related work; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$1,350,000 FROM THE WATER INFRASTRUCTURE ACCOUNT AND \$350,000 FROM WATER SURPLUS FOR THE PURPOSE STATED IN THE ARTICLE (UNANIMOUS).

ARTICLE 9: WATER MAIN REPLACEMENT DESIGN COSTS

SPONSORED BY: Board of Selectmen

To see if the Town will vote to appropriate from Water Surplus (Retained Earning) \$78,000 for tasks related to engineering services for the design and tasks related to the replacement of approximately 10,600 linear feet of water mains on Winter Street including new water mains, valves, hydrants, service connections and all related work in Winter Street from Ashland Street to Washington Street; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$78,000 FROM WATER SURPLUS FOR THE PURPOSE STATED IN THE ARTICLE (UNANIMOUS).

ARTICLE 10: HOPPING BROOK WATER STORAGE TANK AERATION AND VENT INSTALLATION

SPONSORED BY: Board of Selectmen

To see if the Town will vote to appropriate from Water Surplus (Retained Earnings) \$100,000 for a power aeration and vent system for the Hopping Brook Water Storage Tank allowing for improved water quality and enhanced removal of volatile organic compounds (VOCs) and all related work; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$100,000 FROM WATER SURPLUS FOR THE PURPOSE STATED IN THE ARTICLE (UNANIMOUS).

ARTICLE 11: WATER TANKS CLEANING

SPONSORED BY: Board of Selectmen

To see if the Town will vote to appropriate from Water Surplus (Retained Earnings) \$33,600 for all tasks related to exterior cleaning and interior cleaning of the Holliston Water Storage Tanks, pursuant to the Massachusetts Department of Environmental Protection (DEP) regulations that all public water supply water storage tanks be cleaned every five (5) years and all related work; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$33,600 FROM WATER SURPLUS FOR THE PURPOSE STATED IN THE ARTICLE (UNANIMOUS).

ARTICLE 12: 43D PRIORITY SITING BY-LAW

SPONSORED BY: Planning Board

To see if the Town will vote to re-affirm the May 2010 Town Meeting acceptance of the provisions of Chapter 43D of the Massachusetts General Laws, Expedited Permitting, as amended pursuant to Section 11 of Chapter 5205 of the Acts of 2006 further amended by Section 25 of Chapter 238 of the Acts of 2012 and to enable the Town Planner/Economic Development Director as the designated single point of contact for the community, to file an application with the Interagency Permitting Board for the designation of land at 0 Hopping Brook Road (Map 4, Block 6, Lot 15 6 Hopping Brook Park Phase II) as a Priority Development Site; or take any action relative thereto.

ARTICLE 13: LIBRARY ROOF AND HVAC BID SPECIFICATIONS

SPONSORED BY: Board of Selectmen

To see if the Town will vote to raise and appropriate or transfer from available funds a sum of money for the purpose of engaging a roofing and or HVAC building consultant to assist the Town in the preparation of bid documents for repairs, replacement of the Holliston Public Library roof and HVAC system; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN APPROPRIATE \$15,000 FROM FREE CASH FOR THE PURPOSE STATED IN THE ARTICLE (UNANIMOUS).

ARTICLE 14: RAIL TRAIL MAINTENANCE

SPONSORED BY: Board of Selectmen

To see if the Town will vote to raise and appropriate, transfer from available funds or borrow \$5,100 to be expended by the Rail Trail Committee for the purposes of providing equipment to be under the care and custody of the Department of Public Works for continuous maintenance of the Upper Charles River Rail Trail; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS THAT THE TOWN RAISE AND APPROPRIATE \$5,100 FOR THE PURPOSE STATED IN THE ARTICLE (UNANIMOUS).

ARTICLE 15: TEMPORARY MORATORIUM ON RECREATIONAL MARIJUANA ESTABLISHMENTS

SPONSORED BY: Board of Selectmen/Planning Board

To see if the Town will vote to amend the Zoning Bylaw by adding a new Section VIII - Temporary Moratorium on Recreational Marijuana Establishments which are not included in the definition of Medical Marijuana Treatment Centers, as follows:

SECTION VIII. TEMPORARY MORATORIUM ON MARIJUANA ESTABLISHMENTS WHICH ARE NOT INCLUDED IN THE DEFINITION OF MEDICAL MARIJUANA TREATMENT CENTERS

VIIIA. PURPOSE

By vote at the State election on November 8, 2016, the voters of the Commonwealth approved a law entitled the Regulation and Taxation of Marijuana Act, codified in G.L. c. 94G, Regulation of the Use and Distribution of Marijuana Not Medically Prescribed, as amended by Chapter 351 of the Acts of 2016 and Chapter 55 of the Acts of 2017 (the "Act"), regulating the control, production and distribution of marijuana under a system of licenses and regulations. Currently under the Zoning Bylaw, Marijuana Establishments are not defined, not established as a permitted use or otherwise regulated in the Town. Regulations promulgated by the Cannabis Control Commission are expected to provide guidance to the Town in its regulation of marijuana sales and distribution. The regulation of marijuana establishments raises unique and complex legal, planning, and public safety issues, and the Town needs time to study and consider the regulation thereof to appropriately address such unique and complex issues. The local impacts resulting from this new land use should be evaluated and addressed in a comprehensive manner by appropriate zoning and planning regulations prior to the permitting of a Marijuana Establishment. Consequently, the Town intends to adopt a temporary moratorium on the use of land and structures in the Town for Marijuana Establishments to permit the Town sufficient time to engage in a planning process to address the impacts of such structures and uses in the Town and to enact bylaws in a manner consistent with sound land use planning goals and objectives.

VIII-B DEFINITIONS

1. "Marijuana" and "Marijuana Product" shall have the meanings set forth in the Act.
2. "Marijuana Establishments" shall have the meaning set forth in the Act.

VIII-C TEMPORARY MORATORIUM

For the reasons set forth above, and notwithstanding any other provision of the Zoning Bylaw to the contrary, the Town hereby adopts a temporary moratorium on the use of land or structures for Marijuana Establishments as defined by the Act, which shall not include Medical Marijuana Treatment Centers. No building permit, special permit, variance, site plan or other permit may be issued under this zoning by-law for the purpose of establishing Marijuana Establishments. The moratorium shall remain in effect through December 31, 2018. During the moratorium period, the Town shall undertake a planning process to address the potential impacts of the cultivation, distribution and sale of marijuana in the Town, consider the Cannabis Control Commission regulations regarding Marijuana Establishments, and adopt Zoning Bylaws to address the impact and operation of Marijuana Establishments; or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS FAVORABLE ACTION (6-1, MR. ALFRED OPPOSED.)

ARTICLE 16: ALL-ALCOHOL LIQUOR LICENSES

SPONSORED BY: Petition

To see if the Town will vote to authorize the Board of Selectmen to petition the State Legislature on behalf of the Wine House Inc. for one additional off premise license for the sale of all alcoholic beverages. This license would be granted to The Wine House, who is currently operating under a Wine & Malt Beverages license.

THE FINANCE COMMITTEE RECOMMENDS UNFAVORABLE ACTION (UNANIMOUS).

ARTICLE 17: TRASH AND RECYCLING COLLECTION AT CONDOMINIUMS

SPONSORED BY: Petition

To see if the Town will vote to provide curbside refuse and recycling pickup to condominiums provided their Board of Trustees request such service, allowing the Town or its agents access to any private roads and agrees to insure the Town from any liability or take any action relative thereto.

THE FINANCE COMMITTEE WILL MAKE A RECOMMENDATION AT TOWN MEETING (6-1, MR. ALFRED OPPOSED).

ARTICLE 18: ACCEPTANCE AS PUBLIC WAYS

SPONSORED BY: Petition

To see if the Town will vote to accept as a public way the non-public portion of Mohawk Path, a portion of Governor Prence Way, Indian Circle and Mayflower Landing, all within the subdivision designated as "The Highlands at Holliston", and to include the necessary easement rights related thereto, all as shown on the plans prepared by Guerrier & Halnon, Inc. dated September 6, 2017 or take any action relative thereto.

THE FINANCE COMMITTEE RECOMMENDS UNFAVORABLE ACTION (UNANIMOUS).

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 13th day of October A.D. 2017.

Kevin P. Conley, Chairman

Joseph P. Marsden, Vice Chairman

BOARD OF SELECTMEN

Mark Ahronian, Clerk

I have this _____ day of October 2017 posted true copies, attested, of within Warrant on and within Town Hall, as herein directed.

Constable

A true record, ATTEST:

Elizabeth Greendale, Town Clerk