

Budget Task Force
Selectmen Meeting Minutes
January 25, 2016 – 8:00am
Truro Town Hall

Selectmen Present: Chair- Paul Wisotzky, Robert Weinstein, Clerk-Maureen Burgess

Finance Committee Present: Chair-Robert Panessiti, Richard Wood

Staff/Others: Town Administrator-Rae Ann Palmer, Town Accountant-Trudi Brazil, Deputy Assessor-Cathy Fryxell, Truro Central School Superintendent-Michael Gradone, Truro School Committee Chair-Theresa Humes, Town Clerk/Treasurer/Collector-Cynthia Slade, Chair of the Community Preservation Committee-Deborah McCutcheon, Member-At-Large for the Community Preservation Committee-Bonnie Sollog

The meeting was called to order by Selectmen Chair Paul Wisotzky at 8:15am.

Assessor Budget

Deputy Assessor Fryxell explained that the biggest difference in last year's appropriation vs the FY2017 request (5100- Salary budget) is in staffing. Town Administrator Palmer stated that the former Deputy Assessor was at a higher pay level due to the length of time employed with the Town; therefore Deputy Assessor Fryxell's salary is lower.

The Purchase of Services (5200) budget is essentially the same as last year. Outstanding invoices that the group sees are from the article which passed at Special Town Meeting for 2 previous years' maintenance contracts with Paul Kapinos and Associates for revaluation.

The budget for 5300 (revaluation expenses) does have a substantial increase of up to \$30,000. Every three years they have a more in-depth, tri-annual revaluation process with the Department of Revenue. Deputy Assessor Fryxell did point out that it appears the revaluation cycle will be changing from three years to five years, as long as it's passed by legislature. Chair Wisotzky asked how the revaluation takes place. Deputy Assessor Fryxell explained that the Department of Revenue will go through and check what is being recorded and analyzed. Each revaluation brings different focuses that the Department of Revenue will be looking for.

The Supply budget (5400) and Other (5700) are in line with last year, other than the reimbursement of a cell phone.

Town Administrator Palmer pointed out that one item not shown on this budget is Deputy Assessor Fryxell's request to increase her part time employee to full time. Deputy Assessor Fryxell qualified this request by stating she wants to provide the best customer service, in the most efficient manner. What she has found is that, through the years, data collection was outsourced to Paul Kapinos and Associates. In fiscal year 2011 or 2012, it was determined that data collection would be done in-house by the Assistant Deputy Clerk. When that happened, there was a large savings of the outsourcing dollars. The following year, for budgetary reasons, the full -time clerk's hours were reduced to part-time. The level of service has been impacted, and she feels that increasing the part time employee's hours to 35 hours per week will be a good move for the office. Mr. Wood wanted to know if the office was falling behind in tasks they were to perform, and, does the Town provide benefits to this part time employee currently. Town Accountant Brazil confirmed that the part time employee is eligible for benefits. Deputy Assessor Fryxell stated that the office had been at a disadvantage for at least the last year. The previous Deputy Assessor had been ill, and out of the office for a while, and when she left in December, Deputy Assessor Fryxell was not hired until the following July. Town Administrator Palmer also reminded the group that the Assistant Deputy Assessor had been injured on the job and was out of work for multiple months, and the office was essentially running with help from the part- time employee, tax

work-off people, and a person brought in from Paul Kapinos and Associates. Town Administrator Palmer supports the change of the position.

Truro Central School Budget

Ms. Humes began the discussion by saying that the overall budget has increased by two percent. That is due to the planned, contractual salary increases for the teaching staff, paraprofessionals, and the bus contract. Everything else is level-funded. Mr. Wood asked for a little more explanation on the dollar amounts for salaries, which Ms. Humes was able to go over sufficiently. Superintendent Gradone explained that they would see two years of increases as the school was at the bargaining table last year, so they budgeted salaries without any cost of living adjustments, and put sufficient money in the tuition account to cover that. They then made the transfer in this years' actual budget, therefore from FY16 to FY17 the numbers are a little higher. Selectman Burgess asked what the average tuition for a middle school/high school student was. Superintendent Gradone told her that the amount was just under \$17,000. Selectmen Burgess then asked what the average tuition per pupil was for K through sixth grade. Superintendent Gradone explained that the State does the calculation and he has not attempted to replicate that formula, but that the cost does tend to be higher in the earlier grades.

Robert Panessiti asked how they did with their census last year. Ms. Humes said that it's basically even. Each year it goes up and down, but only by one or two students. Superintendent Gradone gave them a number of 99 students in the K through six grades, and 20 pre-school students. There are also 84 or 85 "tuitioned-out" children, and one child when to a charter school. Mr. Wood asked how many children come to Truro out of the 119 students, for school choice. Ms. Humes estimated between 15 and 16 students. Mr. Panessiti asked if the School Department or the School Committee had ever been able to refute or confirm the thought that if more affordable housing is created, more families will come to Truro, and then costs for the school will rise. Ms. Humes confirmed that they have certainly been asked that question, and the bottom line is that they will be paying a (first grade) teacher, whether they have eight children or eighteen children. They will still have a teacher, regardless of how many children attend. So far, they have not seen evidence that building affordable housing will drive up the cost of the school. Ms. Humes did say that she would get a net number of how many children come from Sally's Way. How many children were already living in Truro vs. how many are new will also be included. Town Accountant Brazil asked how many children in pre-K are local residents. Superintendent Gradone stated that 13 children are local residents and 7 are not.

Town Accountant Brazil brought up another subject regarding turn-backs. She explained that when looking at turn-backs for the end of the year, they need to remember that the School Committee is tasked with budgeting everything that they know they will have to expend. A lot of times there will be a significant turn-back amount because of school choice, census changes, or they have received information that a special needs child will be coming to the school and that does not materialize. Selectmen Burgess asked if they had seen the article in the Banner about Wellfleet's classification of special needs students taking a jump up to 19 percent. Superintendent Gradone said that Truro is at about 16 to 17 percent, which is the State average.

As for facility maintenance the boiler may need work. Ms. Humes said that they have been maintaining one side of the building per year. Superintendent Gradone stated that the playground will go out to bid in mid-February, to be worked on in the spring. The first time this went out for bid, they received zero bids. The second time, they received an emailed bid, which is not legal.

Town Administrator Palmer pointed out the FY17 requests of:

1. \$82,500 for Capital.
2. \$17,500 for Technology.
3. \$25,000 to paint the west side of the building.
4. \$40,000 to seal parking lots and the playground.

In closing, Mr. Panessiti asked that the school be on the lookout for requests for trends, as conversations regarding affordable housing, and its effect on the school, will become more substantive.

Town Clerk/Treasurer/Collector Budget

Town Administrator Palmer began the conversation by stating that the only item not shown on the budget is a second request for a reclassification of the second staff person in the office. In the union negotiation last year, the office assistant's job was reclassified and Clerk/Treasurer/Collector Slade is asking that the same be done for the second staff person.

Ms. Slade went over the county retirement budget. It has increased from last year, as more people are retired. Town Administrator Palmer explained that the figure is the Town's share of the pension plan, which includes expenses for employees (both current and retirees), as well as the actuarial costs and the administrative costs. Chair Wisotzky asked if any sort of forecasting is done to estimate who may be retiring. Town Administrator Palmer stated that they certainly know ahead of time who is retiring in the Police Department, and they have a good handle on employees in Town Hall. She added that they need to be cognizant of pay-outs for sick and vacation time.

Group health insurance was discussed next. Ms. Slade stated that this was another item which went up in cost. In early February, the Cape Cod Municipal Health Group will be holding a meeting at which time they will discuss the rate hikes for fiscal '17. She has included a ten percent increase as an estimate.

Town Administrator Palmer added that there is nothing included in this for firefighters.

Town Administrator Palmer mentioned that they've accounted for the borrowing to fix the landfill, because they cannot use a tax exempt instrument for that (because of the leasing to Sun Edison).

Chair Wisotzky and Town Administrator Palmer are going to Boston on Thursday, January 28, 2016 to talk to the real estate branch of the State Department of Transportation about both the affordable housing piece of property, and a consideration that the State DOT turn their garage over to Truro to share. Town Administrator Palmer is still waiting for the Army Corps of Engineers to hand in their assessment of the Pamet River Project, so that she will know the cost of the study.

Community Preservation Committee

Ms. McCutcheon gave some background information. A couple of years ago, they had a discussion with the Housing Authority, which morphed into a discussion with Town Accountant Brazil. At one of CPC's recent meeting, they discussed how to get set up to do a bonding for a special CPC project. Town Accountant Brazil told them that they would have to go before the Board of Selectmen, Town Clerk Slade, and the Finance Committee. The CPC views this as the beginning of a conversation between the CPC, Board of Selectmen and Finance Committee to bring something to town meeting in possibly one or two years. What the CPC is interested in is an Affordable Housing Fund that the Town would bond for somewhere in the range of three to five million dollars. That would be paid off by future revenue from the CPC.

In terms of what CPC projects are doing around the State, there is a lot of thinking outside the box to deal with affordable housing issues, for example:

1. Keeping elderly people in their homes with assistance making bathrooms (and houses) handicap accessible.
2. Mortgage subsidy or rental subsidy program that they would operate on a short-term basis when a family has a crisis.
3. A subsidy which would encourage people to rent their accessory unit as affordable housing.

The CPC does not have lots of ideas for this, but they would like to get a discussion started so they can get support. If they do not do something which would have a bigger impact, they will never get ahead of the game, in terms of affordable housing. Chair Wisotzky wished to add to the conversation. When this first came up with the Housing Authority about a year ago, Chair Brotman was in favor of the idea,

but the concern was that the committee, as a voluntary committee, couldn't manage that kind of program. This year, there is a proposal going forward from the Housing Authority, through CPC, to fund a half-time position (Wellfleet is proposing the same thing). This would be a shared position between Wellfleet and Truro. Ms. McCutcheon stated that the proposal morphed along the way. Her understanding is that it is a consulting position. It is not intended to be a staff position. Town Accountant Brazil then explained how a bond works.

Chair Wisotzky thinks it's a great project however he's concerned with the Town's bond rating. Town Administrator Palmer explained that right now the Town is in a great situation where the Town has very little debt against capacity. That will change as they undertake some of the capital projects. It comes down to what the capacity is, and whether it would impact the bond rating, which would increase the cost of borrowing.

Mr. Wood asked if there were four categories with the CPC. Ms. McCutcheon stated that there were three, and then Recreation was considered the "step-child". He then asked if there was flexibility within the CPC to go back and forth between the four, or are we slated to those 3.5 things. Ms. McCutcheon said that the statute mandates that 10% of revenue goes to affordable housing, open space, and historic preservation. That 10% has to either be spent or reserved. After that 30% is done, the rest can be used for anything. Mr. Wood asked approximately how much (total dollar) was received last year. Ms. Brazil told the group that they project each year what the following tax will be. The projection for the year coming up is approximately \$530,000 FY17. The actual collections are not only what you bill out in that year, but prior collections which were not received.

Mr. Panessiti had a question for everyone at the table. Is there an alternative that could do this more efficiently, given constraints on funding? Ms. McCutcheon has been talking with their applicants, and the Housing Authority but nobody has stepped up and offered to put this together. Chair Wisotzky thinks one of the issues is (in the Housing Authority) land acquisition. Ms. McCutcheon mentioned that there is no organization around the Lower Cape that does this type of comprehensive program. Mr. Panessiti asked, if the Town is going to manage the program, why isn't there an organizational part within the Town who can implement and manage it. Ms. Brazil believes that in other communities the Housing Authority is an "Authority". They are businesses which have staff, expertise, budget, and payroll. Truro does not have that. We have a group of very involved elected officials who give up their time, and they do not have staff. Mr. Panessiti asked if an operational plan was discussed at the Housing Summit which was held a few months ago. Chair Wisotzky stated that it was not a planning summit, it was an outreach summit. Carl Brotman is working on a production plan and a needs assessment. In many communities that are not big enough to have a housing authority staff, they have banded together with other communities to have one authority and a couple of staff. That has not been done down here. Wellfleet and Truro could hire people to consult on housing projects.

Chair Wisotzky thinks it's a good idea to list the big projects so that everyone is aware of what is coming down the pike. He does not believe that they will be able to do all the projects. Some, by their nature, will be on the top of the list. Town Administrator Palmer thinks it's two-fold. Number 1 is the town's debt capacity. Number 2 is what the priority is, in terms of the community. She continued by listing the projects:

- Restoring tidal flushing or flow to Pamet River
- Eagle Creek
- East Harbor
- Moving the DPW (The DPW came to Patricia Pajaron and Paul Morris about four or five years ago and stated that they are sitting on the well head and they need to be moved.)

Mr. Wood is looking at all of this as two discussions. One would be about the bonding, the other would be about converting what the town has to affordable housing. Selectman Weinstein brought up the planning and zoning issues in utilizing existing unrecognized accessible dwellings. Zoning by-laws would

need major re-working. Ms. McCutcheon mentioned that the Planning Board is currently working on that. Town Administrator Palmer stated that they are looking at accessory dwelling units. Her budget request will show funding for a review of by-laws. Mr. Panessiti believes, in his opinion that the Board of Selectmen needs to take a leadership role and coordinate the efforts of the CPC, Planning Board, Finance Committee, etc. Chair Wisotzky stated that the Board of Selectmen has no authority over the Planning Board, as they are an elected body. Mr. Panessiti suggested that they ask specifically what they need from them. Town Administrator Palmer added that the Planning Board went from 19 applications in front of them to 43 in this last year, and many of those were very complex. A lot of their work revolves around hearing these applications and making decisions. They were also at partial capacity, and missing a staff person.

The group briefly discussed offering a subsidy to people who offer up their accessory dwelling unit for affordable housing. Town Accountant Brazil brought up the original conversation with Ms. McCutcheon and the CPC, which was about an historic preservation project. Ms. McCutcheon stated that project has come off the table. Chair Wisotzky thought it may be useful to schedule the CPC before the Board of Selectmen in order for the whole Board to hear what has been discussed today. The same thing should be done before the Planning Board and Finance Committee so that everyone can come together and figure it out. Mr. Wood stated that in anticipation of a formal/informal group of CPC, Planning, etc...he would love to be the Finance Committee member. Chair Wisotzky added that the Housing Authority needs to be involved too.

General Discussion

No general discussion.

Selectman Burgess made a motion to adjourn at 10:08AM.

Selectman Weinstein seconded.

All participants voted in the affirmative.

Respectively submitted, Noelle Scoullar, Executive Assistant

Board of Selectmen

Paul Wisotzky – Chair

Maureen Burgess – Clerk

Robert Weinstein

Absent
Jan Worthington – Vice Chair

Absent
Jay Coburn