

TOWN COUNCIL MINUTES  
BUDGET/MANAGEMENT COMMITTEE  
Town Hall Council Chambers  
November 13, 2008 - Thursday

Present: Kenneth DiFazio, Chairperson  
Patrick O'Connor, Vice Chairperson  
Arthur Mathews, Councilor  
Michael Molisse, Councilor  
Kevin Whitaker, Councilor

Also Present: Edward Harrington, Councilor  
Victor Pap, Councilor  
James Wilson, Chief Financial Officer

Recording Secretary: Mary Briggs

Chairman Kenneth DiFazio called the Budget/Management Committee meeting to order at 6:45 PM.

**08 135- Fiscal Year 2009 Tax Classification**

Mr. Wilson was joined by Paul Haley, Chairman of the Board of Assessors, and Pamela Pantermoller, Principal Assessor, in presenting the request, for a shift in the tax classification for FY09 to 1.60 with no residential exception. A power point overview was presented with a 5-page analysis provided to the members. Mr. Haley explained that each year the tax rate is set based on the fair market values of the prior calendar year. Tax bills sent out in December 2008 are reflective of the values as of January 1, 2008 and are based on the sales during calendar 2007.

There has been a 3.1% reduction overall in residential values while commercial property has remained flat. The change nationwide in the reduction in property values will not be realized until the following tax year. There is a 7% further reduction this year in residential values with a 6% reduction in condominium values. Mr. Haley cautioned that the December tax bill will not reflect these changes since there wasn't a reduction of values in 2007. There is a slight drop in values and full revaluation done last year, which was upheld by the Appellate Tax Board.

To the benefit of the homeowner, the burden of the tax levy has been on commercial property. The recommendation of the board is to shift the rate 60% - 76% borne by the residential; 13% commercial. Residential rate would then be \$9.79 per thousand, which is still very favorable and one of the lowest rates in Norfolk County and Massachusetts. Net increase on a residence with a \$547,000 valuation will be \$134. This is based on the assumption that the Mayor will seek to raise the full amount of the levy limit, which is 2 ½ % of last year's levy plus new growth. New growth in the town is \$708,000. Commercial property owners will see a 6% increase.

The shift requested is consistent with the shift last year. It places a modest burden on the commercial property owner, while giving a break to the residential property owner.

Mr. Haley concluded that the town is well-managed in comparison with other communities in the services provided for taxes. He also noted a recent survey in Business Weekly, which cited Weymouth as one of two runners up to Malden in cities or towns desirable for raising a family.

Chairman DiFazio requested an overview of the valuation expectations for next year. Mr. Haley noted this year included full valuation based on sales and inspection of property- next year's valuation will be an interim appraisal based on this year's actual sales (documentation through Norfolk County Registry of Deeds).

Chairman DiFazio noted the outcry when the valuation was performed last year and asked how many adjustments were made as a result of abatements filed. Mr. Haley noted some properties along the waterfront (Whitman's Pond) which did not qualify as recreational use were adjusted. Adjustments were made if they were brought to the attention of the Board of Assessors.

Chairman DiFazio recommended the informational material provided on the tax assessment process to the committee by the board be made available to the residents of the town along with their next tax bills.

Councilor Mathews noted that the majority of the waterfront property owners who were dissatisfied with their revaluations and filed for abatement and attended the crowded meeting did not receive adjustments. He requested the comparison provided by the Board of Assessors for the last two years is included in the presentation for public hearing at the next Town Council Meeting.

(During this discussion, Councilor Pap arrived.)

Councilor O'Connor asked if the Board had a similar chart for commercial property which was provided for the residential. Mr. Haley noted that information was provided by the DOR, and that the Board could organize one for the commercial property. Most communities, including neighboring Braintree have a single tax rate.

There was a brief discussion on commercial sales, which were flat last year and should hold. There has not been much turnover. Councilor O'Connor asked if there has been any mention of commercial properties struggling to pay bills; Mr. Wilson noted he has not heard, but may at the public hearing during the Town Council meeting. He noted one commercial property has requested tax amnesty.

Councilor O'Connor asked if there were a record number of abatements last year. Ms. Pantermoller noted that of 500 applications filed last year, 60 went to Appellate Tax Board for hearing. None of the applications for 2008 have been heard as of yet.

Councilor Whitaker thanked the Board for their diligence. It was noted that the exemption and deferral procedures are available on the website.

A MOTION was made by Councilor O'Connor to forward item 08-135 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

A MOTION was made by Councilor O'Connor to take item 08-133 out of order and was seconded by Councilor Mathews. UNANIMOUSLY VOTED.

### **08 133- Community Preservation Committee – Fogg Library Request**

James Clarke, Planning Director, Joanne Lamothe, Library Director and Jim McKinnel of McKinnel McKinnel & Taylor presented this request. Mr. Clarke provided background and history of the project, and Mr. McKinnel provided supporting information including photographs from the architectural study which was conducted on the property.

Mr. Clarke noted that in March 2007, the request to the Community Preservation Committee totaled \$382,000 to conduct the initial architectural study. At that time, repairs were recommended based on the study by McKinnel McKinnel & Taylor. Based on the first report from McKinnel McKinnel & Taylor, further studies were needed to determine the structural integrity, roof conditions, exterior stone work and interior brick work. At that time the contract was amended to include additional studies, including wall inspection. In April a report with a survey was brought to the Community Preservation Committee with a \$1.7M new cost and the recommendation to fund the exterior repairs of the building as one package as the most appropriate direction to take.

During the summer, the Council was invited to tour the facility.

Ms. Lamothe noted that the library has been off-line since September 2005, although the exterior book drop

is still in use and picked up daily. Conceptual plans were drawn under the previous administration for a new library, but three public meetings on reuse have indicated that there is interest in keeping the Fogg building active in the library system. She noted the book stacks are intrinsic to the building. Potential future reuse has included tourism, travel, and housing town archival materials.

Mr. McKinnel reviewed the items addressed in the study. Water penetration has affected the roof, the flashing and mortar and in particular, the stone falling from the south gable wall. A masonry contractor was hired who removed stones and noted the mortar beneath is the consistency of sand, and the wire ties are rusted and of no benefit. It is estimated that 75% of the upper portion of the building is in a state of advanced deterioration. The brick work is still good. The recommendation is to remove the bricks, number each stone, photograph each, cut out the mortar and replace the ties, temporarily shoring up the building. The base of the building is in better condition.

Mr. Wilson reviewed the budget recommendations. There are five sources available for the total funding request of \$1,320,000:

- |  |           |
|--|-----------|
| 1. Unreserved fund balance from the prior year | \$684,000 |
| 2. Historic Fund balance – prior year          | \$160,000 |
| 3. FY09 Historic Mandatory reserve             | \$ 87,000 |
| 4. FY09 Budgetary Reserve                      | \$212,258 |
| 5. FY10 budget                                 | \$220,000 |

Mr. Wilson cautioned that as the last item is aligned with DOR regulations it should be listed as a mandatory expense. That procurement and payment service is available for all but the \$220,000, which would not be available for use until after July 1<sup>st</sup> of FY10.

Chairman DiFazio noted that the committee is voting money they do not yet have, and Mr. Wilson noted that was true.

Councilor Harrington noted that he toured the building, and although he realizes funds are in dearth in this economy, the building should be preserved for its historical value to future generations and he intends to support the item. The falling stone is a safety liability to the town and must also be considered.

Councilor Mathews noted this is a matter of urgency; if the building is not repaired now, it will be lost. No matter what reuse plan is adopted, the building is an asset to the town. He also noted that this funding only applies to the building's exterior. Eventually the interior will need also to be addressed. He asked if boiler operation, air conditioning, and ADA compliance issues have been estimated. Mr. Clarke responded that interior costs have been estimated at \$50,000 for walls, plastering and painting, heating and elevator upgrades but excluding ADA compliance requirements. ADA requirements will be harder to estimate without first determining future reuse plans.

Councilor O'Connor noted that although he agrees with Councilor Harrington's sentiments, he is concerned about the financial aspect of this project. He also requested whether there is a library plan in place in the Master Plan.

Ms. Lamothe noted that the library trustees began planning for a new facility in 2004 under the previous administration, and that they had progressed as far as design schematics. The Tufts library facility will be required to be closed during asbestos abatement work. Public Library grant matching funding has been reduced.

Chairman DiFazio noted that there are two schools of thought on the subject; whether to repair this facility regardless of whether the building is used as a library or not. He is not sure \$2M is a good investment for one library, or, if it is used as a library, will the Fogg/Tufts satisfy the town's needs. He asked if the Steering Committee has looked at uses for the building. He noted that with 9C cuts anticipated in January and the economic climate, spending on this will be scrutinized. Mr. Clarke noted the Fogg building is critical to the Columbian Square design plans and in the town village square character. If it is used as a public building, then that will dictate the right of use.

Chairman DiFazio asked if the committee had considered financing portions of the project 50/50 with CPC and bonding. Mr. Clarke noted that this project is all tied in together; it will not lend to bonding or phasing. Mr. Wilson noted that committing the town to a 20 year bonding schedule for this project will diminish funding CPC has available and they may not be able to then meet the 10% mandatory set asides.

Councilor Mathews noted that funding through the CPC will impact the town least; should the Community Preservation Act ever be repealed after this project was bonded, the town would then have to pick up the debt service. This is what CPC was designed for--historic preservation. He noted the urgency; in just one year the deterioration of the building has drastically progressed.

Councilor Whitaker noted he is in favor of preserving the building as a part of historic South Weymouth. He asked how soon the work could begin should the Council approve the request.

Mr. Clarke responded that within 30 days of a favorable vote the architectural designs and specifications could be ready, with a bid out January/February. The work could begin in spring, with completion during 2009.

Chairman DiFazio asked if the conceptual plan for a new library is on the Capital Improvement Plan. Ms. Lamothe noted that the plan is in design/development phase and is listed for consideration during the next round of library grant funding. Waiting lists for funding is generally 5-7 years.

A MOTION was made by Councilor Whitaker to forward item 08-133 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

#### **08 134- Community Preservation Committee – Annual Appropriation**

Mr. Wilson noted the Community Preservation Committee is required under the supplementary budget to reduce its budget by \$55,537; from \$932,779 to \$877,422. Two factors in the reduction include a reduction in the state grant and in the interest income. It was noted that there is a typo in the line item for FY09 Revised Budget, Recreation to be corrected from \$89,742 to \$87,742. Mr. Wilson reviewed the original appropriations and the revised budget amounts in each of the set asides and administrative costs in addition to the expenditures for a total revised budget of \$877,422.

A MOTION was made by Councilor Molisse to forward item 08-134 to the full Town Council with a recommendation for favorable action and was seconded by Councilor O'Connor. UNANIMOUSLY VOTED.

#### **08 136- Community Preservation Committee – Reilly Playing Fields Request**

Mr. Wilson reviewed the request for \$18,125 from the FY09 Recreation line of the Community Preservation line for the purpose of funding current use and study conditions survey of the playing fields at the former East Junior High School site. The Town Solicitor has given the opinion that use of funds for this study is in accordance with the CPA.

Councilor Whitaker asked if the study concludes the fields will require revision, then would the CPC look to fund. Walter Flynn, Chair of the CPC noted that CPC funds cannot be used for renovating fields that were owned prior to the adoption of the CPA. There are multiple bills filed in Massachusetts on whether "rehabilitating" fields will be able to qualify for funding.

Councilor Molisse asked why this is under consideration since Reilly was just renovated under the last round of field improvements. He asked where this funding would go if voted. Mr. Flynn responded that any funds voted would go to the CPC for determination on how it is to be spent. Mr. Flynn has contacted Gale Associates and will look to see if there are other fields in town which can ameliorate conditions at Reilly.

Councilor Mathews noted that it might be prudent to invite Mr. Reilly to the public hearing on this item. This request was voted by the CPC prior to the outcome of the city of Newton case. Legal opinion from the Town Solicitor recommend the CPC be careful about going forward on any recreational project which does

not specifically involve acquiring new property. The study is to get a determination for the best use of the fields, and he will support so long as Solicitor Lane agrees.

Councilor Pap asked if the entire cost of the request is solely for the study.

Chairman DiFazio noted he has had four children in soccer, and notes that the fields are the worst he's been to; because they are used continuously, there is no break to keep them conditioned.

Councilor O'Connor asked if there were time to bring Mr. Reilly before the Budget/ Management Committee prior to the Council vote. Mr. Wilson noted that the Public Hearing is published and scheduled, but that it could be opened and continued if needed. Councilor O'Connor noted there have been other measures recently where a vote was changed because of additional information which was provided. Chairman DiFazio noted they could have the Public Hearing and continue it until the committee has met with Mr. Reilly. Mr. Wilson noted it would be prudent for Budget/ Management to meet with Mr. Reilly after voting a continuance of the Public Hearing.

A MOTION was made by Councilor O'Connor to forward item 08-136 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

#### **08 129- Reserve Fund Transfer- Parking Ticket Administration**

Mr. Wilson reviewed the request to transfer \$2000 for the purpose of funding the increase in administrative fees incurred due to the increase in the volume of parking tickets issued by the town. An administrative fee is charged for each ticket issued, therefore the increase in tickets written is increasing the administrative fees.

Councilor Mathews suggested an administrative analysis of the ticket structure. He noted many of the tickets are issued to South Shore Hospital employees who violate the parking purposely to avoid Boston parking rates, and suggested increasing the ticket amount to cover the administrative costs incurred. Mr. Wilson noted that this would violate state law. Chairman DiFazio noted the ordinance could be reviewed and fines upgraded, but that this would be a separate issue.

A MOTION was made by Councilor Mathews to forward item 08-129 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

#### **08 130- Unpaid Bills**

Mr. Wilson requested \$1382 from the reserve fund towards unpaid bills. He noted the amount in the request is amended to read \$1382.95, as opposed to \$4,893.24.

A MOTION was made by Councilor Mathews to forward item 08-130, as amended to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

#### **08 131- Fulton School Close-out Costs**

Mr. Wilson reported the closing on the sale of the Fulton School has been completed, and the legal costs associated with the sale and final utilities total \$6,120.04.

Councilor Molisse asked why the water bill was so high. Mr. Wilson responded that it was the result of an undetected water main break.

A MOTION was made by Councilor O'Connor to forward item 08-131 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

#### **08 132- Abigail Adams School Close-out Costs**

Mr. Wilson reported that the final phase of tier classification by DEP requires \$4000 for the purpose of

funding the closeout of the project. He provided background for the committee; the classification and resulting remediation ordered by DEP following a leak of #2 oil from an underground storage tank on the site of the Adams School in 1987.

A MOTION was made by Councilor O'Connor to forward item 08-132 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

#### **08 138- Transfer Health Insurance Coverage**

Mr. Wilson provided a power point overview of the town's health insurance. It is currently self-insured under HPHC, with a \$75,000 oversight cost. It also must include a 13<sup>th</sup> budgeted month. Current premium contribution rates are 70/30- active employees; 50/50- retired employees; 90/10- retired teachers.

If GIC is adopted by the PEC, it will transfer all insured to the GIC. The GIC administrative fee is paid by the town. Once an agreement is executed with GIC, it supercedes all agreements previously made with Collective Bargaining groups. All eligible insured will be transferred to the GIC plan, for an initial period of 3 years, and all subsequent agreements will be not less than 3 years. Any agreement will be in writing between the Mayor and PEC. In order to be in place for FY10, the law must be adopted, the agreement signed and notice given to GIC by 11/28.

The contribution ratios under GIC will be 82.25/17.75- active employee and 87.75/12.5 retired employee. All employees will see some savings depending on which program they opt into. A total savings of \$6M will be realized; \$4M in premium reduction by the employees and \$2M savings to the town. Benefits also include no raise to the town's health insurance deficit, termination clause beyond 6 years, any termination of the plan will provide GIC-comparable coverage, grandfathered coverage of retired teachers' life insurance, and optional CAF plans at no cost to the town.

Steps to adoption include CBA approval, educational sessions for enrollees, legal review, PEC weighted vote, and notice to GIC to commence July 2010.

There was a discussion with the members. Mr. Wilson noted the short time frame to work in order to get adoption in place for FY10. Retired teachers was discussed. Mr. Wilson noted that retired teachers currently are in a separate actuarial pool. By moving them into the larger group (GIC) with more age variation, it reduces the premium, and there is no additional cost to the retirees.

Councilor Mathews addressed the CAF plan, which allows members to contribute pre-tax earnings and Mr. Wilson noted this is administered solely by the town. Councilor Mathews asked if the \$2M in savings is definite. Mr. Wilson responded that if each current member opts into a similar offering in the GIC the result will be \$2M savings.

Councilor Whitaker asked what would happen with the current 13<sup>th</sup> month budget. Mr. Wilson responded it will be held open. Claims will continue to arrive in July, August and September. Councilor Whitaker asked if there has been any negativity expressed regarding the GIC plan. Mr. Wilson noted he had not heard anything but enthusiasm so far. He reminded the Committee that there are 17 bargaining units in town, and that this was a very cooperative effort. Mr. DiFazio asked for assurance that there was no other incentive offered, like the financial incentive which the City of Quincy offered its members. Mr. Wilson responded that there were no incentives being offered.

A MOTION was made by Councilor O'Connor to forward item 08-138 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Whitaker. UNANIMOUSLY VOTED.

At 9:00 PM, there being no further business, Councilor O'Connor made a MOTION to ADJOURN the meeting and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.