

**BOARD OF SELECTMEN
MEETING MINUTES - DECEMBER 11, 2006**

7:00 p.m. - Selectmen's Meeting Room, 63 Main Street, Northborough, MA

MEMBERS PRESENT: Dawn Rand, Chairman
William Pantazis, Vice Chairman
Leslie Rutan, Clerk
Jeff Amberson
Fran Bakstran

*Pledge of Allegiance

APPROVAL OF MINUTES – NOVEMBER 27, 2006 REGULAR MEETING

Selectman Pantazis moved the Board vote to accept the Minutes of the November 27, 2006 Regular Meeting as submitted; Selectman Rutan seconded the motion. Vote 4-0-1 (Selectman Amberson abstained).

APPROVAL OF MINUTES – DECEMBER 4, 2006 LISTENING SESSION

Selectman Pantazis moved the Board vote to accept the Minutes of the December 4, 2006 Listening Session as amended; Selectman Rutan seconded the motion; all members voted in favor.

**7:00 p.m. - JUNE HUBBARD, TREASURER/COLLECTOR AND
JASON PERREAULT, CHAIR FINANCIAL PLANNING COMM.**

Presentation on Regional High School Addition/Renovation Project
Debt Service matters.

Treasurer/Collector June Hubbard-Ward informed the Board of her concerns surrounding the permanent financing of the High School Addition/Renovation Project. She noted that the following concerns were brought to the attention of the Northborough-Southborough School District administration back in October and are currently without resolution.

1. Reimbursement of Interest Expense on the \$10 Million Bond

At a September 25, 2006 meeting with the Financial Advisor and the Regional Treasurer, an updated summary and schedule of the projected debt service impact for the project was provided. Both the Town Administrator and the Treasurer/Collector pointed out that the summary did not include any MSBA reimbursement for the \$1.9 million in interest on the \$10 million Bond. The Bond was issued in October 2002 and at that time the interest would have been subject to SBAB reimbursement. Therefore, it was requested that the region appeal to the MSBA for the anticipated reimbursement of this item.

2. Investment Income

The recent debt service impact schedules for the ARHS Addition/Renovation project do not include an entry for the investment income that has been earned from the unexpended proceeds on the project. Previous models did include the investment income as a reduction to the member assessments in the year of permanent financing. Since this is a material amount, it was requested that financing models that clearly show both the timing and impact of the return of the investment income to the member towns be provided.

DEBT SERVICE MATTERS CONT. . .

3. Amount to be Financed

The calculations show the State reimbursement for BAN interest as a reduction in the amount to be financed.

The possibility that the reimbursement for the BAN interest could be returned to the member communities should be explored. It is believed that the financing of the project should be revised to show the debt issuance and the corresponding reimbursement for the \$59,201,000 authorization separately from the BAN interest. In combining these items, the amount to be financed is understated with the reimbursement for BAN interest applied to reduce the amount of permanent debt.

4. State Reimbursement Calculations

The model provided does not reflect the allocation to the member communities of the state reimbursement in accordance with Chapter 70B, Section 10.

This is an issue that was previously addressed by Brad Jackson in June of 2003. A similar calculation to apportion the State reimbursement between the two member communities is required. Further, the State reimbursement for BAN interest should be returned to the two member communities in the year it is received by the District in compliance with the allocation method set forth in Chapter 70B.

Financial Planning Committee Chairman Jason Perreault informed the Board of the concerns of the Financial Planning Committee surrounding the permanent financing of the High School Addition/Renovation Project, which are similar to those expressed by the Treasurer/Collector June Hubbard-Ward.

Mr. Brenner spoke about the correspondence to the School District administration from the Treasurer/Collector and the Financial Planning Committee outlining these concerns with no apparent response.

Chairman Rand requested that the Treasurers from both towns be included in any future meetings that may be scheduled to discuss this topic.

In response to Selectman Rutan's question as to whether or not any other communities in Massachusetts are dealing with this same issue, Mr. Perreault stated that there is no indication that this issue has been raised anywhere else. He added that the Department of Revenue is taking a hands-off approach to see if the Districts can work this out between themselves. He reiterated that it is the payment structure and the time of reimbursement that is problematic and it's just a matter of getting clarification about the law and how it applies to our District.

Following additional questions and comments from members of the Board, School Superintendent Rosemary Joseph informed the Board that all of the information from both the Treasurer/Collector and the Financial Planning Committee has been forwarded

DEBT SERVICE MATTERS CONT. . .

to both their Bond Counsel and the Department of Revenue. She stated that both Bond Counsel and the DOR agree that the language is ambiguous, but they won't answer as to where it is ambiguous. She agrees that this is a situation that needs to be resolved in the best interest of both member communities and the District.

Following some further discussion, the Board agreed that representatives from the District and both member communities should work together to resolve this issue.

7:45 p.m. - RENEWAL OF SELECTMEN'S ANNUAL LICENSES

Mr. Brenner informed the Board that all premises have been reviewed by either the Police Department and/or the Fire and Building Departments. All of the licenses are in compliance with both Municipal and State codes and regulations and all taxes are up to date.

Selectman Bakstran asked that the Comfort Inn provide an update on the utilization of their liquor license. Mr. Patel was present and stated that his license is being fully utilized, adding that the renovations should be completed sometime in February, 2007. The Board considered this a satisfactory update, agreeing that there is no need for him to provide further updates.

Selectman Pantazis moved the Board vote to approve the renewal of the annual licenses by the Board of Selectmen for the calendar year 2007, as indicated on the attached "2007 License Renewals" List, subject to the following conditions:

- For Beezers and Tougas Family Farm Kitchen: Due to the businesses being seasonally closed, subject to the condition of a satisfactory inspection prior to their re-opening in the Spring;
- For Havana House: Due to the business being closed and relocated, subject to the condition of a satisfactory inspection prior to their opening at the new location.

Selectman Amberson seconded the motion; all members voted in favor.

7:50 p.m. - PUBLIC HEARING

- To consider the application of the Comfort Inn for one Billiard Table at the premises located at 115 Lawrence Street/Rout 9.
- To consider the application of the Comfort Inn for one Automatic Amusement Device at the same address.

Mr. Patel stated that his request for a billiard table and an automatic amusement device is part of the continued renovations. Because the application has not been reviewed by the Police and Fire Chiefs, Chairman Rand recommended that the public hearing be continued to the next regularly scheduled meeting.

PUBLIC HEARING CONT. . .

Selectman Pantazis expressed his frustration with continuing the public hearing, adding that it was the Board who told Mr. Patel that he had to fully utilize his license and now that he comes forward with an application to help him do that, the Board is going to make him wait to put in a billiard table.

Selectman Amberson moved the Board vote to continue the public hearing to the next regularly scheduled meeting in order to allow the application to be reviewed by the Police and Fire Chiefs and the Building Inspector. Vote 4-1-0 (Selectman Pantazis opposed).

7:45 p.m. - PUBLIC HEARING WITH BOARD OF ASSESSORS

For the purpose of discussing the valuation of each class of property; the minimum residential factor and the allocation of the tax burden among the four classes of real property: residential; open space, commercial and industrial, and of personal property.

Principal Assessor Diane O'Connor and Board of Assessors Member Arthur Holmes made a presentation on the estimated tax rate for Fiscal Year 2007. The total taxable value for the Town of Northborough increased by \$141.9 million. There was \$58 million in "new growth" value with the balance of the increase resulting from market appreciation. The "new growth" valuation equates to \$711,720 in new tax dollars.

The Board of Assessors unanimously recommended that the Town of Northborough continue with a single tax rate. The projected tax rate for FY 2007 will be \$12.39 per \$1,000 of assessed value for all property classes if a single tax rate is maintained. This represents an increase of 1% from FY 2006. The average single-family tax bill will increase \$276 or 5% (excluding the Community Preservation surcharge).

Barbara Clifford, Executive Director of the Corridor Nine Area Chamber of Commerce informed the Board that the Chamber of Commerce strongly supports the continuation of a single tax classification. The Industrial Development Commission unanimously supports a uniform tax rate for FY 2007 as well.

Several comments in support of the uniform tax rate were made from members of the Board of Selectmen.

Selectman Amberson moved the Board vote to continue the Public Hearing with the Board of Assessors for the purpose of discussing the valuation of each class of property; the minimum residential factor and the allocation of the tax burden among the four classes of real property: residential; open space, commercial and industrial, and of personal property – to the December 20, 2006 Special Board Meeting, and to make the following motions contingent on the State's Preliminary Certification of Values; Selectman Pantazis seconded the motion; all members voted in favor.

Selectman Amberson moved the Board vote to maintain a uniform tax rate for all classes of property at a factor of one; Selectman Pantazis seconded the motion; all members voted in favor.

PUBLIC HEARING CONT. . .

Selectman Amberson moved the Board vote to oppose the implementation of a residential exemption; Selectman Pantazis seconded the motion; all members voted in favor.

Selectman Amberson moved the Board vote to oppose the implementation of a small commercial exemption; Selectman Pantazis seconded the motion; all members voted in favor.

REPORTSBarry M. Brenner, Town Administrator

- No report.

Dawn Rand, Chairman

- Noted that the Fire Department is an official drop-off site for the Toys for Tots Program. Toys will be accepted through December 14, 2006.
- Attended the Red Mass where Chief Durgin was the recipient of the St. Florian Award.
- Thanked Patty Murphy and Virginia Simms-George and for their efforts in coordinating the Holiday Trolley, Caroling and Tree Lighting event. Also thanked the merchants for their participation.

William Pantazis, Vice Chairman

- Attended the Tree Lighting ceremony and questioned if in the future a chorus group could be present to lead in caroling. Ms. Wackell will forward this request to Virginia Simms-George.
- Noted that the recent listening session held by the Board of Selectmen went very well.
- Noted that the Board will be meeting with the Regional School Committee on December 20th to tour the school and to discuss the financial status of the project.

Leslie Rutan, Clerk

- Attended the Tree Lighting ceremony and agreed with Selectman Pantazis that the attendance of a chorus group would be nice.
- Noted that the Community Preservation Committee met on November 30th and are going through a preliminary review of the grants they received. Two more meetings are scheduled – January 4th and 25th.
- Noted that the Cultural Council met on December 4th and are reviewing their grants as well. They are working on developing a community survey.
- Noted that the Northborough School Committee met last week to begin preliminary budget discussions.
- Noted that the Regional School Committee Naming Subcommittee is looking to hold its first meeting sometime this month or in January.
- Requested a report on the development status of the Post Road Marketplace.
- Noted that the Algonquin Music Group will be performing at the Senior Center on December 15th.

Jeff Amberson

- Attended the Tree Lighting ceremony. It was nice to see the Ellsworth Family at the event.
- Noted that the Winter Ball will be held on January 27th at the White Cliff's.
- Thanked those who attended the Board's listening session on December 4th.

Fran Bakstran

- Noted that the Interview Committee met with applicants for the Historical Commission and the Open Space Committee prior to tonight's meeting. See below for appointments.
- Attended the Red Mass ceremony and congratulated Chief Durgin on his receiving the St. Florian Award.
- Attended the recent Holiday Trolley event.
- Noted that the Board has just renewed a liquor license for one of the restaurants to be located in the Post Road Marketplace. Requested an update as to when this establishment will begin using its license.

APPOINTMENT TO THE HISTORICAL COMMISSION

Selectman Bakstran moved the Board vote to appoint Philip Gott to the Historical Commission for a partial three-year term; Selectman Rutan seconded the motion; all members voted in favor.

APPOINTMENT TO THE OPEN SPACE COMMITTEE

Selectman Bakstran moved the Board vote to appoint Charles Bradley to the Open Space Committee as an Alternate Member for a partial three-year term; Selectman Rutan seconded the motion; all members voted in favor.

SOLID WASTE PROGRAM FINANCING

At the Board's November 27, 2006 Meeting, the following options were presented regarding the future financing for the Solid Waste Program:

First Option

Subsidize a portion of the Solid Waste Budget with property taxes, which would be approximately \$250,000 for FY 2008.

Second Option

Institute a flat fee to be charged to each household using the service to cover the increase in the cost of the program.

Third Option

Require all residents to use the Town service and prohibit private subscription services to operate within the Town of Northborough.

Fourth Option

Increase the current bag fee by a minimum of 48%.

SOLID WASTE PROGRAM FINANCING CONT. . .

Following a detailed review of the history of the Solid Waste Program by Mr. Litchfield and a review of the financing options by Mr. Brenner, the Board discussed the above-mentioned options. Other options discussed were the construction of a transfer station and letting the taxpayers decide at the April Town Meeting whether or not they want to eliminate the program altogether.

Mr. Brenner reminded the Board that in 2005 following many lengthy discussions, the Board decided in good faith to negotiate and enter into a 20-year agreement with Wheelabrator. This agreement specifies that the Town bring a certain amount of tonnage to that facility. In the absence of not bringing the specified tonnage to Wheelabrator, the Town could be held liable.

Chairman Rand stated that the program is used by 85% of the residents in Town and feels that it is unfair to take the program away from those who want to use it. She added that the bulky item fee has not had enough time to see what additional revenue it will bring in. She stated that she would support a blend of taxes and the initiation of a flat fee.

Selectman Bakstran stated that the program should be self-funded and suggested that the Recycling Committee look into additional alternatives as to how this program can be successful in funding itself. She added that the Program should be either fee driven or financed by taxes, but not both.

Selectman Pantazis stated that the program is not working and feels that the taxpayers should be able to decide for themselves whether or not they want to continue with the program.

Selectman Rutan disagrees that eliminating the program is the answer. She feels that the only reasonable option is to raise the bag fees, adding that this is the only way a family can control their own spending on trash.

Selectman Amberson clarified that he was not advocating the elimination of the program, he only noted his support of giving the taxpayers the right to choose.

Following a lengthy discussion, the following motions were brought forward:

Selectman Bakstran moved the Board vote to initiate a 48% increase in the cost of the bags effective January 1, 2007; Selectman Rutan seconded motion. The motion failed.

Selectman Amberson moved the Board vote to subsidize the current trash program with \$250,000 out of property taxes. The motion received no second.

Selectman Pantazis moved the Board vote to place a question on the April Town Meeting warrant allowing the taxpayers to decide whether or not they want the program to be fully funded by property taxes as a Proposition 2½ Override; Selectman Amberson seconded the motion. The motion failed.

SOLID WASTE PROGRAM FINANCING CONT. . .

Mr. Brenner noted his concern with going back to the program being funded with 100% property taxes. He stated that the bulky item fee has not really been allowed the opportunity to provide the dividends that was anticipated. He suggested that a 20% increase in the bag fee would generate additional revenue of about \$100,000. This combined with the anticipated additional revenue from the bulky item fees may be pretty close to capturing what needs to be captured for the coming year.

Selectman Rutan moved the Board vote to increase the bag fees by 48% effective January 1, 2007 to offset the deficit in the current trash program; Selectman Bakstran seconded the motion. The motion failed.

Following comments from several members in the audience, Mr. Brenner reminded the Board that they need to make a policy decision as to the best way to approach the financing of the program either through property taxes or fees or a combination of both.

Selectman Bakstran moved the Board vote to place a question on the Town Meeting warrant to allow the taxpayers to decide whether or not they want to fund the program by property taxes through a Proposition 2½ Override with the understanding that if it fails, the bag fees will be increased 48% to cover the expected cost of the program; the motion received no second.

In response to a question by Selectman Rutan, Mr. Brenner informed the Board that if the Board chooses to do nothing, other general revenues can be used between now and the end of the current fiscal year to fund the current program. By doing so, the otherwise unused funds would not go back into the general fund as surplus. In addition, the next Audit Report will include the same comment as was previously identified as an issue from an accounting standpoint of the financing of the program. The direct consequence will be as costs increase and revenues are held constant the disparity will be even greater between revenues received for the program versus the cost of the program. This issue will need to be revisited at a future point.

Mr. Brenner stated that a temporary solution would be to increase the bag fees by 20% in order to allow the Board some time to come up with a pro-active, long-term alternative. This will also allow time to see the results of the bulky item sticker fee. Mr. Litchfield agreed with this compromise.

Selectman Rutan moved the Board vote to raise the bag fees 20% effective January 1, 2007 as an interim step with the hope that the bulky fee revenue will increase and with the understanding that the Board will be pro-active in trying to find a better solution prior to Fiscal Year 2008; Selectman Bakstran seconded the motion. Vote 3-2-0 (Selectmen Amberson and Pantazis opposed).

ZONING STUDY SUBCOMMITTEE STATUS REPORT

Due to the late hour, Selectman Bakstran informed the Board that she will provide a status report on the Zoning Study Subcommittee at the Board January 8th meeting.

APPROVAL/EXECUTION OF SNOW PLOWING AGREEMENT

Selectman Bakstran moved the Board vote to approve/execute the Snow Plowing Agreement for the 2006/2007 Winter Season for Winn Terrace, a private way; Selectman Rutan seconded the motion; all members voted in favor.

ACCEPTANCE OF PORTION OF PROPERTY LOCATED AT 175 BEARFOOT ROAD OWNED BY NORTHBOROUGH LIMITED PARTNERSHIP

Selectman Rutan moved the Board vote to accept a portion of the property located at 175 Bearfoot Road owned by Northborough Limited Partnership as authorized by Article 26 at the April 2005 Annual Town Meeting, and to approve and execute the legal Settlement Agreement with Northborough Limited Partnership, said approval in substantial form subject to revision and formalizing of exhibits as deemed necessary by Town Counsel; Selectman Bakstran seconded the motion; all members voted in favor.

ADJOURNMENT

Selectman Amberson moved the Board vote to adjourn; Selectman Bakstran seconded the motion; all members voted in favor.

Meeting adjourned at 11:00 p.m.

Respectfully submitted,

Diane M. Wackell
Executive Assistant to the
Board of Selectmen