

Finance Committee Meeting

April 7, 2021 7:00 PM EST
Zoom Remote Meeting Platform
Millis, MA 02054

In Attendance:

Pete Berube, Chairman
Craig Schultze, Vice Chairman
Doug Riley, Clerk
Joyce Boiardi
Jim Borgman
Jodie Garzon
Cathy MacInnes
Katie Tieu

Invited Guest:

Michael Guzinski, Town Administrator
Carol Johnston, Finance Director
Bob Weiss, Energy Manager
Terry Wiggin, School Business Manager
Nicole Riley, Planning Board Member
Rich Nichols, Planning Board Chairman
Pete Jurmain, Select Board Vice Chairman

Pete Berube called the Finance Committee Meeting to order at 7:03 PM.

PILOT (Payment in Lieu of Taxes) Agreement – Clyde F. Brown Solar Warrant Article Discussion:

A twenty-year Lease Agreement and PPA (Power Purchase Agreement) between the Town of Millis and Solest Energy Development LLC was provided to the committee. Bob Weiss explained the proposal includes use of approximately fifty percent of the CFB (Clyde F. Brown) roof for solar panels; similar to the Library. Energy savings annually are estimated at \$15,000.00 (256 Kilowatt hours per year). The Assistant Assessor estimated the Personal Property Tax, value of the equipment installed, for a twenty-year agreement is \$6,784.00 per year. If an expansion of solar panels was to occur, a new agreement or addendum would include additional Personal Property Tax Revenue. If the 256-Kilowatt hours are not used solely at the Clyde F. Brown School, those can be shared with the Middle/High School. This agreement would cost 6 cents per hour; the current rate is 18 cents per hour. The design of the school roof included use of solar panels in the future. Design of the electrical room at the school included space for the required equipment.

Bob Weiss, Town Energy Manager, recommends approval of this project. Solest Energy Development LLC owns the equipment and will be responsible for any costs incurred for faulty equipment. A minimum production amount is included in the PPA. After twenty years, a successor agreement would necessitate a new PILOT Agreement and PPA. The School Committee has reviewed the Lease Agreement and PPA.

Three points of contention during the negotiations included:

- Bonding and protection for the Town during installation
- DCAM (Division of Capital Asset and Maintenance) certified contractors
- Prevailing Wages – exclusions for solar projects

All three issues have been resolved. The electrical savings per year will not necessarily reduce the School's Annual Operating Budget but enhance their expense budget. The Personal Property Taxes will be included in Local Receipts which is included in the General Budget.

Jodie Garzon inquired about the lack of pricing in the PPA; have prices fluctuated significantly and is a final price agreed upon. Bob Weiss clarified the DOER (Department of Energy Resources) provides a block for pricing which Solest Development LLC has agreed to.

In summary, the school will be leasing the roof space to Solest Development LLC, the town will purchase the energy at a reduced rate/savings as well as receive \$6,784.00/year in Personal Property Taxes during twenty-year agreement.

Zoning ByLaw Amendment – Cannabis Delivery Warrant Article Discussion:

The CCC (Cannabis Control Commission) has approved delivery of marijuana to homes and for social consumption effective September 2020. The Town's ByLaw originally did not allow for either. However, with the approval from the CCC, the town, having a retail marijuana facility, must now allow delivery of the product. Delivery services include courier and delivery operator businesses. Nicole Riley outlined the definitions of both services:

- A delivery operator business would purchase the product in bulk, repackage the product and sell it online for delivery.
- A courier service business would require purchasers to buy the product online and the service would simply deliver it.

Both services have extensive licensing regulations. The town would continue to receive a three percent Sales Tax Revenue for the services. The business must be established in Millis; the revenues are not recognized from out-of-town service providers. Unlike the limited number of marijuana facilities allowed in town, there are no limitations on the delivery service businesses. The current marijuana facility in town can obtain a license to deliver its products. The town cannot permanently prohibit either delivery establishment.

At this point in time, the Select Board has not received any inquiries of delivery or courier services interested in providing this service in town; the likelihood of such services will not be available until later this year.

Zoning ByLaw Amendment – Performance Based Solar Ordinance Warrant Article Discussion:

This amendment expands the ByLaw for Large Scale Ground Mounted Solar Photovoltaic Installation to include lots at least fifteen acres primarily used for agricultural purposes or farmland. Setback provisions include:

- Fifty feet of frontage abutting Residential Districts as well as town roads.
- Twenty feet from Conservation Land or areas used for Recreation Activities on either side.
- Thirty feet behind Conservation Land or areas used for Recreation Activities.

This amendment was prompted by a farmland resident to expand the ByLaw in accordance with the Department of Agriculture Natural Resource Conservation Service which allows property with fifty percent of farmland or agriculture to be used for solar purposes. The intent is to alleviate costs of farming and enhance revenues for farmers. The town currently has eight to ten properties that would qualify under the fifteen plus acreage requirement. The solar panels are required to be at least eight feet high allowing for the property to continue its use as farmland beneath. Jodie Garzon noted that Real Estate Taxes are reduced for properties considered farmland. The Assistant Assessor will confirm with the Department of Revenue if potential Personal Property Taxes would be applicable to farmland properties housing solar farms. Large solar farm Personal Property Taxes are approximately \$25,000.00 per year.

May 1, 2021 Town Meeting Warrant Article Discussion:

Mike Guzinski provided an Updated Draft Town Meeting Warrant – the Select Board will finalize and sign at their meeting on Monday, April 12, 2021.

Revised language was updated to Article #11, Lansing Millis Memorial Building Repair Project, to clarify its intent/purpose. Funding, \$363,887.00, for this article has not yet been determined. Select Board Members have recently met with members of the Community Preservation Act Committee to discuss possibly funding the project with CPA Funds. Repairs to this town-owned property are necessary to ensure possible uses of the building in the future.

Article #17, Road Maintenance and Repairs, has increased from \$50,000.00 to \$95,000.00. The Select Board strongly believe the town needs to take action to repair the dire road conditions throughout town. Funding for this article will be \$50,000.00 Taxation and \$45,000.00 Free Cash.

Article #29, Unemployment Insurance Fund has been reduced to \$7,700.00, the balance of Free Cash available. A review of the fund indicates this dollar amount should be sufficient for any claims in FY22. A number of fraudulent unemployment claims were filed and have been resolved. However, there is a lag in payment from the state; this should be rectified during the summer giving the town a better outlook of actual claims for FY22.

The Select Board intends to recommend dismissal of Article #30 OPEB and #31 Stabilization Fund at Town Meeting. If funds are available, the Select Board will recommend funding for the articles at the Fall Town Meeting. The town's Stabilization Fund Policy requires maintaining five percent of the Operating Budget in

the fund. The Finance Committee does have the option to recommend approval of either article as they deem appropriate.

Craig Schultze, member of the Charter Review Committee, noted that the recommendations made by the committee were not taken into account by the Select Board or added to the Warrant. Mike Guzinski confirmed adding the committee's recommendations to the Warrant for the Spring Time Meeting is unlikely. The board will be discussing the recommendations made by the Charter Review Committee at their upcoming meeting and prefer more time to consider the recommendations prior to presenting them to Town Meeting.

Craig Schultze noted that once again the Select Board has presented a Warrant with a limited number of options/choices for the Finance Committee to consider. The Finance Committee has voiced their concerns to the Select Board on this matter. Article #15, Capital Items, is limited leaving the committee no option to possibly fund certain Capital Items they regard as a priority. Essentially, if the Finance Committee does not approve the Select Board's recommendations there are no alternatives on the Warrant to recommend to Town Meeting.

FY22 Marijuana Impact Funds Request:

Mike Guzinski presented a list of requests for items to be funded in FY22 with Marijuana Impact Funds. The Select Board have approved funding the following:

- Library - Extend Hours on Saturdays during July and August – \$2,100.00
 - Police – A Portion of the School Resource Officer Salary - \$61,030.75
 - Police - Contractual Marijuana Stipends - \$10,800.00
 - Recreation - Summer Program: Developmental and Physical Disabilities Participants - \$9,200.00
 - Recreation - Teen Coordinator - \$15,000.00
- Total: \$98,130.75

The remaining requests, \$271,750.38 will be funded at the Fall Town Meeting and include:

- Board of Health – Cannabis use in e-cigarettes/vaping - \$4,000.00
- Council on Aging – Educate Seniors to the Benefits of Marijuana - \$45,672.38
- Library – Extend Thursday evening hours - \$11,388.00
- Library – Extend Friday evening hours - \$11,388.00
- Police – School Resource Officer Salary - \$26,300.00
- Police – Marijuana Training - \$45,000.00
- School – Adjustment Counselor - \$40,637.00
- School – Bridge Therapeutic Program Grade 8 - \$12,365.00
- School – After-school Activities through Extended Day Program - \$10,000.00
- School – Programs for mental health links to substances - \$5,000.00
- School – Town-wide Social Worker - \$60,000.00

The town has received Marijuana Revenues from the HCA and Sales Tax Option however, the funds cannot be appropriated until they are certified by the DOR (Department of Revenue) as Free Cash in the Fall. HCA Impact funds must be appropriated directly to impacts to the town as a result of having a marijuana facility in town; the agreement expires after five years. Those funds can be used for Education, Public Safety Training, programs to deter use of marijuana, etc. Department Heads are aware that at the cessation of the HCA, funding for the above items will end. Marijuana Impact Funds Requests must be submitted annually by each department. Funding Salaries with Marijuana Impact Funds could potentially lead to problems when funding is no longer available.

The School Resource Officer's (SRO) Salary will be partially funded at the May Town Meeting and the remaining salary will be appropriated at the November Town Meeting; underfunding the FY22 Police Operating Budget. The Select Board's approach is to fund summer staffing: Library and Recreation during the summer months. Although School is not in session during the summer months, the SRO is a year-round position and works with School Officials throughout the summer months and provides summer camps.

Craig Schultze expressed his concerns with partially funding the SRO at the May Town Meeting, essentially underfunding the FY22 Police Salaries Budget. The remaining funding will rely on a Town Meeting Vote in November. Mike Guzinski confirmed, the funds are available but have not been certified by the DOR. In the event the funds are not appropriated at the Fall Town Meeting, the Police Department would have to adjust their operations to utilize the SRO in a different capacity.

Pete Berube inquired if the Council on Aging's Marijuana Impact Fees Request for \$45,672.38 to Educate Seniors on the Benefits of Marijuana would be removed from the list; it's not a justified use of the funds. Mike Guzinski confirmed it would be removed from the Marijuana Impact Funds Requests. It has however, been included in the Select Board's Above Level Service FY22 Requests.

The Select Board's Must Fund Priorities include:

- (1) IT Administration: \$35,600.00 (Funds Appropriated at the November 2020 Town Meeting)

The Select Board's FY22 Above Level Service Priorities include:

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| (1) Veterans Service Officer Stipend Increase: | \$ 6,525.12 |
| (2) Executive Office/Select Board Department Assistant II Increased Hours: | \$21,339.76 |
| (3) Council on Aging – Extended Hours, Operations Manager and Postage: | \$48,672.38 |
| (4) Department of Public Works – Heavy Equipment Operator: | \$51,851.60 |
| (5) Recreation – Department Assistant I 10 hours/week funded by the General Fund: | \$11,920.00 |

May 1, 2021 Town Meeting Warrant Article Discussion - Continued:

Article #26, Authorize Sale of Town Land – Acorn Street

Mike Guzinski outlined the small parcel (approximately 1 acre) that is "land locked". Information was provided to the committee of the exact location of the parcel. The Select Board is seeking authorization to auction the property; a builder with developments in the area has expressed interest in purchasing the parcel at its Assessed Value. There is a "right of way" making the parcel accessible. Cathy MacInnes noted she will not be voting in favor of this article; it's town land that could potentially be used in some capacity for town needs; Tree Farm, PFAS Treatment Plant, Senior Housing for example.

May 1, 2021 Town Meeting Warrant Article Recommendations:

Article #1: Unpaid Bills

Craig Schultze made a motion to recommend approval of Article #1, Unpaid Bills, in the amount of \$572.91 from Free Cash; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Article #2: FY21 Additional Wages and Expenses – Deferred

Article #3: FY22 Operating Budget – Deferred

Article #4: SEIU 888 and Firefighters Local #4704 Contract Ratification – Deferred

Article #5: Sewer Enterprise Fund – Deferred

Article #6: Water Enterprise Fund – Deferred

Article #7: Stormwater Enterprise Fund - Deferred

Article #8: Consent Agenda

- Amendments to the Personnel Plan – Amount and Funding Source to be determined
- Board of Health Appointing Authority
- Revolving Funds
- Community Preservation Act (CPA) Fund

Craig Schultze made a motion to recommend approval of Article #8, Consent Agenda; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Article #9: CPA Historic Resource Reserve Funds – Phase II Walling Map Rehabilitation

Craig Schultze made a motion to recommend approval of Article #9 in the amount of \$1,469.00 from CPA Historic Resource Reserves Funds; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously.

Article #10: CPA Open Space/Recreation Resource Reserve Funds – MHS Dugout Project

Craig Schultze made a motion to recommend approval of Article #10 in the amount of \$10,300.00 from CPA Open Space/Recreation Resource Reserve Funds; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Article #11: Lansing Millis Memorial Building Repair Project – Deferred

Article #12: Independent Audit

Craig Schultze made a motion to recommend approval of Article #12 in the amount of \$36,750.00 from Free Cash; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously.

Article #13: FY Personal Property Interim Year Inspections

Craig Schultze made a motion to recommend approval of Article #13 in the amount of \$20,000.00 from Free Cash; Doug Riley seconded. Vote: 8/0 motion carries unanimously.

Interim Inspections are conducted annually and recertifications occur every five years; previously it was every three years.

Article #14: FY23 Recertification Process

Craig Schultze made a motion to recommend approval of Article #14 in the amount of \$18,000.00 from Free Cash; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously.

Article #15: Capital Items – Deferred

Craig Schultze reiterated his desire to see options for the committee to consider for this article.

Article #16: Tree Pruning and Removal

Craig Schultze made a motion to recommend approval of Article #16 in the amount of \$40,000.00; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously. Funding to be voted at a later date.

Article #17: Road Maintenance - Deferred

Article #18: New School Computer Lease – Year One

Craig Schultze made a motion to recommend approval of Article #18 in the amount of \$23,300.00 from Free Cash; Katie Tieu seconded. Roll Call Vote: Pete Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jodie Garzon – aye, Katie Tieu – aye, Joyce Boiardi – nay, Cathy MacInnes – nay and Jim Borgman – nay. Vote: 5/3 motion carries.

Committee Members opposed to recommending approval believe this item should be included in the School Department Operating Budget which will be discussed at a future Tri-Board Meeting.

Article #19: Design/Construction of Drainage – Village Street and Birch Street

Craig Schultze made a motion to recommend approval of Article #19 in the amount of \$711,728.00 from Stormwater Enterprise Fund Borrowing; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Article #20: 61A Purchase – Braun Property, 377 Village Street (23.1) Acres - Deferred

Craig Schultze made a motion to recommend Article #20 in the amount of \$1,000,000.00 from Borrowing; Cathy MacInnes seconded.

Pete Berube jumpstarted the discussion acknowledging both sides of the coin of this article: potential revenues if the land is sold and developed and the purchase of the property by the town for potential town use in the future. He recommended deferring this article for the committee to have more time to consider what recommendation is in the best interest of the town. Craig Schultze noted that the Select Board has presented this article funding without using CPA Funds, which would have restricted use. It's giving the town latitude and ability for potential use of the 23+ acres. Pete Berube followed up: the town currently owns land which no plans have been implemented for its use; a Master Plan for town owned land needs to be developed and implemented. Craig Schultze agreed. Cathy MacInnes reminded the committee of the opportunity to provide Senior Housing, similar to Kennedy Terrace, for town residents with the purchase of this property. The committee overall was not ready to make a recommendation – the article is deferred until the April 14, 2021 meeting.

Article #21: Zoning ByLaw Amendment – Performance Based Solar Ordinance

Craig Schultze made a motion to recommend approval of Article #21; Cathy MacInnes seconded. Vote: 8/0 motion carries unanimously.

Article #22: Zoning ByLaw Amendment – Parking Dimensions

Craig Schultze made a motion to recommend approval of Article #22; Doug Riley seconded.

Cathy MacInnes expressed her disapproval of this article; by adopting the amendment the town is relinquishing its ability to garner improvements from developers for sidewalks, tree, open space, etc. with the Planning Board's ability to negotiating/grant waivers on Zoning ByLaws for new developments.

Roll Call Vote: Pete Berube – nay, Craig Schultze – nay, Doug Riley – aye, Jodie Garzon – aye, Katie Tieu – aye, Joyce Boiardi – nay, Cathy MacInnes – nay and Jim Borgman – nay. Vote: 3/5 motion does not carry. The committee will be recommending dismissal of this article at Town Meeting.

Article #23: Zoning ByLaw Amendment – Compact Car Parking

Craig Schultze made a motion to recommend approval of Article #23; Doug Riley seconded.

Roll Call Vote: Pete Berube - aye, Craig Schultze – aye, Doug Riley – aye, Jodie Garzon – aye, Katie Tieu – aye, Joyce Boiardi – nay, Cathy MacInnes – aye and Jim Borgman – nay. Vote: 6/2 motion carries.

Although this article is similar to Article #22, it differs in that it provides parking areas for compact cars only but does not change the overall dimensions of parking spaces throughout town; it provides more parking spaces.

Article #24: Zoning ByLaw Amendment – Cannabis Delivery

Craig Schultze made a motion to recommend approval of Article #24; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Adopting his article is inevitable; without it there are no restrictions/regulations on delivery locations within the town.

Article #25: Town ByLaw Addition – Waiver of Town Building Project Permit Fees

Craig Schultze made a motion to recommend approval of Article #25; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Article #26: Authorize the Sale of Town Land – Acorn Street

Craig Schultze made a motion to recommend approval of Article #26; Jodie Garzon seconded. Roll Call Vote: Pete Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jodie Garzon – aye, Katie Tieu – aye, Joyce Boiardi – nay, Cathy MacInnes – nay and Jim Borgman – nay. Vote: 5/3 motion carries.

The Select Board will hopefully negotiate an equitable price for the parcel of land with the interested party. The parcel will in turn generate Real Estate Tax Revenues.

Article #27: PILOT Agreement – Clyde F. Brown Solar

Craig Schultze made a motion to recommend approval of Article #27; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Article #28: Medicare/Medicaid Reimbursement Services

Craig Schultze made a motion to recommend approval of Article #28 in the amount of \$5,000.00 from Free Cash; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously.

Article #29: Unemployment Insurance Fund

Craig Schultze made a motion to recommend approval of Article #29 in the amount of \$7,700.00 from Free Cash; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously.

Article #30: OPEB (Other Post-Employment Benefits) Fund – Deferred

Article #31: Stabilization Fund – Deferred

Vote to Accept/Approve the Finance Committee Operating Policies and Procedures Handbook:

Due to the late hour, this Agenda Item was deferred until the April 14, 2021 meeting. The document is posted on the Finance Committee's Webpage.

Old Business/New Business:

Pete Berube made the committee aware that a document outlining Enterprise Funds will be available on the Finance Committee's Webpage for the committee to review prior to discussion of this topic at the April 14, 2021 meeting. Cathy MacInnes, Enterprise Funds Advisory Committee Chair, summarized the findings of Community Paradigm's study of DPW Employees' daily hours spent on Enterprise Fund Activities versus General Fund Activities. The study demonstrated approximately \$378,000.00 from Water, Sewer and Stormwater Enterprise Funds funded Direct and Indirect Salaries for General Fund Duties by Town Staff. Mike Guzinski reminded the group the preliminary data does reflect an imbalance in Enterprise Funds however, the report is not finalized and the town continues to work with Carl Valente on analysis of funding staff. The Select Board is reviewing the best methodology and a transition plan to make adjustments to the imbalance.

Finance Committee Meeting Minutes Approval:

Joyce Boiardi made a motion to approve the March 17, 2021 Finance Committee Meeting Minutes; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Jodie Garzon made a motion to approve the March 24, 2021 Finance Committee Meeting Minutes; Joyce Boiardi seconded. Vote: 7/0 1 abstained motion carries.

Adjourn Meeting:

Jodie Garzon made a motion to adjourn the Finance Committee Meeting at 10:03 PM; Joyce Boiardi seconded. Vote: 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore