
Board of Selectmen/School Committee/Finance Committee
Minutes of Triboard Meeting
December 9, 2013

I. Call to Order/Roll Call

Chairman Vispoli reconvened the Triboard Meeting of the Board of Selectmen/ Finance Committee/School Committee to order at 7:09 P.M. in the School Committee Room in the School Administration Building. Present from the Board of Selectmen: A. Vispoli-Y, M. Lyman-Y, Dan Kowalski-Y, B. Major-Y, and P. Salafia-Y.

Finance Committee Chair S. Jon Stumpf opened the meeting for the Finance Committee. Present from the Finance Committee: M. O'Donoghue, J. Marden-Y, J. P. Fortier-Y, M. Kruse-Y, L. Anderson-Y, G. Serrao-Y, E. Moffitt-Y, J. Barry, Jr.-Y, and S. Jon Stumpf-Y.

School Committee Chair Dennis Forgue opened the meeting for the School Committee. Present from the School Committee: P. Colby-Clements-Y, A. Gilbert-Y, B. L'Italien-Y, D. Birnbach-Y, and D. Forgue-Y.

Also present: Town Manager Reginald S. Stapczynski, Superintendent Marinel McGrath, Assistant Superintendent Paul Szymanski, Town Accountant Rod Smith, Assistant Town Manager Steve Bucuzzo, and Finance Director Donna Walsh. The meeting was duly posted and cablecast live.

II. Opening Ceremonies/Moment of Silence/Pledge of Allegiance

Chairman Vispoli led the members in a moment of silence followed by the Pledge of Allegiance.

III. Retired Teachers Health Insurance

The Town Manager said there is an opportunity to bring retirees back to the Town's Health Care Plan from the GIC, it is a long process but there is a financial benefit to the Town.

Ken Lombardi of EBS Foran Group gave a high-level presentation to the Board on the overall health care plan and went through the aggressive timeline to revoke Section 11e and to develop a health care RFP. The Town's Health Care Plan will have to be marketed to several health care providers by January 31, 2014, and several meetings will have to be scheduled with the Board for formal direction to move forward to revoke Section 11e and to review the updated status of the health care plan. A public hearing would need to be held by March 5, 2014 for the retired teachers to vote on the proposal, then the Board of Selectmen would have to vote on the proposal by March 10, 2014; and if approved, they must notify the GIC no later than April 1st to be effective as of July 1, 2014. Town employees would stay within the current health plan with MIAA; the

change would be for retired teachers only. Most of the Town retirees are in an HMO Blue Plan. Mr. Lombardi said our plans benchmark favorably with GIC Plans.

Mr. Lombardi reviewed the GIC plans available for RMT's with Medicare and for those not entitled to Medicare, and the options available in the Town's plan for retirees with Medicare and not entitled to Medicare. He also noted there would be a positive impact on OPEB because of the overall premium savings.

The Public Employee Committee (PEC) has reviewed the detailed information and will formally make a recommendation to the Board of Selectmen contingent on a "hold harmless arrangement" through current PEC agreement term, future PEC negotiations will include further discussions on long-term consideration. The increased risk pool should benefit the overall rating of the Town plans.

Next steps include confirming the legal process on how to revoke 32B Section 11e and if any other CBA issues exist, meeting with Boards to present recommendations, outlining voting process and hearing requirements, giving GIC a 90-day advance notice of withdrawal and scheduling a public hearing to allow the Retired Teacher's to vote.

IV. Capital Improvement Plan FY-2015/FY-2019

The Town Manager gave a brief review of the CIP for 2015-2019 which totals \$9,095,000 and funded as follows: General Fund Revenue \$2,370,000, General Fund Borrowing \$3,960,000, Special Dedicated Funds \$1,950,000, Water & Sewer Enterprise \$815,000 an amount yet to be determined from Special Dedicated Funds.

General Fund Exempt Borrowing includes six items: the Ballardvale Fire Station, AHS renovations, the Town Yard, Early Childhood Center, Phillips Boat House, and the Reichhold Playing Fields. The Town Manager recommends the projects be done in two phases each: the first phase to appropriate the funds for the cost of design and engineering and the second phase to appropriate construction funds. A consultant has been hired for the high school and is studying the project. The first phase would be design and engineering at a cost of about 10% of the project. The funds would be requested at the May 2014 Town Meeting with the construction dollars presented in May 2015 for approval. The Board of Selectmen are having a goal-setting session on Tuesday, December 10th and he expects that the Town Yard will be their number one priority.

Joanne Marden is concerned about paying for design money first; what if the construction funds are not approved we will have spent dollars on the design for nothing. Greg Serrao said the debt model shows we are getting close to unsustainable levels and he is concerned about how the Town is spending money.

The Town Manger reported that successful site work was completed at Doherty Middle School this summer and the West Middle School HVAC system was completed on time. The Youth Center contractor has been hired, the paperwork is in, and groundbreaking will occur in the spring. Several pre-construction meetings have been held and planning work is being done. There is a list of future projects to be confronted and in the CIP Book on page 127 the table shows what we can afford and how it has been worked into the equation. He noted that the Bancroft School Project is showing up in the tax bills now and an additional amount will be added in 2015.

There are several projects recommended from Special Dedicated Funds which includes Major Annual Road Maintenance and the Annual PC Replacement/Lease Program. The Lease Program was expanded to include additional leased equipment and the Macintosh operating platforms. The Town Manager is recommending that PC Lease Program be included as a fixed cost item for 2015 to note that it is an operating cost and not a true capital item. The increase is due to additional computers over and above what was expected because Special Education teachers were left out of the count. The Boards discussed the agreement that the original debt service was to be within the revenue amount from the cable franchise fees.

Revenue and Expenditure Forecast and Assumptions for FY-15 show an increase of 3.5% in revenues and 5.5% in fixed expenditures; a net increase of 2.54%. The Town Manager is recommending \$400,000 for OPEB with an additional \$100,00 from the Water & Sewer budgets for a total of \$500,000. The proposed Water and Sewer rates are reflected in the budget.

The Board of Selectmen will vote to adopt the CIP on December 16, 2013 and the Town Manager will present his FY-2015 Budget to the Board on February 10th. All documents are available on the Town website at www.andoverma.gov.

V. Charter School Update

School Committee Chairman Dennis Forgue stated he reached out to Jeffrey Wulfson, Deputy Commissioner of the DESE, to get a clearer understanding of the impact on the Town and School Budgets should the Charter School go forward, and the tuition reimbursement rate for the ten year period. He updated the Tri-Board on the status of the Charter School proposal and distributed a handout outlining the potential impact. The handout also included copies of the email communications with Mr. Wulfson and the reimbursement information. Mr. Forgue said they still do not have all of the information yet.

Paula Colby-Clements stated they have until January 3, 2014 to submit comments to DESE and if the Charter School is approved, we will be ceding control of our budget

dollars to DESE. Barbara L'Italien said if the Board o Selectmen and Finance Committee do not respond it may be perceived by DESE that they favor the Charter School.

VI. Adjournment of Tri-Board Meeting

At 9:55 P.M. on a motion by Selectman Lyman and seconded by Selectman Kowalski, the Board of selectmen voted to adjourn the from Triboard Meeting. Roll call: A. Vispoli-Y, M. Lyman-Y, Dan Kowalski-Y, B. Major-Y, and P. Salafia-Y.

On a motion by Annie Gilbert and seconded by Paula Colby-Clements, the School Committee voted to adjourn from the Triboard Meeting. Roll call: B. L'Italien-Y, A. Gilbert-Y, D. Birnbach-Y, P. Colby-Clements-Y, and D. Forgue-Y.

On a motion by Greg Serrao and seconded by Paul Fortier, the Finance Committee voted to adjourn the Triboard Meeting: M. O'Donoghue, J. Marden-Y, J. P. Fortier-Y, M. Kruse-Y, L. Anderson-Y, G. Serrao-Y, E. Moffitt-Y, J. Barry, Jr.-Y, and S. Jon Stumpf-Y.

Respectfully submitted,

Dee DeLorenzo
Recording Secretary