



**OFFICE OF THE
Advisory Board
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March 25, 2019

Present: Adria Fischer, Eric McKenzie, Kieran Meehan, Bob Nelson, Harold Simmons, Leo Tometich
Select Board: Leah Basbanes, Ron Mikol
Also attending: Town Administrator Brian Palaia, Alan Chaney, Carol Skerrett

Meeting called to order at 6:03 p.m.

FY20 Budget

The main purpose of this joint meeting with the Select Board is to build consensus for the proposed FY20 budget. Brian summarized the proposed FY20 budget with relevant background information, including guidelines and suggestions from the Advisory Board.

1. Initial goal was to reduce the amount of free-cash used in the operating budget to \$75,000, from approximately \$134,000 in FY19.
2. There was still a budget gap after an initial round of approximately \$55,000 in cuts, plus the school committee use of \$400,000 from their E&D fund in the GDRSD FY20 budget, so another round of cuts was proposed to balance the FY20 budget.
3. The Advisory Board didn't want to implement most of the additional cuts, so more free-cash was allowed in the FY20 operating budget.
4. Using more free-cash in the FY20 budget reduced the amount available for capital, so will probably only be able to set aside about half of the cost for a new highway department backhoe.
5. Highway department and backhoe discussion.
 - 5.1. The estimated backhoe cost is \$110,000 minus approximately \$15,000 trade-in value, so approximately \$95,000 cost to Dunstable.
 - 5.2. We need to discuss this two-year backhoe funding option, or possibly a two-year lease to own, along with the condition of the existing backhoe with the highway department.
 - 5.3. If the backhoe is not usable for another year, it would be possible to divert some of the highway department paying money to the backhoe purchase. Everyone would prefer to keep the paving money for paving and try to get by with the existing backhoe.
6. Similar to most other towns, the FY20 budget eliminates the minimal salaries for elected officials. Leah is okay without the \$600 annual salary. Ron is not. Jim T. has yet to weigh in on this topic.
7. Note that this FY20 budget uses all of the projected free-cash for operating or capital expenditures.
8. The expenditure cuts, use of free-cash in the operating budget, and \$400,000 from the school E&D into the GDRSD budget, that were required to balance the Dunstable FY20 budget indicate that an override will be required for the FY21 budget.
9. Local marijuana grower 3% sales tax may provide some additional revenue in future years.
10. In summary, this is pretty much a level funded budget outside of the wage increases and school budget increase. The larger FY20 budget items are reasonably well defined at this time, with some smaller adjustments likely to occur as more information becomes available.

FY21 Budget & Potential Override

As noted with the FY20 budget discussion, it is likely that Dunstable will need an operating budget override for FY21. Since it is difficult to pass an override each year, the override amount should be sufficient so we do not require another operating budget override for a few years.

1. Once an override is passed, tax bills can be increased as needed up to the full amount of the override.
2. So property taxes could be increased each year as needed for the operating budget, or taxed immediately at the full override amount.

3. If immediately taxed at the full amount, some of the money could be put toward other things until the operating expenses catch up to the full override amount.

Water System Upgrade

The consensus is still that the water system upgrade project must move forward to prevent additional MA DEP oversight and takeover of the Dunstable water system upgrades at whatever cost to Dunstable they deem appropriate. Brian provided a water project funding example for discussion.

1. If necessary, it seems that Massachusetts could confiscate our state aid to pay for water system upgrades that they decide are needed.
2. Brian presented a water project cost distribution analysis based on a \$2.5 million water project financed with a 20 year 2% interest MA State Revolving Fund program.
3. Assuming the water department absorbed this cost, the average annual cost increase to the 90 residential water users would increase approximately \$1368.
4. As noted during previous discussions, Swallow Union Elementary, the library, and other municipal buildings utilize the water system, so there was some discussion about sharing the cost of the water system upgrade project between the water users and overall town taxpayers.
5. There seems to be some agreement that it is reasonably fair to share the cost of the water system upgrade between the water users and overall town taxpayers. There is some consensus around a 50% split, but the actual percentage is TBD.
6. The water upgrade cost sharing between the water department and town could simply be a Memorandum Of Understanding between the town and the water commissioners.
7. A couple of water upgrade project financing notes.
 - 7.1. If all of the costs are absorbed by the water rate payers without a debt exclusion, then only passage by a town meeting vote is required.
 - 7.2. If all or part of the costs are paid using a town debt exclusion, then passage at town meeting and town wide ballot vote for the full amount of the water project is required.
8. The water commissioners may discuss this cost analysis during their March 26th meeting.

MUD Project

The MUD project only received one response from its RFP, so the MUD guidelines need to be modified to make the project more attractive to developers.

1. It seems that rental units are more attractive than building to sell for individual ownership.
2. The MUD committee can contact developers who did not reply to see what would make the Dunstable MUD project more attractive.
3. There may be an annual town meeting warrant article giving the Select Board authorization to sell the property.

Miscellaneous Topics

1. Street lights - 91 total in town.
 - 1.1. Dunstable currently pays National Grid per street light, working or not, via a lease.
 - 1.2. It seems that National Grid would prefer to sell the street lights to the town, who could then retrofit with LED lamp heads.
2. The police officer arbitration is moving along and should be finalized in the next couple of months.
 - 2.1. One reason the AB has been following this arbitration is that if the arbitration goes in Dunstable's favor, some encumbered monies may be available.
3. Previous concerns about reduced excise tax revenue may just be a change in the reporting method, not an actual reduction in excise tax revenue.

Motion to adjourn at 7:20 p.m. - Kieran, - 2nd Bob. Vote: Unanimous to adjourn
Meeting adjourned at 7:20 p.m.