



# Fairhaven Board of Selectmen

## February 12, 2018 Meeting Minutes

**Present:** Chairman Robert Espindola, Vice Chairman Daniel Freitas, Clerk Charles Murphy, Town Administrator Mark Rees, Town Council, Tom Crotty and Administrative Assistant Vicki Paquette.

Mr. Espindola called the meeting to order in the Town Hall Banquet Room at 7:05 p.m. Chairman Espindola reminded everyone that tonight's meeting was a special meeting to cover the Marijuana topic and the Budget. The meeting was recorded by Cable Access. An audio recording was also being made for the purpose of minutes.

### COMMERCIAL (RECREATIONAL) MARIJUANA

Mr. Rees explained to the Board how the State of Massachusetts is in the process of reviewing the regulations regarding marijuana sales. The deadline for placing a question on the ballot is February 23, 2018. There is an existing moratorium that was put in place to allow more time to decide how to proceed. The Town has a special advisory committee to help with the decision regarding marijuana and to make recommendations. Several members of the Marijuana committee were in attendance, Police Chief Michael Myers, Ann Richard, and Cathy Melanson. Chairman Espindola read the results of the recent survey that was offered to residents. Mr. Espindola had some concerns over the validity of the survey because there was no determination over how many times each person submitted the survey.

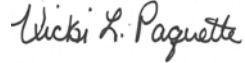
Town Council explained to the Board that 1/3 of the cities and towns in Massachusetts enacted a moratorium to allow for more time. He further explained that April 1, 2018 is the date to be able to apply for applications to sell marijuana through the Cannabis Commission. Mr. Crotty said that a condition of getting a recreational marijuana license from the State was a host community agreement and compliance with local by-laws. Since Fairhaven has a moratorium in place granting a license would be in violation of the Town's by-laws, however that interpretation could be litigated. Mr. Crotty told the Board that the Town would need zoning laws to govern sales. Since currently these are temporary by-laws it is unclear where this will fall. Discussion ensued on the pros and cons of placing a question on the ballot for the upcoming election. Selectmen all felt they would like more time for the Planning Board to be able to enact the correct zoning laws. Mr. Rees will work with the Planning Department to have this ready for a special town meeting in the fall. Mr. Freitas made a motion to take no further action on the April 2, 2018 election on the Recreational marijuana. Mr. Murphy seconded. Vote was unanimous. (3-0) (Attachment A)

## **FY 19 OPERATING AND CAPITAL BUDGET**

Mr. Rees read his budget message to the Selectmen. Selectmen will then vote on approving the budget at their March meeting. All three Selectmen thanked Mr. Rees for his hard work and felt the budget book was well put together. (See Attachment B)

At 8:59 pm Mr. Freitas made the motion to adjourn the meeting. Mr. Murphy seconded. Vote was unanimous. (3-0).

Respectfully



Vicki L. Paquette  
Administrative Assistant

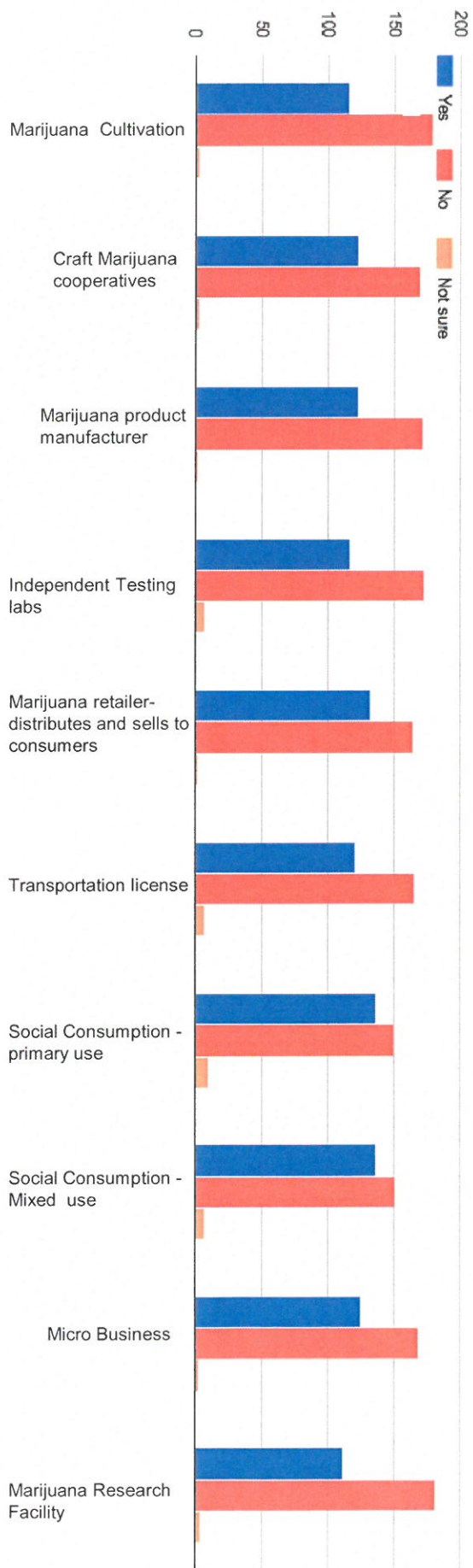
### **Documents appended:**

**A: Survey Results**

**B: FY 19 Budget memo**

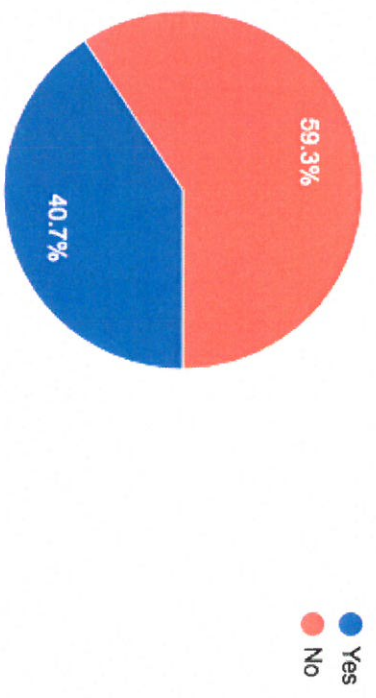
Marijuana Survey Results

Should the Town try to prevent, or limit the number of, any of the following types of marijuana facilities:



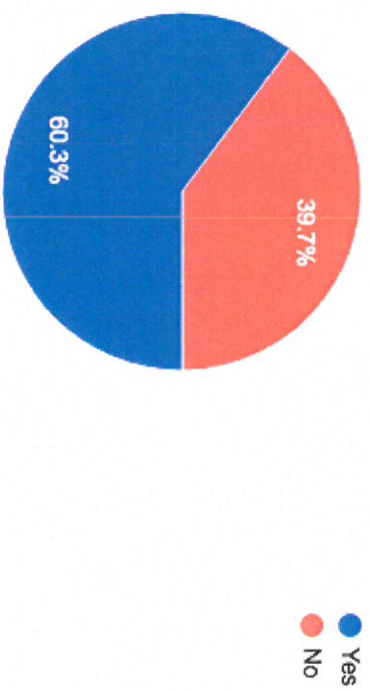
**Should the Town try to prevent or regulate the conversion of the current licensed medical marijuana facility into... educational cultivation and sales facility?**

297 responses



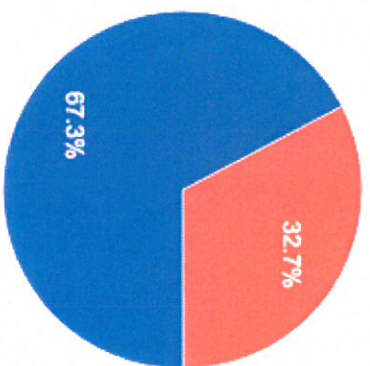
# Should the Town establish zones for the various types of marijuana facilities?

295 responses



# Should the Town regulate SMOKING marijuana in social consumption and other settings?

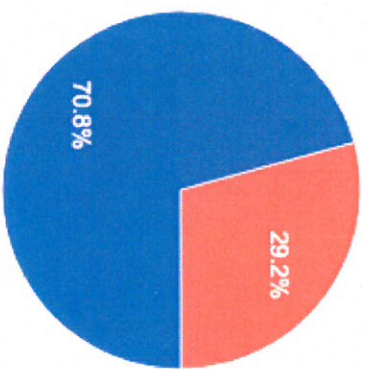
297 responses



● Yes  
● No

## Should it be limited to primary use?

185 responses

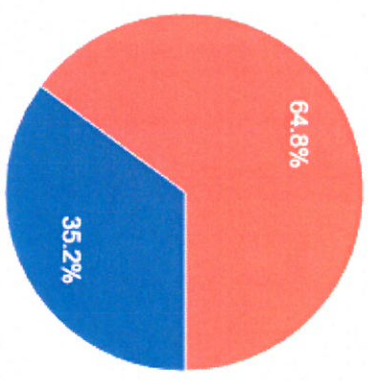


● Yes  
● No



# Should it be limited to mixed use?

182 responses



● Yes  
● No

**Town of Fairhaven**  
Office of the Town Administrator  
40 Center Street  
Fairhaven, Massachusetts 02719

TO: Board of Selectmen  
FROM: Mark H. Rees, Town Administrator  
DATE: February 5, 2018  
RE: Town Administrator's FY18-19 General Fund Recommended Budget  
CC: Finance Committee

Pursuant to Section 2(m) of the Town Administrator Act and in adherence to the Board of Selectmen FY18-19 Budget Policy Statement, I am presenting you with the Town Administrator's FY18-19 General Fund Recommend Budget for your consideration. In furtherance of our efforts to have a local government that is more policy driven and transparent, this budget document connects budget expenditures to the Selectmen's Policy Goals and Objectives through the inclusion of department transmittal letters that references the policy goals being addressed and more detailed expense line items than were in prior year budget documents.

Adherence to the Financial Management Policies and Goals

- Maintain a Surplus Revenue (Free Cash) balance of at least 3-5% of the General Fund Operating Budget. *Free Cash as of July 1, 2017 was certified at \$4,194,238 or 8.6 % of the FY19 Recommended Budget of \$48,935,498.*
- Maintain a General Fund Stabilization Fund at minimum of 5% of the General Fund Operating Budget. *The balance in the Stabilization fund as of 12/31/17 was \$2,950,272 or 6% of the FY19 Recommended Budget.*
- Should the Capital Stabilization Fund be used to fund capital projects, ensure that financial plans are in place to replenish the fund within 3 years to amount equal to a minimum of 2-3% of the General Fund Operating budget. *The balance in the Capital Stabilization fund as of 12/31/17 was \$2,311,557 or 4.7% of the FY19 Recommended Budget.*
- Maintain a balance in the Health Insurance Trust Fund equal to three months of average costs of Health and Dental Assessments including administrative fees or \$1.6 million dollars whichever is greater. *The three month average trust expenses equals \$1.75 million The adjusted Claims Trust balance as of 1/31/18 is \$1.98 million*
- With input from the Board of Assessors, fund the Overlay Reserve for tax abatements and exemptions based on an analysis of historical data and specific circumstances such as a property revaluation project. *The Board of Assessors request of \$300,000 into the Overlay (Allowance for abatements and exemptions) account is fully funded in the FY19 Recommended Budget.*

- Continuing the on-going effort of addressing the Other Post-Employment Benefits (OPEB) unfunded liability by increasing the appropriation from the current \$150,000 to a minimum of \$200,000. *The FY19 Recommended budget provides for \$200,000 into the OPEB Trust Fund*
- The General Fund Operating Budget shall be “structurally balanced” defined as prudent and reasonable revenues projections should be equal or greater than operating budget appropriations. *FY19 Revenues are projected to be \$48,851,499 and FY19 Operating Expenses are recommended at \$48,285,498.*
- The use of one time revenues and other financing sources including Surplus Revenue (Free Cash) should be limited to one-time, non-recurring expenses such as capital improvements, property acquisitions, and contributions to various reserves and/or single year appropriations. *The Recommended FY19 General Fund Operating Budget does not include the use of Surplus Revenue (Free Cash) or other onetime revenues.*

### Revenues

The FY19 Recommended General Fund Budget are consistent with the General Fund Revenue Projections that were submitted previously with the following exceptions:

- State Aid has been increased by \$210,246 to reflect the Governor’s Recommended FY19 state budget.
- In Local Receipts, Other Department Revenue (Wind Turbine Revenue), has been increased by \$100,000 to \$800,000 based on analysis of 6 years past history. On the expense side, it is estimated that Wind Turbine expenses will be \$700,000 for a net “profit” of \$100,000.
- Revenue to be appropriated from Waterway Funds has been increased by \$15,000 to pay for a larger portion of the Marine Resources Department.

In total, operating revenues are expected to increase by 3.16% or \$1,497,326 over FY18 levels.

### Expenses

Overall, the FY19 Recommended Budget provides for level services and staffing in municipal departments (with the exception of Conservation Department and Marine Resources), funds the 3<sup>rd</sup> year of the town’s collective bargaining agreements, meets the Fairhaven Public School request and provides for \$797,000 in various reserve accounts. Explanations of major variances from FY18 budget levels are as follows:

- The **Selectmen/Town Administrator** Budget has decreased from the prior year due to the Human Resources function which was previously in the Selectmen/Town Administrator budget being established as a standalone department.
- The **Human Resources** Department budget includes funding for ½ year of the administrative cost to provide for our employees having access to a tax deferred healthcare and dependent care flexible spending account.
- The **Finance** budget has increased because the cost of the payroll service and postage machine that was in the Information Technology budget in FY18 has been more appropriately placed into this department.
- The Elections portion of the **Town Clerk’s** Department has been increase in FY19 to provide for three elections occurring in the next fiscal year. In FY18 there was only one election.

- As recommended in the Town's new Master Plan and as requested by the **Conservation Commission**, the recommended FY19 budget provides for a full time Conservation Agent with additional responsibilities to take on sustainability/resiliency projects and programs. (Currently the conservation agent role is the responsibility of the Building Commissioner in addition to his other duties). With the completion of the Hazard Mitigation Plan, Open Space Plan and with the possibility of the Town joining the Green Communities Program, the town will become eligible for significant grant opportunities and this person would apply for and manage those grants. An additional job duty would be to implement and administer the Town's Community Rating System as part of the National Flood Insurance Program which may result in lower premiums for property owners who participate in the flood insurance program.
- The **Police Department** requested an additional police officer and more hours for their custodian neither of which is recommended in this budget. The 4.2% increase in this budget is primarily driven by the collective bargaining agreement.
- The **Fire Department** requested two additional Fire Fighters/EMT, neither of which is recommended in this budget. In addition to the cost of the 3<sup>rd</sup> year collective bargaining agreement, the recommended budget also includes \$32,000 funding for in department equipment.
- The FY18 Budget **the Marine Resources** budget included ½ year funding for 19 hour/week clerical support position. The FY19 recommended budget provides for full year funding for a 35 hour/week position to provide for improved service to the public.
- The **Fairhaven Public Schools** are funded at the amount recommended by the School Superintendent to the School Committee. The School Committee has not yet voted on the School Superintendent's proposal.
- Snow and Ice Removal as part of the **Highway Department** has increased from \$50,000 to \$60,000 to start bringing that line item up to actual expenses.
- The **Board of Health** budget has been increased to pay for the anticipated increase in the cost of collecting recyclables. This is being driven by global market pressure having to do with the increased cost of processing recycled material.
- A review of past expenditures clearly shows that the town has been over budgeting for **Veteran's** benefits. Actual expenditures have been significantly below budgeted amounts.
- **Consolidated Information Technology** is lower than last year due to the before mentioned transfer of the payroll service and mail machine to the Finance Director's budget.
- **Debt Service** has been increased to provide for one principal payment and one interest payment for the new ladder truck. This borrowing was authorized at the May 2017 Annual Town Meeting.
- State **Assessments** are the amounts included in the Governor's proposed FY19 state budget.
- The Town is currently conducting a pay and classification plan update for non-union employees of which \$150,000 was allocated in FY18 in the **Wage and Salary Reserve**. Based on the result of the updated plan, all or some of this money will be distributed at the May 2018 annual town meeting to FY18 personnel line items. The recommended FY19 budget carries this cost into FY19 and will likewise be distributed to personnel line items as part of the final budget presented at the May 2018 Town Meeting.
- Funding for a 2% Cost of Living Adjustment **COLA for Non-union employees** is included in the FY19 recommended budget and similar to funding for the pay and classification plan upgrade will be distributed to personnel line items in the final FY19 budget presented at Town Meeting.

In conclusion, the Town Administrator's recommended budget complies with the Board of Selectmen's financial policies, is structurally balanced with conservative revenue projections and prudent expenditure recommendations, and provides the resources to begin implementing the strategic goals and objectives established by the Board. I would like to thank the Budget Team lead by Finance Director Wendy Graves, assisted by Town Accountant Anne Carreiro and Human Resources Director Anne O'Brien, for their hard work and dedication in developing this budget. We look forward to working with the Board of Selectmen and Finance Committee as we prepare for the May 2018 Annual Town Meeting.

Sincerely,



Mark H. Rees  
Town Administrator