

1 **Palmer Town Council**

2 **Town Council Meeting Minutes**

3 Monday, March 24, 2014

4
5 **1. Roll Call**

6
7 The Palmer Town Council Meeting of Monday, March 24, 2014 was called to order at 6:30 pm.
8 Present were Town Manager Charles Blanchard, Phil Hebert, Barbara Barry, Jason Polonsky,
9 Matt Lovell, Donald Blais, Paul Burns, Mary Salzmann and Andrew Golas recording minutes.

10
11 **2. Consent of the Agenda Order**

12
13 Motion to accept the agenda as submitted by J. Polonsky, seconded by P. Burns. Motion passed
14 7-0.

15
16 **3. Visitors Comments (for items not on the agenda)**

- 17
18 - State Senate Candidate Mike Valenzola addressed the council regarding his
19 campaign. He thanked the council for their public service work. He stated that he
20 hoped to fight for local aid and education as a State Senator.

21
22 **4. Meeting Minutes**

23
24 March 10, 2014 – Motion to accept the minutes of March 10, 2014 as amended by P. Burns,
25 seconded by M. Salzmann. Motion passed 7-0.

26
27 **5. Old Business:**

28
29 **1. 2nd Reading – Refinancing of Outstanding Bonds – Loan Authorization 2014-02**

30
31 The bond order authorizing the refinancing of outstanding bonds of the town to achieve
32 debt service savings was read by J. Polonsky.

33
34 **2. Public Hearing - Refinancing of Outstanding Bonds – Loan Authorization 2014-02**

35
36 The public hearing was opened by P. Hebert at 6:39 PM. Finance Director John Kuzmiski
37 and Maureen Pacella of Eastern Bank addressed the Council. J. Kuzmiski stated that the
38 bond order would pay off \$541,000 worth of outstanding debt. The remaining debt would
39 be refinanced through State House Bond notes. He also stated that it would be necessary
40 to increase the sewer use fee by \$20 in FY16 and another \$10 in FY17 to cover the new
41 debt incurred by the SRF Project. B. Barry asked what the current rate was on our
42 outstanding debt. M. Pacella stated that the current interest rate on the outstanding debt is
43 between 5.75% and 6%. The refinancing of the remaining debt under the State House
44 Bond Note would be under 3%.

45
46 P. Burns stated that he would be hesitant to move forward with the 20 year bond over the
47 30 year bond due to the immediate impact on the rate payers. C. Blanchard explained that
48 by using the 20 year bond option, the town would save one million dollars over the life of
49 the project in interest. The consensus of the council was to move forward with the 20
50 year bond option. C. Blanchard explain that due to a conflict in wording between the

51 Council Rules and Town Charter, it was not clear as to whether the Council must wait
52 until the following meeting to vote on the Loan Authorization. Consensus of the council
53 was that the council rules allowed the vote to be taken at this meeting.

54
55 Public Hearing on Loan Authorization 2014-02 was closed at 6:52 PM

56
57 **3. Vote - Refinancing of Outstanding Bonds – Loan Authorization 2014-02**
58

59 Motion that in order to reduce interest costs, the Treasurer is authorized to provide for the
60 sale and issuance of refinancing bonds under G.L. c.44, Sec. 21A to refund all or any
61 portion of the remaining principal of and redemption premium and interest on any bonds
62 of the Town outstanding as of the date of adoption of this Order, and for the payment of
63 all other costs incidental and related thereto, and that the Treasurer is authorized to take
64 any and all other action necessary or convenient to carry out for the purposes of this
65 order. And further voted, that the Treasurer is authorized to file an application to qualify
66 under Chapter 44A of the General Laws any and all of the bonds or notes authorized to
67 be issued pursuant to this Order, as well as any and all bonds of the Town authorized by
68 this Council as of the date hereof, and to provide such information and execute such
69 documents as may be required for such purposes, made by J. Polonsky, seconded by M.
70 Salzmann. Motion passed 7-0 by roll call vote; B. Barry – Yes, M. Salzmann – Yes, P.
71 Burns – Yes, J. Polonsky – Yes, D. Blais – Yes, M. Lovell – Yes, P. Hebert – Yes.

72
73 Motion to appropriate \$541,000.00 from the Sewer Surplus Account to pay off the
74 Town’s current bonds on June 1, 2014 by B. Barry, seconded by J. Polonsky. Motion
75 passed 7-0.

76
77 The Council reaffirmed their consensus to bond the SRF project based on the 20 Year
78 Bond rate.

79
80 **4. Town Manager Goals**
81

82 B. Barry asked if there were any questions regarding the proposed Town Manager Goals.
83 P. Burns stated that he did not think the issue of correcting the error in the Net School
84 Spending formula should be considered a goal, but was really part of the Town
85 Manager’s responsibilities. The consensus of the council was to strike the Net School
86 Spending goal. M. Salzmann asked if coordination of Founder’s Day should be added to
87 the Town Manager Goals. B. Barry stated that the coordination of that event, similar to
88 the Net School Spending resolution, should be part of the Manager’s job and not
89 necessarily a goal. Motion to accept the Town Manager Goals as amended by P. Burns,
90 seconded by J. Polonsky. Motion passed 7-0.

91
92 **5. FY15 Budget**
93

94 The summery overview of the 2015 Budget as presented was given by C. Blanchard. He
95 noted that the \$75,000 in tuition receiving should be added to its own revolving fund and
96 should not be included in the government aid receiving revenue. He also noted that the
97 Pathfinder assessment came in lower than the town’s original estimate. C. Blanchard
98 stated that the Net School Spending issue is moving forward slowly. He also stated that
99 health insurance rates will increase by 6.82% in FY15. C. Blanchard stated that due to the
100 hard winter, the Snow and Ice budget had incurred a deficit which would need to be
101 funded through free cash.
102

103 C. Blanchard outlined his letter to Commissioner Mitchell Chester of the Department of
104 Elementary and Secondary Education regarding the Net School Spending penalty against
105 the Town. He stated that the Town would need answers from the DESE to form a plan to
106 reach the Net School Spending requirements. He is trying to compile insurance
107 information from 1993 to show that retiree health insurance was included in the amount
108 reported for Net School Spending. M. Salzmann stated that the foundation budget is
109 based on demographics, inflation and enrollment. She questioned why the Town's Net
110 School Spending requirement is not dropping since the school enrollment has been
111 dropping. She also pointed out that the number that the Town reports as its enrollment is
112 not the same as the numbers reported by the DESE and Department of Revenue.
113 Discussion continued on Net School Spending and the penalties being faced from the
114 DESE. J. Polonsky asked who the Town could ask from the DESE to address the town
115 regarding this issue. C. Blanchard recommended that Roger Hatch of the DESE should be
116 the person from DESE to address the Council.

117
118 Board of Health – Josh Mathieu, Board of Health Agent addressed the council regarding
119 the Board of Health's proposed increases in their FY15 budget. B. Barry asked about the
120 grant funding received by the town for a regional public health nurse. J. Mathieu stated
121 that an increase in the clinical budget was still necessary to support the public nurse's
122 activities.

123
124 A. Golas provided the council with a recap of the Town Manager, Town Council, Central
125 Purchasing, Laws and Claims, Town Report, Town Sealer, Recreation, and Computer
126 budgets. C. Blanchard explained that the increase request in the Town Manager Misc.
127 Expense was to be used to adjust Administrative/Clerical wages to a more competitive
128 level as outlined in the adopted union contract. B. Barry requested a detailed expense and
129 revenue report from the Recreation department from the funds generated in the Burleigh
130 Park revolving fund.

131 132 **6. New Business**

133 134 **1. Old Mill Pond School Floor Debt Exclusion**

135
136 C. Blanchard stated that the estimated cost for replacement of the Old Mill Pond School
137 flooring would be between \$1 million and 1.5 million. He recommended that the
138 replacement cost be put to a debt exclusion vote. B. Barry asked when the decision would
139 need to be made to place a debt exclusion question on the ballot. C. Blanchard stated that
140 the Town Council could vote to place the debt exclusion on the town election ballot at the
141 next Town Council Meeting in April. M. Salzmann asked if a presentation of the benefits
142 of the project would be put together and presented similar to the Police Station project. C.
143 Blanchard confirmed a public presentation of the project would be presented. C.
144 Blanchard presented the timeline for the MSBA grant process. M. Salzmann asked if all
145 floors in the school were being considered. C. Blanchard stated that the gym floors and
146 all carpeted floors are being evaluated for the project.

147 148 **2. Northeast Realty**

149
150 B. Barry asked if Northeast Realty had been formally invited to address the Town
151 Council. C. Blanchard stated that he would extend an invitation to Northeast Realty's
152 Legal Counsel Stephen Spelman.

153
154
155

156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197

3. Yellow House

B. Barry stated that she had been contacted by Bonnie Rathbone representing the Yellow House. She stated that they are looking to partner with the Town to do a Town Mural, possibly in conjunction with Founder’s Day. The town will consider locations that it could be done. B. Barry also stated that the Yellow House is interested in partnering with the Recreation Department to host a summer concert series, possibly on the Yellow House lawn.

7. Subcommittee Report

None

8. Town Manager’s Report

C. Blanchard reported that the Town had received a \$515,325 reimbursement from the Federal Highway Administration from losses incurred during the October 2011 Snowstorm. He also reported that the sprinkler system had broken entering into town hall. He hoped that a new fire alarm system and burglar alarm would be tied to the new police station dispatch. Finally, C. Blanchard reported that the new Town Hall hours were to begin on Monday, March 31, 2014.

9. Misc. Correspondence

None

10. Councilor Roundtable

1. D. Blais stated that he felt the Town and school should work together to resolve the Net School Spending issue and develop a budget for FY15
2. M. Salzman requested that the Town Council take a tour of the new Police Station before the next meeting. She also stated that she did not want the Net School Spending issue become a town versus school issue.
3. J. Polonsky asked that residents attend the budget meetings to let their opinions be known. He also stated that Saturday, March 29th will be the Bunny Run at PHS to support Palmer Youth Soccer.

11. Adjournment

Motion to adjourn by M. Lovell, seconded by P. Burns. Motion passed 7-0 at 8:57 PM

Minutes submitted by: Andrew M. Golas