

**PRESENT:** Selectmen Joseph A. Sergi, Patrick J. McNabb, and Joseph Hallisey; John Moak, Town Administrator; Peggy Mazzola, Administrative Assistant

The meeting was called to order at 7:06 PM.

**APPROVE WARRANT/SIGN PURCHASE ORDERS:** The Board signed the warrants.

**PUBLIC COMMUNICATIONS:** Mr. McNabb recognized and thanked Gary Lorden of Benjamin Builders for renovating two buildings on Main Street while keeping the existing older structures/character of the buildings, which is an investment to the downtown area.

The Board congratulated Scott Brown on his election to the Senate.

Mr. Hallisey thanked Webmaster Jeff Sauer for his work on the website and the covered bridge poll. Mr. Sergi stated that Mr. Sauer has done great work over the last year and a half, and people need to be aware that he has played a critical role in getting information out quickly and accurately. Mr. Sauer stated that in 1 ½ weeks there have been 221 responses to the survey; early on the split was pretty much down the middle but that quickly changed to a clear trend to name the bridge the Pepperell Covered Bridge. He asked the Board if the survey should remain on the website. Resident Tony Saboliauskas expressed his support for naming the bridge the Prudence Wright Covered Bridge, citing historical records regarding her duties during the war. The Board agreed to defer a decision to the next meeting.

Mr. Sergi stated he attended the School Finance Sub-committee meeting earlier in the evening at which the sub-committee presented various scenarios, one which they referred to as the “Pepperell scenario.” The Board needs to be careful not to be labeled as not supporting the schools. Mr. Sergi stated he welcomes public dialog and discussion relative to the school budget.

Mr. Sergi stated that Mr. Saboliauskas had contacted him relative to time on the agenda to discuss the proposed LIP project; he neglected to have this item placed on the agenda, but would like to discuss under old/new business.

**ACTION ITEMS:**

**Item #1 – Hearing: Dr. Davis Ice Cream Stand Common Victualler’s License:** Mr. Sergi opened the hearing at 7:35 PM. Mr. Moak read the hearing notice and stated that the license holder has made some payment against is taxes but is out of town, and requested the hearing be continued until February 22<sup>nd</sup>. On a motion by Mr. McNabb and seconded by Mr. Hallisey, it was unanimously voted to continue the hearing to February 22, 2010 at 7:15 PM.

**Item #2 – Discussion: Fee increases, with Town Clerk:** Mr. Hallisey read a memo from Town Clerk Lois Libby relative to her request to increase fees. Ms. Libby distributed information to the Board relative to projected revenues if the proposed new fees are adopted. Ms. Libby remarked the fees had not been changed in over 20 years. Ms. Libby is requesting that an article be placed on the Town Meeting Warrant to delete the entire section of Chapter 10, Section 10-1, CLERK’S FEES, of the Code of the Town of Pepperell and replace it with a new section reflecting the increased fees. Ms. Libby stated the increase in fees will help to defray other costs to her department.

Mr. Sergi stated that there was no need for action by the Board as Town Meeting will make this decision; he thanked Ms. Libby for taking the initiative on this issue.

**OLD/NEW BUSINESS:**

Item #1 – Discussion: School Budget and use of Peter Fitzpatrick School: Mr. McNabb requested this agenda item, and stated he would like a general discussion on the school budget, specifically a level services budget, 2 ½% increase and the so-called “Pepperell scenario.” Mr. Sergi read from minutes of the school finance sub-committee; the committee contends that a \$350,000 reduction would equate to a \$3,000,000 total budget reduction. Mr. McNabb stated he feels the school committee is ignoring the town’s request; they should be focusing on cost savings measures. The district is following the “Marshall plan” of spend, spend, spend. The Board should send a message with Mr. Moak that we’re not happy with what they’re doing. The district is focusing on teacher cuts and using scare tactics; they should be told to freeze the pay increases for the administration. Mr. Sergi stated the student population has dropped 9% over the last four years, and the district is projecting a 20% reduction in the next 10 years. Mr. McNabb stated the message he’d like to send is that they need to look harder and not use scare tactics; we have an empty school and the district is looking at expanding the region. We are focusing on saving money on the Town’s budget and the district needs to do better and listen to us. Mr. Sergi stated it is a matter of working within Proposition 2½. Mr. Hallisey stated we asked questions and got no answers. Enrollment is down and there is a fundamental math problem with suggesting even a 2 ½% increase. He is not asking for teachers to be laid off, but asking them to be more efficient. Mr. McNabb stated they need to look at the salaries of the administration; we have had union concessions; they need to sacrifice without impacting the children. Mr. Sergi stated that hopefully Mr. Moak will bring back hard copies of the slides shown at the finance sub-committee this evening. We need to continue to work together. Mr. Sergi would like Mr. Moak to convey to Dr. Marshall that a 2½% increase is unacceptable; we would like clarity on how a \$350,000 cut would equal a \$3 million cut, and the status of the Peter Fitzpatrick School. Mr. McNabb commented that the district did not respond to our request for details on the school union concessions, and he would like that information. Mr. Hallisey remarked that we were supposed to get various scenarios from Sue Robbins, and we have not seen that either. Mr. Moak stated that his intent tomorrow was introductory but he will alter some of his intent when he meets with Dr. Marshall.

Item #2 – Discussion: Potential Cost-saving Measures for FY 2011: Mr. McNabb requested this agenda item, and stated that Mr. Moak touched on some of the items, such as reducing our unemployment insurance by \$25,000, direct deposit and bi-weekly payroll, which will save about \$5,000 per year and doesn’t hurt anyone. The change-over could be done on a 3 pay period month or when longevity checks are issued to minimize the impact. Mr. Sergi stated he would defer this to Mr. Moak and let him build relationship with the unions. Mr. McNabb requested that Mr. Moak ask the DPW union to consider a pay freeze, as they are due a 3% increase. This is not to target one department but to level the playing field.

Mr. McNabb stated he and Mr. Moak have discussed closing the Town Hall annex, and he is not giving up on this issue.

Mr. Moak stated we have an 8-year old account for Town Hall HVAC/electrical repairs that currently has a balance of around \$120,000. Ms. Mazzola had mentioned the problems with the boiler, and we should take a look at replacing the boiler with something more energy efficient. Mr. Sergi stated he does not have a problem with moving forward on getting bids for a new boiler. Mr. McNabb would like to see a snapshot of fuel consumption and maintenance costs and what we could be saving, and wondered if gas was an option. He would like to revisit this once we have more information. Mr. Moak stated he could have that information tomorrow; we need to hire someone at some point to do an energy audit, but someone with expertise will need to advise us.

Mr. McNabb stated another idea he had is to shut down Town Hall on Fridays and unpaid furloughs on holiday weekends. Mr. McNabb would like a general review of the DPW – when the consolidated DPW was formed in 2001 the assumption was that we would save money, and we need to look at it and see if we are saving money. People ask him why the rates go up every year when they have free cash; he doesn't want to overstep the Board's bounds but feels it's time to look at this. Mr. Sergi stated he supports Mr. McNabb's call for a thorough review of the DPW and defers to Mr. Moak. The DPW shouldn't feel threatened if they're working efficiently.

Item #3 – Discussion: Revenue Forecast – Town Financial Team Analysis: Mr. Moak apprised the Board of discussions of the Finance Team. A lengthy discussion ensued relative to projected revenues in FY 2011. Budget numbers are based on 0% increase for the Town's budgets; if the school is level funded, there should be a slight decrease due to retired debt. The Finance Team is meeting on a weekly basis, and is trying to give the Finance Committee a clear picture of projected revenues. Mr. Sergi commented the Governor made a commitment not to cut school funding and local aid; we will have to see how it all plays out. Mr. Hallisey stated the Finance Committee collected budgets from all but two departments as of Thursday night, and each member was assigned various budgets to review and discuss with department heads.

Following a brief discussion, the Board agreed to send a message to the FinCom that Free Cash should not dip below \$500,000, and that consideration be given to cuts in other expenses before personnel reductions. Mr. Moak will work on a message to the FinCom.

Item #4 – Discussion: Exterior condition of Town Hall: Mr. Sergi requested this agenda item, and stated that he has heard many comments on the condition of Town Hall and the missing eagle. Town Engineer Bob Lee provided information on the cost to paint the exterior of Town Hall, and he thought that we could use the appropriation previously discussed to get this done. Mr. Moak stated he is certain that we can go back to Town Meeting to reallocate the use of these funds; he feels that \$120,000 would cover replacement of the boiler and exterior painting. Mr. Sergi commented we need to find \$5,000 to pay to have the specifications drawn up.

Item #5 – Any other Old/New Business: Mr. Sergi stated the board had a hearing scheduled earlier this evening regarding a license holder with property taxes in arrears, and he would like the Board to consider holding a hearing for Community Auto Sales. There is one other license holder that has a legal situation going on. Mr. Sergi does not want the board to not treat everyone equally. Mr. McNabb stated that he understands that Tax Collector/Treasurer Michael Hartnett has reached out to these license holders, and feels we should have Mr. Moak contact them before we take them to task in public. Mr. Sergi suggested this be deferred to the next meeting with a status report from Mr. Moak. Mr. Moak stated if the tax issues are not resolved we can send them a hearing notice for the February 22<sup>nd</sup> meeting.

Mr. Moak presented the Board with his activities report, which was reviewed and discussed. Mr. Sergi would like this to be a regular agenda item.

Mr. Sergi stated the VFW has some concerns relative to the MOU for the proposed LIP project. Tony Saboliauskas stated that representatives of the VFW have not met or spoken with Al Patenaude since last summer, and he hadn't seen Exhibit A before. He feels the VFW has been left out of the loop. The VFW has no contract with Mr. Patenaude, but they expect to meet with him next week. The VFW has hired an attorney who specializes in land use. The Town needs to know that the VFW members need to vote on any land matters, and passage requires a 2/3 vote.

Mr. Sergi stated that any changes to the MOU must come before the Board. He feels this is a private matter between the VFW and the developer. Mr. Sergi stated that Mr. Patenaude was present at the meeting, but he didn't want a lot of debate on this. In fairness to Mr. Patenaude, this item should have been placed on the agenda to give him fair notice. At this point, this is a private matter between the two parties, but if this can't be worked out then it would come to the Board. Mr. Patenaude stated nothing has gone to the State yet, as they are still working on sound and engineering issues.

Mr. McNabb stated that PerryVidex, owners of the mill property, provided the Board with the framework for a possible transaction. This is strictly preliminary, and there is currently no commitment. Mr. McNabb stated he understands the sensitivity and liability of this issue, but the framework of the deal is very interesting and deserves discussion and investigation. Mr. Sergi stated we have a lot going on and need to be sure we're planning properly. Mr. McNabb stated he is not blind to the Town's financial picture, but this is an interesting proposal and deserves discussion.

**EXECUTIVE SESSION:** At 9:15 PM, Mr. McNabb moved that the Board of Selectmen enter into an Executive Session for the purpose of discussing strategies regarding the former Mill Site. Mr. Hallisey seconded. Mr. Sergi announced that the Board would adjourn following the executive session, and that Town Administrator John Moak and Administrative Assistant Peggy Mazzola would be included in the session. A roll call vote was taken as follows:

Joseph Sergi	Aye
Patrick McNabb	Aye
Joseph Hallisey	Aye

**ADJOURNMENT:** At 10:30 PM the Board voted to exit the executive session and adjourn as noted in the Executive Session minutes of January 25, 2010.

Respectfully submitted,

Peggy Mazzola, Administrative Assistant

**APPROVED:**

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Joseph A. Sergi, Chairman

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Patrick J. McNabb, Clerk

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Joseph Hallisey