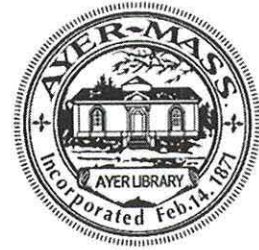


RECEIVED
DEC 15 2023

11:20am
TOWN OF AYER
TOWN CLERK

(SO)

Town of Ayer
Select Board
1 Main Street
Ayer, MA 01432



Tuesday December 19, 2023
Open Session Meeting Agenda

This meeting/hearing of the Ayer Select Board will be held in-person at the location provided on this notice. Members of the public are welcome to attend this in-person meeting. Please note that while an option for remote attendance and/or participation via Zoom is being provided as a courtesy to the public, the meeting/hearing will not be suspended or terminated if technological problems interrupt the virtual broadcast, unless otherwise required by law. Members of the public with particular interest in a specific item on this agenda should make plans for in-person vs. virtual attendance accordingly. This meeting will be live on Zoom and Channel 8. The public may access the proceedings by joining Zoom (Meeting ID# 897 9080 0793) or by calling (929-205-6099). For additional information about remote participation, please contact Carly Antonellis, Assistant Town Manager at atm@ayer.ma.us or 978-772-8220 ext. 100 prior to the meeting.

6:00 PM

Call to Order

Pledge of Allegiance; Review and Approve Agenda; Announcements

Public Input

6:05 PM*

Dan Van Schalkwyk, Director, Department of Public Works

1. Change Order 2 – Third Street Water and Drainage Improvements Project
2. Water Supply Update

6:10 PM

Transfer Station Operational/Financial Analysis Study and Funding Recommendation

6:15 PM

Town Manager's Report

1. Administrative Update/Review of Warrants
2. FY 2025 Budget Process Update
3. Final Review and Approval of the Update to the Town's Financial Policies
4. January 2024 Meeting Schedule

6:25 PM

New Business/Select Board Member Questions

Devens Jurisdiction Framework Committee Update (Board Member J. Livingston)

6:30 PM

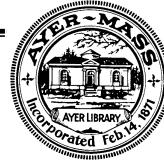
Approval of Meeting Minutes

November 21, 2023; December 5, 2023

Adjournment

**Agenda Times are approximate and do not constitute exact times*

The next regularly scheduled meeting of the Ayer Select Board will be discussed at this meeting.



Dan Van Schalkwyk, P.E., Director
Kimberly Abraham, Water and Sewer Superintendent
Matt Herson, P.E., Town Engineer
Pam Martin, Business Manager

25 BROOK STREET
AYER, MASSACHUSETTS 01432
T: (978) 772-8240
F: (978) 772-8244

MEMORANDUM

Date: December 14, 2023
To: Select Board
From: Dan Van Schalkwyk, P.E., Director
Subject: **Agenda Items for December 19, 2023, Select Board Meeting**

1. Change Order 2 – Third Street Water and Drainage Improvements Project

The Third Street Water and Drainage Improvements project is now substantially complete. Attached is Change Order 2 for the Third Street Water and Drainage Improvements project. The change order includes a balancing of the estimated versus actual quantities of bid items installed to complete the project. The change order also includes additional work performed by the Contractor to remove and dispose unforeseen asbestos cement pipe in accordance with Massachusetts Department of Environmental Protection regulations.

I recommend approval of Change Order No. 2 for the Third Street Water and Drainage Improvements Project in the amount of \$39,931.81 and including the time extension for signature by the Chair.

2. Water Supply Update

As discussed at previous Board meetings, the DPW will provide status updates of the Town's water supply.

- Since the last update, water production continues to face challenges meeting demand. During the month of November and early December, the treatment facilities did not rest for more than a few hours on 4 of the 4 weekends. This also includes a break during the Thanksgiving Holiday when the Spectacle Pond Treatment Facility was off for nearly two days. The Grove Pond Treatment Facility also had a near full day of rest two times on 11/19 and 12/10.
- The tank levels, which is an indication of our ability to meet demand, continue to slowly decline during the work week and along with industry usage. We were able to nearly fill the tank on 11/19, 11/23, 11/27, 12/3, 12/4, 12/10, and 12/11.

It would seem that we have entered into a winter demand pattern. We've had significant assistance from our large customers who have made production adjustments to help us get through the high demand summer months and who have committed to conservation measures until the current situation has been resolved.

At this time, we recommend changes to the existing water use restriction and adjust the directives from the Water and Sewer Commissioners. The recommendation is to maintain the Declaration of a State of Water Supply Conservation, lift the current ban on outdoor water use, and encourage all customers to observe practical Water Conservation Measures. Specific information and tips are available to our customers through our website and by following us on social media using the hashtag #waterwednesdays.

Recommended Motion: Motion to maintain the Declaration of a State of Water Supply Conservation and lift the current mandatory ban on outdoor water use.

**SECTION 00842
CHANGE ORDER**

No. 1

Date of Issuance: 12/7/2023 Effective Date: _____

Project:	Owner: Town of Ayer	Owner's Contract No.: 23DPW06
Contract: Third Street Water and Drain Improvements	Date of Contract:	
Contractor: CHB Excavating	Engineer's Project No.:	

The Contract Documents are modified as follows upon execution of this Change Order:

Description

1) Balance of estimated quantities versus installed quantities - \$32,189.00
2) Additional work (Removal & disposal of asbestos pipe) - \$7,742.81
Total change order request - \$39,931.81

Attachments:

- 1) Summary of balancing estimated versus actual quantities**
- 2) Summary of removal and disposal of asbestos cement pipe**

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$422,700.00	Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days Substantial completion (days or date): 8/11/2023 Ready for final payment (days or date): 9/10/2023
[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: \$0.00	[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: Substantial completion (days): N/A Ready for final payment (days): N/A
Contract Price prior to this Change Order: \$481,840.00	Contract Times prior to this Change Order: Substantial completion (days or date): 9/25/2023 Ready for final payment (days or date): 10/25/2023
<u>(Increase)</u> [Decrease] of this Change Order: \$39,931.81	<u>(Increase)</u> [Decrease] of this Change Order: Substantial completion (days or date): 11/07/2023 Ready for final payment (days or date): 12/07/2023
Contract Price incorporating this Change Order: \$521,771.81	Contract Times with all approved Change Orders: Substantial completion (days or date): 11/07/2023 Ready for final payment (days or date): 12/07/2023

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____ Engineer (Authorized Signature)	By: _____ Owner (Authorized Signature)	By: _____ Contractor (Authorized Signature)
Date: _____	Date: _____	Date: _____
APPROVED: _____	_____	Date: _____

Attachment 1

Balancing of Estimated Quantities Versus Installed Quantities

Item No.	Description	Unit	Bid Unit Price	Estimated Bid Quantity	Actual Quantity Installed	Difference in Quantities	Price Difference
1A	14-inch Diameter Ductile Iron Water Mains	LF	\$ 100.00	15	0	-15	\$ (1,500.00)
1B	12-inch Diameter Ductile Iron Water Mains	LF	\$ 200.00	1050	1050	0	\$ -
1C	8-inch Diameter Ductile Iron Water Mains	LF	\$ 150.00	10	42	32	\$ 4,800.00
1D	6-inch Diameter Ductile Iron Water Mains	LF	\$ 150.00	10	10	0	\$ -
1E	4-inch Diameter Ductile Iron Water Mains	LF	\$ 150.00	5	0	-5	\$ (750.00)
2A	12-inch Diameter Gate Valves and Boxes	EA	\$ 5,000.00	2	4	2	\$ 10,000.00
2B	8-inch Diameter Gate Valves and Boxes	EA	\$ 3,000.00	1	2	1	\$ 3,000.00
2C	6-inch Diameter Gate Valves and Boxes	EA	\$ 2,000.00	2	2	0	\$ -
2D	4-inch Diameter Gate Valves and Boxes	EA	\$ 1,500.00	1	0	-1	\$ (1,500.00)
3A	Install Hydrant Assembly	EA	\$ 7,500.00	2	2	0	\$ -
3B	Remove Existing Hydrant and Valve Box	EA	\$ 100.00	3	3	0	\$ -
4	1-inch Corporation Stops and Taps	EA	\$ 1,500.00	16	17	1	\$ 1,500.00
5	Curb Stops and Curb Boxes	EA	\$ 700.00	16	17	1	\$ 700.00
6	1-inch Copper Service Pipe	LF	\$ 66.00	225	429	204	\$ 13,464.00
7	Temporary Water Service	LS	\$ 14,000.00	1	1	0	\$ -
8	Gravel Subbase	CY	\$ 50.00	230	244.5	14.5	\$ 725.00
9	Trench Temporary Bituminous Pavement	SY	\$ 36.00	700	700	0	\$ -
10	Loam and Seed	SY	\$ 5.00	300	300	0	\$ -
11A	Catch Basin	EA	\$ 6,000.00	6	6	0	\$ -
11B	Drain Manhole	EA	\$ 6,800.00	3	3	0	\$ -
12	12" HDPE Drain Pipe	LF	\$ 50.00	300	335	35	\$ 1,750.00
TOTAL							\$ 32,189.00

Attachment 2

Summary of Asbestos Cement Pipe Removal

While excavating at the intersection of East Street and Third Street to install a new water main, the Contractor unexpectedly encountered crushed asbestos cement pipe several feet below ground.

Removal and disposal of asbestos cement pipe is highly regulated under the Massachusetts Department of Environmental Protection (MassDEP). The Town and Contractor worked with a licensed waste hauler to remove and dispose of approximately 20 cubic yards of soil containing the fractured asbestos cement pipe in accordance with MassDEP regulations.

Due to this unforeseen issue, the Contractor was delayed in proceeding with installing water main specified in the contract. The Contractor agreed to assist the Town with the proper removal and disposal of the soil containing fractured asbestos cement pipe on a time & materials basis. The total of \$7,742.81 represents the time and material expended by the Contractor to assist in addressing the Town with this unforeseen issue.

DRAFT



Daniel Van Schalkwyk, P.E., Director
Kimberly Abraham, Water and Sewer Superintendent
Matt Herson, P.E., Town Engineer
Pamela J. Martin, Business Manager

25 BROOK STREET
AYER, MASSACHUSETTS 01432
T: (978) 772-8240
F: (978) 772-8244

Important Notice Please Conserve Water

The Ayer DPW is dedicated to providing a reliable water supply today and protecting that supply for the future. In order to safeguard the Town's drinking water resources, the Town is asking everyone to conserve water. The following Water Conservation Measures are recommended during the Winter months:

- No Outdoor Water Use. All irrigation systems should be off and drained for the season.
- Repair any water leaks.
- Prevent water loss from frozen pipes bursting.
- Curb indoor water use and conserve water as much as possible.

Remember that preventing pipes from freezing is water conservation! For more information on how to prevent pipes from freezing, please click [here](#).

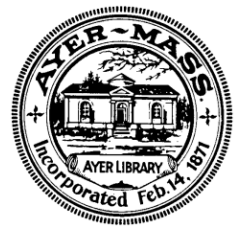
Why are we doing this?

The addition of PFAS treatment at Grove Pond Water Treatment Plant caused an unanticipated restriction, reducing the amount of water the Town can pump through the Plant. However, the installation of a Clearwell Storage Tank downstream of the Plant will resolve the issue, allowing the Town to pump significantly more water through the Plant, with production at or near pre-PFAS treatment. The project is currently in the design phase with construction likely commencing in 2024. For more details regarding this issue and the solution, please click [here](#).

Please do your part to maintain this valuable resource. Follow us on social media for more information and conservation tips. Use the hashtag #waterwednesdays

If you have questions about this notice or about these Water Conservation Measures, please contact Kimberly Abraham, Water and Sewer Superintendent; 978-774-8240 or kabraham@ayer.ma.us

**Office of the Select Board
Office of the Town Manager**



Town of Ayer | Ayer Town Hall | 1 Main Street | Ayer, MA 01432 | 978-772-8220 | www.ayer.ma.us

MEMORANDUM

DATE: December 14, 2023

TO: Ayer Select Board

FROM: Robert A. Pontbriand
Town Manager

SUBJECT: Transfer Station Operational/Financial Analysis Study and Funding Recommendation from the Rate Review Committee

Dear Honorable Select Board Members,

As the Select Board is aware the Rate Review Committee has been looking at the issue of having a third-party, independent professional analysis of the operations and finances of the Transfer Station conducted. This analysis will look at the operations and finances of the Transfer Station and make recommendations to the Town for consideration in terms of operational and financial efficiencies. This study will not look at the issue of curbside trash collection.

At the December 12, 2023 Rate Review Committee Meeting, the Rate Review Committee voted unanimously to recommend that the Select Board authorize the proposal from the firm of Tighe and Bond (see attached) to conduct the study and further voted unanimously to recommend that the Select Board authorize up to \$20,000 from the Town's ARPA Funds for the study.

The Rate Review Committee solicited requests for proposals and received three responses from the firms of Weston & Sampson; Arcadis; and Tighe and Bond.

Upon review of the proposals, the Rate Review Committee determined that the Tighe and Bond proposal was the most responsive to the Town's request/needs for this study; proposed the price of \$18,500 for the study (the Arcadis Proposal was \$16,450; however the scope of the Arcadis proposal was not as robust and all-encompassing as the Tighe and Bondy proposal); and was specific in detail and scope to the Ayer Transfer Station. Additionally, the Tighe and Bond proposal will also provide a rate model as part of their study for the Town to use for the future analysis and development of rates for the Transfer Station.

Upon approval and funding from the Select Board, Tighe and Bond will work with the Town to complete three specific tasks as outline in their attached proposal which will include an initial meeting with the Town; a data validation meeting; and a meeting with the Rate Review Committee to review and discuss their findings and recommendations. Their study will also culminate in a technical memorandum which will summarize the study, the date collected, and the recommendations with key elements from the rate model.

Though the study cost is \$18,500, the Rate Review Committee is requesting up to \$20,000 from ARPA funds for a small contingency if there is the need for additional work or an additional meeting with the consultant. If not used, the funds will revert to the Town's ARPA funds.

Finally, if approved, Tighe and Bond is prepared to commence work with week of December 25, 2023 with a site visit to the Transfer Station.

Members of the Rate Review Committee including Select Board Member Livingston; the DPW Director; the Finance Manager; and the Town Manager will be present at the December 19, 2023 Select Board Meeting to answer any questions the Select Board may have.

On behalf of the Rate Review Committee, thank you for your consideration.

Attachment: Proposal for Professional Engineering Services – Transfer Station Evaluation from Tighe and Bond

Cc: Ayer Rate Review Committee

10-5004-P026
December 7, 2023

Dan Van Schalkwyk, PE, Director
Ayer Public Works Department
25 Brook Street
Ayer, MA 01432

Re: **Proposal for Professional Engineering Services
Transfer Station Evaluation**

Dear Mr. Van Schalkwyk:

Tighe & Bond is pleased to provide the Town of Ayer (Town) with this proposal to evaluate the Town's Solid Waste Transfer Station from an operational and financial perspective.

Project Understanding

The Town operates their Transfer Station located at 95 Groton-Harvard Road as an enterprise fund supported by revenue from Pay As You Throw (PAYT) bags, vehicle permits and bulk items. Although the cost of PAYT bags is high compared to comparable communities the fund has been running at a deficit for the last five years. Costs have been increasing, however the sales of PAYT bags and permits have been flat while usage has been decreasing. In addition, there have been reports of non PAYT bags and unpermitted vehicles at the transfer station.

It is our understanding that the Town's goal is to develop recommendations for changes to the fee structure that will improve user costs for the Transfer Station.

Scope of Services

We have developed the following proposed Scope of Services based on our understanding of the project and our meeting with the Town on November 29, 2023.

Task 1 – Operational Evaluation

We will complete an operational evaluation of the Transfer Station which will include services described in the following tasks:

- 1.1 Data collection** – We will collect all available data provided by the Town related to:
 - a. Annual bag /permit sales for the last 3 years
 - b. Vehicle trips (start with estimates and have Town collect data for the duration of the evaluation)
 - c. Estimated bulk material volumes
 - d. Tipping weights from Casella for the last 3 years
 - e. Discussions with up to three private trash companies serving the Town of Ayer to discuss increases in customers fees etc.
 - f. Interviews with key Town personnel.
- 1.2 Site visits** - Tighe & Bond will visit the transfer station on two separate occasions during projected peak hours to observe operations, customer activity etc. as well as the overall layout of the facility.

- 1.3 Review of similar facilities** - We will contact three other municipalities with similar operations to add perspective to the evaluation as well as to obtain costs for PAYT, permits and bulk disposal costs.
- 1.4 Recommendations** - Based upon our site visits and discussion with the Town we will make recommendations on the operating hours and staffing requirements for the facility and potential changes to layout to reduce non-paid disposal.

Task 2 – Financial Evaluation

The financial evaluation will be conducted in the same manner as water, sewer and stormwater funds are evaluated by developing a customized financial model. This similar to the model used to evaluate the Town’s Stormwater Utility. The financial evaluation consists of the following:

- 2.1 Establish Revenue Requirements** – We will review the last three years of the operating budget for the transfer station and compare that to actual data from the operation and the existing hauling agreement with Casella. We will discuss with Town any planned capital improvement plans for the facility and will estimate operating costs for the next five fiscal years. Operating costs will reflect any recommended changes in staffing for the facility.
- 2.2 Project Revenues** - Revenue projections will be based upon the projected PAYT permit sales developed from data collected in Task 1. Revenues will be prepared under three scenarios (alternatives). We will discuss the following scenarios with the Town at the project kickoff meeting and modify them as necessary.
 - a. Self-sufficient:** Existing Bag & Vehicle costs will be increased proportionally to maintain the desired retained earnings balance.
 - b. Planned Subsidy:** Enterprise funds may be operated revenue positive, neutral or with a planned subsidy. This alternative will be based upon a predetermined maximum subsidy.
 - c. Modified Rate Structure:** This alternative will be based upon the research conducted in Task 1 and discussed with the Town. This may include varying the amount of revenue obtained from PAYT/permits, changes to bulk disposal rates etc
- 2.3 Estimate Customer Costs** - Costs for a typical residential customer will be developed based upon either observed or discussed bag usage for all three scenarios.

Task 3 – Meetings and Deliverables

We will coordinate and attend three meetings with the Town as described below. Meetings will be either in-person or virtual.

- 3.1 Kickoff Meeting** - The Kick-off meeting will review the scope of services, source data, project approach and schedule.
- 3.2 Data Validation Meeting** – This meeting will review the preliminary results of our financial evaluation as well as recommendations from site visits, etc.
- 3.3 Rate Review Committee Meeting** – We will attend one meeting with the Town’s Rate Review Committee to review and discuss our findings and recommendations.

3.4 Technical Memorandum – Tighe & Bond will prepare a technical memorandum which will summarize our approach, data collected and our recommendations with key elements from the rate model.

Fee

Tighe & Bond will perform these services for a lump sum fee of **\$18,500**, invoiced monthly based on percentage complete. In the event that the Scope of Work is increased for any reason, the lump sum fee to complete the work shall be mutually revised by written amendment. Our attached Terms and Conditions are part of this letter agreement.

Schedule

Tighe & Bond staff will plan to visit the Transfer Station during operating hours the week of December 25, 2023 as we expect that this will be a busier operating week. We will conduct a second visit at a later date that is mutually agreed to with the Town. We estimate that the services included in this proposal will be completed within three months of authorization to proceed.

The included schedule and fee are based on the above scope of work and assumptions. The schedule includes reasonable allowances for review and approval times by applicable parties. This schedule may need to be adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by the Town of Ayer, or for delays or other causes beyond our reasonable control.

We look forward to assisting you with this project. If this proposal is acceptable, please return one signed copy to my attention. If you have any questions or require any additional information, please contact me or Michael Schrader at mjschrader@tighebond.com.

Very truly yours,

TIGHE & BOND, INC.



Thomas J. Mahanna, PE
Vice President

Enclosure: Terms and Conditions – REV 04/2020

Acceptance

On behalf of the Town of Ayer, the scope, fee, and terms of this proposal are hereby accepted.

Authorized Representative

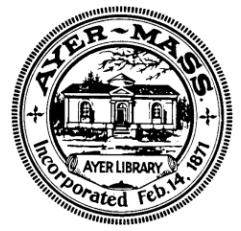
Date

Name

Title



**Office of the Select Board
Office of the Town Manager**



Town of Ayer | Ayer Town Hall | 1 Main Street | Ayer, MA 01432 | 978-772-8220 | www.ayer.ma.us

MEMORANDUM

DATE: December 15, 2023

TO: Ayer Select Board

FROM: Robert A. Pontbriand
Town Manager

SUBJECT: Town Manager's Report for the December 19, 2023 Ayer Select Board Meeting

Dear Honorable Select Board Members,

I am pleased to transmit to you the following Town Manager's Report for the December 19, 2023 Select Board Meeting. If you have any questions prior to the meeting, please do not hesitate to contact me directly. Thank you.

Administrative Update/Review of Town Warrants:

- I will provide a brief Administrative Update on the various activities, initiatives, and projects of the Town since the Select Board last met on December 5, 2023.
- I have reviewed, approved, and signed the following Town Warrants since the Select Board last met on December 5, 2023:

Accounts Payable Warrant #24-11 in the amount of \$1,261,664.76 was reviewed, approved, and signed on December 5, 2023.

Payroll Warrant #24-12 in the amount of \$405,560.69 was reviewed, approved, and signed on December 12, 2023.

FY 2025 Budget Process Update:

- At the meeting, I will provide a brief update on the FY 2025 Budget Process. Since the Select Board last met on December 5, 2023, the development of the FY 2025 Budget is on schedule per the Town's FY 2025 Budget Calendar. On December 1, the FY 2025 Budget Directive and Preparation Memo was issued to all Town Departments with a deadline of December 29, 2023 for all initial FY 2025 Budget's to be submitted. Per the Budget Directive, Town Departments are to prepare a level services budget using the FY 2024 Budget as the basis for budget development. All Town Departments have been asked to clearly indicate any budgetary increases to include a supporting memo for any one-time, new increases.

- DRAFT #1 of the FY 2025 Budget per the Town's Budget Calendar will be transmitted to the Select Board and Fin Com as well as available to the public on January 12, 2024. The Town's First Public Budget Forum on DRAFT #1 of the FY 2025 Budget will take place on Wednesday, January 24, 2024 at 6pm at the Ayer Town Hall with a Zoom option for the public to participate remotely.
- As previously communicated and discussed, as the Town moves through the FY 2025 Budget Process, all information and documents related to the FY 2025 Budget will be posted on the Town's website at www.ayer.ma.us/budget and are also available upon request from the Town Manager's Office at Town Hall during normal hours of operation.

Final Review and Approval of the Update to the Town's Financial Policies:

- The Executive Bi-Board recently completed its review and update of the Town's Financial Policies. Please see the attached memo (which includes a copy of the Final DRAFT of the Update to the Town's Financial Policies) regarding the recommendation of the Executive Bi-Board from November 30, 2023 that the Select Board review and approve the most recent update to the Town's Financial Policies (See attached).

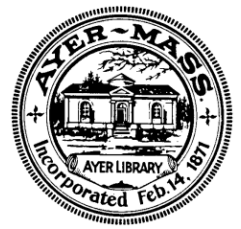
January 2024 Meeting Schedule:

- As in previous years, since the Select Board normally meets on the first and third Tuesday of the month, the first meeting of the Select Board would be on Tuesday, January 2, 2024. This date is the day after the New Year's Holiday and the previous week is the week of Christmas. As a result, there is usually no immediate business regarding the Select Board's attention/action. In the event that there is time sensitive matters requiring the Select Board's attention, the Select Board has always called a meeting if needed.
- The Select Board is scheduled to meet on January 16, 2024 of which there is no issue. Additionally, the First Public Budget Forum (which is a joint meeting of the Select Board and Finance Committee) per the Town's Budget Calendar is scheduled for Wednesday, January 24, 2024 at 6pm.
- At the meeting, the Select Board should discuss the January 2024 Meeting Schedule.

Thank you.

Attachment: Final DRAFT of the Updated Town Financial Policies

**Office of the Select Board
Office of the Town Manager**



Town of Ayer | Ayer Town Hall | 1 Main Street | Ayer, MA 01432 | 978-772-8220 | www.ayer.ma.us

MEMORANDUM

DATE: December 11, 2023

TO: Ayer Select Board
Ayer Finance Committee

FROM: Robert A. Pontbriand
Town Manager

SUBJECT: Final Review and Approval of the 2023 Update of the Town's Financial Policies

Dear Honorable Select Board Members and Finance Committee Members,

The Executive Bi-Board has completed its periodic review and update of the Town's Financial Policies which are attached for your review and approval. Per the Town's Financial Policies, the Executive Bi-Board will review the financial policies and make necessary changes to the document periodically, as needed, and subject to review by the Finance Committee with approval by the Select Board.

The Executive Bi-Board held a series of meetings over the course of 2022-2023 reviewing and updating the Town's Financial Policies. Once the Executive Bi-Board completed its review and update it was sent to all Town Departments for an inter-departmental review. At the Executive Bi-Board Meeting on November 30, 2023, the Bi-Board voted unanimously to recommend the updated changes to the Town's Financial Policies to the Select Board and Finance Committee for their final review and approval.

The following is an executive summary of the significant substantive changes made and proposed by the Executive Bi-Board in the attached document for your review and approval:

- A section codifying the Town's Budget Calendar was added on Page 6.
- A section on the local Cannabis Tax was added on Page 8.
- A section on the UDAG (Urban Development Action Grant) was added on Page 13.
- A section on Reserve Fund for Future Payments of Accrued Liabilities for Compensate Balances was added on Page 13-14.
- The language regarding debt-service expenditures in Section 2.1 on Page 15 was clarified and located here as it was previously duplicated under the Capital Stabilization section.
- The Capital Finance threshold was increased from \$300,000 to \$500,000 on Page 18.

- The entire actual Investment Policy was removed from the Financial Policies on recommendation of the Town's Auditors since the Investment Policy changes annually under the direction of the Town Treasurer; and replaced with the appropriate language and reference to the Town's website to find the current Investment Policy on Pages 16 and 17.
- The Procurement Requirements Sections on Pages 19 and 20 were updated to be consistent with Massachusetts State Procurement Law.

The Town Manager and Finance Manager will appear before the Select Board at their December 19, 2023 meeting to answer any questions the Select Board may have and will respectfully be requesting a vote of approval from the Select Board. The Town Manager and Finance Manager will appear before a future meeting of the Finance Committee to answer any question the Finance Committee may have and will respectfully be requesting a vote of approval from the Finance Committee.

Thank you.

Attachment: FINAL DRAFT of the 2023 Update of the Town's Financial Policies

Cc: Barbara Tierney, Finance Manager

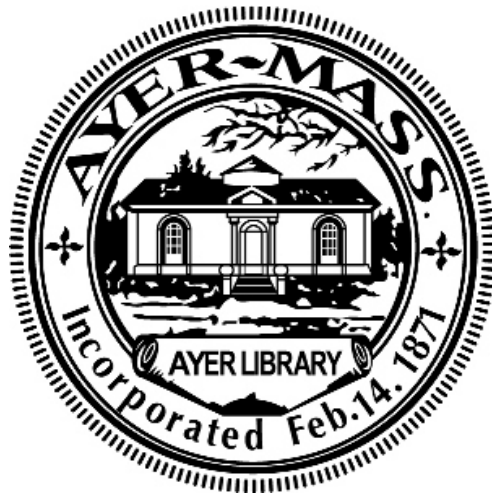
TOWN OF AYER

Financial Policies

Version 4.0

Final DRAFT of Proposed Revisions by the Executive Bi-Board

November 30, 2023



Last Updated – August 2019

The Ayer Financial Policies were developed as a policy guidance document for the creation, maintenance, and use of resources for the financial stability for the Town of Ayer.

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Revision History

Submitter	Affiliation	Version	Changes	Date
Brian Muldoon	Finance Committee	1.5	Working Group Updates	Summer/Fall 2013
Scott Houde	Finance Committee	1.6	LAG recommendations and discussion with working group	12/20/13
Scott Houde	Finance Committee	1.7	Final Update for Review	1/22/14
Scott Houde	Finance Committee	2.0	Final Edits Approved by Working Group	6/24/14
Barbara Tierney	Finance Manager-Treasurer/Tax Collector	3.0	Updates for Review	8/13/19
Barbara Tierney	Finance Manager	4.0	Final Update for Review 2-21-2023	TBD

Description

The Ayer Financial Policies were developed to guide the creation, maintenance, and use of resources for financial stability for the Town of Ayer.

Objectives of the Financial Policies

The Finance Committee will work with the Select Board, Town Manager, Regional School Committee, Finance Manager-Treasurer/Tax Collector, Board of Assessors, and the Town Accountant to:

1. Provide full value to Ayer residents and businesses by delivering quality services on a cost-effective basis.
2. Preserve the Town's quality of life by providing and maintaining adequate financial resources to sustain a sufficient level of services.
3. Allow response to changes in the economy, government priorities, and other changes that may affect our well-being.
4. Provide a road map for future town leaders for the well-being of Ayer's finances.

Maintenance of Financial Policies

The Executive Bi-Board will review the financial policies and make necessary changes to the document periodically, as needed, and subject to review by the Finance Committee and with approval by the Select Board. The Executive Bi-Board shall take into account all recommendations of the Massachusetts Department of Revenue (DOR) Division of Local Services and the General Finance Officers Association as part of its review. Copies of the Financial Policies are available on the Town website and at Town Hall.

Restrictions of Financial Policies

These policies will be in effect upon acceptance by a majority vote of the Select Board. Amendments to the Financial Policies must be reviewed by the Finance Committee with approval by majority vote by the Select Board.

Audit of Town Financials

The Town will utilize accounting practices that conform to generally accepted accounting principles as set forth by the Government Accounting Standards Board (GASB). The Town will comply with GASB Statement 34 and continue to track, report, and depreciate capital assets as required. The Town will follow recommended reporting and development of a funding structure regarding accounting for Other Post-Employment Benefits (primarily health insurance) to retired employees in accordance with GASB 74 – Financial Reporting

for Post Employment Benefit Plans Other Than Pension Plans” and GASB 75 – “Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions”.

An annual audit will be performed by an independent public accounting firm. Selection of the firm is subject to guidelines of Massachusetts General Law, (M.G.L.), Chapter 30B, although this service is exempt from Chapter 30B. An examination of the community's financial systems, procedures, and data will be performed by a certified public accountant (independent auditor). The auditor shall also report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool for evaluating the fiscal performance of a community.

The Town should enter into multiyear agreements when obtaining the services of an independent auditor. Such multiyear agreements can take a variety of different forms (e.g., a series of single-year contracts), consistent with applicable legal requirements. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "startup" costs over several years, rather than over a single year.

The Town Manager, Finance Manager; and Town Accountant, will review the management letter from the audit firm. The management letter details recommendations as a result of the audit. This information will be summarized and shared with department heads. The Finance Team will review the recommendations and findings. The Town Manager and Finance Manager will meet with relevant department heads, and town officials, to implement changes if necessary/possible.

Internal audits shall be performed at the discretion and by the Town Manager, Town Accountant, Finance Manager-Treasurer/Tax Collector, Select Board or Finance Committee.

Balanced Budget

The cost of operations of the Town will be funded on a fiscal basis by current revenues.

The Town shall have a goal of not deferring maintenance of capital equipment and facilities nor deferring the costs or recognition of the costs.

The Town will adopt a budget based on sound business practices which relate departmental performance to actual outcomes of established goals and objectives.

Financial Forecasting

A five-year financial projection model shall be prepared annually and jointly by the Town Accountant, Town Manager, Finance Manager-Treasurer/Tax Collector, Select Board, and Board of Assessors projecting revenues and expenditures for all operating funds.

Representatives of the aforementioned committees or their appointed representatives may participate in this work. This projection shall be a planning tool in developing the following year's operating budget and capital improvements plan. Revenue forecasts for property tax, local receipts and state aid shall be conservative, using generally accepted forecasting techniques and appropriate data. Revenue deficits will be avoided at all costs.

The five-year financial projection model will be presented to the public in an open forum prior to the beginning of the next fiscal year budget process.

The objective of the five-year projection model shall be to create a balanced budget forecasting out as many years as is practicable when considering various scenarios.

Town Budget Calendar

Each year beginning in July, the Executive Bi-Board shall develop a proposed Budget Calendar for the upcoming fiscal year, subject to review by the Finance Committee and approval by the Select Board. The Town Budget Calendar shall contain all major dates, deadlines, and events related to the Town Budget process. The Select Board shall finalize and approve the Budget Calendar no later than their first meeting in October.

Once approved by the Select Board, any changes to the Budget Calendar must be presented to the Select Board for review and approval. The Budget Calendar shall be distributed to all Town Departments by the Town Manager and is available on the Town's website or upon request from the Select Board Office.

General Fund Revenue

The Town shall estimate its annual revenues, in detail, by use of objective analysis. The assumptions and factors through which the estimates are derived will be clearly stated and explained. The Town employs a conservative and fiscally prudent historical analysis to estimating revenues.

One-time revenues will be used for capital improvements, additions to reserves or as legally restricted to a specific purpose.

The year-to-year increase of actual revenue from the property tax levy shall generally not exceed 2.5% pursuant to the limitations of M.G.L. Ch. 59 Sec. 21C.

- a. Excluding additional tax levy capacity resulting from the annual certification of new growth valuation.
- b. Excluding expenditure increases funded outside the tax limit cap.

Real and Personal Property valuations shall be reassessed and recertified per statute.

- a. The town is required to maintain property values at 100% of their full and fair cash valuation on an annual basis. Municipalities are audited (certified) by the Massachusetts DOR every 5 years to ensure that valuations remain in compliance with the Commissioner of Revenue's standards as they relate to the assessment level and uniformity. The town is also subject to DOR review and approval of assessed valuations for each of the 4 years between certifications through an interim year update of assessed valuations program.
- b. Given the significance of property taxes to both town government and taxpayers, the Town will provide support and resources for the Board of Assessors to properly assess property and to defend such assessments, if necessary, at the Appellate Tax Board.

The Finance Manager-Treasurer/Tax Collector will carefully and routinely monitor all amounts due the Town. A proactive policy of collection will be followed for all property tax receivables. The Town will strive to achieve a target of 98% tax collection rate by fiscal year. All collection activities by the Finance Manager-Treasurer/Tax Collector shall adhere to standard procedures jointly agreed to by the Town Accountant, Finance Manager-Treasurer/Tax Collector and Town Manager.

The Town will endeavor to review its fee structure every two years for services which fees are charged to assure that the full cost of providing the service or product is recovered.

The Town's Rate Review Committee will review the rates and fees of the Solid Waste Enterprise (Transfer Station); Water Enterprise; and Sewer Enterprise on an annual basis and make formal recommendations to the Select Board in a public forum(s).

The Town's Ambulance Enterprise Fund will be reviewed annually by the Fire Chief, Town Accountant, and Town Manager with any formal recommendations made to the Select Board in a public forum(s).

Residential and commercial/industrial/personal (CIP) tax rates are certified annually by the Massachusetts Commissioner of Revenue. Prior to tax rate certification, the Select Board is required to conduct a Tax Classification Public Hearing where the percentage of the tax burden borne by each class of property is determined through the Select Board's

adoption of a Residential Factor which is derived from a CIP shift percentage. Adoption of a factor of ‘1’ will result in a single tax rate for all classes of property, while the adoption of any factor other than “1” will establish two tax rates: a lower rate for residential taxpayers and higher rate for CIP taxpayers. The Residential Factor is a tool that can be used to equalize fluctuations in tax bills resulting from disproportionate changes in assessed valuations. For FY 2019, Ayer approved a residential factor based on a CIP shift percentage of 1.54. Since FY 2003, the town’s CIP shift percentage has ranged from a low of 1.445 to a high of 1.66. Approximately 30% of the cities and towns in Massachusetts have voted to establish a multiple tax rate structure.

Meals Tax: Taxes collected from the meals tax are general fund monies, per DOR. However, an amount equal to the annual estimated meals tax shall be used as the minimum annual funding of the OPEB account (Other Post-Employment Benefits Fund) pending approval by Town Meeting.

Cannabis Tax: Taxes collected from the Cannabis tax are general fund monies, per DOR. These funds will be reviewed, and a recommendation given by the Executive Bi-Board to use any available monies to fund one of the Town’s Stabilization Fund(s) pending approval by Town Meeting.

Tax Increment Financing Agreements (TIFs):

When a Tax Increment Financing (TIF) Agreement or Special Tax Assessment (STA) Agreement is presented to the Town of consideration; the said TIF or STA shall be reviewed by a committee consisting of the Town Manager; Assessing Administrator; Director of Economic Development; Finance Manager; and a member of the Finance Committee. The Committee shall have the authority to negotiate the terms of the TIF or STA subject to review and approval of the TIF or STA by the Select Board. Additionally, all TIF and STA agreements must be approved by Town Meeting.

No committee or board will issue a license or permit to any person or business entity that is delinquent or in arrears on taxes or town fees as detailed in M.G.L. Ch. 40 Sec 57.

Free Cash

According to the Division of Local Services, (DLS), “free cash” is a revenue source that results from the calculation, as of July 1, of a community’s remaining unrestricted funds from operations of the previous fiscal year, based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent amounts in departmental budget line items for the year just ending, plus unexpended free cash from

the previous year. Free cash is offset by property tax receivables and certain deficits; as a result, it can be a negative number.

Free cash plays a role in sustaining a strong credit rating, and the DOR encourages the adoption of policies on its use. As a non-recurring revenue source, a prudent use of free cash would be to fund one-time expenditures, a capital purpose, or to replenish other reserves, not for reoccurring operating expenses according to the DOR.

Free cash is not available for use until a balance sheet for the prior year is submitted by the accountant, auditor or comptroller and free cash is certified by the DOR. The use of free cash requires an appropriation approved by Town Meeting, but only after it is certified by the DOR.

Free cash is “a necessary component of sound local fiscal management” and “one indicator of fiscal health” that can positively affect bond ratings and reduce borrowing costs, according to the Division of Local Services.

Employee Compensation

The Town endeavors to compensate its employees at the prevailing market rate for wages and benefits. The change in salaries, wages and benefits from year to year shall not exceed that which can be sustained on an ongoing basis out of recurring revenues.

The Town Manager will make a Cost of Living Adjustment (COLA) recommendation for all non-union employees not covered by a Collective Bargaining agreement. The COLA recommendation shall also apply to all Elected Officials receiving a stipend as well as the Call Firefighters. The COLA recommendation is subject to review and approval by the Select Board for inclusion in the fiscal year omnibus budget to be reviewed and approved by Town Meeting. The resources used to make this recommendation include, but are not limited to:

- Consumer Price Index, Boston-Cambridge-Newton:
https://www.bls.gov/regions/new-england/news-release/consumerpriceindex_boston.htm
- Changing Compensation Costs in the Boston Metropolitan Area:
https://www.bls.gov/regions/new-england/news-release/employmentcostindex_boston.htm
- Consumer Price Index Information – Massachusetts:
<https://www.bls.gov/regions/new-england/massachusetts.htm>

- Consumer Price Index Information – Massachusetts, Leominster area resources: https://www.bls.gov/regions/new-england/ma_leominster_mn.htm
- The Massachusetts Municipal Personnel Administration COLA survey
- An analysis of the Town of Ayer Collective Bargaining Agreements

Funds

All current operating expenditures should be paid for with current operating revenues.

External borrowing will not be used to fund current operating expenditures.

As federal and state mandates come into effect over time, they often have associated costs; these costs can be substantial and subsequently should be shared over time.

Enterprise and other similar funds

- This type of fund should be established in such a way as to reasonably plan for and moderate the rate of cost increase to taxpayers. Should the need for such a fund be determined, if any existing funding currently used for the purpose of the new fund is part of the general fund, then that amount should first be reallocated to the new fund before any new fees are considered or created.
- Fees for the purpose of funding enterprise and other similar funds shall be established in such a way as to moderate the rate of cost increase for taxpayers.
- Rates and fees for sewer, water, transfer station, ambulance and other enterprise funds shall be reviewed annually with the goal to cover all direct, indirect and capital improvement costs of the systems.
- Capital improvements for sewer, water, solid waste (transfer station), ambulance and other enterprise funds shall be scheduled within the predictable revenue stream and scheduled to avoid major or unscheduled increases in rates.
- New funds shall comply with Massachusetts DOR regulations
- Enterprise Funds indirect cost: See Appendix A

Reserves

The Town will seek to adequately fund and maintain financial reserves such as the Stabilization Fund, Reserve Fund, and other such formally recognized reserve accounts in order to:

- a. Promote financial flexibility and stability
- b. To meet extraordinary and unforeseen events
- c. To have sufficient liquidity and cash flow to pay bills on time without the necessity of short-term borrowing

Reserve Fund and Reserve Fund Transfer(s)

The Town's Reserve Fund is in accordance with the provisions of MGL Chapter 40, Section 6 and is to be used only for extraordinary or unforeseen expenditures. In order to access the Reserve Fund, a Reserve Fund Transfer (RFT) form must be completed by the Town Department or Elected Official requesting the transfer.

The RFT Form requires the amount being requested; the account name and account number of which the funds will be transferred; the present balance in the account's budget; a written description of what the RFT will be used for; and a written explanation as to why the expense is extraordinary or unforeseen.

The RFT must be reviewed and approved by the Finance Committee in accordance with MGL Chapter 40, Section 6 and the Select Board.

The funding of the Reserve Fund shall be reviewed annually by the Finance Committee in consultation with the Town Manager and Finance Manager to determine an adequate level of funding for the Reserve Fund for inclusion in the fiscal year omnibus budget.

Stabilization

The Stabilization Fund will strive to have a minimum balance equal to 7% of the operating revenue for a given fiscal year. Stabilization should be funded to the maximum each year to maintain the 7% balance. The minimum funding for the Stabilization fund is 10% of the calculated fund balance or such an amount that maintains the stabilization fund at 7% of the operating budget in the same fiscal year budget.

Example - If the operating revenue is \$22M, the calculated minimum funding balance is \$1.54M. If the current fund balance is \$800,000, the funding will be \$740,000. The minimum that shall be funded is 10% of the \$1.54M or \$154,000

- a. A minimum of 10% of funds in Stabilization will be invested into Capital Stabilization.
- b. Use of the Stabilization Fund is regulated by state law. The use of the Stabilization Fund and Capital Stabilization Fund requires the authorization of Town Meeting by a two-thirds vote. If the town draws funds from Stabilization, it will implement a plan to replenish the balance in addition to the annual funding calculation.
- c. Stabilization and Capital Stabilization funds will be invested in interest bearing funds.

OPEB(Other Post-Employment Benefits)

The Town will plan to fund long term liabilities in such a fashion as to pay down long-term liabilities commensurate with the duration of the liability so as to reasonably share costs among taxpayers over time.

- a. Retirement Liabilities
The Town will follow recommended reporting and development of a funding structure for GASB Statement 75 regarding accounting for Other Post-Employment Benefits (primarily health insurance) to retired employees.
- b. The Town will fund the retirement of its current retired population as of GASB 75 actuarial report received every two years

The purpose of this policy is to establish guidelines for the management of the Town's Other Post-Employment Benefits (OPEB) liability within the context of the Town's long-term obligations to its retirees. The OPEB Liability Trust was initially established in 2012, with acceptance of Chapter 32B, section 20, of the M.G.L.s, which requires segregation of funds to address the Town's OPEB liability. The custodian of the OPEB Trust Fund is the Town Finance Manager-Treasurer/Tax Collector. The Town's OPEB Board of Trustees must consist of at least five members. One current Town of Ayer employee, elected by the current employees, one retired Town of Ayer employee elected by the retirees, and at least three additional members appointed by the Select Board. The board shall meet as needed to review the Town's OPEB Trust and make any formal recommendations to the Select Board. The Town utilizes the Pension Reserves Investment Management Board (PRIM) to invest funds that are designated towards the Town's OPEB liability.

The Town expects to contribute \$300,000 annually into an OPEB trust for the purpose of funding OPEB benefits. 100% of the meals tax will be used to fund OPEB and the remaining funding will come from the General Fund. In the event the Town is unable to fully fund the \$300,000 in any year with meals tax and/or General Fund monies, the Town will fund the OPEB contribution with budgetary savings previously allocated to the pension assessment. The Town's objective in funding an OPEB trust is to accumulate sufficient assets to fully finance the Town's accrued OPEB liability. In meeting this objective, the Town strives to provide intergenerational equity for taxpayers with respect to Town costs.

UDAG (Urban Development Action Grant)

The Town's UDAG (Urban Development Action Grant) Funds are under the direct authority of the Select Board. Though these funds are currently unrestricted, the Select Board shall only consider authorization of UDAG Funds upon recommendation of the Town Manager and Finance Manager for use toward one-time economic development or infrastructure needs of the Town which are extraordinary or unforeseen outside of the normal budget processes. Additionally, the Select Board shall authorize the use of UDAG Funds by a simple majority vote and subject to said funds being replenished with Free Cash by a future Town Meeting(s).

Reserve Fund for Future Payments of Accrued Liabilities for Compensated Balances

Established by the 2019 Annual Town Meeting, the Reserve Fund for Future Payments of Accrued Liabilities for Compensated Balances is in accordance with MGL Chapter 40, Section 13D for future payments of accrued liability for compensated absences owed to employees of the Town upon termination of their employment with the Town.

This Reserve Fund is intended for use when an employee terminates employment with the Town for retirement, or other reasons, when the termination is unforeseen prior to the annual budget process and when the Department Budget is not able to support payment of compensated balances owed to the employee.

Use of this Reserve Fund is authorized with a written recommendation from the Town Finance Manager/Accountant with the approval of the Town Manager.

It is recommended that this Reserve Fund maintain a balance of at least \$50,000. Contributions to this Reserve Fund will be considered during the annual budget process by written request from the Town Finance Manager-Treasurer/Tax Collector and subject to approval by Town Meeting.

Capital Planning

A. Composition

The Ayer Capital Planning Committee (ACPC) will consist of 1 member of the Select Board (who will act as Chair); 1 member of the Finance Committee; the Town Manager; the Finance Manager and 5 or fewer (in an odd number) citizens.

B. Mission Statement

The broad vision of the ACPC shall be to:

- Provide a format under which the town's current and future capital needs can be managed given due consideration to the fiscal realities facing the Town of Ayer.
- Make recommendations to the Select Board regarding town-wide issues that could/should be addressed to better our bond rating.
- Remain mindful of the effect that any of their recommendations would have on the tax rate in the Town of Ayer.
- Weigh the effects of each decision on the quality of life in the town.

Through this format, the ACPC shall provide the Select Board, and ultimately the voters at Town Meeting, with information to inform them about the capital needs of the town. Moreover, the ACPC shall demonstrate to the Select Board, and ultimately to the voters at Town Meeting, that it has developed a long-term capital debt management plan that has as its sole purpose the provision of a cost effective and cost-efficient system of budgeting for the repair, replacement, and enhancement of the Town's capital asset base.

Capital planning is an integral component of our budgeting responsibility for the Town of Ayer. The Town must remain cognizant of our capital infrastructure needs and plan for them accordingly. The focus on this mission will only positively impact our Town's capital asset base, and it will also favorably impact Ayer's ability to have stable and predictable operating and capital budgets.

When financial times are good, and even when financial times are difficult, we must continue to keep focused on this issue. It is our obligation to provide for the effective and efficient management of our capital resources not only for this generation, but the next.

C. Charge

1. Five Year Capital Expense Requests- To request/require an annual rolling five-year capital expense request package from each department including all necessary and appropriate backup materials and justifications.

The ACPC shall establish a firm schedule for the submission and review of said rolling five-year capital expense request packages that will allow sufficient time to review the requests and make recommendations to the Finance Committee and the Select Board in time for the Select Board to consider the recommendations for annual town meeting. Larger capital expenditures, greater than \$1M, need to be presented in a longer 10-year plan. Capital Requests shall be submitted to the Town Manager using the appropriate forms provided by the Town Manager.

Capital Expense: A Capital Expense is an asset with an initial, individual cost or in certain cases a cumulative cost of more than \$10,000 and an estimated useful life in excess of two years.

The Capital Planning Committee shall receive projected estimated maintenance costs going forward from department heads. Maintenance of each capital asset shall be assigned to a department head or Facilities Manager who will be responsible for ensuring maintenance is carried out according to the plan.

2. Non-Exempt or Regular Debt- To review each department's non-exempt or regular debt requests and to make a recommendation to the Select Board regarding which non-exempt or regular debt articles, if any, should be considered for inclusion in the annual omnibus budget, keeping in mind the following:

2.1 The debt-service expenditures should be limited to 8% of the omnibus operating budget. To maintain this benchmark, the Town should schedule future debt service to coincide with maturing debt service.

3. Exempt or Debt Exclusion Debt- To review each department's exempt or debt exclusion debt request(s) and to make a recommendation to the Select Board regarding which exempt, or debt exclusion debt articles should be considered, if any, for inclusion on the annual town election ballot and annual town meeting warrant for voter consideration, but subject to the following conditions:

3.1 Any vote to fund exempts or debt exclusion debt articles shall have the net effect of increasing the town's levy limit by the amount of the debt for the life of the debt. This will have a net effect of increasing property taxes and increasing citizen's tax bills.

3.2 Therefore, with any recommendation for consideration of an exempt or debt exclusion capital article, the ACPC shall be required to present to the Select Board a detailed accounting of the effect that passage of such an article would have on the town's tax rate and the effect it would have on an average tax bill in the town of Ayer.

The recommendations of the ACPC are intended to be advisory in nature and shall not be binding on the Select Board.

Capital Finance

The Capital Planning Committee will decide the type of funding to pursue for each capital improvement and recommend this method to the Finance Committee and Board of Selectmen for incorporation in the annual budget.

Each request will be funded in one of three categories:

1. Non-exempt or regular debt – Articles with an expense less than \$500,000 which may be considered non-exempt or regular debt and shall be funded through the operating budget.
2. Exempt or Debt Exclusion Debt – Articles with an expense equal to or greater than \$500,000 with no direct funding source, shall be considered exempt or debt exclusion and shall be funded through debt exclusion overrides votes.
3. Capital Exclusion - Shall be funded through a one-time annual tax rate increase for the fiscal year.

Investment Policy

The primary purpose of this Investment Policy Statement (IPS) is to provide a clear understanding regarding the Town of Ayer's long-term Funds and general fund objectives, goals, risk tolerance, and investment guidelines established for the investment of town funds. The Finance Manager-Treasurer/Tax Collector will follow the investment policy as adopted by the Town of Ayer.

The Government Accounting Standards Board recommends the disclosure of key policies affecting cash deposits and other long-term investments, to ensure they are managed prudently and are not subject to extraordinary risks.

When assessing municipalities for credit quality, rating agencies look for investment management policies that address selection of financial institutions for services and transactions, risk assessment, investment objectives, investment maturities and volatility, portfolio diversification, safekeeping and custody, and investment performance reporting, benchmarking, and disclosure.

The Finance Manager-Treasurer/Tax Collector shall develop the appropriate procedures to assure liquidity, security, and a rate of return on Town assets. The Finance Manager-

Treasurer/Tax Collector will also regularly monitor statutory changes governing investments and offer any policy amendments. The Finance Manager-Treasurer/Tax Collector will submit a report of investments as requested to the Select Board and Town Manager.

The investment policy can be found on the Towns website at:

www.ayer.ma.us/treasurertax-collector

References to Investment Policy:

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter44/Section54>

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter44/Section55>

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter44/Section55A>

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter44/Section55B>

Water and Sewer Shut-off Policy

All Water and Sewer Bills are due by the due date printed on the bill.

On the 31st day after the due date, the first late notification letter will be issued. When this notice is received, the customer must either pay the entire amount due or schedule payment arrangements.

The second notification is issued 15 days after the first late notification (45 days overdue). It warns that water and sewer services may be shut off if the bill is not paid. Tenants of rental property will also be notified so that they may act in accordance with Massachusetts Tenants Rights.

The third and final notification will be sent via certified mail after the bill is 60 days overdue. It warns that water and sewer services will be shut off if payment is not received by the specified date. In addition, a brightly colored notice will be placed on the customer's door or other easily visible location with a date and time of the termination of water service.

If payment is not received in full or a payment plan arranged with the Department of Public Works, the DPW Director, the Town Manager and the Board of Health will be notified regarding the termination of water service.

Water service termination and renewal will only occur during DPW business hours, 7:30 AM to 3:30 PM, Monday through Thursday. Water service renewal will be done after normal working hours for emergency situations authorized by the Director.

Payment to Avoid Termination - In order to forestall termination of service to a delinquent account, payment following the issuance of a Final Notice shall be made either in cash (exact amount), money order or by a certified or a bank cashier's check. A person making a payment in person to forestall termination shall be referred to the Ayer DPW Office. Upon receipt of payment, the designated representative shall issue a stop termination order and present the individual with a receipt.

Payment after Termination - A customer seeking restoration of water service after termination due to the customer's non-payment of charges must pay the past due balance on the account as well as a water service turn-on fee. Payment must be in cash (exact amount), money order or by a certified or bank cashier's check. Customers may make arrangements with the Town to pay the past due balance over time.

Collection Agreements - A customer who cannot pay the full amount due the Town for charges may be permitted to enter into a collection agreement with the Town. Customers shall be required to sign the agreement which will be furnished by the Town. The agreement will detail all the conditions that are required to prevent termination. Failure to adhere to the collection agreement will result in termination of the customer's water service.

Sending water and sewer delinquencies to lien against real estate taxes, shall not be used as a regular method for collections. There are Special Provisions against shut offs related to illness and personal safety, families with infants and elderly households. The DPW and Board of Health have information available regarding these provisions. Customers may appeal the shut off to the Select Board.

Procurement Policies

The Town of Ayer is legally required to conform and comply with all applicable federal, state or local purchasing and procurement laws including M.G.L. Chapter 30B (the Uniform Procurement Act) for the purpose of ensuring that all contracts, purchase orders, and invoices entered into by the Town of Ayer are in compliance with all applicable local, state, and federal law, including M.G.L. Chapter 30B (the Uniform Procurement Act). In accordance with the provisions of this Act, the Town's Chief Procurement Officer is the Town Manager who shall oversee the procurement function in conformity with relevant statutes.

Procurement Requirements

Subject to the approval of the Town Manager (Chief Procurement Officer), Department Heads and Budget Managers shall have the discretion to make purchases under \$10,000

using sound business practices. Department Heads/Budget Managers should solicit price lists and quotations from competing vendors on a regular basis to make sure the Town is getting favorable prices for all purchases.

The Town Manager (Chief Procurement Officer) shall oversee procurements of Goods and Services, pursuant to M.G.L. chapter 30B for purchases over \$10,000. For each such procurement, it shall be the responsibility of the requesting Department Head/Budget Manager to:

- a. Prepare a written description which includes all purchase requirements.
- b. Obtain written price quotations on said written description form no less than three (3) competing vendors, which quotations shall be summarized on a form prescribed by the Town Manager
- c. Obtain the written approval of the Town Manager (Chief Procurement Officer) thereon to award the contract to the lowest responsible bidder. The term "lowest responsible and eligible bidder" means the bidder whose bid is of the lowest of those bidders possessing the skill, ability and integrity necessary to faithful performance of the work.

For procurements over \$50,000 that fall under the jurisdiction of M.G.L. chapter. 149 or M.G.L. chapter. 30 §39M shall be overseen by the relevant Department Head and/or Town Manager. The Select Board shall sign all notices of award and contracts for these procurements.

3. All procurements over \$50,000 shall be made by the Town Manager (Chief Procurement Officer) and/or relevant Department Head with the requesting Department Head on the basis of an Invitation for Bids (IFB) or Request For Proposal (RFP), as set forth in M.G.L. Chapter 30B, M.G.L. chapter 149 or M.G. L. chapter 30§39M.

Execution of Contracts

All contracts of \$10,000 or more shall be in writing and shall be executed by the Town Manager (Chief Procurement Officer).

Unless authorized by a majority vote by Town Meeting, the Town may not solicit or award a contract for a term greater than five years, including renewals, extensions or options.

The Town Accountant shall be provided with and shall maintain a copy of every contract executed by the Select Board, Town Manager or authorized awarding authority. The Town

Accountant shall be responsible for verifying that all legal requirements for a procurement have been met prior to issuing payment.

Disposal of Surplus Town Owned Property/Supplies

Any Board or Officer in charge of a department of the Town may, with the approval of the Town Manager, for property having an aggregate value of less than \$10,000 may transfer to another Town Department or transfer by sale any personal property within the possession or control of the department which has become obsolete or is not required for further use by the department or any other department.

For supplies with a resale or salvage value of \$10,000 or more, the Town will use one of the alternate methods of sale: (1) sealed bids, or (2) public auction. The Town will also post notice indicating the supply offered for sale, the location and method for inspection of the supply, the terms and conditions of the sale including the place, date, and time for the bid opening or auction, and a statement that the Town retains the right to reject any and all bids. The Town will post this notice in accordance with M.G.L chapter 30B

Long Term Debt

Long Term Debt will only be used to finance capital improvements and projects. The Town will retire principal long-term debt for any particular project in a period of time which is equal to or less than the useful life of the improvement or project. The Town will not use long-term debt to fund any portion of its current operations.

In considering and scheduling the issuance of new long-term debt the Town will seek to maintain annual principal and interest payments, net of reimbursements or dedicated revenue sources, at levels which can be sustained.

Total debt payments within the town budget may not exceed 5% of the overall omnibus budget.

Information Technology Acquisition Policy

The purpose of the Town of Ayer's Information Technology Acquisition Policy is to facilitate and ensure that all Town Departments are acquiring, purchasing, procuring, operating, and disposing of all information technology hardware and software in a legal, efficient, secure, eco-friendly, and financially responsible manner with the goal of maximizing the taxpayers' funding of all Town information technology.

The Town of Ayer Information Technology Acquisition Policy covers all Boards, Commissions, Committees, Departments, Elected Officials and Employees of the Town of

Ayer. The Information Technology Acquisition Policy does not supersede and/or substitute any pertinent Federal and/or State Law.

Exempt from Policy: Due to the unique legal and security requirements of the Ayer Police Department, the Ayer Police Department is exempt from the Information Technology Acquisition Policy.

Administration of the Information Technology Acquisition Policy

The IT Director, under the direction of the Town Manager, is ultimately responsible for the administration and implementation of the Information Technology Acquisition Policy.

The Information Technology Acquisition Policy may be amended by the Ayer Select Board upon recommendation by the Town Manager in consultation with the Town's IT Director and/or IT Committee.

Definition of Information Technology

For the purposes of this policy, Information Technology (IT) includes but is not limited to the following:

- IT Hardware to include (but not limited to): CPUs; Monitors; Printers; Scanners; Faxes; Laptops; iPads; Cell Phones; Mice; Keyboards; Projectors; Servers; Tablets; Flash drives; external hard drives and other data storage devices; and/or other devices.
- IT Software to include (but not limited to): Operating System Software; Anti-virus Software; Security Software; Programs; Web-Site Software; Face Book Software; and/or other software.

Acquisition of IT Hardware and/or Software

The acquisition of all IT Hardware and/or Software by any Town entity covered under the Scope of this policy shall be in accordance with M.G.L. Chapter 30B (State Purchasing/Procurement Law) and/or Sound Business Practices.

Any and all IT Hardware and/or Software acquisitions must first be requested in consultation with the IT Director. The IT Director has the authority to approve/revise/decline any IT Hardware and/or Software acquisition which is not in the best interests of the Town of Ayer.

Any and all IT Hardware and/or Software acquisitions must be signed off on by the IT Director and the Town Manager PRIOR to submission to the Town's Accounting Office.

No IT Hardware and/or Software acquisitions will be processed by the Town's Accounting Office until proper authorization from the IT Director and Town Manager.

Upon acquisition of any and all IT Hardware and/or Software, the IT Director is authorized to ensure the proper installation and use of said hardware and/or software.

Any and all IT Hardware and/or Software acquired by the Town of Ayer are the sole property of the Town of Ayer. Each respective Town user is required to use the IT Hardware and/or Software for Town purposes only and in accordance with the manufacturer's specifications and uses.

Enforcement

Any and all IT Hardware and/or Software acquired without adhering to this policy will be deemed invalid and will be sent back with all return fees; shipping fees; and/or restocking fees charged to the offending entity (Department; Board; Commission; Committee, etc.)

Disposal of all IT Hardware and/or Software

The disposal of any and all IT Hardware and/or Software shall follow M.G.L. Chapter 30B. Any disposals must be submitted in writing to the IT Director for review and authorization. The Town Manager (Procurement Officer) must also review and authorize the disposal of any and all IT Hardware and/or Software.

Disposal shall be done in a legal, responsible, secure, eco-friendly manner with any disposal costs/fees being charged to The Town disposing of the IT Hardware and/or Software.

Disposed IT Hardware and/or Software under no circumstances shall be given to any Town Employee and/or the Public.

Signatures

Select Board

Meeting Approval Date _____

Scott A. Houde, Chair

Jannice L. Livingston, Vice Chair

Shaun C. Copeland, Clerk

Finance Committee

Meeting Approval Date _____

Kurt Fraczkowski, Chair

Sebastian Cordoba, Vice Chair

Andrew Sealey, Clerk

Jin Hong

Town of Ayer Appointed Officials

Robert Pontbriand, Town Manager

Kerry Cooper, Town Accountant

Barbara Tierney, Finance Manager-Treasurer/Tax Collector

APPENDIX A – ENTERPRISE POLICY

The purpose of this policy is to establish written guidelines and documentation as to how indirect costs are allocated to the various town-established enterprise funds.

Water/Sewer/Solid Waste Funds

Employee Benefits

- County Retirement – Estimate is based on the percent of total budgeted wages (exclusive of overtime) for each fund versus the total wages subject to retirement per the Finance Manager-Treasurer/Tax Collector’s retirement reports times the budgeted annual county retirement assessment.
- Unemployment Compensation –Is self-funded. An amount will be budgeted annually based on prior year claims. This line item will be subject to a possible reserve fund transfer. FICA Medicare – Estimate is based on total budgeted wages, including overtime, for each fund times the FICA Medicare rate. (The rate is and has been 1.45%)
- Health Insurance – Estimate based on specific employee coverage for direct staff of enterprise fund. The employer share of each employee’s coverage is estimated using the known premium increase for the period 7/1 to 4/30. For 5/1 to 6/30 the premiums are estimated based on past actual percent increases. In addition, any HRA/FSA employer costs are prorated by employee and health insurance buyout costs are estimated based on actual costs related to the employee.
- Workers Compensation – Estimate is based on the premium breakout by fund divided by the total town premium (breakout provided by the insurance agent/provider) times the premium increase anticipated for the year.

Shared Employees

DPW Administrative Staff and Mechanic wages are allocated based on the number of departments within the public works. There have been five departments (Administrative, Highway, Water, Sewer and solid Waste). Therefore, the water, sewer and solid waste funds are each allocated 20% of the DPW administrative staff and the mechanic wages only.

Shared Expenses

DPW Fuel – The Fuel budget (net of estimates for usage of other town departments, such as Police, Fire, Parks) is also charged to each fund based on the number of departments in the public works; currently 20%.

Other Expenses

Property & Liability Insurance- allocated using same method as Workers Compensation.

Administrative Expenses

Since 2010 the Town has charged a portion of the Accountant's and Finance Manager-Treasurer/Tax Collector's budgets to the water, sewer and solid waste enterprise funds. The amount allocated is based on the percent of operating expenses budgeted to each fund to the total operating costs of all funds (including other enterprise funds and the general fund).

Ambulance Fund

Shared Employees

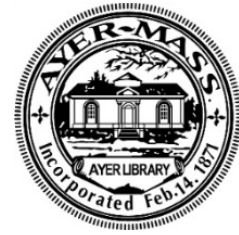
The Ambulance Fund has no direct employees. Rather the operations of the Ambulance Fund are a function of the Fire Department. The Fire Department staff is therefore considered "shared employees". The full-time firefighters generally respond to medical calls; the Chief and his part-time secretary are responsible for the administration of the Ambulance Fund. The Fire Chief estimates the percent of time spent by him and his staff on Ambulance related matters. Firefighters work 24-hour shifts and the Chief estimates approximately 6 hours of each 24-hour shift, or 25% of firefighter pay relates to the Ambulance Fund. Likewise, the Chief estimates that he and the Fire Prevention Officer spend approximately 6 hours each during their 40-hour week, or 15% of their time on Ambulance related issues; and that his part-time secretary spends about 33% of her time on the same. The percentages are reviewed by the Chief on an annual basis and are applied to the total budgeted wages to estimate the amount allocated to the fund.

Shared Expenses

- Utilities and Building Maintenance – The Chief estimated that approximately 9% of the Fire Station square footage is related to the Ambulance Fund. Total amounts budgeted specifically for Fire Department heat, electricity and building maintenance are multiplied by 9% to estimate the amount charged to the Ambulance Fund
- Fuel – Fuel is estimated based on the actual gallons used in the prior year (recorded and provided by the Chief) times the average annual cost per gallon (from prior year's actual invoices).

Administrative Expenses

A share of the Accountant's and Finance Manager-Treasurer/Tax Collector's cost is allocated to the Ambulance Fund in the same manner as for the water, sewer and solid waste enterprise funds as indicated above.



**Town of Ayer
Ayer Select Board
Ayer Town Hall – 1st Floor Meeting Room
Ayer, MA 01432**

Broadcast and Recorded by APAC

November 21, 2023
Open Session Meeting Minutes

SB Present: Jannice L. Livingston, Vice-Chair; Shaun C. Copeland, Clerk

SB Absent: Scott A. Houde, Chair

Also Present: Robert A. Pontbriand, Town Manager
Carly M. Antonellis, Assistant Town Manager

Call to Order: J. Livingston called the meeting to order at 6:01 PM. J. Livingston further stated that this meeting/hearing of the Ayer Select Board (SB) will be held in-person at the location provided on this notice. Members of the public are welcome to attend this in-person meeting. Please note that while an option for remote attendance and/or participation via Zoom is being provided as a courtesy to the public, the meeting/hearing will not be suspended or terminated if technological problems interrupt the virtual broadcast, unless otherwise required by law. Members of the public with particular interest in a specific item on this agenda should make plans for in-person vs. virtual attendance accordingly. This meeting will be live on Zoom and Channel 8. The public may access the proceedings by joining Zoom (Meeting ID# 897 9080 0793) or by calling (929-205-6099).

Pledge of Allegiance: Select Board members and meeting attendees stood and recited the Pledge of Allegiance.

Approval of Meeting Agenda:

Motion: A motion was made by S. Copeland and seconded by J. Livingston to approve the meeting agenda. **Motion passed 2-0.**

Announcements: J. Livingston announced that the Downtown Candlelight Stroll & Tree Lighting will be held on Saturday December 3, 2023 at 5:00 PM and that the winter parking ban will be in effect from November 15 through April 15. This parking ban prohibits parking any motor vehicle on any street or sidewalk in the town of Ayer between the hours of 12:00 AM and 6:00 AM.

Public Input: None

Request for Reimbursement for Sewer Connection Fee - 236 Snake Hill Road: Mark Fermanian, 234 Snake Hill Road, was in attendance concerning a sewer connection fee at 236 Snake Hill Road, a property he also owns. He stated that 30 years he paid \$500 to have the sewer connection stubbed to his property. He never made a connection to the house. The cost for him to connect the house to the system last month was \$6,100. He does not feel like he should have to pay that fee, as he already paid 30 years ago. DPW Director Dan Van Schalkwyk stated that he could see in the DPW records that the line was stubbed to the property, but there was no record of payment because it was so long ago. M. Fermanian checked with his bank, and they don't have check records going back that far. J. Livingston stated that for conversation, she was throwing out reimbursing half of the costs. S. Copeland stated he would be in favor of a full reimbursement. J. Livingston suggested tabling the item until the next

meeting because S. Houde was not in attendance. M. Fermanian agreed. Mr. Fermanian brought up his concern with parking spaces on Main Street. J. Livingston stated that the Town would look into it.

Dr. Adam Renda, Superintendent, Ayer Shirley Regional School District - Presentation on Federal Entitlement Grants:

Dr. Adam Renda, Superintendent and Charlie Caliri, Assistant Superintendent joined the SB to discuss federal entitlement grants. C. Caliri stated that over the past 5 years, federal grants have decreased by 43% and they are anticipating they will continue to do so. The federal grants help prepare students for their careers or going to college, and they are all focused on innovative solutions. The Title I grant (which is tied to all other grants) will be reduced. Lura A. White in Shirley is losing their eligibility to access certain Title I grants. Dr. Renda and C. Caliri presented this information to the School Committee, who suggested that it be presented to both schools. During COVID-19, grants known as ESSER grants were developed by the federal government to provide funding for materials, such as PPE and staffing. The grant funding is not available after 2024. C. Caliri noted that Town assessments from FY '22 – FY '24 were lower than the average from FY '18 – FY '21 because they were able to leverage the federal funding. The grants allowed the School District to hire additional personnel to assist with the social/emotional well-being of students.

J. Livingston asked how the board could assist. Dr. Renda stated that he'll be presenting two versions of the budget, one with and without the federal grant funding, and asked that the Select Board consider a higher assessment due to the loss of federal funds. S. Copeland asked what census figures were being used. C. Caliri stated 2020 figures.

Pauline Conley, 40 Cambridge Street asked started to ask a question but was having microphone/sound issues.

Bridgette Lawhorn, from Waltham, asked if the school district was still buying PPE. C. Caliri said no. She is suggesting that people volunteer if positions needed to be eliminated. J. Livingston asked if she was a reporter. B. Lawhorn stated no and that she attends events in Ayer. J. Livingston stated that the Board is not used to having out-of-town people attend meetings.

R. Pontbriand asked if they have calculated the total financial impact. Dr. Renda stated that those calculations had begun. R. Pontbriand stated it would be helpful to have a dollar figure for the maximum exposure for losing the grant funding. Dr. Renda stated that many districts rely on grant funding and that when those grants are cut the impact can be a big number in one year. They are looking to spread the financial impact over three years. R. Pontbriand is suggesting that both Towns and the School District meet sooner rather than later to ensure a successful transition.

Barbara Tierney, Finance Manager, asked if the positions funded by the grant were new positions? Dr. Renda stated yes. J. Livingston asked if the state was helping. Dr. Renda stated that the District has reached out to DESE and the legislative delegation.

Joyce Reischutz, from Shirley and a member of the Ayer Shirley Regional School Committee stated that the School Committee felt it was important to present this information to the Towns sooner rather than later. J. Livingston agreed and asked that the Select Board be provided with an update prior to the February 2024 budget presentation.

Dan Van Schalkwyk, Director, Department of Public Works - Recognition of Water Foreman Greg Cormier – MWWA 2023 Pride Award:

D. Van Schalkwyk was joined by Water and Sewer Superintendent Kimberly Abraham. K. Abraham recognized Grege Cormier, Water Foreman for recently receiving the Massachusetts Waterworks Association Pride Award. Mr. Cormier was not in attendance. Board members thanked Mr. Cormier for his hard work and dedication to the Town.

Water Supply Update – K. Abraham stated that water production continues to face challenges meeting demand. During the months of October and early November, the treatment facilities did not rest for more than a few hours on 3 of the 4 weekends; additionally, the tanks were not filled on the same three weekends. She also reported that the fall flushing did not take place due to water availability. Prowler Water performed leak detection service throughout the Town and found 6 potential leaks in the system, but all were minor. They are not recommending any changes to the existing water use restrictions. J. Livingston asked about putting a moratorium on building permits until the problem is resolved. D. Van Schalkwyk stated that the Town has been working with the larger users in the system to curb production, which is more impactful than stunting development growth.

Sewer Reevaluation of Local Limits Report - D. Van Schalkwyk and K. Abraham were joined remotely by Paula Boyle from Hoyle and Tanner to present a report on the reevaluation of the limits of the sewer system. The DRAFT report is online in the Select Board's meeting packet and on the Wastewater page. The Town is required to complete a reevaluation of the existing Maximum Allowable Headworks Loading (MAHL) and subsequently the Maximum Allowable Industrial Loading (MAIL) for various pollutants of concern. This reassessment was done by Hoyle, Tanner & Associates Inc. The draft report is before the Select Board for discussion and approval for submission to the US EPA and MA DEP.

Motion: A motion was made by S. Copeland and seconded by J. Livingston to accept the DRAFT *Reevaluation of Local Limits*, October 2023 and approve the submission of the report to the US EPA and MA DEP. **Motion passed 2-0.**

Town Manager's Report - Administrative Update/Review of Warrants: R. Pontbriand provided a brief Administrative Update to the Select Board on the various activities, initiatives, and projects of the Town since the Select Board last met and referenced the Town Warrants that are in the Select Board's packet that he has approved. He advised that the main focus right now is the beginning of the FY 2025 Budget formulation process which he will speak about later on in the report.

MIIA Health Trust Documents for Signature - R. Pontbriand referenced the MIIA Health Trust Documents in the Board packet and recommended that the Board vote to approve and sign the MIIA Health Trust Documents. The Town's Insurance Advisory Committee previously recommended to the Select Board that the Town leave the Minuteman Nashoba Health Group and join MIIA, which the SB authorized. The Town notified the Minuteman Nashoba Health Group well in advance of the deadline of December 1, 2023. He advised that Town Counsel has reviewed and approved the MIIA Health Trust Documents to legal form. He also advised that since the Select Board last met several other Towns have indicated their intention to leave the Minuteman Nashoba Health Group which has resulted in the Group starting discussions about dissolving.

Motion: A motion was made by S. Copeland and seconded by J. Livingston to approve the MIIA Health Trust Documents for signature by the Select Board. **Motion passed 2-0.**

FY 2025 Budget Process Update – R. Pontbriand advised that all FY 2025 Budget related information and documents will be posted at ayer.ma.us/budget on the Town's website and is also available upon request. The Capital Planning Committee had its first meeting on November 9 and met with the Fire Department on November 16. The Committee will next meet on November 30 with the DPW. All FY 2025 Capital Plans can be found on the Budget Page on the Town's website as well as on the Capital planning Committee's webpage on the Town's website. He advised that the Town's Tax Classification Hearing will take place on December 5, 2023 at 6pm as part of the Select Board meeting. He advised that the FY 2025 Budget Directive is scheduled to be issued to all Town Departments on December 1, 2023.

New Business/Select Board Member Questions: None

Approval of Meeting Minutes:

Motion: A motion was made by S. Copeland and seconded by J. Livingston to approve the meeting minutes from November 7, 2023. **Motion passed 2-0.**

Adjournment:

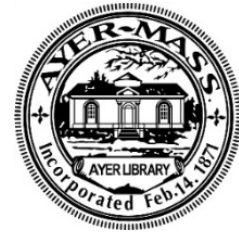
Motion: A motion was made by S. Copeland and seconded by J. Livingston to adjourn at 7:01 PM. **Motion passed 2-0.**

Minutes Recorded and Submitted by Carly M. Antonellis, Assistant Town Manager

Date Minutes Approved by SB: _____

Signature Indicating Approval: _____

DRAFT



**Town of Ayer
Ayer Select Board
Ayer Town Hall – 1st Floor Meeting Room
Ayer, MA 01432**

Broadcast and Recorded by APAC

December 5, 2023
Open Session Meeting Minutes

SB Present: Scott A. Houde, Chair; Jannice L. Livingston, Vice-Chair; Shaun C. Copeland, Clerk

Also Present: Robert A. Pontbriand, Town Manager
Carly M. Antonellis, Assistant Town Manager

Call to Order: S. Houde called the meeting to order at 6:00 PM. S. Houde further stated that this meeting/hearing of the Ayer Select Board (SB) will be held in-person at the location provided on this notice. Members of the public are welcome to attend this in-person meeting. Please note that while an option for remote attendance and/or participation via Zoom is being provided as a courtesy to the public, the meeting/hearing will not be suspended or terminated if technological problems interrupt the virtual broadcast, unless otherwise required by law. Members of the public with particular interest in a specific item on this agenda should make plans for in-person vs. virtual attendance accordingly. This meeting will be live on Zoom and Channel 8. The public may access the proceedings by joining Zoom (Meeting ID# 897 9080 0793) or by calling (929-205-6099).

Pledge of Allegiance: Select Board members and meeting attendees stood and recited the Pledge of Allegiance.

Approval of Meeting Agenda:

Motion: A motion was made by S. Copeland and seconded by J. Livingston to approve the meeting agenda. **Motion passed 3-0.**

Announcements: None

Public Input: None

Request for Reimbursement for Sewer Connection Fee - 236 Snake Hill Road: Mark Fermanian joined the Select Board. J. Livingston provided a brief recap of this tabled item from the last Select Board meeting. Mr. Fermanian, thirty years ago, paid \$500 to connect his property to the Town's sewer. The sewer line was stubbed to the property, but never connected to the house. Mr. Fermanian has no proof of payment, nor does the Town. He recently paid \$6,100 to connect to the Town's sewer. He is requesting reimbursement in the amount of \$5,600 because he paid the \$500 connection fee about thirty years ago. M. Fermanian said the only proof he has is that the line was stubbed to the property and the Town would not have done that without payment. S. Houde asked DPW Director Dan Van Schalkwyk to explain the connection fee. D. Van Schalkwyk stated that the connection fee is for the ability to "join the club" and be able to discharge into the Town's system. S. Houde asked if there was a deadline given to homeowners, thirty years ago, to connect to the system. Neither M. Fermanian nor did D. Van Schalkwyk had an answer. J. Livingston stated that at the last meeting D. Van Schalkwyk brought up his concern with setting a precedent. She also said that at the last meeting, she brought up the idea of reimbursing him half the costs. S. Copeland stated he was still in favor of a full refund. S. Houde stated that he was in favor of making a partial refund.

Pauline Conley, 40 Cambridge Street, former Select Board member, stated she had no recollection of a deadline associated with connecting. She is recommending that the current Select Board speak with prior Select Board members.

S. Houde asked to look at the records to see what houses had not yet connected in that neighborhood. There was additional discussion.

Motion: A motion was made by J. Livingston and seconded by S. Copeland to reimburse M. Fermanian \$3,000 for the sewer connection fee. **Motion passed 3-0.**

Public Hearing - FY 2024 Tax Classification Hearing: S. Copeland opened the public hearing at 6:05 PM. Lynda McQuade, Assessing Administrator gave a presentation (contained in Select Board meeting packet) stating that the purpose of the tax classification hearing is to adopt a residential factor which will determine the percentage share of the tax burden to be allocated to each class of property. Finance Manager Barbara Tierney was also in attendance. The Tax Rate Formula is the Tax Levy/Real & Personal Property Total Value. L. McQuade presented four items as it relates to the FY' 24 tax rate, pursuant to MGL c.40 §56: 1) open space discount, 2) residential exemption 3) small commercial exemption 4) and the adoption of a residential factor. She noted that in FY '24 72% of the total valuation was residential, and 28% Commercial Industrial, Personal Property. L. McQuade also highlighted that the FY '24 excess levy capacity is \$3,841,619. The Board of Assessor's are recommending a 1.66 or 1.63 CIP shift factor. J. Livingston asked for clarification on the single tax rate vs. the split tax rate.

There was no public input.

Motion: A motion was made by S. Copeland and seconded by J. Livingston to not adopt the open space discount. **Motion passed 3-0.**

Motion: A motion was made by S. Copeland and seconded by J. Livingston to not adopt the residential exemption. **Motion passed 3-0.**

Motion: A motion was made by S. Copeland and seconded by J. Livingston to not adopt the small commercial exemption. **Motion passed 3-0.**

Motion: A motion was made by J. Livingston and seconded by S. Copeland to adopt a CIP Shift Factor of 1.66 and Residential Factor of .7427 for FY 2024. **Motion passed 3-0.**

Motion: A motion was made by S. Copeland and seconded by J. Livingston to close the Public Hearing at 6:34 PM. **Motion passed 3-0.**

2024 License Renewals: C. Antonellis presented the 2023 License renewal list for the Board's consideration. She is recommending approval of all licenses with the provision that no license be released until paid in full and all requirements are fulfilled pursuant to local bylaw Chapter 185 and various state requirements.

<u>Business Name</u>	<u>Business Address</u>	<u>Map and Parcel</u>	<u>License Type</u>
Toreku Tractor & Equipment, Inc.	4 Littleton Road	35-9	Class 1
Gervais Inc.	5 Littleton Road	35-24/25	Class 1
JP Rivard Trailer Sales, Inc.	15 Westford Road	23-16	Class 1
J.C. Madigan, Inc.	8 Shaker Road	43-4 & 43-7	Class 2
Terranova Auto Body	40 Littleton Road	35-15	Class 2
Smart Auto Sales, Inc.	42 Littleton Road	35-16	Class 2
Broadway Motoring, Inc.	77 Fitchburg Road	11-16	Class 2

Power of Honesty, Inc.	179 West Main Street	32-22	Class 2
Ayer Auto Repair, LLC.	85-87 Central Avenue	27-106/107	Class 2
Turbo Lube	21 Fitchburg Road	11-50	Class 2
Harry Schwartz & Sons, Inc.	20 Sandy Pond Road	28-86	Class 3
Subway	1 Mill Street	26-82	CV
Devens Pizza & Deli	210 West Main Street	32-30	CV
McDonald's Restaurant	2 Sandy Pond Road	35-4	CV
Wendy's Restaurant	2 Barnum Road	35-17	CV
Woo Jung Restaurant	174 West Main Street	32-40	CV
Verona Pizza & Seafood	18 Park Street	26-21	CV
Dunkin Donuts	18 Park Street	26-21	CV
Karyn's Kitchen	200 West Main Street	32-21	CV
The Cottage Restaurant	18 Main Street	26-93	CV
Wok & Roll	49 Park Street	19-31	CV
Lazy Mary's	30 Littleton Road	35-12	CV
Taco Bell	4 Sandy Pond Road	35-3	CV
Ruby Donut Shop	210 West Main Street	32-30	CV
Junction RPD	60 West Main Street	26-72	CV
Digitzal Cloudz, LLC	38 Main Street	26-91	Amusement
Yatim Central Convenience	30 Park Street	26-19	s15BW
Ayer Shop 'n Save	22 Fitchburg Road	18-2	s15BW
Ayer Package Store, Inc.	48 Main Street	26-89	s15AA
The Vineyard	63 Park Street	19-30	s15AA
Traffic Circle Liquors, Inc.	2 Littleton Road	35-7	s15AA
Barnum Road Liquors, Inc.	1 Barnum Road	34-86	s15AA
Alltown Fresh Ayer	28 Harvard Road	35-53	S15BW; CV
Archer's Mobil	70 Main Street	26-87	s15BW; CV
Pauline's Variety	67 1/2 East Main Street	34-42	s15BW; CV
Ayer Gun & Sportsmen's Club	225 Snakehill Road	14-1/14-4/14-7	s12BWC; CV
Pleasant Café	7 Depot Square	26-329	s12AA; CV
Billiard's Café	39 Main Street	26-187	s12AA; CV; Amusement; Sunday Entertain;
Lucia's Tavola Ristorante	31 Main Street	26-187	s12AA; CV
Markoh's on Main	43 Main Street	26-187	s12AA; CV
Shaker Hills Country Club	146 Shaker Road	43-5	s12AA; CV
Tiny's Restaurant	2 Groton School Road	19-7	s12AA; CV; Amusement
Nashoba Club	14 Central Avenue	26-278	s12AA; CV; Amusement
Osawa Bistro	9 Main Street	26-228	s12AA; CV
Bar 25	25 Main Street	26-223	s12AA; CV

Motion: A motion was made by S. Copeland and seconded by J. Livingston to approve the list of license renewals as presented. **Motion passed 3-0.**

Town Manager's Report - Administrative Update/Review of Warrants: R. Pontbriand presented an

administrative update on the various activities, initiatives, and projects of the Town since the Select Board last met, as well as a FY 2025 Budget process update. He had no action items requiring votes by the Select Board.

FY 2025 Budget Process Update – R. Pontbriand stated that the FY 2025 Budget Directive was issued to all Town Departments on December 1, 2023. The Budget Directive asks all Town Departments to prepare a level services budget. Per the Town’s Budget Calendar, DRAFT #1 will be transmitted to the Select Board and the Finance Committee on January 12, 2024. R. Pontbriand advised in that the Town has received good news in terms of its Certified Free Cash form the Department of Revenue as follows:

General Fund: \$1,677,665	Water Enterprise: \$4,618,732
Sewer Enterprise: \$3,136,477	Solid Waste Enterprise: \$128,091
Ambulance Enterprise: \$415,549	

R. Pontbriand advised that the Town continues to move forward with the transition from the Minuteman Nashoba Health Group to MIIA for health insurance effective July 1, 2024. The Town has learned of a total of six member units that have expressed their intent to leave the Minuteman Nashoba Health Group which has resulted in discussions of the Minuteman Nashoba Health Group potentially dissolving.

R. Pontbriand advised that the Senior Center Site Selection and Building Committee held its first meeting on November 16 at which the Committee decided to focus first on all potential Town-owned land for a new Senior Center before focusing on privately-owned land. The Committee next meets on December 7 at 6pm.

R. Pontbriand recognized Caleb Januskiewicz who was in attendance of the meeting as part of his requirements for a Boy Scout badge regarding community civics. He was in attendance with his dad, Deputy Chief Januskiewicz.

S. Houde asked if it would be financially advantageous to the Town if all six towns left Minuteman Nashoba Health Group as they would most likely become part of MIIA. R. Pontbriand stated yes.

S. Houde stated that he would like to thank the Town Manager and all Town Departments for their hard work with respect to the Town’s strong and favorable free cash again this year. A lot of work goes into this throughout the year by everyone. J. Livingston concurred with S. Houde.

New Business/Select Board Member Questions: None

Executive Session Pursuant to G.L. c.30A, sec. 21A Exemption #6 (Consider Acquisition of Real Property) 71 Sandy Pond Road and Exemption #3 (Litigation Strategy) AFFF/PFAS Litigation: At 6:46 PM a motion was made by J. Livingston and seconded by S. Copeland to enter into Executive Session pursuant to MGL Chapter 30 A, section 21 A Exemption #6 (Consider Acquisition of Real Property) 71 Sandy Pond Road and Exemption #3 (Litigation Strategy) AFFF/PFAS litigation and to adjourn at the conclusion of Executive Session. J. Livingston further stated that discussing these items in Open Session would be detrimental to the Town’s negotiating strategy. **By Roll Call Vote:** J. Livingston, aye; S. Copeland, aye; S. Houde, aye. **Motion passed by Roll Call Vote 3-0.**

Minutes Recorded and Submitted by Carly M. Antonellis, Assistant Town Manager

Date Minutes Approved by SB: _____

Signature Indicating Approval: _____