

## Annual Town Meeting 2018 – Finance Committee Recommendations

The Finance Committee has a responsibility for creating the budget for the Town, as well as providing for recommendations on articles in the Town Meeting Warrant. The committee reviews each article on the Warrant, listens to presentations, asks questions, discusses and finally votes for a recommendation. While our recommendations are printed in the warrant, we are presenting additional information about our recommendations in advance of Town Meeting. It is our hope and goal that making this additional information available will be of benefit to the voters.

### Article 2 – Debate Rules

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Recommend: Approval

8-0-0

This Article proposes the adoption of procedures for Town Meeting. These are the usual procedures under which we operate Town Meeting. They provide a means by which an orderly and efficient meeting may be run.

The Finance Committee recommends the approval of this article.

### Article 3 – Consent Article

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Recommend: Approval

7-0-1

This article represents a number of items which have been regularly voted upon in prior Town Meetings and need yearly approval. It also provides for the ongoing ability to conduct short-term borrowing, if necessary, in anticipation of revenue, as well as funds for the annual financial audit. Additionally, it accepts state law provisions for property tax exemptions. And, it allows the Selectmen to accept easements on behalf of the Town without the necessity of scheduling a Town Meeting to do so.

The Finance Committee recommends the approval of this article.

### Article 4 – Bills of Prior Years

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Recommend: Indefinite Postponement

This article authorizes the Town to pay any bills from a prior year. At this time, there are no such bills.

## Article 5 – Revolving Funds Expenditure Limits

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Recommend: Approval

9-0-0

The Town has a number of Revolving Funds established in the Town’s General By-Laws for specific purposes. The managers of each of the Funds and the Finance Committee monitor balances, income and expenditures. This is done to insure that they are well-maintained and viable for the long-term. One of the aspects being monitored is expenditures. This article sets an upper limit on the amount that may be expended from each fund within a given year. This is a prudent constraint.

The Finance Committee recommends the approval of this article.

## Article 6 - Zoning Bylaw Amendment – Pine Hill Overlay District

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Recommend: Approval

6-2-1

The Town has undertaken extensive efforts to solicit community input into plans for redevelopment of the former Coast Guard housing site off Pine Hill Road. Every effort has been made to accommodate the wide range of needs and desires of residents that were expressed. The current Article addresses many of these needs including housing that is senior appropriate, accommodates those with disabilities and is affordable. We recognize that this proposal is not perfect; it does not address all of the needs that were identified and our decision was not unanimous. The Finance Committee has ongoing concerns with the density of this development and the potential strain on town resources, in particular, the schools. The Finance Committee believes that overall, however, the proposal addresses some of the identified housing needs and is an opportunity to secure up to four affordable housing units. The Finance Committee also considered that if this rezoning does not pass the developer may proceed with a project that may not address any senior, disabled or affordable housing needs.

Note that the proposed Article has been revised from the version presented at the Special Fall Town Meeting in November 2017 to reflect feedback at STM as well as additional input from residents over the past few months. Specifically, additions were made to strengthen the requirement for accommodations for people with disabilities.

The Finance Committee recommends the approval of this article.

Article 7 - Zoning Bylaw Amendment – Amendment to Bedford Zoning Map – Pine Hill Overlay District

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Recommend: Approval 6-2-1

This article designates the former Coast Guard property as being in the new Pine Hill Overlay District enabling redevelopment as proposed in Article 6. As such, the Finance Committee considered this Article in conjunction with Article 6.

The Finance Committee recommends the approval of this article.

Article 8 - Zoning Bylaw Amendment – Great Road District

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Recommend: Approval 6-0-0

The Great Road serves as a gateway to Bedford as well as a daily locus for Town residents. The Finance Committee recognizes that vibrant commercial sectors are critical to the Town’s financial strength. If passed, the new Great Road zoning district will incentivize commercial property owners along the Great Road to revitalize lots in the defined subdistricts to include contemporary and desirable uses, as well as mixed uses, including forms of residential units underrepresented in town. The proposed zoning also incorporates requirements that mitigate traffic, promote pedestrian connectivity, preserve the Town’s historic character, and take into consideration the distinct attributes of each separate business cluster.

The Finance Committee Recommends approval of this article.

Article 9 - Zoning Bylaw Amendment – Great Road Zoning Project Height Limit in the Shawsheen Subdistrict

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Recommend: Approval 6-0-0

Multiple studies and citizen commentary suggest that Bedford would benefit from a greater variety of housing options. Given market factors, there are limited options to promote the addition of such housing. Density, particularly vertical density, is an available option. There are also few places in Town where multi-story buildings can conform to the surrounding neighborhood. The Shawsheen subdistrict is one such place, particularly in portions of large lots well set back and visually sheltered from the Great Road.

The Finance Committee Recommends approval of this article.

## Article 10 - Zoning Bylaw Amendment – Amendments to Bedford Zoning Map Related to Great Road Zoning Project

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Recommend: Approval

6-0-0

This article establishes the boundaries of the new zoning district proposed in Article 8, and corrects, to the satisfaction of all property owners, any nonconformities with property borders, without significantly altering the overall size of the commercial/business zone, relative to residential zones. Clarity and consistency in zoning borders benefit property owners and town regulators, by minimizing disputes, or the need for permits or variances.

The Finance Committee Recommends approval of this article.

## Article 11 - General Bylaw Amendment – Illegal Depositing in Town Refuse and Recycling Containers

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Recommend: Approval

6-2-1

The Committee recognizes and supports the intent of this article which is to prohibit people from disposing their household trash in Town dumpsters and recycling containers. The committee discussed this article in detail. Concerns regarding the language were raised including, for example, use of the dumpsters following sporting and Town-wide events or picking up and discarding trash on Town fields. The committee inquired if the wording could be clean up at Town Meeting, and were informed it cannot. The committee is still concerned with the ambiguity of the language, but still supports the intent of this article and is hopeful it will be addressed through town compliance and wise enforcement.

The Finance Committee Recommends approval of this article.

## Article 12 - General Bylaw Amendment – Temporary Water Supply Shut-Off for Repairs and Maintenance

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Recommend: Approval

8-1-0

This article governs the Town ability to temporarily shut off the water supply for repairs and replacement to water meters in accordance with Massachusetts General Laws. The committee recommended approval of this article, and suggested that the Selectmen develop policies as to the shutoff procedure and the data collected from the water meters.

The Finance Committee Recommends approval of this article.

## Article 13 - General Bylaw Amendment – Sewer System – New Connections

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Recommend: Approval

9-0-0

This article would require the sewer connection fee be paid prior to the issuance of any required building permits. The committee believes it is standard business practice to require collection of sewer connection fees prior to issuance of any building permits. This practice would also eliminate the additional expense of collection of any connection fee that becomes outstanding.

The Finance Committee Recommends approval of this article.

## Article 14 – Proposed Fiscal Year 2019 Capital Projects Plan

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Recommend: Approval

5-0-0

This article would appropriate \$2,294,281 from the FY2019 tax levy to partially fund the proposed FY2019 capital projects plan in the amount of \$19,543.152. The remaining \$17,248,871, if approved, would be funded through bonding, water/sewer rates and Community Preservation funds. The Finance Committee discussed the FY2019 proposed Capital projects in detail, and support its funding.

The Finance Committee Recommends approval of this article.

## Article 15 – Bond Authorization – Davis School Addition and Renovations

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Recommend:

9-0-0

This article would authorize bonding for the Davis School Addition and Renovation Project. A system-wide review of space requirements affirmed the need for these additional classrooms at Davis School to accommodate increased student enrollment and the district's pre-school classes.

The Finance Committee recommends approval of this article.

## Article 16 – Community Preservation Budget – Fiscal Year 2019

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Recommend: Approval

Projects 1-11: 8-1-0 Project 12: 7-2-0

The Community Preservation Committee presented its FY2019 budget to the Finance Committee. The Finance Committee supported Community Preservation recommendations of items 1-11 separately from item 12. Item 12 was described as a test of a new water clarifying system at Springs Brook Park. After discussion, the concept of testing before making a long term decision was endorsed.

The Finance Committee recommends approval of this Article.

## Article 17 – Bond Authorization – Davis Road Boardwalk

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Recommend: Approval

5-3-1

This article is being partially funded through Community Preservation Funds, as well as bonding through the tax levy. The Finance Committee looks favorably on this project as it has been vetted and approved by the Capital Expenditures Committee. The concerns included belief that resources could be better spent on sidewalks in other busy sections of town, and maintenance costs.

The Finance Committee Recommends approval of this article.

## Article 18 – PEG Access and Cable Expense Related Budget Fiscal Year 2019

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Recommend: Approval

9-0-0

In considering this article the Finance Committee's primary consideration in recommending approval of the PEG Access budget was the value that this service provides to the Town. Providing broadcasts of various Town functions is consistent with the Town's stated goal of making government more transparent. Funding for this article is derived from fees charged to cable users.

The Finance Committee Recommends approval of this article.

## Article 19 – Supplemental Operating Budgets for Fiscal Year 2018 and Articles of the 2017 ATM

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Recommend: Indefinite Postponement

At the present time, there are no supplemental operation budgets anticipated for presentation at Town Meeting. It is expected that this Article will be indefinitely postponed.

## Article 20 – Salary Administration Plan Bylaw Amendment – Classification and Wage Schedule

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Recommend: Approval

9-0-0

This article is presented annually and establishes the pay ranges for non-school employees for the Town. Last year the Town hired a consultant to review and update the salary ranges for non-school and non-union employees. The intent is to offer market-based wages to employees or would-be employees in order to attract and retain employees.

The Finance Committee Recommends approval of this article.

## Article 21 – Operating Budgets – Fiscal Year 2019

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Recommend: Approval

8-1-0

This article presents the main operating budget for the Town for the coming fiscal year. It is constructed from the needs and requirements of all departments, balanced against current and expected revenues and expenditures.

The Finance Committee Recommends approval of this article.

## Article 22 – Ambulance Enterprise Budget Fiscal Year 2019

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Recommend: Approval

9-0-0

This article presents the main operating budget for the Town's ambulance service for the coming fiscal year. This budget is generally self-supporting, with a modest \$34,779 subsidy from the Town's General Fund.

The Finance Committee Recommends approval of this article.

## Article 23 – Salary Plan Additional Funding

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Recommend: Approval

8-0-0

This article is presented annually and provides funding for the FY'19 compensation increases for non-school and non-union personnel. This year the appropriation request of \$204,100 represents a 3.6% increase in the total base compensation for the non-union managerial professionals and administrative employees of the Town. This appropriation is the only source of funding for compensation increases based on merit and performance for these employees.

The Finance Committee Recommends approval of this article.

## Article 24 – Other Post-Employment Benefits Liability Trust Fund Appropriation (OPEB)

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Recommend: Approval

8-0-0

This article appropriates \$714,779 towards the Town's unfunded liability for OPEB. This amount is an increase of 3.5% plus \$100,000 over last year's appropriation and reflects the Town's Financial Policies as amended in December 2017. The most recent actuarial study estimates the Town's Actuarial Accrued Liability is approximately \$69 million and the current balance in the OPEB Trust Fund is \$7.5 million, leaving an unfunded liability of \$63 Million, and making our Funding Ratio of 11%. Bedford has been proactive in managing this liability and compares favorably to other Massachusetts communities on this measure. The current contribution formula will be re-evaluated in five years unless it is prudent to do so sooner.

Finance Committee's discussion around funding the OPEB liability has sought to find the right balance between mitigating the future risk to the Town of this liability versus the possibility of regulatory changes or pension reform that would make prefunding this liability disadvantageous. There is currently no law that requires prefunding OPEB and once funds are transferred into the OPEB Liability Trust Fund they cannot be used for any other purpose.

The Finance Committee Recommends approval of this article.

## Article 25 - Supplement Accrued Sick Leave Fund

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Recommend: Approval

8-0-0

This article appropriates \$25,000 to a Sick Leave Buyback fund to support the buyback of accrued, but unused, sick leave when an employee retires. This is a forward-looking exercise, rather than reimbursing what the fund may have dispensed in a prior year. Therefore, an analysis is done each year to determine the likely amount of funding that will be needed over the next 12 months. The Finance



Director, Treasurer/Collector calculates this amount, which is based on the Town's current and future sick leave liability.

The Finance Committee recommends approval of this article.

## Article 26 – Stabilization Fund Appropriation

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Recommend: Approval

8-1-0

The Town maintains a Stabilization Fund, a type of “rainy-day” fund, to help in times of financial stress. Since 2013, we have augmented this Fund in line with its purpose. Our financial policies outline a fund balance goal of between 2% and 6% of the Operating Budget. We are currently approaching the top-end of this range and this allocation of \$250,000 will bring us closer to the upper limit.

The Finance Committee recommends approval of this article.

## Article 27 – Free Cash

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Recommend: Approval

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The term “Free Cash” represents unspent funds, and unexpected revenue, from prior years. It is prudent Financial Policy, and it is recommended by the Department of Revenue that “Free cash” be used for one-time (non-recurring) items within the budget. Our fiscal policy states "An ample Free Cash balance shall be maintained to provide the Town with financial flexibility and stability for the future". The policies further state a free cash amount of no less than 1% of the operating budget should be maintained. Free cash in excess of these guidelines may be used to reduce the tax levy. For Fiscal Year 2019, the operating budget from Article 21 makes use of over \$5.2 Million from Free Cash.

The Finance Committee recommends approval of this article.

Thomas Busa

Stephen Carluccio

Karen Dunn

Erica Liu

Elizabeth McClung, Vice Chair

Paul Mortenson, Clerk

David Powell

Stephen Steele

Ben Thomas, Chair