



Town of Lee
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To: Town Representatives and Town Meeting Members *ex officio*

From: Bob Nason, Town Administrator

Date: September 19 2012

Re: October 4, 2012 (FY2013) Special Town Meeting Warrant

This memorandum conveys additional information about the articles appearing on the October 4, 2012 Special Town Meeting warrant. That warrant and this memorandum are posted on the municipal web site, lee.ma.us.

Article 1. Fiscal Year 2013 Operating Budget Correction, Collector

This article corrects a typographic error that was discovered after the May 10, 2012 (FY 2013) Annual Town Meeting. The Collector's annual certification compensation of \$1,000 was mistakenly recorded as \$100, thereby understating the Collector's budget request by \$900.

Article 2. Fiscal Year 2013 Operating Budget Correction, Sewer Department Budgets

This article corrects a typographic error that was discovered after the May 10, 2012 (FY 2013) Annual Town Meeting. The \$1,919,772 amount to be raised through receipts of the Sewer Department was mistakenly recorded as \$1,919,722 thereby understating the amount to be raised through receipts by \$50.

**Article 3. Property/Liability/Auto Insurance Supplemental Appropriation
General**

**Article 4. Property/Liability/Auto Insurance Supplemental Appropriation
Ambulance Service**

**Article 5. Property/Liability/Auto Insurance Supplemental Appropriation
Sewer Department Accounts**

**Article 6. Property/Liability/Auto Insurance Supplemental Appropriation
Water Department**

These articles provide funds for an unanticipated, \$12,058 increase in the total amount budgeted for our property/liability/auto insurance. The total budget amount increased from \$101,088 to \$113,146 after the May 10, 2012 (FY 2012) Annual Town Meeting. Michael Diaz of Wheeler and Taylor, our insurance agent, attributed the increase “in part to general inflationary cost, increase in building and content values, claims and loss history.” His August 7, 2012 information summary is attached to this memorandum. During the first quarter of calendar year 2013, we will seek competitive proposals for our property and casualty insurance coverage for FY 2014.

Article 7. Upper Reservoir Dam Downstream Liability Insurance

This article provides funds to purchase for nine months (from October 5, 2012 to June 30, 2013) \$1,000,000 of downstream property and casualty insurance coverage should the Upper Reservoir dam fail. In FY 2010 and FY 2012 this coverage was included in our property/liability/vehicle insurance. In FY 2011 we purchased separate dam insurance for ten months at a cost \$31,350. PARE Corporation’s June 8, 2011, biennial dam inspection evaluated the dam as “fair” and recommended actions to address deficiencies. Those deficiencies have been or will be addressed by the end of October 2012 when the next inspection is scheduled. We expect that inspection will once again rate the dam as good, which should lower the cost next fiscal year (FY 2014), if we continue to purchase dam insurance. To date we have not been able to identify a municipality that purchases downstream property and casualty insurance.

Article 8. Fire Truck Purchase (2/3 Vote)

This article provides funds to purchase a new fire engine to replace a 1988 pumper which has reached the end of its expected twenty-five year useful life. Including the May 10, 2012 Annual Town Meeting appropriation, there is \$551,983 in the Fire Engine Stabilization Fund. Therefore, \$104,983 remains toward the purchase of a new pumper to replace the 1991 pumper in 2016, when it reaches the end of its expected useful life.