



TOWN OF LEE
32 Main Street, Lee, MA 01238
www.lee.ma.us

Christopher J. Ketchen,
Chief Administrative Officer

September 17, 2020

Dear Honorable Town Meeting Representatives:

On Thursday, October 1, 2020, the Annual Town Meeting will be held in the auditorium at the Lee Middle and High School. The meeting will be called to order at 7PM.

This letter and the accompanying enclosures are intended to provide you with background information about each of the 20 articles that are being presented for your consideration.

Included in this packet are the following:

- Financial Projection FY2020-2025 (multi-year summary of revenues and expenditures)
- Tax Levy Dashboard (showing impact of proposed budget and estimates through FY23)
- Comparison of Program Spending
(NOTE: excludes Lenox/Stockbridge tax impact for Tri-Town Health; excludes state contribution to library)

Perhaps the most striking change to the warrant for this Town Meeting, aside from the late date, is the reduced number of regular warrant articles. In preparing the warrant, the Selectmen sought to include only those items that are needed for the continuity of operations and fiscal stability. Other warrant items related to organizational structure, capital spending and zoning have been deferred to a future Town Meeting. Following their lead, staff in both the municipal and school departments have prepared fiscal plans that recognize the need to continue core services while remaining flexible in light of economic uncertainty. Therefore, much of the discussion around special projects and new initiatives has been deferred until the Town's fiscal outlook becomes more predictable.

The following provides a brief description of each of the articles contained in the attached warrant:

ARTICLE 1 – TOWN REPORTS

This article appears annually, and it provides for the acceptance of the Annual Report. This edition covers fiscal year 2019 (ended June 30, 2019). Paper editions will be available at the Annual Town Meeting and at the Library, the Post Offices and Town Hall. The report will also be posted on the municipal website (www.lee.ma.us).

ARTICLE 2 – SALARY OF ELECTED OFFICIALS

Required by state statute, this article establishes the amounts to be appropriated in Article 4 for the Moderator and the Select Board.

ARTICLE 3 – TRANSFER OF PROCEEDS FROM SALE OF CEMETERY LOTS

Each fiscal year we take one-half of the sale of cemetery lots and transfer into our Perpetual Care account for Fairmont Cemetery. This transfer requires an affirmative vote from Town Meeting.

ARTICLE 4 – OMNIBUS FISCAL YEAR 2021 GENERAL FUND OPERATING BUDGETS

This article addresses the General Fund contribution to the various Town departments. At \$20.3 million, this article accounts for the lion's share of the FY2021 spending plan of \$25.3 million. The Finance Committee has recommended favorable action on all line items. Detail on the Town's fiscal plan is included as enclosures. Note that, despite the current fiscal uncertainty, the spending plan does not utilize reserves or other one-time sources to balance the budget.

ARTICLE 5 – FISCAL YEAR 2021 GENERAL FUND CAPITAL

The Town's FY2020 capital outlay requests are drastically reduced from prior years. The reason for this reduction is to preserve cash that may be needed to support operations should the fiscal impact of the current pandemic last for a long period of time. With that said, there are two items that should not be deferred. The first are emergency power backup improvements to Town Hall (\$47,000) and the second is maintenance equipment for the Lee Public Schools (\$38,000). All other capital improvements have been deferred until the Town's fiscal outlook becomes clearer and new fiscal plans are developed in response. Both the Finance Committee and Capital Outlay Committee have unanimously recommended favorable action on these appropriations.

ARTICLE 6 – WATER ENTERPRISE FUND OPERATING/CAPITAL BUDGET

This article presents the Water Department budget (operating, debt service and capital) funded by water receipts. Its appearance in the warrant follows a format matching the submission requirements of the state's Division of Local Services for approval purposes. Town Meeting will see here a full accounting for the entire enterprise fund in one article, which requests \$1,151,545 for Fiscal Year 2021. There are no other articles in the warrant that seek the appropriation of water enterprise funds. You will note that the use of retained earnings (\$42,500) matches capital expenditures for radio replacements (\$10,000) and extraordinary infrastructure contingency (\$32,500). Therefore, it can be stated that no operating costs are being funded with reserves in

the Water Department. Both the Finance Committee and Capital Outlay Committee have unanimously recommended favorable action on this article.

ARTICLE 7 – WASTEWATER ENTERPRISE FUND OPERATING/CAPITAL BUDGET

This article presents the Wastewater Department budget (operating and capital) funded by wastewater receipts. Its appearance in the warrant follows a format matching the submission requirements of the state's Division of Local Services for approval purposes. Town Meeting will see here a full accounting for the entire enterprise fund in one article, which requests \$2,203,674 for Fiscal Year 2021. There are no other articles in the warrant that seek the appropriation of enterprise funds. You will note that the use of retained earnings (\$22,500) matches capital expenditures for radio replacements (\$10,000) and extraordinary infrastructure contingency (\$12,500). Therefore, it can be stated that no operating costs are being funded with reserves. Both the Finance Committee and Capital Outlay Committee have unanimously recommended favorable action on this article.

ARTICLE 8 – BLANKET GRANT APPLICATION AUTHORIZATION

This article appears annually and eliminates the need to conduct a Town Meeting before a grant application is submitted.

ARTICLE 9 – ROAD REPAIR AND PAVING (CHAPTER 90)

Each year the Commonwealth allocates transportation funds designated for local use ("Chapter 90" funds). In the current fiscal climate, to the extent that the Commonwealth is able to provide fiscal support for city/town road projects this article provides authorization to use Chapter 90 funds. To date, the Commonwealth has authorized \$285,149 for the Town of Lee.

ARTICLE 10 – OMNIBUS GENERAL FUND APPROPRIATIONS

This article proposes to fund several line items that appear annually as separate articles in the warrant. In an effort to efficiently move through the Town Meeting in light of public health restrictions, these items have been consolidated into a single article. However, Town Meeting Representatives could vote to divide one or more items for further discussion. In total, the article would appropriate \$282,343 to the various line items as appearing in the warrant. The funding source for these appropriations is proposed to come from Free Cash reserves, as opposed to the tax levy. The Finance Committee unanimously recommends favorable action on this article.

ARTICLE 11 – SHARED CHIEF ADMINISTRATIVE OFFICER

In 2017, Town Meeting endorsed an intermunicipal agreement with the Town of Lenox to share administrative services. A “Chief Administrative Officer” was appointed in both towns to serve as the Town Administrator (in Lee) and the Town Manager (in Lenox), simultaneously. The agreement, which was intended to last three years, called for the Board of Selectmen to return to Town Meeting in 2020 if they wished to extend the intermunicipal agreement beyond the three-year period. The agreement specifically stated that the arrangement would not be extended beyond 2020 without an affirmative vote from both Lee and Lenox. Therefore, a “yes” vote on this article would advise the Selectmen that Town Meeting agrees with continuing to share a Chief Administrative Officer with Lenox.

ARTICLE 12 – AUTHORIZATION TO PETITION LEGISLATURE – PUBLIC WORKS

This article authorizes the Board of Selectmen to seek special legislation to fix an anomaly created by several special acts pertaining to the Lee Board of Public Works. The result of this outdated anomaly is that a member of the Board of Public Works cannot currently hold elected office. Whereas membership on the Board of Public Works is obtained through appointment (not election) and the Board serves in an advisory capacity with respect to department operations, this prohibition is inconsistent with how other position within the Town of Lee are governed. The Selectmen are seeking Town Meeting authorization to petition for the necessary changes.

ARTICLE 13 – AMEND BERKSHIRE STERILE TIF

Town Meeting has previously approved a Tax Increment Financing (TIF) agreement with Berkshire Sterile Manufacturing. Whereas, BSM is now proposing an expansion, the Board of Selectmen have submitted an amendment to the original agreement to the state that would expand the scope of the TIF so that benefits also apply to the expansion. Town Meeting approval is required to complete execution of this amendment. A copy of the original TIF and the amendment are available in the Town Clerk’s office.

ARTICLE 14 – DISPOSITION OF REAL PROPERTY – VALLEY STREET

Approval of this article will allow the Selectmen to convey a small parcel of land (0.1 acres) in the proximity of Valley Street Bridge. This parcel is no longer needed by the Town due to the reorientation of the new bridge and the resulting changes in the parcel’s proximity to the established public way. Simultaneously, an abutter has approached the Town with interest in adding the small parcel to their existing property.

ARTICLE 15 – REPEAL INFRASTRUCTURE SURCHARGE

Town Meeting approved the addition of an infrastructure surcharge on tax bills in 2016. At the time, concern existed about the wastewater fund's ability to cover the remaining debt service over the final three years of an outstanding loan while also financing improvements needed to the Town's primary water main. However, since that time, the fund has outperformed expectations, seeing stable and occasionally increasing reserves. Furthermore, the Town has secured state funding for improvements to the water line, thus eliminating the Town's need to self-fund much of this work. The Selectmen are, therefore, seeking Town Meeting approval to reduce or revoke the surcharge.

ARTICLES 16, 17, 18, 19, & 20 – CITIZEN PETITIONS

Articles 16-20 are citizen petitions that appear on the warrant as required by statute. Any Town Meeting member may make a motion on one or more of these petitions. Any member may also make a motion to defer action on one or more of these petitions to a future Town Meeting.

I hope you find the above explanation and the enclosed material useful in your preparation for Town Meeting. Thank you for your continued service to the Town of Lee, particularly under the current circumstances. I also appreciate the sacrifices you have made and the difficulty associated with the process. I look forward to seeing you at Town Meeting on October 1st.

Sincerely,

A handwritten signature in dark ink, appearing to read "Christopher J. Ketchen". The signature is fluid and cursive, with the first name being the most prominent.

Christopher J. Ketchen
Chief Administrative Officer/Town Administrator