



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

Christopher J. Ketchen,
Chief Administrative Officer

April 18, 2019

Dear Honorable Town Meeting Representatives:

Next Tuesday, April 23, 2019, a Baby Town Meeting will be held at the Lee Senior Center beginning at 7PM. The Baby Town Meeting will provide information and feedback in advance of the Annual Town Meeting which, in accordance with the bylaws, will be held on Thursday, May 9, 2019 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 28 articles that are being presented for your consideration.

Included in this packet are the following:

- DRAFT Town Meeting Warrant (subject to change after Baby Town Meeting)
- Planning Board proposed Zoning Bylaw amendments regarding OPLI, DCBC and Solar
- Departmental Capital Budget Request Summary (as recommended by the CAO)
- Financial Projection FY2020-2024 (multi-year summary of revenues and expenditures)
- Tax Levy Dashboard (showing impact of proposed budget and estimates through FY22)

Following the format from 2018, which was a change from previous years, the General Fund departmental operating budgets have been consolidated into a single, “omnibus” warrant article (Article 5). Here, the departmental operating budgets are consolidated and will be considered by Town Meeting in its entirety, rather than spread out over multiple articles. However, the practice of considering each line item and placing one or more “holds” on Town Meeting floor will continue so as to create the same opportunity for Representatives to question each appropriation.

Similar to the departmental operating budgets, the General Fund capital expenditures have been consolidated and presented by department – again, in a single, “omnibus” warrant article (Article 6). Capital needs are prioritized by departments and presented to the Town through the normal budget process (see attached Departmental Capital Budget Request Summary). Our long-term goal is to present future capital plans that reflect a more appropriate ongoing reinvestment allocation for the substantial assets each department is responsible for maintaining. Larger capital requests that require borrowing continue to have a separate warrant article. However, reinvestment in existing assets and programs is a departmental responsibility and, therefore, appear in the omnibus departmental article for capital expenditures.

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

ARTICLE 1 – TOWN REPORTS

This article appears annually, and it provides for the acceptance of the Annual Report. This edition covers fiscal year 2018 (ended June 30, 2018). Paper editions will be available at the May 9, 2019 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 5 for the Moderator and the Select Board.

ARTICLE 3 – UNPAID BILLS FOR PRIOR FISCAL YEAR (2018)

There are five unpaid invoices from FY2018 that require a 4/5th vote from Town Meeting. Three of these invoices are attributable to the operation of Sandy Beach totaling \$3,668.03. One invoice is attributable to billing services for the Water Department in the amount of \$522.69. One invoice is attributable to billing services for the Sewer Department in the amount of \$522.69. In all five cases, the amount required to pay these invoices was not properly encumbered from the prior fiscal year before the accounts were closed. Thus, Town Meeting action is required in order to legally pay the bills.

ARTICLE 4 – CURRENT FISCAL YEAR (2019) SUPPLEMENTAL APPROPRIATION(S)

Currently, we are not anticipating the need for supplemental appropriations to any of the departments. However, this article remains in the warrant as a placeholder in the event circumstances change in the ensuing weeks leading up to Town Meeting.

ARTICLE 5 – OMNIBUS FISCAL YEAR 2020 GENERAL FUND OPERATING BUDGETS

This article addresses the General Fund contribution to the various Town departments. At just over \$20.1 million, this article accounts for the lion's share of the FY2020 spending plan of \$26.3 million. As of the writing of this letter, the Finance Committee has recommended favorable action on all line items with the exception of the Lee Public Schools, which is pending their meeting on Monday, April 22nd. Substantial detail on the various budgets is included as enclosures. Some of the highlights are as follows:

- All staffing and service improvements made in the FY2019 budget remain intact and fully funded in FY2020
- Compensation Reserve
 - Non-union classification update complete and implemented
 - Decrease in FY2020 request; reclassifications funded in each department
 - Retains sufficient resources to negotiate new union contracts

- Ambulance Service
 - Completes the transition from Receipts Reserved accounting to General Fund
 - All ambulance costs are absorbed via conservative estimates of billing revenue as well as assessments in the amount of \$188,072 and \$17,184 to the towns of Stockbridge and Tyringham, respectively.

- Lee Public Schools
 - The enclosed draft article and other documents in the packet reflect an increase to the Town's share of the school budget of 3.66% as voted by the School Committee at their April 9th meeting
 - Updates are pending from the Finance Committee and School Committee

- Lee Cultural Council
 - Provides \$4,800 in matching funds to supplement the annual State grant used to support local cultural organizations and events

ARTICLE 6 – OMNIBUS FISCAL YEAR 2020 GENERAL FUND CAPITAL BUDGETS

The Town's FY2020 capital outlay requests are largely consolidated into Article 6. The total request is for \$326,200 to fund capital requests for Town buildings, Town Clerk, CAO/Town Administrator, Youth Commission, Fire/Ambulance, Lee Public Schools, and Public Works. The funding source for this article will be \$326,200 from available funds (the so called "Free Cash" account). The goal here is to present Town Meeting with as much of the Town's capital expenditure effort by department in one place (minus those projects requiring borrowing, special stabilization and/or enterprise funds). A list of projects is shown as part of the enclosed "Departmental Capital Budget Request Summary". Both the Finance Committee and Capital Outlay Committee have unanimously recommended favorable action on this article.

ARTICLE 7 – 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 \$1,351,910 for Fiscal Year 2020. 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 (\$215,000) matches capital expenditures for the radio replacements (\$15,000), flow meter calibration (50,000), Master Plan updates to system modeling (\$100,000), and replenishment of the infrastructure contingency (\$50,000). 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 8 – 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 \$2,367,345 for Fiscal Year 2020. There are no other articles in the warrant that seek the appropriation of sewer enterprise funds. You will note that the use of retained earnings (\$189,000) matches capital expenditures for radio replacements (\$15,000), updates to geographic information system (GIS) maps (\$29,000), infiltration mitigation (\$120,000), and replenishment of the infrastructure contingency (25,000). Therefore, it can be stated that no operating costs are being funded with reserves in the Sewer Department. Both the Finance Committee and Capital Outlay Committee have unanimously recommended favorable action on this article.

ARTICLE 9 – BLANKET GRANT APPLICATION AUTHORIZATION

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

ARTICLE 10 – ROAD REPAIR AND PAVING (CHAPTER 90)

This article provides funding to repair and pave roadways. The proposed borrowing under Article 11 will be used alongside the \$285,824 being approved in this article in order to fund approximately \$600,000 for the Town's FY2020 paving effort (see Article 11 description below). Each year the Commonwealth allocates transportation funds designated for local use ("Chapter 90" funds).

ARTICLE 11 – ROAD REPAIR AND PAVING (BORROWING)

This article proposes to borrow \$311,750 for paving projects in FY2020. When combined with the Chapter 90 funds in Article 10 (\$285,824), the total paving funds appropriated will be just under \$600,000. It is our plan to issue short term debt (i.e. notes) to fund the cash flow needs of paving work in FY2020 and subsequently pay off the notes with an appropriation from available funds (the so called "Free Cash" account) once those funds are certified after the Town's FY2019 accounts are closed. This is the same approach proposed before the Town Representatives at last year's Town Meeting. Article 12 (described below) represents the 100% pay-down on the short-term notes issued by the Town as of the date of this letter. If Town

Meeting continues to be amenable to this approach, Town Representatives will continue to see similar pay-down articles presented at future Town Meetings.

Cost estimates received from previously bid projects indicate that this request will add sufficient funding to repave West Park Street to the bridge, 1.2 miles of Summer Street (from Laurel Street to just beyond the entrance to High Lawn Farm), and at least one additional street yet to be determined. The Town has submitted an application to MassDOT and the Berkshire MPO for reconstruction of Center, Columbia and Mill streets using state Transportation Improvement Program (TIP) funds. Representatives can also expect to receive a similar planning/design request for a TIP funded project on East Street at a future Town Meeting. While staff recognizes the need for an aggressive paving plan to address the condition of Town roads, we are also cognizant of cost constraints. Therefore, we are seeking alternative (non-tax) funding sources wherever possible.

This article requires a 2/3 vote to approve the borrowing. Both the Finance Committee and Capital Outlay Committee have unanimously recommended favorable action on this article.

ARTICLE 12 – ROAD REPAIR AND PAVING DEBT SERVICE

As mentioned above, this article provides funding to pay down the spending to-date against the prior year's debt authorization. Since the last Town Meeting, DPW has spent \$338,396.83 in addition to our Chapter 90 allotment from the Commonwealth. It is the intent of this article to pay down the prior year's spending before issuing new short-term notes for this year's work.

ARTICLE 13 – MIDDLE AND HIGH SCHOOL BOILER REPLACEMENT DEBT SERVICE

This article provides funding to pay the third (\$25,200) of five installments on installments on a \$126,000 loan authorized by the May 12, 2016 Town Meeting to replace a failed, cast iron boiler with two smaller and more efficient condensing boilers.

ARTICLE 14 – LARGE DUMP TRUCK DEBT SERVICE

This article provides \$80,000 in funding to pay installments on two dump truck loans for DPW. The older of the two loans is in its third installment. The newest loan is in its first installment.

ARTICLE 15 – FIRE/EMS APPARATUS REPLACEMENT FUND

This article provides \$150,000 for to save toward future fire truck and ambulance purchases. With the purchase last year of both a new pumper truck and a new ambulance, the time has come

to resume our savings plan so that when the time comes for replacement, the Town will be able to fund these requests with cash on hand as opposed to borrowing.

ARTICLE 16 – CHAMBER OF COMMERCE ADVERTISING AND MARKETING

At the request of the Chamber of Commerce, this article provides the Chamber funds to advertise and market the Town of Lee. The amount of the appropriation (\$33,273) is equal to 10% of the FY2018 room tax receipts.

ARTICLE 17 – CHAMBER OF COMMERCE GATEWAY/DOWNTOWN BEAUTIFICATION

At the request of the Chamber of Commerce, this article continues the transfer of responsibility and funding for the maintenance of plantings and the appearance along the public way from the turnpike to the Laurel Street Bridge from DPW to the Chamber. The request is level-funded from FY2019 at \$10,000.

ARTICLE 18 – “REST OF RIVER” CLEANUP FUND

This article provides our seventh \$10,000 share of the anticipated fee for special Counsel, Pawa Law Group, to assist the five “Rest of River” communities along the Housatonic River to obtain financial assistance from General Electric Company to mitigate the effects of its anticipated cleanup of the river. We have spent \$29,355 of the \$60,000 appropriated as of FY2019.

ARTICLE 19 – CULTURAL COUNCIL STATE GRANT MATCH

At the request of the Lee Cultural Council, this article seeks to add \$4,800 to a roughly equivalent amount received from the Massachusetts Cultural Council. The purpose is to supplement the state grant to local cultural institutions and special events. While the state grant is calculated on a population-based formula, it is recognized that the number of cultural institutions in the Berkshires generally, and in Lee specifically, is disproportionate to Lee’s population relative to the other 350 municipalities in Massachusetts. The Finance Committee recommends favorable approval of this appropriation.

ARTICLE 20 – LAUREL LAKE PRESERVATION ASSOCIATION LAKE STUDIES

As it has done for the past eight years, the Laurel Lake Preservation Association requests funds (\$2,500) for ongoing studies of the lake required to annually drawdown the lake to combat zebra mussels and milfoil. The Town of Lenox has committed a matching amount.

ARTICLE 21 – BERKSHIRE BROWNFIELDS PROGRAM

This article provides \$2,000 to offset the Berkshire Regional Planning Commission's (BRPC) unreimbursed costs to administer its Brownfields Program which is otherwise funded by the U.S. Environmental Protection Agency. BRPC is seeking assistance from five other communities (Adams, Dalton, Great Barrington, North Adams and Pittsfield) that have benefitted from and may continue to benefit from the program. We anticipate ongoing efforts to reuse the closed paper mills will benefit from the program.

ARTICLE 22 – FIREWORKS FOR FOUNDERS DAY

This article provides \$1,000 in funding to offset a portion of the Chamber of Commerce's estimated expenses for Founders Day weekend fireworks to highlight downtown.

ARTICLE 23 – BEACH MANAGER POSITION

At the request of the Sandy Beach Committee, this article is being requested to fund a position to manage activities at the beach. The current beach manager, who is a volunteer, has expressed a desire to step away from these responsibilities after this summer. The new, compensated position would serve alongside the current volunteer to learn the duties of the position over the next fiscal year. An exact figure on the cost of this addition will be provided to Town Representatives in a forthcoming communication.

ARTICLE 24 – AUTHORIZATION TO LEASE TOWN LAND (POWER STORAGE)

This article would allow the Board of Selectmen to negotiate a lease of town property located behind the wastewater treatment plant for a potential battery storage facility. Said storage facility would store energy from the grid during off-peak hours and return energy to the grid during high demand. A similar article was passed at the 2018 Annual Town Meeting for the Town's landfill property. However, after further investigation, that site was found to be unviable.

ARTICLE 25 – ZONING BYLAW AMENDMENT (DCBC)

On Monday April 22, 2019, the Planning Board will hold a public hearing on a zoning bylaw amendment relative to the Downtown Commercial Business Corridor (DCBC) district, which covers most of downtown Lee. Should the Planning Board be inclined to proceed with that bylaw amendment after their public hearing, an article, sponsored by the Planning Board, would be placed on the warrant. In the event that the Planning Board does not vote to proceed to Town Meeting, this article will be removed from the final warrant. A copy of this proposed zoning

bylaw amendment is included in your packet. Representatives of the Planning Board may speak further to this issue at the Baby Town Meeting.

ARTICLE 26 – ZONING BYLAW AMENDMENT (OPLI)

This article is sponsored by the Planning Board. The article proposes to amend the zoning bylaws as it relates to design standards for signage in the Office Park & Light Industrial (OPLI) district. A copy of this proposed zoning bylaw amendment is included in your packet. Representatives of the Planning Board may speak further to this issue at the Baby Town Meeting.

ARTICLE 27 – ZONING BYLAW AMENDMENT (Solar)

This article is sponsored by the Planning Board. The article proposes to amend the zoning bylaws as it relates to solar installations. A copy of this proposed zoning bylaw amendment is included in your packet. Representatives of the Planning Board may speak further to this issue at the Baby Town Meeting.

ARTICLE 28 – REPEAL OF CIVIL SERVICE FOR PATROLMEN

This article is included in the draft warrant at my request and that of the Chief of Police. It proposes to rescind the vote passed by Town Meeting in 1932 to accept provisions of Civil Service. It is my belief, as well as that of Chief Roosa, that removal of this provision will lead to more efficient and effective recruitment as the Police Department seeks to fill vacant positions moving forward. This is a change that has been implemented in many communities throughout the Commonwealth with positive results.

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. We look forward to seeing you at the Baby Town Meeting on April 23rd.

Sincerely,



Christopher J. Ketchen
Chief Administrative Officer/Town Administrator