

Town of Danvers



ANNUAL TOWN MEETING
May 16, 2016 - 7:30 P.M.
Danvers High School Auditorium

Warrant & Finance Committee Recommendations
Fiscal Year 2017

Town of Danvers, Massachusetts

Memorandum

TO: Town Meeting Members

FROM: Steve Bartha, Town Manager

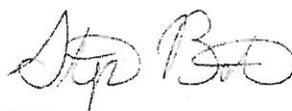
DATE: April 29, 2016

RE: Warrant & Finance Committee Recommendations
Special & Annual Town Meetings – May 16, 2016

Enclosed are the Finance Committee Recommendations for the **May 16, 2016** Special and Annual Town Meetings at **7:30 P.M.** in the Danvers High School Auditorium. ***Please remember to bring this booklet with you to Town Meeting on the 16th.***

In the event that last-minute revisions or amendments to the Warrant are required, a Finance Committee meeting has been scheduled at **7:00 P.M.** in the Auditorium.

As a courtesy, the Town Moderator appreciates knowing before Town Meeting, if amendments will be offered to Warrant Articles as presented in the Warrant & Explanation Report.



Steve Bartha, Town Manager

cc: Department Managers
Division Managers
Finance Committee

Town Counsel
Town Moderator
Press

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Warrant Articles & Finance Committee Recommendations

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*Warrant & Explanation Report
Special Town Meeting
May 16, 2016*

Article 1: Unpaid Bills. To see what sum the Town will vote to appropriate for the payment of certain unpaid bills for previous years, or take any other action thereon.

We recommend no action.

Article 2: Budget Transfers – Fiscal 2016. To see if the Town will vote to amend the actions taken under Article 2 of the May 18, 2015 Annual Town Meeting or under Article 1 of the December 21, 2015 Special Town Meeting by adding certain appropriations or by reducing certain appropriations, by transfer among accounts, by transfer from prior appropriations under articles, or from available funds, or take any other action thereon.

We recommend that Town Meeting vote to amend the actions taken under Article 2 of the May 18, 2015 Annual Town Meeting or under Article 1 of the December 21, 2015 Special Town Meeting by adding certain appropriations or by reducing certain appropriations, by transfer among accounts, by transfer from prior appropriations under articles, or from available funds, as follows:

<u>Amount</u>	<u>From</u>	<u>To</u>
\$ 4,500	Police-Salaries & Wages	MIS-Salaries & Wages
\$30,000	Police-Salaries & Wages	Planning & HS-Other Expense
\$46,995	Police-Salaries & Wages	Police-Other Expense
\$40,020	Police Salaries & Wages	Police-Other Expense
\$55,000	Insurance Reimbursement	DPW-Other Expense
\$50,800	Education	Essex Technical - Vocational

NOTE: Please see Appendix on pg. 17 for further information regarding Article 2, Budget Transfers.

Article 3: State Public Works Grant. To see what sum the Town will vote to appropriate for public works projects, such sum to be reimbursed by the State Transportation Bond Bill, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$914,566 for public works projects, such sum to be reimbursed by the State Transportation Bond Bill.

Article 4: Public Safety Dispatch Center. To see what sum the Town will vote to appropriate for construction and renovations at the Police Station and to the Public Safety Communications Center, and to determine whether this appropriation should be raised through borrowing or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$200,000 through **borrowing** for additional costs of construction and renovations at the Police Station and to the Public Safety Communications Center, including the payment of all costs incidental or related thereto; that to meet this appropriation the Treasurer with the approval of the Board of Selectmen, is authorized to borrow \$200,000 under M.G.L. Chapter 44, §§ 7 (3) and 7 (3A), or any other enabling authority; that the Town Manager is authorized to contract for and expend any federal or state aid available for the project; and that the Town Manager is authorized to take any other action necessary or convenient to carry out this project.

Finance Committee

/s/ *John J. Sweeney, Jr.*, Chairman
John J. Sweeney, Jr.

/s/ *C. R. Lyons*
Clarence R. Lyons

/s/ *Sally J. Calhoun*
Sally J. Calhoun

/s/ *David P. McKenna*
David P. McKenna

/s/ *Michael Daley*
Michael Daley

/s/ *John Mroszczyk*
John Mroszczyk

/s/ *Nichole M. Guerrette*
Nichole M. Guerrette

/s/ *Paul Pawlak*
Paul Pawlak

*Warrant & Explanation Report
Annual Town Meeting
May 16, 2016*

Article 1: Election of Officers. To choose such officers as are required by law to be chosen in the months of April, May, and June annually, if they have not been elected by written ballot at the annual election, or take any other action thereon.

No recommendation is required.

Article 2: Budget - Fiscal 2017. To determine what sums of money the Town will vote to appropriate to defray the charges and expenses of the Town for Fiscal Year 2017, and to determine whether the money so appropriated shall be provided by taxation, by appropriation from available funds or by borrowing, or take any other action thereon.

We recommend that Town Meeting vote to appropriate sums of money as set forth on the following pages to defray the charges and expenses of the Town for Fiscal 2017.

Article 3: Electric Division Budget. To see if the Town will vote to appropriate, for the Electric Division, the income from the sale of electricity to private consumers, electricity supplied to municipal buildings for municipal power, electricity supplied for street lights, and jobbing during the current fiscal year, the whole to be expended under the direction and control of the Town Manager, for the expense of the plant for said Fiscal Year, as defined by § 57 of Chapter 164 of the M.G.L., and to determine whether said income shall exceed said expenses for said Fiscal Year, or take any other action thereon.

We recommend that Town Meeting vote to appropriate, for the Electric Division, the income from the sale of electricity to private consumers, electricity supplied to municipal buildings for municipal power, electricity supplied for street lights, and jobbing during the current fiscal year, the whole to be expended under the direction and control of the Town Manager, for the expense of the plant for said Fiscal Year, as defined by § 57 of Chapter 164 of the M.G.L., and to determine whether said income shall exceed said expenses for said Fiscal Year.

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BUDGET SUMMARY FISCAL YEAR 2017

Tax Rate Recap	FISCAL YEAR					BUDGET
	2013	2014	2015	2016	2017	
REVENUES						
PROPERTY TAX	62,526,779	64,756,756	67,349,955	70,286,547	72,737,328	
STATE AID (INCL. MSBA)	9,305,380	9,707,273	10,013,551	10,220,626	10,350,129	
LOCAL RECEIPTS	24,645,816	23,211,376	25,300,768	27,784,177	25,171,376	
OTHER AVAILABLE FUNDS	1,963,312	3,120,879	2,161,453	2,389,085	1,298,591	
TOTAL REVENUES	98,441,287	100,796,284	104,825,727	110,680,435	109,557,424	
EXPENDITURES						
EDUCATION	33,372,358	34,444,125	36,092,219	37,472,582	38,632,834	
LIBRARY	1,222,295	1,253,869	1,281,692	1,329,335	1,330,316	
GENERAL GOVERNMENT	25,733,213	26,130,588	26,979,008	28,214,925	28,629,680	
ENTERPRISE FUNDS	14,319,316	14,444,434	14,652,968	16,591,177	13,780,376	
RETIREMENT	4,031,094	4,468,506	4,633,839	4,979,656	5,365,013	
UNAPPROPRIATED CHARGES	1,734,313	1,815,013	1,845,440	1,865,822	1,771,740	
GENERAL GOVERNMENT DEBT	5,696,158	5,438,284	5,693,133	5,612,007	5,639,622	
EMPLOYEE BENEFITS & INSURANCE	10,605,929	10,872,644	11,510,825	11,779,875	12,079,876	
WARRANT ARTICLES	1,726,611	1,669,139	2,136,282	2,231,510	2,327,967	
TOTAL EXPENDITURES	98,441,287	100,536,602	104,825,406	110,076,889	109,557,424	



REVENUE AND EXPENDITURE HISTORY AND FORECAST

REVENUE	FISCAL YEAR		FISCAL YEAR		FISCAL YEAR		FISCAL YEAR		BUDGET
	2013	2014	2015	2016	2017	2018	2019	2020	
PROPERTY TAX LEVY	62,526,779	64,756,756	67,349,955	70,286,547	72,737,328				
STATE AID (INCL. MSBA)	9,305,380	9,707,273	10,013,551	10,220,626	10,350,129				
LOCAL RECEIPTS									
Motor Vehicle Excise	3,475,000	3,770,000	3,900,000	4,100,000	4,100,000			4,100,000	
Other Excise	787,000	787,833	821,000	860,000	895,000			895,000	
Penalties & Interest	295,000	270,000	324,000	380,000	380,000			380,000	
Hotel/Motel Tax	1,323,000	925,927	1,200,000	1,257,000	1,400,000			1,400,000	
In Lieu of Taxes	1,300,000	1,300,000	1,310,000	1,300,000	1,310,000			1,310,000	
Enterprise Funds	14,319,316	13,148,434	14,652,968	16,591,177	13,780,376			13,780,376	
Other Charges for Services	936,000	928,427	957,000	1,000,000	1,000,000			1,000,000	
Fees	753,000	693,500	675,000	660,000	650,000			650,000	
Departmental	113,000	88,400	111,000	100,000	100,000			100,000	
Licenses & Permits	870,000	861,592	850,000	950,000	950,000			950,000	
Fines/Forfeits	94,500	107,585	104,000	103,000	103,000			103,000	
Investment Income	110,000	91,000	74,000	110,000	110,000			110,000	
Medicaid Reimbursement		246,285	315,000	360,000	380,000			380,000	
Misc recurring	270,000		6,800	13,000	13,000			13,000	
Misc non recurring									
subtotal	24,645,816	23,218,983	25,300,768	27,784,177	25,171,376			25,171,376	
OTHER AVAILABLE FUNDS									
Free Cash		28,000						662,591	
Revenue Stabilization		35,000							
School Stabilization	1,315,403	1,115,403	1,115,403	1,037,277	500,000			500,000	
Lat./Part. Sewers	100,000	100,000	200,000	100,000	80,000			80,000	
Parking Receipts			24,000						
Stabilization Fund	161,416	258,075	610,537	593,808					
Slip Fees	64,169	62,481	60,513	58,000	56,000			56,000	
Other - 53rd Week									
Overlay Reserve			275,000						
Budget Transfers		51,920							
Art. 3 6/16/03 Balance	284,597								
Retained Earnings				250,000					
subtotal	1,925,585	2,846,879	2,285,453	2,389,085	1,298,591			1,298,591	
TOTAL REVENUE	98,403,560	100,529,891	104,949,727	110,680,435	109,557,424				

EXPENDITURES	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	BUDGET	
	2013	2014	2015	2016	2017	
General Government	3,063,638	3,172,815	3,262,388	3,462,614	3,669,485	
Police	6,068,818	6,153,821	6,239,742	6,501,328	6,469,360	
Fire	4,368,942	4,551,094	4,683,953	4,816,640	4,824,723	
Other Public Safety	335,335	342,763	356,657	375,624	385,962	
Education	33,372,358	34,444,125	36,092,219	37,472,582	38,632,834	
Public Works (tax)	10,346,942	10,322,617	10,790,741	11,217,723	11,512,408	
Enterprise Funds	14,319,316	14,444,434	14,652,968	16,591,177	13,780,376	
Planning & Human Services	1,549,538	1,587,478	1,645,527	1,840,996	1,767,742	
Library	1,222,295	1,253,869	1,281,692	1,329,335	1,330,316	
Debt Service - General Govt	5,696,158	5,438,284	5,693,133	5,612,007	5,639,622	
Retirement	4,031,094	4,468,506	4,633,839	4,979,656	5,365,013	
Employee Benefits/Insurance	10,605,929	10,872,644	11,510,825	11,779,875	12,079,876	
Warrant Articles	1,726,611	1,669,139	2,136,282	2,231,510	2,327,967	
	subtotal	98,721,589	102,979,966	108,211,067	107,785,684	
OTHER AMOUNTS TO BE RAISED						
Overlay Deficits						
Offsets	40,245	40,657	47,963	33,364	34,460	
State & County	1,017,574	1,130,013	931,675	981,903	1,037,280	
Overlay Reserves	676,494	761,631	865,802	850,555	700,000	
Other						
	Subtotal	1,734,313	1,932,301	1,845,440	1,865,822	1,771,740
TOTAL TO BE RAISED	98,441,287	100,653,890	104,825,406	110,076,889	109,557,424	



TABLE OF APPROPRIATIONS

DEPARTMENT		FY17 Appropriation	From Tax Levy	From Available Funds	Source	Enterprise	Free Cash
EDUCATION	Total	38,632,834	38,632,834	-			
1140 MODERATOR	Personnel	400					
	Operating	1,150					
	Total	1,550	1,550				
1220 SELECTMEN	Personnel	15,500					
	Operating	8,100					
	Total	23,600	23,600				
1230 TOWN MANAGER	Personnel	69,679					
	Operating	37,150					
	Total	106,829	106,829				
1250 MGMT & INFO SERVICES	Personnel	360,321					
	Operating	277,252					
	Capital Outlay	12,000					12,000
	Total	649,573	637,573				
1290 DEPARTMENT HEADS	Personnel	1,352,927					
	Operating	16,130					
	Total	1,369,057	1,369,057				
1320 FINANCE COMMITTEE RESERVE	Operating	100,000					
	Total	100,000	100,000				
1350 ACCOUNTING	Personnel	316,905					
	Operating	60,438					
	Capital Outlay	5,000					5,000
	Total	382,343	377,343				
1410 ASSESSING	Personnel	174,314					
	Operating	89,785					
	Total	264,099	264,099				
1430 ADMINISTRATIVE SERVICES	Personnel	424,393					
	Operating	81,442					
	Total	505,835	505,835				
1510 TOWN COUNSEL	Operating	121,423					
	Total	121,423	121,423				
1520 HUMAN RESOURCES	Personnel	122,001					
	Operating	23,175					
	Total	145,176	145,176				
2110 POLICE DEPARTMENT	Personnel	5,901,901					
	Operating	418,338					
	Capital Outlay	149,121					149,121
	Total	6,469,360	6,320,239				

2210 FIRE DEPARTMENT	Personnel	4,530,450							
	Operating	294,273							
	Capital Outlay								
	Total	4,824,723		4,824,723					
2410 CODE ADMINISTRATION	Personnel	349,387							
	Operating	31,575							
	Capital Outlay	5,000							
	Total	385,962		380,962					5,000
PUBLIC WORKS (TAX SUPPORTED)	Personnel	4,362,782							
	Operating	6,699,626							
	Capital Outlay	450,000							
	Total	11,512,408		10,982,408		80,000	Lat/Part		450,000
SEWER	Personnel	292,309							
	Operating	4,580,243							
	Capital Outlay	63,000							
	Transfers	174,149							
	Debt	561,562							
	Total	5,671,263						5,671,263	
WATER	Personnel	1,840,150							
	Operating	3,674,426							
	Capital Outlay	160,000							
	Transfers	302,846							
	Debt	2,131,691							
	Total	8,109,113						8,109,113	
PLANNING & HS	Personnel	1,436,096							
	Operating	290,176							
	Capital Outlay	41,470							41,470
	Total	1,767,742		1,726,272					
6110 PEARBODY INSTITUTE LIBRARY	Personnel	1,071,417							
	Operating	258,899							
	Total	1,330,316		1,330,316					
7100 DEBT RETIREMENT - PRINCIPAL	Debt	3,515,000							
7510 INTEREST ON LONG-TERM DEBT	Debt	2,124,622							
	Total	5,639,622		5,083,622		500,000	HS/MIS		
9100 EMPLOYEE BENEFITS	Operating	12,079,876				56,000	Slip Fees		
VET BENEFITS ADDED IN FY17	Total	12,079,876		12,079,876					
RETIREMENT CONTRIBUTION (GF)	Operating	5,365,013							
	Total	5,365,013		5,365,013					
	Subtotal	105,457,717		90,378,750		636,000	-	13,780,376	662,591

Article 4: Essex North Shore Agricultural & Technical School District Assessment. To see what sum the Town will vote to appropriate for the payment of the assessment certified by the Essex North Shore Agricultural & Technical School District, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$1,912,967 from taxation for the payment of the assessment certified by the Essex North Shore Agricultural & Technical School District.

Article 5: Authorization of Collector of Taxes to Act. To see if the Town will vote to authorize the Collector of Taxes to use all means of collecting taxes which a Town Treasurer may use when appointed Collector of Taxes, permissible under the statutes of the Commonwealth of Massachusetts, or take any other action thereon.

We recommend that Town Meeting vote to authorize the Collector of Taxes to use all means of collecting taxes which a Town Treasurer may use when appointed Collector of Taxes, permissible under the statutes of the Commonwealth of Massachusetts.

Article 6: Committee Reports. To see if the Town will vote to hear, consider, and accept the reports of the town boards, commissions, officers, committees, or take any other action thereon.

We recommend that Town Meeting vote to hear, consider, and accept the reports of the town boards, commissions, officers, and committees.

Article 7: Community Preservation Act. To see if the Town will vote to adopt the provisions of Sections 3-7, inclusive, of M.G.L. Chapter 44B, otherwise known as the "Massachusetts Community Preservation Act," by approving a surcharge on real property for the purposes permitted by said Act, including the acquisition, creation and preservation of open space, the acquisition, preservation, rehabilitation and restoration of historic resources, the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, the acquisition, creation, preservation and support of community housing, and the rehabilitation and restoration of such open space and community housing that is acquired or created as provided under said Act and to determine the amount of such surcharge on real property as a percentage of the annual real estate tax levy against real

property and the fiscal year in which such surcharge shall commence, and to determine whether the Town will accept any of the exemptions from such surcharge permitted under Section 3(e) of said Act, or take any other action thereon.

We recommend that Town Meeting vote to accept Sections 3 to 7, inclusive, of Chapter 44B of the General Laws, otherwise known as the Massachusetts Community Preservation Act, by approving a surcharge on real property for the purposes permitted by said Act, including:

- *the acquisition, creation and preservation of open space;*
- *the acquisition, preservation, rehabilitation and restoration of historic resources;*
- *the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use;*
- *the acquisition, creation, preservation, and support of community housing;*
- *and the rehabilitation and restoration of such open space and community housing that is acquired or created as provided under said Act.*

That the amount of such surcharge on real property shall be 1.5% of the annual real estate tax levy against real property commencing in fiscal year 2018; and that the Town hereby accepts the following exemptions from such surcharge permitted under Section 3(e) of said Act: (1) property owned and occupied as a domicile by any person who qualifies for low income housing or low or moderate income senior housing in the Town, as defined in Section 2 of said Act; (2) \$100,000 of the value of each taxable parcel of residential real property; and (3) \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in section 2A of said Chapter 59.

Article 8: Citizen Petition – Open Burning. To see if the Town will vote to increase curbside brush pickups during open burning season (January 15-May 1), increase the hours for disposal of brush at the Transfer Station and, further, to increase the distance of permitted open burning from seventy-five (75) feet to one hundred (100) feet from the nearest property line, or take any other action thereon. [submitted by Stephen Steinberg, et al]

We recommend no action.

Article 9: Citizen Petition – Train Depot. To see if the Town will vote to accept, and to acquire at no cost, the former Danvers Depot Building, which is presently located at 22 Cherry Street, Danvers, MA, and which is presently owned and controlled by Cherry Street 29 Enterprises, LLC d/b/a Townsend Oil, said property to be under the care, custody, and control of the Board of Selectmen of Danvers for any lawful purpose, and to approve relocating said building to the Hobart Street Parking Lot, 10 Hobart Street, Danvers, MA, and restoring said building, once situated, at a cost not to exceed seven hundred fifty thousand dollars, which the Town is scheduled to receive from the Commonwealth of Massachusetts, or take any other action thereon. [submitted by Ellen Graham et al]

We recommend that Town Meeting vote to accept and to acquire at no cost, subject to receipt of \$750,000 in funding from the Commonwealth of Massachusetts, the former Danvers Depot Building, which is presently located at 22 Cherry Street, Danvers, MA, and which is presently owned and controlled by Cherry Street 29 Enterprises, LLC d/b/a Townsend Oil, said property to be under the care, custody, and control of the Board of Selectmen of Danvers for any lawful purpose, and to approve relocating said building to the Hobart Street Parking Lot, 10 Hobart Street, Danvers, MA, and restoring said building, once situated, at a cost not to exceed \$750,000.

Article 10: Amendment to Town By-law – Chapter I, § 1A. To see if the Town will vote to amend the Town By-laws, Chapter I, § 1A, “Town Meetings,” by striking each instance of the phrase (bold underlined) “at **thirty minutes past** seven o’clock,” or take any other action thereon.

*We recommend that Town Meeting vote to amend the Town By-laws, Chapter I, § 1A, “Town Meetings,” by striking each instance of the phrase (bold underlined) “at **thirty minutes past** seven o’clock.”*

Article 11: Amendment to Town By-law – Chapter I, §2. To see if the Town will vote to amend the Town By-laws, Chapter I, §2, “Town Meetings,” by striking each instance of the phrase (bold underlined) “**earlier than thirty minutes past**,” or take any other action thereon.

*We recommend that Town Meeting vote to amend the Town By-laws, Chapter I, § 2, “Town Meetings,” by striking each instance of the phrase (bold underlined) “**earlier than thirty minutes past**.”*

Article 12: Technology Plan. To see what sum the town will vote to appropriate for the purchase and installation of hardware and software for telecommunications, computers, and related networking equipment for various town departments, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$274,000 from Free Cash for the purchase and installation of hardware and software for telecommunications, computers, and related networking equipment for various town departments.

Article 13: Telephone Systems. To see what sum the Town will vote to appropriate for the replacement of telephone system(s), or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$78,837 from Free Cash for the replacement of telephone system(s).

Article 14: School Transportation Vehicles. To see what sum the Town will vote to appropriate for the lease payments, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$65,000 from Free Cash for lease payments and/or purchase of school transportation vehicles.

Article 15: Fire Department Vehicle - Pumper. To see what sum the Town will vote to appropriate for the purchase of a Fire Department pumper truck and to determine whether this appropriation should be raised by borrowing or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$300,000 from Free Cash for the purchase of a Fire Department pumper truck.

Article 16: Smith School Architectural Services. To see if the Town will vote to appropriate, borrow or transfer from available funds an amount of money to be expended under the direction of the Town Manager and School Building Committee for a feasibility study, including professional and architectural services related to design, engineering and plans for a potential new construction, renovation and/or addition project at the Smith School, 15 Lobao Drive, for which feasibility study the Town may be eligible for a grant from the Massachusetts School Building Authority (MSBA). The MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any

costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town, or take any other action thereon.

*We recommend that Town Meeting vote to appropriate **\$1.8 million** for the purpose of paying the costs of a feasibility study, including professional and architectural services related to design, engineering and plans for a potential new construction, renovation and/or addition project at the Smith School, 15 Lobao Drive, including the payment of all costs incidental or related thereto, and for which the Town may be eligible for a grant from the Massachusetts School Building Authority (MSBA), said amount to be expended under the direction of the Town Manager and School Building Committee; that to meet this appropriation, the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow \$1.8 million under Chapter 44 of the General Laws or any other enabling authority; that the Town acknowledges that the MSBA Grant Program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town; that the amount of borrowing authorized pursuant to this vote shall be reduced by any grant amount set forth in the Feasibility Study Agreement that may be executed between the Town and the MSBA; and that the Town Manager is authorized to take any other action necessary to carry out this vote.*

Article 17: Pavement Management & Sidewalk Improvements. To see what sum the Town will vote to appropriate for the implementation of a pavement management program including consulting services, computer programs, crack sealing, sidewalk improvements, and the reconstruction of Town ways and to determine whether this appropriation should be raised by borrowing or otherwise, or take any other action thereon.

*We recommend that Town Meeting vote to appropriate **\$150,00** from **Free Cash** for the implementation of a pavement management program including consulting services, computer programs, crack sealing, sidewalk improvements, and the reconstruction of Town ways.*

Article 18: Roadway Layout & Acceptance of Public Ways. To see if the Town will vote to approve the layout and acceptance plans, to accept certain roads as public ways, and to authorize the Board of Selectmen to acquire by gift, purchase, taking or otherwise, any fee, easement or other interest in any easement related to such public ways, or take any other action thereon.

We recommend that Town Meeting vote to hear the Selectmen's report relative to the layout and acceptance of the following as public ways: Post Gate Road, Lantern Lane, Seneca Drive, Little Lane, and Ryan Road.

We further recommend that the Board of Selectmen be authorized to take by eminent domain, acquire by purchase or, as otherwise as may be necessary, to acquire the land and easements necessary for said layouts. In as much as these roadways have been maintained by the Town of Danvers as Public Ways, we do not recommend any damage awards under this Warrant Article request.

Article 19: Roadway Acceptance Plans & Recording Fees. To see what sum the Town will vote to appropriate for the preparation of street layout and acceptance plans and recording fees to accept certain roadways as public ways in the Town of Danvers, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$15,000 from taxation for the preparation of street layout and acceptance plans and recording fees to accept certain roadways as public ways in the town of Danvers.

Article 20: Grant of Easement, Lummus Avenue at 85 Maple Street. To see if the Town will vote to grant a license or permanent easement within the public way of Lummus Avenue to rectify a building encroachment into the public way, or take any other action thereon.

We recommend that Town Meeting vote to grant a license or permanent easement within the public way of Lummus Avenue to rectify a building encroachment into the public way.

Article 21: Abandonment of Temporary Turnaround Easement – Bridle Spur Road. To see if the Town will vote to abandon and release to the abutting property owners' cul-de-sac all rights, title, and interest in the easement granted to the Town as part of the approval of the original Putnamville Estates Subdivision, or take any other action thereon.

We recommend that Town Meeting vote to abandon and release to the abutting property owners' cul-de-sac all rights, title, and interest in the easement granted to the Town as part of the approval of the original Putnamville Estates Subdivision.

Article 22: Abandonment of Temporary Turnaround Easement – Overlook Drive. To see if the Town will vote to abandon and release to the abutting property owners' cul-de-sac all rights, title, and interest easement granted to the Town as part of the approval of the original Overlook Drive Subdivision, or take any other action thereon.

We recommend that Town Meeting vote to abandon and release to the abutting property owners' cul-de-sac all rights, title, and interest easement granted to the Town as part of the approval of the original Overlook Drive Subdivision.

Article 23: Emerson Brook & Swan Pond Pump Station Repairs. To see what sum the Town will vote to appropriate for the capital maintenance and extraordinary repairs to the Town's water supply system and for the design, permitting, construction and services during construction for extraordinary repairs and maintenance to the Emerson Brook and Swan Pond reservoir pumping station and to determine whether said appropriation shall be made through Water Receipts or Water Retained Earnings or otherwise, or take any other action thereon.

*We recommend that Town Meeting vote to appropriate \$250,000 from **Water Retained Earnings** for the capital maintenance and extraordinary repairs to the Town's water supply system and for the design, permitting, construction and services during construction for extraordinary repairs and maintenance to the Emerson Brook and Swan Pond reservoir pumping station.*

Article 24: Chlorine Booster Station. To see what sum the Town will vote to appropriate for the for the design, permitting, construction and services during construction for a water distribution chlorine booster station, and to determine whether this appropriation shall be raised by borrowing or otherwise, or take any other action thereon.

*We recommend that Town Meeting vote to appropriate \$300,000 from **Water Retained Earnings** for the design, permitting, construction and services during construction for a water distribution chlorine booster station.*

Article 25: Wastewater Improvements – Pipe Lining, Spot Repairs. To see what sum the Town will vote to appropriate for the second phase of the Comprehensive Infiltration Inflow Reduction Lining Program to maintain the Town's wastewater collection system and to determine whether this appropriation should be raised through sewer receipts or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$600,000 from Sewer Receipts for the second phase of the Comprehensive Infiltration Inflow Reduction Lining Program to maintain the Town's wastewater collection system.

Article 26: Wastewater Facilities Improvements – Endicott Pumping Station. To see what sum the Town will vote to appropriate for the capital maintenance and extraordinary repairs to the Town's wastewater pumping stations and to determine whether said appropriation should be made through Sewer Receipts or Sewer Retained Earnings, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$400,000 from Sewer Retained Earnings for the capital maintenance and extraordinary repairs to the Town's wastewater pumping stations.

Article 27: Building Improvements. To see what sum the Town will vote to appropriate for repairs, maintenance, and improvements to Town buildings, including equipment, and to determine whether this appropriation should be raised by borrowing or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$408,325 for the repair and maintenance of Town buildings, as follows: \$364,800 from Free Cash; \$13,200 from Water Retained Earnings; \$13,200 from Sewer Retained Earnings; and \$17,125 from Electric.

Article 28: Grounds Improvements. To see what sum the Town will vote to appropriate for improvements to and maintenance of Town properties, athletic facilities, playgrounds and equipment, and related costs, including construction, reconstruction, replacement, or purchase of equipment or supplies, and to determine whether this appropriation should be raised by borrowing or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$56,000 for improvements to and maintenance of Town properties, athletic facilities, playgrounds and equipment, and related costs, including construction, reconstruction, replacement, or purchase of equipment or supplies, as follows: \$41,000 from Free Cash and \$15,000 from Prior Year Balances.

Article 29: Szytko Bridge Maintenance & Repairs. To see what sum the Town will vote to appropriate for the design, permitting, construction, and services during construction for extraordinary maintenance and repairs to the Szytko Bridge and to determine whether said appropriation should be made through taxation or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$225,000 from Free Cash for the design, permitting, construction, and services during construction for extraordinary maintenance and repairs to the Szytko Bridge on Route 35 (Water Street).

Article 30: Frost Fish Brook Improvements. To see what sum the Town will vote to appropriate for the design, permitting, construction, and services during construction for drainage improvements in Frost Fish Brook and to determine whether this appropriation shall be raised through sewer receipts, sewer retained earnings, borrowing or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$1,000,000 through borrowing for the design, permitting, construction, and services during construction for drainage improvements in Frost Fish Brook; that to meet this appropriation the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said sum under M.G.L. Chapter 44 or any other enabling authority; and that the Town Manager is authorized to take any other action necessary to carry out this project.

Article 31: Drainage Liability. To see if the Town will vote to assume liability in the manner provided by M.G.L. Chapter 91, § 29, for damages that may be incurred by work to be performed by the Massachusetts Department of Transportation [MassDOT], for the improvement, development, maintenance, and protection of tidal and non-tidal rivers and streams, harbors, tidewaters, foreshores, and shores along the public beach, in accordance with M.G.L. Chapter 91, § 11, and authorize the Board of Selectmen to execute and deliver a bond of indemnity therefore to the Commonwealth of Massachusetts, or take any other action thereon.

We recommend that Town Meeting vote to assume liability in the manner provided by M.G.L. Chapter 91, §29, for damages that may be incurred by work to be performed by the Massachusetts Department of Transportation [MassDOT], for the improvement, development, maintenance, and protection of tidal and non-tidal rivers and streams, harbors, tidewaters, foreshores, and shores along the public beach, in

accordance with M.G.L. Chapter 91, § 11, and authorize the Board of Selectmen to execute and deliver a bond of indemnity therefore to the Commonwealth of Massachusetts.

Article 32: Drainage Maintenance. To see what sum the Town will vote to appropriate for the continuation of the drainage maintenance program including engineering, specifications and bidding documents, materials, equipment and construction associated with the costs of upgrading and improving the existing drainage throughout the Town, and to determine whether this appropriation should be raised by borrowing or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$25,000 from Sewer Receipts for the continuation of the drainage maintenance program including engineering, specifications and bidding documents, materials, equipment and construction associated with the costs of upgrading and improving the existing drainage throughout the Town.

Article 33: Water Main Replacements. To see what sum the Town will vote to appropriate for the capital maintenance and extraordinary repairs to the Town's water distribution system for the replacement of water mains and to determine whether said appropriation shall be made through water receipts or water retained earnings or otherwise, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$900,000 from Water Retained Earnings for the capital maintenance and extraordinary repairs to the Town's water distribution system for the replacement of water mains.

Article 34: Amendment to Article 8, 5/18/15 ATM, Preservation Restrictions. To see if the Town will vote to amend Article 8 of the May 18, 2015 Annual Town Meeting by replacing the phrase "not to exceed \$100,000" with the phrase "not to exceed \$30,000" from the previously-approved warrant article, or take any other action thereon.

We recommend that Town Meeting vote to amend Article 8 of the May 18, 2015 Annual Town Meeting by replacing the phrase "not to exceed \$100,000" with the phrase "not to exceed \$30,000" from the previously-approved warrant article.

Article 35: Re-establishment of Revolving Fund Accounts. To see if the Town will vote to re-establish departmental revolving fund accounts pursuant to M.G.L. Chapter 44, § 53E½ under the custody of the Town Treasurer, or take any other action thereon.

We recommend that Town Meeting vote to re-establish departmental revolving fund accounts pursuant to M.G.L. Chapter 44, § 53E½ under the custody of the Town Treasurer, as follows:

<u>Revolving Fund Account</u>	<u>Not to exceed</u>
Fire Trailer	\$ 5,000
Danvers Council on Aging [DCOA]	\$150,000
Transportation	\$100,000
Waterways Dredging Improvement	\$ 65,000
Child Care Program	\$520,000
Local Emergency Management	\$ 10,000
Water Use Mitigation	\$300,000
Preservation	\$100,000
Police K9 Program	\$ 15,000
Fire Department Emblem Producing	\$ 5,000

Article 36: Post-employment Health Insurance Stabilization Fund. To see what sum the Town will vote to appropriate to add to the post-employment health insurance stabilization fund, pursuant to M.G.L. Chapter 40, § 5B, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$150,000 from taxation to add to the post-employment health insurance stabilization fund, pursuant to M.G.L. Chapter 40, § 5B.

Article 37: Establishment of OPEB Trust Fund. To see if the Town will vote to accept the provisions of M.G.L. Chapter 32B, which provides for the establishment of an "Other Post-Employment Benefits (OPEB)" liability trust fund for the Town, to be known as the "OPEB Trust Fund," and further, to raise, appropriate, and transfer from the OPEB Stabilization Fund sums of money to the OPEB Trust Fund to be used for post-employment benefits, in accordance with said statutes, or take any other action thereon.

We recommend that Town Meeting vote to accept the provisions of M.G.L. Chapter 32B, which provides for the establishment of an "Other Post-Employment Benefits

(OPEB)" liability trust fund for the Town, to be known as the "OPEB Trust Fund," and further, to raise, appropriate, and transfer from the OPEB Stabilization Fund sums of money to the OPEB Trust Fund to be used for post-employment benefits, in accordance with said statutes.

Article 38: Stabilization Fund. To see what sum the town will vote to appropriate to add to the Stabilization Fund, pursuant to the provisions of M.G.L. Chapter 40, § 5B, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$300,000 from Free Cash to add to the Stabilization Fund, pursuant to the provisions of M.G.L. Chapter 40, § 5B.

Article 39: School Construction Stabilization Fund. To see what sum the Town will vote to appropriate to add to the School Construction Stabilization Fund, pursuant to the provisions of M.G.L. Chapter 40, § 5B, or take any other action thereon.

We recommend that Town Meeting vote to appropriate \$1.05 million to add to the School Construction Stabilization Fund, pursuant to the provisions of M.G.L. Chapter 40, § 5B, as follows: \$800,000 from Free Cash and \$250,000 from taxation.

Article 40: Danvers Contributory Retirement System - COLA. To see if the Town will vote to approve a cost of living adjustment for retirees in accordance with M.G.L. Chapter 32, § 103(j) [Chapter 188 of the Acts of 2010], or take any other action thereon.

We recommend that Town Meeting vote to approve an increase in the cost of living adjustment base (i.e., COLA Base) for retirees from \$12,000 to \$13,000 in accordance with M.G.L. Chapter 32, § 103(j) [Chapter 188 of the Acts of 2010].

Article 41: Fiscal 2017 Budget Amendments. To see if the Town will vote to amend the action taken under Article 2 of the 2016 Annual Town Meeting by increasing certain appropriations, by adding certain appropriations, or by reducing certain appropriations, by transfer among accounts or from available funds, or take any other action thereon.

We recommend no action.

Finance Committee

/s/ *John J. Sweeney, Jr.*, Chairman
John J. Sweeney, Jr.

/s/ *C. R. Lyons*
Clarence R. Lyons

/s/ *Sally J. Calhoun*
Sally J. Calhoun

/s/ *David P. McKenna*
David P. McKenna

/s/ *Michael Daley*
Michael Daley

/s/ *John Mroszczyk*
John Mroszczyk

/s/ *Nichole M. Guerrette*
Nichole M. Guerrette

/s/ *Paul Pawlak*
Paul Pawlak

Special Town Meeting - Appendix

ARTICLE 2: BUDGET TRANSFERS – FISCAL YEAR 2016

<u>Department</u>	<u>Amount</u>	<u>From</u>	<u>To</u>
1. M.I.S.	\$4,500	Police-Salaries & Wages	M.I.S.-Salaries & Wages

A market adjustment for IT staff based on a study performed and implemented in FY 2016 will result in an over-expenditure in Salaries & Wages.

2. Planning & HS	\$30,000	Police-Salaries & Wages	Plan & H.S.-Other Expense
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The Veterans' Aid line item is projected to need an additional \$30,000 to avoid a shortfall. The original appropriation for Veterans' Aid was \$120,000 with a budget transfer at the December 2015 Special Town Meeting. With this transfer, the total FY 2016 budget will be \$180,000. The FY 2017 budget includes \$200,000 for Veterans' Aid.

3. Police	\$46,995	Police-Salaries & Wages	Police-Other Expense
	\$40,020	Police-Salaries & Wages	Police-Other Expense

Loss of personnel through retirement and transfers finds the Police Department in the process of hiring seven (7) patrol officers. Costs associated with the hiring process and Police Academy training for these new hires have contributed to a shortfall in Other Expense (Retirement & Selection). Also, the cost of performing a Police Chief assessment center added to this shortfall. Finally, \$40,020 is needed for replacement of ballistic vests for all forty-six (46) officers at \$870 per vest. The total cost for this is reimbursable through the Commonwealth's Bulletproof Vest Program, with grand funding expected in FY 2017.

4. DPW	\$55,000	Insurance Reimbursement	DPW-Other Expense
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Water-related damage to the Senior Center and Highlands School will be covered by insurance through MIIA (less \$10,000 deductibles). When received, insurance funds will be transferred to DPW Other Expense budget to fund the costs of repairing damages.

5. Essex Tech	\$50,880	Education	Essex Tech-Vocational
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The FY2016 Essex Tech assessment of \$1,992,716 was to be funded from \$1,941,510 in taxation and \$51,206 in prior year balance. Due to an accounting and auditing error, the prior year balance is invalid and should not have been applied to the appropriation. This transfer corrects the error and fully funds the vocational school's assessment for FY 2016.

ARTICLE 27: BUILDING IMPROVEMENTS

Mechanic Bay Overhead Door Replacement & Office Areas A/C Split System: This door, approximately 15 years old and the most used door in the facility, needs to be replaced (\$10,000). At the same time, the equipment maintenance offices and conference area are internal spaces in the building that never received adequate ventilation and air conditioning. It is proposed to install an energy efficient, ductless split system on the roof to serve these areas (\$30,000). The combined cost to perform this work is estimated to be **\$40,000**, and we recommend dividing the cost as follows: **\$13,600** from ~~taxation~~ **Free Cash**; **\$13,200** from **Water**, and **\$13,200** from **Sewer**.

ARTICLE 40: DANVERS CONTRIBUTORY RETIREMENT SYSTEM - COLA

Note: Narrative below has been corrected to accurately reflect the impact on the Danvers Retirement System's actuarial valuation and the addition to the annual funding schedule.

The Danvers Retirement Board currently votes on an annual cost of living increase (COLA) for retirees ranging from zero to three percent (0-3%); the 3% increase has already been voted for FY2017. This increase is applied to a retiree's base of \$12,000 for a maximum increase of \$360 per year. Chapter 32, Section 103(j) allows systems to increase the maximum base on which a COLA is calculated in multiples of \$1,000. Each increase must be accepted by a majority vote of the Board and approved by the legislative body. The Danvers Retirement Board has voted to increase the base by \$1,000, or from \$12,000 to \$13,000. This would increase the maximum COLA that a retiree could receive by thirty dollars (\$30), assuming the Board votes to increase the yearly COLA by the maximum three percent. Approximately ~~fifty~~ **sixty** percent of the ~~106~~ **104** Massachusetts' retirement systems have adopted this legislation, with the majority of systems increasing the base in amounts which exceed this proposal. The cost of accepting this proposal would be included in the Danvers Retirement System's actuarial valuation and added to the annual funding schedule. The **actuarial** cost is estimated to be in the range of ~~\$81,000~~ **\$100,000** per year.

Funding Sources for May 16, 2016 Annual Town Meeting Warrant Articles (Fiscal 2017) - CORRECTED

No.	SPECIAL	AMOUNT	Taxation	Sewer	Water	Sewer	Free	Transfers	TOTALS
				Retained Earnings	Retained Earnings	Receipts	Cash	Other	
2	Budget Transfers, FY16								
3	State Public Works Grant	\$914,566						\$914,566	\$914,566
4	Dispatch Center	\$500,000						\$500,000	\$500,000
ANNUAL									
2	Budget - Fiscal 2017								
4	Essex North Shore Regional	\$1,912,967	\$1,912,967						\$1,912,967
12	Technology Plan	\$274,000					\$274,000		\$274,000
13	Telephone System	\$78,837					\$78,837		\$78,837
14	School Transportation	\$65,000					\$65,000		\$65,000
15	Fire Pumper	\$300,000					\$300,000		\$300,000
16	Smith School Design	\$1,800,000						\$1,800,000	\$1,800,000
17	Pavement Management	\$150,000					\$150,000		\$150,000
19	Roadway Acceptance	\$15,000	\$15,000						\$15,000
23	Emerson & Swan Pump Station	\$250,000			\$250,000				\$250,000
24	Chlorine Booster Station	\$300,000			\$300,000				\$300,000
25	Wastewater Improvements	\$600,000				\$600,000			\$600,000
26	Wastewater Facilities	\$400,000		\$400,000					\$400,000
27	Building Improvements	\$408,325		\$13,200	\$13,200		\$364,800	\$17,125	\$408,325
28	Grounds Improvements	\$56,000					\$41,000	\$15,000	\$56,000
29	Syzpko Bridge	\$225,000					\$225,000		\$225,000
30	Frost Fish Brook	\$1,000,000						\$1,000,000	\$1,000,000
32	Drainage Maintenance	\$25,000				\$25,000			\$25,000
33	Water Main Replacement	\$900,000			\$900,000				\$900,000
36	OP&B Stabilization	\$150,000	\$150,000						\$150,000
38	General Stabilization	\$300,000					\$300,000		\$300,000
39	School Construction Stabil.	\$1,050,000	\$250,000				\$800,000		\$1,050,000
TOTALS		\$11,674,695	\$2,327,967	\$413,200	\$1,463,200	\$625,000	\$2,598,637	\$4,246,691	\$11,674,695