

Joint Select Board And Finance Committee Meeting Agenda

March 5, 2026 Meeting Minutes

PRESENT: Select Board Members Mark Mathews, Tony Beattie and Chuck Walkovich; Town Administrator, Andrew MacLean; Executive Assistant, Tracie Looney

Finance Committee: John Ladik, Robin Buxton, Quinton Cutlter

1. DISCUSSION / ACTION ITEMS

1.1. Departmental Budget Reviews

Town Administrator Andrew MacLean opened the meeting by explaining the use of ClearGov, the new budget module implemented for the first time this fiscal year. He noted that staff had responded well to the system and that printouts comparable to previous years had been provided to board members. Mr. MacLean offered training sessions for those needing assistance with the new system but postponed detailed training to focus on departmental presentations.

Mr. MacLean presented a high-level budget overview using an Excel spreadsheet, explaining that revenue growth was projected at 2.9 percent, the lowest in his eight years with the town. This included taxation revenue with small new growth, state aid projections, and local receipts. He noted that excluded debt would decrease by \$116,000, benefiting taxpayers but not helping the operational budget since excluded debt is separate from operating expenses.

On the expense side, Mr. MacLean reported that the Town Budget, Nashoba Tech, and North Middlesex were all showing increases between 4 and 5 percent, with an overall increase of 4.62 percent. He explained that \$54,000 in reductions had been found that day through conversations and error corrections, bringing the deficit from \$564,000 to \$510,000. The difference between the 4.62 percent expense increase and 2.91 percent revenue growth represented a \$510,000 gap that needed to be addressed.

Finance Committee member John Ladik expressed frustration with the recurring annual predicament of insufficient revenue to cover expenses. He highlighted concerning comments from a recent school committee meeting about the state pushing more special education requirements while reducing funding for non-special education programs, and the school district holding \$1 million in excess and deficiency funds. He also noted that five contracts would be up for renewal next year, likely exceeding the 2.9 percent growth rate.

Select Board member Tony Beattie acknowledged the challenges as part of a broader national issue affecting small towns due to a shrinking middle class. He suggested exploring climate energy opportunities and federal/state supports for energy savings as potential long-term solutions, though noting they wouldn't significantly impact the current budget situation.

Mr. MacLean clarified that while he didn't plan to bring a \$500,000 deficit to town meeting, he couldn't promise a balanced budget for May either. He indicated it might take until the fall town meeting to achieve balance, similar to previous years when deficit budgets were presented to allow continued work while awaiting the governor's budget signing in July.

Council on Aging Budget Presentation

Bethany Loveless, Council on Aging Director, presented her department's budget, which showed a 3.02 percent overall increase. She provided detailed statistics about the department's services, including an average daily attendance of 110 members, 817 individual participants in FY25, 841 instances of social services provided, over 3,000 rides given, and over 6,000 meals served at the center with an additional 3,000 delivered to homes.

Ms. Loveless emphasized the extensive social services provided beyond the commonly perceived recreational activities, detailing a typical week's work including FMLA paperwork assistance, housing applications, utility account setup, medical equipment procurement, rent increase appeals assistance, RMV

services, protective report filing for elder abuse cases, and partnerships with the police department on predatory landlord situations.

Finance Committee member John Ladik questioned why salaries were increasing above the 3 percent growth rate. Mr. MacLean explained that about half of employees are in collective bargaining agreements with negotiated rates, while the other half received adjustments based on a compensation and classification study that found some employees were being paid below market standards. He noted that wage inflation was exceeding the 2.9 percent growth limit imposed by state law, creating an ongoing challenge between market-rate compensation and revenue constraints.

Ms. Loveless explained that the comp and class study found herself and three employees were not valued at market rates, which wasn't surprising given the evolution of Council on Aging departments across Massachusetts from primarily recreational to more social service-focused organizations.

Select Board member Tony Beattie inquired about energy efficiency improvements. Ms. Loveless reported that heat pumps had been installed but the system wasn't complete, with air handlers still being installed in the attic. She noted the company indicated the system wouldn't save money due to electricity costs, and she was exploring solar options despite roof configuration challenges. She expressed interest in ground-mounted solar arrays that could provide covered parking for the department's buses.

Mr. Beattie asked about the van service budget, which Ms. Loveless explained operates through a revolving account supported by \$26,000 from LRTA plus state formula grant funding based on the senior population census. She noted the department was currently running a positive balance in the revolving account thanks to a grant allowing expanded long-distance transportation services. The LRTA maintains and replaces vehicles, with a new minivan being obtained to replace an existing vehicle.

Regarding out-of-town residents using services, Ms. Loveless explained that 30 percent of participants come from outside Pepperell, but noted that the state formula grant is based on all Massachusetts seniors contributing through state taxes. She emphasized that having full classes with mixed participants was more cost-effective than running deficit programs by excluding non-residents.

Recreation Department Budget Presentation

Leanne Hanson, Recreation Director, presented a budget with roughly a 3 percent increase. She explained that the general fund budget was straightforward, consisting primarily of wages, utilities, trash removal, and a small amount for repair and maintenance. The main increases were in wages and additional repair and maintenance funding, as significant capital needs were being addressed separately through the capital improvement process.

Ms. Hanson noted that most operational expenses come from a revolving fund supported by program registrations, with revenues generally matching expenses for instructor payments and transportation costs. She mentioned that some programs like ski club were budgeted to break even to keep costs affordable for families. Two attempted programs over vacation week were cancelled due to insufficient enrollment, which she attributed to families having limited discretionary income.

Tony Beattie inquired about energy efficiency at the community center. Mr. MacLean explained that the building, constructed in the 1970s, was part of Green Communities evaluation but wasn't prioritized due to lower return on investment compared to school buildings that had received most of the energy efficiency funding in recent years.

Emergency Communications Center Budget Presentation

David Stairs, Emergency Communications Director, presented his regional dispatch center budget showing an overall 1.5 percent increase. He thanked Sandy Kupcho, Town Accountant, for assistance with the complex budget setup in ClearGov due to the multi-town funding structure and various revenue streams.

Mr. Stairs explained a significant budget change involving the elimination of a full-time public safety IT position that couldn't be filled, instead contracting with Centimeters Geeks as a managed service provider. This resulted in \$86,000 in salary savings offset by \$60,000 in data processing costs, creating a net savings of \$26,000 plus benefits savings, totaling approximately \$50,000.

The budget showed wage increases of 5.8 percent for dispatchers who were found to be underpaid in the MGT compensation study, receiving both wage adjustments and standard step and cost-of-living increases. Mr. Stairs secured an annual \$678,842 grant from the state 911 department for regional dispatch services, reducing the cost to participating towns.

The cost-sharing formula divides expenses based on population percentages: Ashby (8.27%), Dunstable (8.7%), Groton (29.31%), Pepperell (30.07%), and Townsend (23.65%). Pepperell's share totaled \$361,514, an increase of \$8,348 or 2.4 percent.

Mr. Stairs discussed expansion possibilities, noting interest from Lunenburg and Ashburnham, but cited facility constraints in the current police department dispatch center as the limiting factor. He applied for a state development grant to retrofit the third floor of the public safety building into a modern dispatch center, which would allow additional towns to join the regional service.

Regarding staffing, Mr. Stairs reported the center was well-staffed after previous turnover issues, attributing recent success to competitive salaries that attracted dispatchers from other regional centers. He discussed roof repair needs for the public safety building, estimating costs between \$500,000 and \$1 million based on outdated estimates, noting the complexity due to height, pitch, and architectural features.

Mr. MacLean noted that state accounting requirements continue to change annually for regional dispatch budget presentation, requiring ongoing adjustments to comply with Department of Revenue reporting standards.

Board of Health Budget Presentation

Stephen Themelis, representing the Board of Health, presented a budget with a 19.3 percent increase driven primarily by contractual agreements. He explained that wages decreased slightly due to the administrator's hours being reduced from 18 to 14 per week, but most budget items were contractual obligations.

The largest increase was a 30 percent rise in the Nashoba Associated Boards of Health assessment, increasing costs by approximately \$20,000. Mr. Themelis read from director Jim Garreffo's explanation citing structural changes, loss of the visiting nurse association program, increased employment costs, and the need to retain experienced staff who could earn \$15,000-\$20,000 more elsewhere.

The Nashoba Associated contract provides health agent services, public health nursing, food inspection, inspector of animal's services, and other specialized expertise that would cost more if hired individually. Mr. MacLean noted that historically the association had not requested significant increases, making this year's request a catch-up adjustment.

Landfill monitoring showed a 10 percent increase to \$14,150, though Mr. MacLean explained this might decrease due to ongoing negotiations with DEP. After 30 years of monitoring with consistently clean results, the town petitioned to stop monitoring, but DEP initially requested continued monitoring. The current contract with Tighe and Bond expires this year and will be rebid, potentially with reduced scope if DEP approves changes. The upcoming solar installation on the landfill may also affect monitoring requirements.

Hazardous waste disposal through Nashoba Associated showed an \$86 increase to support the regional program serving 17 communities.

Finance Committee members questioned the 30 percent increase, requesting historical trend analysis and suggesting the director present detailed justification. Mr. MacLean offered to provide budget trends and arrange for Jim Garreffo to attend a future meeting to explain the structural changes driving the increase.

Treasurer Collector Budget Presentation

Theresa O'Leary, Treasurer Collector, presented her department budget with a 5.8 percent increase. She explained that 92 percent of the budget consists of salaries based on contractual agreements or the recent compensation study, with remaining operational costs under \$30,000.

Ms. O'Leary increased operational expenses by approximately \$4,000 to cover rising banking costs, service fees, and professional development including required treasurer collector schools and meetings run by the Department of Revenue to maintain compliance with state laws.

She also increased tax title accounts by \$5,000 due to reduced collection activity during previous office transitions, requiring additional legal advice and mailings to pursue outstanding receivables and reduce the town's accounts receivable.

The department employs four full-time staff: the treasurer collector, assistant treasurer collector, and two clerks, with one clerk splitting time between collections and benefits administration. Ms. O'Leary noted that 3.5 people work specifically on treasury and collections functions.

Regarding collection practices, Ms. O'Leary explained that any unpaid real estate taxes after May 1st trigger demand bills, with properties technically subject to tax title regardless of amount owed. However, the

department takes intermediate steps like phone calls and mailings before proceeding with legal action, especially for smaller amounts.

Mr. MacLean noted that the 14 percent interest rate on unpaid taxes provides collection pressure, and over 99 percent of taxes are collected, with outstanding amounts representing a relatively small percentage that often includes accumulated interest.

Tony Beattie asked about artificial intelligence impacts on staffing. Ms. O'Leary explained that customer service remains the department's primary function through phone, email, and counter interactions, which AI cannot replace. She noted potential AI applications in reconciliation processes for the numerous segregated fund bank accounts, but indicated such technology was still years away.

Ms. O'Leary detailed banking services costs of \$12,250, including lockbox services for payment processing, wire fees for debt service payments, monthly banking fees, analysis reports, and receivables reconciliation services that reduce manual data entry and improve efficiency.

Town Clerk Budget Presentation

Brynn Durno, Town Clerk, presented her budget with standard increases primarily related to Massachusetts General Law requirements and grade-and-step salary adjustments for office staff.

Finance Committee member John Ladik questioned office closure frequency. Ms. Durno explained closures were limited and usually related to election setup, staff meetings, or professional development for her master municipal clerk certification. She emphasized availability through her cell phone and willingness to meet by appointment, including house calls for disabled residents requiring notary services.

Ms. Durno splits time between Pepperell and Dunstable as a shared service, typically working in Dunstable Monday and Wednesday mornings while maintaining Pepperell office hours. She provides marriage services as justice of the peace, charging up to \$100 with 20 percent donated to local organizations.

The elections budget showed increased equipment maintenance fees of \$750 per tabulator annually, with new programming charges per election regardless of local or state status. Ms. Durno noted the Town Clerks Association challenged these fees with the vendor. She indicated need for capital planning for equipment replacement and backup machines in case of failures during elections.

For registrar expenses, postage and printing costs support census mailings. Ms. Durno planned to change census format to legal-size paper with perforated dog license applications to reduce costs, while addressing rising postage expenses. She conducts vacancy mailings throughout the year and includes census forms in new resident packets to improve property occupancy tracking before annual mailings.

Budget Overview Summary

Mr. MacLean concluded by reiterating the budget situation for those who arrived late. He presented the Excel spreadsheet showing 2.9 percent revenue growth versus 4.5 percent expense increases, creating a \$510,000 deficit that had been reduced from \$564,000 the previous day and approximately \$900,000 when budgets were first submitted.

He emphasized continued efforts to find reductions, citing the day's \$50,000 savings found through work with the Public Works department. While expecting the deficit to decrease further, he indicated it would not reach zero without dramatic changes, noting that \$500,000 exceeded normal budget adjustments.

Mr. MacLean stated he didn't expect to present a balanced budget at town meeting but anticipated the deficit would be well below \$500,000. He reiterated that revenue limitations were artificially imposed by state law limiting tax increases to 2.5 percent regardless of actual service costs.

Tony Beattie inquired about potential revenue from timber harvesting for solar projects on Bemis Road and Leighton Landing. Mr. MacLean indicated unfamiliarity with timber taxes but offered to investigate. Regarding solar equipment taxation, he explained that property taxes are based on January 1st assessments, so current solar installation would not generate revenue until fiscal 28 at earliest.

Mr. MacLean noted that only two single-family homes were built in Pepperell during calendar 2025, describing growth as "anemic" with limited development pipeline affecting future revenue prospects.

2. ADJOURNMENT

Motion: Robin Buxton moved to adjourn the meeting. Tony Beattie seconded the motion. All voted in favor.

The meeting adjourned with plans to continue departmental budget reviews on March 9, 2026, and March 12, 2026, both at 6:00 PM in Town Hall Conference Room A.

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These draft minutes were created using Clerk Minutes, an AI-powered platform that transcribes meetings, identifies speakers, and generates professional minutes.

Respectfully reviewed and submitted by,

Tracie Looney, Executive Assistant

APPROVED:

Mark Mathews, Chair

Tony Beattie, Clerk

Chuck Walkovich, Member

Approved: March 25, 2026

