

MINUTES OF THE SELECTMEN MEETING FINAL
February 12, 2009
School Committee Room, Medway Middle School 6:00pm

Present: Chairman Glenn Trindade, Selectmen Andrew Espinosa and John Foresto, Richard Dunne, Dennis Crowley, Town Administrator, Suzanne Kennedy and Board Secretary, Wendy Harrington was present.

Absent:

6:00 p.m. – Chairman Trindade called the Selectmen’s meeting to order in Sanford Hall, Medway Town Hall

Public Comments: None

Review and vote on 2/24 Special Town Meeting Warrant Articles

Article 1-Article 1 is to transfer the sum of \$30,000 from the Health Insurance Account in Article #3 of 2008 ATM to the legal Department.

Selectman Dunne moved that the board recommend approval of Article 1 as written; Selectman Foresto seconded; no discussion; all ayes 5-0.

Article 2-Article 2 is to transfer the sum of \$35,276.00 from the Water Enterprise Fund retained earnings for the purpose of funding the MUNIS financial software system (charging back the software cost).

Selectman Crowley moved that the board recommend approval of Article 2 as written; Selectman Dunne seconded; no discussion; all ayes 5-0.

Article 3-Article 3 is to transfer the sum of \$35,276.00 from the Solid Waste Enterprise Fund retained earnings for the purpose of funding the MUNIS financial software system (charging back the software cost).

Selectman Dunne moved that the board recommend approval of Article 3 as written; Selectman Crowley seconded; Discussion: Selectman Crowley questioned if Administrator Kennedy had given the courtesy to the Water/Sewer Commission to let them know of these articles. Administrator Kennedy has on numerous occasions; all ayes 5-0.

Article 4-Article 4 is to transfer the sum of \$86,200.00 from available salary reserve to fund the cost of items for Fiscal Year 2008 and Fiscal Year 2009 in a collective bargaining agreement. Selectman Crowley questioned the balance of that account and was advised it was approximately \$100,000 but another article will deplete that balance.

Selectman Foresto moved that the board recommend approval of Article 4 as written; Selectman Crowley seconded; no discussion; all ayes 5-0.

Article 5-Article 5 is to appropriate a sum of money from Fiscal Year 2008 certified Free Cash for the purpose of funding the cost items for Fiscal Year 2008 and Fiscal Year 2009 in a collective bargaining agreement. Administrator Kennedy recommends dismissal of this article.

Chairman Trindade moved that the board dismiss Article 5; Selectman Foresto seconded; no discussion; all ayes 5-0.

Article 6-Article 6 is to transfer \$13,781 from available salary reserve to fund the cost items for two (2) additional work days in Fiscal Year 2009 for Medway Municipal Employees.

Selectman Dunne moved that the board recommend approval of Article 6 as written; Selectman Crowley seconded; no discussion; all ayes 5-0.

Article 7-Article 7 is to transfer a sum of money from Free Cash for the purpose of funding Town and School operations resulting from FY 09 state aid reduction. Administrator Kennedy

recommends dismissal of this article as there are funds excess funds available in the Healthcare account. The Healthcare Account has an excess of \$245,000 as a result of a change in the Healthcare plan which resulted in a \$90,000 reduction. A 10% increase has been budgeted for FY2010. Selectman Dunne asked if it would be better to let the funds sit and take funds needed from Free Cash. Administrator Kennedy would prefer to keep Free Cash for issues in FY2010. If the Healthcare funds go unused they will not fall to Free Cash until after an audit is completed in October of 2009.

Selectman Foresto moved that the board dismiss Article 7; Selectman Espinosa seconded; no discussion; 4-1 Selectman Crowley voting against.

Article 8-Article 8 is to transfer a sum of money from available funds for the purpose of settling a claim with Keith Strange and Colleen Cunnally for damage to their property located at 13 Cottage Street. Administrator Kennedy recommended that the motion include a not to exceed amount of \$12,174.00 and these monies be transferred from the FinCom reserve. Any FinCom reserve balance that goes unused falls to free cash in 2011. FinCom has approved this article and would approve the reserve transfer. Administrator Kennedy also advised that the Town's insurance company has refused to pay this claim twice. Selectman Crowley has asked that this issue be pushed to be resolved.

Selectman Dunne moved that the board recommend approval of Article 8 as written; Chairman Trindade seconded; no discussion; all ayes 5-0.

Article 9-Held for future discussion

Article 10-Article 10 is to transfer the sum of \$75,000 from the Water Department Enterprise Fund retained earnings to the Water Emergency account to fund the cleaning of the Oakland and Populatic wells and the flushing program.

Selectman Dunne moved that the board recommend approval of Article 10 as written; Selectman Foresto seconded; no discussion; all ayes 5-0.

Article 11-Article 11 is to transfer the sum of \$20,000 from the Water Department Enterprise Fund retained earnings to the Expense Chemical account, due to an increase in chemical costs and the use of chlorine.

Selectman Dunne moved that the board recommend approval of Article 11 as written; Selectman Espinosa seconded; no discussion; all ayes 5-0.

Article 12-Article 12 is to transfer the sum of \$10,000 from the Water Department Enterprise Fund retained earnings to the Salary Overtime account due to fund any future water main break issues. Current this account is in the red by \$900.

Selectman Dunne moved that the board recommend approval of Article 12 as written; Selectman Espinosa seconded; no discussion; all ayes 5-0.

Article 13-Article 13 is increase the amount from \$5.00 to \$10.00 the Town will charge for each written demand issued by the Treasurer-Collector.

Selectman Dunne moved that the board amend the Article to state effective July 1, 2009 instead of April 1, 2009; Selectman Espinosa seconded; no discussion; all ayes 5-0.

Selectman Dunne moved that the board recommend approval of Article 13 as amended; Selectman Foresto seconded; no discussion; all ayes 5-0.

Article 14-Article 14 is to request that the Board of Selectman shall act as the Water and Sewer Commission for the Town.

Selectman Espinosa assumes that the Water Sewer Commission oversees the day to day operations and management of the department. These functions now fall (since the establishment of the Charter) under the Town Administrator. He doesn't see the benefit of the commission at this time. He believes the commission is operating inefficiently and it is another layer of government that is not necessary.

Selectman Dunne believes that when you have a bad quality manager you have a bad quality outcome and the DEP is the manager.

Selectman Foresto confirmed that if this article doesn't pass at STM the next opportunity to change the department, dissolve the water/sewer board or the like is the ATM in 2010. The question remains, does the BOS want to wait another year.

Selectman Crowley asked who would be the buffer when the rates are raised if the commission is abolished now?

Chairman Trindade believes that all past issues should have been managed and they were not.

Selectman Crowley moved that the Board dismiss Article 14; Selectman Dunne seconded; no discussion; 3-2 (ayes, Foresto, Crowley and Dunne, nay Espinosa and Trindade).

Article 15-Held for future discussion

Article 16-Held for future discussion

Article 17-Held for future discussion

Budget Discussion-Carol Pratt, Interim Town Accountant and Melanie Phillips, Treasurer-Collector

Interim Town Accountant Pratt handed out a document titled FY09 Actual Budget and FY10 Requested Budget. This document listed DOR FY09 Tax Recap Balanced Budget, Governor's Budget (House 1) State Aid reduction of \$342,532 2/2/09 FY10 Forecast Revenues as well as DOR FY09 Tax Recap Balanced Budget, FY10 Forecast Expenditures, Modified Level Funded and Level Service.

A discussion took place about the Governor's budget and State Aid/State Aid reductions that are unknown to date.

Selectman Crowley explained his displeasure with the School Committee and explained that the BOS had established a policy statement that requested a level funded budget be submitted from all departments. The School Committee submitted a level service budget on February 6, 2009 and at their last meeting was heard to say they would not be submitting a level funded budget, as requested. Selectman Crowley was very unhappy that the School Committee was going against the request and asked what kind of message that sent to the other town departments.

***School Committee Presentation-Trane Energy Contract
Dave Verdolino, Steve Dahl, Leo McNeil-Trane, Shelley Wieler, Lynn Ludwig and Lisa Dickinson-Fiscal Advisors, Melanie Phillips-Treasurer-Collector***

The Selectmen listened to a presentation by those listed above on the Trane Energy Contract. This is a company the Medway School Committee has chosen to contract with to proceed with an energy management program. Mrs. Wieler, sub-committee member, presented information such as, why our schools need an energy management program, why they chose Trane, how the program works, financing options and the benefits to the Town of Medway.

Administrator Kennedy asked questions of the Fiscal Advisor's regarding debt service and the impact on the Town's ability to borrow, should the Trane contract be bonded. It was explained that the source of payment on the bond will be by the savings generated. Those savings would be dedicated to paying the debt service and it will not impact future draws.

Ms. Ludwig and Ms. Dickinson explained that this would be a self supporting project, not initially, but if over time, and savings are seen, the bonding agency will see that it is self supporting. It's a matter of being creative and providing additional documents to prove the case. An Interdepartmental Agreement is suggested so that if cash flows become negative it is spelled out that budget adjustments from the school would take place instead of the school coming back to the town for additional money. Mrs. Wieler advised that she looks favorably at putting the agreement in writing and the School Committee would most likely agree.

Currently the bonding ratio is 10% and getting better. This is an acceptable range but 5% would be optimum. The financial advisors are reviewing the financial aspects of this project and are working to find the appropriate financing. Neither the financial advisors nor the Treasurer-Collector have recommended if this project should go forward.

Selectman Foresto congratulated the sub-committee on a well done presentation but has some concerns about risk and wondered if risk analysis had been looked at. Overall the project sounds great. There are many small projects being combined into one with a wide range of winners and losers. Selectman Foresto wonders what the payback period is.

Selectman Dunne asked about the solar panels as they are listed as Medway being responsible for their purchase. The total cost of materials and the program are included in the \$4.3 million amount. Medway will purchase the solar panels through Trane, Trane will install.

Selectman Espinosa believes that this project is a necessity that requires funding but is concerned for the other necessary projects that are on the horizon in the Town (water/sewer, town buildings, industrial base and roads). Where does this project sit in the line of priorities?

If this remains a warrant article and doesn't pass at Special Town Meeting February 24, 2009 the School Committee could proceed with a lease option or opt out of the Trane contract at the expense of the \$32,000 energy audit that has already been preformed.

Part of the Trane contract has \$800K in rebates to NSTAR and Baystate Gas listed, some rebates have been committed and it was asked if the documentation could be sent out next week to show they are approved. Those rebates are good for one year, so dragging of the heels could be a big risk.

A discussion regarding the most recent annual consumption baseline and the historical summary took place. This baseline was taken in 2007 and there was concern because 2007 was a spike year in rates. The savings are based on unit savings and can't really look at it in dollars.

Administrator Kennedy asked that in the event of receiving grants from MSBA, how do you know that MSBA may have given additional savings and how do you account for which savings are due to Trane projects? Mr. McNeil advised that the presence of savings will be proven and verified and the savings and efficiency will increase.

A discussion took place regarding the process by which Trane was selected. An RFQ was put out and 4 companies were analyzed by the sub-committee members and the Rise consulting engineer agreed, Trane was awarded the contract.

Selectman Crowley advised that he was unhappy with the process and the short amount of time that was given to the selection process and is still waiting to see documents from the selection process. Selectman Crowley believes that if the School Committee didn't need to bond the project, the Town would not have been involved in this \$4.3 million contract. Mr. Dahl agreed that leasing would have been quicker and easier so the committee went that route as it's within the School Committee's authority to enter into such a contract. Mrs. Wieler believes this was the best way to get the benefits to the students at no cost to the town and didn't bring to the other boards because they weren't ready to implement.

Ms. Dickinson explained that this bonding would replace retiring debt service and Administrator Kennedy and Ms. Phillips offered that they don't like to incur any more bonding in a year than has expired.

Dr. Evans noted that if the Town Meeting votes not to go forward, the School Committee will reschedule and go forward with a lease. Chairman Trindade offered that he has a huge problem with this statement as the schools are Town buildings and Town money will be used to pay for this contract. He suggested that Dr. Evans sell the project, validate the project's numbers and the benefits to the students and make this a worthwhile project. Selectman Dunne explained that if the Town votes this project down, he hopes the School Committee will rethink the project.

Dr. Evans answered Selectman Espinosa's request for the priority of this project with her belief that this project will improve the learning environment without incurring any additional costs. Mrs. Wieler believes this has top priority and if the project doesn't go forward it is irresponsible, the money is now going to the utility companies and it should be spent on capital improvements.

No vote on this article was taken. It will be discussed at the next meeting.

9:10pm Selectman Foresto moved that the regular session meeting adjourn; Selectman Dunne seconded; no discussion; all ayes 5-0.

Respectfully submitted,

Wendy Harrington
Executive Assistant

*Approved 4/13/09