

MINUTES OF THE SELECTMEN MEETING FINAL

March 2, 2009

Sanford Hall, Medway Town Hall 7:00pm

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

**Absent:**

7:04p.m. – Chairman Trindade called the Selectmen’s meeting to order in Sanford Hall, Medway Town Hall

This meeting is a workshop and for informational purposes. The Charles River Pollution Control District (CRPCD) was present to discuss their Capital Improvement plan and the sewer rate study from Unibank.

**Emergency Transfer**

The Selectmen were asked to consider an ETR in the amount of \$30,000 for the ESCO contract review. Once the ETR is approved by the Selectmen they will make their request to the Finance Committee to cover the request.

Administrator Kennedy explained that any request over \$25,000 must go out to RFP, typically for competitive purposes. At this time the exact cost of the ESCO review is uncertain and it is up to the Selectmen to determine if they would like to go to RFP or not.

***Selectman Crowley moved that the Board recommend to the Finance Committee to transfer \$30,000 to cover the ESCO contract review and independent audit; Selectman Dunne seconded; no discussion; all ayes 5-0.***

**CRPCD** The proposed increases for the CRPCD were discussed at an earlier presentation. Selectmen were asked to offer their questions and thoughts at this workshop.

Selectman Dunne asked for an explanation as to what caused the 23% increase and how the increase will be funded.

Mr. Bob McRae, CRPCD explained:

- 6-7% of the 23% as septic revenues, people who do not have town sewer
- 6-7% of the 23% planning for 15 yr capital improvement plan
- 7-8% of the 23% increase in staffing, chemicals and maintenance to be in compliance

In 2001-2004 \$500,000 was spent on I-I (\$300K on a study and \$200K on repairs)

CRPCD needs to reduce phosphorous output. Once a permit is issued, CRPCD will have 6 months to work with participating towns to comply. The phosphorous, which comes from sewerage, lawns and run off, produces algae in the river

Selectman Crowley and Administrator Kennedy have gone to three meetings held by Franklin and have gone through all the numbers and they all look fine.

The Selectmen would like to know the cost to the residents. Administrator Kennedy explained the answers would be obtained in the Unibank discussion, later in the workshop.

Mr. Bob McRae's replacement and the overlap of the two employees for six months of training were discussed. The Selectman asked if this was a set amount of time and would hope that the replacement would come with experience and not need such a long time frame to become acclimated.

The question arose on how this gets voted in. Does it go to Town Meeting to be approved or does the Board of Selectmen approve on behalf of the Town? Franklin and Medway have the same Bond Counsel that will render a decision. It is of the opinion of Clark Rowell, Unibank, the Selectmen would decide per Ch. 59 s 20B. Franklin however was given different information.

An over ride for operational purposes is possible as this is over a 2 ½ % increase. If voted down, the CRPCD would have to work to stay under a 2% increase and then they would not be in compliance. If one of the two boards vote against this project, and the project does not move forward, there will be violations for non compliance and repercussions from the state and EPA. CRPCD would continue to operate but in the summer would pay a fine of \$25K a day if out of compliance.

CRPCD explained that in the last 3 years they have spent over \$600k in repairs to a back up generator and heating system. Between 1991 and 2007, CRPCD has turned back \$2 million to the participating towns, 2008 was the first year they were short. The money was given back but should have been held for capital improvement projects. CRPCD didn't want the participating communities to think they were squirreling away the money.

### **\$19 Million Capital Improvement Project**

CRPCD have applied for grants and stimulus money for shovel ready projects and energy projects totaling \$1.5 Million.

Clark Rowell, Unibank, explained his reasoning for the debt service plan he chose. Peter Fraser discussed rates and financing vehicles and explained there are a lot of assumptions and questions in regards to timing. There is some money available in the district to front some of the expenses and then start the financing later in the process, borrowing in small portions and then ramping up the amounts later.

Potential start date of 2013, the Selectmen asked if the \$19 Million was fixed. There has been a workup of the components and construction inflation was considered, but will not know the projects actual cost until designed and go out to bid.

Septic system users will help pay for the capital improvements through the increased fee the haulers will pay.

Mr. Rowell has been working on the rate study project for many months with Selectman Crowley, Administrator Kennedy, Treasurer/Collector Melanie Phillips and Water Superintendent Mark Flaherty. The group has researched creating a rate structure that would convert to a sewer enterprise account and create a rate structure that would take into consideration the future needs of the town with the opportunity to ultimately have sufficient retained earnings. It is important to understand the CRPCD operational and capital increases while planning a balanced, reasonable and sustainable rate structure.

The group, as well as the Town Administrator recently became aware of a sewer master plan that was developed some years ago by Haley & Ward.

There are many unknowns in trying to determine the rates with betterments and assumptions on the sewer extension program affecting the rates and the 2010 budget.

When rates are set there will be a joint meeting of the Water/Sewer Commission and the Board of Selectmen.

Mr. Rowell presented a handout and summarized the scenarios and goals established in determining rates with all three scenarios showing an increase in revenues equal to an increase in cost to the residents.

Superintendent Flaherty prepared an analysis which is similar to the same premise used to set the water rates. This analysis showed increasing from \$1.41/hcf to \$2.31/hcf. Sewer rates are based on water consumption and the water and sewer rates are calculated based on what goes through the water meter.

Selectman Foresto asked about the sewer master plan that was mentioned earlier. Administrator Kennedy advised that she made a preliminary review of the document and it mentioned sewer upgrades and maintenance throughout the town and is about nine years old.

Administrator Kennedy advised that it is very important to go forward with I-I to help increase the capacity because with the sewer extension project and the houses connected along the route, Medway will be almost to its capacity.

Administrator Kennedy recommends moving 50% of the debt into the enterprise account and showing the deficit in the general account for clarification. T/C Phillips explained that enterprise accounts are a method of accounting and hopefully the enterprise account will be able to absorb some of the costs of the road repair work associated with sewer work instead of the general fund paying the costs.

Selectman Foresto expressed his concern for those with their own septic having to pay towards the sewer and he believes a portion of the debt should be absorbed by the town.

A discussion took place about the water/sewer commission's interpretation of the betterment and who should pay etc. Chairman Trindade offered that the sewer ext project was a town wanted project and he thinks the town should pay as all wanted it and it was voted in.

A question arose as to why there is still debt if the project was so many years ago. T/C Phillips will try to go back historically and see what she can find out.

It was explained that when it was voted the town was promised sewer for the entire town. A lot of choices made in the past were wrong. An attempt will be made to make this right.

Being no consensus this evening, Chairman Trindade explained this needs to be voted on in the near future. This will be considered at a future meeting.

Administrator Kennedy explained that if over 2 ½ % Medway Board of Selectmen and Franklin Town Council must each vote to approve. Bond counsel will elaborate at a later date.

### **WARRANTS**

Dated 3/5/09 #35

Town Bills \$1,120,508.38

#35P Gross payroll town \$86,164.25

#35SP Gross payroll school \$691,207.03

Grand total \$1,897,879.66

***Selectman Dunne moved that the board approve the warrants as read; Selectman Espinosa seconded; no discussion; all ayes 5-0.***

Selectman Dunne discussed long and short term disability and police and fire pre-employment physicals at an amount of \$9000.00. Selectman Foresto corrected the budget back from the fire department. If in a tough year, you don't want to leave items in the budget that will fall to free cash.

Selectmen were advised to bring their spreadsheets to the next meeting to discuss their suggested changes. There will be a discussion on level funded v. level service. The meeting is posted for the Senior Center on 3/3/09 at 6pm.

***At 10:10pm Selectman Crowley moved that the board adjourn; Chairman Trindade seconded; no discussion; all ayes 5-0.***

Respectfully submitted,

Wendy Harrington

Executive Assistant

\*Approved 6/1/09