



Medway Finance Committee

155 Village Street
Medway, Massachusetts 02053

Frank Faist, Chairman
Larry Ellsworth, Vice Chairman
Phil Giangarra, Clerk
Eric Arbeene, Member
Mark Brown, Member
Phyllis Cerel, Member
Jeff Devolder, Member
Jan Fish, Member
Paul Marble, Member

Meeting Minutes: February 11, 2009
Sanford Hall
Medway Town Hall

Call to Order: With a quorum being met, this meeting was called to order by Chairman Faist at:
7:11pm.

Members Present: Frank Faist, Chairman, Larry Ellsworth, Vice Chairman, Phil Giangarra, Clerk and
Members: Jeff DeVolder, Jan Fish, Paul Marble and Administrative Assistant Shirley Bliss.

Guest Present: School Committee members: Shelly Wieler, Carole Bernstein, Dawn Rice-Norton,
Stephen Dahl, School Superintendent, Judith Evans, and School Business Manager, David Verdolino.
TRANE representative Leo McNeil; Milford Daily News Reporter: Aaron Wasserman.

FinCom Budget Status: Phil reported the current balances as:

	Budget	Spent to date:	Balance:
Salaries	2224.00	\$1431.00	\$793.00
Expenses	\$4500.00	\$ 395.18	\$4104.82
Reserves:	\$100,000.00	\$7685.00	\$92,315.00

Payroll:

A motion was made by Paul and seconded by Jan to approve payroll for Wendy Harrington as presented:
Hours: 9.25 January 10, 2009 – January 16, 2009 Total Payroll: \$121.36
Vote: 6-0-0

Town Account: Carole Pratt:

Carol Pratt discussed the Articles that needed further information than what was available at the closing of the warrant.

Article 2 – Transfer of funds from the Water Enterprise Fund for the purpose of funding the MUNIS financial software system.

Ms. Pratt explained that the transferred amount of: \$35,276 represents the utilities share of the software costs.

FINCOM Vote: Approved

Article 3 – The transfer of funds from the Solid Waste Enterprise Fund for the purpose of funding the MUNIS financial software.

This transfer represents this utilities share of the software costs. **FINCOM Vote: Approved**

Article 4 – Transfer a sum of money to fund the costs items for FY2008 and FY2009 to fund collective bargaining agreement. These monies will be used to fund pay raises agreed upon for civilian employees.

FINCOM Vote: Approved

Article 5 – Article was dismissed

Article 6 – Transfer funds from the salary reserve, a sum of money to fund 2 additional days for FY09. These funds (\$13,781.00) are being transferred in preparation of the extra payroll funds needed in each leap year. **FINCOM Vote: Approved**

Article 7 - This is a placeholder and was approved as presented with no State or Local reduction notification has been received.

FINCOM Vote: Approved

Article 8 - Transfer of funds in the amount of \$12,174.00 which represents payment to the residents of 13 Cottage Street whose home was flooded with sewerage; due to a manhole backing up. This article needs to receive Town Meeting approval as it is a insurance settlement payment. **FINCOM Vote:**

Approved

Article 9 – Transfer of funds for the purpose of funding an energy management services contract between the Town of Medway and TRANE. **FINCOM Vote: This article was discussed and will be decided on the floor of the STM.**

Article 10 – This article is requesting the sum of \$75,000.00 be transferred from the Water Department Enterprise Fund to the Water Emergency account; this is necessary to cover payroll expenses that were higher than anticipated due to the numerous water main breaks this past fiscal year. **FINCOM Vote:**

Approved

Article 11 – This article is requesting the sum of \$20,000.00 be transferred from the Water Department Enterprise Fund to the Expense Chemical account; this is necessary to cover chemical needs of the numerous water main breaks this past fiscal year.

FINCOM Vote: Approved

Article 12 – This article is requesting the sum of \$10,000.00 be transferred from the Water Department Enterprise Fund to the Salary Overtime account; to cover the overtime costs necessary to fix the water main breaks. **FINCOM Vote: Approved**

Article 13 – Town Treasurer/Tax Collector Melanie Phillips

Ms. Phillips explained that the State allows each town to set their Demand Fees with the maximum being \$30.00. This article is requesting that the current Demand issued charge which is currently \$5.00 be doubled to \$10.00. Based upon past years revenue at \$5.00 (\$14,000) the jump to \$10.00 will generate approximately \$25,000.00 in revenue. **FINCOM Vote: Approved**

Article 14 – This article is asking that the Board of Selectman be allowed to place a question on the ballot which would dissolve the current Water and Sewer Commission and in turn give control of this department to the Board of Selectman.

FINCOM Vote: Approved

Article 15 – This article was requested by the Chief of Police and placed on the Warrant by the Board of Selectman. This article is requesting a language change in the article concerning person's consuming alcoholic beverages and where they may not.

FINCOM Vote: Approved

Article 16 – This article was requested by the Chief of Police and placed on the Warrant by the Board of Selectman. This article is requesting a change in wording on the "Regulation of Door to Door Soliciting and Canvassing.

FINCOM Vote: This article was discussed and will be decided on the floor of the STM

Article 17 – This article is requesting a change in the Historical Properties Article XVII from "14 days" to "60 days".

FINCOM Vote: This article was discussed and will be decided on the floor of the STM

Adjournment: With the time being 7:30pm this regular meeting of the Finance Committee was adjourned at 7:30pm; with the reason of entering into the scheduled and published Public Meeting; with the intention of returning to this regular meeting.

Call to Order: With the business of the Public Meeting all covered Chairman Faist called this meeting to order at: 7:51pm with the purpose of continuing the regularly scheduled meeting of this Committee.

TRANE – Energy Management Contract Presentation:

School Committee Member Shelly Wieler, Medway Superintendent, Judith Evans, School Finance Manager David Verdolino, and TRANE representative Leo McNeil show this Committee a PowerPoint presentation of the benefits and costs of this program. The School Committee came before the FINCOM to receive it's backing for this program. This Energy Management Contract would span 20 years and save the Town 16 million over that time period, the cost to the town is \$4,360,318. The School Committee through Warrant Article #9 is asking the Town to "transfer available fund, and/or borrow" this money. The presentation showed that the Town can save \$7,975,790 over the length of the contract; with the annual savings being \$267,841 which represents a 23% reduction in usage of energy units, not cash. This figure is based upon the fact that currently the Town is charged the entire month based upon its highest usage period. This program will end any peak times; leading to no "peak time" rate. This contract would also allow \$4.2M of "green" infrastructure improvements to school buildings, at no cost to the town; improved learning environments, as the classroom would be climate control to achieve maximum learning. TRANE has agreed to replace and handle any integration issues that may arise during the installation. Installation will take approximately 12 months; with the central automation control being located in the Middle School in the Superintendent's corridor. The costs of this contract would be paid through future savings in utility costs. TRANE has agreed to apply for any and all available grants to assist the town in saving even more; approximately \$800,000 is already in the works in the form of grants and rebates. Being that this project is "shovel-ready" is a plus when applying for monies. The school utility budget would not increase it would decrease but a new line item for the debt service would be added, but the total would remain the same. The School Committee considers this contract to be a "win-win" for the Town; as TRANE guarantees savings and should this guarantee NOT be reached TRANE will write Medway a check for the difference. Should more than the "guaranteed" savings be achieved the money is the Town's to keep. When questioned as to how many shortfall checks TRANE has had to write Mr. McNeil answered five (5), he will provide this Committee with that information. Town Treasure/Tax Collector Melanie Phillips did request that the part of the presentation that stated that she had a chance to look at and make correction changes be stricken, as she was not involved until a meeting in October, 2008.

Solar panels for the roof of the High School are also part of this plan. When questioned it was determined that future growth of any surrounding trees is not a problem due to the distance of the trees from the building. The issue of maintenance and snow clearance was also discussed and TRANE replied that the panels will be installed on an angle, making snow a non-issue. It was also stated by TRANE that the solar panels were guaranteed for 25 years. The other school buildings are not included due to the lack of sunshine they receive. Members of the School Committee stressed that this is money the Town is already spending on utility bills, and that the contract is already signed and they will move ahead with plan. A discussion was also held as to when acceptance by the Town would happen, was there a checklist in place and who determines that the checklist is done. It was relayed that Exhibit B of the contract handles this. Mr. McNeil of TRANE stated that they have a vested interest in making sure the contract is followed; Superintendent Evans also stated that they school will be working closely with TRANE to make sure the contract is adhered to. It was stated the Mr. McLean the Facilities Manager would be the contact person for the school system. Ms. Evans also stated that the signed contract is contingent upon the Town finding "acceptable" financing.

Payment options were also discussed. Leasing was determined to be a non-option due to the current leasing rates of 3.5% to 4.5%. Leasing also requires that you lease the full amount of the project all at once, and begin paying upon acceptance of installation. Bonding of the necessary 3.5m – 3.7m would be the least expensive way to go as currently bonding rates are closer to 2.5%. Bonding also allows the Town to borrow the money as needed in accordance with TRANE payment schedule. Bonding also allows not only more savings; but also the most flexibility. Any debt service caused by this project will be paid for out of the savings received. There were questions as to the amount to be bonded, as the amount of if any stimulus money, and/or rebates that maybe received is still unknown. This was a concern of this Committee. Melanie Phillips will forward to this Committee the calculator used to determine debt service payments.

TRANE – Energy Management Contract (continued):

Maintenance contracts were also discussed in so much that it will cost the town \$38,751 per year; with TRANE giving a 12 month warranty on all pieces they install. This maintenance agreement is renewable on a yearly basis and can be cancelled at any time.

With so many unanswered questions this Committee asked if this article could be withdrawn and placed on the May Town Warrant. Superintendent Evans suggested that would be too late, as there is a long lead time, and they would like to install in the summer with no students in the area. She also stressed that waiting would only cost the town more money in utility costs, contract terms may change and bond rates could rise.

Upon the completion of the 2 hour presentation and question and answer period, this Committee decided to discuss this article further and render their decision on the night of the STM.

After a very lengthy discussion both with and without the School Committee, this Committee was still left with many questions. This Committee had asked for and not received a copy of the contract, the RFP or the RFQ. Mr. Verdolino explained that there were 4 responses to the RFP and that it was placed on the Central Data Base; he also stated that four (4) copies of the contract were left with the Town Administrator. In response to this Committee's questions it was further explained that this is a Single Source Contract and that TRANE will handle all work and subcontractors. This Committee also questioned if references and claimed returns had been checked and verified, Mr. Verdolino replied that he felt that that was not necessary. This Committee has issues with spending money now based upon probable future earnings.

Continuance of Meeting:

Medway By-Laws require the unanimous passing of a motion to continue a meeting past 10:00pm. With that Larry Ellsworth motioned and Paul Marble seconded that this meeting be continued past the hour of 10:00pm. Vote 6-0-0.

Warrant Articles – Finance Committee Recommendations:

It was suggested and agreed to by Committee members that approval/disapproval of warrant articles would be done through a "Consent Calendar".

Articles 1 – 8 and Articles 10-15: Phil Giangarra motioned and Larry Ellsworth seconded their approval as written. FinCom approved 6-0-0.

After further discussion Larry Ellsworth amended the motion of omit #5 for reasons that this article was already dismissed. The motion to exclude Article #5 was seconded and unanimously agreed upon. Vote 6-0-0

Article 9: TRANE will be further looked into and decided the night of the STM.

Article 16: Questions were raised as to where certain "non-profit" groups would fall in this new description of soliciting/canvassing by-law. Further discussion will take on the night of the STM.

Article 17: Phil Giangarra has questions on the change of days from "14" to "60". Further discussion will take on the night of the STM.

Action Items and items to be received and discussed at the February 24, 2009 – Pre-Town Meeting:

- Copy of TRANE contract
- Copy of Acceptance Criteria
- Payments from TRANE
- Debt Calculator from Melanie Phillips
- TRANE – History of work with other towns – savings to date figures
- RFQ – qualifications
- What happens if TRANE goes out of business?
- Town must be the debt service holder, how will payments be handled?

Report of the Chairman:

Chairman Faist asked each member to look into receiving quotes for printing. Currently has one (1) quote for \$2700.00; Tri-County was contacted but does not have the capabilities to print this report.

Tri-County Budget Meeting: Wednesday, February 18, 2009 – 7:00pm. Their budget is ready and can be picked up at the Tri-County Business Office after February 13th.

February 23, 2009 there is a FY10 – Chapter 70 net spending seminar if anyone is interested in attending. Town Administrator Suzanne Kennedy has funds to pay for your attendance. If interested please let Frank know.

Adjournment:

With no further business before this Committee a motion was made by Larry Ellsworth; seconded by Paul Marble and unanimously agreed to by the Committee to adjourn at: 10:52pm. Vote 6-0-0

