

Finance Committee Meeting Minutes
February 11, 2016
Town Hall
Sturbridge, MA

Meeting called to order at 7:00 PM with the following committee members present; Chair Kathleen Neal (KN), Vice Chair Kevin Smith (KS), Michael Serio (MS), Laurance Morrison (LM), Clerk Joni Light (JL), James Waddick (JW), Alex Perez (AP), Suzanne Smiley (SS) and Leah Boutelle (as recording clerk). Greg Morse (GM) from the Department of Public Works (DPW) and the Town Administrator Leon Gaumond (LG) are also present.

KN introduces the agenda for the evening as follows: discussion of Article 38 (Feasibility Study—Expansion of Sewer Service) with Greg Morse, approval of meeting minutes, new business, old business, and public access. This agenda does not include the potential Reserve Fund Transfer for an ambulance purchase.

JL states that there was a potential Reserve Fund Transfer (RFT), and inquires if the Fire Chief would want to put the requested money into the budget for emergency ambulance purchase.

KN makes the point that it is an emergency purchase, so it is rightfully considered a RFT.

JL asks if the Ambulance Stabilization Fund can be used to cover repairs?

KS states that there is no possibility for replacement, and if this is due to an accident, which could have been covered by insurance.

JL asks GM if he knows about the ambulance?

GM responds that he does not.

KN introduces Greg Morse and Article 38 – Feasibility Study of Sewer Expansion Project.

KS states that the committee understands that the interest areas as 7,8,11,12.

GM clarifies that area 12 and 19 are the main focus. The intent is to get sewer to area 19 along RT 15.

KS asks if the town wants to pay for the sewer.

GM offers that originally, in order to get the best expansion for industrial use, we would explore expanding area 19 along RT 15. The BOS are looking at pushing either water or sewer there to encourage growth.

KS knows that the town explored this a decade ago, and it was quoted at 6 million dollars. He wants to know who pays the Betterment fee.

GM suggests that the debate will be if the town wants to use a portion of the property tax revenue to support the expansion to the River Rd. and Farquhar Rd area alongside RT 15. The first abutter is Publick House, followed by the old motel site, then the town, flood zone, and the other side of bridge, owned by the Army Corps of Engineers, finally Hebert Candies property. It is difficult to charge someone who is technically abutting the sewer of the Main St. side of the Publick House property and charging a second Betterment fee. They're not going to agree to pay for it. They're already a customer. In order to get sewer down in that area, we need to get a cost and a rough location and present it to the town for future development down that corridor.

KS states that part of this area, as LG explained, is thought to be perfect for running sewer service; as the soil is great, and wonders if this statement is correct. He states that he was under the impression that the brown area (on the map, see Appendix A) just east of Interstate 84 is already sewered. He wants to know if Hall Rd. is part of the brown area south of Rt. 131 and east of I-84 and wonders why it's signaled that it has sewer.

GM states that they don't have sewer there, only Main St. does and it would have to run the line past 12 to get to 19.

KS states that 12 is already sewered, the map is misleading, and it seems that we want to send it down RT 15/Haynes Rd. to get to 19.

JL wonders if that area is who would get a double betterment?

KS asks if the town has to ask permission from the state to hang the sewer across the bridge going over I-84.

GM affirms this and points out the option of jacking underneath the highway.

JL asks what the sense of urgency on this project is.

GM states that if the town wants to get any potential contributing development, the developments would need water or sewer. When the study was done in the past it was estimated at 8 million if it was built all the way to Mobil or Pilot, which this time around we're not intending to do. I intend to get it across the river and into that area.

KS suggests that if it's one or the other, why don't we do water instead of sewer?

GM speculates that if we are looking to build a large commercial building, you can utilize more of the land because you're not taking up space for sanitation of the water. The reality is that it's a tough corridor; usually you have abutters on both sides, but it's one sided because of the highway which increases the betterment charges. Anything other than a solar project or small condos, you wouldn't attract without water or sewer. The town needs to take the first step to pay for some of these inequalities. This was approved for the vote in the 80s, and the town took over the highway in anticipation of future development within thirty years. If we don't make an attempt at getting utilities there development is not going to happen.

LM asks how the project fits into the towns master plan.

GM states that it was zoned for cinemas, but this isn't viable. The stated uses could be office parks, etc.

LM asks if the master plan designates area 19?

GM states that the special use comes from the Planning Board; that it's restrictive, there are large setbacks with large parcels and with the frontage, but it's possible to do a quality development there.

LM if this project happened would this further or hinder the master plan?

GM suggests that it wouldn't hinder it. He adds that every other place in town, sewer is developed. The only thing variable is change in use. The type of development it would attract is a different argument. There are larger tracks for bigger scale potential. The owner of the campground on River Rd. didn't buy the campground with the intent of keeping it as that his whole life. The town has to step forward and believe that sewer will help development.

KS asks what the town's normal practice is; would the cost be put onto the existing sewer users to compensate for the debt?

GM indicates that normal practice will not be followed in this case and offers that it would go under a proposed expense for the entire town to elect to pay.

KS claims that's a really big stretch. More than half of the town doesn't use sewer. He suggests that the idea is to argue that 50 percent of the people who don't use sewer will benefit from this project potential.

GM outlines that the history of the corridor has been demonstrated; if it has no utilities it cannot be developed. The town's intent when it voted to take over Rt. 15 as municipal property was such that if it take over the corridor, it would develop on large parcels, but this will never happen unless there is sewer. There exists large linear footage that is already served by sewer. He poses that thought: might they be able to generate some type of expansion? Then speculates as to hurdles: getting across the bridge, picking up houses on the lower end of Farquhar Rd., the area is not heavily populated, and concludes that it may be a two step process.

KS advises that we have cost idea with the way it was laid out originally.

GM refuses that the original study is comparable because no one is trying to recommend that the townspeople pay for the sewer to go all the way to Mobil.

SS seeks to clarify that the estimate was such that it would be a 6 million dollar investment.

KS states that study was done 12 years ago.

SS asks if we are talking about commercial development, condo project, or to generate residential buildings? If it is commercial, get a developer that would commit to building, if this is approved, would someone come in and buy up the properties within a time line for us to work with? She concludes that we should "put it out on the table".

GM states that the garden shop located in that area was not successful, and conjectures why Hebert's Candies building is vacant. He believes it is due to the fact that it doesn't have a sprinkler system, when the water line is 90 feet away. Whenever people look they see the sprinkler as a huge expense.

SS proposes that the Publick House Crabapples building was vacant for years, and that it has nothing to do with water and sewer.

GM states that it was a subsidy of their main inn, and was viable for some time but not so later on. He doesn't understand why Hebert's Candies is still vacant, however.

KN brings up that it was approved a few years ago for a special permit.

JL adds that it was a medical company, but they backed out.

LM asks in what specific purpose area 19 is zoned.

GM responds that it is special use, it varies, it could be a hotel office building, etc.

LM asks if it can be residential.

KN thought it was restrictive use.

GM agrees that it is because it's set back, it is because of the limits on setbacks, it isn't like being on Main St., it's different, the intent was to get high use and not be able to see it.

JL understands that it's restrictive because she looked at a building in that area a few years ago. In area 19 there is a few residential homes, she wonders if those residents have expressed an interest to join.

GM presumes that residents won't want to join until the project is voted on, and each location is priced out. He is looking at long term planning: where will this go in 20 years? There is no desperate need for it right now.

KS asks how much it would cost just to do areas 7 and 8, but not 19.

GM he would still need to study it in order to update what's in the permit.

JL asks how long ago the other study was done.

GM replies that it was 8 or 9 years ago for water in area 19.

JL asks if it would be dissimilar.

GM states that pressure sewer is cheaper. Gravity sewer is sunk six or seven feet below the ground or more and is more expensive because of labor. It all depends on the construction method. Water had existing 16 inch water line that is a town bypass. It comes across the two bridges on Shattuck rd., but the main was there already. The motel is stuck between River Rd. and Ridge Rd. without water. It's a large expense to ask

developers to spend.

KS clarifies that this is the first step, we're going to assess how much it will cost for the project.

KS states that between River Rd. and Pilot there is on-site water treatment.

GM adds that this is what the retirement community did.

KS asks if area 11: Champeaux Rd. and North Drive are flood areas.

GM states that there is no intent to pull it across the water, in the highlands sewer is needed and not there yet.

JL speculates as to if it's too far to take it from Brookfield Rd.

GM clarifies that at the intersection for North Rd. and Lakeshore Dr. they cannot pull it from anywhere because it would be an estimated cost of at least \$500,000.00.

KS inquires as to why area 28 is not being included.

GM states that area 28 is state land.

SS wants to know what the payback of the feasibility study is, does it only contain the estimation or some additional service? What would the time frame for "payback" be?

KS elucidates that this is just a feasibility study that fleshes out costs, any further action would need a vote. As an example, KS states that the town spent \$25,000.00 to do a feasibility study at Walker Pond and then the implementation got voted down at Town Meeting.

JL is still wondering if people wanted sewer in any of these areas.

LG offers that there have been no formal requests for sewer.

JL repeats that there was a study done for water feasibility eight years ago.

GM elaborates that BOS asked him and LG to look into what the expansion would cost.

LG adds that the BOS has a belief that if the town can make it easier for sewer customers to come on, we will eventually lower the rate payers costs.

JL expresses concern about unfairness of double betterment of current abutters.

GM agrees that it's grossly unfair. If we were to start expansion there are limited connections and density, he's not fully convinced that the amount of connections would outweigh the debt.

KS agrees that there may not be enough households.

GM advises that the costs for each area would be different for connection, and it wouldn't be probable for all areas to vote for expansion.

KS suggests that the way the article is written is amorphous, and that it allows for a lot. He asks if it's possible for the sewer to go across I-84, as opposed to having it go down Rt. 15.

GM counsels that either way you have to either go over the river or under the river, however boring under it and having a pressurized line under a water way is a risky endeavor. There is a potential liability if it breaks, and you would maybe get 20 years out of it. It's longevity is subject to how good the structure is and if it's insulated.

LM wants to know if this study includes the search for any protected or endangered species.

GM the study will acknowledge design restrictions in the work area. The piping would be laid in the road. If you follow the road, you're not working in habitats.

LM repeats the question: would the study report any endangered species habitats?

GM offers that he is sure there is some type of investigation or regulation involved concerning endangered habitats but he believes the impact that this project would have is minimal.

KS poses the question: how would we rewrite the summary that it would accurately reflect what we're trying to do; area 12 is not needed or to be worked on, it's only areas 7, 8, 11, and 19.

JL agrees that it shouldn't include area 12.

KS also wishes to identify in the verbiage which roads are to be included in area 11, in order to identify where exactly GM would like to pursue this study in.

SS asks if we used the water study that was done to evaluate whats to be proposed here.

KS observes that the study in question was done a long time ago.

GM informs SS that the previous study was getting basic measurements with basic costs, and that the study is not useful for these purposes.

KS agrees that we need to update the information.

SS wonders why we wouldn't do water and sewer if we need to update it.

JL wonders why we would do it all.

KS offers that it is because the money is coming from the Sewer Reserve Fund so a water study can't be covered under the same fund.

SS speculates as to if it would be more cost effective for the town to bid it out.

KS supposes that we don't need to do water because there is no intention to bring it all the way down Rt. 15.

JL goes over what feasibility will do, however, she advises, it does not take into account the spotted salamander.

KS asks if we are going to encounter ledge, and what is the geological study.

GM presumes that yes we will, then it will be sandy gravel, and that the soil type is known.

JL holds that the riverbed could tell you this information.

KS maintains that if we have a lot of rock it would require blasting and cost more, and that if the geological portion is researched already it would be easier to calculate costs.

GM believes that it is a 3:2 or 7:3 ratio (or in that range) of sandy gravel to ledge.

JL asks if there is a statute of limitation on the study.

KS advises that costs always change.

KN offers that the geology will not change.

JL observes that there are constants, and that cost may be the only non-constant.

KS wonders if there are environmental laws concerning the study.

JL offers that the study only involves doing measurements and possibility type stuff.

GM agrees that it is for development and costs associated with such.

KS requests that GM estimates the potential number of users in each district, starting with area 11.

GM estimates 40-45, maybe even 60.

KS states that this is more than he previously thought.

JL asks about Tannery?

GM informs that Tannery is sewerred, but nothing beyond that is.

KS requests to move on to area 8.

GM estimates 80-100 in the Glendale and Paradise Lane area.

KS moves on to area 7.

GM informs that this is Cooper Rd and Arnold Rd, and estimates 30-40 users. Area 19 for is for 6 users.

KN asks if anyone requested sewer in this area.

GM offers that occasionally we get inquiries through a realtor, but that he has never been petitioned.

KN observes that Woodside Circle banded together and petitioned for sewer.

GM estimates that there are 250 across the board, 300 tops, including vacant land.

KS inquires as to if there has been any discussion that we have the asterisk removed, if a piece of property is accessible to sewer and it becomes buildable at a quarter acre. Is the Planning Board aware of GM's intentions?

LG and GM offer that Jean has been involved in the discussion.

GM educates that each lot is allowed one connection. It would still go through the

Planning Board if someone has a vacant lot. If we allow it to be unruly there could be undesirable expansion. The more you get away from residential, the less impact you have on schools.

LG agrees that diversity of land use is important.

GM communicates that x amount of gallons a day or year are allotted, x amount goes to residential/x amount goes to commercial. We now have a surplus on our outfall but we need to keep this formula in mind. Historically, we improve the sewer plant and then push into areas and when we reached limit the debt was taken care of by the time we needed to expand.

KN asks for any other questions and if there is a vote on Article 38—Sewer Expansion Feasibility Study.

MS makes motion to approve Article 38 as written.

KS wants to rewrite it to make it more specific, he talks about how the only thing that matters is in the actual article not the summary box, but the amorphous language gives too much leniency, as they're known as study areas 7, 8, 11, and 19 in a formal document.

SS suggests that we would want to show the TM where these areas are.

KS affirms this and that there are matrices that could indicate the specificities.

SS adds that people may not want to vote for it because they don't know where it is.

LG offers that he has the ability to put in guidelines through the TA blog on the town website, and that he supports adding maps.

KN agrees that it would be a good idea because no one will know where these areas are.

MS withdrew his motion.

*KS makes motion to amend the article removing **four** and inserting **following areas 7 8 11 and 19**, and to otherwise approve article as written. LM seconds.*

LM reminds the committee that voters are only voting on the warrant article that begins with "to see if the town"... and ends with "thereto". The summary box could be wrong and it doesn't make a difference.

JL not voting for this because of environmental issues and for the small amount of people who may be interested in it, she feels such services may not be warranted.

LM questions JL's use of language.

KS expresses that he is wary of it too, but that the town needs the information that the study will provide.

KN sights that it does say that they are paying for feasibility study specifically.

LM adds that the licensed engineer will not risk his license doing something that is not being paid for.

Motion passes to amend Article 38, 7-1-0. JL opposing.

LG states that the Article had to be posted because of time constraints.

KN asks what the time frame is.

LG advised other officials that the recommendation of the FinCom was forthcoming.

KS presumes that the moderator will say we gave up the right to a recommendation after it has been posted, and that he would prefer only posting an article number and title and leaving off recommendations.

LG tried but his attempt was rejected by the BOS.

KS finds that the recommendation is not part of the warrant itself.

LG will avail TA blog to publicly announce the recommendation.

KS is hoping to get the article recommendation in before the copies of the warrant are printed.

LM elaborates that there was a past time where the committee couldn't get an agreement to prepare a recommendation because we kept switching sides and if the moderator follows past practice, we will be called to speak last, and the last thing people will hear is the first they expect.

KS asked if the BOS actually did revise the language on the BOH article.

KN sent it LG.

LG closed BOH warrant at the last meeting, and had them adopt the language recommended by FinCom.

LG GM exit at 8:32 pm.

Approval of meeting minutes

Typos, grammar, and inconsequential accounts discussed and revised.

Motion to approve minutes as amended passes 6-0-2. AP and LM abstaining as absentees.

No New Business, Old Business, or Public Access.

KN announces meeting on March 3rd at Burgess Elementary to discuss the education budget.

KS makes motion to adjourn, JW seconds, motion passes. 8-0-0.

Meeting is adjourned at 9:12 pm.