

Received by
Uxbridge
Town Clerk

OCT 14 '15 AM 10:35

**TOWN OF UXBRIDGE
21 S. MAIN STREET, UXBRIDGE, MA 01569
BOARD OF SELECTMEN'S MEETING MINUTES
BOARD OF SELECTMEN'S MEETING ROOM
MONDAY, SEPTEMBER 28, 2015 – 6:00PM**

Present: Chair Jennifer Modica, Vice Chair Jeff Shaw, Clerk Jim Hogan, Selectman Peter Baghdasarian and Selectman Lance Anderson. Also present Town Manager David Genereux and Administrative Assistant Tracey Ante. (Mr. Genereux left the meeting at 6:05pm and returned at 7:30pm).

I. CALL TO ORDER

1. Announcements - The Fall Annual Town Meeting is Tuesday, November 10th at 7:00pm at the Uxbridge High School. All are encouraged to attend.

A Certificate of a Commendation was issued to Lt. Peter Emerick and Officer Brian MacDonald for their time of service, hard work and dedication to the Town Of Uxbridge. The Board thanked them and applauded them for their service. The Board wished them well in their retirement.

2. Citizen's Forum – No one wished to be heard.

II. NEW BUSINESS

1. Application – Common Victualler License – ARFM, Inc. d/b/a Niko's Pizza, 294A N. Main Street - **MOTION: I, Mr. Shaw, move that the Board approve the Common Victualler Application for Mr. Asem Ghobrial, ARFM, Inc. d/b/a Nicko's Pizza, 294A N. Main Street. Seconded by Mr. Hogan, the motion carried 5-0.**
2. Pavement Management Plan presentation – Mr. Benn Sherman, DPW Director and Mr. Barry Lariviere with the Beta, Inc. discussed the Pavement Management Plan presentation. This included proposed/completed road improvements, costs associated with roadwork, limited funding and overall road surface rating (RSR). The estimated repair of town roads is approximately \$16M. Mr. Sherman thanked Mr. Steve Bevilacqua with Bevilacqua Asphalt Corp. who donated materials this summer for various patching and paving products when funding/materials were depleted.
3. DPW Updates – Mr. Benn Sherman, DPW Director updated the Board on pending DPW projects which included Highway projects, Water Division projects and Wastewater projects. Several projects included CWMP, Route 122 Water Main and E. Hartford Avenue culvert.
4. Discussion of future projects for Selectmen to work on – Ms. Modica suggested that the Board review the Board of Selectmen Policies and update/format accordingly. There was no objection.

III. OLD BUSINESS

1. Wastewater Treatment Plant
 - Funding Options
 - Septage

Mr. Benn Sherman, DPW Director and Mr. Jim Legg, Wastewater Supervisor were present and updated the Board on the status of the project. Mr. David Genereux provided an updated Sewer Treatment Plant Financials memorandum dated 9/24/15 which included a 30 year

11/25
10-14-15
pac

financing scenario (attached to the minutes). The Board discussed financing options and accepting septage as a regional facility. Following discussion, **MOTION: I, Mr. Baghdasarian, move that the Board move forward with the treatment plan design with the ability to accept septage as a regional facility. Seconded by Mr. Anderson, the motion carried 5-0.** It was the consensus of the Board to continue discussions regarding the financing options at a future meeting. The Town Manager anticipates meeting with Representative Jim McGovern, Lieutenant Karyn Polito and Senator Ryan Fattman in the near future to discuss additional funding sources.

IV. MEMBER ISSUES

None.

V. TOWN MANAGER

The Town Manager updated the Board on the following topics:

- Town Hall Sign – thanks to Blackstone Heritage Corridor for the matching grant
- Code Red – Residents are encouraged to sign up, visit the town's website at www.uxbridge-ma.gov.
- The BOS/Finance Committee is conducting a joint public hearing on Tuesday, 10/13 to review the Fall Town Meeting Warrant articles

VI. MEETING MINUTES

9/14/15 Meeting Minutes – **MOTION: I, Mr. Anderson, move that the Board approve the 9/14/15 Meeting Minutes. Seconded by Mr. Hogan, the motion carried 5-0.**

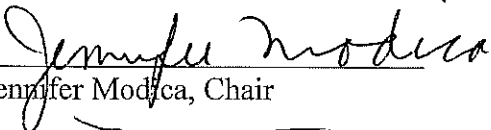
9/24/15 Meeting Minutes – **MOTION: I, Mr. Shaw, move that the Board approve the 9/24/15 Meeting Minutes. Seconded by Mr. Hogan, the motion carried 4-0-1 (Mr. Anderson abstained).**


VII. ADJOURNMENT: NEXT REGULAR SESSION BOS MEETING 10/13/15

Ms. Modica adjourned the meeting at 8:30pm.


Minutes respectfully submitted by, Tracey Ante.

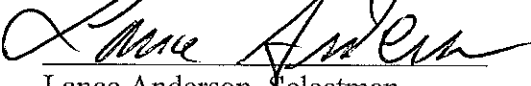
Minutes approved by Board of Selectmen:


Jennifer Modica, Chair

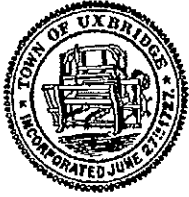

Jeff Shaw, Vice Chair


Jim Hogan, Clerk


Peter Baghdasarian, Selectman


Lance Anderson, Selectman

Date: 10/13/15



**TOWN OF UXBRIDGE
TOWN MANAGER
Town Hall Room 102
21 South Main Street
Uxbridge, MA 01569-1851
508-278-8600 Fax 508-278-8605
dgenreux@uxbridge-ma.gov**

David Genreux
Town Manager

September 24, 2015

To: Board of Selectmen
From: David Genreux, Town Manager *DG*

RE: Updated Sewer Treatment Plant Financials

I am writing to update the Board of potential financing scenarios for the sewer treatment plant, and to the progress that has been made with discussions with our federal and state representatives. Currently, I am awaiting a confirmed date for another meeting with Representative McGovern and the EPA. We have met with DEP, who could offer no additional funding possibilities. I am hopeful of scheduling a meeting with the Lt. Governor, who was in-town last Thursday for a meeting in lower Town Hall. We had a long discussion about the cost of the plant, and she seemed legitimately concerned with exploring options to assist the Town.

After reviewing the annual cost data, I decided to investigate funding the plant at thirty years, in order to reduce the annual debt load. As the Board may recall, there are two portions of debt, one that is tied to EPA mandated upgrades that is funded at 0% interest, and another consists of general upgrades and equipment replacements, that is funded at 2% interest. The 0% funding comes at no additional cost to the town, as the principal is just extended over an additional 10 years. The 2% interest funding, rises to 2.40% (a requirement of the trust) which under our three debt scenarios, raises the potential interest cost for the life of the loan anywhere from \$3,113,762 to \$3,651,943.

Here is the cost update for the three options being considered by the Board.

- 1.) Treatment plant only (No septage processing)
Cost: \$37,800,000

20 year projected annual debt: \$2,113,666

100% CIF rate - \$614.62 Annual

Tax rate: \$1.46 per thousand - \$400.98 on the average tax bill

Split rate scenario: \$.91 per thousand - \$248.61 on the average tax bill
CIF rate: \$233.55

30 year projected annual debt: \$1,514,217
100% CIF rate - \$440.31 Annual
Tax rate: 1.05 per thousand - \$287.26 on the average tax bill
Split rate scenario: .61 per thousand - \$178.10 on the average tax bill
CIF rate: \$167.32

While this is the most cost effective option, implementing it would result in a substantial increase in the sewer rates to absorb the loss of septage revenue.

2.) Treatment plant (Resident septage processing)

Cost: \$41,300,000
20 year projected annual debt: \$2,308,244
100% CIF rate - \$671.20 Annual
Tax rate: \$1.60 per thousand - \$437.89 on the average tax bill
Split rate scenario: \$.99 per thousand - \$271.49 on the average tax bill
CIF rate: \$255.05

30 year projected annual debt: \$1,653,035
100% CIF rate - \$480.67 Annual
Tax rate: \$1.14 per thousand - \$313.59 on the average tax bill
Split rate scenario: \$.71 per thousand - \$194.43 on the average tax bill
CIF rate: \$182.66

3.) Treatment plant (Resident and non-resident septage processing)

Cost: \$44,800,000
20 year projected annual debt: \$2,502,824
100% CIF rate - \$727.78 Annual
Tax rate: \$1.73 per thousand - \$474.80 on the average tax bill
Split rate scenario: \$1.07 per thousand - \$294.38 on the average tax bill
CIF rate: \$276.56

30 year projected annual debt: \$1,791,853
100% CIF rate - \$521.04 Annual
Tax rate: 1.24 per thousand - \$339.93 on the average tax bill
Split rate scenario: \$.77 per thousand - \$210.75 on the average tax bill
CIF rate: \$197.99

Funding scenarios (From the original memo)

In addition to the three plant construction scenarios, the Town is considering three potential options to raise funds to pay for the debt:

- **100% on the tax rate:** This is the most unlikely option. The Town currently budgets to the levy, and therefore could not afford to absorb 2 to 2.5 million in annual debt. It would also be difficult to obtain a debt exclusion for this project, especially since the Town recently passed a \$9,250,000 exclusion for a new center fire station. Finally, the treatment plant offers no services that benefit the entire town; it only serves its customer base.
- **100% on the sewer users:** From a “fairness” perspective, this is the most sensible. The users derive the greatest benefit by far. However, in the light of the change in the Town’s demographics over the years, the adoption of this approach would likely have a detrimental effect on the Town’s fiscal health.

A dwelling unit is defined as a single family, apartment or condo. Commercial units have a minimum of one unit and can quickly increase, depending on the size and type of business. This scenario distributes debt cost among a smaller pool of consumers than putting it on the tax rate, resulting in a higher annual cost for those users. My concern with the scenario is that, as stated previously, it targets the Town’s more urban districts, including smaller, older homes, and multi-families. It will also affect small businesses on North and South Main Street, as well as on the feeder streets to these main arteries.

Placing the charge entirely on the sewer users also is detrimental to our economic expansion plan, which currently includes running water and sewer lines down Quaker Highway (Rte. 146A), in order to foster economic development in that area.

Finally, from a historic perspective, the original WWTP was designed to accommodate the large textile mills in operation at the time. The other users that are now on the system were required to connect to the system when the plant was constructed. The original connection requirement made sense considering that the original WWTP was funded through federal grants, but the federal requirement to replace the existing plant, funded entirely at the local level, would constitute an unfunded mandate to those ratepayers.

- **Split between the tax rate/user fees**

This final option apportions the debt between the two sources discussed previously. Our calculation is split with the tax rate paying for improvements associated with required federal improvements and the CIF rate paying for age related upgrades.

This option would offer a margin of relief to the users, but would affect municipal and school budgets, as the tax levy would be paying a portion of the debt (1.2 million on the low end). There would also be concerns that the taxpayers would be paying for a benefit that is only realized by the ratepayers.

Preliminary schedules showing options and costs are attached.

Treatment Plant - 20 Year Financing Scenerio

	Treating Wastewater only	Treating Wastewater & Town Septage	Treating Wastewater & Current Septage
Plant	36,000,000	39,500,000	43,000,000
West River	1,800,000	1,800,000	1,800,000
Total	37,800,000	41,300,000	44,800,000
0% Plant	21,600,000	23,700,000	25,800,000
2% Plant	14,400,000	15,800,000	17,200,000
	36,000,000	39,500,000	43,000,000
2% West River	1,800,000	1,800,000	1,800,000
0% Total	21,600,000	23,700,000	25,800,000
2% Total	16,200,000	17,600,000	19,000,000
Grand Total	37,800,000	41,300,000	44,800,000
Debt Service			
0% Total	1,103,116	1,210,363	1,317,611
2% Total	1,010,550	1,097,881	1,185,213
Grand Total	2,113,666	2,308,244	2,502,824
100% Tax Rate	1.46	1.60	1.73
Ave Tax Bill*	400.98	437.89	474.80
100% CIFS**	614.62	671.20	727.78
Potential split rate scenerio			
62% Tax Rate	0.91	0.99	1.07
Ave Tax Bill	248.61	271.49	294.38
38% CIFS	233.55	255.05	276.56
Total	482.16	526.55	570.93

* AVE Tax bill is value on home valued at \$273,923

** CIF rate is based on current number of Sewer CIF's (3439)

Treatment Plant - 30 Year Financing Scenerio

	Treating Wastewater only	Treating Wastewater & Town Septage	Treating Wastewater & Current Septage
Plant	36,000,000	39,500,000	43,000,000
West River	1,800,000	1,800,000	1,800,000
Total	37,800,000	41,300,000	44,800,000
0% Plant	21,600,000	23,700,000	25,800,000
2% Plant	14,400,000	15,800,000	17,200,000
	36,000,000	39,500,000	43,000,000
2% West River	1,800,000	1,800,000	1,800,000
0% Total	21,600,000	23,700,000	25,800,000
2.40% Total	16,200,000	17,600,000	19,000,000
Grand Total	37,800,000	41,300,000	44,800,000
Debt Service			
0% Total	736,850	808,489	880,127
2.40% Total	777,366	844,547	911,726
Grand Total	1,514,217	1,653,035	1,791,853
100% Tax Rate	1.05	1.14	1.24
Ave Tax Bill*	287.26	313.59	339.93
100% CIFS**	440.31	480.67	521.04
Potential split rate scenerio			
62% Tax Rate	0.65	0.71	0.77
Ave Tax Bill	178.10	194.43	210.75
38% CIFS	167.32	182.66	197.99
Total	345.42	377.08	408.75

* AVE Tax bill is value on home valued at \$273,923

** CIF rate is based on current number of Sewer CIF's (3439)

Annual cost differential between 20 and 30 yr Scenerios

	Treating Wastewater only	Treating Wastewater & Town Septage	Treating Wastewater & Current Septage
Debt Service			
0% Total	(366,266)	(401,874)	(437,484)
2.40% Total	(233,184)	(253,334)	(273,487)
Grand Total	(599,449)	(655,209)	(710,971)
		-	-
100% Tax Rate	(0.42)	(0.45)	(0.49)
Ave Tax Bill*	(113.72)	(124.30)	(134.88)
100% CIFS**	(174.31)	(190.52)	(206.74)
Potential split rate scenerio			
62% Tax Rate	(0.26)	(0.28)	(0.31)
Ave Tax Bill	(70.51)	(77.06)	(83.62)
38% CIFS	(66.24)	(72.40)	(78.56)
Total	(136.74)	(149.46)	(162.18)

* AVE Tax bill is value on home valued at \$273,923

** CIFS rate is based on current number of Sewer CIFS (3439)