

Board of Selectmen

February 27, 2020

Regular Session

Present

Selectmen: Mr. Joe Fisher, Ms. Mary Power
Mr. Tom Mayo, Town Administrator, and Ms. Michelle Monsegur, Assistant Town Administrator.
Chairman Karen Johnson was absent.

Call to Order: 6:30 pm

Ms. Mary Power

Pledge of Allegiance

Approval of Minutes

Mr. Fisher made a motion to approve the minutes of the February 11, 2020 meeting. Ms. Power seconded. All were favor, 2-0.

Mr. Fisher made a motion to approve the minutes of the February 18, 2020 meeting. Ms. Power seconded. All were favor, 2-0.

Public Comment

None

FY 21 Water Enterprise Fund Budget and Water Rates (Board of Selectmen Acting as Board of Water Commissioners)

Ms. Power explained that Massachusetts General Law requires that preliminary enterprise funds be adopted no later than 120 days before the start of the fiscal year. She stated that the start of the fiscal year for the Water Company would be July 1. She added that Town Counsel has recommended that, in the Board's capacity as Water Commissioners, they vote on water rates as well, adding that the rates would be staying the same as this year.

Ms. Power went through an analysis of the FY21 enterprise fund budget for the Weir River Water System. She began by stating the budget assumes water rates will remain the same. She added that, several months after the Town has assumed operational responsibilities, they plan to conduct a "cost of service" study that would inform future rate decisions. She continued on to explain revenues, salaries, operating expenses and the "PILOT" or payment in lieu of taxes. She explained that the Water Company would make a payment to the towns of Hingham, Hull and Cohasset instead of paying taxes so that the tax bases of the towns wouldn't be adversely affected by the sale of the Water Company. Ms. Power stated the scope of services as defined in the Town's water system operator RFP were more extensive than the scope of services that were the basis for operating cost estimates. To illustrate this point Ms. Power provided two examples: 1. The original cost estimate assumed the water system operator would be responsible for preventive maintenance costing less than \$2500. Based on guidance from our consultants, the Town revised that amount to \$10,000 in the RFP. 2 The original estimate called for inspecting 1/3 of all fire hydrants each year and not replacing any hydrants. The Town's RFP requires all fire hydrants to be inspected each year and for the operator to purchase and install 10 hydrants each year. at the Town's RFP.

Ms. Power pointed out the increased operator cost was offset by lower interest rates, based on guidance from the Town's financial advisors, all of which result in a budget surplus of \$2.5 million. That money must remain in the Enterprise Fund budget.

Mr. Fisher asked what start up items were included in the \$5.6 million operating budget. Ms. Power answered that the start-up items were \$232,000 for the operations and \$97,000 for the billing.

Vote: Mr. Fisher made a motion to adopt the water enterprise fund budget for FY21. Ms. Power seconded. All were in favor, 2-0.

Vote: Mr. Fisher made a motion to adopt water rates (as they currently exist and as reflected in the enterprise fund budget). Ms. Power seconded. All were in favor, 2-0.

Selectmen/Town Administrator Reports

Ms. Power announced that the Board of Selectmen will have their next meeting on Tuesday, March 3, 2020.

Mr. Mayo wanted to let the Town know that the replacement of the gas mains on Main Street/Route 228 will start as early as March 8th. He reported that anyone that will be affected by the project has already been notified in writing. He added that National Grid will be following the same notification process that they followed last year for phase 1 of the project. He added that people will see sign boards in that area directing detours.

Mr. Fisher added that early voting is going on for the primaries and tomorrow, February 28 is the last day for early voting at the Town Hall. Mr. Mayo added that Town Hall has seen 200-300 early voters per day.

Jim Watson, 291 Rockland Street, asked how the operating budget for this year compares to previous years given the hiring of the management firm or if the cost of that contract off set by people lost in the transition? Ms. Power stated under Town leadership, more money will be spent on Capital and more money will remain within the water system. Ms. Power stated that Suez has made a commitment, as part of the RFP process, to interview all the existing employees, adding that the staffing structure that they are proposing to the Town is about the same as it is currently. She added that, because the money that was previously profit will now stay in the system, it can be used to accelerate capital investment so the Town can continue to make improvements in the system. Mr. Watson thanked Ms. Power and stated that he supported the process all along.

Mr. Fisher made a motion to adjourn. Ms. Power seconded. All were in favor, 2-0.

Meeting adjourned at 7:02PM.

Documents: A complete meeting packet of supporting documentation is on file and available for public review in the Board of Selectmen's office.