

MINUTES OF THE BOARD OF SELECTMEN MEETING

January 6, 2014

Meeting held at Town Hall

MEMBERS PRESENT: Chairman Robert Snow, Vice Chairman Robert Merry, Clerk Joseph Perry, Jack Cook, David Petersen (Town Administrator Deborah Eagan, Assistant Town Administrator Amy Lydon)

PUBLIC ATTENDEES: Lawrence White – FINCOM; Donna Martin - Mill River Winery; Rick Rousseau - Mill River Winery; A.J. Paglia - Office of Senator Tarr; Chris Sherratt; Tim Sherratt; James Broderick - Fire Department; Stuart L. Dalzell Sr. - Water Commissioner; Tim Toomey - Water Commissioner; Mark Griffin - Water Department

CALL MEETING TO ORDER

Chairman Robert Snow called the meeting to order at 7:04 p.m. He said the meeting is being video and audio taped.

PLEDGE OF ALLEGIANCE

A.J. Paglia, Chief of Staff for Senator Tarr and former Rowley Board of Selectmen Chairman led the Pledge of Allegiance.

CHAIRMAN'S COMMENTS

Chairman Snow said it is important for people to become involved in Town government. He said budget season is coming up and all in the Town should be part of the process. Joseph Perry said meetings for the school budgets are being set up for next week.

7:05 – 7:15 p.m. CITIZEN QUERY

Citizen's Query opened. There were no Citizen's Queries.

GENERAL BUSINESS

1. Stable license renewal - Pamela Latulippe, Nature Spirit Farm, 66 Cross Street

Chairman Snow said. "Pamela Latulippe, Nature Spirit Farm, 66 Cross Street has submitted her stable license renewal. Taxes, water and light bills have been paid."

Joseph Perry made a motion to approve the renewal of the stable license for Pamela Latulippe, Nature Spirit Farm, 66 Cross Street, Jack Cook second, all in favor – aye (5-0).

2. New stable license application - Richard Bertelson, 100 Wethersfield Street

Chairman Snow said, "Richard Bertelson, 100 Wethersfield Street has submitted an application for a new stable license. There is an overdue water bill, taxes and light bills have been paid."

Bob Merry said last month there were problems with the water bills, and this may fall under that category. He suggested that this license be approved pending the Water Department's confirmation of payment.

Dave Petersen made a motion to approve the stable license for Richard Bertelson, 100 Wethersfield Street with the conditions as stated by Merry, Jack Cook second, all in favor – aye (5-0).

3. Discuss Burkland Farm stable

Chairman Snow read the following:

Joshua Noble, Burkland Farm, 424 Main Street was sent a request to apply for a stable license on November 7, 2013 since he is boarding four or more horses at his stable. Amy Lydon left him a voicemail on December 12, 2013, and Animal Inspector Reed Wilson hand delivered a second application form to him on December 19, 2013, but Mr. Noble still has not submitted an application for a stable license. Mr. Noble has an overdue tax bill for November interest in the amount of \$8.66, but light and water bills have been paid.

Does the Board wish to ask Mr. Noble to come to a future Selectmen's meeting, with Animal Inspector / Animal Control Officer Reed Wilson present, to discuss this issue?

Petersen said it sounds like we need to ask him to a meeting to resolve this.

Joseph Perry made a motion to send Joshua Noble a letter requesting that he come into a Selectmen's meeting to discuss this, Jack Cook second, all in favor – aye (5-0).

OLD BUSINESS

1. Update on 112 Central Street

Chairman Snow read the following:

The estimate to demolish the house is \$12,825.00. The attached estimate shows a few other services that may be needed. This doesn't include asbestos removal, if applicable. There is a strong feeling that there may be asbestos present at the site. We would need to undertake testing. Additionally, we need to purchase and install a fence

around the area. This will be a separate cost that requires the payment of prevailing wages.

Eagan said Highway Surveyor Ron Keefe obtained this quote from T.W. Excavating, who does government work, and includes prevailing wages. She said the asbestos is the key thing and authorization to spend Town money is needed to test for asbestos. Perry and Snow said asbestos testing needs to be done. Petersen said we should get an estimate to do the testing, which may give us a sense of the cost to remove asbestos if present.

Dave Petersen made a motion to authorize the Town Administrator to get a price quote for asbestos testing and removal at 112 Central Street, Jack Cook second, all in favor – aye (5-0).

2. Sign Mass. Fisheries & Wildlife documents for the sale of salt marsh land

Chairman Snow said, "This is not ready for tonight's meeting."

7:15 p.m. Public Hearing - Mill River Winery on pouring permit

Chairman Robert Snow read the notice of public hearing on the application for a Farmer Winery Pouring Permit submitted by Grape Island Inc. d/b/a Mill River Winery, principals Donna M. Martin and Richard W. Rousseau into the record (COPY ATTACHED). He said the staff has reviewed the application and it is complete (COPY ATTACHED).

Chairman Snow calls for a motion to open the public hearing. Joseph Perry so moved, Jack Cook second, all in favor – roll call vote: Robert Merry – aye, David Petersen – aye, Robert Snow – aye, Jack Cook – aye, Joseph Perry – aye.

Chairman Snow said that the hearing was advertised in the December 23, 2013 edition of The Daily News. He called the applicants forward and asked them to discuss their application.

Snow continued, "The applicant has paid all taxes, water bills and electric bills. This business has an occupancy permit (COPY ATTACHED) and the fire safety inspection as required by the ABCC is being scheduled for this week. Building Inspector Ken Ward said that the occupancy permit covers the same items as the fire safety inspection, and he doesn't have any issues with the application being reviewed before the fire safety inspection."

Chairman Snow asked if there is anyone present at the meeting who would like to speak on the application. He asked that the individual speaking clearly state their name and address.

Rick Rousseau said their application for the Farmer Winery Pouring Permit is complete, and once voted on by the Board of Selectmen, will be sent to the ABCC for approval. Donna Martin said that their operation will not change and they have been pouring samples for customers since they opened while talking about the wine. She said a new law was passed in July and they need this permit in order to conduct their business the same way they have been. Rousseau said the permit is a matter of compliance. Martin said they offer five one ounce samples called flights to customers. Eagan said Chairman Snow has the entire application which details the hours of operation which she believes is consistent with their current hours of operation. She said these hours of operation will be listed on the permit issued by the Town which will need to be posted at the business. Rousseau said they are normally open from 8:00 am until 6:00 pm, and have in-house events occasionally that are by invitation only that run until 9:30 pm. Eagan said Rousseau has submitted an affidavit of the mailing to the abutters today, their application is complete and the newspaper notice was done in the appropriate time frame.

A.J. Paglia said he is here on behalf of Senator Tarr and he is very familiar with this application. He said he has worked with the applicant and the staff in the Selectmen's Office on this application and on behalf of Senator Tarr, he fully supports the granting of this permit. He said this is a very good business, run by good people who are cooperating with the Town.

Chris Sherratt said she lives next door to Mill River Winery at 305 Wethersfield Street and asked if they will be offering wines other than those they make. Martin said they are only selling the wines that they make. Petersen said the business looks nice, it is very well run and if they continue to run it the same way it is positive for the Town and the residents, it is an asset to the Town and he is in favor of approving the application. Snow said he toured the winery last year as a member of the Ipswich Rotary and it was very interesting to see the wine being produced.

Chairman Snow calls for a motion to close the public hearing. Joseph Perry so moved, Jack Cook second, all in favor – roll call vote: Robert Merry – aye, David Petersen – aye, Robert Snow – aye, Jack Cook – aye, Joseph Perry – aye.

Public hearing adjourned at 7:24 p.m.

Joseph Perry made a motion to approve the application from Mill River Winery for a Farmer Winery Pouring Permit, Jack Cook second, all in favor – aye (5-0). The Board signed the ABCC Form 43.

7:25 p.m. APPOINTMENT - Fire Chief James Broderick to discuss ladder truck

Chairman Snow read the following:

Chief Broderick has submitted updated specifications and diagrams of the ladder truck. Please see attached.

The contract for the ladder truck, which was issued through a purchasing consortium administered by the Metropolitan Area Planning Commission, has expired. A new contract has not yet been awarded.

The chief has met with Debbie and Karen Summit to go over financing.

Under the previous contract a lease purchase financing option was available. This will also be in the new contract.

We have scenarios showing the lease purchase options on a five-year and ten-year basis. The Town purchased new vehicles in the past through lease purchasing. Under a lease-purchase we would set aside the payment in a budget line. We would not need to go through a formal borrowing process for this purchase. Please see attached quote from Tax Exempt Leasing that was provided for under the recently-expired contract.

Also attached are debt services schedules based on either a \$800,000 or \$700,000 note. The re-payment schedule of the \$700,000 note is similar to the lease purchase payments on a ten-year financing package.

Snow reviewed quote for financing the \$700,000 ladder truck (COPY ATTACHED). Eagan said a lease to purchase avoids incurring closing costs on borrowing, and the new Metropolitan Area Planning Commission contract may be ready soon.

Broderick said there is a table of what is standard and what is optional, as well as diagrams, for the E-One ladder truck. He said the options they have chosen are more to do with durability, for example, opting for heavy duty steel versus chrome. He said aluminum wheels carry more weight, and don't rust like the standard steel. He said disc brakes provide better braking and the parking brake will keep the wheels from rolling when the rear wheels are off the ground due to outriggers. He said the old bells will be installed in the new truck. He said the map box will enclose the books in the cab so they don't fly around. He said LED lights were chosen because they are brighter and last longer. He said switches allow the driver or passenger to operate the controls. He said all new ladders are included because the current ladders are getting close to the end of their life. Snow asked how the ladders are tested. Broderick said American Testing Center checks them once per year by measuring the distance from the bottom rung to the floor initially and after a 250 weight is put in the middle, and they also measure the rings and rails for dents and cracks. He said there is a two year warranty with the MAPC contract, and airbags will cost an additional thirteen thousand dollars.

He said the pricing is based on the MAPC contract that is expiring. Broderick said the NFPA reviews what equipment is needed every five years and this is a review year, but he hasn't heard about any changes yet.

Snow asked what the build time is. Broderick said it could be ten to twelve months depending on how many trucks are in front of the order. Merry said a battery charger is mentioned on page five and again on page six, and asked if this is the same charger. Broderick said there is just one charger.

Petersen said it sounds like they are being efficient. He said the loan on the pumper truck will be paid off on June 5, 2014, which has been a \$94,000 payment, and the payment on a \$800,000 loan for a new ladder truck will be approximately \$94,000. He said he is concerned about where the truck will be parked and he has strong personal reservations against spending any more money on the current fire station. Broderick said he spoke to the Fire Association and they are willing to pay for the renovations needed to accommodate the new truck, and can do the work for less money since they don't have to pay prevailing wages. Broderick said it would be parked in the center bay where the current ladder truck is, which is being retired. Petersen said we need to read the contract with the Fire Association because we may be liable to return the building to its original condition. Eagan said the lease needs to be extended and this can be negotiated with the Fire Association. Eagan said the lease purchase can be absorbed over ten years in the budget, or we can secure a ten year loan or through debt exclusion. Snow asked if Treasurer Karen Summit can give an overview of the Town's debt and how we compare to surrounding towns. Petersen said the Town will have a number of capital purchases in the upcoming years and thanked the Fire Association for agreeing to make the changes to the station which is a real help. Snow said we need to look at the long term financials and there is talk that interest rates are going to rise. Larry White of the Finance Committee said the base price of the truck is \$700,000, with options that cost \$15,000 to \$20,000. Broderick said yes, airbags are \$13,000, so if they aren't included the cost will be closer to \$700,000. Snow said we will come back and discuss this in a couple of weeks.

7:45 p.m. JOINT MEETING – Board of Water Commissioners to discuss request for proposal for billing and collection services and reserve fund transfer

Chairman Snow called the Water Commissioners forward and called for a motion to open the joint meeting of the Board of Selectmen and the Board of Water Commissioners. Jack Cook so moved, Joseph Perry second, all in favor – roll call vote: Robert Merry – aye, David Petersen – aye, Robert Snow – aye, Jack Cook – aye, Joseph Perry – aye, Tim Toomey - aye, Stuart L. Dalzell Sr. – aye. Roy Ricker – ABSENT.

Joint meeting opened at 8:02 p.m.

Chairman Snow read the letter from Mark Griffin regarding extending John Hargreaves' contract (COPY ATTACHED). Water Commissioner Toomey said Hargreaves is the person who oversees the expenditures on the water treatment plant. Toomey said Hargreaves does a wonderful job reviewing the bills from Weston & Sampson and Kinsmen. He said he asks questions about the change orders. He said he has been paid from an account of \$1,300,000 of borrowed funds which is running out. He said they didn't foresee that this account would be depleted and are looking to extend Hargreaves' contract until April. He said the Emergency and Unforeseen account is the best funding source to use to extend this contract. Snow said the letter requesting this doesn't detail a money amount or explain why this is an emergency or unforeseen expense. Interim Water Superintendent Mark Griffin said they need approximately \$3,000 per month for three or four months until the water treatment plant is finished. Griffin said Hargreaves provides continuity on the construction oversight, and looks at cost overruns and change orders. He said he confirms that the change orders are warranted and worth the charge. He said Hargreaves represents the Town and oversees Weston & Sampson and the contractors. He said in this case the designer and contractor are intermingled which provides an image of a conflict of interest.

Eagan said the Treasurer provided a breakdown of the expenses from the account with \$1,300,000 of borrowed money, as Commissioner Dalzell requested. Eagan distributed copies of the report (COPY ATTACHED). Eagan said when a town department goes to the Finance Committee to request a transfer out of the general fund, they need to provide their current balances, reasons why they overspent. She said we need more information to prove that this is an emergency and unforeseen expense, a proposal from Hargreaves with cost estimates and examples of how he has saved the Town money. Snow said on the listing of expenses, \$6,121.84 was paid to Konica Minolta and asked if this was a capital expense. Eagan asked how that expense is related to the water treatment plant. Petersen said the report is a laundry list of expenses that are not clearly related to the water treatment plant and asked what the original intent of the borrowing was for. Eagan said this is the non-SRF portion of the original \$9,000,000 borrowed on May 3, 2010. She read an excerpt of the warrant article from May 3, 2010 that said, "Passage of this article authorizes the funding for the design, planning and construction of a water treatment plant including transmission mains and system upgrades."(COPY ATTACHED).

Merry said there were payments to MHQ for a vehicle, Dell, Konica Minolta and this money was not meant to be spent on these types of items. Cook said the truck should have been a capital expense. Toomey said that was the truck bought for the Superintendent. Snow said after all that has happened at the Water Department, they need to look at every detail. Toomey said the former Superintendent and Chairman decided these items were part of the upgrade and in the past capital expenditures were made and considered part of the upgrade of the water treatment plant. Snow said these expenses need to be reviewed before Hargreaves extension can be funded. Water

Commissioner Dalzell said he agrees and he disagrees with the expenditures on the report.

Petersen said there are two issues here. He said the first issue is the accountability of the \$1,300,000 and the second issue is if the Town needs Hargreaves' services. He asked how much money is needed to keep Hargreaves on. Griffin said they would need ten to twelve thousand dollars to pay Hargreaves until the project is completed.

Toomey said he thinks Hargreaves provides insight into the change orders and is paying for himself by getting them to proceed in a more cost effective manner. He said the Water Board members do not have time to investigate the change orders. Petersen said Hargreaves is a critical cog in the wheel of the treatment plant construction, they are asking for \$12,000 out of the \$50,000 emergency and unforeseen account, and asked the Water Board if they see any other items that would create a shortage. He said he wants to be sure they have enough money to get through the fiscal year. He asked if the intent of the emergency and unforeseen account is to pay someone to oversee the water treatment plant, and asked if there is another place to get this money. He said he is in 100% favor of keeping Hargreaves on. Snow said if they hadn't spent \$38,000 on a truck and a copy machine we wouldn't be in this position.

Eagan said the state revolving fund will not pay for Hargreaves because the contract that the Board of Water Commissioners approved included an internal clerk of the works from Weston & Sampson. She said the state rejected paying for Hargreaves because he is an overlay and they thought the Water Superintendent should be providing that oversight for the Town. She said paying for Hargreaves out of the borrowing was justified as part of the water treatment plant costs, but she wasn't aware of the other expenses paid out of the borrowing at that time. She said the maintenance budget was the focus, and Hargreaves was not part of the budget at that time, so there is no money in the Maintenance Expense line to pay him. She said she does see this as an emergency and unforeseen expense.

Petersen asked the Water Commissioners to provide a detailed letter for next week's meeting so that the Board understands what they are voting. Merry said he agrees that we need to keep Hargreaves, who is protecting the Town and asked if they can see anything else coming that the emergency and unforeseen account would need to be used for. Toomey said not that he can think of, and the recent issues they have had haven't amounted to much money. Eagan said the Maintenance Expense budget line for the Water Department was decreased significantly in FY14, so their budget may be tight. Toomey said there are five months left in the year and the emergency and unforeseen account hasn't been touched yet. Petersen said since their budget lines are being closely monitored, they will see if something is falling out of line. Perry said he fully supports the extension for Hargreaves, he thinks it's important to continue the process, but more detail is needed to support the transfer.

Toomey said the contract built in a 5% contingency cost, and we are lucky that the change orders to date are around 1% of the contract price. Griffin said the plant is

about 80% complete. He said there are normally few change orders on the structural work, but there are normally many, less expensive change orders on the remaining electrical work. Toomey said we want to keep them below the 5% and all are sharpening their pencils to keep the cost below 5%. Toomey said he will get the Board the information for the meeting next week. Snow said we will have another joint meeting tentatively next Monday at 7:45 p.m.

Eagan distributed the draft RFP for billing, collection and customer service (COPY ATTACHED). Eagan said the draft is for a one year contract with an option for two additional years on a year by year basis. She said this RFP would provide for billing, collection and customer service by an outside company, rather than continuing to do it internally. Eagan reviewed the scope of services and said we are looking for a company with experience in water/wastewater billing, collection and customer service. She said there will be a sealed price proposal and a sealed non-price proposal. She said the price proposal will not be opened publicly. She said the evaluation committee will review them together and make a recommendation. Eagan reviewed what the proposal should include and said we want a company within 150 miles of Rowley. She said there are a few more things and forms that need to be added, but would like to release it Thursday, January 9, 2014, subject to modifications. She said she needs both Boards to vote on this.

Jack Cook made a motion to authorize the Town Administrator to release the request for proposal for billing and collection services, subject to minor modifications, on January 9, 2014, Joseph Perry second. The rest of the Board members did not complete this vote.

Perry asked if the billing has increased dramatically. Eagan said there are about 1,800 accounts and one full time Administrative Assistant, the Treasurer's Office Administrative Assistant has been helping out, and Accountemps has been updating Peachtree. She said all this work would be handled by the outside company, under the supervision of the Superintendent. She said the Administrative Assistant will assist the Water Superintendent with other work such as payroll, bills payable, handling questions from the public, dealing with the outside company. Toomey asked if it makes sense to move to bi-monthly billing. Eagan said this would cause confusion if done in the middle of a fiscal year. Toomey asked if a cost comparison has been conducted between current operations and the proposed outsourcing. Eagan said she would need to see a copy of the contract with Customized Data Services, which she has asked for, but hasn't received yet. She said she doesn't know when the Water Department went out to bid for this or when the contract started. Petersen said we need to move forward with this, it needs to be done better than it is currently being done, and this can be reviewed after the first year to see how it is going. Griffin said parallel to this, the existing system should be looked at as it shouldn't be complicated. Eagan said she is following the directive from the Board of Selectmen and the Board of Water Commissioners to hire an outside company to handle the billing, collection and customer service. Griffin said the company may choose to streamline the existing system rather than replace it. Eagan said customer service will be valuable to the

Town. Snow said we have been through a lot and we need to move forward with this. Dalzell said Griffin has been here for two weeks, he's been great and they appreciate him, and Eagan, Lydon and Summit's support.

The Board completed the vote on the previous motion as follows:

Jack Cook made a motion to authorize the Town Administrator to release the request for proposal for billing and collection services, subject to minor modifications, on January 9, 2014, Joseph Perry second, all in favor – roll call vote: Robert Merry – aye, David Petersen – aye, Robert Snow – aye, Jack Cook – aye, Joseph Perry – aye, Tim Toomey - aye, Stuart L. Dalzell Sr. – aye. Roy Ricker – ABSENT.

Dave Petersen made a motion to adjourn the joint meeting of the Board of Selectmen and the Board of Water Commissioners, Jack Cook second, all in favor – roll call vote: Robert Merry – aye, David Petersen – aye, Robert Snow – aye, Jack Cook – aye, Joseph Perry – aye, Tim Toomey - aye, Stuart L. Dalzell Sr. – aye. Roy Ricker – ABSENT.

Joint meeting adjourned at 8:55 p.m.

ANNOUNCEMENTS

Chairman Snow said Town Moderator Joan Petersen is seeking individuals to serve on the Finance Committee and asked interested individuals to send letters of interest to the Selectmen's office.

Joseph Perry said the 375th Anniversary Committee is meeting tomorrow night, and they haven't yet started soliciting donations from businesses in Town in case they receive phone calls.

- Rowley Food Pantry is in need of donations. The Food Pantry is open Tuesdays from 10:00 a.m. to 12:00 p.m. and Thursdays from 5:30 p.m. to 7:00 p.m.
- The Town has the following vacant seats: Conservation Commission, Zoning Board of Appeals Associate two open seats, two fence viewer positions, and wood lumber bark inspector
- Battery recycling box located at the Town Hall and Library

There being no further business before the Board, Chairman Snow called for a motion to adjourn. Dave Petersen so moved, Jack Cook second, all in favor – aye (5-0).

Open meeting adjourned at 9:02 p.m.

Respectfully submitted,
Amy Lydon
Assistant Town Administrator

ATTACHMENTS:

1. Tax bill for Noble - 424 Main Street, Rowley
2. Estimate from T.W. Excavating & Development Corp. for demolition of 112 Central Street
3. Notice of public hearing on the application for a Farmer Winery Pouring Permit submitted by Grape Island Inc. d/b/a Mill River Winery, principals Donna M. Martin and Richard W. Rousseau
4. Certificate of Occupancy for Mill River Winery
5. Application for Farmer Winery Pouring Permit from Mill River Winery
6. Specifications and diagrams of the ladder truck
7. Financing options for the ladder truck
8. Letter from Mark Griffin regarding extending John Hargraves' contract
9. Report from Treasurer showing a breakdown of the expenses from the account with \$1,300,000 of borrowed money for the Water Department
10. Draft RFP for billing, collection and customer service for the Water Department