



MANCHESTER-BY-THE-SEA

FINANCE COMMITTEE • TOWN HALL
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Minutes of the Finance Committee

January 20, 2022 7:00 p.m. Zoom Meeting

MEMBERS PRESENT: Ms. Mellish, Chair, Mr. Creighton, Mr. Weld, Mr. Oldeman, Mr. Twining and Mr. Nahatis

MEMBERS NOT PRESENT: Mr. Pratt

STAFF PRESENT: Town Administrator, Mr. Federspiel, Finance Committee Clerk, Ms. Hunter, Town Accountant, Ms. Mainville, DPW Director, Mr. Dam, Town Engineer and Facilities Manager, Mr. Desrosiers

GUESTS: BOS Members, Mr. Bodmer-Turner, Chair, Ms. Harrison, and Ms. Jaques

- Call to Order – Ms. Mellish called the Finance Committee meeting to order at 7:01 p.m.
- Review DPW FY23 Operating and Capital Budgets Including Water, Sewer, Sanitation and Snow Removal

Operating General Introduction

Mr. Dam stated there were no substantive changes year over year with the exception of bringing facilities under DPW for regular maintenance and adding custodial services for a full-time custodian. Ms. Dam noted DPW had been managing these areas for the past few years and the areas were added for tracking in the budget. Ms. Mellish asked why Singing Beach House was not transferred to DPW. She noted there is a \$3,500.00 line item in Parks & Recreation budget. Mr. Dam stated that relates to setting up and maintaining the beach house through the summer and there are specific areas Ms. Marshall is responsible for. Mr. Twining asked about the growth in Professional Services year over year. Ms. Dam indicated the Professional Services line is used for Highway, Drainage, and other infrastructure projects. Mr. Dam added athletic fields, parks and the beach maintenance are under Facilities.

- Water & Sewer Enterprise Funds – uptick here relates to more testing around the Water Treatment Plant, chemicals have become more expensive.
- Snow and Ice – Mr. Twining asked if there was less need for Snow and Ice removal with global warming. Mr. Dam deferred to Ms. Mainville who stated that she had conducted an analysis of the past five years which was submitted to DOR. The Town was averaging \$200K annually and the budget was reduced to reflect that amount.
- Sanitation – Mr. Twining asked if the collection and disposal break out was accurate. Mr. Dam indicated there has been a contractor increase of 35%, however the bottom line is stable.

Ms. Mellish asked if collection is a set fee. Mr. Dam replied it is for curb side pickup at \$300K with trash disposal \$87.00 a ton, recycling \$60.00 a ton including sorting. Mr. Nahatis asked if revenue from trash bags in combination with disposal was being underestimated. Mr. Dam stated there may be a 2% to 3% increase, but the contract is locked in for several years with JRM and Wheelabrator.

Mr. Weld indicated there appeared to be a decline of 22% in pay/throw bags and asked if that reflected a decline in use. Ms. Mainville stated Waste Zero is managing the production, distribution and payment to the Town and the process has been slow but believes the final numbers will reflect FY21. Mr. Dam stated he had received a letter from the Waste Zero stating there will likely be a cost increase for bag production due to supply chain and resin issues.

Mr. Creighton asked if the waste bag issue had been addressed following a comment in the Accountant's Management Letter. Ms. Mainville stated it is resolved.

- Water and Sewer Salaries and Pipe Replacement – Mr. Weld noted Water & Sewer salaries were down 19% and 16%. Mr. Dam stated positions were added in anticipation of retirements and that accounts for the decrease. Ms. Mellish noted the overtime budget was increasing. Mr. Dam replied when a COLA increase of 2.5% is added to salaries it is reflected in the overtime budget.

Mr. Nahatis asked if the new water mains will result in a reduction of flushing pipes. Mr. Dam believes it is good practice to flush annually. Mr. Twining asked if the pipes would last for 30 years. Mr. Dam stated progress has been made on pipe replacement and the most damaged pipes on Ocean St. and Boardman Ave. have been replaced. He noted that a few years ago there were problems weekly and now there are significantly fewer problems. The pipes will need to last for 30 years there is no choice.

Mr. Creighton asked about utility costs noting that Water and Sewer are likely significant users of the resource. Ms. Mainville noted the Town uses two vendors for electricity National Grid and Happy Hollow which provides the Town with a 15% discount.

- Streetlighting – Mr. Nahatis asked why Streetlighting is under General Government. Ms. Mainville stated it will be moved to DPW under facilities.

- Library -- Library custodial services will be managed by DPW. Mr. Federspiel stated the Library prefers to keep dollars in their budget to demonstrate to the State that the Library budget is growing in line with the Town budget, this is a State requirement for the Library's continued certification. Ms. Mellish requested the specific information related to this practice.

Capital General Introduction

Mr. Dam stated in FY23 similar funding as in previous years will be required for Highways, Storm Drains and Treatment Plants. Mr. Dam stated the Wastewater Plant is one storm surge away from being a serious problem. Mr. Dam noted increases in cost of pipe material will mean \$1M will result in less pipe in the ground and lead time for piping is 100 days. In order to start work in May pipe needs to be ordered now. Mr. Dam thanked the Committee for supporting ARPA funds which will allow for moving forward with \$400K water projects sooner than anticipated. Ms. Mellish asked if funding was coming in for the Central St. Culvert. Mr. Dam stated the DOT had provided a \$500K grant but Federal funding is not yet confirmed.

- PFAS-6 – Polyfluoroalkyl Substances, the State requires testing for 6 compounds and allows for less than 20 parts per trillion. Massachusetts is at the forefront of mandating lowering levels of the compounds found in ground water from chemicals like Teflon, cortex, and firefighting foam. The Town initiated monthly testing in September and had a level of 14 parts per trillion. In December the Lincoln St. Well tested at 19 parts per trillion. If the Lincoln St. Well gets to 20 parts per trillion the Lincoln St. Well will need to be shut down. The Lincoln St. Well provides about 40% of the Town's drinking water. The Town can move to Gravelly Pond, but the water levels are dependent on weather. Treatment is an easy process but will require building or modifying buildings to accommodate the vessels to pump the Well Water through granular activated carbon. PFAS compounds bind to carbon. The cost of this fix is estimated at \$4M to \$5M according to Mr. Dam. State grants will be available once the Town meets or exceeds the 20 parts per trillion level. DPW is working with CDM Smith an engineering and construction firm in the event the Town needs to move to remediation of PFAS-6 compounds.

Ms. Mellish asked if the Town could impose standards at the County Club. Mr. Dam suggested talking to and working with the Club. Mr. Oldeman suggested checking with the Club for their proximity to the Well and put in place Policies and Procedures for what is happening within the Town's watershed.

- Streetlights – Mr. Desrosiers stated when the Town bought the streetlights from National Grid there were infrastructure issues specifically around buried wiring. Fixing the buried wiring requires having National Grid on site. Light poles have been hit by plows, drunk drivers and been blown down by strong storms. Ms. Mellish asked how many light poles could be repaired in a year. Mr. Desrosiers estimated 8 to 9 and some repairs are covered by insurance. Now that the Town owns the streetlights it is about catching up and replacing bad infrastructure. There are 400 streetlights in Town. According to Mr. Federspiel prior to moving to LED lights, the Town was paying \$100K for electricity and is now spending \$30K on electricity while projecting annual repairs at \$30K for a net gain of \$40K. Mr. Desrosiers stated once repairs are made barring unforeseen accidents or storms the lights will last for 25 years.
- Vehicle Replacement, Maintenance and Storage – Mr. Dam stated there were a couple of large vehicles left to replace including a dump truck, backhoe, and front-end loader. The backhoe and front-end loader were being pushed out one year. Mr. Dam mentioned it was a challenge keeping all the equipment running given it is all stored outside. He specifically mentioned the new sidewalk tractor which took \$1K+ to get up and running this year. The fleet has additional maintenance issues as long as the equipment is stored outside. Mr. Dam stated he is not complaining the fleet is modern and new. Mr. Weld stated DPW needs a facility. Mr. Oldeman suggested doing something in the interim it may be 10 years before a new DPW facility is built. Ms. Mellish confirmed the facility was in the FY26 budget and asked about the proposed facilities study for FY23. Mr. Dam indicated the scope of the study had been changed from DPW to include Fire, Police, Senior Center, Town Hall and DPW. Mr. Federspiel stated the objective of the study is to develop a Master Plan around what Town facilities go where. Ms. Mellish asked about the current \$50K study for DPW. Mr. Desrosiers stated that is for the current compost site and is being considered for potential uses by the Town including DPW.

Mr. Twining stated with a new facility 7-8 years away should the Town do something now suggesting a temporary metal building. The Committee discussed a temporary structure for DPW and concluded something should be done to protect the invest in equipment soon. Mr. Dam and Mr. Federspiel will review the budget and identify potential funding sources for a temporary structure.

- Generators – Mr. Desrosiers mentioned the Town Hall and Fire Department generators stating the Town Hall generator is undersized and located in a low-lying spot. He suggested replacing the generator sooner rather than later. Mr. Creighton noted that capital and maintenance issues are part of budgeting annually. Mr. Federspiel stated both the Town Hall and Fire Department generators are in the FY24 budget.
- Most Vulnerable – Mr. Twining asked Mr. Dam what the most vulnerable facility in Town is. Mr. Dam replied the Wastewater Treatment Plant. It was concluded that it would be good to use resources from Professional Services budget to consider temporary barriers to help protect the Plant.

Ms. Mellish stated the meeting on January 27, 2021 would be with Chief Fitzgerald, February 3, 2022 Parks and Recreation and February 10, 2022 Fire Department.

- Review Minutes

Ms. Mellish has three sets of minutes; she will review for the next meeting.

- Other Business not anticipated by the Chair, discussion only

There was no additional business discussed this evening.

- Adjourn

Mr. Oldeman moved to adjourn the meeting; Mr. Creighton seconded the motion. The motion passed unanimously by roll call vote.