**Town of Norwell**

Norwell Town Offices, Room 112

345 Main Street

Norwell, Massachusetts 02061

(781) 659-8000

**Norwell Advisory Board Meeting Minutes**

**February 15, 2024**

The Advisory Board was called to order by Chair Elizabeth Hibbard at 7:30 PM. Also present were Town Administrator Darleen Sullivan, Town Accountant Christine McCarthy, and Board Members Brian D’Souza, John McGrath, Ed Maguire, Thomas Sullivan, and John LaCara. Unable to attend were Dane Hutchison, Bob Perniola, and Matthew Hanson.

**AGENDA**

*Motion by Mr. LaCara to approve the agenda as posted. Seconded by Mr. McGrath and unanimously voted.*

**ADMINISTRATIVE MATTERS**

**Minutes**

The minutes of the February 6 meeting were distributed and reviewed.

*Motion by Mr. McGrath to accept the Minutes of the February 6, 2024 meeting as edited. Seconded by Ms. Hibbard and unanimously voted.*

**Reserve Fund Transfer Requests**

None

**FY 2025 BUDGET OVERVIEW**

**Water Department**

Water Commissioners Fred St. Ours and Peter Dillon present along with Superintendent Jason Federico. The FY 2025 budget includes a 11.2% increase which will include a 4.6% contractual increase to salaries and wages and 16.8% increase in operating expenses. The increase in operating expenses is due to (1) increased cost of treatment chemicals and the new filtration process for PFAS, (2) an ongoing program to replaced outdated hydrants, and (3) the addition of well cleaning, which has recently been funded by article requests, to the budget. They are anticipating a 10% rate increase, but the Town will remain “in the lower to middle of water rates compared to similar towns.” Most other line items are level-funded.

Mr. McGrath reviewed the budget with Mr. Federico; they identified overtime and temporary wages as controllable expenses, but operating expenses had higher variability and risk. Mr. Federico cited a recent spike in the cost of chemicals for pH adjustment due to supply chain issues that he hopes will settle over time. He will be hiring summer help this year for hydrant painting and some deferred maintenance; overtime covers a more robust hydrant flushing program being rolled out for the spring and fall. Funds in the Media Changeout line cover changeouts related to the reduction of PFAS levels.

Ms. Hibbard asked about a $65K ask in the Leaks and New Services line compared to actual spends of around $26K in the last two years. Mr. Federico indicated they are seeing an uptick in both leaks and new service establishment; $65K may be higher than the actual incurred expense, but they need sufficient funds to cover the upfront cost of new services. The hydrant flushing program will lead to more leaks but yields other benefits.

Ms. Hibbard notes that the Water Department is funded by billing revenues rather than the general fund, and asks Mr. Federico and the superintendents to explain the funding mechanism. Mr. St. Ours notes that revenues are up over the previous year and anticipates they will have surplus revenue that can be applied to the next fiscal year’s expenses. The budget is largely for maintenance, both planned and unplanned. The cost to establish new services is somewhat offset by the fee charged to the new user. Mr. Federico adds that rate decisions are based partly on a five-year lookback at usage and expenses.

Mr. McGrath asks how FY 24 revenues and expenses are projecting relative to budget, and if there are any potential risks. Mr. Federico cited chemical costs as the biggest concern but is hoping these will even out in the near future. The Department is required by DEP and EPA to maintain a sufficient reserve to cover catastrophic repairs.

Mr. Maguire asked if there is sufficient water supply to accommodate new development that may result from 40B and other state mandates. Mr. Dillon indicates there is enough water for all essential purposes even accounting for new development. The Department and other area towns have considered connecting to the MWRA network as a backup supply, but this would be years off. They are working on expanding distribution, and they have a warrant article requesting funds for this purpose.

Mr. Sullivan asks how watering bans are enforced and how much revenues such fees generate. Mr. Federico indicates this is done by staff drive-bys and testing sprinkler water for chlorine, which would not be present in well water. The staff has maps denoting the locations of private wells. First offense is a warning letter, second is a $50 fee, and third onward is $100 each. Mr. Sullivan asks if they have considered higher fines for greater deterrence; Mr. St. Ours notes that they try to avoid a heavy-handed approach as residents are their customers. Modern meters closely track usage, which can vary widely among residents depending on whether/how often they water their lawn. Less lawn watering would allow the Department to better control PFAS levels. Mr. St. Ours notes that state standards regarding PFAS are more stringent than the Federal; neither he nor Mr. Dillon are concerned about the levels in the Town water and neither use in-home filtration systems.

Mr. Federico indicates the Department is sponsoring a warrant article requesting $850K for a water main from Longwater Drive to Cordwainer Drive; currently, there is just one line and certain repairs require shutting off service to the entire area, which includes two nursing homes and many commercial buildings. The new line will provide redundancy and improve fire protection. The project is not related to the proposed zoning changes in the area to comply with the MBTA Communities Act. A second article requests $150K for new water sourcing and increasing the yield at the Grove Street well field.

*Motion by Mr. McGrath to recommend the budget for Department 450, Water Department, in the amount of $1,893,634.52. Seconded by Mr. D’Souza and unanimously voted.*

**Facilities - 192**

Facilities Director Ted Nichols present, who manages all town-owned buildings not under the School Department, including Town Hall, Fire/Police station, Cushing Center, Jacobs Farmhouse and Stetson-Ford House, and the Town Library and Council on Aging; he has one custodian on staff, who splits his time between Town Hall and COA. The Town Hall Custodian Overtime line primarily covers snow removal as well as labor associated with the move to the new Town Hall. The proposed FY 25 budget includes contractual salary increases, a vacation buyback, and utilities for 93 Longwater as well as the current Town Hall. Custodial coverage for the Clipper Community Complex will not be needed as CPC did not approve additional funding to complete the project.

Mr. Nichols noted that the Town Hall move to 93 Longwater is set for October, and his budget for utilities at the building is based on usage by the prior occupant; there will be utility usage at both buildings for a period of time, and then some lingering use of 345 Main that will require some heat and electricity. He has negotiated a three-year contract with a third-party provider that will provide electricity at lower rates to all town buildings except for 93 Longwater since the Town does not have a usage history at that building. The COA building maintenance includes additional funds for an updated fire alarm system, and power-washing and painting, but Director Sue Curtin has been able to obtain grant funding to cover other expenses. Professional Services includes funding to allow Mr. Nichols to utilize handyman services from the company that is outfitting 93 Longwater and utilize “work ticket” software to organize maintenance tasks. Ms. Sullivan is looking to repurpose an old Highway Department pickup for Facilities use.

Mr. Nichols has estimated electricity at 93 Longwater to be $66,100 based on the kilowatt hour usage of the previous tenants and the rates paid by the Library. Ms. Sullivan noted that electricity rates have gone up generally, which is reflected in the utility budgets for all Town buildings. She is looking at ARPA and other possible grant funding to upgrade the HVAC system and ADA accessibility at 93 Longwater. Ms. Hibbard opined this figure was high for a commercial building based on her professional experience, and the actual cost would hopefully come in lower, but would like to know about cost control options and measures. Mr. Nichols stated that building temperature would be centrally controlled, and he will try to get a contract for reduced rates in place for 93 Longwater as soon as possible. Ms. Sullivan added that solar credits would be used to offset part of the utility cost there and the Library. Mr. Maguire asked about placing additional panels on top of 93 Longwater; this might be possible if the roof were reinforced. All present discussed ways to offset the high utility cost of 93 Longwater and the library, including additional solar panels, wind turbines, and grants.

Mr. McGrath asked about at the recommended $35K budget for building maintenance compared to $15K in FY 22 and $9K in FY 23. Ms. Hibbard advised that this partly reflected a pull-back on maintenance at 345 Main in advance of the 93 Longwater purchase. Mr. Nichols added there were additional carrying costs at 93 Longwater, such as fire alarm, sprinkler, and security systems; elevator and generator maintenance; and septic pumping. Mr. McGrath also asked if there were any big-ticket maintenance expenses expected. Mr. Nichols indicated HVAC system replacement may needed in 5-10 years; the elevators are in good shape and are likely to be lightly used. The engineers involved in the fit-out have advised that the existing duct work can be used in a new system. A renovation in 2013 upgraded the fire alarm system and electrical infrastructure. Mr. Maguire noted the delta in architectural costs can be significant between different firms; Ms. Sullivan has conveyed to all contractors involved in the fit-out the need to prioritize cost savings.

Mr. McGrath also asked about line items that would possibly be going away in FY 26, as 345 Main is decommissioned. Ms. Sullivan indicated this ultimately depends on what the Town decides to do with the site; there would be further reductions as the move is completed. The building may be used for records storage and Recreation programs in the short term, and a Committee will be looking at site use options. There will be some associated costs with using the building in any capacity, but these will go down as usage dwindles.

All discussed the capacity of 93 Longwater, with Mr. Maguire stating he was under the impression, from information they were given before its purchase, that only part of the building would be used. Mr. Nichols indicated they were actively using 21,000 sq ft at 345 Main and 93 Longwater was 19,000 sq ft. Mr. Maguire’s recollection is that the Board was told that just 12,000 sq ft of 93 Longwater was needed. Ms. Sullivan stated the building will be fully occupied and will research the possible discrepancy.

Ms. Sullivan also advised there was a “condo” fee that the Town would be splitting with an adjoining unit, with the Town’s share being 40%; this helps cover snow removal, landscaping, and maintenance of the exterior common area around the building by a private company. She has considered having Trees & Grounds handle these tasks in exchange for a reduced fee but wants to pay the full fee for the first year to see how the company performs, as bringing these tasks “in house” would incur potential liability.

Ms. Sullivan also briefly discussed the timing of the move to 93 Longwater; Ms. Hibbard recommends that the Select Board put together a specific timeframe for the move and decommissioning of 345 Main given the high carrying cost of having an empty building.

*Motion by Mr. McGrath to recommend the budget for Department 192, Facilities, in the amount of $418,171.07. Seconded by Mr. LaCara and approved 5-0-1, Mr. Maguire having abstained.*

After the vote, Mr. Maguire indicated he has abstained as he still had unanswered questions and would like to see budget information at least three days before the meeting - “I’d like to ask questions but I don’t know what the questions are at this point.” All agreed to rescind the approval vote to allow more time for the full Board to review the budget. Mr. Nichols encouraged members to reach out to him with any questions.

*Motion by Mr. McGrath to withdraw the approval vote for Department 192, Facilities, in the amount of $418,171.07. Seconded by Mr. Maguire and unanimously voted.*

Mr. Nichols also noted he had put in warrant articles for $25,000 for a monitored fire alarm system and $10,000 for a condensing unit at Cushing Center. He has also submitted an article for $66,180 to address drainage issues at the Council on Aging, which will require excavation of the foundation, waterproofing, installation of a French drain, engineering, and foundation repair. They have tried to address these issues in-house over the past year with limited success.

**Legal Services - 151**

Ms. Sullivan has recommended a level-funded budget of $75,000, as legal costs are trending about the same. The budget was increased in FY 24, after the retirement of previous TA Morin, who was a municipal attorney. Ms. Sullivan feels this figure gives a sufficient cushion for unexpected expenses.

*Motion by Mr. McGrath to recommend the budget for Department 151, Legal Services, in the amount of $75,000. Seconded by Mr. LaCara and unanimously voted.*

**Pension Contribution - 911**

An increased contribution of $4,113,791 is budgeted to cover the Town’s contribution to the Plymouth County Retirement Fund. The Town will save about $77,950 by paying the assessment in full in July. The assessment is driven by a funding schedule that seeks to retire all the Fund’s unfunded liability by 2030. Ms. Sullivan is satisfied with the overall management of the Fund.

Mr. LaCara asked if any changes in the Fund’s mortality assumption and investment rate of return were being considered. Ms. Sullivan agrees updates may be needed and expects this will be addressed in the near future. Once the Fund’s unfunded liability is retired, it will free up to $1 million in funds to address OPEB funding and other needs. Mr. LaCara suggested additional OPEB funding should be a priority for those funds.

*Motion by Mr. McGrath to recommend the budget for Department 911, Pensions, in the amount of $4,113,791.00. Seconded by Mr. D’Souza and unanimously voted.*

**MISCELLANEOUS**

There are no meetings next week as it is school vacation week. Ms. Sullivan hopes to finish up the budget reviews early in March and then start reviewing Capital Budget requests and warrant articles. She would also like to share the budget forecast sheet with the Board so it better understands how the budget is developed and the factors behind a possible operational override in an upcoming fiscal year. This would be a prelude to broader discussions with residents. Ms. Sullivan noted that the Town had lasted longer than expected without one thanks to some one-time revenues and other factors.

**FUTURE MEETINGS**

2/27, 2/29, 3/5, 3/7, 3/12, 3/14, 3/19, 3/21, 3/26, 3/28

**ADJOURNMENT**

*There being no further business, a motion was made by Mr. McGrath to adjourn at 9:30 PM. Seconded by Mr. LaCara and unanimously voted.*

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