

**HOLDEN BOARD OF SELECTMEN  
MEETING MINUTES  
April 1, 2019**

**6:33PM**

**Memorial Hall**

Present: Chairman Geri Herlihy, Tyler Gibbs, Anthony Renzoni, Jeremy Kurtz, Robert Lavigne

Others Present:       Peter Lukes, Town Manager  
                              Stephen Madaus, Town Counsel  
                              Liz Fotos, Town Recorder

Chairman Herlihy called the meeting to order at 6:33. The Board stood to recite the Pledge of Allegiance. She stated that the Board was reconvening from the 6:00PM meeting where they conducted interviews of applicants for the Historic District Commission. She stated that it was very exciting to have so many applicants for two positions and it was difficult to say no to the others. Chairman Herlihy stated that the Board had chosen Michael Smith and Sarah Stebulis to serve on the Historic District Commission.

**1. Appointments Licenses, and Permits**

Ryan Mouradian was present at the meeting. He stated that this was one of the two main fundraisers for the Fire Department and it was their 5<sup>th</sup> annual 5K. He stated that it was a way to get the community involved and it started and ended at the fire station.

Chairman Herlihy asked how much money they raised.

Mr. Mouradian replied about \$3,500.

Motion by Sel. Renzoni, seconded by Sel. Lavigne, it was **UNANIMOUSLY VOTED TO APPROVE THE PARADE PERMIT FOR THE HOLDEN ASSOCIATION OF FIREFIGHTERS AS PRESENTED.**

**2. Brave Act Discussion**

Sel. Renzoni stated that he asked this to be placed on the agenda in preparation of warrant articles. He stated that there were elements of this that would benefit service members that work for the Town. He asked Mr. Lukes to brief the Board on it.

Mr. Lukes stated that he had given the Board a sheet that had three potential actions; one to designate parking spaces for veteran parking and the other two would be gold star tax exemptions. He stated that he was not sure if it would be two separate warrant articles, but that it was covered under Massachusetts General Law.

Mr. Madaus stated that it would be two separate articles because it was under separate sections.

Sel. Lavigne asked if they were limited to having veteran parking spaces at Town Hall or if they could have them at other town owned buildings, such as the library.

Mr. Lukes stated that he believed they could do it where they wanted. He stated that the actual Act says Town Hall, but he thinks they can discuss doing it elsewhere.

### **3. Public Hearing- Fees Regarding Water/ Sewer Rates**

Motion by Sel. Renzoni, seconded by Sel. Lavigne, it was **UNANIMOUSLY VOTED TO OPEN THE PUBLIC HEARING FOR THE FEES REGARDING WATER/SEWER RATES.**

Sel. Renzoni read the Public Hearing Notice into record.

John Woodsmall, Director DPW and Ryan Mouradian, Water/ Sewer Superintendent were present at the meeting.

Mr. Woodsmall stated that they were there to discuss the recommended rate increases for FY20. He stated that as a reminder there is both water and sewer fixed fees and user based fees. He stated that the fixed fee is a cost for all and the user cost is based on how much water you use during the course of a month. The total rate increase requested is about \$340,000; a 5.6% increase over the expected rate revenues.

Mr. Woodsmall stated that for water it is a proposed increase of \$1.34 per month and for sewer a \$4.04 increase per month or \$48.40 per year. He stated the combined increase would be \$5.38 per month or \$64.56 per year. He stated that in the packet he included a memo from the department outlining the reasons there has been increases. He stated the biggest increase is sewer treatment costs. He stated that overall there has been two wet seasons and flows have increased heading out of Town. The City of Worcester's flow is sewer and all of the Towns saw significant annual increases to treatment. He stated that the Town's costs have increased about 13% which is about \$50,000-\$60,000 more than originally expected. He stated that overall the rate revenue that is used to fund the water/sewer is 78% of the total revenue and retained earnings is 14%. He stated the free cash is used to fund capital projects, one time expenses, OPEB and the emergency reserve.

Mr. Woodsmall stated that the increase to water is 3.6% and sewer is 6.7%.

Sel. Renzoni asked if there was any public comment; no members of the public stepped forward.

Motion by Sel. Renzoni, seconded by Sel. Lavigne, it was **UNANIMOUSLY VOTED TO CLOSE THE PUBLIC HEARING FOR FEES REGARDING WATER/SEWER RATES.**

Sel. Renzoni thanked Mr. Woodsmall and Mr. Mouradian for coming out. He stated that he knew that he asked it this morning when he went in but he wanted to ask again why the fixed rates were being increased.

Mr. Woodsmall replied that the other large increase was for the transport cost for the City of Worcester. He stated that the way they look at it is that it is divided into four separate costs; fixed and variable and water and sewer. He stated that they then look to see where they need to increase. When they looked at it, for them to be most conservative, the sewer fixed rate should be increased more than the sewer variable rate and the same holds true for the water rates. He stated that they look at the fixed cost each year and make sure that the revenue is covered. The variable cost is for transport and electricity, the more that is sent the more it costs and that is why there is a difference.

Sel. Renzoni stated that the other thing they spoke about was FY22, contractually looking at Worcester it would be cost plus 10% and there will be an increase just to be able to pay the bill to Worcester. He thinks that if they shift this to the commodity side that it is an unacceptable amount of risk. He stated that they know that there will be an increase in cost coming up that will need to be dealt with as well.

Mr. Woodsmall stated that in general they are trying to avoid the larger rate hikes. He stated that they try to do smaller increases on a more regular basis and that has been successful in the past.

Sel. Lavigne thanked Mr. Woodsmall for his work. He stated that he agreed that most of the increase should be on the fixed rate because it is the cost of doing business. He stated that in the past politically it was easier to say that if you use it you pay more however that had gotten them in trouble in the past. He stated that this is the prudent thing to do for right now.

Sel. Kurtz stated that he disagreed and that to stick the entire increase on the fixed rate is unacceptable. He stated that he said it the last time and he understands the flow and Blackstone and that there is a balance to be had, but sticking the entire fee on the fixed rate does not bode well for him.

Sel. Renzoni stated that he appreciates that position and last time they did increase both rates. He suggested that Sel. Kurtz spend some time with the Director. He stated that the cost of water and sewer was going to climb not slow down. Sel. Renzoni asked about the three year rolling average for the Upper Blackstone.

Mr. Woodsmall replied that it was recalculated annually on the rolling three years.

Sel. Renzoni asked if there could be a decrease depending on weather.

Mr. Woodsmall replied that there could, but it does take the split off from last year's flow. He stated last year's calculations came in and they saw an increase that needed to be stabilized.

Sel. Renzoni asked about I & I.

Mr. Woodsmall stated that they had been doing consistent studies and working to develop data and an action plan.

Chairman Herlihy interrupted Mr. Woodsmall to call Citizen's Address.

#### **4. Citizens Address**

None

#### **Public Hearing –Fees Regarding Water/Sewer Rates Cont.**

Chairman Herlihy asked if the sewage rates needed to increase because of Worcester.

Mr. Woodsmall replied that Blackstone is a three year rolling average, but they consider it a fixed cost because it is set in July by the Board and given to the Town.

Sel. Renzoni asked how it was measured.

Mr. Woodsmall replied it was measured by meters from the plant.

Sel. Kurtz asked if they could cut any expenses this year.

Mr. Woodsmall stated that they saw savings of 15% in the electric bill from the variable frequency drive that they installed on Mill Street. He stated that they held the line on a number of budget line items and they budget for what is needed.

Sel. Kurtz stated that if the schools came in and said there was going to be a 5.6% increase the Board would say no. He stated that he did not see why the Board did not have a hard time accepting this increase. He asked if they had gone back to see what they can do without. He said the schools were not allowed to do this so he didn't know why water and sewer could.

Sel. Lavigne stated that water and sewer doesn't go up every year.

Sel. Kurtz replied that they went up last year.

Sel. Lavigne replied that they went up last year in order to not have a drastic jump. He stated it was part of their master plan.

Sel. Kurtz asked if they had gone back and looked before they raised it 5.6%.

Sel. Lavigne asked if Fin Com had looked at it.

Mr. Lukes replied that they had.

Sel. Lavigne asked if they had any issues with the increase.

Mr. Lukes replied they did not.

Sel. Renzoni stated that it is a lean budget and a \$300,000 increase to the cost in an \$8 million account is modest. He stated that he sees very few places that can be cut; the Town has to provide water and they have to get rid of sewer. He stated that the Manager, DPW Director, Water/ Sewer Superintendent and Fin Com all reviewed the rates and approved. He suggested opening the budget book and showing where cuts could be made. He stated that the Director did cut for chemicals and it was not fair to say that the Director was not evaluating every line. Sel. Renzoni stated that diesel fuel along with other items go up a few thousand yearly and that gets you to \$300,000 very quickly.

Mr. Woodsmall stated that they had deferred several capital projects because of concerns for the debt load increase. He stated that for general budgeting he does not play games that others do. He stated if he needs something he asks and if he doesn't he decreases the line item. He stated that he has had budgets go down and is not the type to say that you use it or lose it. He stated that each December he goes to the US Energy Information Agency and gets a multi year projection for diesel costs. He stated he would not keep a line item high for the sake of keeping it there. He stated he is happy to sit down and do the budget line by line as he has done with Fin Com if anyone is interested. He stated that being conscious of cost is very serious.

Mr. Lukes stated that all department heads constantly try to reevaluate and look at costs through the budget process.

Sel. Renzoni stated that a larger concern will be the increase in the cost of water coming up and preparing for it. He stated that he is asking through the Manager's Office to work on a plan to see what the Town is going to be saddled with in the future. He stated that it is a hard decision, but they need to prepare for the future and looking back, it will seem like a modest increase to get from point A to point B.

Chairman Herlihy stated that she had a few questions however she needed to interrupt in order to call the 7:15PM Public Hearing.

#### **5. Public Hearing –McKinlay's Liquors Transfer of License**

Motion by Sel. Renzoni, seconded by Sel. Kurtz, it was **UNANIMOUSLY VOTED TO OPEN THE PUBLIC HEARING FOR MCKINLAYS LIQUOR TRANSFER OF LICENSE.**

Sel. Renzoni read the Public Hearing Notice into record.

Attorney Sem Aykanian was present to represent Vinod Patel. He thanked Wendy from the Town Manager's Office for her help through the process. He stated that they were at the meeting to transfer the liquor license from the current owners of McKinlays to Mr. Patel. He stated that his client is mature and a responsible business person. He stated that the important thing to note is that the Town has a nice family business at this location and they will have a nice family business in the future. He stated that he believes the packet he submitted was comprehensive.

Sel. Lavigne asked if there were any members of the public wishing to speak; no members stepped forward.

Motion by Sel. Renzoni, seconded by Sel. Lavigne, it was **UNANIMOUSLY VOTED TO CLOSE THE PUBLIC HEARING FOR TRANSFER OF LIQUOR LICENSE FOR MCKINLAY'S LIQUOR.**

Sel. Renzoni asked if this had been through all the departments.

Mr. Lukes stated that it has been.

Sel. Lavigne asked who was going to be on the premises.

Mr. Aykanian replied that Mr. Varunkumar would be and he had his CORI completed and had been vetted.

Sel. Lavigne asked if the new owners would honor any outstanding gift cards/certificates.

The owners confirmed they would.

Sel. Renzoni thanked them for taking the chance and investing in the Town. He wished them luck.

Mr. Patel thanked the Board.

Motion by Sel. Lavigne, seconded by Sel. Gibbs, it was **UNANIMOUSLY VOTED TO APPROVE THE TRANSFER OF LIQUOR LICENSE FOR MCKINLAY'S AS PRESENTED.**

Chairman Herlihy called a recess at 7:25PM.

Chairman Herlihy called the meeting back to order at 7:26PM.

**Public Hearing-Fee Regarding Water/ Sewer Rates Cont.**

Chairman Herlihy stated that she was looking at her notes from last year and wanted to know where this fit in with that forecast.

Mr. Woodsmall stated that each year he does a five year plan and he did review it. He stated that one thing that played into the need for this increase was the ongoing sewer litigation that is not yet resolved. He stated that some of the cost savings that they have been optimistic about has not come to fruition. He stated that they may not need to increase next year, but again it was a bit of a guessing game and dependent on many factors.

Chairman Herlihy asked about water capital improvements for the past two years.

Mr. Woodsmall replied that there had been a number of capital improvements in the past 5-7 years. He stated this past fiscal year they have done some small pump station improvements and did some sewer force main and water main line cleanings. He stated that it has been a robust period of capital improvement to improve the reliability of the system.

Chairman Herlihy asked if they charged the capital improvements on the fixed rates.

Mr. Woodsmall replied they did. He stated that anything borrowed is on the fixed rate. He stated that any project less than 250K is paid by cash and they have been able to use retained earnings. He stated that a lot of the capital projects on a smaller scale don't effect the rate revenue.

Sel. Renzoni stated that the legal fees that Mr. Woodsmall spoke about was approximately \$405,000, it was a significant number and is consistent with what was budgeted for. He stated that they were taking in what they were spending and it would go away.

Chairman Herlihy asked if that was also on the fixed side.

Mr. Woodsmall replied that it was and that it was accounted for by retained earnings so it did not effect the rate earner either.

Sel. Renzoni asked for a discussion over the summer to see where they can expect this to go for the next 5 years.

Chairman Herlihy asked for the spread sheet so she could compare it to years past as well.

Motion by Sel. Renzoni, seconded by Sel. Lavigne, it was **VOTED TO APPROVE THE PROPOSED RATE STRUCTURE FOR THE FEES REGARDING WATER/SEWER EFFECTIVE JULY 1, 2019 AS PRESENTED BY A VOTE OF 4-1.** (Kurtz: no).

#### **6. Brave Act Discussion**

Sel. Renzoni stated that he would like to revisit this and spoke with the Town Manager about the Wounded Warrior Spots for Veterans. He stated that he felt it would be appropriate through a policy or from the Manager's office that all future buildings would include a Wounded Warrior Parking Spot. He stated that it would say a lot about our community and the organization will provide the purple paint and signs.

Sel. Renzoni stated that he was in favor of proposing this for Town Meeting and letting the Town decide if they want to enact this.

Chairman Herlihy asked about the Gold Star Program.

Mr. Lukes replied it would be Gold Star Parent.

Chairman Herlihy asked if a spouse could be considered as well or if it was actual legislation.

Sel. Renzoni stated that they could work to see some answers, but that he does not think that it would be a big impact to the budget.

Sel. Lavigne agreed.

Mr. Madaus stated that it would be a full exemption.

#### **7. Warrant Article Placeholder Approval for 2019 ATM**

Mr. Lukes stated that the Warrant Article Placeholders should have been received in the packet.

Motion by Sel. Lavigne, seconded by Sel. Renzoni, it was **UNANIMOUSLY VOTED TO SET THE 2019 ANNUAL TOWN MEETING WARRANT ARTICLE PLACEHOLDERS TO INCLUDE ADDITIONAL ARTICLE FOR BRAVE ACT PROVISION (ARTICLE 28)**

Sel. Renzoni asked if there was any more Town business expected.

Mr. Lukes replied that he did not expect anything further at this time.

#### **8. Selectmen Minutes**

Motion by Sel. Gibbs, seconded by Sel. Kurtz, it was **VOTED TO APPROVE THE FEBRUARY 25, 2019 BOARD OF SELECTMEN MEETING MINUTES AS CORRECTED BY A VOTE OF 4-0-1** (Lavigne: abstain).

#### **9. Selectmen Miscellaneous**

Sel. Renzoni asked the Manager about the memo to the Manager from the district.



Mr. Lukes stated that he does not have the memo but the communication that they received from the District was that they plan to spend \$250,000 to pay for a portion of the field. He stated that the reason that it matters to the Town is that we have 45 days to call a Special Town Meeting to reject the spending of those funds. He stated that he did not expect that, but there is a time crunch.

Sel. Kurtz asked how the District planned to come up with the \$275,000 as the low bid was \$500,000. He stated that they asked last year for the funds and were denied and now they have \$250,000.

Mr. Lukes stated that it was in the operating budget.

Sel. Renzoni stated that a few things should be noted. He stated that if the School Budget passed 4/5 you would get a new turf field and free full day kindergarten. He stated that Holden would see a 6.7% increase. He stated that out of all the new revenue 82% will go right to the education budget. He stated that all new town revenue is 18%. He stated that Holden should again call for a meeting to speak about the relationship between the District and the Town. He stated the District is at 3.9% increase and the Town asked for no more than 3.5%.

Sel. Lavigne asked what percentage of the budget was the schools.

Sel. Renzoni replied over 60%.

Mr. Lukes replied around 59%.

Sel. Lavigne stated that its not too far off topic but regional meetings don't work. He stated that a conversation is needed because this is not sustainable.

Sel. Renzoni stated that he suggested a working group that can meet more frequently. He stated that he thought the meeting was a good one and that they can't just sit there and complain, they need to do something.

Mr. Lukes stated that he had sent a letter to the Board from the Rutland Board of Selectmen asking the School District to cut \$600,000 from the budget. He stated this would impact Holden as well.

Sel. Renzoni stated that last week he spoke with Glenn Sullivan about an Eagle Scout candidate, Matt Lorraine and he did some work with the cemeteries restoring the stones. He stated that the young man completed it on time and got it on Friday. He stated that he thought they should reach out and have the new Eagle Scouts in.

Sel. Lavigne stated that some of the Boards and Committees in Town have openings and he knows that the Town Manager is looking so there may be some opportunity.

Sel. Gibbs asked for the status of the engineering study.

Mr. Lukes stated that they have part of the report done but it was not fully completed. He stated that he anticipates it in the near future.

Sel. Kurtz: none.

Chairman Herlihy stated that the Good Neighbor Awards honored Brian Forts for his years of service to Holden and Gerald Kersus and Dan and Loraine Marinone for their work to preserve Eagle Lake.

#### **10. Selectmen Subcommittee**

Sel. Renzoni stated that Fin Com was moving along with nothing too startling as the Manager did a good job. He stated that Dr. McCall had presented his budget and he made a good case for his budget. He stated that Fin Com questioned him intensely but they did endorse the budget.

Sel. Renzoni stated that the Chair had discussed roles and responsibility and he reminded Fin Com that they could not 'reply to all' as it was a violation of the Open Meeting Law. He stated that they also should not send out a group email unless it is from the Chair and for information purposes only. He stated they were dealing with that.

Sel. Lavigne stated it was important to note that if the Board was going to speak about it they should not discuss. He stated that they could not step in and out of their rolls as a Selectman.

Chairman Herlihy stated that she was not sure when the DPW Building Committee was meeting.

Sel. Renzoni stated that the Master Plan Committee was meeting tomorrow night and they were doing a great job with the document.

Sel. Kurtz: none.

Motion by Sel. Renzoni, seconded by Sel. Lavigne, it was **UNANIMOUSLY VOTED TO ADJOURN THE APRIL 1, 2019 BOARD OF SELECTMEN MEETING AT 7:52PM.**

**APPROVED: June 3, 2019**