



## Members

Robert Vanderslice, Co-Chair  
John Fulghum, Co-Chair  
Barbara Beatty  
DeWitt Brown  
Jeff Lewis  
Dana Sheehan  
Julie Tarmy  
Judy Zahora

### TOWN OF NAHANT Advisory and Finance Committee

Tuesday February 23, 2021 Meeting Minutes

Members Present: Beatty, Brown, Lewis, Fulghum, Tarmy, Vanderslice, Zahora, Sheehan

Members Absent: none

Others Present: A. Barletta, A. Antrim, A. Nieto, Z. Taylor, S. Hawkes, K. Marden, M. Capano, E. Potts, D. Monteith

Meeting called to order at 7:06 p.m.

DPW general discussion:

J. Lewis met with Barletta and Nieto. Taylor was dealing with water break.

Did ratios on enterprise rates and tax rates. Nahant is high on enterprise side – noting caps on Ent.

Barletta: Many communities have a tiered rate structure for W/S; some have quarterly charge also. The more water used, the greater impact. Not a lot of high users, most average moderate use of water, but some are much higher. We might want to look at a couple revenue sided discussion points rate structure for w/s and trash. Need to look at fee schedule.

Lewis:

- two largest revenue streams: Prop Taxes and enterprise funds. Combined, we look in good shape.
- Low tax rates compared to other communities, but high on w/s.
- \$800 debt shift – leave alone for now
- Shift costs to higher users
- Push for more stabilization funds

Barletta: fees do not cover entire cost

Lewis:

- cost of w/s and enterprise – \$2,748,00
- fees cover about \$1,988,000 from sources and users
- short about \$760,000 – about amount of debt service shift
- difference shifted to the general
- can't go over 2 ½%
- calculation done on \$800k more (debt shift)

Vanderslice: two separate discussions

- debt shift where w/s debt service paid through RE taxes
- is there a better way to structure w/s rates, regardless of what is done with debt shift?

Due to tax law change, this way of going through RE taxes is not as good.



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Nahant's water rates are 7<sup>th</sup> from the top. We are a hybrid. MWRA for water, LWRA for sewer. Each with different cost structures. Coming into new contracts with LWRA. We are looking at 25% to 45% increase in rates.

Nieto: MWRA w/s assessment is biggest piece for rates. Factor in capital needs, debt shift, personnel, admin costs. Calculate expense side on historical usage.

Sheehan: Move water to MWRA?

Barletta: Not financially beneficial – borderline not feasible.

To be clear.....LWRA – coming up – new operations management contract and agreement with communities with LWRA. Biggest contribution factor is the O & M contract. Garelick Farms leaving had a big impact as there were the largest uses. We are in good shape with MWRA – only 4.2% increase.

Vanderslice: large w/s capital project coming up as well.

Barletta: Plan would be similar to what we just did with trash.

Lewis: With a tiered structure – NU would be largest user. They will be driving the cost up.

Vanderslice: right now, we are subsidizing NU portion

Fulghum: Guidance to developing tiered structure?

Barletta: Still looking into it. Will reconvene with Lewis after town meeting.

Brown: How big is the 'elephant' coming our way?

Barletta:

- \$6 – 7 million for project from rotary to treatment plant
- About \$8 million from rotary back to Little Nahant – in 5 – 10 years
- \$3 million – Willow Road from Wharf to Kelley Greens
- About \$2 million Ward Road Pump stations
- Ten other pump stations around town
- About \$20 million all together

**DPW BUDGET**

In this budget, a lot of costs are unknown due to storm damage, w/s breaks, etc. Hard to predict, but this is a best estimate.

- Combined admin and overhead
- Salaries of dept head and FTE are broken up over the different departments based on time spent on different activities
- Budget did not have much of an increase – 3% for union, min wage for part-time employees
- Fed govt added storm water regs – need professional engineer to do this, part of purchase of services number



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- Overall increase 3.03%, mostly from water assessments
- Not much difference between last year and this year on general fund side

3.1% increase overall in budget. General fund pretty much level funded. MWRA, sewer, trash out of our control with rates. Looking at 4.2% increase in MWRA – still preliminary. No LWRA definitive numbers yet. Meeting next week.

Beatty: Does the town population know about this coming increase?

Barletta: Has been talked about a lot over the past year. Been public about it. Don't have exact numbers yet. Something could go out with w/s bills when the numbers are known.

Sheehan: Allocation of personnel costs to w/s. Could some be moved into general DPW budget to address the \$800K deficit between fees and costs?

Barletta: It can be done – different philosophies on how to create budget. Some personnel costs do come into play.

Taylor: Some wiggle room, not significant.

Barletta: There is a 2 ½ % cap.

Nieto: Best practice on how to account for enterprise. Do have to allocate some salaries to enterprise, about a little over 2 FTE.

Sheehan: Golf Course. Water bill? Who pays it:

Barletta: They pay it. Last year it was about \$15K to \$16K for the year.

Sheehan: Would they be affected by raising rates:

Taylor: Yes

We are using some retained earnings to pay for some capital costs. For composting. Recycling bins. Plan to use \$ for cleaning up composting area to get it to a point where rubbish revenues will cover cost. Historical windrow -If properly maintained, cook off all the bad seeds, we could use this material and/or sell for use. More of an asset if it is managed properly. Trash bill fee goes toward compost.

**Articles for DPW**

- Art 2 - Snow and ice – last year was about \$80K. Already there this year.
- Art 7 – authorizes w/s borrowing
- Art 8 – uses retained earnings for w/s - \$30K for paving of w/s break areas
- Art 9 – authorizes rubbish enterprise
- Art 10 - \$50K compost removal from ret. Earnings
- Art 11 – Chap 90 state paving aid



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- Art 16 – 5-year plan for paving - \$200K annually. If we don't use all of the paving money, it rolls over to the next year.
- Art 17 – MWRA borrowing 0% interest loan – included every year. Gives authorization to utilize if needed. Term is defined 10-year. If we don't borrow, availability rolls over.
- Art 20 – ret earnings being used. Need a new utility truck and backhoe.
- Art 24 – Mass DEP pushing for all communities to make improvements in I/I, Infiltration/Inflow. **Infiltration/Inflow (I/I)** causes dilution in sanitary sewers Dilution of sewage decreases the efficiency of treatment and may cause sewage volumes to exceed design capacity. **We are currently discharging to LWRA more liquid than we take in from MWRA.** Just put out a bid for water-tight manhole covers. The more we shrink this problem the better our rates will be.
- Art 26 – Snow removal from sidewalks. Provides Selectmen ability to provide waivers for elderly, disabled.

Tree by-law. Need this to become a Tree City, which opens up the potential to apply for grants. Current funding under DPW would cover this cost. No additional cost. As for guidance on where and how to plant trees – we follow State law. This will add local governance to work with the tree warden.

- Art 37 – Citizen petition – Lowlands/Castle Road drainage Discussed question of what the \$100k is based on and where the money will come from . BOS does support this article and has been talking about an alternative plan. We will invite citizen to come to an upcoming meeting.

No new citizen petitions, these were all in last year's preliminary warrant and were rolled over to this year.

For next meeting Fulghum and Vanderslice will start assigning warrant articles. Members need to start formulating recommendation verbiage.

Town is planning a Town Meeting to accommodate up to 800 residents, again outdoors in location used last September.

Public Forum: No comments

**Motion to adjourn by Tarmy, seconded by Beatty. Unanimous ayes.**

**Meeting adjourned at 9:32 p.m.**