

West Newbury Capital Improvements Committee Meeting Minutes

Meeting date & place: 7:30 pm, February 3, 2021, Remote Participation via Zoom.

Members Present: Via remote participation Chair Nathan Kelly, Julie Boria, Rick Parker, Elisa Grammer, Polly McDowell, and Judy Mizner. Also participating remotely: Department of Public Works (DPW) Director Wayne Amaral, Fire Chief Michael Dwyer, and Town Manager Angus Jennings, ex officio. Water Department director Michael Gootee and Water Commissioner Dick Cushing joined for the Water Department discussion; Fire Chief Michael Dwyer participated in the Fire Department discussion.

At the outset, Chair Kelly read the following statement: “Pursuant to Governor Baker’s March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor’s March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the West Newbury Capital Improvements Committee (CIC) will be conducted via remote participation to the greatest extent possible.”

Call to order

7:31 pm

Public Comment

None

Review of FY22 Capital Proposal – Water Department

\$270K Pipestave Tank (Water Dept)—Water Dept free cash funding proposed in meeting materials

Water Department Director Mike Gootee explained that the initial \$160K funding request was to address internal rehabilitation and repairs on the Pipestave water tank. This had been delayed in order to address replacement of the Brake Hill tank and work on the chemical building, both of which are nearing completion. He noted that the costs of rehabilitation has been increasing substantially. Mr. Kelly noted that a 19% cost increase in one year is highly significant. Also, the tank currently is losing about 5% of its water annually, a cost borne by ratepayers.

To accomplish needed work in one project (and keep costs better under control), the plan now is to seek \$270K to empty the tank, clean and rehabilitate the inside, install a mixing unit that will improve water quality and deter damaging ice blankets on internal walls, upgrade water pumping capabilities, and rehabilitate the tank’s exterior, which has been experiencing efflorescence due to leakage.

This work is planned to occur in the fall of FY22 when demand is decreased and should take one and a half months. It is contingent upon the Town’s ability to use water solely from Newburyport. In response to Ms. Mizner, Mr. Gootee said that even with the Town’s own Brake Hill water tower, the Town would need to use Newburyport water, since our pumps at the wellfield are not powerful enough to get water over to the Brake Hill tank. Newburyport’s pumps can do this.

Ms. Grammer inquired why all or some of this cost is not being shared to the Town’s Free Cash or Stabilization Fund. Mr. Gootee (and subsequently Mr. Jennings) indicated that this is an important question that will become more pressing as very significant capital investments will need to be made to address water mains dating from the 1930s. Traditionally the Water Department has been its own enterprise, with segregated funds and concerns have been raised that townspeople who do not receive Town water may resist contributing tax funds to water costs. Ms. Grammer noted that in the past, as shown in Annual Town Reports, Town funds have been used for the water system. Mr. Kelly noted that

members of the CIC who are not on Town water are sympathetic to the need for taxpayer support.

Mr. Gootee noted that at this juncture, the Water Board did not seek Town funds for the Pipestave project. He observed that it is very important that, with the large upcoming capital expenditures for the mains, the townspeople understand the critical funding issues facing the Water Department. Water Commissioner Dick Cushing noted that former Town Clerk Norman Hobson had records going back to the 1930s in pencil. He added that Mr. Jennings has worked very hard on this problem, and Mr. Jennings said that this will be a policy problem, although legally the Town can contribute to Water Department capital costs. In reply to Ms. Mizner, Mr. Gootee said that the plan is not to expand water service to new areas, except where new developments ask for Town water.

In response to Ms. McDowell, Mr. Gootee described the Water Department's 2-tier rate, in which users who consume over 35,000 gallons pay a higher rate. The average user pays around \$1,200/year for Town water. Mr. Parker noted that adding another Water Department employee (budgeted to cost about \$80K/yr with benefits) will increase that rate.

\$500K transfer from the Water Enterprise Fund Free Cash Account to the Water Enterprise Stabilization Fund

Mr. Gootee said that Water Free Cash is now around \$500K, which is high. Water Stabilization is around \$8K, and should be increased to help manage looming capital needs. He added that the department is trying to work on operating costs, which is covered by water rates. He noted that revenues vary based on usage—in a very wet year, less water is sold and revenues are reduced.

Discussion of Page School Study Scope

As a preliminary matter, Ms. Grammer noted that the Pentucket Regional School District (PRSD) Agreement provides that "The District shall develop a 5 year capital plan for each building that will be provided to each member town by January 15th. This plan shall include: item descriptions, estimated costs, and the projected depreciable life. Capital projects shall be defined as costing not less than \$10,000 and having a depreciable life of not less than 5 years. Capital projects shall be scheduled and approved by the member Town"—and each Town is responsible for the costs of its own elementary school construction, repairs, renovations and capital improvements. Mr. Amaral and Mr. Jennings noted that West Newbury does receive a highly abbreviated capital plan for Page School from PRSD—this is not a report and does not discuss many known issues with the school. *Mr. Jennings will forward that PRSD report to the Committee.*

Mr. Kelly acknowledged that the Committee's consensus is that the question of a tipping point for Page School capital improvements vs. a new school needs to be addressed as soon as possible, but asked whether the CIC has time between now and deadlines leading up to Spring Town Meeting to gather and analyze data in order to make a serious proposal to Town Meeting. Ms. Grammer recently provided a cut and paste compendium of Annual Town Reports from 1971-present concerning Page School repairs, improvements, cost. She noted that many major repairs have been done over and over, and a number of studies of what Page School needs have been performed. Much information is not provided—likely

PRSD has useful records. Messrs. Amaral and Jennings said that PRSD does likely have useful data and *they will work on getting that and other pertinent data. Mr. Jennings suggested setting up a Dropbox folder with all useful information; various Committee members, including Ms. Boria and Mr. Kelly, offered to work on this—but cannot do so in time for Spring Town Meeting. Mr. Jennings also noted that our technical/video consultant Adam Stone is adept at presenting videos, so perhaps once data is gathered and evaluated, a video about this could be prepared.*

With the agreement of Mr. Jennings and Mr. Amaral, the Committee generally determined to work to raise the Page School question at the Fall Town Meeting.

Votes to Recommend FY22 Capital Proposals

Mr. Kelly reiterated his dissatisfaction with the litmus test as too subjective, too full of extraneous factors, too long, and too broad in its 0-100 scale. Ms. Mizner and Ms. Boria pointed out that the Committee currently has no other means for ranking. Ms. Mizner said that ordinarily under the bylaws the Committee does not make a yes or no determination, but rather makes recommendations with priorities stated. *It was agreed that for this Spring Town Meeting, the Committee will use the existing litmus test. The question of revising the test or devising a new ranking mechanism will be raised at a separate meeting. It was further agreed that Mr. Kelly would forward the existing test to Committee members, with 2-week due date (February 17) for responses.*

\$105K Town Hall Painting (DPW)—Community Preservation Committee funding proposed in meeting materials

Ms. Grammer noted that capital improvements funded with CPC monies are, under the bylaws, explicitly exempt from the CIC process. She deferred to Ms. Mizner (the CPC Chair) as to views on whether the CIC should review this Town Hall painting proposal currently seeking CPC payment. Ms. Mizner suggested that CIC go ahead, inasmuch as CPC funding has not yet been approved. CIC review would facilitate alternative funding from other Town resources if CPC approval does not occur, and could be withdrawn if CPC approval is granted. *It was thus agreed that CIC will review and rank the Town Hall painting project.*

\$500K Tanker Truck (Fire Dept) —no funding source proposed in meeting materials

Fire Chief Michael Dwyer provided an update, saying that he and his board are working hard to get additional information to the CIC about the options of a replacement tanker truck or a combined tanker/pumper. They have spoken with other fire departments that use the combination truck and are getting pricing information. The Board of Fire Engineers will meet again when the additional information is in place. They will be looking at both options.

The CIC agreed to Mr. Kelly's proposal that the CIC rank the truck as now proposed, and take another vote if the combination truck is requested. Ms. McDowell observed that the outlay would be substantially the same.

\$270K Pipestave Tank & \$500K to Water Stabilization (Water Dept) —Water Department Free Cash

Mr. Jennings inquired whether the Water Department items should be considered separately from the others, since the Water Enterprise is distinct. *Per Ms. Mizner's suggestion, the Committee will take additional time to consider this.*

FY22 Stabilization Transfer Discussion

Mr. Jennings confirmed that the Town now has around \$1.5M in the Capital Stabilization fund and around \$1.95M in Free Cash. The recommended level for Free Cash is 5-8% of the Town operating cost. \$600K for the Middle Street Bridge and \$33K for the Page School are proposed to come out of Stabilization. In addition to funding capital items, Free Cash is used to buy down the tax rate. The pension and OPEB stabilization funds will receive additional monies from Free Cash as well. The School Stabilization fund will have an outflow to help offset the costs of the new high school.

It was noted that in past years, the Town has contributed \$300K and then more recently \$500K to Stabilization. Ms. Boria suggested that in light of the high cost level of capital improvements projected for 2023, at least \$600K into Stabilization could be warranted. Ms. Grammer noted that a larger contribution could signal to voters that greater capital improvements costs are coming, and we need to be prepared. The funds moved to Stabilization could come partially from Free Cash and partially from the operating budget, Mr. Jennings said.

Late File Items

Website: Ms. Grammer noted that an older version of the working draft of the capital plan is on the website and asked if it should be updated. *The Committee favored updating this information.* A problem, however, is that the January version mistakenly contains a footer with the date September, 2020. *Ms. Grammer will work with Mr. Jennings and Mr. Amaral to assist them in formatting updated versions of the capital plan.*

Approval of Minutes

By unanimous roll call vote, the Committee approved the minutes of January 20, 2021, as revised.

Next Meeting

To be determined via Doodle poll—a Wednesday preferred, early March or late February

Agenda items may include—

Reviewing the ranking

Reviewing the amounts to replenish the Stabilization fund

Consideration of preparation of the FY22 CIC report

Adjournment

The meeting adjourned at 9:13 pm

Meeting Documents

[Updated Water Department materials provided by Town Manager 2/2/2021](#)

[Compendium of references to Page School repairs, investments in Annual Reports 1971-present, sent by Elisa Grammer 2/1/2021](#)

Respectfully submitted

Elisa Grammer