HOLLISTON FINANCE COMMITTEE
MEETING MINUTES
April 14, 2015

The Committee convened in Room 105 at Town Hall at 7:04 PM. Present from the Committee were Chairman Ken Szajda, Vice Chairperson Michelle Zeamer, Dan Alfred, Bill Dowd, and Brendan Shea. Beth Liberty was absent.

1. Minutes – Bill Dowd noted that there are three meetings of the Committee in February and March for which no minutes have been prepared. Moved by Bill Dowd, Seconded by Dan Alfred that the Committee approve the minutes of its meeting on April 7, 2015. Ken Szajda expressed concerns about how the minutes characterized the Committee's views in Item 3 in the submitted minutes. He cautioned against expressing opinions in the minutes and suggested several places where the minutes should refer to Dan Alfred as the member expressing positions on the matters that were under discussion. Dan agreed that he was the one to whom the comments should be credited. Bill agreed to make the suggested changes. On the motion to approve the minutes as amended, five in favor, none opposed, no abstentions, the motion carried.
2. Benefits and Group Insurance Budgets – Ken Szajda advised the Committee that when the Committee decided to remove the $27,535 associated with providing a 50% Town contribution toward the cost of surviving spouse health insurance coverage, it was incorrectly reduced in the Benefits budget. It should have been reduced in the Group Insurance Budget. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Committee reconsider its voted recommendations on the Benefits and Group Insurance Budgets. Five in favor, none opposed, no abstentions the motion carried. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Committee recommend a Group Insurance budget in the amount of $4,915,895 and a Benefits budget of $3,542,867. Five in favor, none opposed, no abstentions the motion carried.
3. Board of Health Budget – Ken Szajda advised the Committee that when it voted the Board of Health budget, the amount included wages above the Committee guideline. He said the budget needed to be re-voted. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Committee reconsider its voted recommendations on the Board of Health budget. Five in favor, none opposed, no abstentions the motion carried. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Committee recommend a Board of Health budget in the amount of $131,934. Five in favor, none opposed, no abstentions the motion carried.
4. Emergency Management Generator Battery – Ken Szajda advised the Committee that he had been informed that as a result of the most recent inspection of the generator's battery, it was likely the battery would need to be replaced. While it was not being done right now, and there was no formal request for funds, he did want the Committee to be aware that this could be coming in the future.
5. Park Commission Building purchase – The Park Commission was present to review the proposed purchase of the property on Washington St. Commission Co-Chair Inge Daniels reviewed the recent history of the Flagg Building culminating in a recent determination by air quality inspectors that the building had "elevated" levels of unhealthy contaminants. Based on that, the Park Commission, the Youth and Family Services Dept., and Veterans Services had relocated to temporary quarters. At the same time, the Commission concluded

that its most recent proposal for an $8 million replacement for Flagg was not practical at this time. They became aware that the property at 1750 Washington St was on the market. After speaking to the Selectmen, the Town expressed interest in either leasing or purchasing the property. There are two parcels: one on which the building is located with a listing price of $1.4 million, and an adjacent vacant lot for $325,000. Leasing just the building would be $17,000 per month in rent. The Park Commission is pursuing the purchase of both. Inge distributed a worksheet showing the impacts of borrowing $2 million over 5 years. (Attachment I) She said that the Commission believed that the property could be purchased and renovated for Town use within the $2 million amount. Brendan Shea was not sure that both parcels were needed, and asked if it would be better to handle the two parcels in separate articles. Inge explained how the vacant lot was envisioned as space for future park programs, and that the two parcels really go together in the proposal. The Committee had a discussion about the pros and cons of acquiring the property and the best way to finance it. The proposal was taken under advisement.

6. Town Meeting Warrant review – In response to an inquiry from Ken Szajda about the numbering of articles on the warrant, Town Administrator Paul LeBeau noted that the OPEB article had been removed as discussed, and the article funding the Capital Expenditure Fund was place ahead of the article expending funds for capital purchases. Ken reported that work continued on Article 24, which proposes that the Town contribute 50% toward the cost of surviving spouse health insurance coverage. Based on that, he recommended that the FinCom report be published noting that the Finance Committee recommendation will be provided at Town Meeting. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Committee report that it will make its recommendation on Article 24 at Town Meeting. Five in favor, none opposed, no abstentions the motion carried.
7. Debt Exclusion Override Articles. The Committee held a discussion of the two articles seeking to be financed with debt exclusion overrides: the reconfiguration of, and installation of traffic lights in, the downtown area, and the purchase of the property at 1750 Washington St. Following a discussion on the pros and cons of both, Ken Szajda polled the Committee to see if there was a consensus on how to proceed. Brendan Shea was opposed to the downtown project because he believed there could be additional Chapter 90 funding available, and in favor of the purchase of only the Washington St. property with the building on it. Dan Alfred was opposed to the downtown project, and in support of the Washington St. purchase, although he would like further discussion about financing. Michelle Zeamer was uncertain about the downtown project, and in support of the Washington St. purchase. Bill Dowd was opposed to the downtown project, and did not believe the Washington St. purchase was ready for FinCom action. Consequently, Moved by Dan Alfred, Seconded by Michelle Zeamer that the Finance Committee recommend favorable action on Article 29 (Washington St. purchase). Four in favor, one opposed (Dowd), no abstentions, the motion carried. Moved by Brendan Shea, Seconded by Michelle Zeamer that the Finance Committee report that it will make its recommendation on Article 25 at Town Meeting. Four in favor, one opposed (Dowd), no abstentions, the motion carried.
8. Water Articles – Town Administrator provided the Committee with copies of the capital spending proposals that had been part of the DPW budget discussion at a prior meeting. (Attachment II) Article 26 seeks $70,000 for a pilot study of Well 5 to determine the best method for filtration and treatment of its water supply. All costs of the study to be funded from Water Surplus. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Finance

Committee recommend favorable action on Article 26. Five in favor, none opposed, no abstentions, the motion carried. Article 27 seeks $416,000 for replacement of the water main on Pincrest Rd. in conjunction with Highway's road rebuilding project. All costs of the main to be funded by Water Surplus. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Finance Committee recommend favorable action on Article 27. Five in favor, none opposed, no abstentions, the motion carried.

9. Rental income from cell towers on town property. Selectman Jay Leary reported that the Selectmen are proposing in Article 28 to change the allocation of the cell tower rental income from 50% Capital Expenditure Fund, 50% Open Space Fund to 1/3 Capital Expenditure Fund, 1/3 Open Space Fund, 1/3 Water Department. There was a discussion about the pros and cons of the reallocation. Moved by Bill Dowd, Seconded by Brendan Shea that the Finance Committee recommend favorable action on the proposal to allocate cell tower rental revenue 1/3 Capital Expenditure Fund, 1/3 Open Space Fund, 1/3 Water Department. Four in favor, one opposed (Alfred), no abstentions, the motion carried.
10. Article 32 – Senior Citizen property tax relief – The proposed article would make it possible for residential property owners over the age of 65, who have lived in the home for 20 or more years and who have at least 80% equity in the home to have their property tax bill frozen with all future tax increases treated as a lien to be paid at future sale. There were many questions about how the Town would be handle situations where the resident becomes ineligible after starting the program and assurances about being able to collect on the lien. With a number of unanswered questions, Moved by Dan Alfred, Seconded by Michelle Zeamer that the Finance Committee report that it will make its recommendation on Article 32 at Town Meeting. Five in favor, none opposed, no abstentions, the motion carried.
11. Article 31 – Appointed FinCom – This article, sponsored by the Selectmen seeks to change the bylaw such that the Finance Committee is a committee appointed by the Moderator. There was a discussion about the difficulty in recent years to get residents to run for open positions. Dan Alfred believed the Committee should remain elected by that vacancies should be filled by appointment by the Town Administrator and be for the remaining term of the open position. Town Administrator Paul LeBeau pointed out that State Law givens how vacancies on elected committees and boards are handled and that would not work. Dan also proposed to make a write-in campaign require at least 50 votes to be successful. Paul LeBeau pointed out that would also require legislative change. There was also a discussion about revising the by-law language to ease the restrictions on FinCom members serving on other committees. Following that discussion, Ken Szajda asked that the Selectmen consider including something on that in their proposal. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Finance Committee recommend indefinite postponement of Article 31. Four in favor, one opposed (Dowd), no abstentions, the motion carried.
12. Article 7 – Changes to FY15 budgets. Town Administrator Paul LeBeau reported that while there were no issues at the moment, there was a possibility there could be, and suggested that this may also be a case where the Finance Committee reports that its recommendation will be provided at Town Meeting. Moved by Dan Alfred, Seconded by Michelle Zeamer that the Finance Committee report that it will make its recommendation on Article 7 at Town Meeting. Five in favor, none opposed, no abstentions, the motion carried.
13. Warrant Message and FinCom report– Ken Szajda noted his distribution of the draft warrant message, and asked if there were any suggested changes. Dan Alfred suggested a change to note that while the economy may have shown improvement in the past, there were concerns

looking ahead. Ken also noted that he would revise the draft in item 3 to note that it is contingent on the Town's continuing to address it's long-term liabilities. Moved by Dan Alfred, Seconded by Brendan Shea that the Finance Committee accept the draft warrant message as revised. Five in favor, none opposed, no abstentions, the motion carried. The Committee then considered the other components of the FinCom report. Dan Alfred suggested that the page comparing budgets year over year include the percentages for FY13. He also wanted to make sure that the revolving account balance data would be updated and Paul LeBeau reported that it would be updated to 6/30/14. He also wanted notations added to the table on page 41 to reflect the addition to Stabilization being proposed at this Town Meeting. He also suggested a comma in the Overlay Reserve amount for FY15. Ken Szajda asked about the Golf course funds being available to the Golf Course Committee, and Paul LeBeau reported that it appeared there may be some funds available after the current fiscal year closes in June of 2015. With those changes made, the Committee accepted the content of its report.

14. Next Meeting – Ken Szajda said that at next week's meeting, the Committee would review the draft presentation for Town Meeting, and act, if possible, on any articles in the warrant that are awaiting a FinCom recommendation. Ken also suggested that Committee members get in touch with him as soon as possible about holding office hours for residents to get informed about, or ask questions about, Town Meeting. Once he has the times, dates and locations from the members, he will publicize them.
15. FinCom Report – Michelle Zeamer asked it would be better if the state aid data was presented in chart form. Following a discussion about the complexities in doing so, the report was not changed.
16. Adjournment – At 8:50PM, Moved by Dan Alfred, Seconded by Michelle Zeamer to adjourn the meeting. Five in favor, none opposed, no abstentions, the meeting was adjourned.

Approved_____4/28/15_____

TOWN OF HOLLISTON
PURCHASE OF 1750 WASHINGTON STREET PROPERTY
ESTIMATED DEBT SERVICE AND TAX IMPACT

1	2	3	4	5	6	7	8	
LOAN YEAR	FISCAL YEAR	PRINCIPAL BALANCE	INTEREST PAYMENT	PRINCIPAL PAYMENT	ISSUANCE COSTS	TOTAL PAYMENT	AVERAGE TAX IMPACT	TAX RATE IMPACT
1	2016	$2,000,000	$40,000	$400,000	$6,466	$446,466	$82.48	$0.21
2	2017	$1,600,000	$32,000	$400,000	$6,066	$438,066	$80.93	$0.21
3	2018	$1,200,000	$24,000	$400,000	$5,666	$429,666	$79.38	$0.21
4	2019	$800,000	$16,000	$400,000	$3,266	$419,266	$77.45	$0.20
5	2020	$400,000	$8,000	$400,000	$2,866	$410,866	$75.90	$0.20
TOTAL			$120,000	$2,000,000	$24,329	$2,144,329	$396.14	
AVERAGE			$24,000	$400,000	$4,866	$428,866	$79.23	$0.20

The above schedule assumes a total project cost of $2,000,000 with an assumed interest rate of 2% for a term of 5 years. Column (1) indicates years of the debt term; column (2) shows the fiscal years during the term of the debt; column (3) indicates the annual principal balance; column (4) shows the annual interest payment; column (5) shows the annual principal payment (level principal basis); column (6) shows the indicates the annual cost of issuing notes; column (7) indicates the total annual payment; column (8) shows the real estate tax impact on the average single family house valued at $386,800 as FY15; and column (9) shows the tax rate impact.

4/7/2015

WATER DEPARTMENT CAPITAL IMPROVEMENTS PLAN FISCAL YEARS 2016-2020

ject: Pilot Study, Well #5
Priority: Immediate
Description: This capital project entails studying water quality related to filtration design for Well #5 (located at 784 Central Street). The pilot study is engineered and the scope will include but will not be limited to: best practice filtration technique based on water quality results, dedicated transmission line cost to an existing plant, existing plant upgrades to accommodate additional flow from Well #5, transmission of raw water from Well #1 located at Stoddard Park.
PROJECTED COST: $70,000
PROJECTED COST BASED ON PILOT STUDY RESULTS: $4,000,000 to $8,000,000

Project: Water Main Replacement
Priority: Urgent
Description: The Town's distribution system totals approximately 90 miles of pipeline varying in size from 1-inch to 16-inch. The majority of pipe material located in the distribution system is Asbestos Cement (AC), which indicates the majority of the system was installed prior to 1989 when the EPA phased out the use of AC main. AC Pipe in itself is not a problem for the water system but in some locations the structural integrity of the pipe experiences problems. The most significant problem affecting the structural integrity of asbestos cement pipes results from the leaching of the cement mortar binder out of the pipe wall. This leaching can occur from the internal surface, depending on the aggressiveness of the chemical make-up of the water or from the external surface, depending on the aggressiveness of the groundwater and soil conditions. Life expectancy of AC pipe is approximately 60 years. Holliston had significant AC water main installation between 1960 through 1979.

Holliston's Water System Piping Material is as follows:

Material	Length (mi)	Percent of Total
;estos Cement	59	66%
Cast Iron	1	0.1%
Copper	0.08	0.1%
Ductile Iron	20	23%
Galvanized Iron	0.2	0.2%
PVC	9	10%
Steel	1	1%

Holliston's Water System Piping Size is as follows:

Diameter (in)	Length (mi)	Percent of Total
1	0.1	0.09%
2	0.4	0.4%
4	1.0	1.1%
6	26	29.5%
8	43	48%
10	4.2	4.7%
12	14	15.7%
16	0.4	0.50%

Operationally, 6-inch main is replaced with 8-inch main. 10-inch main is not used, in its place is either 8-inch main or 12-inch main. All new main is Cement Lined Ductile Iron Pipe.
Main Replacement cost including gates, hydrants and service taps is approximately $200 per foot for 8-inch main and $250 per foot for 12-inch.
OJECTED COST: $10,000,000
The projected cost will not cover all main replacement but is used as an initial guideline projecting out over the course of this Capital Improvement Plan.

Project: Infrastructure Replacement of Mudville Neighborhood
Priority: Next 2 Years. FY's 17/18
:cription: As part of the DPW Highways division's surface roadway and sidewalk improvement in that neighborhood the water infrastructure should be brought up to date. The streets included in this project are as follows:

Street	Length in Feet	Existing Main Type and Size	Replacement
School Street	810	6-inch DI & 6-in AC	8-inch DI
Pleasant Street	890	6-inch AC	8-inch DI
Spring Street	570	8-inch AC	8-inch DI
Mechanic St.	1230	8-inch AC	8-inch DI
Union Street	1331	8-inch AC	8-inch DI

Total Length: 4,831 feet
PROJECTED COST: $1,000,000
The cost of this project can be inclusive of the Water Main Capital Request

Project: Pinecrest Road Water Main Replacement
Priority: Immediate if done with Highway Dept. reclamation
Description: The Highway Dept. has reclaimed Pinecrest Road and has left it in binder condition for the winter of 2014/2015. The existing water main is 8-inch AC. Completing the project to include water main upgrading to 8-inch DI pipe would be the best practice.
Total Length: 2,080 feet
PROJECTED COST: $416,000
The cost of this project can be inclusive of the Water Main Capital Request.

Project: Cedar Street Booster Station
ɔrity: Next 2 Years. FY's 16/18
Description: The distribution system should be capable of delivering the maximum demand, including fire flows, while maintaining suitable pressures throughout the service area. A minimum working pressure of 35 pounds per square inch (psi) should be sought under normal demand conditions. When fire flows are considered the system should maintain a minimum of 20 psi everywhere in the system. We do not currently meet those pressure targets with the existing Cedar Street Booster Station. The DPW Water Division has taken corrective action to increase and maintain pressure with station modifications. That being said a complete upgrade of the station is required. Upgrades include: installation of an above ground pre-fabricated type of booster station, the above ground type eliminates confined space issues. The booster station would include variable frequency drives, domestic booster pumps, a jockey pump to maintain minimum pressure a fire pump to meet maximum demand and emergency power.
PROJECTED COST: $500,000

Project: Kuniholm Drive Booster Station
Priority: Next 3 Years. FY's 18/20
Description: As noted in the Cedar Street Booster Station description, the distribution system should be capable of delivering the maximum demand, including fire flows, while maintaining suitable pressures throughout the service area. A minimum working pressure of 35 pounds per square inch (psi) should be sought under normal demand conditions. When fire flows are considered the system should maintain a minimum of 20 psi everywhere in the system. The Kuniholm Booster Station is extremely outdated and is a dangerous confined space. The stations shell is a modified septic tank. The DPW Water Division has taken corrective action to increase and maintain pressure with station modifications; a complete upgrade of the station is required. Upgrades include: installation of an above ground pre-fabricated type of booster station, the above ground type eliminates confined space issues. The booster station would include variable frequency drives, domestic booster pumps, a jockey pump to maintain minimum pressure a fire pump
neet maximum demand and emergency power.
The booster station provides pressure to an industrial park and has the benefit of an additional fire booster up the line. As a result the station upgrade priority is less than that of Cedar Street
PROJECTED COST: $500,000

Project: Hydrant and Valve Replacement
Priority: Urgent

;cription: This project entails instituting a program to replace existing hydrants and valves. The Water Department has undertaken an inventory program of fire hydrants. As each hydrant is inventoried an evaluation of its condition and its associated valves is performed. Non-functioning or poorly functioning hydrants or valves need to be repaired or replaced in a timely manner. Failure to do so can compromise fire protection. In addition, failure to replace inoperable water main line gates can result in an inability to isolate sections of water mains during a break. Likewise, the water Department will be undertaking an inventory and evaluation of water main line gates. Again non-functioning or poorly functioning valves need to be replaced in a timely manner. Funds will be used to purchase stock (hydrants and gate valves of 12-inch diameter or less); and the work is performed in house. Work associated with infrastructure equal to or greater than 12-inch diameter or work associated with insertion valves will likely require hiring of a contractor.
PROJECTED COST: $100,000

Comments: In regards to the significant investment to be made on water main replacement. The DPW Water Division is working on an annual water main replacement/rehabilitation program. Old cast iron mains which are appropriately sized but suffer from a buildup of tuberculation are candidates for cleaning and lining. The majority of the water main in Holliston are asbestos cement pipe which is not a candidate for cleaning or lining. Instead the water main replacement program consists of developing focus on the integrity and age of water mains. The first priority is replacing water mains which are the oldest or those which experience frequent breaks. Second priority are locations where looping water mains will reduce water age to customers. Other variables that impact the priority of replacement are water quality complaints, other DPW infrastructure improvements such as utility and repaving projects and pipelines which require replacement to meet fire flow requirements.
These improvement will be separated into different construction contracts in order to appropriately fund the improvements over a number of years.