

- **Belmont Warrant Committee Meeting Minutes**

- **FINAL**

- **January 25, 2012, 7:30 p.m.**

- **Chenery Community Room**

- Present: Chair Allison; Members Baghdady, Becker, Brusch, Dash, Epstein, Grob, Lynch, Manjikian, McLaughlin, Millane, Sarno; Selectman Paolillo; School Committee Representative Slap

-

- Treasurer Carman

-

- Members Absent: Libenson and McHugh

-

- The meeting was called to order at 7:31 pm by Chair Allison.

-

- Chair Allison began by reviewing the evening's agenda items. She noted that the WC would need to (at some point this evening) enter into executive session. She then thanked the WC members who studied the BMLD proposal.

-

- Chair Allison turned to the second item on the agenda first: the Fire Department's RFT request.

-

- ***Belmont Fire Department Reserve Fund Transfer (RFT) Request***

-

- Member Lynch noted that the Public Safety subcommittee has not yet voted on the RFT request, but expects to do so by the next WC meeting.

-

- ***Article VIII Update***

-

- Member Baghdady noted that two amendments were filed relating to this article and that the filing of these amendments caused some confusion at Town Meeting. He said that both amendments have been dismissed and will be combined into one amendment. This amendment was filed with the Town Clerk's office today.

-

- Chair Allison said that this amendment would be looked at by the WC and discussed next week.

-

- ***General Government's RFT Request***

-

- Member Millane said that this RFT request meets the WC's criteria. She said the General Government subcommittee met and voted unanimously to support this request. She noted that the money is needed to hire a consultant from the Collins Center (from U/Mass) to oversee the Town Administrator (TA) search, solicit resumes, and work closely with the BOS in the hiring process. She noted that the TA's office is presently

short-staffed, and the hiring of this consultant would take some of the pressure off them. Selectman Paolillo informed the WC that the Board has approved a new TA job description and hopes that the hiring process is completed by the end of June.

-

- In answer to Member Grob's question, Member Millane reviewed why this request meets the RFT criteria.

-

- *Member Millane moved:* To approve the RFT request in the amount of \$15K to hire a consultant to support the Town Administrator search.

- The motion passed unanimously.

-

High-Level Review of Initial FY13 Submissions

-

- Chair Allison noted that the WC has had time to review the budget presentations in more detail. She noted that activity indicators would be available this Friday. She commented that this year, on the town side, the conversation is not about level service versus available funding, as it usually is. Selectman Paolillo said that further analysis is required to determine if this is, in fact, a level service budget. He added that the department heads may want to add in certain infrastructure items to their budgets.

-

- Chair Allison observed that the part-time/full-time employee analysis will need to be explored, as there is currently not an hours count. She informed WC members that final templates for the WC Report will be ready by next week.

-

- Chair Allison stated that currently there is not good, comparable data from Belmont-like towns. She said, with a \$5,000 grant, the town could hire someone to collect this data. She asked the WC if this is something appropriate to do and if doing so would be worth pursuing.

-

Due Diligence Discussion re: BMLD Proposal

-

- Chair Allison acknowledged that the BMLD advisory board was present and at the table. She noted that the WC has submitted a list of questions to the advisory board.

-

- Mr. Brown offered some numbers on 2011 usage and capacity. He made a distinction between firm capacity (28 MW), which Belmont has exceeded, and non-firm capacity (34 MW). He explained when the peak times are in Belmont, which is late afternoon through early evening in the summer. Mr. Forrester outlined the KW demand hours, which is another way of discussing Belmont's energy consumption.

-

- Chair Allison asked about the methodology in generating the forecasted projections. Mr. Forrester distributed a handout, which addressed this question.

-

- Regarding quality liability, Member Manjikian asked about the transient voltage usage. Mr. Palmer said that he has no data to offer the WC, but that Cambridge is where

the transient voltage usage problems originate. He explained the reasons for this and what is being done to mitigate the problem.

-

- Member Epstein asked about the other options that have been explored, specifically wanting more details on their the economic feasibility as well as the TSA rates. Mr. Brown noted the three basic components to this project and said that any other alternatives will still require a new substation. Member Epstein also asked about NSTAR's involvement in the substation. He noted that the peak capacity constraint is an important consideration. He asked about the physical lines (115kV lines) that would be necessary to bring in to Belmont to address capacity. Epstein then asked about purchasing generators and if new generators could meet the peak load. Mr. Brown said there are many drawbacks to adding generators, including noise, cooling issues, diesel fuel, etc. He said adding generators does not address the aging infrastructure and that the numbers do not support moving in that direction.

-

- Member Manjikian asked about the megawatts per two additional lines and noted that this amount is still not sufficient to meet Belmont's needs.

-

- Member Epstein asked about the largest users of electricity in town and if they are conserving during peak times.

-

- Member McLaughlin asked what happens if Belmont does nothing. Mr. Brown said if nothing is done, brownouts would be likely happen. The brownouts would force NSTAR to handle the problem and NSTAR would control the costs, including the electricity rates. NSTAR would provide the cable and would likely charge a lot to do so. This could be a higher cost option and a new substation would still be necessary. He said that the Belmont Light Department will do it less expensively than NSTAR will do it.

-

- Regarding project development costs, Chair Allison asked a series of questions. Mr. Forrester discussed the upfront costs for bonding purposes. He distributed a handout.

-

- Treasurer Carman commented on the potential costs. He explained that the Light Department has used some of their funding reserves to front this project.

-

- Member Bruschi expressed concern regarding the bonding of upfront costs which were not approved in advance by Town Meeting. She said she was concerned about setting a precedent for future projects.

-

- Regarding site purchase and preparation, Member McLaughlin detailed the pertinent fiscal information on this topic.

-

- The WC then briefly discussed whether the topics designated for executive session met the executive session criteria. Member Bruschi expressed a concern about one item.

-

- Treasurer Carman reviewed his financing plan for the project, which will involve short-term borrowing to cover immediate costs (site acquisition, MBTA agreement) at around 50 basis points, followed by a long bond (20 years) to cover the remainder of the estimated project costs, excluding the contingency allowance. (\$51.2M is the expected project costs, with \$2.6M in potential contingency costs.) If these contingencies occur, \$53.8M ends up being the total financed. He anticipates the 20-year bonds can be floated at 3% interest.

- Regarding the impact on rate payers, Chair Allison said that this impact will be recalculated in light of the new financing plan. The rate payers will see the rate increase immediately and will pay for the life of the bond, according to the Treasurer Carman. Chair Allison asked, once the bond has been paid off, will the rates go down? Mr. Brown answered a qualified yes.

- Member Baghdady asked about the timing for completion as there are major developments coming down the road, e.g. Cushing Village, Uplands, South Pleasant Street. Mr. Forrester replied: July 1, 2015. Member Baghdady then asked about the site plan review that will need to come before the Planning Board.

- There were no Public Contributions from the audience.

Executive Session

- Chair Allison moved: To enter executive session to discuss the purchase of transformers and specialty equipment, since to discuss in open session could have a detrimental impact on the BMLD's negotiating position with the sellers. The WC will not return to open session for a substantive discussion. A roll call vote was taken at 9:36 p.m. and the motion passed with 13 WC members in favor and one abstention.

- The need for executive session was again discussed.

- [Executive Session here]

- *Member Lynch moved:* To exit executive session at 10:17 p.m.

- The motion passed unanimously.

- Member McLaughlin moved to adjourn at 10:17 p.m.

- Submitted by Lisa Gibalerio
- WC Recording Secretary