



MANCHESTER-BY-THE-SEA

FINANCE COMMITTEE • TOWN HALL
Manchester-by-the-Sea, Massachusetts 01944-1399
Telephone (978) 526-6405 FAX (978) 526-2001

Minutes of the Finance Committee

January 23, 2025 7:00 p.m.

Room 5 and on Zoom

MEMBERS PRESENT: Sarah Mellish, Chair, Mory Creighton, Gar Morse, Peter Twining, and Dean Nahatis

MEMBERS ONLINE: Andy Oldeman

MEMBERS NOT PRESENT: Tom Parkins

STAFF PRESENT: Chuck Dam, DPW Director, Nate Desrosiers, DPW Engineer

SELECT BOARD MEMBER PRESENT: John Round and Cathy Bilotta

Call to Order – Ms. Mellish called the Committee meeting to order at 7:04 p.m.

Review FY26 DPW Budget – Mr. Dam outlined major projects in a Power Point presentation to provide the Committee an overview of work in process.

➤ **Pipeline and Roadway** Project Summary

Pleasant Street, Pipeline – Paving Spring

Old Essex Road, Pipeline in Spring – Paving Fall

Forest & Mill Streets, Pipeline ongoing – Paving Fall

Balance of Lower School Street, Pipeline Imminent – Paving Fall

Atwater and Upper School Street Reconstruction 2026/2026 (CST grant part of conditions with PB) DPW working on grant to pave to Essex Town line

Tappan and Bennett Streets next in line – Major Pipeline & Roadway Tappan and Bennett are full pipeline replacements – water and sewer pipes.

Mr. Dam introduced a map with blue roads completed and red roads to be completed. Mr. Dam stated that \$11.5M has been invested on pipeline work with a projected \$2M to be invested each year moving forward. The work will be nearly completed in 20 years. Ms. Mellish asked about the life span of the work being done. Mr. Dam replied 50-years. Mr. Creighton asked if there was a problem procuring pipes. Mr. Dam stated not recently. Mr. Creighton also asked about the tolerance of residents for the ongoing work. Mr. Dam stated that the work schedule is posted

online although there are frequent changes which are difficult to keep up with and occasionally there are complaints.

Mr. Dam identified the Tappan and Bennett Street projects as the priority for the next 2-4 years. The projects could be bid and worked on simultaneously because they are on opposite sides of Town. That work would cost \$8-\$10M.

Ms. Bilotta proposed presenting pipeline work as part of the major facilities project being developed. Ms. Mellish stated that Mr. Dam does not set priorities and what Ms. Bilotta is proposing is not a discussion for this meeting.

Mr. Nahatis suggested not looking at the age of pipes alone but to determine if pipes are performing well to leave them. Mr. Dam explained that it is determined in advance if sewer pipes need to be relined or replaced. DPW has full reports on the status of pipes and the priority is not age, there is a lot more to the process than age.

Ms. Mellish asked about hydrants freezing. Mr. Dam stated that hydrants were flushed in the fall. In the process some water remains due to the magnesium and iron in the pipes. When the Town has a cold period the water sometimes freezes. In the most recent event, the Fire Department was pulling water off Lincoln Street which is an updated line. All hydrants are being reviewed. Mr. Dam added that hydrants are replaced as part of the pipeline work.

Mr. Dam concluded that DPW has an approved Pavement Management Plan that the Department works from. He indicated that several aspects of the Plan have been addressed, and the work is ongoing.

➤ **PFAS**

Concept for Lincoln Street Well (LSW) Treatment in place 5/2022

EPA compliance deadline is 2029 (4 PPT each PSOS/PFOA, plus)

Assessing option for combined treatment Graveley Pond (GP) and Wastewater Treatment

- Combining LSW and GP requires new pipe on Pleasant St.
- Annual Town Meeting, April 3, 2023 approves pipe work on Pleasant Street but not for conveying LSW to GP
- LSW pilot for Iron and Magnesium completed bench scale ongoing due 2/2025
- GP surface water pilot done. PFAS ongoing bench scale ongoing due 2/2025
- GP pilot saw breakthrough columns

Mr. Dam stated the grant design work RFQ for Lincoln Street is going out next month.

Graveley Pond is different because the Town is currently filtering the surface water. And that filtering improves the water at Graveley Pond. However, outstanding questions remain around how much filtering will be required and whether it is possible to filter out the PFAS without constructing a building. And is it possible to dispose of filters that will be required.

Mr. Creighton confirmed that the cost for Lincoln St. would be \$12M to construct and the cost for a building, if required for Graveley Pond, will be more. Mr. Dam stated that would be correct.

➤ **Wastewater Treatment Plant**

RFQ received January 2025, awarded February, 12–18-month design period

\$3-\$4M upgrade and Critical Component Flood Resilience

Plant Water System Clarified Mechanicals – tankage, pump, valve replacements, HVAC, generator, flood proofing (site, buildings, electrical)

Long Term – Flood Barrier Wall – Retreat (\$50 - \$100M plus)

Mr. Dam stated that the Water Treatment Plant is oversized. It was originally built for a more significant flow (1.2M gallons). Today the Plant is processing 200K to 300K gallons of water a day. The flow increases in the summer months. Ms. Mellish asked if the Plant was less efficient due to the size. Mr. Dam replied it is less efficient because everything takes longer than it needs to take due to the size.

Mr. Dam stated that to complete this project it will require significant design and engineering to take the system offline.

Mr. Creighton asked about the pipe going out to Misery Island. Mr. Dam stated the pipe has been inspected this year and there are no problems.

➤ **Central Street Culvert**

Current Schedule – Bid Spring 2025 – Fall 2025 Construction

Current OPCC -- \$7.2M

Existing Federal Grants (BRIC< NOAA) \$6.04M

Existing DOT Grant \$500K

Existing Town \$739K

Currently completing permitting with the Army Corps of Engineers with bids going out in spring 2025. Mr. Dam hopes to work with regulators and begin construction in fall with a completion date in June 2026. The grants are good – it will help to have a contractor engaged and work moving forward if necessary extend the time for the grants. If the Town has not demonstrated enough progress the grants could be lost.

The road work will generally operate with one lane open. There is a period of time when the culvert is built that the road will be closed. That period of time could be from September to May.

General contractor will come from a pre-qualified list with MA DOT contractors approved for \$7M projects.

➤ **School Street – Site Development for DPW**

Survey and Borings Complete, Report Next Week

Follow up with Geotech TBD

Additional Site layout ongoing --Scheduling February meeting to go over layouts and alternatives.

Other Town Major Projects – According to Mr. Dam the numbers presented are place holder numbers.

Public Safety \$20M, Town Hall \$5.2M, COA \$2M with \$2M Fund Raising, Library TBD, Harbormaster \$52K and Rotunda \$2M - \$4M

Rotunda Funding – the Rotunda is currently estimated to reconstruct at \$2.7M and there are grant opportunities to cover the cost of the Rotunda. Mr. Nahatis stated there is a request with CPC for \$300K. Mr. Desrosiers stated that the design cost were all covered by grant funds it is his understanding there are additional grant funds to cover reconstruction.

Operating Budget

Mr. Dam stated that the budget is for the most part level.

Sanitation Budget – historically the Committee has received a comprehensive page addressing the components of the Sanitation Budget – curb side, composting, costs and revenue for bags and stickers and cost of disposal with Wheelabrator.

Mr. Dam indicated that the trash pick contract is up for renewal in 2026 and Republic who took over the Town's contract from JRM would like to renegotiate their contract. Additionally, the Wheelabrator disposal contract is up for renewal in 2027. The Town does not want to lose that disposal option, if dropped the Town will lose its place with Wheelabrator.

Mr. Dam indicated that the disposal industry is going to one person pick up. If that is the future the Town will need to move to cart pick up which will require purchasing carts and lost revenue from the sale of bags.

DPW Highway – Mr. Creighton asked about the delta around miscellaneous repairs year to year. Mr. Dam replied that it is due to vehicle replacement. Mr. Twining inquired about equipment rental. Mr. Dam replied that the Town will rent equipment for a specific job. Citing a lift that was needed to reach the ceiling in Crowell Chapel. DPW has increased rental usage.

Tree Policy – Mr. Twining asked about Town trees. The Select Board is reviewing Town trees quarterly. Mr. Dam indicated that the tree policy needs to be more specific suggesting that a street-by-street assessment of what is considered a Town tree would serve the Town.

Mr. Nahatis asked if the shack at Rosedale Cemetery was being used at all and what were the plans for the shack. Mr. Dam stated he planned to demo the shack once the equipment stored there is moved to the new DPW site.

Streetlights – Mr. Creighton asked about the proposed budget. Mr. Desrosiers stated that the Town now owns the lights, but National Grid owns the buried lines. It is hard to locate a break in

a line and deal with National Grid around repairs. Mr. Desrosiers indicated that he had submitted 3 work orders to National Grid in October and National Grid was just now addressing those work orders. The 35 streetlights in the village area proposed by DIP were purchased with a gift from a resident and are custom made. Recent repairs to those lights were made with funds remaining in the gift account.

Ms. Mellish asked if the Town's decision to take over the streetlights from National Grid was a good idea. Mr. Desrosiers replied that the Town is saving 80% on the cost of electricity for the lights with the conversion to LED. However, working with National Grid to service the wiring is challenging. Additionally, the Town now controls the lights and can respond to requests from residents around specific lights. Ms. Mellish pointed out that National Grid was not repairing the lights when they were in charge.

Snow Removal – Ms. Mellish pointed out that the proposed Snow removal budget is not a three-year average, and she would like to see that adjusted in the FY26 budget. Ms. Mellish explained to the Committee this is the only line item in the budget that the State allows the Town to deficit spend.

Mr. Creighton explained to Select Board members that the Town had historically been under projecting on revenues and over projecting on costs as a result nearly \$1M had been going into reserves. That \$1M represents tax revenue. The new approach to budgeting has reduced the amount going into reserves to \$300K.

General Building Upgrade – Mr. Twining asked why this line was in the operating budget and not in the capital budget. Mr. Desrosiers stated that line is a catch all for repairs to buildings that he needs to call in a contractor to repair.

Mr. Nahatis asked about Athletic Field maintenance, is that for Sweeney Park. Mr. Desrosiers stated that line is for Sweeney and Pine Street, Due to recent upgrades and high use there is a need to maintain the natural grass. The fields need to be mowed, aerated, and seeded to maintain them.

Chuck Furlong, 19 Ocean Street – Mr. Furlong stated that he had forwarded a letter to Mr. Dam and had not heard from him. Mr. Furlong stated there are 3 streetlights out on Ocean Street and he would like to know when they will be repaired. Mr. Dam stated the light at Crow Island has been removed. One of the lights is new and it was working when installed. He was surprised to see it out and that may be a wiring issue. Mr. Furlong stated that there are 3 streetlights out of 7 streetlights out and he would like to know the plan to repair them. Mr. Dam assured Mr. Furlong he would look into the two lights that are out on Ocean Street and reiterated that the Crow Island light has been removed.

Mr. Furlong also asked for clarity around trash and recycling during the upcoming year. Mr. Dam stated that the contract with Republic is good for another year. At the end of the year the Town will need to rebid the contract, and it is likely that the new contract will include automatic pick up with a cart that allows for the driver to pick up the cart dump what is in the cart and place the cart back. The recycling will remain the same.

Capital Budget

Enterprise Water and Sewer were reviewed. Mr. Creighton noted that both were net positive. Ms. Mellish indicated the electric bill was higher. Mr. Dam stated his understanding was that prior years had credits allocated and in FY26 those credits were no longer available. He added that Mr. Federspiel and Ms. Mainville developed both budgets.

Ms. Mellish asked about Woodard & Curran, and Mr. Dam stated that there is another year on the current contract.

Ms. Mellish stated that Water and Sewer set rates to the cost of running the operations, which is not possible in other Town operations.

Ms. Mellish stated that she believes the Committee has addressed road resurfacing.

Drainage and Sidewalk Improvement – Mr. Dam indicated that is for Pleasant St. where work is needed on drainage and sidewalks. Additionally, that will pay for the Drainage Permit required. The Committee questioned whether this should be part of the Operating Budget.

DPW Facility – Discussed at the beginning of the meeting.

General Building Upgrades – move to Operating Budget

Ocean Street Options Study – Ms. Bilotta stated that the Select Board has recommended that for the Capital Budget. Grant applications for Ocean Street have not been successful and it is time to figure out what the Town is going to do for Ocean Street. Mr. Dam has spoken to consultants and believes \$100K is the right amount to complete an engineering study which will take into consideration sea level and inundation models. Ms. Bilotta stated the Select Board is interested in having options to discuss with residents.

Fleet



Fleet Planning
FY2026- FY30.xlsx

The Frontend Loader is 14 years old and was purchased used. DPW has spent \$50K in repairs and the vehicle needs to be replaced.

Pick Up Trucks and Personnel

Ms. Mellish would like to understand the Fleet. How many people and how many vehicles. She asked about equipment that requires a special license and how many employees are licensed to drive that vehicle. Mr. Dam stated there are two vehicles that require a special license and there are 4 employees who can drive the two vehicles. There are 4 additional employees in DPW. According to the union contract the Frontend Loader is driven by one specific employee.

There are 7 pickup trucks which are used by DPW employees including the 3 employees in the Water Department. Additional pickup trucks are at the sewer plant, one for DPW Director and Engineer. Some of the pickup trucks have a specific use and are not for moving around Town.

DPW – there are 12 employees in Highway and Water, 5 employees in Sewer Dept. and 2 employees in Town Hall. Trucks are used daily, and large equipment is used regularly to clean the beach, dig graves, sanding and plowing roads and hauling materials. The 2 largest vehicles are used as needed. During the summer the Department experiences a lack of trucks, but they make it work.

Ms. Mellish asked which trucks are being replaced. Mr. Dam replied the most decrepit. The capital budget is now replacing only one pickup truck.

➤ **Discuss Communications Plan**

Discussion of the Communications Plan will be rescheduled for the next meeting.

➤ **Update Town Administrator**

Mr. Federspiel was not present at the meeting

➤ **Approve Meeting Minutes**

Mr. Twining moved to approve the meeting minutes of January 15, 2025; Mr. Creighton seconded the motion. The motion passed with Ms. Mellish, Mr. Oldeman, Mr. Creighton, and Mr. Twining approving the motion. Mr. Nahatis and Mr. Morse abstained.

➤ **Define Schedule for FY26 Budget Review**

January 29, 2025 – MERSD

February 5, 2025 – Fire

February 12, 2025 – Library and Town

February 19, 2025 –CPC and complete Town

February 27, 2025 – Capital and discuss capital with department heads during review of Operating Budgets.

March 5, 2025 – Auditor’s report and OPEB

Remaining March and April meetings are scheduled and will take place as needed.

➤ **Adjourn**

Mr. Twining moved to adjourn the meeting; Mr. Creighton seconded the motion. The motion passed unanimously.