

**APPROVED**

**Board of Selectmen Meeting – Wednesday March 27, 2019 – 6:00 PM**

**(Sewer Enterprise Informational Session – 5:30 PM)**

**Richmond Town Hall, 1529 State Road**

**PRESENT:** Mr. Neal Pilson, Chair; Mr. Alan Hanson, Selectman; Mr. Mark Pruhenski, Town Administrator; Mr. Roger Manzolini, Selectman

**ABSENT:**

**GUESTS:** Mr. Tom Grizey, Wiring Inspector; Mr. Paul Lisi, Treasurer; Mr. Aaron Gurwitz, Investment Advisory Committee Applicant; Mr. Jeff Dalzell, via conference call; Mr. John Haryasz, Greylock Design Associates; Mrs. Sharon Harrison; Mr. James Shoemaker.

Mr. Paul Lisi, Town Treasurer, began with some ground rules for the Informational Session: the meeting will meet for one-half hour to allow the Selectmen to begin their meeting at 6:00 PM; answers to any questions that arise during the Informational Session will be posted on the Town's Website and addressed at the next Informational Session.

Item #1 – Welcome

Item #2 – The unaudited balance sheets, representing the first half of FY'19. Questions about the balance sheet should be emailed to Mr. Paul Lisi at Town Hall

Item #3 – Retained earnings for the Sewer Enterprise Fund were certified by the Bureau of Accounts on December 5, 2018 in the amount of \$158,115.00, which is an increase of \$8,260.00 over FY'2017. This certification matched the estimated figure delivered at the last Informational Session on August 22, 2018.

Item #4 – The outstanding principal amount for the Sewer Enterprise Fund Debt as of December 31, 2018, is as follows: Principal - \$2,434,927.00; Interest and Administrative Fees - \$771,259.00 for a total of \$3,206,186.00. The estimated shortage for the debt service as of December 31, 2018 is \$48,999.00. Mr. Lisi noted that the Town is attempting to address that debt shortage. An Article by Petition was brought to the Selectboard recently in the amount of \$9,600.00. The signatures on the petition have been certified by the Town Clerk and that Article will be placed on the Annual Town Meeting Warrant for the May meeting to raise that amount towards the debt-service shortage.

Item #5 – Sewer Operation and Maintenance or User Charge Payments – as of December 31, 2018, there were nine properties in arrears, totaling \$4,646.00, which does not include interest due to the Enterprise Fund.

Item #6 – Sewer Betterment Payments. As of December 31, 2018, there are thirteen properties in arrears, totaling \$26,986.00, which does not include interest due to the Sewer Enterprise Fund.

Item #7 – Letters have been sent to the taxpayers in arrears, making them aware that the Town will be moving forward with Tax Title proceedings and Mr. Lisi is currently working with legal counsel to move forward with the taking of properties through the tax foreclosure process. There are two repayments in place from an owner who has honored the agreement and the amounts due are being paid by him on a monthly basis toward eliminating the amount in arrears. Due to these attempts to reduce the amount of outstanding taxes, compared to the figures from August 22, 2018, that amount has gone down quite a bit.

Item #8 – In response to a question concerning the FY'2020 budget, Mr. Lisi noted that the total budget was \$225,000.00 broken into four categories: (1) Salaries at \$21,855.00; (2) General Operating Expenses in the amount of \$27,805.00; (3) Emergency Reserve in the amount of \$4,000.00 and (4) Debt Service in the amount of \$171,340.00. Mr. Lisi said that there is a continuous effort to keep the Enterprise Budget at \$225,000.00. That figure has not been increased in the last five years.

There was a question from the floor about whether the addition of \$5,000 to the budget for salaries last year would be repeated in this year's budget. Mr. Lisi responded that at the Annual Town Meeting the townspeople voted to approve the sewer budget. He further noted that all of the Budget Advisory Committee meetings are open to the public. In response to a question from the floor as to who prepares the proposed budget that is presented to the Budget Advisory Committee, Mr. Pruhenski noted that the Town Treasurer and the Town Administrator work together on preparing a draft budget. It then goes to the Sewer Commissioners/Board of Selectmen and the Finance Committee. Once the draft is presented, it becomes an open public process.

Item #9 – The Board of Sewer Commissioners will set the FY'2019 Sewer Operation and Maintenance Rate this evening at their Board Meeting for the Operating Costs associated with FY'2018. The Operation and Maintenance bill received in FY'2019, will reflect the actual costs of FY'2018. The Total Operating Costs for FY'2018, excluding Debt Service, were \$42,836.13. That figure, divided by 134 sewer users, means the new FY'19 bill has gone down to \$319.67.

Item #10 – Legal Counsel has created the lien document that is to be recorded at the Berkshire Middle District Registry of Deeds for properties that are currently not being charged a Sewer Betterment Fee. Mr. Lisi explained that, if there is a buildable lot that is in the service area of the Sewer Betterment Project, it was originally supposed to have a lien applied to it so that it could not be built on. Now the determination, per legal counsel's advice, is to work with the Assessors to prepare a listing of all the properties that are in that affected area and determine which buildable lots are not paying a Betterment Charge and must have liens placed on them within a certain amount of time. Determination of what a reasonable amount of time for the property-owner to file that lien will be made by Mr. Lisi, working with Legal Counsel. That process is moving forward.

To clarify – if someone owns a buildable lot in the service area of the Sewer Betterment Project that they choose to put a lien on, there will be no charge for Sewer Betterment. If they choose to leave the lot unrestricted, they will be charged for Sewer Betterment.

There were several questions from the audience that Mr. Lisi addressed:

If the property owner wished to gift the property to the Town, Mr. Lisi said he would strongly advise the Board not to accept that gift. The Town currently owns too many properties that must be insured and are working to dispose of some of them. He would encourage that property owner to contact his neighbors for a possible sale or place the property on the market and list it for sale.

Mr. Lisi will look into the situation of an abandoned property that was never hooked up to the sewer system. The Betterment Fee for a buildable lot would be retroactive from the date the Betterment Project went into effect, which was ten years ago. If there is a buildable lot that does not have a stub, the Town is responsible for the Town Right-of-Way to get sewer to that property. The connection fee is the responsibility of the property owner, which would be charged on top of the Betterment Charge.

If a lien was placed on a buildable lot and the owner decided years later that they wanted to build, the owner would have to ask the Town for permission to remove the lien and restore the lot to buildable status. The owner would then be billed the \$29,000.00 Betterment fee.

To determine if a lot is buildable starts with the Zoning Enforcement Officer. If it is buildable and it meets all the requirements, Mr. Lisi and the Zoning Enforcement Officer will research the property on the Berkshire Middle District Registry of Deeds to see if there is a lien on the property for Sewer Betterment.

Item #11 – The City of Pittsfield’s Proposed Increase. Mr. Lisi referenced a letter he sent to the property owners served by the Town of Richmond Sewer Betterment Project as follows: On December 13, 2018, the City of Pittsfield, through a City Council Order, established new Sewer Rates, effective with billings made after January 1, 2019. Prior to January 1, 2019, the Town was paying \$2.865 per 100 cubic feet of septic waste that the City of Pittsfield was processing at the city’s treatment facility. The recently passed City Council Order increased the fee to \$4.305 per 100 cubic feet, effective after January 1, 2019. For taxpayers, whose properties are connected to the Sewer Betterment, this means that: The sewer Operations and Maintenance bill that will be mailed out by the end of this week, due for payment on May 1, 2019 will not be affected by this rate increase. Sewer Operations Maintenance bills due for May 1, 2019 reflect the Sewer Enterprise Expenses for the previous fiscal year. (May 1<sup>st</sup> bill pays for expenses associated with the previous fiscal year.) The Sewer Operation and Maintenance bill that will be mailed in March of 2020 will be for Sewer Enterprise Expenses of this current fiscal year, 2019. This bill will reflect six months of the increased septic disposal rate and will cover the period of January 1, 2019 through June 30, 2019. The May 1, 2020 bill will reflect charges incurred in FY’2019. The Sewer Operation and Maintenance bill that will be mailed out in March of 2021 will be for expenses of 2020 and will reflect a full twelve months of the increase in the septic disposal rate – July 1, 2019 through June 30, 2020.

Mr. Lisi explained how this will affect the Sewer Operation and Maintenance bill – the bill being mailed out at the end of this month will show no increase and, in fact will reflect a decrease of \$77.83 from the previous fiscal year bill. The average bill due for May 1, 2020 will increase by an estimated \$24.21, based upon the septic disposal costs for FY'2019 and assumes that all other Sewer Enterprise expenses will remain constant.

The average Sewer Betterment bill due for May 1, 2021 will increase by an estimated \$44.34 due to a full twelve months of the increase in the septic disposal rate. Mr. Lisi noted that, even given the increases that will be seen in the next fiscal years, the total Sewer Operations Maintenance bills will be lower than last fiscal year.

Mr. Lisi acknowledged the need to keep the Sewer Operation and Maintenance bills as stable as possible and noted that he and the Town Administrator work to make that happen. Mr. Lisi also cautioned that the possibility exists that costs may increase over the estimates used for the increase and it may become necessary to reevaluate those rates once the Water Treatment Facility Project has been completed.

Richmond must pay one and one-half times the rate it costs to get rid of sewerage. If Pittsfield decides to change the rate, Richmond is locked into that rate. When this contract renews, in five years, it is hoped that there will be language included that will guarantee that within a contract period an increase cannot be made for more than X amount. Mr. Lisi promised to keep the property owners updated with any further information he receives.

A question was raised about the \$9,600.00 that is on the Town Warrant and whether it is still expected that there will be a \$250,000.00 shortfall. Mr. Lisi said that on the Sewer Betterment Agenda, Item #4, the estimated shortage as of this date is \$49,000.00. He further explained that once debt-service payments are made, that will change but isn't accounted for yet because it is not an expense that has occurred as of December 31<sup>st</sup>. It will go up, but not to the \$250,000.00 level.

Mr. Lisi returned to Item #12 – In an effort to understand how the Town got to the point where it is with regards to debt-service shortage, Mr. Lisi noted there were ten property owners that paid their Sewer Betterment Assessment in full at the beginning of the project. Those ten property owners did not have to pay any interest for the forty-year term of the Bond. The statute does not allow the Town to charge more than the cost associated with the project at that time, which was \$29,000.00. Therefore, those ten property owners did not pay forty years' worth of interest and, since the inception of the project, eighteen other property owners have paid their Sewer Betterment Fees off earlier than anticipated and, therefore, did not pay the forty years of interest. Mr. Lisi offered to answer any other questions that might arise via email correspondence, which closed the Sewer Enterprise Information Session.

Mr. Neal Pilson called the Board of Selectmen meeting to order at 6:00 PM. Mr. Pruhenski telephoned Mr. Jeff Dalzell and placed him on speakerphone to attend the meeting.

**Center Cemetery Burial Request:** Mr. Pruhenski noted that the Board had asked him to contact Mr. Steve Parsons, the Cemetery Superintendent, to determine how many plots were available in the Dalzell name. He was informed that there are six grave sites available. Mr. Pilson asked Mr. Dalzell what action he is requesting of the Board. Mr. Dalzell wanted to know if he could use one of those sites for his wife, who was cremated. Mr. Dalzell's desire was to bury his wife's urn in one of the plots and eventually use the same plot for his own burial so that they could be together.

Mr. Hanson noted that Mr. Dalzell had met the criteria for the Board's approval and saw no objection to using one plot for two cremation urns. Mr. Pilson and Mr. Manzolini had no objection. Mr. Pruhenski advised Mr. Dalzell that he will take Mr. Dalzell's application to the Cemetery Superintendent and to the Town Treasurer for their signatures and will advise Mr. Dalzell of the total cost. Once the check is received, the permit will be sent to Mr. Dalzell by mail. Mr. Dalzell thanked the Board for their help and Mr. Pruhenski ended the call.

**Investment Advisory Committee Applicants:** Mr. Aaron Gurwitz approached the Board to reiterate his interest in any appropriate opportunity to volunteer for the Town. Mr. Pruhenski explained the duties of the Investment Advisement Committee for Mr. Gurwitz to consider. Mr. Manzolini asked Mr. Gurwitz to describe his financial background, which he did by noting that he has a PhD in Economics and has taught for several years. He worked for a series of investment banks and retired at the end of 2012 from his position of Global Chief Investment Officer for Barclays. He is currently consulting with a couple of financial services firms, neither of which would have any interest in the Town and would pose no conflict of interest.

Mr. Manzolini, finding Mr. Gurwitz's qualifications excellent, moved that the Board appoint Mr. Aaron Gurwitz to the Investment Advisory Committee. Mr. Pilson seconded the motion, which was adopted by unanimous consent. Mr. Pruhenski will email Mr. Gurwitz to schedule a time to be sworn in and Mr. Lisi will advise him of the date and time of the meeting.

**Curb-Cut for State Road:** Mr. John Haryasz, of Greylock Design Associates, representing Mr. and Mrs. Robert Harrison, came before the Board to seek permission to create two curb cuts onto Rte. 41. They have been in correspondence with Mass. DOT, who has given them a checklist of items that must be completed in order to obtain approval for the project. To date, all those items have been completed with the exception of obtaining a letter of approval from the local governing body. The two plots in question are on Rte. 41 about a quarter mile south of the Richmond Library. The proposed driveways are to be ten feet wide, made of gravel.

There was a discussion of the requirements of frontage and acreage for a building lot in that area and whether those two lots qualified. Mr. Pruhenski suggested that the Board could approve the curb cuts with the condition that it be reviewed by the Zoning Officer.

Mr. Pilson moved that the Board approve the curb cuts proposed on Lots C and F and that the approval grant authority to the Town Administrator to write and sign the required letter to that effect. Mr. Pilson added that if Mr. Haryasz should consider building housing on the lots in question in the future,

he will check on the question of the required frontage prior to construction. Mr. Manzolini seconded the motion, which was approved by unanimous consent.

Mr. Brian Revelier of Richmond Shores approached the Board with a question about the pick-up of trash that he was told eliminated the separation of paper from plastics and other items as had always been the case. Mr. Pruhenski noted that the Town has not been advised by Republic that any such change has been made. Mr. Pruhenski will call Republic to inquire if any such change has been made and, if so, the Town will send out an update.

**Sewer Matters:** There were no sewer matters to bring before the Board.

**Cemetery Burial Plot Discussion:** Mr. Pruhenski reported that he met with Mr. Shoemaker who brought in a copy of his grandmother's will, naming him sole beneficiary. Mr. Pruhenski noted that he found the documentation Mr. Shoemaker provided to be acceptable and recommended that the Board vote that the remaining burial space in the Harrington plot be made available to Mr. Shoemaker. Mr. Pilson moved that the remaining plot in the Harrington family plot be granted to Mr. James Shoemaker to dispose of as he sees fit, based on the will of his grandmother, which names him as sole beneficiary. The motion was seconded by Mr. Manzolini and adopted by unanimous vote.

**Richmond Runaround – Application for a 5K Road Race on 6-1-19:** Mr. Pruhenski noted that the Board has received an application from the Richmond Recreation Committee for a road race for runners on June 1, 2019 from 9:00 AM to 11:00 AM. They expect 50 – 100 people to compete and most of the race would take place within Colonial Acres. A map that traced the route of the race showed that the majority of the race takes place within Colonial Acres and that parking would also be within Colonial Acres.

Mr. Pilson said that, with that understanding, the Board would grant approval for the race to take place on June 1, 2019 from 9:00 – 11:00 AM at Colonial Acres, with the condition that the officials noted at the bottom of the letter of request sign the letter. The motion was seconded, and discussion was opened. Mr. Hanson asked whether the residents of the development had been notified that this race will take place. He was concerned that the local homeowners may find the event inconvenient.

Mr. Pilson withdrew his motion in favor of waiting until the residents of Colonial Acres have been duly notified of the planned event and a subsequent meeting with the planners had taken place. He noted that he would hope to be able to rely on the Recreation Committee to take all those preliminary steps.

**Mudslinger Gravel Grinder – Application for Cycling Event on 4-20-19:** Mr. Pruhenski distributed copies of the application from an outside organization to hold a bicycle race on April 20, 2019 to begin at 11:00 AM, and end at 2:00 PM. They are expecting 40 – 50 riders, rain or shine. This is a dirt road race that includes a portion of West Stockbridge and crosses Rte. 41 and Rte. 295 in places.

Mr. Manzolini moved that the Board approve the application for the Cycling Event to take place on April 20, 2019, with the following conditions: approval of the officials noted at the bottom of the application, any signage installed to be removed within 24-48 hours after the race, that an insurance policy naming the Town be obtained, that no painted or permanent markings be applied anywhere in

the Town, and that approval from the State be given for the portions of the race that will be held on Rte. 41 and Rte. 295. The motion, as amended, was seconded by Mr. Hanson and approved by unanimous consent.

**Richmond Runaround – Revisited:** In response to Mr. Pilson's inquiry about whether notification of the planned race was sent to the residents of Colonial Acres, he was advised that Mr. Saupe had sent a letter to everyone in the community. A copy of that letter will be provided for attachment to the application. The Committee has had no feedback from that mailing to date. Mr. Pruhenski asked that Mr. Saupe come to the next Board of Selectmen meeting on April 10<sup>th</sup> to provide them with an update as to any response to the letter.

**Household Hazardous Waste Program Updates:** At the last meeting, Mr. Pruhenski distributed a letter from CET which terminated the contract they had for the past eighteen years with the Household Hazardous Waste Collaborative. The Tri-Council in Lee and the Household Hazardous Waste Collaborative are taking steps to put this agreement back in place as households all over Berkshire County have no place to dispose of hazardous waste.

The organization that has taken over this initiative has asked that the Town increase the household hazardous waste program budget from \$1,000.00 to approximately \$1,663.00 to \$2,714.00. As the exact amount is not known as this time, the Towns are being asked to budget for the highest amount it might be. Mr. Pruhenski had increased the amount budgeted for Rubbish Disposal by \$2,000.00 to be able to cover this new expense in FY'20. Since there is already \$1,000.00 built into our contract with Republic, it was not necessary to raise the budget amount by the full \$2,714.00 recommended. That gives Richmond \$3,000.00 budgeted for household hazardous waste disposal.

**Mail/Sign Warrants:** While warrants were being signed the meeting went to:

**Selectmen's Matters:** Mr. Manzolini asked whether the steps necessary to issue an RFP have been started. Mr. Pruhenski noted that he has been in communication with the Town's Attorney and Ms. Pat Callahan and they are in the process of putting together the steps that need to be taken. The first steps should be accomplished and ready to be brought to the Board before the April 10<sup>th</sup> Municipal Building Committee meeting.

Mr. Pilson moved that Mr. Steve Erenburg, a resident of Richmond, be appointed to the Long-Range Sustainability Working Group, which is an open-ended committee. Mr. Manzolini seconded the motion, which was adopted by unanimous consent. Mr. Pruhenski will advise Mr. Erenburg of his appointment and invite him to attend the next meeting.

Mr. Pruhenski noted briefly that work on the Richmond School Playground Project had begun the day before.

**Unanticipated Matters:** Each March, the Town creates the commitment for the Sewer Operation and Maintenance payments. Mr. Pruhenski read a draft of the letter he wrote to the Tax Collector dated March 27, 2019: "The Board of Selectmen/Sewer Commissioners at its meeting of March 27, 2018, voted to establish and commit to you the Operation and Maintenance payments for the Richmond

Sewer System for the FY'2019. The total sum of the Operation and Maintenance payments for FY'2019 is \$42,835.78, which represents 134 households at \$319.67 per user."

Mr. Pruhenski asked that the Board approve the letter and that the Chair sign it. Mr. Manzolini moved to approve the letter as written; the motion was seconded by Mr. Pilson and passed by unanimous vote.

Mr. Manzolini reported to the Board that Mr. Bill Hydon lost his house in a fire and he asked whether the Board had been approached by the family or if they had reached out to Mr. Hydon to advise him of the empty house that the Town owns. Mr. Pruhenski reported that he had reached out to the sons and asked them to contact him. He has not heard from them, but he did hear within a few days that the church was helping them out. Mr. Hydon was staying with his children, so there was no urgency to make the offer of the town's house. Mr. Hanson advised that the Red Cross had provided housing for Mr. and Mrs. Hydon at a motel. Mr. Pruhenski will do what he can to establish communication with the family to see what the Town can do to help.

**Approval of the Minutes from the March 13, 2019 and March 18, 2019 (Emergency Meeting):** Mr. Manzolini moved that the Minutes of the March 13, 2019 and March 18, 2019 meetings be approved as edited. The motion was seconded by Mr. Pilson and adopted by unanimous consent.

**Next Board of Selectmen Meeting Dates; April 16, 2019 and April 24, 2019:**

There being no further business before the Board, Mr. Manzolini moved that the meeting be adjourned. The motion was seconded by Mr. Hanson and passed by unanimous vote.

The meeting was adjourned at 6:58 PM

Signed:



Mr. Neal Pilson, Chair