

Date: January 14, 2019

Date Minutes Approved: January 28, 2019

TOWN CLERK

2019 JAN 31 PM 2:41

DUXBURY, MASS.

BOARD OF SELECTMEN MINUTES

Present: Theodore J. Flynn, Chair; Shawn Dahlen, Vice Chair; and David J. Madigan, Clerk.

Absent: (none)

Staff: René J. Read, Town Manager; John Q. Adams, Finance Director; and C. Anne Murray, Administrative Assistant.

I CALL TO ORDER

The meeting was called to order at 7:00 PM in the Mural Room at the Duxbury Town Hall.

II OPEN FORUM -Nothing brought forward.

III NEW BUSINESS

Vote to Close the Annual and Special Town Meeting Warrants

Mr. Madigan moved that the Board of Selectmen close the 2019 Annual and Special Town Meeting Warrants. Second by Mr. Dahlen. VOTE: 3:0:0.

Discussion pertaining to Duxbury Seawall (proposed ATM warrant article and possible funding scenarios) - Postponed until later in the meeting.

IV TOWN MANAGER'S REPORT

Town Manager René Read mentioned the following items:

1. FEMA MEETING

Mr. Read said he attended a meeting with representatives of both the FEMA Restoration Team and the FEMA Mitigation Team on location at the seawall. He said the FEMA Restoration Team was looking at the seawall to determine how the wall was the day before the storm. The Mitigation Team will look at the costs for making additional improvements (such as the thickness, the structure itself, steel plates, and the height).

He mentioned that the design and permitting for both were done even though the actual construction would be a two-phase project. Phase I: Would be for restoration of the 800' damaged during the March, 2018 Storm (i.e., Storm Riley). Phase II: Would be for the added improvements and can be done all at once or in sections.

2. EVERSOURCE HELICOPTER WORK

We received notification from Eversource will be doing transmission line work via helicopter from Monday, January 14th through Saturday, February 2nd from 7 A.M. to 4 P.M. It is the fastest way for the work to be done. The helicopters being used will be white helicopters with black lettering. Please do not be alarmed if you see helicopters in the area.

V COMMITTEE APPOINTMENTS/RE-APPOINTMENTS/ RESIGNATION - none

VI ONE-DAY LIQUOR LICENSE REQUESTS None

VII EVENT PERMITS None

VIII MINUTES

Executive Session Minutes: 01-07-19– Drafts

Mr. Madigan moved to approve the **01-07-19** Selectmen's Executive Session Minutes, as presented, with the contents to remain confidential until the need has passed. Second by Mr. Dahlen. VOTE: 3:0:0.

Open Session Minutes: 01-07-19 - Drafts

Mr. Madigan moved that the Board of Selectmen approve the 01-07-19 Selectmen's (Open Session) Minutes, as presented. Second by Mr. Dahlen. VOTE: 3:0:0.

IX ANNOUNCEMENTS

Mr. Madigan made the following announcements:

1) EVERSOURCE Helicopter Work

EVERSOURCE has scheduled work within the transmission corridor in Duxbury and Kingston and will be using helicopters as part of the process. The helicopter work will take place between Monday, January 14th and Saturday, February 2nd. The helicopters being used will be white helicopters with black lettering. If you see helicopters in the area you should not be concerned.

2) Waiting Lists for Commercial Mussel & Razor Clam Licenses:

Just a reminder that individuals on the Waiting Lists for Commercial Mussel and Razor Clam Licenses must renew their application annually within the month of January. The sign-up sheets are posted in the Selectmen's office.

3) Black Tie Bingo

Black Tie Bingo is sold out.

4) Martin Luther King, Jr. Day:

The Town Hall will be closed on Monday, January 21st in observance of Martin Luther King, Jr. Day.

5) Next Scheduled Selectmen's Meeting is on: Monday, January 28, 2019.

III NEW BUSINESS *(Returned to postponed discussion)*

Discussion pertaining to Duxbury Seawall (proposed ATM warrant article and possible funding scenarios) / Finance Director John Q. Adams

Finance Director John Adams began by saying that it has taken a considerable amount of time to gather enough information to begin preparing a funding plan. He gave a PowerPoint presentation entitled “Funding the Sea Wall: Between a Rock and a Hard Place” and went over the slides providing explanations.

The following provides an overview:

- Assumptions – Mr. Adams explained that the funding options being presented tonight are based on the assumption that the Town owns the seawall and the 6 following assumptions as complete answers are not known.
 - Revetment costs will NOT be 75% reimbursement eligible under 4040 Mitigation Plan Funding from FEMA. Based on an email from MEMA suggesting that the revetment work would not be reimbursable.
 - FEMA reimbursement is 5 years away.
 - \$2Mil Loan specifications cannot be altered. Mr. Adams said he has subsequently learned the term of the loan can be shortened or the amount can be less. Currently the rate is at 2%.
 - Borrowing assumption regarding the pay down is based on 30-year amortization schedule as allowed under Chapter 44 § 7(1). When you start paying down a loan, you have to make a principal payment within three years. So for a 30-yr loan the 3rd year pay down would be \$128,000.
 - Seawall costs estimates were provided by Amory Engineers.
 - Short-Term borrowing costs and rates were provided by Unibank Financial Services.

One of the Selectmen questioned whether the ownership issue would be pursued. Mr. Read said we are proceeding with the assumption that the Town owns the seawall without explicitly saying so because:

- a) That is the latest indication received from the DCR. and;
 - b) It would take extensive legal research of titles going back many years, and be extremely expensive to determine if the Town does not own the wall and the end result may still be that the Town does. and;
 - c) The fact that the Town has easements is also indicative of the Town’s ownership.
 - d) The funding from FEMA (federal agency) and MEMA (state agency) is more favorable if the Town owns the wall.
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- COSTS OF THE WALL: TOTAL COST: \$ 5,401,825 (\$5.4⁺ mil) Cost of Construction for replacement, revetment and upgrades.
 - TEMPORARY BORROWING COSTS: 5-year Cost of Short-Term Borrowing: \$495,218.50; until FEMA reimburses the Town. These would be annual borrowings.

- FUNDING SOURCES FOR THE SEAWALL: The list of possible funding sources includes the following:
 - \$1M State Exec. Office of Energy and Environmental Affairs (EOEEA) Dam and Seawall Grant.
 - \$2M State EOEEA loan fund. \$2M at 2% for 5 years.
 - 75% FEMA Reimbursement for allowable 406 Public Assistance (in-kind repairs)
 - 75% FEMA Reimbursement for upgrades under Hazard Mitigation Plan Grants (HMPG)
 - Betterments
 - Debt Exclusion
- OVERVIEW OF TWO FUNDING OPTIONS:
 - Option 1.
 - Betterments \$1,236,125 for Revetment / Cost of Betterment: \$1.08 per \$1000 of value; \$16.58 for AVERAGE Tax Payer (annually for 20 years).
 - Grant \$1,000,000
 - Stabilization \$536,644 For S-T financing; Mr. Adams said that potential this or a portion of it could come from other parts of the budget, but it is too early to tell. So for now he has indicated it coming from the Stabilization Fund. Mr. Adams indicated that currently the Stabilization Fund is at approx. \$4.2 Mil. or about 5.2% of the Operating Budget.
 - FEMA \$2,374,275
 - Total Sources: \$5,147,044
 - Total Costs: \$5,897,044.
 - Shortfall: \$750,000.
 - Option 2. - \$2 mil loan is only considered in funding Option 2. Level Annual Principal and Interest Payments for 20 years @ 2% = \$122,313.
 - Betterments \$2,000,000 Pay Back State Loan / Cost of Betterment: \$1.33 per \$1000 of value; (annually for 20 years)
 - Grant \$1,000,000
 - Stabilization \$536,644 For Short-term financing costs
 - FEMA \$2,374,275
 - Total Sources: \$5,910,919
 - Total Costs: \$5,897,044.
 - Balance: \$13,875
- Pro Forma Cash Flow for both Options were shown.
- Funding Options shown as percentages for both Options were shown.

Main differences between Option 1 and Option 2:

- a) Option 1 would require borrowing, and therefore would have to be approved not only by Town Meeting but also on a ballot. Option 2 only requires passage by Town Meeting.
- b) Betterments are included in both options but the amount varies as does what the betterments are needed to cover. The betterments would start after construction and would depend on the actual timing as to their collection as it could be the next fiscal year.

Mr. Dahlen opined that he feels Option 2 would be preferable. Mr. Madigan and Mr. Flynn agreed as there was less chance that it would not pass.

Ms. Alicia Babcock, Chair of the Duxbury Seawall Committee, asked "Why the loan is only in Option 2?" The answer from Mr. Adams was because in Option 1 we would only need a loan for the debt exclusion. At the time Mr. Adams was not sure if the specification regarding the loan could be changed. He would not want to borrow the full \$2 Mil if it wasn't absolutely necessary. He has since found out the term of the loan and amount can be reduced.

Mr. Dahlen ask "What would happen if FEMA does not come through with the reimbursement?" Mr. Adams said that you would typically get an award letter (as some guarantee of the funding). Mr. Madigan added that although you would not have the funds in hand they would have been awarded and it would be extremely rare that the funds would not come through. Mr. Read stressed that the Town is taking great care to make sure everything being submitted qualifies as reimbursable, before any work is done.

Mr. Madigan moved that the Board of Selectmen propose an article for (the 2019) Annual Town Meeting for funding seawall using 40 % FEMA Funds; 17% Grant Funds; 34% Betterments; and 9% from the Stabilization Fund, as presented in Option 2. Second by Mr. Dahlen.

Ms. Babcock asked if the betterment assessments would still be for those properties within 300' of the seawall? Mr. Read said currently the betterments are based only on those properties 300' back from the seawall. He said that he has to work with Town Counsel whether the betterment assessment area should be expanded. Property owners on the other side of the road have argued that there issues come from water inundating from the other side; not necessarily from the seawall side.

The Selectmen then voted on the motion. VOTE: 3:00.

X ADJOURNMENT

At approximately 7:38 pm, Mr. Madigan moved that the Board adjourn. Second by Mr. Dahlen.
VOTE: 3:0:0.

Minutes prepared by: C. Anne Murray

(LIST OF DOCUMENTS ON NEXT PAGE.)

LIST OF DOCUMENTS FOR 01-14-19 SELECTMEN'S MEETING (DOCUMENTS LOCATED IN THE SELECTMEN'S OFFICE FILES.)

1. *Agenda for 01-14-19 Selectmen's Meeting*
2. *OPEN FORUM: no documents*
3. *NEW BUSINESS:*
 - a. *Vote to Close the Annual and Special Town Meeting Warrants*
–Coversheet Suggested Motion, 01-11-19 ATM Warrant –DRAFT, 01-11-19 One-liners ATM WARRANT Spreadsheet.
Summer Street Property –Coversheet with background (2018 ATM Art. 37) and Suggested Motion, and Copy of Quitclaim Deed.
 - b. *Discussion pertaining to Duxbury Seawall (proposed ATM warrant article and possible funding scenarios) – Art. 15 in 2018 ATM Warrant-Draft and Funding the Sea Wall: Between a Rock and a Hard Place PowerPoint presentation.*
4. *TOWN MANAGER REPORT:*
For each of the following ODLL AND EVENT REQUESTS the packet included the Event Permit application and other details provided about the event, route maps, if applicable, results of the department feedback received, and a drafted Event Permit incorporating the conditions indicated
5. *ON-DAY LIQUOR LICENSES: none*
6. *EVENT PERMITS: None*
7. *MINUTES: EXECUTIVE SESSION: Suggested Motion and 01-07-19 Executive Session Selectmen's Minutes–DRAFTS;*
OPEN SESSION MINUTES: Suggested Motion and 01-07-19 Selectmen's Minutes-DRAFT.
8. *SUGGESTED ANNOUNCEMENTS for 01-14-19.*