

Saugus Board of Selectmen
May 17, 2018

*****MEETING MINUTES*****

AGENDA
Saugus Board of Selectmen
May 17, 2018 at 6:00 PM
Town Hall First Floor Conference Room
298 Central Street
Saugus, MA

Call to order.

1.) Review & approval of FY 19 Sewer Rates

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The Saugus Board of Selectmen met on May 17, 2018 at 6:00 PM in the Town Hall First Floor Conference Room, 298 Central Street. Present were: Selectmen Scott Brazis, Selectmen Jeffrey Cicolini, Selectman Jennifer D'Eon, and the Selectman Chairman Debra Panetta. Absent: Selectman Mark Mitchell.

Selectman Mitchell had a previous engagement and was unable to attend.

The Chair call the meeting to order and noted the Town Manager Scott Crabtree, Treasurer / Collector Wendy Hatch, and Matt Abrahams from Abrahams Group was present.

1.) Review & approval of FY 19 Sewer Rates

The Manager said he is trying to put a 5 year forecast together and trying to be conservative and his goal for water & sewer is to get to a point where it can generate enough revenue to cover expenses, both operational and debt services. We are not there yet due to struggles with instituting rate increases. Retained earnings should be between 10-25% due to volatility, and we don't want to be in a deficit position.

Mr. Abraham showed PowerPoint presentation and the Board reviewed documents provided by the Abrahams Group and asked questions.

Selectman Cicolini said he attended a lengthy presentation on water and sewer activity by Matt Abrahams in the Manager's office along with Ken DePatto, Chair of the Finance Committee. This presentation made it clear the Board needs to get its arms around this issue now, otherwise we will have structural deficits based on the projections. After looking at the documents and getting answers to his questions, he believes we need to consider the option calling for a 10% increase to be able to achieve the cash flow and retained earnings goals outlined in the presentation. Any projects that can be delayed have been and we have kicked the can down the road as much as possible. Selectman Brazis agreed with Selectman Cicolini and said he is looking at option #4 and option #5. Selectman D'Eon and the Chair agreed.

The Town Manager stated that we will re-evaluate the sewer rate next year. There was a discussion on creating a melded rate between option #4 and #5, perhaps a 9 or 9.5%. Matt Abrams did a calculation between a 9.5% and 10% increase, and the difference for the average user is \$2 for a full year.

Selectman Cicolini moved to adopt option #4 as presented for FY19 and approve a sewer rate increase of 10% based on the presentation to the Abrahams Group. The Chair added that we will send a letter to the Finance Committee and the Town Treasurer/Collector letting them note of the vote taken this evening. Chair seconds 4-0.

The Board thanked Matt from the Abrahams Group for his assistance in this process.

Selectman Brazis moved to adjourn. Chair seconds vote 4-0.

Meeting adjourned at 7:21 PM.