**TOWN OF HARWICH**

**CAPITAL OUTLAY**

***Small Hearing Room - Harwich Town Hall***

*Tuesday November 15, 2016*

*4:00 P.M.*

**Present**: Chairman, Rich Larios; Chris Harlow; Ed McManus; Bruce Nightingale; Peter Wall, Robert George, and Joe McParland joined the meeting at 4:10 PM.

**Also Present**: Christopher Clark, Town Administrator; Larry Ballantine; Andy Gould; Peter DeBakker, and Charleen Greenhalgh joined the meeting at 4:45 PM.

1. **Call to Order**

Chairman, Rich Larios called the meeting to order at 4:00 PM.

.

1. **Minutes**

Minutes of 11-1-2016

**Motion to approve Minutes of November 1, 2016 made by Ed McManus. Seconded by: Bruce Nightingale. Vote: 6-0-0.**

1. **Preliminary COC Voting**

**Motion made by Chris Harlow to approve Brooks Library request of $110.00 from Free Cash. Seconded by Bruce Nightingale. Vote: 7-0-0.**

1. **Presentation – Wastewater Development Committee Chairman, Peter DeBakker and Finance Committee Member, Larry Ballantine.**

Mr. DeBakker discussed the following issues:

* Sequencing is in the development stage with all parties involved including the Board of Selectmen, Health Department etc. He hopes that these boards and committees have all had input.
* Structurally things need to be done in the plan when a large amount of money is spent over a short period of time to get started.
* There are “spikes” and they do need to be evened out.

Discussion:

Rich Larios said the biggest issue is distribution of cost – getting to Phase III and IV. There is a big hit in 2020. He said that it is not an issue of Wastewater being important, but strictly cost distribution for understanding and approval by voters.

Chris Clark asked why there is a lower expense in the beginning of the project and higher at the end of the project. Mr. DeBakker said that the reverse could have been the case, but that there was no need for it to be. The project has been approved by the state and the Cape Cod Commission, and that the Board of Selectmen have to move forward now.

Chris Harlow said that the greatest number of pollutants are in Harwich Port and the least in East Harwich. Mr. DeBakker said that there are various reasons for the difference including: location and technological development.

Rich Larios asked about the debt payoff. Chris Clark said it was 30 years. Mr. Larios discussed the spike and the effect on the tax payer (Town pays $1,000/month over 30 years).

Discussion of the following:

* Design over two years.
* Construction over two years.
* Construction loan.
* Temporarily borrowing over time.
* Nature of Wastewater – Chatham has a facility and is closest to East Harwich.
* Where there is a plant, it spider webs out over the town.
* Voting of Wastewater appropriation in FY18.
* Town Meeting will be voting on $31 M.
* Rich Larios commented that forward years are estimates.
* Peter Wall feels that $31 M. will be a sticker shock at Town Meeting.
* Mr. DeBakker said that a lot of work needs to be done before Town Meeting to convey the facts to the tax payers.
* Rich Larios said that someone needs to champion and market the project to the tax payers.
* Larry Ballantine said that Chris Clark is trying to project into Debt Exclusion (DE) as Monomoy debt decreases.
* Chris Clark also discussed other significant Debt Exclusion drops over future years.
* Mr. Clark also said that it assumes Proposition 2 ½.
* Discussion of what it means to individual homeowners (home valued at $350,000 would see an increase of $100/yr. in the worst case scenario.
* Average homeowner – 10% goes to Debt services as a general guideline.
* Bruce McParland stated that Monomoy debt should be paid off in 15 years in 2032.
* Mr. Clark said it is a big number (Wastewater Project), but stretched out over time, it is more manageable.
* Mr. DeBakker discussed the curves and fluctuations (they only fluctuate slightly over time).
* Rich Larios addressed issues of Debt Service as to how it implicates each homeowner.
* Chris Clark said that four years of each phase of the project will be off set by Saquatucket and the Tech. School. As we move forward there will be more opportunities to level out Debt Exclusion.
* Rich Larios asked Chris Clark to provide the Capital Outlay Committee a chart which shows where the Debt Exclusion (DE) actually will offset Wastewater specifically.
* Peter Wall said that it will be up to the Capital Outlay Committee (COC) to actually put constraints on appropriations.
* Chris Harwell said that in just a few minutes, Peter DeBakker has reduced the “sticker” shock. He said that he now feels better about the project, but wants to know how to convey the information to the taxpayers.
* Chris Clark said that it’s up to communication with the general public and that the assumption of Proposition 2 ½ is acceptable with the taxpayers.
* Joe McParland cautioned regarding borrowing before it is actually needed.
* Chris Clark answered regarding Wastewater budget that borrowing would be made on a temporary as needed basis until permanent financing was in place.
* Rich Larios asked how the Warrant Article will read.
* Chris Clark answered that basically Phase II will be $4,550,000 of the $31M (1st step).
* Rich Larios said that FY18 is a best estimate, and that the future is an anticipation.
* Larry Ballantine said that the Muddy Creek Project is a good example of how the Wastewater Project will work.
* Peter DeBakker said that they are planning for continuity.
* Ed McManus said that because of bonding, the taxpayer is not getting hit at once (interest is all that is being paid).
* Andy Gould said that after two years, a percentage of capital and interest is paid.
* Joe McParland said he thinks that Rich Larios has unique credibility with the taxpayers, and that he could explain the Wastewater costs to the public on Channel 18.
* Robert George asked Chris Clark when each Phase will be put before the public. Mr. Clark said that it depends on a number of things including regional conclusions; Cold Brook; etc. and that as things develop, there will be a better understanding of timing.

Rich Larios said that he would like the COC to meet with Mr. DeBakker and Larry Ballantine one more time.

At COC meeting on December 6th – answer any questions on Wastewater and be ready for January.

**Motion made Ed McManus to approve borrowing authority for Wastewater Management Project Phase II in the amount of $31.6 M. Seconded by Robert George. Vote: 7-0-0.**

Rich Larios said he will convey the above Motion of COC at Town Meeting. He said that as Town Administrator, Chris Clark is the one who needs to champion Wastewater with the public. His job is to recommend the project by vote of the COC.

1. **Old Business None**
2. **New Business**
* Next meeting Tuesday, December 6, 2016
* Continue Discussion on Wastewater Management
1. **Updates**
* COC approval of Fire Station II request for increase to $310,000 for Design Plan.
1. **Adjourn**

**Motion to adjourn was made at 5:05 PM by Joe McParland. Seconded by Bruce Nightingale. VOTE: 7-0-0.**

Respectfully submitted by Marie A. Hickey, Board Secretary