

BOARD OF SELECTMEN
MINUTES
FEBRUARY 25, 2008

Pursuant to notice duly filed with the Town Clerk, a meeting of the Board of Selectmen was held at 9 p.m. in the Alcott School Auditorium at the conclusion of the Finance Committee Hearing.

Present were Margaret B. Briggs, Chair; Virginia McIntyre; Anne D. Shapiro; Stanly E. Black, and Gregory P. Howes, Clerk. Also present was Christopher Whelan, Town Manager.

CONSENT AGENDA

- Town Accountant's Warrants
- Minutes: January 7, 2008, January 14, 2008
- One Day Special License: Concord Children's Center All Alcohol license for Auction Fundraiser from 6PM – 11PM on March 29; Concord Carlisle Community Chest All Alcohol License for Dinner and Auction from 6PM – 10:30PM on April 5 at 300 Baker Ave.

Upon a Motion duly made and Seconded, the Board UNANIMOUSLY **VOTED:** to approve the Consent Agenda as read.

TOWN MANAGER'S REPORT

1. With the most recent storm, the Town's Snow and Ice account is in deficit by \$75,000. The law allows the Board with the Finance Committee approval to transfer funds out of accounts with surplus or reserve funds now or when the Board sets the tax rate next December.
2. The 75% Design of the Crosby Corner safety project is complete. MassHighway is hosting a public meeting in Lincoln to make known the Right of Way takings that are planned.
3. Trammel Crow, which is developing Alexan Concord a multi-family housing development on the western border of Concord, will make a presentation to the Acton Zoning Board on February 27. The Town Manager will attend.
4. Wastewater Task Force is getting organized and has tentatively scheduled a meeting for March 4 at 4PM. The meetings will be posted and open to the public.

COMMITTEE LIAISON REPORTS

Ms. Briggs stated that the Tax Relief Committee has met with the Public Works Commission and the Light Board and staff. There is general agreement to increase the discount for seniors and needy residents to 50% up from 30%. The Boards have created a simplified application and plan to work together to make this more effective.

TOWN MANAGER'S FY09 BUDGET REVIEW

In addition to the information presented earlier in the Hearing portion of the evening, the Town Manager stated that there is \$13,000 included in the budget for special projects of Adult and Community Education. The Advisory Committee could apply to the Town for a grant for projects that are community building in Concord that Carlisle would not need to support. An example is the land use event or the global warming symposium. The funds are in the Town Manager's Budget.

Additional Funding for the Visitor's Center is in the budget. \$2,500 is added for the operation of the restroom facility. The Chamber of Commerce is hopeful that the Town will pick up more of the cost over time.

Consent Agenda

Town Manager's Report

Liaison Reports

Budget Review

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One new dispatcher position has been added. This will not provide staff for 2 dispatchers for every 24 hours, but it will improve coverage. Average salary would be \$44,000 with benefits escalating that by 25%. The Board discussed the value and possibility of regionalizing the dispatch function. Mr. Whelan noted that the limiting issue is typically which community is the "host" with more authority to define the salaries, staffing, contracts. An inter-municipal agreement would be required.

Mr. Howes asked about the status of the post-retirement health insurance liability home rule petition. Mr. Whelan stated that the bill has been referred to Committee. Although the bill is the same as one passed for Franklin, and fifteen other communities, Concord's proposal gets bogged down in discussion regarding the merits of implementing this State-wide. Selectmen will bring with up with Rep. Atkins at their next meeting. No one has been called to testify so it has not been scheduled for a Hearing.

Regarding the Fire Department, Mr. Howes noticed \$50,000 reduction overtime and asked whether it is a stable number. Mr. Whelan reported that the SAFER Grant that allowed the Town to hire four new firefighters would provide coverage to reduce the demand on overtime. As the federal share of the matching grant diminishes over the four years, the Town will pick up a larger share of the compensation cost until it is responsible for the entire amount. This will be offset by overtime demands which will continue to be reduced.

Mr. Black noted a borrowing of \$100,000 to fund a study and perhaps design of additional office space and asked which areas would be examined. Mr. Whelan stated that space is needed for the functions in the Town House, the Public Works Department and the Planning Department.

Mr. Whelan commended the format and content provided in the Town Manager's Budget. This is a new initiative of the Finance Department to provide more information and performance measurement year to year. Budgets are available for review in the Town House and libraries and for sale for \$10.

The Board must approve its Town Meeting recommendations, including the Budget, by March 17 in order to include positions in the Finance Committee Report. Ms. Briggs stated the Board should start to deliberate on these matters in order to meet the deadline.

Mr. Howes asked further about the post retirement health insurance. It is an added expense of about \$1,000,000. The Retirement expense is already funded at 95% of the employer's share with plans to be fully funded. When it is fully funded, those resources will be shifted to retiree health insurance. The Town is also responsible for the health insurance component of public school employees.

PURCHASE POWER AGREEMENT

Chair Arthur Fulman and Supt. Dan Sack were present to update the Board on the recently signed CMLP purchase power agreement. The energy contract with Constellation Energy will expire in 2009. The Light Board and the Town Manager have been working of options to provide energy once the contract is concluded.

Mr. Whelan stated that Boston Edison had been the sole provider and generator of power for the Town for almost 100 years. This ended in 2002 when the Town reached an agreement with Constellation Energy under very favorable terms. Concord began the period of the contract paying 30% below investor owned utilities and is ending paying 50% less. The savings to residents and businesses of Concord is \$75-90MM. Those contracts were "all requirements contracts" which power generators no longer do at the same favorable rates.

Power Agreement

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The long term solution for purchase power seems to contract with local public power generators. The Town has entered into an agreement with Braintree Municipal Light Department which is building a new facility that could provide up to 15% of the Town's power needs. The Town has also begun discussions with Taunton Municipal Power which could provide a further 15% of need. Public power suppliers seem to have the advantage of more favorable cost. Concord Light will continue to look at other opportunities, including renewable energy. The Town must determine its power generation sources from the conclusion of the Constellation contract until the public power facilities begin generating – Braintree in 2009 and Taunton in 2012.

The Town went to the energy market and signed a contract in August with Morgan Stanley to provide 55% of energy needs from 2009 until 2012. The Town signed a contract for energy at a particular "heat rate" and half of the natural gas at the price of gas in November. The price that will be paid in that portion of the contract is 8¢ / kilowatt hour for gas. The Town is currently paying 5¢ / kilowatt hour with Constellation Energy. The Town also could lock in the second 50% of gas and know the price of the entire Morgan Stanley portion of the contract today. Otherwise the Town will bid on the open market.

Other sources of power will be needed to provide the remaining 45% of needed power. The plan calls for 15% to come from the Braintree Electric generator that will be on line by 2009, 15% from Taunton Municipal Light that will come on line in 2012, and the balance from currently unassigned sources – wind, hydro, and possibly the spot market. Often the spot market is the least expensive since it does go up and down and the purchase could be timed.

Arthur Fulman summarized the recent history of power contract negotiation and litigation. He stated that the Light Board members are not experts in the field, but have had the benefit of the advice and counsel of a skilled staff, consultants, and legal team. With their assistance, CMLP has had terrific rates and reliability. These folks will assist the Town in the transition to a new marketplace with different companies and subsidiaries that tend to be financial not energy firms. No one knows the prices in three years, but the Town has a year before the end of the Constellation contract to determine more power sources including green energy.

Tom Anzer, Chair of the Finance Committee, stated that the Finance Committee has heard several presentations on the Morgan Stanley power contract from several sources. The issues for the Committee were process – the Town Manager has sole authority to sign the contract under statute and Town Charter; and risk – should the public sector be engaged in this marketplace. He stated that while it is clear there is angst at the amount of money at stake, there is no conflict of interest.

Mr. Howes, as Board Liaison to the Light Board, stated that this has been recorded in correspondence and minutes. To debate the merits of the decision afterwards has no advantage. It would be better to focus on whether the Light Board was properly equipped to make a decision, whether the Town Manager had the resources needed, and whether the Finance Committee feels that proper controls are in place. This process is not akin to gambling.

Ms. Shapiro stated that she had occasion to speak to people whose profession was in the futures market and they indicated that this was risky. In her opinion, it was important to have controls in place and that one person does not have total responsibility. In her opinion, it is gambling when one does not know the future.

Ms. Briggs stated that expertise in futures might be an important component of potential applicants for the Light Board. However, professional experience must be reinforced by consultants or counsel who represents the Town. Ms. Shapiro noted that it might be important to create an associate member position for the Light Board.

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Mr. Fulman stated that the approval of the contract occurred quickly after months of negotiations. Once the bid was submitted there were hours before it would lapse without approval. There had been some discussion with the Light Board before the Town Manager signed the contract as was his responsibility under the Town Charter. Other contracts of this monetary value, such as a new school building or cell tower lease, are deliberated upon by a committee before recommending that the Town Manager approve.

CITIZEN COMMENT

Charlie Blair of Florio Drive asked about the status of legislation regarding the Reformatory Land. Ms. Briggs noted that this proposal began during the term of Governor Romney when State land was being surplusd to create funds and the Department of Correction sold its dairy herd. Concord and Acton were concerned for the property. Senator Fargo, Representative Atkins and the Sudbury Valley Trust created a bill to conserve all the lower fields. The proposal is in committee with hopes of it moving to Ways and Means soon.

David Allen of Heath's Bridge Road stated that he had done some research on the purchase power issue and had written a report for the Board. In it, he stated that one of the consultants the Town used has stated that he is not an expert. In addition, he stated that Concord's peers are not following suit. In his opinion, Concord could create a better process with more knowledgeable participants in the decision.

MISCELLANEOUS/CORRESPONDENCE

1. Ms. Shapiro stated that she recommended that activities regarding the Rail Trail be stopped in light of a document she would be placing in the libraries that notes plans for the Fitchburg rail line.
2. Ms. McIntyre noted correspondence from the Inspector General regarding a routine inventory of Ch. 40B housing. Mr. Whelan confirmed that he would prepare a response.
3. Ms. McIntyre asked about progress on the Starbucks safety matter. It appears that there is Police coverage about 50% of the time. The Department will report regularly.

ADJOURNMENT

On a motion duly made and seconded, it was:

VOTED: To adjourn the Open Session and to conclude business for the evening.

Anne D. Shapiro	Aye
Virginia McIntyre	Aye
Stanly E. Black	Aye
Gregory P. Howes	Aye
Margaret B. Briggs	Aye

The meeting adjourned at 10:35 p.m.

Respectfully submitted,

Gregory P. Howes, Clerk

Citizen Comment

Misc./Corresp.

Adjourn