

**SELECTMAN'S MEETING
SEPTEMBER 16, 1999**

Attendance: Charles J. Sisitsky, Valerie W. Mulvey, Esther A. H. Hopkins, Christopher J. Petrini and John M. Kahn.

Mr. Sisitsky called the meeting to order at 7:30 p.m. and reviewed the agenda for the viewing audience.

Hearing - Transfer of All Alcohol License - Polly Esta's to Boston Buffet, Worcester Road:
Paul Galvani, along with his clients Richard Yee and Warren Chu, came before the Selectmen for a continued hearing on a liquor license transfer proposal from Polly Esta's to Boston Buffet. Mr. Galvani stated that Mr. Chu, the proposed manager, is TIPS certified. The restaurant will have a seating capacity of 270, however, the bar area will be small. The hours of operation will be 11:30 a.m.-10:30 p.m. Monday through Thursday with extended hours on weekends. The petitioners are asking for a pledge of the license to the Lawrence Savings Bank. Mr. King reported that their management company had met Polly Esta's outstanding obligation

Motion:

Moved by Mr. Petrini, seconded by Ms. Mulvey, to approve the request of Boston Buffet for a liquor license transfer. So voted, unanimously.

Water and Sewer Rates

Mr. King submitted water and sewer rate information for the Board's review.

Change of Billing Practice

This proposal will allow Public Works to implement a new billing policy. Currently, residential customers are billed tri-annually and an attempt is made to read their meters each period. Large commercial users are billed monthly with attempts made to read meters each month.

Recommended:

Residential customers are billed quarterly (three months) with an attempt made to read the meter for two of those periods, the other two periods being estimated. Large commercial users are billed monthly. This will bring the town in compliance with industry standards. Increased billing frequency promotes more accuracy in meter reading. Mr. Kahn asked about the actual meter reading frequency and how often estimated bills are used. Mr. Rees stated that a DPW worker would visit each residence in an attempt to read meters. He is optimistic that sufficient staffing will be available to undertake this task. Mr. Kahn expressed concern about this proposed policy. Mr. King had some reservations about estimated bills but thought the policy would allow for meter reading at least every other billing period. Mr. Sisitsky suggested implementing meter reading every other quarter with an effort made to read meters every quarter. Care should be taken with the formula used to set up the estimates.

Delinquent Accounts

Currently, customers who are delinquent more than 45 days are assessed a 10% penalty on the current amount due.

Recommended

Customers who are delinquent more than 30 days will be assessed a 10% penalty on the current amount due and an interest charge of 14% (calculated daily) shall also be assessed commencing on the 30th day after issuance of the bill. A demand notice shall be sent to all customers who have not paid their bill within the allocated 30 days. Mr. Rees recommended implementing a formal lien notice system. Dr. Hopkins asked when the lien would be filed. Mr. Rees said they would be filed with the December tax bills. Mr. Kahn asked if the software would be flexible enough to allow that penalties not be added to bills. He also asked if software would be up and running by January 1st. Mr. King said that the town could not be absolutely certain about system software readiness, as the conversion from the old system has not been completed. Mr. Kahn asked what the back up plan was. Mr. King said the town would have to stay on the present billing system, as there is no back up. Mr. Sisitsky asked what happened to delay the process and would like Mr. King to obtain details for the Board.

Mr. Kahn asked if the interim rate structure would provide the necessary revenue for the town. It will. He then asked if we should retain the interim rates for the full year. Mr. King agreed with the suggestion. Mr. Sisitsky would like pressure kept on the Information Service Department to work on utility billing software conversion. Mr. King felt we should maintain the current rate structure if the software is unavailable. Mr. Petrini asked if the payment period would be shortened. Mr. Rees stated that the delinquent time was cut from 45 days to 30 days. Mr. Petrini asked Mr. Rees to check and report on the length of billing periods.

Bill Calculation

Currently, there is a variable base charge dependent upon the size of the meter servicing the building and a three-tier usage schedule. Customers advance in the tier schedule based on usage during the four-month billing period. For multi-family units, the total usage for the building is divided by the number of units for the purpose of determining at what tier they are billed.

Recommended

There is a variable base charge dependent upon the size of the meter, except the multi-family units which will pay a base charge calculated by the number of units times the base charge for residential meters. Mr. King stated that this policy is consistent with that used by the Department of Public Works.

Base Charges

The purpose is to recover costs of providing services. The rationale for the policy is that costs should be distributed based on numbers of units not meter reading. Mr. Sisitsky noted that meters could be provided to each unit obviating the need for one large meter. Mr. Kahn requested a software demonstration at a Selectmen's meeting to allow the Board to assess the impact of proposed utility billing changes. Mr. King stated that he needed a general indication of which way the Board wished to go in order to get the software ready for billing. A policy decision is required by the Selectmen.

Policy Questions

Mr. King stated that he felt there was concurrence on the following policies: annualized tier system, changing of penalty and fee structure, and quarterly billing. Conversely, there appeared to be opposition to first tier billing and the application of base charges to number of units as opposed to number of users.

Abatements

Mr. Rees reviewed the current policies:

Abatement may be given if there is an unusually high reading of a residential meter occurring during one billing period within any three-year period and that reading places a portion of the usage in the second tier. This abatement does not apply to residences that are a duplex, multiplex, condominium or apartment building.

Elderly Discount Abatement

When a customer of the town's water and sewer utilities becomes eligible for the elderly discount as established by the Board of Selectmen, the customer should notify the Department of Public Works of their eligibility and the department would make the appropriate changes to the billing rates associated with the customer. In the event that the customer did not inform the DPW of their eligibility in a timely fashion, they may apply for abatement for the period of time from when they became eligible for the discount to when they actually applied for the discount, up to a maximum time period as established elsewhere in this policy.

Time Limitations

Requests for abatements shall be limited to three years of service prior to the submission of the abatement request rounded to the closest billing quarter. Unique circumstances would go the DPW for review.

Abatement Submission

The Public Works staff will assist customers who are eligible for abatement. The Director of Public Works shall make a determination within 30 days of a request. This will improve the efficiency of abatement processing. Mr. Sisitsky asked if bill adjustments went through the same process. Mr. Rees did not make any distinction, but felt the Director of Public Works could make adjustments on procedural matters. Mr. Sisitsky asked if other water and sewer fees would be reviewed if necessary. Mr. Rees will add this recommendation to the policy. Dr. Hopkins asked if error corrections or methods to review disputes were to be part of the policy. Mr. Rees said that a dispute in favor of the customer was abatement. Dr. Hopkins asked why residences in multiplex units were not included in the policy. Mr. Rees will review this portion of the policy. Mr. Sisitsky would like another chance for the Board to review the draft. Mr. Petrini agreed with the comments of his colleagues, particularly with regard to making the process easier on the ratepayer. He also felt that publication of names of those delinquent in payment was not appropriate.

Mr. Kahn would like to see a provision in the policy allowing for non-payment of incorrect bills. He would also like the policy to include a hardship abatement provision and an open process to all ratepayers, not only single unit residential ratepayers. With regard to the first tier adjustment, Mr. Kahn felt there should be an acknowledgment on the bill of incorrect usage. Finally, he did not feel the Commissioners alone should be on the appeal panel and would like the panel comprised of one Commissioner, the CFO and a resident qualified to serve as an independent participant. Mr. King asked for further discussion on the hardship review abatement issue. He felt this question might become an unnecessary burden on administration.

Ms. Mulvey asked if the Assessor's Office had a list of customers who received abatements. Mr. Kahn felt that income or net worth could be reviewed in order to afford relief to needy ratepayers. Mr. Sisitsky expressed concerns about the potential shift in the burden of payment. Mr. Petrini suggested using criteria established by providers of affordable housing to provide rate relief. Dr. Hopkins asked about abatements for elderly persons meeting income requirements but who lived in a multi-family unit.

Water & Sewer Rate Setting:

Mr. King stated that he would like to discuss the tier one component for businesses. The Board will receive a software demonstration on October 14. Mr. King pointed out that it is imperative to establish new rates for the six-month period between July to December to fund the system to the level of its anticipated expenditures. He recommended that rates be raised to meet the level approved by Town Meeting.

Draft Policy on Signing Contracts:

Mr. King submitted the following statements regarding signing of contracts.

- The current Town by-law requires a written contract for amounts of \$250 or more. That should probably change to the state law minimum of \$5000.
- Mr. Landry stated that a purchase order is considered a "written contract" and that many of the town's purchases over \$5000 are accomplished through a purchase order rather than a more formal document. Do we want to continue this practice, and if so, do we need Aaron's signature as to form on purchase orders? This is a provision of state law.
- The auditors have always required the signature of the Town Manager on purchase orders over \$10,000.
- The delegation by the Board of Selectmen to the Town Manager to sign contracts less than \$50,000 is arbitrary but a reasonable amount.

Mr. King would like some input from the Board on this policy and suggested that routine contracts might appear on the agenda as action items. Mr. Sisitsky asked Mr. King if he reviewed all contracts being signed. Mr. King sees contracts, as does Mr. Rees. Dr. Hopkins thought that contracts, as part of a departmental budget approved by Town Meeting, should not necessarily come before the Board but be covered by Mr. Rees' signature. Mr. King felt administrative oversight was important. Dr. Hopkins felt the Chief Procurement Officer should have contract oversight. Mr. King stated that the Purchasing Department did not necessarily judge if contracts were equitable. Dr. Hopkins asked whether such discretion was necessary if the Procurement Officer followed the appropriate laws. Mr. King felt that contract review from him was an appropriate way of keeping the Board informed. Mr. Kahn thought the policy was far reaching, as it extended authority to committees, commissions, boards and divisions. Mr. Rees stated that it was his intent to have Division Directors sign contracts. Mr. Kahn would like to know what method was used to keep track of contracts under \$5000. He felt that contract splitting might become a problem in this case. Mr. Kahn asked for clarification as to the phrase "approval as to form" seen on most contracts. Mr. Sisitsky would like an attempt made to prepare a boilerplate contract. Mr. Rees stated that such a mechanism was in place.

Audit Contract

Mr. Rees submitted a memo addressing some of Mr. Kahn's concerns relative to the FY 1999 audit contract. Mr. Rees noted that many changes have taken place with regard to how audits are conducted. The engagement letter presented by Melanson, Heath & Co., reflect changes occurring in auditing standards since 1992. The engagement letter is a "model" in that audit companies throughout the United States have reviewed it.

With regard to the expansion of the audit, Mr. Rees has scheduled a meeting with the auditors to discuss this topic. Mr. Rees stated that an audit, other than a fraud audit, routinely analyzed the town's financial practices, however he has implemented an internal audit which is being conducted by his assistant, Linda Lewis. Mr. Kahn felt an internal audit function performed by staff was important, however, he would like to be certain that recognized audit procedures were used for the internal issues.

Mr. Kahn said he had some concern as to the role of the Finance Committee since they no longer put together a budget. He suggested that the Finance Committee be used to form an Audit Committee. Mr. Kahn was concerned with the content of the policy as there was no mention of a report to the Town Manager or Board of Selectmen. Mr. Kahn's emphasis was making certain that mechanisms were in place to insure that the town was up to speed. Dr. Hopkins asked if the town ever had a fraud audit. They have not. Mr. King agreed with Mr. Kahn and will continue to review the audit policies with Mr. Rees in order to define appropriate practices.

Nuisance By-Law

Mr. King stated that Mr. Kahn has been working on a Nuisance By-Law and he hoped to put this by-law before the Board and then Town Meeting.

Categories of things objectionable but not covered by nuisance by law:

The present enforcement mechanism is cumbersome. Mr. Kahn suggested adoption of the same enforcement outlined in the zoning by law. The definition of owner should be expanded to encompass the definition used in state building code, with legal title and possession taken into account. Provision should be made for a review by Town Manager if the Building Commissioner does not feel that the condition warrants action. Additionally, Mr. Kahn would like to make it a requirement that the Building Commissioner report on complaints and their resolution. The by-law should include provisions for referral of problems to the Board of Health

Ms. Mulvey thanked Mr. Kahn for his work noting that it would improve the quality of life in many neighborhoods. Mr. Petrini would like a redlined copy of the by-law submitted to the Selectmen. A public hearing is planned on September 30. All correspondence will be forwarded to the Selectmen prior to the hearing.

Dr. Hopkins asked for review of section 4.2.6 (I) She also questioned how interested parties could make complaints. This can be done through the Building Commissioner.

Motion:

Moved by Ms. Mulvey, seconded by Dr. Hopkins, to move into Executive session for the purpose of discussing the Miles/Richardson and Budryck cases. A roll call vote was taken with all Selectmen voting in the affirmative.

The Board returned to open session at 10:00 p.m. for the purpose of adjourning.


ESTHER A.H. HOPKINS, CLERK