



TOWN OF TEWKSBURY

TOWN HALL
1009 MAIN ST
TEWKSBURY, MASSACHUSETTS 01876

Raymond Lisiecki, Chairman
David Aznavoorian, Vice Chair
Rob Kocsmiersky, Clerk
Thomas L. Cooke
Paul McDermott
Ronald Hall

FINANCE COMMITTEE

Meeting Minutes March 31, 2016

1) Call to Order

The meeting was called to order by Raymond Lisiecki, Chairman, at 7:00 p.m. at the Town Hall. Present at the meeting were Tom Cooke, Ron Hall, and Rob Kocsmiersky. Also in attendance was Richard Montuori, Town Manager, Karen Kucala, Finance Director, and Melissa Johnson, Recording Secretary.

Paul McDermott and David Aznavoorian were not in attendance.

2) Budget Review (Enterprise Funds)

Present was Brian Gilbert, DPW Superintendent, and Lou Zedina, Chief Operator Water Treatment Plant.

Sewer Enterprise

The total town manager's recommended FY17 sewer enterprise budget is approximately \$2,556,329 representing an increase of 14.4% from FY16. This is largely due to an increase in Lowell Sewer expenses as it has increased from 8% to 11% of Lowell's total flow.

Salaries have increased approximately \$31,991. The increases include 2.5% cost of living increase, the 1/3 cost for the addition of an assistant superintendent of utilities; which is a new position, and an additional \$5000 to catch up with salary increases.

Operating has increased approximately \$12,044, or 3%, largely due to an increase in Lowell sewer. Mr. Gilbert noted he has reallocated line items and the largest increase is in repairs and maintenance. There are decreases in leases and contracts, grinder pumps, and easement settlements.

It was noted that the budget provided to the Committee members reflects a total sewer enterprise budget of \$2,243,494. Mr. Montuori noted that there was an increase in Lowell

Sewer from approximately \$1.5 to \$1,818,203. It was noted that the figures are based on previous year's total flow. Mr. Montuori noted that the total flow for FY16 was approximately 11.01%. Mr. Montuori will provide the members with an updated copy of the sewer budget.

Mr. Gilbert explained how the volume is calculated and noted that there is a new meter and the pipe has been moved further up the channel to reduce turbulence. Mr. Gilbert visited the City of Lowell with Mr. Zedina to suggest a secondary location.

Mr. Montuori explained that over the last few weeks they are questioning the location of the meter and the spikes do not seem right; they will be challenging this. Unfortunately this will not be resolved in time for the budget approval.

Mr. Lisiecki asked why the town cannot meter what they send and Mr. Gilbert explained that they can do that, but it will be Lowell's meter that will be followed. Mr. Cooke noted that he agrees with the objections and that he does not feel it is a fair reading/assessment.

Water Enterprise

Mr. Gilbert noted that overall the FY17 water enterprise fund budget increased approximately 5.2% and includes both treatment (4.2% increase) and distribution (7.5%).

Water Distribution salaries has increased \$44,191 and includes 2.5% cost of living increase, 1/3 cost of new assistant superintendent of utilities, and OT increase to catch up with salaries increase. Mr. Gilbert noted that a heavy equipment operator position is being replaced with a special heavy equipment operator at a cost of \$1,500. There is also an increase for vacation and sick leave buy back for expected retirements.

Mr. Gilbert noted that water distribution operating has increased 6.2% or \$18,571. Increases are reflected in energy, repairs and maintenance, communications, and meter replacement.

Mr. Cooke asked how many employees within the DPW operation are classified as a special heavy equipment operator. Mr. Gilbert noted 1 in sewer and 3 in the highway department. Mr. Cooke asked why it is necessary for a special heavy equipment operator within the water department and Mr. Gilbert explained that there is only 1 within the sewer department for 47 pump stations. As a result, they require 1 skilled person to be dedicated to the water department on a regular basis. Mr. Cooke asked if resources and personnel are the issue and Mr. Gilbert confirmed this.

Mr. Kocsmiersky noted that the budget states 150 meters for the meter replacement program and asked if this is yearly. Mr. Gilbert explained that there could be more than 150 as there is a lot of development going on and noted that there are also still some old meters out there. It was noted that the Neptune meters were replaced with Badgers. The Badger replacement program began in 2009 and will need to be replaced again in 2019. Mr. Zedina explained that at the time any Neptune meter that was 5 years or younger was not replaced as they were not aware then that there would be an issue with drawing the

batteries down. Mr. Kocsmiersky noted the budget also states 45 water breaks a year. Mr. Gilbert explained that this was for 2015 and has fallen off as it was a milder winter.

Water Treatment

Mr. Gilbert noted that water treatment salaries increased \$64,448 due to 1/3 cost of the new assistant superintendent of utilities, wage deferral, 2 years of the 2.5% cost of living increase, holiday pay, and overtime to catch up with salaries increases.

Operating has increased 3.1% or \$36,664. Increases are shown in energy, leases and contracts, and all other supplies. Decreases are shown in repairs and maintenance, chemicals, and staff training.

Mr. Kocsmiersky inquired about the Hach Collaboration Program and Mr. Gilbert explained that there is a large amount of equipment and this is an online analyzer made by Hach and have to have a Hach technician calibrate quarterly.

Mr. Hall noted that he was recently contacted by a resident regarding retained earnings and they asked why these funds cannot be used to offset the water rates. Mr. Montuori explained that this is one time revenue and one time revenue should never be used to fund operating. Some of the debt has been shifted to the tax levy. There will be no increase for the first two tiers, a 3% increase on the 3rd tier and a 4% increase on the 4th tier. Mr. Lisiecki noted that the water and sewer rates will be discussed further at the next meeting.

Mr. Montuori noted that since the budget presentation, the town has lost a high end user as they will be relocating to Minnesota.

Mr. Cooke asked if changes are expected as the result of health insurance and Mr. Montuori confirmed this and noted that the water and sewer allocations will change.

Mr. Cooke asked if the agreement with Constellation can be broken and Mr. Montuori explained that he would not break it as the rates are too good. Mr. Cooke discussed increases in National Grid rates and various charges with solar.

It was noted that Colonial Power will be at the town hall on April 13, 2016 from 2:00 – 7:00 p.m. to answer any questions.

Mr. Hall noted that at one point and time the school department was negotiating their own rates and asked if this is still the case. Mr. Montuori explained that the town negotiates the schools rates.

3) **Town Manager and Finance Director Reports (as applicable)**

Snow and Ice Overage Report #2

MOTION: Mr. Hall made the motion to approve the revised Snow and Ice Over Expenditure number 2 in the amount of (-\$133,616.97); seconded by Mr. Kocsmiersky and the motion carried 4-0.

Lateral Fund Transfers

No.	Amount	From	To	Reason
32	\$8,608.80	Building Dept– Temporary Part Time	Building Dept – Permanent Part Time	Transfer the salary of the new permanent part time local inspector from the temporary part time budget.

Mr. Cooke asked if the benefits have also been taken care and Mr. Montuori confirmed this has also been included.

MOTION: Mr. Kocsmiersky made the motion to approve Lateral Transfer No. 32 in the amount of \$8,608.80; seconded by Mr. Hall and the motion carried 4-0.

No.	Amount	From	To	Reason
36	\$6,912.00	Police Computers	Police replacement vehicle	

MOTION: Mr. Cooke made the motion to approve Lateral Transfer No. 36 in the amount of \$6,912.00; seconded by Mr. Kocsmiersky and the motion carried 4-0.

Mr. Montuori noted that the fences at Livingston Park have been completed.

4) **Finance Committee Matters of Interest (as applicable)**

None

5) **Committee Member Reports (as applicable)**

None

6) Approval of Meeting Minutes

None

7) Approval of Payment of Recording Secretary and Time sheet

None

8) Future Proposed Meeting Dates (subject to change)

The next meeting of the Finance Committee will take place on April 7, 2016 at 7:00 p.m. at the town hall.

Adjourn.

MOTION: Mr. Kocsmiersky made the motion to adjourn 7:59 p.m.; seconded by Mr. Hall and the motion carried 4-0.

Approved: May 26, 2016

**Documents Presented and/or Discussed
March 31, 2016**

- 1) **FY17 Town Manager's Recommended Budget**
A copy can be found with the Finance Department or Town Manager
- 2) **Snow and Ice Over Expenditure #2 – revised**
A copy can be found with the Finance Department
- 3) **Lateral Transfer Nos. 32 and 36**
A copy can be found with the Finance Department