



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 April 7, 2016

1) Call to Order

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

2) Budget Review (Shawsheen Vocational Technical High School)

Present was Tim Broderick, Shawsheen Valley Regional Vocational Technical High School (Shawsheen Tech) Superintendent, Melanie Hagman, Shawsheen Valley Regional Vocational Technical High School Assistant Superintendent, and Patricia Muese, and Lisa Pucci, Shawsheen Valley Regional Vocational Technical High School, School Committee members.

Mr. Broderick noted that this is his first budget presentation for the Shawsheen Tech and provided the members with a copy of the budget presentation as well as an aerial photograph of the school.

Mr. Broderick reviewed the "School Accountability" and noted that 99% of 10th grade students scored advanced or proficient on ELA MCAS, 89% in Math MCAS, and 79% in Science MCAS. The attendance rates at the Tech were at one point the highest in the State. The daily attendance rates for students is 97.20% and for teachers 96.11%.

Mr. Broderick discussed the Skills USA competition and noted that 24 Shaw Tech students received gold medals and a total of 62 medals were given. More than 60 Shaw Tech students will be advancing to State competition. Last year, 2 students received gold medals at Nationals.

7:12 p.m. – Mr. Lisiecki arrived.

Mr. Broderick reviewed the Co-op placement; 64%. 217 out of 339 students are currently participating in a co-op placement. Community involvement includes Billerica Police Dog Pound, Tewksbury Department of Public Works, and Bedford Housing Authority.

Mr. Broderick reviewed the FY17 Capital Budget; which includes phase one/year one of athletic facilities master plan, continuing investment in mobile technology, pilot pre-engineering space in manufacturing wing, building security multi-phase/multi-year project, and front entrance and lobby facelift/reconfiguration, and also provided the projected capital assessment to the towns from FY16 to FY21. The total capital budget is \$1,916,033 of which \$833,927 will be used from grant funding, revolving accounts, etc. The total assessment to the towns will be \$1,082,106. This represents a total increase of approximately \$47,446 from FY16. Mr. Broderick explained that a consultant will be hired to assess the athletics fields and noted that the fields could not grow grass due to overuse. The plan is to break this project down into phases and Mr. Broderick reviewed the three phases and what each consists of as well as the aerial photograph provided to the members. It was noted that funding for Phase II and Phase III will be handled by the Shawsheen Tech on their own.

Mr. Broderick reviewed the significant increases within the operating budget; which include: pre-engineering curriculum, supplies, and instructor (\$94,503), athletics transportation (\$10,000), instructional technology department (\$75,378), administration (academic director) (\$115,196), and building security/study safety (\$57,160). The fixed cost increases include transportation (\$118,822), Middlesex Retirement (\$35,320), and health insurance and Medicare (\$215,000). The total increase without the bond issue is \$972,315 (3.49%).

The total FY17 budget is \$29,462,498 representing an increase of approximately \$1,619,515 from FY16. The total budget excluding the bond is \$28,815,298. Tewksbury's assessment for FY17 is \$5,646,988 representing a decrease of approximately \$24,082. Mr. Broderick reviewed the three elements of an assessment: FY17 minimum contribution (\$4,087,464), FY17 Capital Assessment (\$235,072), and additional amount allocated by regional agreement (\$1,324,452).

Mr. Broderick reviewed the Chapter 70 Foundation Aid and noted that Governor Baker's budget includes at \$72.1 million increase in Chapter 70 local education aid statewide. The Chapter 70 Aid to Shawsheen Tech in FY17 is projected at \$6,303,056 representing an increase of \$27,220.

Mr. Broderick reviewed the assessment versus enrollment. Tewksbury's enrollment has decreased from 31 students to 16-17 students.

Mr. Lisiecki inquired about the life expectancy of the school with the investments. Mr. Broderick explained that they will continue to make investments and noted that he is 45 years old and intends to complete his career at this school. As a result, he will ensure that improvements are continually made. It was noted that a new roof was installed in 2002

and it is 1/3 through its life expectancy. Windows and doors were replaced in 2008 and the boiler heating system is approximately 2 years old.

Mr. Lisiecki asked if they are working with the police or a consultant on the security and safety matters. Ms. Hagman noted that the resource officer has provided a great deal of information on this for Phase I. Mr. Broderick explained that an analyst has been recommended for Phase II and Phase III.

Mr. Hall asked how many students are enrolled in Special Education at the Shawsheen Tech and Mr. Broderick noted 25 students with 30% of students on an IEP. Mr. Hall asked if enrollment has declined as the result of the new high school and Mr. Broderick explained that initially enrollment declined; however, the trend seems to be showing that new high schools no longer make a huge impact on enrollments.

Mr. Hall discussed green energy and noted that the building is over 40 years old and asked if anything is being done to address green energy. Mr. Broderick noted that all the windows and doors were replaced. Ms. Hagman noted that electrical upgrades were also done. Mr. Broderick explained that the focus has been on the athletic fields. The plan is to renovate the 100's wing in a few years and this would include energy efficiency.

Discussion took place on the cost per student and it was noted that it is rather high. Mr. Broderick explained that this is an expensive form of education as more than books and desks are required for the various shops.

Mr. Kocsmiersky asked why transportation costs have increased and Mr. Broderick explained that a new contract was entered into and when it went to bid the bids came in higher.

Mr. Aznavoorian asked how technology is being applied and Mr. Broderick explained they do not provide technology and do not require computer labs. This is something they plan to address over the next three years. Mr. Broderick noted that they have appropriated funds for the replacement plan and instead are utilizing to determine a design and plan. Mr. Aznavoorian asked if the Shawsheen Tech provides Web Design and Mr. Broderick confirmed this.

Mr. McDermott discussed the field layout and asked if the fields are open to the public and Mr. Broderick confirmed this and noted that many outside groups currently use the indoor pool. Mr. McDermott asked when Phase II and III are expected to begin and Mr. Broderick noted that he is not sure and it will likely depend on available funds.

Mr. Cooke asked what the student capacity is at the Shawsheen Tech and Mr. Broderick explained that in the past enrollment was 354 and they determined this to be too high. As a result, this was reduced to 330 students and they would like to try to increase this to 340. Mr. Cooke inquired about the dropout rate. Mr. Broderick noted that there were none last year, 1 the year before, and 1 this year. Mr. Broderick noted that they do expect enrollment to increase as a result of the capital improvements to the athletic fields.

Mr. Cooke discussed the new engineering program and Mr. Broderick explained that it fits within current programs and will require one additional staff. Mr. Cooke inquired about the class sizes and Mr. Broderick explained some classes can be provided at 10 and some at 20. Mr. Cooke discussed the offsets within the budget; revenues, grants, etc. Mr. Broderick reviewed the \$833,927 being used from grants, revenues, excess & deficiency, revolving, etc. Mr. Cooke suggested looking into seeing whether Community Preservation Funds could be used for the athletic fields and Mr. Broderick noted that he will look into this.

Mr. Lisiecki referenced page 14 of the budget regarding an increase of \$85,000 for a social worker and Ms. Hagman explained that a part time resource officer is being added to share with Valley Collaborative. Mr. Lisiecki questioned why this is under a social worker and Mr. Broderick explained that it is a collective bargaining contract and an employee achieved a certification required to pay increase.

Mr. Broderick, Ms. Hagman, Ms. Pucci, and Ms. Muese left the meeting.

Water and Sewer Budgets and Capital Improvement Plan

Mr. Montuori provided the members with a copy of the water and sewer CIP presentation that was given to the Board of Selection on March 8, 2016. The FY17 water enterprise capital improvement (\$2,595,000). Mr. Montuori provided the members with the water enterprise fund tiers and rates and noted that some of the debt will be shifted to the tax levy. Mr. Montuori reviewed how the rates were calculated.

Water Distribution

The total town managers recommended FY17 water distribution budget is \$898,563 representing an increase of approximately \$62,762 from FY16.

Increases in salaries include 2.5% salary increases, step increases and longevity changes. Salaries also increased \$24,027 due to the addition of an assistant DPW Superintendent of Utilities; the cost of which is being shared between water and sewer. There is also an increase of \$1,532 to upgrade an HMEO position to SHMEO and \$9,782 for sick leave and vacation buy back.

Increases in operating include energy utilities \$2,500 (based upon actual cost in previous years), repairs and maintenance \$2,000 (based upon the number of water breaks averaged each year), other equipment (for the Maintenance of Vacuum/Rodding Truck), and meters \$8,500 (to purchase 25 additional new meters for new residential and commercial structures and secondary meters).

Water Filtration

The total town manager's FY17 water filtration budget is approximately \$2,081,110 representing an increase of approximately \$100,445 from FY16.

Increases in salaries include: 2.5% salary increases, step increases and longevity changes. \$24,027 for the addition of an Assistant DPW Superintendent of Utilities (which is being cost shared between Water and Sewer), and \$3,600 in overtime to reflect actual cost.

Increases in operating include: \$15,000 in utilities to operate the new aeration facility, light and heat, laboratory addition and new equalizing tank, \$9,108 in Lease and Contracts mainly in the area of backflow and surveys inspections, \$12,000 in All Other Supplies and Expenses for THM online analyzer to monitor water quality, \$3,375 in Residual Disposal based upon the projected disposal of sludge. The current contract for disposal is ending and a significant increase in cost is expected.

The total FY17 combined water enterprise fund budgets is \$7,234,404 representing an increase of approximately \$1,096,545 from FY16.

Future capital improvements: FY17 – FY21 \$8,340,500.

- \$6,560,000 - Water Distribution Design and Improvement
- \$860,000 - Water Tanks Maintenance/Upgrades
- \$625,000 - Hydrants Replacement
- \$295,500 - Vehicle Replacement

The plan is to spend approximately \$2,400,500 over the next 5 years on Capital Projects if retained earnings are available funds. Funds will be borrowed for major projects.

Mr. Montuori reviewed the debt service as percent of water budget as well as projected revenues. FY17 project revenues are \$7,260,328.

Mr. Montuori reviewed water enterprise fund possible option.

Sewer Enterprise

The total town manager's recommended FY17 sewer enterprise fund budget is \$6,152,210 representing an increase of approximately \$209,220 from FY16.

Increases in salaries include: 2.5% salary increases, step increases and longevity changes, \$24,027 for the addition of an Assistant DPW Superintendent of Utilities; which is being cost shared between Water and Sewer.

Increases in operating include: \$2,500 in Utilities based on operating pumps for added sewer hookups and 3-yr average, \$14,200 in Repairs and Maintenance for the cost of maintaining new generators and the average cost of maintaining equipment and facilities. Leases and Contract decreased \$5,106 mainly in the area of camera work for sewer backups and Grinder Pumps also decreased \$8,000 since 5 are being projected to be installed rather than 10. Other Supplies and Equipment increased \$5,000 for grease control in wet wells. Other Equipment increased \$7,000 for the maintenance of the Vacuum/Rodding Truck. Easement Settlements decreased \$5,000 since there are less easements to be addressed. Lowell Sewer increased based upon projected flow that will go to the plant.

Future Capital Improvements Fiscal Year 2017 – Fiscal Year 2021: 4,250,500

- \$1,750,000 - Collections System Upgrades
- \$1,650,000 - Inflow and Infiltration I/I control
- \$690,500 - Fleet and Equipment Replacement Program
- \$160,000 - Sewer Pump Station Improvements

Capital Improvements Fiscal Year 2017:

- \$468,000 – Fleet/Equipment Replacement (Retained Earnings)
- \$60,000 - Sewer Pump Station Improvements(Retained Earnings)
- \$150,000 - Inflow and Infiltration I/I control (Retained Earnings)

\$100,000 of the \$150,000 - Inflow and Infiltration I/I control will be transferred from Retained Earnings at the May, 2016 Special Meeting for repairs to a sewer line near Strong water Brook.

All Capital is projected to be funded by Sewer Retained Earnings.

Mr. Montuori reviewed the debt service as percent of sewer budget as well as projected revenues. The projected revenues are \$6,153,202.

Mr. Cooke asked if anything is being done to increase revenues and Mr. Montuori noted that each unit is charged a \$3,000 sewer assessment fee and a \$900 connection fee for water. The town of Andover will be spending approximately \$1.6 million to connect to Tewksbury’s system.

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

Lateral Fund Transfers

No.	Amount	From	To	Reason
46	\$5,000	Fleet fuel	Machinery Equipment Maintenance	To cover expenses

Attached to this lateral transfer request was the following explanation from Mr. Gilbert: The fleet FY16 budget has been impacted this fiscal year due to the absence of the division supervisor. In his absence, the senior mechanic has had to assume the duties of both positions, which has reduced the efficiencies of the ship/garage and production output. As a way to address a backlog of numerous repairs and preventative maintenance, the use of third part contractors have been hired to work on site, while additional pieces/equipment have been sent out to be repaired by off-site vendors. The \$5,000 transfer will be specifically used for the following: repair air condition Freon dispenser, repair check engineer light on truck 53, and repair truck 53 rear axle.

No.	Amount	From	To	Reason
47	\$100,000	Police Regular Salaries	Police Overtime	To cover deficit and cots to end of year due to manpower shortages, increased court appearances, increased training mandates, additional elections and significant serious investigations. Also last year the approximate overtime expense was \$6,000,000 and we have expended \$480,000 year to date. One more transfer request is possible by the end of the fiscal year.

MOTION: Mr. Hall made the motion to table Lateral Fund Transfer Nos. 46 & 47; seconded by Mr. Aznavoorian and the motion carried 6-0.

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)

Thursday, April 14, 2016 at 7:00 p.m. at the Town Hall.

Adjourn.

MOTION: Mr. Hall made the motion to adjourn at 9:40 p.m.; seconded by Mr. Aznavoorian and the motion carried 6-0.

Approved: May 26, 2016

Documents Presented and/or Discussed
April 7, 2016

- 1) FY17 Town Manager's Recommended Budget
A copy can be found with the Finance Department or Town Manager
- 2) FY17 Shawsheen Valley Regional Vocational Technical High School budget
A copy can be found with the Town Manager
- 3) Lateral Transfer No. 46 & 47
A copy can be found with the Finance Department