

FINANCE COMMITTEE
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WDNESDAY, NOVEMBER 1, 2017
Page 1 of 5

The Chair opens the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Selectboard Members present:** Richard Kuklewicz, Michael Nelson and Christopher Boutwell were absent.
- **Finance Committee members present:** Fred Bowman, Greg Garrison, John Hanold, Richard Widmer, and Chris Menegoni. Michael Naughton was absent.
- **Others Present:** Town Administrator Steve Ellis, Town Accountant Carolyn Olsen, and Airport Manager Bryan Camden
- The Finance Committee Chair announced that the meeting is being recorded by MCCI, and asked if anyone else was recording the meeting. No one else was recording the meeting.

Minutes –

Finance Committee Moved:

To approve the minutes of September 13, 2017.

Vote: 5 In Favor 0 Opposed 0 Abstained

Reserve Fund Transfer

Mr. Ellis briefed the committee on the status of the Shea roof. The original intention was to put a new membrane coating on both the upper and lower roofs. The original quote suggested we could do that work with a small supplemental appropriation, but bids came in much higher than expected so no supplemental appropriation was requested at the October 5, 2017 Special Town Meeting. A contract was awarded for the work on the lower roof at the front of the building for less than \$10,000. We also proceeded with the removal of ductwork on both sections of the roof through a Green Communities Grant. The plan was to take the remaining balance of the special article to do patch work on the upper roof. Torrential rains came down after the duct work was removed which resulted in substantial leaks. Water was travelling to the roof drain but then following the outside of the drain rather than the interior. Additional measures were taken but the leaks continued. We may have an insurance claim, but that is not yet known and would likely only cover interior damage. It is also too late in the season to do additional membrane work, so workers will be pulling back the river rock ballast and repairing the existing roof, rather than seeking to re-seal it in its entirety. Depending on the actual hours this will take, the work may be able to be completed within the existing special article. Small overages can also be covered through the Unsafe/Unhealthy buildings account or a separate Community Development Discretionary account allocation.

There will likely be a \$40,000 project in Spring 2018 for a complete repair of the upper Shea roof, with a request likely to be submitted for consideration during a winter special town meeting.

Airport Plow

Due to federal and state funding currently available and allocated for airport snow removal equipment, the Airport has the opportunity to purchase a large vehicle for snow removal at only 5% of the total cost, with 95% coming from federal and state funding.

FINANCE COMMITTEE
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UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WDNESDAY, NOVEMBER 1, 2017
Page 2 of 5

Mr. Camden provided the following information in handout form:

With both the state and federal funds available to the airport for a limited time, this is a great opportunity to purchase a snow removal truck for a local cost of less than \$13,750. Initially the cost would almost triple the yearly snow removal budget, however within 3.5 years the truck will have paid for itself and helped the airport move to reduce its overall operational cost and progress towards self-funding. There are some associated costs with the new purchase, which I have outlined below. The goal of the project is to reduce the operation budget of the airport, ensure we do not have another year with a costly budget over expenditure, and to increase our ability to serve the flying public, making the airfield a desired place to be.

Funding- Funds are allocated from the following sources;

State DOT	5% or \$13,750
Federal FAA	90% or \$247,500
Local	5% or \$13,750 (Not to exceed)

Labor / Operator Cost- Currently the airport has one part time worker. Of the allocated 19 hours per week, 7.5 are spent performing duties such as landscaping, mowing, tree trimming, and general grounds maintenance. In the winter this 7.5 hours per week of outdoor work would be transferred to snow removal and storm cleanup. On average we can expect one storm per 6 day period, from December until March in our region of New England. The average snow storm will leave us with 4.5-5.5 inches of snow to be removed before the facility can be opened, which equates to 6 man hours of work. Using these as a base to calculate cost and time per storm the one 19 hour per week position will be able to clear snow without any additional labor costs.

Fuel / Maintenance- After consulting with industry leaders and manufactures we came to the number of 6.5 MPG for the average snow plow truck. Per storm we will be plowing 125 miles of pavement, burning on average 20 gallons of diesel fuel. Currently we purchase our diesel from the town at a reduced rate, and with the current price the total fuel cost per storm would be on average \$60. First year maintenance, including all fluids, is covered under warranty and will not cost anything. Each year after that we expect on average a maintenance cost of about \$450. By looking at the spreadsheet, you will see the overall cost increase in 2027-2028, which would be because of a 10 year limit on some parts which would have to be inspected or replaced. Also, if you look at the sheet, you will see an increase in overall cost from 2029 on until 2034, which would be the cost to maintain an older truck. In 2035, 2036, 2037, the cost increases to cover the replacement of the truck, if it is needed at that time.

FINANCE COMMITTEE
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WDNESDAY, NOVEMBER 1, 2017
Page 3 of 5

Truck Specifications / Storage- Since the primary funding source is the Federal Aviation Administration we are held to certain specification when ordering the truck. It must be 60% or greater made in America, and meet all current DOT safety specifications. Typical truck purchases are usually bigger then the needs of the facility, with the justification that better to buy bigger and not need it then buy too small and be in trouble. Although I do not have a full specification sheet as of now, I can state that the truck will have a 10 year, 100,000 mile warranty, automatic transmission, diesel engine, and will be painted “school bus chrome” yellow. A big question is storage for the truck. Since the airport does not have a building large enough to store the expected truck we are looking at several options. They include storage at the Tech School, storage in a private hanger, or storage with a business on the industrial park.

Other Costs- Since this is a first time purchase for the town and the airport there are a few unknowns. We are currently looking at the cost of insurance for the truck, which would be paid out of the snow budget line item, and would put the truck on the towns policy. Cost of licenses and training for the operators of the truck, which might be done on an annual basis.

Truck Funding Deadlines- With this project we have a tight deadline. Both the Federal and State funding for this project is available to from November 1st 2017 until November 30th 2018. The goal is to have the truck on site and ready for use by November of 2018, and for that to happen we would have to go out to bid, “request for proposals” no later than January 2018. It is expected to take the manufacture about 4 months to build the truck and then the outfitter another 5 months to do the build-up. If we were to secure the local share, not to exceed \$13,750 by January then we could commence the project and secure the delivery date so the truck is ready for the 2018-2019 winter season. It is expected to take roughly one month to engineer and design the truck after it has gone to bid, putting the delivery date right in November where we would like it to be.

	SR (Normal)	SR (Expected)	EX (expected)	Remaining (expected)	Budget Saving
FY 2017	6000	6000	14487.5	-8487.5	NONE
FY 2018	6000	6000	N/A	N/A	N/A
FY 2019	6000	4000	3000	1000	3000
FY 2020	6000	2200	2000	200	4000
FY 2021	6000	2000	1800	200	4200
FY 2022	6000	2000	1800	200	4200
FY 2023	6000	2000	1800	200	4200
FY 2024	6000	2000	1800	200	4200
FY 2025	6000	2000	1800	200	4200
FY 2026	6000	2000	1800	200	4200
FY 2027	6000	3000	2800	200	3200

FINANCE COMMITTEE
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WDNESDAY, NOVEMBER 1, 2017
Page 4 of 5

FY 2028	6000	3000		2800	200	3200
FY 2029	6000	2500		2250	250	3750
	SR (Normal)	SR (Expected)	EX (expected)		Remaining (expected)	Budget Saving
FY 2030	6000	2500		2250	250	3750
FY 2031	6000	2500		2250	250	3750
FY 2032	6000	2500		2250	250	3750
FY 2033	6000	2500		2250	250	3750
FY 2034	6000	2500		2250	250	3750
FY 2035	6000	4000		1800	200	2200
FY 2036	6000	4000		1800	200	2200

RED= Purchase Payback Period
BLUE= Truck Upgrade Funding
YELLOW= Special Years
ORANGE= Normal Operations
PINK= Normal Operations + Aged Maintenance

Additional information provided:

- The maximum total allowed for the purchase is \$275,000, but Mr. Camden feels that the final cost will be lower.
- Since the truck won't be exposed to salt or calcium it is likely to have a much longer life expectancy than a DPW truck.
- Plowing currently costs \$120/hour with a 4 hour minimum for storm.
- Snow removal is part of the job description but this isn't currently done since there is no equipment available. Mr. Camden feels the work can be done within the existing hours of the Airport Manager.
- FAA prefers to buy bigger than what is necessary based on their experience history.
- It is likely that the truck may be available, on a limited basis, for emergency use by the DPW in the case of DPW equipment failure during snow events.
- For the local funding to be in place by the deadline to receive a vehicle before the next snow season, there needs to be either an appropriation at a special town meeting, or a reserve fund transfer. A special town meeting is not yet planned for the winter. The next special town meeting is not likely to be scheduled until the final union negotiations are completed, and that timeline is uncertain.

The non-CIC committee members expressed support for the idea of purchasing this vehicle. CIC members were prohibited as there was a quorum present, but this was not posted as a CIC meeting. The CIC will meet with the airport next week for their discussion of this item.

Topics not anticipated within in the 48 hour posting requirements

Mr. Ellis presented the latest draft of the revised Capital Request Form. The form for Special Article Requests will likely have similar revisions. Mr. Widmer suggested adding a space to show how the benefit/gain will be reported back to the town/CIC/FC.

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MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, NOVEMBER 1, 2017
Page 5 of 5

The Selectmen are initiating an investigation in an employee matter, which would benefit from an outside professional investigator. They anticipate awarding a contract next Monday. The question is where the expense should be allocated, specifically whether this is an appropriate expense for the legal budget. According to the Department of Revenue Attorney of the Day, this would depend on Town Meeting's expectation of what expenses would be incurred in that budget. After discussion, it was determined that the expense would be most appropriate for the Board of Selectmen's Budget since the end result is expected to be set of facts to provide solid basis for a personnel matter, with the Selectmen acting as the Personnel Board. If the total Board of Selectmen's budget runs low later in the year, that would be the appropriate time to request a reserve fund transfer.

Mr. Hanold asked that the budget requests include information on the specific benefits received from new software purchased in FY16-FY18.

Meeting adjourned at 7:03 PM

List of Documents and Exhibits:

- September 13, 2017 Minutes
- Handout from Airport Manager

Next Meeting Dates:

November 15, 2017 Possible Reserve Fund Transfer request for Airport snow removal truck
 Meet with Bob McDonald, WPCF Superintendent for update on FY2019 budget
 issues
 Update on website
 Finance Committee to offer suggestions for budget message and requests

Future Items

- Mr. McDonald to discuss rationale and calculation for tax subsidy to WPCF operating budget as an offset to the cost of treating inflow and infiltration. Current formula includes industry surcharges that are no longer billed.
- Feedback from Civic Engagement Committee regarding funding the GMRSD.
- Suggestions for changes to Financial Polices