

JOINT FINANCE COMMITTEE, CAPITAL IMPROVEMENTS COMMITTEE  
AND BOARD OF SELECTMEN  
MEETING MINUTES  
UPSTAIRS MEETING ROOM  
1 AVENUE A, TURNERS FALLS, MA  
WEDNESDAY, NOVEMBER 15, 2017  
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The Chair opens the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Selectboard Members present:** Michael Nelson arrived at 6:20 PM. Richard Kuklewicz and Christopher Boutwell were absent. No quorum was present.
- **Capital Improvements Committee members present:** Josh Lively and Fred Bowman. No quorum was present.
- **Finance Committee members present:** Fred Bowman, John Hanold, Richard Widmer, and Chris Menegoni. Greg Garrison and Michael Naughton were absent.
- **Others Present:** Town Accountant Carolyn Olsen, Airport Commissioner Peter Golrick, Airport Manager Bryan Camden, WPCF Superintendent Robert McDonald, and Jennifer Audley. Town Administrator Steve Ellis was absent.
- 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 November 1, 2017.

Vote: 4 In Favor 0 Opposed 0 Abstained

**Reserve Fund Transfer Request for Airport snow removal vehicle**

Mr. Camden provided a reserve fund transfer request with a letter of support from the Airport Commission.

- The commission is looking at storage options, including housing the vehicle in a hanger or at the FCTS over the summer.
- The plow on the vehicle is specific to airport use but can be replaced with a regular street plow. The vehicle is available to the town in case of emergency.
- Mr. Widmer asked if the airport was kept open during snow events. Since there is no commercial activity, the most efficient way to plow is to plow after a storm unless there is a significant accumulation.
- The Capital Improvements Committee recommended the purchase.

Mr. Naughton had e-mailed the following questions:

1. I see the total cost is \$275,000. I didn't see a Gross Vehicle Weight, but this sounds like a big truck. Will it require a special (commercial) license to drive? Maybe not on airport property, but when it needs to be driven somewhere else for fueling, maintenance, or storage? The weight exceeds 26,000 pounds, so a Commercial Driver's License with air brake endorsement is required to operate the vehicle. The FAA will cover training costs for the license.

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2. Estimated maintenance costs seem low (\$450?). It sounds as if this truck will spend a lot of time sitting around (only used to clear snow?). I understand that's not great for a truck. I would appreciate having Tom Bergeron weigh in on how realistic this is. Mr. Bergeron said the vehicle has a 10 year, 100,000 mile warranty. General maintenance will only include things like regular oil changes. Maintenance will require the vehicle to be driven to the dealership. Mr. Bergeron would take this truck in a heartbeat if he were given the same offer. Mr. Bergeron's only question is Mr. Camden having the time to clear the snow and whether paying Mr. Camden extra hours versus paying the contractor will save money.
3. I guess my concern is that we not be tempted by the cheap cost to the town to get into something that will cost us more down the road. Not saying I'm against it; just that I have these questions and concerns at this time.

Finance Committee Moved:

To approve a reserve fund transfer request in the amount of \$13,750 for an airport snow removal vehicle.

Vote: 4 In Favor 0 Opposed 0 Abstained

### **WPCF Budget Preview**

WPCF – Preliminary FY2019 Budget Discussion, update on status of Montague Process, impact on FY2019 budget options

Superintendent McDonald said the process itself is not running badly, but the plant isn't currently accepting sludge loads because the plant is still having difficulty meeting the permit requirements. The plant is unlikely to accept waste again until at least late December. By not receiving loads for a long time, there has been a significant revenue loss. The closing of the paper mill was another large hit. The paper company filed for bankruptcy, so the likelihood of receiving the outstanding bills is not good, at least in the short term. These two items required a lot of readjustment to balance the current budget. The Fiscal Year 2019 budget is looking very challenging, with a potential revenue shortfall of around \$500,000. Staff is trying to improve composting so they can take in a few sludge loads each week. If they can improve the composting enough to take in two sludge loads a day it could potentially bring in \$260,000 annually. There are several other ideas that would provide long term cost savings, but they will take time and money to implement. McDonald has been working these ideas and has asked the Sewer Commission for a special meeting to explore the various options.

With the process not at full capacity, the plant is currently having to truck out sludge to Lowell three times a week at a cost of about \$14,000 per truckload. Mr. McDonald is hoping that a facility will be opened in the area, but that will take time for an agreement and construction.

Mr. Hanold asked about expected changes in the budget. Mr. McDonald noted that expanding the composting, as noted above, would bring in some much needed revenue. Additionally, the Chief Operator position is still unfilled, and may not be included in next year's budget. There may be

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additional savings next year if one employee who plans to leave in October of 2018 to go to graduate school full time is not replaced. The position would be filled once the revenue streams rebound.

Mr. McDonald gave a short explanation of the composting process. They use wood chips to compost the sludge. The high heat generated by the wood chips kills pathogens after about 3 weeks. Then they shake out the chips and have been stockpiling the resulting compost. The state has finally given approval to dispose of compost, but the plant must provide a label showing the original composition. Mr. McDonald hasn't had time to pursue disposal options, but will try to find a commercial operating to buy the compost. Making the compost available to residents in small amounts would not be practical.

One of the ideas to save money in the future is to installing a solar array on available land at the WPCF. Gap funding would pay up to 20% and the USDA also provides funding. Mr. McDonald will pursue this in hope that they may be able to begin construction by summer. A solar array is expected to generate a 25% reduction in electricity costs which would save about \$40,000 per year. A feasibility study for the solar array will be done and submitted to the state by November 30<sup>th</sup>.

Mr. McDonald is hoping for resolution of the composting/extra loads and solar array by the time that budgets are due. If both ideas are successful they could provide up to \$300,000 in revenue to offset the current Fiscal Year 2019 deficit.

When asked if the staff reductions would result in the state requiring staff additions, Mr. McDonald said that state staffing requirements vary according to how the plant is run. Updated technology now allows staff to make adjustments from home via laptops instead of having to drive to the plant and make manual adjustments. The next step is to implement automatic timers on pumps.

Regarding general plant and equipment needs, Mr. McDonald said that they need to replace control panels and several valves at the Denton Street and Lake Pleasant pump stations. Many of the valves at those pump stations are failing and each pump station is currently working on only one of their two pods. Since redundancy of controls is critical in wastewater treatment, fixing the pump stations is top on the priority list.

Mr. McDonald has also been researching the inflow and infiltration surcharge paid by the town to treat the flow into the plant that is not generated by sewer users. Mr. McDonald has located the 1982 agreement on the surcharge calculation and reviewed old reports, but it remains unclear as to how the surcharge is calculated and assessed. It's also difficult to nail down the inflow & infiltration number because part of the town still has combined drain systems (sewer and stormwater), so it's not possible to accurately determine what part of that flow is sewage.

#### **FY19 Budget Process**

- Schedule – Mr. Hanold reviewed the proposed budget process schedule.

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- Input on Budget Requests/Budget Message. Mr. Naughton suggested (via e-mail) that department heads somehow tell us what they think "success" means for their department, and whether they think they are achieving it. Also, will success look the same in the future as it does right now. If anyone else has any requests, let Mr. Ellis know directly.
- Preliminary thoughts on Stipends (for budget message). Every couple of years the Finance Committee looks at paid boards, moderator, forest warden, the tree warden, board of registrars, etc. Members were asked to look at the Fiscal Year 2018 Finance Committee report to review current stipend levels. Their thoughts on any changes should be directed to Mr. Ellis for potential inclusion in the budget message.
- Consider pros and cons of allocating a percentage of Kearsarge Energy's annual lease payments to the Town Capital Stabilization Fund—or some other targeted fund—via adoption of MGL Chapter 40 Section 5B. Ms. Olsen explained that the Municipal Modernization Act included a provision that allows towns to vote to allocate certain revenues directly into special purpose funds. This requires approval of the provision by town meeting plus a vote designating the revenue stream, the % of revenue to be redirected, and the fund to receive the revenue. Since Kearsarge Energy's first rent payment of about \$150,000 will be in Fiscal Year 2019, this is an ideal time to redirect that revenue into the Capital Stabilization Fund. If town meeting did not adopt the provisions of MGL Chapter 40 Section 5B, the same result could be gained by annually appropriating an amount equal to part or all of the rent payment into the Capital Stabilization Fund.
- The question always comes up of whether there will be any change in the affordable assessment formula for Fiscal Year 2019 or any change to include the Franklin County Technical School (FCTS) in a total affordable education expense. There was no interest in pursuing any change at this time. Including the FCTS would be problematic. Mr. Bowman observed that a change may be premature in view of discussions among Gill-Montague, Pioneer, and the Tech School.
- Preliminary consideration of allocating available free cash for Fiscal Year 2018 Special Town Meetings and Fiscal Year 2019 operating budget, capital requests and non-capital special articles. Ms. Olsen noted that there is just under \$440,000 of available Free Cash and that this is the only significant reserve available at this time, given the assumption that the General Stabilization Fund be untouched except for real emergencies. Ms. Olsen suggested that the committee begin thinking about how they think the Free Cash should be allocated and offered the following information to assist in that process:
  - Current potential Fiscal Year 2018 requests could exceed \$80,000
  - Free Cash to reduce operating budgets was \$200,000 for Fiscal Year 2018
  - Free Cash for articles was \$201,000 at the last annual town meeting, including both capital and non-capital requests
  - The Capital Improvements Committee (CIC) requests guidance regarding available funding for Fiscal Year 2019 capital requests in early January

Ms. Olsen noted there will be a change in how capital requests are handled this year. In the past, the Finance Committee was provided with all capital requests so that they had some awareness of the magnitude of requests received. This led to capital requests sometimes being discussed at multiple meetings. This year, the Finance Committee will let the CIC know how much funding

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is available, and they will be the only ones to receive capital requests. Once the CIC has evaluated the requests, made their recommendations, and prioritized their recommendations, they will report these results to the Finance Committee at a single meeting. After this meeting the Finance Committee will make their recommendations on the articles that make it to the warrant.

**Topics not anticipated within in the 48 hour posting requirements** None

**Meeting adjourned at 7:23 PM**

**List of Documents and Exhibits:**

- November 1, 2017 Minutes
- Reserve Fund Transfer Request from Airport, letter of support from Airport Commission

**Next Meeting Dates:**

November 29, 2017	DPW Facility Update, Town Administrator Budget Message, discuss preliminary allocation of reserves
December 6, 2017	Revenue estimates, impact on Affordable Assessment, preliminary allocation of reserves
December 13, 2017	Determine preliminary revenue estimates, preliminary Affordable Assessment, and allocation of reserves