

FINANCE COMMITTEE
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, JANUARY 23, 2019
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The Chair opens the meeting

- Meeting was opened at 6:02 PM in the Upstairs Meeting Room
- **Finance Committee members present:** Fred Bowman, Richard Widmer, Jen Audley, and Michael Naughton. John Hanold participated remotely. Greg Garrison and Chris Menegoni were absent.
- **Selectboard members present:** Chris Boutwell arrived at 6:07. Michael Nelson and Richard Kuklewicz were absent.
- **Others present:** Town Administrator Steve Ellis, WPCF Superintendent Bob McDonald, Town Accountant Carolyn Olsen, and Jeff Singleton from the Montague Reporter
- Vice Chair Michael Naughton, as acting 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 by Ms. Audley, seconded by Mr. Widmer to approve the minutes of January 16, 2019.

Vote:

Naughton - Aye

Hanold - Aye

Bowman - Aye

Audley - Aye

Widmer - Aye

Water Pollution Control Facility (WPCF) Budget Request

Mr. McDonald feels we're in better shape this year than last, and have a better handle on expenditures. The Town received an excellent bid for getting rid of sludge cake, which will help the bottom line this year. Mr. McDonald, Mr. Ellis and Ms. Olsen have worked on the Inflow & Infiltration calculation to determine the amount of taxation to be used for the WPCF budget.

Regarding the staff reduction request to DEP, Mr. McDonald stated that acting on his request is not a high priority for DEP. He pointed out that the pump station upgrades will result in requiring less manpower and running the plant conventionally (as opposed to the Montague

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Process) also requires less labor. Mr. Naughton is concerned that a late negative response from DEP may result in the WPCF requiring a budget increase. Mr. McDonald noted that the low amount of overtime reflects an appropriate staffing level.

Mr. Hanold asked how the tasks of the retiring Administrative Assistant and Lab Tech person are being redistributed, and he asked if that was going to work. McDonald said yes. The new laborer hire will take over the remaining lab work not being done by the Chief Operator and Mr. McDonald will take on all administrative tasks. Mr. McDonald does not feel that doing so will be a burden, as he did so in his previous job.

Regarding the reduction in solid waste disposal costs, we are now utilizing the Fournier press that hasn't been used much for several years. This press removes much of the water from the sludge, producing sludge cake, resulting in fewer truckloads of material needing to be disposed of. It took time to get the Fournier press up and going full time. Staff is still working on keeping the sludge cake process going. The Fournier press does require more chemicals and electricity to run 8 hours a day, so there are some increased costs. The new contract for cake sludge disposal provides a much lower cost per load and is expected to provide significant savings. We are no longer doing the more expensive liquid loads. Additionally, we are waiting for final approval on composting. We can't compost all of the sludge due to lack of enough area to compost, so currently we can at best compost 20% of the sludge. One negative is that when the cake disposal contract goes out to bid again, the price may not be as good. Mr. McDonald wants a large compost facility to allow composting 6-9 months and make cake the remaining months. We are still looking at a possible partnership with Greenfield for a regional digester. There's a lot going on with that, and it is not yet clear what our role will be, whether it's taking loads there or composting the residue from digester. The more alternatives that are available the better off we are.

Mr. Naughton's question on discretionary account is what is the best way to handle purchases made from it. Mr. McDonald feels strongly that the discretionary account is beneficial because it allows for capital expenses or paying for projects that go over budget.

Ms. Audley is concerned; while she wants him able to handle emergency repairs and situations, she doesn't want him to plan on spending the discretionary account and not having it available for emergencies.

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Mr. Hanold thinks that the need for a discretionary account is clear; the only question is what the boundaries are. As with the police, further discussion of the discretionary account will happen when the appropriation articles are discussed.

Regarding the Inflow and Infiltration calculation, Mr. McDonald and Ms. Olsen tried an industry model and came out with a much higher cost. They then went back to the 1982 formula, researched all of the pieces of information required and calculated current numbers, resulting in a cost of just over \$210,000 for Fiscal Year 2020. For the budget, this will be adjusted to \$215,000 to account for later costs after union contracts are settled for Fiscal Year 2020. These calculations were presented to the committee. About 26% of total inflow to plant is from infiltration, but this is actually much higher in Millers Falls. This is a concern for Erving because their plant is having difficulties dealing with the high volume of inflow. There will be a special article requested to fund an in-depth engineering study to determine the cause of the inflow and to propose ways remediate it.

Mr. Widmer has neighbors concerned about the sewer rate hike since their flow goes to Erving. Mr. Widmer asked why Millers Falls residents are bearing rate hike to the whole town, and wants transparency in annual report about how much the town is paying Erving. Erving is getting \$203,000 this year. Mr. McDonald said that Millers Falls residents have to remember that maintaining the infrastructure, and jetting sewer lines is all part of the town's sewer rate, even though their flow goes to Erving. If a new pump station is built, that cost will be borne by all users, not just Millers Falls residents. There are still 6 years left in the contract with Erving.

Mr. Singleton asked what the relationship is between the town sewer rates and the rates Millers Falls residents pay. Millers Falls residents pay the same sewer rate as other town residents. Everyone pays a certain rate into a pool, which pays for both what is treated at the town's treatment plant and what is treated by Erving.

Mr. Singleton asked the difference between inflow & infiltration. Inflow flows from people emptying water (such as from roof drains) into storm drains. Infiltration is water coming in through cracked pipes from wet ground due to rainwater.

Mr. Widmer asked if some businesses use more water, and if they are paying more for sewer. Yes, they pay more for sewer because the sewer bill is based on water usage. Currently Great Falls Aquaculture and Light Life are the only major users. Smaller industries that use more water than homeowners do not produce flow much different than homes, but they are visited every few years to check on their production and the impact to their flow.

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Mr. Naughton asked if breweries are treated differently. They are treated slightly differently in that the water flow that the sewer bill is based on is adjusted to reflect the amount of water that goes into their product.

It was noted that while the main WPCF budget is lower, other sewer expenses are rising, notably debt service, so it's expected that total WPCF appropriations will be slightly higher for Fiscal Year 2020, and while a rate increase is likely, it is also likely to be small.

DPW Budget Requests – postponed, with reschedule date TBD

Police/Dispatch/ACO Budgets

Discussion of Police/Dispatch requests and suggestions, concerns to be resolved, and what we want to highlight or explain to the public about these budgets.

There was further discussion about the purchase of the new cruiser and whether we should purchase a hybrid vehicle. Highlights of the conversation:

- Chief Williams is getting some quotes but suggested waiting a year before getting a hybrid.
- Mr. Widmer found manufacturing websites on line for the Ford Explorer. The manufacturer suggests that the hybrid will get 40 mpg. Comparing this to the Police Department's average mileage last year's of 14.72 mpg, the savings on fuel could be \$3,000 per year. The vehicle cost difference is \$3,500, suggesting that the savings could cover the additional cost to purchase and equip.
- Mr. Bowman noted that there are not a lot of hybrids on the road yet and suggested waiting to see what experience hybrid cruisers have before purchasing one.
- Mr. Hanold's experience when transitioning vehicles is it takes time to see what actually works. It is notable that the Chief is making inquiries, and the day of the hybrid is getting closer but Fiscal Year 2020 may not be the year to do this.
- Ms. Audley reminded the committee of the 3rd option of purchasing a new vehicle in an older model to save on the cost of equipping the new vehicle.
- Mr. Naughton's thinking is that although the manufacturer says the hybrid model is the same as the gas model, he is concerned that if we buy and equip a gas 2020 model, we

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may then find out that some of that equipment may not work in the hybrid version. Mr. Naughton suggested that buying an older model and making a later switch to a hybrid with new equipment may make more sense and allow others to test the hybrid models as cruisers.

- The general sense is that a 2020 gas model is the least favorable, the hybrid model is questionable, and it may be best if we can get an older model in Fiscal Year 2020, and look to get a hybrid model in 2021. This will provide a track record of field use of hybrid, both in performance and mpg.

Mr. Hanold asked if the cruiser purchase was the only issue to highlight in the report. Mr. Hanold is inclined to say something positive about the staffing settling down. Ms. Audley thinks of framing it using narrative language; the department was in transition, things have been unsettled, and now they have set a course. Mr. Naughton said the emphasis in the report should be on a brief general overview, with a focus on what people might have questions about and what is new and different, and suggests that the police are not one of those areas. Mr. Ellis suggested including an update on the GMRSD School Resource Officer, noting that a new position was implemented, a veteran officer moved into position, and that the force is relatively young but experienced in sergeant rank. This raises question for Mr. Naughton – could some of that be covered in the Town Report? Is this information for the Finance Committee to present to town meeting or for inclusion in town report? Ms. Audley said that the Town Report is handed out at town meeting, which doesn't provide time for members to read it before voting, and thinks it is worth it for us to say staffing is adequate and positions are allocated appropriately.

Mr. Widmer noted that the issue of hybrid vehicles is always brought up at town meeting, so it is worth including that information in the report.

Mr. Hanold observed that the police department budget was a good submission that is about 1% higher than last year. It presents stable staffing, and they are dealing with the cruiser issue in a constructive way. Other members of the committee agreed that was an appropriate summation.

Topics not anticipated within in the 48 hour posting requirements -

Mr. Hanold noted the Governor has released his budget and that our revenue estimate for general aid is slightly lower than the Governor's so we're in good shape. There will be a

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several year process to revise the school foundation budget calculation. The Governor's 2.7% increase in unrestricted local aid provides about \$6,000 more than our estimated 2.4% increase. The revenue estimate will be updated accordingly.

Ms. Audley asked that we request GMRSD's preliminary budget ahead of time. Mr. Naughton will email Superintendent Sullivan and ask that this be provided.

Mr. Naughton reported on the Civic Leader's group. Superintendent Sullivan is proposing a meeting on February 5th to present the results of the consultant' study. The meeting will be at 6:30 at senior center, and will be posted as a Finance Committee Meeting.

Finance Committee:

Moved by Bowman, seconded by Audley, to adjourn at 7:36 PM.

Naughton - Aye

Hanold - Aye

Bowman - Aye

Audley - Aye

Widmer – Aye

Next Meeting Date: – January 30th to meet with the GMRSD, review special articles on the February 19, 2019 Special Town Meeting Warrant, and review what to include in the Finance Committee Report regarding the WPCF.

Meeting adjourned at 8:38 PM

List of Documents and Exhibits:

- Minutes of January 16, 2016
- WPCF Questions and Answers
- I & I Cost Worksheet

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661-440 WPCF

1. What's the latest from DEP on staff requirements?

A letter was sent to DEP in the fall of 2018 requesting a reduction in staffing required to run the Montague WPCF. Dan Kurpaska of Mass DEP Western Mass Region has forwarded the letter to his director for his decision. I plan on staying with a staff size of seven for FY20.

2. Please explain a little more why the 5280 Solid Waste Disposal budget went down so dramatically.

In December of 2018 Montague WPCF put out to bid the sludge cake disposal and hauling. Veolia was low bidder, a 31% reduction to then current contract for disposal. If WPCF chooses to just send out sludge cake (one load per week) for FY20 expense should not exceed \$140,000. WPCF is in the final steps of a composting permit process with DEP that will reduce sludge disposal costs by an additional/approximately 25% for FY 20.

Important part of the reduction in the sludge disposal cost is switching from liquid sludge disposal to sludge cake disposal. It has taken some time to re-establish cake contract and plant process procedures.

3. The 5370 Buildings line went down 25%. What shape are the buildings in?

The building are in good shape, I feel this line can be reduced and still be able to maintained and repair as needed.

4. Why does this budget need a discretionary account? How has it been used in the current year, and what are the expectations for FY20?

The discretionary account is very important; there are so many moving parts at the facility and pump stations that run 24/7. This at times makes it very difficult to predict an expensive repair. In FY19 I used the account to upgrade hardware/programming to SCADA from pump stations. The goal is to have all pumps visible on SCADA versus having to physically checking each station daily (reduce site visits to 3/week). This will help convince DEP on staff reduction request. I hope to use this account in FY20 to continue upgrading of pump stations.

5. How have the duties of the Secretary & Assistant Lab Tech been distributed among other positions, in view of the restricted labor categories and inexperience?

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As we inch towards the retirement of Tina Tyler the responsibilities are being delegated. The Chief Operator will run the lab and train a new operator in laboratory procedures. He will be responsible for the daily lab QA/QC. The Administrative part of her job will mostly be done by the Superintendent, i.e. payroll, monthly reports, annual reports, billing and personal information. Work orders will be the lead mechanic's responsibility.

6. Will the cost of Solid Waste Disposal return to FY2017 levels in addition to other cost reductions you've planned?

I really don't see that cost returning back to 2017 numbers. We hope to expand our composting (which will reduce disposal cost), and it is very important that we are diligent in operating our Fournier Press (maintaining unit very critical) and not send sludge out in a liquid form. We are also exploring a partnership or membership of a regional anaerobic digester with Greenfield WWTP.