

MONTAGUE FINANCE COMMITTEE

Wednesday, January 31, 2024 at 6:00 p.m.

This meeting was held in person and with public participation via Zoom and recorded:

<https://vimeo.com/908459973>

Finance Committee Chair Francia Wisnewski called the meeting to order at 6:00 PM.

Finance Committee members present: Chair Francia Wisnewski. Vice Chair Dorinda Bell-Upp, Clerk Fred Bowman and members Greg Garrison, John Hanold, Chris Menegoni, and Jennifer Waryas

Finance Committee members absent: none

Others present: Town Administrator Steven Ellis, Assistant Town Administrator Walter Ramsey, CWF Superintendent Chelsey Little, and Town Accountant Carolyn Olsen

The meeting was recorded by MCTV as well as by Carolyn Olsen.

Meeting minutes:

Mr. Hanold moved to approve the minutes of January 24, 2024. Seconded by Ms. Bell-Upp and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison– Aye Hanold – Aye, Menegoni – Aye, Waryas – Aye, Wisnewski - Abstain

CWF Department FY2025 Requests:

The FY25 Clean Water Facility budget is mostly level funded with contractual increases, a new line item for postage for sewer bills that was previously paid by the Treasurer, and an increase of \$10K in Professional Services for additional engineering and assistance with project management for the 11 active projects.

Ms. Bell-Upp asked if the CWF could bill more frequently. Ms. Little replied that she was looking into it as part of looking at the rate structure but thought it would probably remain semi-annual due to the current billing system. This is one of the items that will be discussed with the Sewer Commissioners. Ms. Waryas noted that sewer bills seem to be a more emotional issue for some and suggested more consumer education about the costs to run the facility. Ms. Little added that the CWF is basically a non-profit utility.

Ms. Little recommended to Mr. Ellis and DPW Superintendent Bergeron that the DPW increase the DPW Subsidiary Budget (449) for needed preventative maintenance.

Mr. Hanold asked if the recently found inflow issue in Millers Falls was the major impact on inflow and infiltration. Ms. Little said that this is the responsibility of the DPW but showed the video of the water flowing into the sewer system. The currently owned cameras are not able to go into lateral lines, but there are other methods to investigate. Because of frozen ground and permissions needed to go onto private property it will take time to finish the investigation.

Mr. Ellis reviewed last week's discussion of the DPW vacancies and our efforts to fill the positions, which has an impact on DPW staff availability to assist the Collections System Lead Operator.

Space needs and work areas were discussed.

- There is some potential to expand onto the neighboring parcel that was previously purchased by the town.
- The CWF would like to use the Farren garage as a temporary work area, as the current main workshop is in a building with a lot of hydrogen sulfide gas issues.
- Longer term plans include expanding from the administrative building to provide staff workspace, updating the locker rooms which are not to code and only available for male staff, and adding a two-bay garage with one bay earmarked for the EV transit van.
- Eventually improvements will also be needed for the headworks, and then the operations building. These will both be multi-million-dollar projects.

The CWF is currently doing a composting feasibility study. Sludge dryers used to have a lot of issues, but new sludge dryer technology can now recapture energy and heat and could fit into an existing trailer bay. This would cost \$2-4 million as compared to the \$8-10 million cost of a composting facility. The CWF currently spends \$360K annually to haul sludge away.

Ms. Wisnewski asked about interest and penalties on late bills and would like to see the statutory requirements.

Ms. Wisnewski asked how to get updates on the special article for collection system compliance and regulations.

Ms. Wisnewski asked Ms. Little what are two challenges that she has found this year, adding that sometime its very confusing to see whose role is what and asking what steps are being taken to clarify roles. Ms. Little responded that it's challenging to have two different departments involved, especially when her department is an enterprise fund and not part of the town's budget. It's a little bit tricky at times because they are so separate and are treated separately at times. It's challenging to know who pays for what, or where it is split. Ms. Little would like to see the Finance Committee really involved with the determination of who pays for what. She knows it's a Sewer Commission and Selectboard issue but would like to see the Finance Committee involved because it's important. We've had standards before with kind of a 60/40 split where the CWF takes care of 60% and this is for capital projects or potentially paying for operators in the collection system for the DPW. These things have come up several times and she thinks it would help to have the Finance Committee involved with a lot of those discussion because we can all collaborate and come up with a good way to be able to manage the differences between the departments. That's a big challenge that stands out. Ms. Little added that dealing with sludge is very stressful due to both the cost and the timing of service. We have to get so much out so we don't violate permit but can't get too much out because of the cost of hauling.

Mr. Hanold noted that cooperation between the DPW and CWF is pretty important. As there has been more attention to monitor and pursue I & I and as the aging sewer system begins to show defects, we will have a lot of cooperative effort required and he wants to make sure the Finance Committee pays attention to what kinds of efforts are actually beginning so CWF is not waiting for the DPW to act, and

DPW is not staffed adequately. This will become a bigger and bigger issue. The Erving additional assessment for Millers Falls is likely to continue to be on our plate for a year or two more at least. He wants to make sure we support Ms. Little in her desire to have the Finance Committee actively involved in figuring out how these costs are budgeted and who is responsible for acting on those budgets and correcting the issues.

Ms. Waryas wonders if having a separate Sewer Commission would be helpful for facilitating these tricky relationships, especially when there are so many things going on. Is she the only person who thinks having a separate Sewer Commission would be beneficial for navigating all these nuances. And her comment is in no way meant to disrespect the current structure or Selectboard members, but just as there's a separate Airport Commission, maybe it would be helpful to have a separate Sewer Commission. Ms. Waryas asked if anyone else thinks this would be helpful.

Ms. Little likes the idea of accountability to a Sewer Commission for all departments involved with the enterprise fund and would like to have a really committed separate Sewer Commission to focus on the two departments and how things are paid for. Ms. Little also thinks if people are interested in being on boards and committees this would provide another opportunity for involvement.

Selectboard Recommended FY25 Town Budgets:

Today we found out that our health insurance costs will be going up 8% instead of our budgeted 5%. We are also waiting for the final I & I figure which we hope to have on Monday. The Governor's budget for state aid for the GMRSD was well below the estimated amount, and we don't yet know the extent of the impact on their FY25 budget. We are also waiting for the FCTS assessment. We are fortunate to have the AA to provide a number to plan around. With that in mind the Selectboard has voted to recommend the preliminary budget as presented on Monday, January 29th. Mr. Ellis noted that the Selectboard did not support the new position of Collections System Operator. The Selectboard budget was reduced by \$11K due to the change in Town Administrator.

Ms. Bell-Upp asked about the flow if we need to reduce our excess capacity to fund the schools or airport. Mr. Ellis noted that what we learn in our meetings with the GMRSD, Airport, and FCTS may require further joint meetings to address those issues.

Ms. Wisnewski had a follow-up question for Mr. Ellis from last week. Ms. Wisnewski did not feel that her questions regarding the financial impact of the procurement process were adequately answered last week. She asked if 100% of town vehicles in the town were purchased following procurement practices. She requested a yes or no answer. Ms. Wisnewski asked if that information was available. Mr. Ellis said that they should be but noted that the Selectboard's office does not review all of the specific purchases by the DPW, CWF or Police. Vehicles are normally purchased off of a state operational services division collective purchasing list. In certain cases we've gone out with an Request for Proposal when we could not find a suitable vehicle on the state procurement list. An example is the CWF electric transit van. We could not find one on the list that would meet our requirements, so we did a bid for that particular vehicle. We don't have a separate procurement department so there isn't a single office to manage the process. Ms. Wisnewski asked if the town never knows what happens after the funding is approved. Mr. Ellis explained that we always know that. The accountant records the appropriation, the department submits the bills for payment on a

warrant. The Selectboard reviews and approves the warrant and everything is properly attributed to the expense account. This is particularly easy for special articles since only expense attributable to those can be charged to them. The accounting records and monthly reports show what was spent on every article. Mr. Ellis wanted to be transparent that our purchasing is not so robust that he has a check and a dot for every single vehicle. He verifies everything regarding each procurement that he's involved in. Procurement generally works really well. State procurement will not always get you the best price, but it is better than not having it.

Ms. Waryas asked if our goal was that 100% of purchases are either purchased from an approved state bid list or through our own procurement process. Mr. Ellis noted that there are exemptions to procurement requirements, such as for engineering.

Mr. Menegoni noted that when a replacement vehicle is requested, we never receive documentation about disposition of the old vehicle, including who it was sold to, what the proceeds were, what the trade-in value was, etcetera. , hasn't been available to the Capital Improvements Committee. Mr. Ellis said the trade in value would be on the invoicing. Ms. Olsen suggested that he may be talking about the fixed asset schedule, although that would not have all of the information mentioned. Ms. Olsen noted that we do not have the front office capacity to maintain centralized records of this type. Ms. Olsen asked if the request was to have that information included in the capital request. Mr. Ellis added that this information may not be available at that time, but suggested a section could be added to the narrative requesting this information for any vehicle purchased in the previous and current fiscal years.

Mr. Garrison asked if there was an income line for sale of surplus. Ms. Olsen said we have that account, but that it only reflects what was sold, not a trade in value.

Mr. Ellis noted that our annual budget submission form includes a question related to special articles requesting a status report and suggested that next year Mr. Ramsey add more detail to address these questions.

Town Administrator Updates:

Mr. Ellis said we've covered most of them. Ms. Wisnewski contacted Mr. Jesus Leyva, who will put together information about Senate Bill 303 for discussion at next week's meeting.

Topics not anticipated within 48 hours of posting: none

Finance Committee Adjournment

Mr. Bowman makes the motion to adjourn at 7:15 PM. Seconded by Mr. Hanold and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison– Aye Hanold – Aye, Menegoni – Aye, Waryas – Aye,
Wisnewski - Aye

Respectfully submitted,
Carolyn Olsen

Next Meeting – February 7, 2024 - GMRSD

Documents and exhibits:

Minutes of January 24, 2024

CWF FY25 Budget Requests