



Finance Committee Meeting Minutes

January 17, 2013 6:30 PM, Community Room

Tyngsborough Town Hall

Tyngsborough, Massachusetts

Members: Robert Mullin, Chairman (RM) Linda Geyer (LG)
Darryl Wickens (DW) Scott Hammer (SH)
Chris Mellen, Vice Chair (CM)

Attendees: Michael Gilleberto, Town Administrator
Nina Nazarian, Assistant Town Administrator
Kerry Colburn-Dion, Town Treasurer
Corliss Lambert, Board of Selectman
Jeff Hannaford, Sewer Department Manager
Fred Perrault, Sewer Committee
Jerry Foley, Sewer Committee
Jim Hustins, Highway Department Manager

VOTE: Darryl Wickens motioned to start the meeting at 6:40, seconded by Scott Hammer, all in favor 5-0-0

Item 1: Sewer Enterprise Department Budget review and discussion

Presented by: Jeff Hannaford, Fred Perrault and Jerry Foley

Mike Gilleberto explained how the Enterprise budget is designed, funded and approved. It is designed to support the efforts of current sewer operations and future development. It is fully funded by funds received from the rates and tie in fees received from those currently using the sewer system.

Jeff Hannaford explained that the sewer enterprise budget is made up of two major components, one the operations which is funded by revenue received from rates and the other capital improvements funded from tie in fees.

Salaries are based on three field employees. Currently they are short one field person but they expect to fill that position before FY2014 begins. Budgets for department operations were fully reviewed and discussed. Expected that Intermunicipal agreements (IMA's) will be renewed as discussions will begin soon with Lowell. It is expected that the cost of the agreements will increase. We need to pay other towns for sending our (outflow) sewage through their systems. The IMA's charges are expected to go up in FY2014 by approximately \$25K. As new users tie in the flow goes up and those increases are reflected in the FY2014 budget as well.

The capital improvement budget is carried under additional equipment and that budget is expected to increase by apx. \$400K. The major reason for this increase is the plan to put in place as Phase I West Study which will enable us to be shovel ready if and when the state approves us and offers aid which will enable us to start a phase on Middlesex Road (see below). Cost of this study is expected to be \$430K. Jeff spoke to this at length and pointed out that putting in any sewerage under this program would require an approval by voters at town meeting. He hopes to have this study done by our ATM in May of this year.

An area of concern is identifying areas where water is coming into the system that is not waste water but ground water. They have additional money earmarked for this in their inter-municipal agreement budgets.

Jeff said that the utilities numbers in the past were high and they seem to be coming back down. They are pretty much in line with where they are this year. He also stated that the user rates are still within their budgets and they will look at the rates again once they feel comfortable with what they will be paying to the other towns and city under the new agreements.

Two big earmarked areas. 1. They bought capacity to Chelmsford and had to be bought and paid for so this has been paid over time. They have that money in the budget. The Enterprise fund has a cushion within their overall fund in an account of Retained earnings.

2. \$430K for a Sewer design extension (Phase I West) study. * Under Capital Equipment *Middlesex Road extended to go through the center of town as far as Kendall Road. This will open up commercial development. The sewer department applies for state grants each year. If approved by the state we must be shovel ready to meet the state requirements. We will be in a position to begin after the study is done and then we have to go to town for acceptance of the money (loan from the state). SRS money available...he expects that to happen soon and then they should make sure we are ready.

The Sewer Enterprise Budget presentation concluded at 7:30pm

Item 2: Highway Department Budget review and discussion

Presented by: Jim Hustins

Department 421 Highway and Streets Admin – This budget had no significant changes.

Department 422 Highway and Streets Main/Construction

Jim asked for an additional employee at a cost of \$49,691. Currently the department has 9 employees. This position was denied in FY2013 and continues to be a need for the highway department. In addition Jim has asked that we bring on 3 seasonal employees (two months) at \$10. /hr to cover summer vacations and an additional \$3,000 for police details of which they currently have no budget and Jim pointed out is a safety issue for the men who are on the road without police coverage. Other small increases were the Overtime budget, in place to cover storms. Some expected expenses to cover the 3 sets of lights the highway department is responsible for and additional time needed to take care of new parks and recreation areas such as the town beach. The budget presented is up apx. \$77K over last year. Cost to rent equipment and services are going up as well every year such as contracts to sweep the roads, mowing the cleaning of brush, street linings, etc. Jim estimates that it costs the town an additional \$4,000 for some of the things that we cannot get to because we don't have the equipment.

Department 423 Snow and Ice removal The budget this year is the same as last year \$250,000. Mike Gilleberto pointed out that once we make an increase we are required by law to carry the same into the following year. We can overspend the excess without having to budget within that year.

Department 425 Vehicle Maintenance

The Gasoline and Diesel budget changed significantly over last year but is more in line with the actual numbers spent in 2011 and 2012 and the 6 month average of 2013. The proposed number is intended to reflect out the true actual which will be allocated to the other departments at year end. Per Mike Gilberto we will be able to charge out the true up number to the departments that should have been charged to during the year due to timing issues of billing to actual.

Darryl Wickens pointed out that the overall Highway Department's budget is roughly 15% more this year than last year's.

The Highway Department's Budget presentation concluded at 7:45pm

Department 491 –Cemetery

Mike Gilleberto presented the cemetery budget which came in \$700 over last year's budget. This has been attributed to a purchase request of \$1,500 for a replacement tractor (last year had a request for additional equipment of \$1,000). It is also expected that the water rate would increase the cost to maintain the grounds by an additional \$200.

Department 294 – Forestry

The Tree Warden, Douglas Latulippe, was unable to make the meeting. Mike Gilleberto presented on behalf of Doug. The proposed budget of \$10,150 includes additional funds for police detail, Disease services and pesticides. Doug presented backup information on the Ash yellow disease that is a problem for our town and is costing the town more and more each year to remove trees affected with this disease.

All budget reviews were concluded by 8:00

VOTE: A motion to approve the meeting minutes of 1/4/2013 was made by Scott H, seconded by Darryl W. Abstained by Chris M. 4-0-1

Additional discussion brought to the floor by Rob M.....Selectman would like to put together an advisory subcommittee to set a policy for the disposition of free cash. How we are using free cash... in the past we used a portion to support the budget. It is expected that the sub-committee will be made up of a representative from the Finance Committee, the Selectman and the School Committee.

The policy (guidelines) would need to be approved by the finance committee as well as the selectman. Rob Mullin stated that the representative would give regular updates to the Finance Committee.

VOTE: A motion was made by Darryl W. to appoint Rob Mullin to the Advisory subcommittee to set a policy for the disposition of free cash as a representative of the Finance Committee and Seconded by Scott H. All in favor 5-0-0

VOTE: A motion to adjourn was made by Scott H at 8:15, seconded by Darryl W All in favor 5-0-0

Reminders: Next FC Budget meeting, January 24th, 2013, 6:30. TriBoard meeting January 28, 2013, 7:00 and FC Budget meeting January 31, 2013, 6:30.

Prepared by: Linda L. Geyer

Approved by committee on January 31, 2013