

Town of Fairhaven

Finance Committee

Minutes of the meeting for <March 31, 2016> at the Jeffery W. Osuch BPW Administration Building, 5 Arsene St., Fairhaven, MA

Members in attendance:

Chairman-Scott Fernandes, Robert A. Furtado, Padraic Elliott, Kathi Carter, Lisa Plante, Tracey Diggins, John Mota

Members absent:

Ann Ponichtera DesNardis
Thomas Alden

Town of Fairhaven:

Mark Rees- Town Administrator
Wendy Graves- Collector/Treasurer/Finance Director
Vincent Furtado- BPW Superintendent
Edward Fortin- Water Superintendent
John Charbonneau- Highway Superintendent
Linda Shick- Sewer/Wastewater Superintendent
Earl Faunce- Retirement Board

Meeting was covered by government access television.

Chairman called the meeting to order at 7:00 PM. Announced that the meeting was being recorded by government access TV. Chairman has to be notified if anyone else present is recording the meeting by video or audio.

Motion made by John to accept the minutes from March 24, 2016. Seconded by Lisa. Vote: Unanimous

- Public Works will present their budgets.
- Chairman states the general fund budgets and the enterprise fund budgets have been separated.
- Mr. Furtado presents the BPW Administration budget:

- Mr. Furtado presents updated paperwork that shows an increase in salary.
 - Telephone is reduced by \$300, but they have moved the \$300 to Office Supplies to cover the cost of printer cartridges.
 - Minor Equipment: includes \$9,450 to replace an eight year old copier, \$6,000 for the upgrade of the phone system, and \$2,800 for the installation of a Vapor Recovery system on the fuel pumps.
 - Mr. Furtado states the existing phone system has no voice mail capabilities now. They plan on using the same company that did the recent upgrade to the Town Hall system.
 - Mr. Charbonneau states the vapor recovery system is mandated by the State and must be installed by January 1, 2017.
 - Discussion of whether that item should be in the Highway Dept. budget.
 - Pat questions the increase in the Salary category.
 - Mr. Furtado states there was an error in the original calculation, and the Board of Public Works also has given him a raise.
- Ms. Shick presents the Sewer Dept. budget:
 - Ms. Shick states Repairs to Stations went down because they have started upgrading some stations.
 - Repairs to Equipment is increased because of the aging equipment.
 - Contractor Assistance is increased because there are some repairs to sewer lines that require equipment the Town doesn't have.
 - Capital Outlay: consists of \$15,000 for cleaning of the Digester, \$1,500 for an Asbestos cement saw, \$15,000 for a "Muffin Monster" for the Digester, \$15,000 for DP probes for the aerator, and \$2,000 for a dishwasher for the lab.
 - Discussion of the "Muffin Monster":
It is used to grind up the waste as it enters the system, to prevent clogging.
 - Discussion of sludge disposal.
 - Mr. Charbonneau asks Mr. Rees about gas usage. What will happen if the price of gas increases after the budget is set?
 - Mr. Rees states the depts. will be expected to try to trim the budget in other areas to make up for it.
 - Discussion of Sewer & Water Enterprise funds.
 - Lisa states her objection to raising budgets and reducing the Reserve Fund.
 - Discussion of Article 10- Sewer Enterprise Capital Plan:
Work is related to upgrades at the clarification tanks, pretreatment building, 2 pump stations, and the continuation of the Inflow & Infiltration remediation, all for a total of \$8,682,000.

Mr. Furtado states the items will be funded through borrowing and Sewer Retained Earnings.

Mr. Furtado states there is approximately \$1,300,000 in Sewer Retained Earnings now.

- Mr. Furtado states the Board of Public Works has voted to institute a "Capital Upgrade Fee" of \$50 per year, per customer.
- Discussion of Sewer Dept. Articles on the Special Town Meeting within the ATM.
 - Article 3- Anaerobic Digester
Seeks an unnamed sum of money for the cleaning of the Digester, to come from Sewer Retained Earnings.
 - Mr. Furtado states this may be done instead, with a Sewer Reserve Fund transfer, so the work can be done sooner.
 - Article 4- Inflow and Infiltration:
Seeks \$200,000 for the State mandated survey of Inflow & Infiltration. To come from Sewer Retained Earnings.
 - Chairman advises Mr. Furtado as to the new Reserve Fund Transfer form.
- Mr. Fortin presents the Water Dept. budget:
 - Mr. Fortin states the increase in salary is only because of step increases and retirement buyout, no raises.
 - Contracted Services: is up because of service contracts on the water towers. There is equipment in the towers that keeps the water moving at all times to prevent it from becoming stagnant.
 - Water District: is a separate line item that is paid directly to the Mattapoissett River Valley Water District for the treatment of the water.
 - Discussion of water rate increases between the Chairman and Mr. Furtado.
 - Mr. Furtado states the BPW will hear a presentation from their consultant for water rate increases.
 - Kathi questions the YTD salary numbers.
Ms. Graves states she will get updates.
 - Pat questions the increase in Contracted Services.
Mr. Fortin explains the service contracts for the water towers.
 - Lisa questions purchasing water from New Bedford.
Mr. Fortin states they budget a small amount, just for emergencies.
Mr. Fortin states New Bedford actually purchases more from us.
- Mr. Charbonneau presents the Highway Dept. budget:
 - Salaries are up \$14,059.
 - Inspection stickers for the trucks have increased.

- Snow & Ice has been increased by \$15,000.
 - Discussion between Mr. Rees and Chairman about being able to deficit spend if it is in Operating Expenses.
 - Discussion of Highway Capital Planning item:
Article 9- Part C. would be to replace a 1998 dump truck for \$150,000.
Mr. Charbonneau states this would include a new sander and plow.
Present truck has a bad transmission, sander is not working, and it cannot be used for plowing anymore.
 - Transfer Station has increased because of the increase in cost of disposing of appliances, etc.
 - Lisa questions YTD spending in Uniforms.
Mr. Charbonneau states some workers buy their uniforms in the beginning of the year, and some at the end.
- Mr. Charbonneau presents the Parks Dept. budget:
 - Mr. Charbonneau states he is including 1 additional summer worker, for 14 weeks, at the cost of \$6,500.
 - He states more and more property has been added to their cutting list, without additional help. He states the weedwacking is where they fall behind.
 - Lisa questions the cutting of the Oxford & Rogers schools.
Mr. Charbonneau states they are responsible, because the School Dept. turned them over to the Town.
 - Mr. Charbonneau states he will email the Chairman a list of the property they are responsible for mowing.

8:11 PM. Pat leaves the meeting during discussion of roads.

- Discussion of the Article 11- Roadwork
 - Mr. Charbonneau states the BPW is recommending A. Union Street \$ 95,845, B. Harding Road \$116,455, & C. Capeview Street \$130,635.
 - Union street is in poor condition and can be done in conjunction with Green Street, which is being done this year with Chapter 90 money. Sidewalks and wheelchair ramps would be added to the south side of Union Street.
 - Harding Road is only slurry sealed now and it is delaminating.
 - Capeview Street is a dirt road now and the Board tries to do a dirt road each year.
- Article 12- Transfer from Howland Road Settlement Agreement
 - This is a settlement from the State for the issues with the Howland Road project. It requires that the money go into the General Fund and is used for Road Work.

- Discussion of the town's road survey list, dealing with the condition of the roads and how they are selected for reconstruction.
- Article 30- Protection of Water Sources and Supply
 - This is an Article that will go before all towns in the Water District and would create a means to stop unauthorized people from drawing water from sources.

8:28 PM Chairman calls a recess. 8:33 PM back in session.

- Pat takes over as Chairman and Scott leaves the meeting during discussion of Article 23- COLA Base Increase in FY17.
 - Mr. Rees and Mr. Faunce, who are both on the Retirement Board, present the Article.
 - Mr. Faunce states the average town retiree's pension is \$19,132.
 - Mr. Faunce states this Article would increase the amount the COLA is applied to from \$12,000 to \$13,000.
 - The COLA is 3%, so the amount per person would increase from \$360 to \$390.
 - Mr. Rees states the increase would cost an additional \$60,000 each year for the next 7 years.
 - Mr. Faunce states Fairhaven is behind surrounding communities who have increased the base amount to between \$13,000 and \$18,000, depending on the community.
 - Lisa asks how many retirees there are now?
Mr. Faunce cannot provide an answer.
 - Pat asks if every retiree in the Town is in this pool.
Mr. Faunce states every municipal employee except school teachers.
 - Mr. Rees states workers contribute 9% of their salary into the fund. Those making more than \$30,000 pay any additional 2% for salary above that amount.
 - Pat asks where the retirement money comes from?
Mr. Faunce states the max retirees can get when they retire is 80%.
Of that, 80% comes from the State Retirement Board and the remaining 20% comes from the Town.
 - Discussion of \$19,000 being the average retirement presently in Town.
 - Discussion of the formula that is used to determine when you are eligible for full retirement.
 - Kathi asks if Mr. Faunce or Mr. Rees see this ever switching over to a 401k.
Mr. Rees states that would have to happen on the State level.
Mr. Faunce states Massachusetts has one of the best retirement systems in the country and has seen a good return on its investment most years, other than during the recession.

- Pat clarifies again that the COLA would only apply to the first \$13,000 regardless of the amount of the pension.
Mr. Faunce states yes.
- Mr. Rees states the surrounding towns are paying on the 1st \$18,000.
- Pat clarifies the \$60,000 would be a recurring expense each year for the next seven years.
Mr. Rees states yes.
- John asks if there is any Town match on the deduction.
Mr. Faunce states no.
- Mr. Rees states the town expense for the retirement last year was \$2,662,000.
- Lisa states she feels like we are leaving the retirees behind, by not funding this.
 - Lisa motions to Recommend Adoption of Article 23- COLA Base Increase in FY17, not to exceed \$60,000. Seconded by Tracey. Vote: Unanimous 6 to 0, with Scott abstaining.

8:57 PM Scott rejoins the meeting.

- Mr. Rees passes out paperwork relative to his Public Facilities Improvement Plan
- Pat asks how the changes to Mr. Rees' original budget add up.
 - Mr. Rees states it still balances at the same number with the exception of the \$1,200 that was added for the Welcome Street subdivision.
- Discussion and voting of the ATM Warrant:
 - Article 9- FY 17 General Fund Capital Plan
 - C. Highway Equipment- Replace vehicle #26 dump truck
 - Pat motions for \$150,000. Seconded by John. Vote: Unanimous
 - Article 10- Sewer Enterprise Capital Plan
 - Pat motion for the following amounts:

A. Rehab Clarifiers	\$2,600,000
B. Rehab PT building	\$1,290,000
C. Rehab Railroad and Pilgrim Pump	\$2,804,000
D. Inflow and Infiltration Remediation	\$ 800,000
E. Design Fee	\$ 491,000
F. Engineering Services for Construction	\$ 697,000
Total	\$ 8,682,000

 - All amounts seconded by Lisa. Vote: Unanimous

Pat leaves meeting @ 9:08 PM. while Roadwork is discussed.

- Article 11- Roadwork
 - Lisa motions for the following amounts:
 - A. Union Street \$95,845
 - B. Harding Road \$116,455
 - C. Capeview Street \$130,635
 - All amount seconded by John. Vote: Unanimous 6 to 0 with Pat abstaining.

 - D. Winsegansett/Sippican Street
 - Lisa motions to Recommend Indefinite Postponement. Seconded by John. Vote: Unanimous 6 to 0 with Pat abstaining.

Pat returns to the meeting.

- Article 12- Transfer from Howland Road Settlement Agreement
 - Lisa motions to Recommend Adoption. Seconded by John. Vote: Unanimous
 - Article 25- Street Lights
 - A. Roy Street, pole#93/2
 - Lisa motions to Recommend Adoption not to exceed \$800. Seconded by Pat. Vote: Unanimous
 - Article 22- Water Management Act
 - John motions for \$5,000. Seconded by Lisa. Vote: Unanimous
 - Article 30- Protection of Water Sources and Supply
 - Lisa motions to Recommend Adoption. Seconded by John. Vote: Unanimous
 - Article 28- Street Acceptances
 - B. Treasure Bay Lane
 - Lisa motions Recommend Indefinite Postponement. Seconded by Pat. Vote: Unanimous
 - Article 35- Bates- Taber House Land Exchange
 - Lisa motions to Yield to Petitioner. Seconded by Pat. Vote: Unanimous
- Mr. Rees recommends waiting till next week to vote on Article 5, when he will have a spreadsheet prepared.
 - Mr. Rees discusses his Public Facilities Improvement Plan
 - Mr. Rees states it was started with the Capital Planning Committee as a Public Safety building study.
 - He recommended looking at all town buildings, including the schools.
 - The cost has increased from \$30,000 to \$45,000.

- The study would look at a needs assessment, look at existing buildings, look at the possibility of alterations, include public outreach, and develop a final plan.
 - The benefits of the plan are listed in Mr. Rees' material.
 - Pat asks who would do such a study?
Mr. Rees states there are planning and architectural firms that do these studies.
 - Lisa states her concern on how buildings have not been maintained in the past.
Mr. Rees states this is to prevent that.
 - Bob states he is in favor of the study so we would know the condition of all the buildings and be able to establish a maintenance schedule.
 - Pat asks if the firms that do the study are eligible to bid on any work they recommend.
Mr. Rees states they would have to make a full disclosure, but may be able to.
- Article 9- FY17 General Fund Capital Plan
F. Public Facilities Improvement Plan
- Pat motions for \$45,000. Seconded by John. Vote: Unanimous

- Chairman states we will tackle Article 5 next week.

9:38 PM. Lisa motions to adjourn. Seconded by John. Vote: Unanimous

Respectfully submitted by:

Robert A. Furtado
Finance Committee Secretary
(Accepted 4-7-2016)