

## MUNICIPAL SERVICES COMMITTEE MEETING MINUTES

May 29, 2014

Present: Councilor Scott Clarenbach (Chairman), Councilor George Dzujna, Councilor Bob Desrochers, Councilor Ted Starkweather, City Manager Elizabeth Dragon, MSD Director Brian Sullivan, MSD Operations Superintendent George Turcotte, Marie Creasey

The meeting was called to order at 9:05 a.m.

1. NH DOT Route 3 / Industrial Park Drive Project – City Council will be taking up an agenda item relative to NHDOT Reconstruction of 6,600 feet of US3 South Main Street and 200 feet of Industrial Park Drive.

Brian provided a summary timeline on how the City has arrived at this juncture, which dates back to 2003. (See attached.)

In order for the project to move forward, approximately 1,200 feet of 12” water main will need to be relocated, as it is in conflict with NHDOT drainage, and the amount of cover material over the existing pipes will be disturbed.

Council action is needed to authorize the City Manager to execute a Force Account Agreement. It is estimated the cost to the City will be \$90,000 for water main work and \$13,100 for engineering. This money will be appropriated in 2016 in the Water Department Operating Budget.

2. Water Department Budget and Rates – Brian handed out an updated Council Agenda Report dated May 28, 2014. The report contains information on the Water and Sewer Department Enterprise Funds.

After briefly talking about the Water Budget, discussion turned to a proposed water rate increase to meet the needs in the FY15 Water Department Operating Budget. Brian explained that the budget excludes capital and there is a proposed rate increase on the water commodity charge from \$4.51 to \$5.26. The increase is mainly needed, due to the actual cost of running the Water Treatment Plant.

continued

(Water Department Budget and Rates – continued)

An alternative, proposed by Scott, is to raise the availability charge by \$10 per quarter and decrease the commodity charge. Brian calculated that if we increased the availability charge by \$10 per quarter, it would equate to \$92,000 per year in additional revenue. Also calculated was an increase to the commodity charge from \$4.51 to \$4.84 per 100 cubic feet. This 33 cent increase would increase annual revenue by another \$74,250.

The Committee directed Brian to work up both options and discuss them at the June 10, 2014 Budget Workshop.

3. Sewer Department Budget and Rates – Brian referred again to the Council Agenda Report dated May 28, 2014. Discussion focused on the Sewer Disposal charge to accommodate for the 2% increase in the WRBP portion of the Sewer Budget. In order to raise sufficient revenues, the sewer rate will need to be adjusted from \$6.13 to \$6.27 per 100 cubic feet of wastewater discharged.

The other alternative of increasing the \$20 availability charge to \$30 was also considered. The Committee felt that it was more appropriate to increase the sewer disposal charge by the amount of the WRBP increase.

Also, Brian explained that the only increase in the City side of the Sewer Budget will be \$185,000 appropriated from retained earnings. This appropriation will cover the cost to complete the City meter replacement program and purchase the necessary software to implement full radio read meters to the entire City.

Scott asked if the City notified homeowners prior to smoke testing and we informed the Committee that we did.

4. General Fund MSD Budget – The Committee briefly discussed the overall Budget. Brian explained most of the increase was due to salaries and benefits. The Committee agreed to wait until the June 10, 2014 Budget Workshop to review the budgets.
5. Other Business – Elizabeth informed the Committee that she is dealing with offers for tax deeded property taken by the City for: 190 Franklin Street, 41 Summit Street, Colby Avenue and the Norrell Foundry. She informed the Committee she is in the process of re-selling some properties.

Meeting adjourned at 10:50 a.m.

BJS:mgc