

FINANCE COMMITTEE  
Minutes

Date: October 2, 2006

Time: 7:00p.m.

Present: Turbitt, O'Connor, Raymond, Hachey, Hebert, Floser

Absent: None

Meeting called to order at 7:00p.m.

Motioned by O'Connor, seconded by Turbitt to accept the minutes of September 6, 2006 as written. Unanimous.

Motioned by O'Connor, seconded by Hebert to accept the minutes of September 12, 2006 as written. Unanimous.

**Roger Raymond read a letter from Monique Tripaldi explaining her resignation from the Finance Committee.**

**Gary Nelson and Frank Gagliardi of the Sewer Commission were in at 7:00p.m.**

**Mary Ann Harris and Paul Guida were in at 7:00p.m.**

**Mass Municipal Training Day at Holy Cross open for any member of the Finance Committee.**

Motioned by Turbitt, seconded by O'Connor to move the Finance Committee meetings to Wednesdays and to begin the process of televising the meetings.

O'Connor: Once we get into the budget season, would the room be available every Wednesday? Will one night be enough?

Turbitt: There is only one room that can be used to televise the meetings and Wednesdays is the only night available.

Raymond: There is a room available at the school that has a camera.

Turbitt: The reason that I would like to see our meetings televised is that when people walk into Town Meeting, they don't have the information until that night. This way they will be better informed.

Hachey: People may be reluctant to discuss salaries on television.

Vote on motion: Unanimous

Paul Guida: My board is having me investigate having the School Committee meetings televised. Kevin doesn't have any additional nights available at this time.

Raymond: I have already spoken to Kevin and he stated that he only needed to know when he is needed.

Raymond: The main reason we are here is to review the FY2006 budget to actual and other financial sewer enterprise data. We would like to go over some of the expenditure accounts. We would like to know what they are.

O'Connor: What are penalty and interest accounts?

Mary Ann Harris: These are late payments.

O'Connor: What is under committed interest?

Mary Ann Harris: That would be the apportioned assessments on the betterments.

O'Connor: What does the sewer use for 04, 05, and 06?

Mary Ann Harris: This is the actual billing of the sewer use.

O'Connor: What about the sewer use on real estate?

Mary Ann Harris: This is for people that didn't pay their sewer bill. We put a lien on their real estate. This is the collection of bills after they are put on the bills.

O'Connor: What are unapportioned betterments?

Mary Ann Harris: This is an amount paid in full on the betterment rather than paying it over the 20 years.

O'Connor: What is the current sewer rate?

Mary Ann Harris: The current rate is \$4.36.

O'Connor: When are you setting the rate for this year?

Gary Nelson: We will be setting the rate tomorrow night.

Mary Ann Harris: It may be as high as \$7.63.

O'Connor: Did you plan on transferring \$807,000 from Retained Earnings to support the budget?

Gary Nelson: No, we did not.

Mary Ann Harris: I went over the transfers from the previous Town Meetings. The revenues exceed the expenditures. They had been exceeding their expenditures for many years.

Raymond: Is there something that tells how much of the reserve is being transferred this year.

Mary Ann Harris: \$2.5Million will be going into a Stabilization Fund.

Gary Nelson: We had discussed the Capital Outlay at one of your meetings. We had been allotting money for the repair of the pump station at Knollwood Circle. We haven't used the money as of yet.

Mary Ann Harris: You can ask the Town Meeting to vote on giving the money back.

Hachey: Doesn't the law state that any excess has to be turned back to the Enterprise Fund?

Gary Nelson: We could put the money back and lower the rate but at some point in time we will go over. This is the most information that we have received in all the years that I have been on the Commission.

O'Connor: Are we covered at Town Meeting for the additional \$225,000? The schedule shows that the Retained Earnings is going down. Do we have enough articles from the Town Meeting to cover the \$225,000?

Mary Ann Harris: No, it is just what is received in.

O'Connor: I understood that this was covered at the Town Meeting.

Mary Ann Harris: Yes, they were.

Raymond: Are the subdivisions paying ½ of a betterment?

Gary Nelson: Yes, they are.

Raymond: Why is this?

Gary Nelson: The agreement was made years ago if the developers put in the lines for the sewers, they would only pay ½ of a betterment. We are working through some special legislation to have this changed.

Turbitt: What is the \$470,708 for?

Gary Nelson: This is for the engineering for Greenwood Street.

Mary Ann Harris: You also received \$492,000 from the Turnpike for Greenwood Street.

Gary Nelson: The \$492,000 is for the pumping station.

### **Ron Floser came in at 8:05p.m.**

Raymond: What is the cost for bonding this project?

Mary Ann Harris: It would be \$132,000 which is for short term interest costs.

### **Discussion of the \$915,000 charge starting in FY-07**

Gary Nelson: Your board wanted us to start charging right away. We wanted to wait a couple of years.

Raymond: We understand this. At the time this project was introduced at town meeting, the FINCOM felt it unreasonable to hide the sewer rate increase for several years and then hit the users all at once. We recommended that the rate increase be spread out more evenly. Reviewing a draft of the DPW 10 capital plan, I recall a \$500,000 Capital Improvement for a pump. I am not certain I have the correct amount but is this one of the 3 main Swedish pumps we just installed?

Gary Nelson: I can't see how a pump would be that much.

Turbitt: Are you going to do Knollwood Circle this year?

Frank Gagliardi: We have to eventually do it.

Gary Nelson: We have the money in the account in case it breaks down.

Frank Gagliardi: There are 2 developments going in around that area. We will probably have to upgrade the pump.

Turbitt: Can we get the developer to pay for this?

Gary Nelson: We are trying to have this done.

Gary Nelson: Users are charged according to our budget. The amount of flow to the Upper Blackstone, including I/I is 450Million Gallons.

Mary Ann Harris: We are using a figure of 217Million gallons to set the rate tomorrow night.

Hachey: Do you bill Wheelabrator?

Gary Nelson: No, we do not. They are not on the system.

O'Connor: You are going to set your rate based on 217 Million gallons?

Gary Nelson: If that is the figure, then yes.

Raymond: We will be going over the review of fixed assets at the next scheduled meeting.

Mary Ann Harris: It will not be ready. I won't know until after the audit is done. It probably will not be ready until after January 1<sup>st</sup>.

Gary Nelson: I would like to request that when you send e-mails, please do not copy Earth Tech. We will forward anything that they need to be involved with. This is not part of their contract with us.

### **The Sewer Commissioners left at 8:50p.m.**

Turbitt: Did we prepay the insurance for August and September?

Mary Ann Harris: I am not sure. It depends on the payables dates.

Turbitt: The expenditure report does not tie in with the budget. It did for July, but not for August and September.

Mary Ann Harris: I will have to look into this.

### **Mary Ann Harris left at 8:55p.m.**

### **Health Benefits Information**

O'Connor: I have been listening since January about Health Benefit Dollars. The rate hasn't been set yet and we have already transferred a lot of money from this account. I wrote up a proposal memo requesting information.

O'Connor: I just want to say that the State is very particular in how an Enterprise Fund is run. I should be able to tell a sewer user that their rates are fair.

Hachey: That is not our job.

O'Connor: I should be able to feel comfortable talking about the rate. I don't feel comfortable about it.

Raymond: There are very specific reporting requirements for both the enterprise fund and municipal accounting. The fact that these reports are needed and required by the finance committee at budget time and are not available is one of the main reasons we are here. I feel that it is our job to make certain the required reporting is available in a timely and consistent fashion so that our Finance Committee and future Finance Committees have the reporting available to do the job. We know in fact that there is little time once the budget comes out to get information and even when asked the information is not available. If we don't fix this, who will?

\*\*February 18, 2007-1<sup>st</sup> Quarterly Accounting of Every Expenditure

Motioned by Floser, seconded by O'Connor to adjourn at 9:20p.m. Unanimous.