

Finance Committee Meeting

April 24, 2019 7:30 PM EST
Veterans Memorial Building, Room #229
900 Main Street
Millis, MA 02054

In Attendance:

Jodie Garzon, Chairman
Peter Berube, Vice Chairman
Doug Riley, Clerk
Joyce Boiardi
Jim Borgman
Jim Bullion
Peter Jurmain
Craig Schultze
Mike Guzinski, Town Administrator
Carol Johnston, Finance Director
Catherine MacInnes, Board of Selectmen
James McKay, Director – DPW
Erin Underhill, Town Moderator

Jodie Garzon called the meeting to order at 7:32 PM.

Warrant Article Discussion and Recommendations:

Article #4 FY20 Operating Budget

Pete Jurmain made a motion to recommend approval of Article #4, FY20 Operating Budget, in the amount of \$34,709,697.00 from:

Taxation	\$34,365,145.00
Ambulance Fund	\$ 283,602.00
Perpetual Care Interest	\$ 332.00
Sale of Cemetery Lots	\$ 7,000.00
Cell Tower Revenue	\$ 53,600.00
Transfer from Sewer Enterprise Fund	\$ 202,778.00
Transfer from Water Enterprise Fund	\$ 247,840.00
Transfer from Stormwater Enterprise Fund	\$ 132,266.00

; Peter Berube seconded. Vote: 8/0 motion carries unanimously.

Article #5 Sewer Enterprise Fund

Peter Berube made a motion to recommend approval of Article #5, Sewer Enterprise Fund; Pete Jurmain seconded. Craig Schultze inquired about funding items from an Enterprise Fund for articles not approved at Town Meeting and the impact on the user's rates. Pete Jurmain made a motion to table the motion; Jodie Garzon seconded. Vote: 8/0 motion carries unanimously.

Article #13 DPW Project and Article #14 DPW Temporary Offices

Doug Riley thanked Jim McKay for providing additional information and answering his questions and concerns with the project's timing and costs. He also had the opportunity to visit the DPW Facility and concluded the facility is in dire need of replacement; sub-standard conditions, employee safety concerns, lack of ventilation and black mold. In order to get the employees out of the unacceptable conditions of the facility he suggested immediate implementation of the temporary offices. The cost of the temporary offices would be funded by previously approved articles for the DPW facility:

Article #9 2012 Fall Town Meeting – HVAC Repair	\$ 6,943.85
Article #24 2015 Fall Town Meeting – Roof Repair Design	\$ 6,471.40
Article #30 2016 Spring Town Meeting	<u>\$121,000.00</u>
Total:	<u>\$134,415.25</u>

Jim McKay provided a quote from Williams Scotsman, Inc for a 24-month lease totaling \$189,832.58. The quote outlined:

Rental Pricing Per Month - \$3,874.00	\$92,976.00
Delivery and Installation	\$74,697.36
Final Return Charges	\$22,159.22

The modification amount of \$42,878.57 includes restrooms for the temporary offices and combining (3) units. The contract would have to go out to bid before the Board of Selectmen could enter into the agreement.

The timeline for Article #13, DPW Project, will be determined by the Permanent Building Committee. The Staff Wings are prefab and can be delivered in three months. The construction of the bays would take approximately one year. The funding for the \$3.9 million project would be split equally between a General Fund Borrowing, Water Enterprise Fund Borrowing and Sewer Enterprise Borrowing. The committee raised concerns to the impact on Water and Sewer rate payors. In 2017, Tighe and Bond, provided a forecast of Water and Sewer rates for several fiscal years. Those rates included \$700,000.00 in both Water and Sewer Rates for this project. Typically, the Board of Selectmen set the rates in July for each fiscal year. Items factored into Tighe and Bond's rate forecast such as the Walnut Street Tank and Booster Station are not ready to move forward at this time. Carol Johnston provided the FY18 Certified Retained Earnings, surplus cash, for both Water - \$591,574.00 and Sewer - \$578,226.00.

Jim McKay explained the damage that the facility sustained since 2006. Prior to 2006, renovations were made to include office space, restrooms and a lunch room which the building was never intended to house. The town's water and sewer SCADA (Supervisory Control and Data Acquisition) system is located in the office area of the garage. Since 2012, Town Meeting has appropriated \$328,200.00 for repairs to the facility. An inspector from DLS (Department of Labor Standards) is scheduled to examine the facility; the report may not be available before Town Meeting. The inspection report will include compliance with OSHA's February 2019 Regulations. After receipt of the inspection reports from DLS and MIIA, the town's insurance company, a determination will be made if the mechanic can continue to work in the current facility under the conditions. To avoid repair costs to the DPW equipment and vehicles as well as the town's Police, Fire, Council on Aging and Animal Control vehicles a mechanic's bay could be rented until the new bays are constructed. If Article #13 passes at Town Meeting, DLS may allow the staff to remain in the facility until the new facility is constructed. The PBC (Permanent Building Community) has been working on this project since 2016. In January 2018 the PBC received an assessment of the building.

The committee discussed the ramifications of the inspection reports and how it could be handled for approximately one year until the new facility is built. Some concerns included space available onsite for temporary offices during the new construction. Cathy MacInnes voiced her concern with using Water and Sewer Enterprise Revenues to fund this project and the impact on rate payors. The committee discussed funding the project 100% from General Fund Borrowing, similar to other new building projects in town. Jim McKay confirmed that all general expenses incurred by the DPW is split 1/3, 1/3 & 1/3 (General, Water & Sewer Funds). The project will have no impact on Stormwater Enterprise Fund rates; the Board of Selectmen set those rates for a three-year period. Jodie Garzon asked for information on the impact to residents to fund this article be provided as well as a list of items and amounts coming off the town's debt schedule.

Pete Jurmain made a motion to recommend approval of Article #14, DPW Temporary Offices, in the amount of \$134,415.25 by transfer from Previous DPW Repair Articles; Doug Riley seconded. Vote: 8/0 motion carries unanimously.

The committee decided to hold off voting on Article #13, DPW Project, until the committee can review all the requested information.

Article #5 Sewer Enterprise Fund

Craig Schultze made a motion to recommend approval of Article #5, Sewer Enterprise Fund, in the amount of \$1,417,133.00 from Sewer Department Receipts; Pete Jurmain seconded. Vote: 8/0 motion carries unanimously.

Article #6 Water Enterprise Fund

Craig Schultze made a motion to recommend approval of Article #6, Water Enterprise Fund, in the amount of \$1,586,014.00 from Water Department Receipts; Pete Jurmain seconded. Vote: 8/0 motion carries unanimously.

Article #7 Stormwater Enterprise Fund

Craig Schultze made a motion to recommend approval of Article #7, Stormwater Enterprise Fund, in the amount of \$483,181.00 from Stormwater Department Receipts; Pete Jurmain seconded. Vote: 8/0 motion carries unanimously.

Jodie Garzon thanked Jim McKay, Mike Guzinski and Carol Johnston.

Meeting Minutes Approval:

Peter Berube made a motion to recommend approval of the April 17, 2019 Meeting Minutes as written; Pete Jurmain seconded. Vote: 6/0 2 abstained motion carries.

Old Business/New Business:

Depending on when the follow up information for Article #13 is received, the May 1, 2019 meeting may be cancelled. Pre-Town Meeting will be held on Wednesday, May 8, 2019 at 7:30 PM. Article Writeups for the Finance Committee Report are due Friday, April 26, 2019.

Adjourn:

Peter Berube made a motion to adjourn the meeting at 9:15 PM; Pete Jurmain seconded. Vote 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore