

Revised

Finance Committee  
North Reading Town Hall, Room 5  
Wednesday, December 4, 2013

Present: Ms. Hurlbut, Mr. Kelliher, Mr. Pulver, Mr. Wolpin, Mr. Koppelman, Mr. Johnson, Mr. Veneziano and Mr. Kirby  
Absent: Mr. Duffy  
Guest: Ms. Pavao and Mr. Clark, Superintendent of Water

Chair, brought the meeting to order at 7:00 pm

**Minutes**

**Mr. Wolpin moved to approve the minutes of October 7, 2013, seconded by Mr. Kelliher, and voted unanimously in favor.**

Mr. Clark, Superintendent of Water, gave a presentation on the water department and recommendation to the Board of Selectmen. Mr. Clark explained to Finance members that in FY08-FY11 the Water Department borrowed money from the Stickney Fund from MTBE contamination. The State wanted the Water Department to pay back the money, and substantial water rate increases were approved to do so. An amount of \$100,000 was established to be paid back every year. Mr. Clark advised members that the new rates generated more than what was anticipated and the remaining balance to be paid back is \$94,902 after the 2013 payback. The total retained earnings at the end of 2013 will be \$844,648.

Mr. Clark explained the expenses of the Water Department and mentioned the lawsuit against the Town of Andover, which if successful may hurt North Reading's rates with them. One major capital item for the department is the potential connection to the MWRA. Mr. Clark advised members that an engineer is now looking at the Reading and North Reading systems for connecting to the MWRA. Mr. Kirby questioned the uncollectible amounts. Mr. Clark said the uncollectible amounts will be collected the following year through the real estate taxes. Members discussed whether a rate increase is necessary or not and what amount of Capital is enough.

**Mr. Wolpin moved to support a position of freezing water rates for FY15 and work with the Water Department on a 5 year plan. Mr. Veneziano seconded the motion.**

Discussion: Mr. Kelliher felt a 2.5% increase would be easier on taxpayers rather than a sudden spike. **Voted: 2-6-0, Mr. Wolpin and Mr. Veneziano in favor.**

**Mr. Kelliher moved to recommend a 2.5% increase to the water rates in FY15. Mr. Pulver seconded the motion.** Discussion: Mr. Kirby asked that the Board of Selectmen be told that more planning and decision making be done in advance and also to look at what the reserve number should be. Mr. Clark said that until November bills go out, the Water Department isn't in a good position to set a rate. **Voted: 6-2-0, Mr. Wolpin and Mr. Veneziano against.**

The Preliminary FY15 Budget Calendar was passed around.

Mr. Koppelman wanted the Post Retirement Benefit Fund not to be forgotten in the upcoming budget process.

The next meeting is scheduled for Tuesday, January 14th.

**Mr. Pulver moved to adjourn the meeting, seconded by Mr. Veneziano, and voted unanimously in favor**

Approved \_\_\_\_\_ Date \_\_\_\_\_