

Finance Committee  
Room 5  
December 7, 2011

Present: Ms. Hurlbut, Mr. Kelliher, Mr. Wolpin, Mr. Johnson, Mr. Pulver, Mr. Duffy and Mr. Veneziano

Absent: Mr. Mastascusa

Guests: Greg Balukonis, Town Administrator, Liz. Pavao, Finance Director, Mark Clark, Water Superintendent, Dick Carnevale, DPW Director, Bob Mauceri, Board of Selectman and Brad Jones, Sr.

Chair brought the meeting to order at 7:10 PM

Mark Clark, Water Superintendent, gave an update on water rates, water revenue. Mark reviewed the history of the Water Dept. and the uncollected water revenue. Mark said that the average uncollected is around 7.5% and got as high as 14.3% in 2009 due to timing with the billing. Mr. Wolpin asked how to bring down the percentage. Dick Carnevale said he will re-draft his proposal to the Board of Selectmen outlining disconnecting water for non-payment. The Board of Selectmen have not been in favor of this in the past. Liz Pavao suggested adding a fee of \$50 if not paid on time. When a house is sold municipal liens are paid off first. Mark advised FinCom members that the balance in the Stickney Fund, the Water Dept. Infrastructure Reserve Fund and the MTBE settlement fund total \$502,946. The Water Dept. has borrowed from those funds a total of \$531,662 over the last 4-5 fiscal years and would like to pay them back.

Mark reviewed with members FY 2011 and FY 2012 Monthly Water Summaries and FY 2012 Water Dept. Budget. Expenses and uncollected funds were discussed. Mark said that with the new rates figures are up, with a projected surplus of \$269,746.49. Mr. Veneziano asked Mr. Balukonis about negotiations with Andover. Mr. Balukonis said that negotiations for water from Andover are just about settled. A 5 year contract with a 5 year extension will be presented to the Board of Selectmen soon. Mr. Balukonis said that getting water from MWRA would be 1/3 of the price of Andover, but the infrastructure in to connect to MWRA would be costly.

Dick Carnevale, DPW Director, gave members an update on costs associated with the Cemetery Dept. There are three cemeteries. Mr. Carnevale said it costs \$450 to build a grave, they are now charging \$250, but that price could go up to \$750 if the proposed fees are approved by the Board of Selectmen. In Mr. Carnevale's memo, dated 11/22/11, he states that rates were last updated in 2003. Ms. Pavao, Finance Director, said that

rates should be analyzed yearly and looked at to change every three years. Mr. Carnevale said that funds collected stay in the cemetery fund to be used for its maintenance.

Mr. Carnevale also came to speak to members about stormwater utility required by the Clean Water Act. Mr. Carnevale said that in 2003 there were permits established for non point discharges. As far as education, Mr. Carnevale said the Martin's Pond Association has done a good job in making residents aware. Mr. Carnevale said that a new Draft MS4 Permit costs may come out soon and he would like to establish a stormwater dummy account in anticipation of this. Mr. Carnevale reviewed the costs associated with this new permit and he said his budget could not sustain these costs if the program were to go into effect.

Town Administrator's Report –

A Reserve Fund Request for \$4,500.00 is being requested for costs associated with the legal disposal of hazardous material from the Library construction site. Material was disposed of at the Super Fund site. A one time payment of \$4,500 is being charged. Mr. Balukonis said that the Town's insurance policy does not cover hazardous waste disposal.

**Mr. Wolpin moved to approve the Reserve Fund Transfer of \$4,500 for the settlement of the lawsuit associated with hazardous waste from the Flint Memorial Library, seconded by Mr. Johnson, and voted unanimously in favor.**

Mr. Balukonis advised members that the water contract with Andover will expire April 2012. Instead of a 20 year contract, Mr. Balukonis opted for a 5 year contract with the option to extend for another 5 years. Mr. Balukonis said that Andover is going to a tier program and initially they wanted North Reading to go under a Commercial rate but now North Reading is under a residential rate.

Guidelines for budgets are going out next week and should be received back by January 20<sup>th</sup>.

The contract for the Public Works employees is the only one out of 7 not settled.

Year to Date Revenue for the Hillview was presented by Ms. Pavao. Mr. Mauceri explained the thought process of the Hillview finances. He said years fluctuate due mostly to weather conditions. He said he would recommend not issuing new policies or fees but let them catch up on their payments as they have in the past. He said it's essentially one town entity to another.

Mr. Kelliher updated members on the High School/Middle School project. Friday the Committee will send their submission to MSBA with a budget for the project and schematics. The Committee met to decide on the budget, traffic study, and contingencies. A \$108 Mil budget was agreed on, \$49 Mil, representing 52% eligible costs and \$59 Mil costs to town. Mr. Kelliher said that the state may decide some items

are not reimbursable and the Committee will not know until their budget meeting on January 25<sup>th</sup>.

Minutes

**Mr. Pulver moved to approve the minutes of November 2, 2011, as amended by Mr. Kelliher. Mr. Johnson seconded the motion and it was unanimously approved in favor.**

The next meeting is scheduled for January 11, 2012.

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

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