

West Newbury Finance Committee
Minutes of the meeting
Monday, February 13, 2017

Chairman Codair called the Finance Committee meeting to order at 7:10 p.m. in the second floor hearing room of the 1910 Building with Ms. Grammer, Mr. DeLena, Mr. Ellis, Mr. Phillips, and Mr. Winch in attendance. In addition, Finance Director Gould was present, as well as the Board of Selectmen (BOS) – Chairman Anderson, Mr. Kemper, and Mr. Archibald.

There being no public comment, the Committee considered its agenda.

Water Department—Mr. Michael Gootée, Manager/Superintendent

Members of the Water Board Mr. Bob Janes, Chairman, Mr. Larry Corcoran, and Mr. Dick Cushing accompanied Mr. Gootée.

FY18 Water Department Budget

Mr. Gootée presented four different scenarios for the FY18 Water Department Budget:

1. An operating budget with 0% raises for water department personnel.
2. An operating budget including a \$2.00 per hour raise for the Administrative Assistant and 0% raises for the Superintendent and the Licensed Operator.
3. An operating budget including a 2% raise for each of the three employees.
4. An operating budget including a \$2.00 per hour raise for the Administrative Assistant and 2% raises for the Superintendent and the licensed Operator.

Mr. Gootée recommends approval of the fourth budget. He is in hope of presenting an argument to raise the salary of the Administrative Assistant to the Personnel Committee. However, he is uncertain of the names of its members. Mr. Kemper stated he was a member as well as Ms. Mizner and Ms. Conrad. He suggested Mr. Gootée might approach any one of the members.

Mr. Gootée reviewed some of the highlights of changes between FY17 and FY18 budgets, both increases and decreases:

- Insurance—Estimated insurance rates are not available during the budget preparation. The Water Department estimated increases last year. The actual cost was lower, resulting in a decrease of \$3,000.00 for insurance this fiscal year.
- Expenses—Expenses increased \$22,198.00. Mr. Gootée stated there were minor increases and some decreases. However, a 26% increase in rates of water purchased from Newburyport is responsible with the largest portion of the increase.
- Extraordinary and Unforeseen Fund—A Water Rate Study indicated an annual increase is suggested to cover unforeseen emergencies.
- Indirect Cost to Town—Following budget approval last year, there was a cost increase of \$1,423.00.

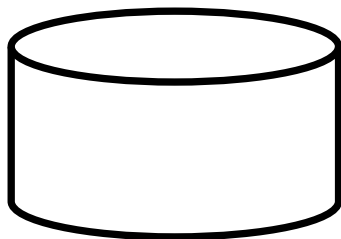
Mr. Gootée stated the overall budget increase from FY17 to FY18 sans salaries and wages is \$9,621.00. An increase in the billing fee from \$20.00 to \$40.00 would offset the increase.

Annual Town Meeting Articles

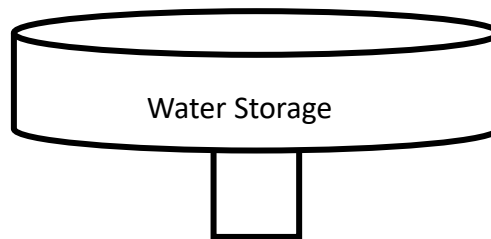
Purchase of New Water Tank to Replace 1936 Standpipe Tank—\$1,700,000.00

Based on the 2013 Brake Hill Tank Evaluation, Mr. Gootée explained the need for the purchase of a new tank. He stated the purchase be funded by raising and appropriating funds, transfer of funds, or by borrowing short or long term notes. It was explained that this would be paid for out of the water budget, separate from the town budget. Coverage of bond payment will result in an individual increase of \$1.73 per 1,000 gallons of water usage.

Mr. Gootée briefly described the differences in the water tanks. The current standpipe tank is composed of riveted metal and is currently in need of lead abatement (outside only). Due to the even distribution of water throughout the tank, water pressure in some areas is below fire safety requirements. Water pressure is primarily due to gravity. The elevation of the new composite elevated water tank will be similar to the present tank. However, the width is greater and the capacity increased 90,000 gallons. The higher elevation of water storage in the new tank increases the water pressure. Construction of the new tank will occur along side of the current tank. The design of the new tank allows water to be dispersal from a higher elevation resulting in increased water pressure.



Present Standpipe Water Tank
Water evenly distributed



Proposed Water Tank
Water stored in upper area only

Initially, the Water Department employees considered maintaining the present tank as a backup. However, maintenance and certification costs outweighed the practicality of maintaining the tank. The current cost includes the dismantling of the present tank once the new one is in place and functioning. *Mr. Gootée will forward a copy of the Brake Hill Evaluation to Ms. Grammer.*

Purchase of land located at 31 Dole Place for the purpose of development of a municipal well field—cost to be determined but not to exceed appraised value

Mr. Gootée stated the land is currently available and has been determined to be a promising site for well drilling. He further remarked the cost of this acquisition would be shared equally by the water department enterprise (water customers) and the town (taxpayers). Funds will be acquired through raise and appropriate, transfer from available funds, and/or borrow by short or long term notes. Ms. Grammer inquired if borrowing by the water department affects the town credit. Mr. Kemper agreed it would affect the town's credit. Mr. Archibald added if the town proceeds, possibly a remaining salable lot allows for recouping some of the funds expended. Mr. Gootée stated coverage

of the water department portion of the debt would result in an increase of water rate costs of \$0.51 per 1,000 gallons water. The Water Department will officially vote on the purchase of the land on February 14. Once an affirmative vote has been decided, the BOS will negotiate the purchase of the land. *If the negotiations are successful, the Water Department would return to the Finance Committee to explain exactly what would be proposed at Town Meeting.*

Annual Special Town Meeting Articles

Upgrade Existing Well Field #1—\$100,000.00 transfer from the Water Enterprise Fund Free Cash and \$80,000.00 from the Water Stabilization Fund Account

Previously, the town had appropriated \$325,000.00 to design and construct the connection to the existing bedrock well with a small building to house the flow meter and electric equipment. The project is slated for completion over a 3-year period. Approximately \$50,000.00 has been spent to date. The current appropriation will supplement the original request and expand the scope of the project to encompass housing of a new chemical feeds facility. The current chemical feeds facility is not compliant with the Massachusetts Department of Environmental Protection (DEP) best management practices. Additionally, the safety of the operators is at risk. The additional funds allows improvement and expansion of the existing facility and acquisition of a new generator. The connection to the bedrock well will provide the town additional water saving approximately \$120,000.00 previously paid to Newburyport.

Water Purchase from Newburyport—\$60,000.00 transfer from the Water Enterprise Fund Free Cash Account

Severe drought conditions, approximately a year and a half ago, led to low water levels in the wellfield. Coupled with mechanical issues the town purchased 100% of water from Newburyport for a period of three weeks. The circumstances resulted in a depletion of the previously appropriated funds. The appropriation is necessary to supplement payments for the remainder of FY17.

Town Manager Proposal—Questions and Answers Discussion with the BOS

Mr. Ellis asked if the Town Manager position would have a definitive job description and if there will be a process to remove the individual if necessary. Mr. Archibald remarked there is currently a generic job description available in the draft bylaw. However, a tailored for West Newbury job description will be utilized in choosing a Town Manager. Mr. Archibald stated the Human Resources portion of the job is an important aspect of the position. He continued, currently there exists little documentation regarding leave time such as vacation and sick time. Mr. Ellis remarked the added duties of the Town Manager combined with the dissolution of the Finance Director places a large burden on the Town Manager. Mr. Archibald replied there are some individuals who are underutilized and will help manage the day-to-day activities of the town. He passed out a preliminary list of potential savings with the employment of a Town Manager. Mr. Winch added the importance of having a Chief Executive Officer (CEO) in charge of day-to-day affairs. An important piece includes the regular practice of performance reviews for all employees. BOS members express no desire to change the status quo but rather to increase efficiency. The BOS stressed the importance of their ability to focus on long term planning rather than the day-to-day

activities of the town. Hiring a Town Manager allows the BOS to devote their time to policy and planning.

FinCom members inquired into the procedure when a Town Manager is suspended or fired. Mr. Anderson stated a simple majority vote is necessary to terminate the individual, if necessary. The BOS members further stated it would be necessary to redefine terminology of bylaws, such as licensing. Dog licenses fall under the jurisdiction of the Town Clerk, whereas alcohol licenses are the responsibility of the Town Manager. Mr. Ellis inquired into the composition of the search committee. Mr. Anderson stated the committee has not defined. Mr. Ellis suggested the committee include at least one employee. BOS members agreed.

In the coming weeks, the BOS suggested meeting with FinCom to discuss both the budget and Free Cash vs. Stabilization.

Ms. Grammer asked for clarification regarding the approved Revolving Fund for the Pipestave Apartments. *BOS members stated they would look into it and consult with Mr. McCarron.*

Future FinCom Meetings

Tuesday, February 21, 2017

- Whittier Vocational School

Monday, February 27, 2017

The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Elisa Grammer
Secretary

Meeting materials

Water Dept. Budget options

Water Dept. Articles

Town Manager draft bylaw, background information