

MEETING MINUTES-WEST NEWBURY
FINANCE COMMITTEE

Date & Time: Tuesday February 11, 2019 7pm

Location : 1910 Building 1st Floor Hearing Room

ATTENDEES: Gary Roberts, Forbes Durey, Angus Jennings, Nathan Kelly, Jessica Knezek, Jim Sperelakis, Brad Beaudoin

AGENDA

1. Call to Order

2. Public Comment, Public comment is limited to 2 minutes per resident for items on the agenda. The chair may allow for more time depending on number of residents seeking to participate.

None.

3. Late File Items

None.

4. Approval of minutes

1/23/2019 voted to approve 4:0, with minor correction of Durey's comments regarding town savings account priorities.

1/29/2019 voted to approve 5:0

5. Discussion with the Water Commission

Jennings reviewed basic financial structure of Town's water department with an emphasis on capital needs. Jennings notes that water-main lines(placed in 1936) will need to be replaced in the near future, a capital cost that could be in 100 million dollar range.

Also reviewed the economic challenges of purchasing water from Newburyport.

Reviewed the current progress in the previously approved chemical injection plant and the brake hill water tank. In general, there are many costly capital improvements that will be required to maintain the Town's water intra-structure. As it stands right now, the user fees are not sufficient to cover the costs of most of these capital items.

Bob Janes, Mike Gootee in attendance.

Two articles are going to be coming before the town. The brake hill water tank bids came back \$6-700,000 over budget. The bids for the chemical injection plant also came in \$400,000 over budget. The market for steel and the relatively small (dollar) scope of the work means the projects are not a priority for developers which may also explain the higher then expected bids. Forbes noted that the bond for 1.7 million dollars for the water tank has closed and thus the Town is already paying interest. It was also noted that there is a 3 year window to use the existing funds from the bond(9/2020). The bids for the chemical injection plant also came back significantly

Jennings noted that one option for moving forward would be to to broaden the scope of the original bond to included both the brake hill tank as well as the chemical injection plant to allow both projects to move forward and to use the funds that have already been

borrowed. Then, at the spring town meeting a request for additional funds to cover the funding short falls for both projects can be requested jointly as well.

Gootee notes that there are only 1000 water customers in the town making the pool of user fees to fund capital projects small. As such the water rates in town are in the modestly elevated at \$12 dollars whereas the surrounding towns are closer to \$8-9. The future, Gootee goes on to say, is in the purchase of the Dole Place shallow water well which would allow for the town to supply 100% of its customers water. This may be feasible, as the water department is already has financial hardships to overcome with the future capital expenditures and the well-site owner and the town cannot come to terms on a sale.

6. Receive updates from Town Manager

Jennings reviewed his goal to create sub accounts into the Town's capital stabilization fund so that moneys are broadly defined within the stabilization account to closer track town savings for future capital needs.

7. Initial review of Preliminary budget and discussion

School budget should be approved on the first week of March, but could be pushed back until the 3rd week of March which is why the meeting to review the school budget has been delayed until the 3/19 FinCom meeting.

Durey reiterated his preference, guided by recommendations from DLS to fund the Town's stabilization at sufficient levels. Durey also noted that FinCom's expense budget could be cut in half, as there is no longer a note taker. He also recommended cutting the FinCom reserve as the \$60,000 budgeted each year is rarely used in its entirety. Jennings noted that FinCom reserve is important but that he would look into seeing if the reserve could be decreased. Durey made a recommendation that snow and ice removal budgetary item be increased to closer match a rolling year average.

Jennings notes that in previous years revenues were not taken into account when developing the budget. His directive from the Selectmen is to prepare a 2% budget taking future revenues into account.

Cost of living adjustments will be included as a separate line at the end of the budget cycle once the final budget number is available to better assess its impact on the budget. This also allows analysis as to how various COA's would impact the final budget.

Cost of living adjustments for last year were 2%, dispatch was 2.5%, police varied from 2.5-3%.

8. Communications

9. Adjournment