

NEW SHOREHAM SEWER AND WATER COMMISSION
FY 2016 BUDGET WORK SESSION-MINUTES
Tuesday, May 12, 2015, 4 p.m.
Fire Barn, 10 Beach Ave, Block Island

PRESENT were SEWER Commission members: Chair Peter McNerney, Vice Chair Wayne Battey, Brad Marthens [4:18 pm], Martha Ball [4:05 pm], Steve Draper, Terri Chmiel (Alternate) [4:05 pm]

PRESENT were WATER Commission members: Chair Brad Marthens [4:18 pm], Peter McNerney, Wayne Battey, Martha Ball [4:05 pm], Steve Draper, Terri Chmiel (Alternate) [4:05 pm]

ABSENT was: Tom Doyle

ALSO PRESENT were: Sewer Superintendent Chris Blane, Water Superintendent John Breunig, Administrative Assistant Mona Helterline, Finance Director Amy Land, Town Manager Nancy Dodge, BI Times

With a quorum present, the meeting was called to order by P. McNerney at 4:00 p.m.

WORK SESSION

1) FY 2016 Budget

-Water District FY 2016 Budget

A. Land presented a revised version of the proposed FY 2016 Water Budget.

- Standby Use Fees (Revenues) were corrected to \$25,760.
- Contingency (Expenditures) was increased to \$10,000.
- Proposed increase to Monthly Customer Charge (20%) was also reflected as an annual dollar figure.

T. Chmiel and M. Ball arrive at 4:05 p.m.

-Sewer District FY 2016 Budget

A. Land presented a revised FY 2016 Sewer Budget Proposal.

- Parking revenue according to contract: \$17,500.
- Proposed increase to Monthly Customer Charge (59-60%) was also reflected as an annual dollar figure.
- Budgeted wage for new sewer employee (yet to be hired) set at \$15/hr. plus family benefits.
- Video surveillance system needs to be a serious consideration, potential installation in the fall.
- Smoke testing budgeted in FY 2015 did not take place, so was added to FY 2016 budget.

As discussed at the last work session, the budget was unbalanced- projected revenues exceeded expenses by approximately \$40K. Discussion continued as to how this could be balanced. One option was a reduced increase to the rates. Another option was to increase the capital equipment line, currently budgeted at \$40K. C. Blane explained that the clarifier at the Wastewater Treatment Plant would need work done this year which would consume a significant amount of the capital equipment budget. After discussion, the Commission agreed to increase the capital equipment budget line to \$80K, which would balance the proposed FY 2016 sewer budget.

B. Marthens arrives at 4:18 p.m.

MOTION by P. McNerney that the \$40K excess budgeted revenue be added to the capital equipment line. Seconded by W. Battey.

Aye: 5 (McNerney, Marthens, Battey, Ball, Draper) Nay: 0. Abstain: 0.

A. Land presented the proposed 5-year plan for the Sewer Commission.

Land created two scenarios for the Commission to consider, one with the \$2M USDA Sewer Grant/Loan, one without.

Both versions:

- Wages increase at 3%
- Benefits increase at 5%
- Electricity and Fuel Oil are hard to gauge, so remain stable over the 5- year plan.

If the Commission moves forward with the 2015 \$2M USDA Grant/Loan there will be a significant increase to Customer charge in 2017 (44%) in order to cover the \$56,000 increase (estimate) of debt service related to USDA fund.

Specific items on the 5-year plan were discussed.

- Parking revenue.
- Consideration of placing a cap on the Service Building Apartment Reserves which would allow excess to be allocated to operations.
- Consider increasing user fees by a small percentage each year.
- Further project priority lists were needed to adequately evaluate the need to continue with USDA grants or alternately, use long term planning to fully fund some projects in house.
- The state of the current infrastructure needed to be assessed, where it was in its useful life, and what areas took priority for replacement.
- Old Harbor Pump Station controls need to be considered in future project planning. The Commission requested that an estimate be put together for this project.
- Commission gave A. Land the “go ahead” to have additional conversations with J. Geremia regarding a calendar of projects, not driven by USDA funding program but rather the critical operations of the plant.

MOTION by P. McNerney to adjourn at 5:15 p.m. Seconded by B. Marthens.

Aye: 5 (McNerney, Marthens, Battey, Ball, Draper) Nay: 0. Abstain: 0.

PUBLIC HEARING to adopt the proposed budgets: Monday, May 18, 2015, 3:00 p.m., Town Hall.

ANNUAL FINANCIAL MEETING: Monday, June 15, 2015, Town Hall.

Sewer District 4:00 p.m.

Water District 4:15 p.m. (or immediately following Sewer District).

Respectfully Submitted,

Mona Helterline
District Clerk, New Shoreham Sewer and Water Commissions

ACCEPTED: 5/18/15

The New Shoreham Sewer and Water Districts are an equal opportunity provider and employer

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send you completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.