

LINCOLN WATER COMMISSIONERS

May 22, 2015

A Work Session meeting of the Lincoln Board of Water Commissioners was held at the Lincoln Water Commission Office with Commissioners Frederick Conklin, Edward Fox, Eric Fox, George Hadley and Rene Lapierre present. Also present was Water Superintendent Romeo Mendes, Assistant to the Superintendent Lewis Prescott and Maureen Smith.

The meeting was called to order at 10:00 a.m. by Commission Chairman Conklin.

The Commissioners called the work session to review the first draft of the 2015-2016 Expense Budget.

Superintendent Mendes advised the Board that they were looking strictly at the operating expenditures side of the budget and will review it by line item.

ADMINISTRATIVE APPROPRIATIONS

Detail 010 – Commissioners Salaries – The annual salary is set per ordinance by the Town Council according to the Town Charter. There are no changes to this line item.

Detail 020 – Salaries/Administrative – This line item reflects the superintendents' salary and the Assistant to the Superintendents' salary. The increase includes a proposed two and one half per cent (2.5%) increase over the current salary.

The proposed line shows a decrease of \$68,400.00 from the 2014/2015 budget. Previous years expenditures included the previous superintendents' sick leave and vacation pay due to retirement.

Detail 030 – Expenses – Expenses include annual Commissioner Expenses, Superintendent Expenses and conference/seminar expenses. This line item has been increased by \$6,000.00. The increased amount allows for mileage/toll reimbursement for the Superintendent’s vehicle, the increase in conference costs, SMART Irrigation reimbursements, Annual Association costs and miscellaneous Commission expenses.

There is a \$7000.00 increase to this line item. Costs for items that have been credited to this line item have not been previously defined. This increase represents a more accurate accounting of the monies spent in previous years.

This line also includes a \$4,200.00 request for vehicle reimbursement by the Superintendent. It was requested as it had been received by the previous Superintendent.

Detail 040 – Salaries/Office – Superintendent Mendes advised the Board that there is a 2.5% increase in this line item and that these salaries are set by the Commission. The 2.5% is the same increase given to the laborers by the current contract. Office raises historically follow the laborers’ contract. Commissioner Lapierre questioned the line items for office maintenance and secretary. The Office Cleaning is done twice weekly at a rate that may be less than a cleaning company would cost. The secretary pay covers the cost of the secretary for the meetings.

Commissioners requested that a comparison be done to look at the costs for a cleaning company to come in verses the current arrangement.

There is a \$4,000.00 increase in this line item from the 2014/2015 budget.

Detail 050 – Pension Funds – The majority is set by law, due to a required recovery program. This includes a 10% increase for a ten year period and contractual agreements – increases are in January of each year– The superintendent and assistant to the superintendent pensions are set by the Commission. The amount also includes projected payments for a former superintendent and administrative assistant and the deferred compensation match. Amounts include the proposed 2.5% increases.

There is a \$9,400.00 increase in this line item from the 2014/2015 budget.

Detail 060 – Maintenance Office Equipment – The majority of these expenses are contractual for software programs and maintenance on equipment. Numbers are based on the current contractual costs.

There is a \$1,900.00 increase in this line item from the 2014/2015 budget. This includes the cost for a new bar code reader for office time keeping and fee increases on contracts.

Commissioners discussed ways to try to eliminate the need for off-site storage.

Detail 070 – Insurance – This amount was based on previous year's costs. This amount may decrease/increase prior to the adoption of the budget. The detail sheet will be re-worked if the billing comes in.

There is a \$1,000.00 decrease in this line item from the 2014/2015 budget.

Detail 080 – Stationary and Supplies – This line item remains the

same as the previous years. There are no anticipated increases or decreases for the costs associated with this line item.

Detail 090 – Postage – This item is based on a proposed postage increase of 2%. Postage includes residential billing – This is a reduced rate due to using a third party billing system - quarterly, monthly, fire line and private hydrant billings and correspondence, reminders, notices and touchpad change notices. The proposed amount also includes amounts for the CCR Report that is included with the July 1, 2015 quarterly billing.

There is a \$350.00 increase to this line item due to a proposed postage rate increase that begins on June 1, 2015. This is subject to change as more information is gathered.

Detail 100 – Telephone and Telephone Alarms – This amount is bundled and under contract. The amount has been decreased by \$2,500.00 from the 2014/2015 budget. This is due to the alarms no longer being needed when the SCADA system is in full operation and Internet Fees being moved to Detail 060.

Detail 110 – Heating and Fuel – The amount is based on prior years usage and price increase. There was no recommendation for change to this amount.

Detail 111 – Electricity – The amount is based on prior years' usage. This amount covers the electricity at the 96 Old River Road building. The balance of the electrical bills is under pumping power which is based on billings from National Grid and Direct Energy.

There is a \$600.00 decrease to this line item from the 2014/2015 budget.

Detail 112 – Payroll Taxes – This amount has been decreased by \$34,000 from the 2014/2015 budget. The previous budget amount included projected overtime expenses on utility wages. This item is determined by payroll amounts. The previous amount included estimated amounts to be paid due to the 2014 layoffs of 2 employees. The two employees have exhausted the 26 weeks of benefits and have been hired by other companies.

Detail 113 – BlueCross/Delta Dental – Co-pays will remain at 20% over the next three years of the current contract. There is a projected increase in the working rates of up to 6.99%. This line item may change prior to the approval of the new budget. There is no pending increase to the Delta Dental portion of the plan.

Detail 114 – Consulting Fees – Professional and Legal – This line item will remain the same. There are no projected increases or decreases in this line item.

MAINTENANCE APPROPRIATIONS

Detail 210 – Wages/Utilities -This amount is set by union contract. The line was set at \$336,600. This is an increase of \$9,600. The increase includes a two and one-half per cent (2.5%) increase in wages, a promotion for one utility crew member to pipefitter and longevity increases.

Detail 220 – Mains Hydrants, Etc. – The budgeted amount for this line remains the same at \$30,000.00. This item covers repairs to water main, hydrants, and valves and includes road restoration and flaggers.

Detail 230 – Services – This item was set at \$10,000. There was no

change in the amount from the previous budget.

Detail 240 – Tools and Safety Equipment – This line is set at \$12,250 and represents a \$50 increase over the 2014 -2015 budget. There is a cost increase for tank rentals.

Detail 250 – Gasoline and Oil –The line was set at \$32,000 in the 2014/2015 budget. This amount has been decreased by \$8,000.00 based on charges from 2014/2015.

Detail 260 – Power/Pumping – This amount is based on actual utility bills from the previous year. The line item is increased to \$125,700. This is an increase of \$20,700 over the 2014 – 2015 budget.

Detail 270 – Supply of Water – The line was set at \$1,385,000. This is based on a projected amount of water to be purchased in the upcoming year. The line remains the same. There are no anticipated increases in the costs and supply is projected to remain consistent with the previous year.

Detail 280 – Vehicle Maintenance – The line was set at \$10,000. There is no change from the 2014 -2015 budget.

Detail 290 – Sampling and Testing – The testing is based on Federal and State requirements. The line increased to \$10,200 from the 2014/2015 budget. UCMR3 testing accounts for the \$1,200 increase to this line item.

Detail 310 – Maintenance of Radios and Monitoring Equipment – This line remained the same at \$7,000.

Detail 311 – Maintenance of Buildings – This line remained the same at \$6,000.

Detail 312 – Education/Certification – This covers certification exams,

seminars, licenses and all educational seminars. This line has been increased by \$1,500 from the 2014/2015 budget.

Detail 313 – Dig Safe – This is a contractual agreement and is necessary to the operations of the Commission. The line was set at \$4,300 and represents a decrease of \$1,000 due to a decrease in costs from the 2014/2015 budget.

Total projected expenditures for 2015 – 201 for maintenance appropriations are \$1,965,550. This is an increase of \$24,050.00 from the 2014 – 2015 budget.

FINANCIAL APPROPRIATIONS

Detail 333 – Debt Service – This line was set at \$240,000. There are no anticipated increases for this line.

Detail 330 – Depreciation – This amount remains at \$351,000 based on the depreciation scheduled received from the Town finance department for 2014/2015.

Detail Sick Leave Credits - There was no recommendation to change this amount and it remains at \$7,000.

Total projected expenditures for 2015 – 2016 for financial appropriations are \$598,000. This is no increase of over the 2014 – 2015 budget.

Total projected expenditures for fiscal year 2015 – 2016 currently represents a \$58,969.71 decrease from fiscal year 2014 – 2015.

The Board will review the budget, the capital expenditure plan and projected revenue at a special meeting on June 3, 2015 at 6:00 p.m.

EXECUTIVE SESSION

Motion to seek to adjourn to Executive Session per RIGL 42-46-5 (a)

(2) to discuss Litigation Handy Pond Condominium passed unanimously. (Eric F-RL)

EXECUTIVE SESSION – PUBLIC VOTE

Motion to Seal the minutes of Executive Session according to RIGL 42-46-7(c) passed unanimously. (GH-RL)

ADJOURN

There being no further business before the board the meeting adjourned at 12:00 p.m.