

## Minutes of the Williamstown Finance Committee Meeting

March 6, 2024, 7pm, Town Hall

Members Present: Melissa Cragg, Chair; Elaine Neely, Suzanne Stinson, Molly Magavern, Michael Sussman, Charles Fox (Recorder), Paula Consolini (via zoom) Staff: Robert Menicocci, Anna Osborne; Craig Clough; David Caron

Meeting Called to Order at 7PM by the Chair, Melissa Cragg. She introduced the guests (Clough and Caron) while also pointing out that the Department of Public Works (DPW) (including the Water/Sewer areas) is the largest department in the Town government in terms of cost and span of control. Cragg then directed us to look first at the Enterprise Funds, Water, Sewer, and Transfer Station. Included for each was an operating budget, rate setting process, and capital needs. She asked Anna Osborn to give us a summary of the rate-setting process used in each area. This led to a detailed discussion of how the rates are based on usage and cost and considered use of the free cash generated in prior year/s. Recommended was to keep Water, Sewer, and Transfer Station rates unchanged. Sussman underscored the fact that maintaining the same rates across these three budget areas of water, sewer, and transfer station is a function of the use of the free cash generated within those three budget areas (\$18,000, \$94,000, \$32,000 respectively).

There followed a lengthy discussion of the current water/sewer and highway infrastructure issues with Dave Caron and Craig Clough (Directors of these two areas respectively). Caron pointed out that, in spite of the recurrent problems that we have had with it over the past couple of years, Well #2 is in amazingly good shape (though we still need to install a new pump). The total cost of this repair project will be at least \$1M, but happily we will then be able to continue using this well rather than drilling a new one. (It also turns out that the well has a stainless steel shaft, which saves us a lot of money in our repair work.) Cragg asked what are the long-term needs for our water/sewer infrastructure? And is our drinking water safe? Caron responded that our water is quite safe because we have an enclosed aquifer which prevents contaminants from getting in. Then, continuing the discussion of repairs, Caron said that Well #3 will need to be refurbished in a few more years. We already know that it needs a new motor and pump. But the well itself is in very good shape even though it employs an older technology. So, in sum, we have no immediate problems with our wells.

That said, at the present moment the Water Dept is implementing a federal (EPA) mandate (driven by the Flint, Michigan, water issues) to confirm that we have no lead entering our drinking water. The Town has no lead service piping, but we are under the federal mandate to confirm that this is the case (and that process is also being funded by the EPA). This grant also includes money to fund the elimination of any galvanized piping. There are also some ongoing

concerns with the condition of the water line coming from sources in North Adams (primarily the line coming from the reservoir up on Reservoir Rd) which has had quite a few leaks in recent years. But the portion of the line within Williamstown is cast iron pipe, and we stay on top of any problems that arise with it. The North Hoosac and White Oaks areas rely on the water lines coming from No Adams, and it is the North Adams portion of that line which has had a lot of problems that we hope to see eliminated in the next few years. Though the Williamstown portion of that line is cast iron, which is quite reliable, we are also gradually replacing that with ductile iron, which is much less likely to have any problems related to shifting soil conditions.

Conversation turned to the DPW operating budget, which Cragg thinks may be a bit inflated. While true of every DPW department, she used Highway (pp 43-47) as an example. 2023 Actual costs were \$953,308, substantially less than the budgeted \$1,281,798 for that year. Budgeted for 2024 was \$1,255,676, essentially flat vs. the prior year budget but about 32% more than the prior year actual. Proposed for 2025 is, again, essentially the same budget and yet, annualizing six-month actual numbers and adding purchase of road repair materials not yet purchased (\$153,000), actual expenses appear on track to run about \$1 million. The \$1,283,928 sought for 2025 is 28% more than this. Why? Clough explains that we are currently going through a workforce transition where a whole generation of workers is retiring all at once (hence the roadside advertisements for new workers). As younger workers now come onto the force, we will be able to undertake a lot of overdue highway work during the work season ahead. Sussman asks how we can know that we are not just spending money to fulfill an established budget rather than filling a real need. Clough says that we have a lot of accumulated incomplete work that needs to be cleaned up. Menicocci then further confirmed that the Highway Department is trying to be much more transparent about what work really needs to be done-- rather than spending money simply because it has been budgeted. So he has been pressing the Department to get all the jobs that have been in process for a long time cleaned up.

Cragg reiterated her view that the departmental budget for DPW is overstated by her estimates about \$200,000 and asked Bob and Craig and Anna to comb through each page of those budgets and return next week. It is not her wish to curtail services, merely to make the budget reflect more accurately true expected costs.

We turn now to the Capital Plan of the Public Works budget. Clough has distributed a new Capital Works Plan for our review this evening. (See attachment). Clough explained that this plan is basically a 'wish list' (except for the water and sewer elements, which are all things that absolutely need to get done as soon as possible). There is \$1,760,000 of work and equipment on this 'wish list' of the General Fund Capital Plan. And the first item on the capital plan is something that we need to acquire right away, namely, a Vac/Jet truck. (see p. 83 of the Budget Book). Clough then enumerated the age of several vehicles and the items most in need of

immediate repair (compare also the Capital Plan sheet.) Cragg expressed the view that we are getting 'down to earth' in these kinds of details. Sussman then suggested that we should explore borrowing money for acquiring the items on the 'wish list' rather than adding to the tax rate. Clearly a lot of matters are in flux here. Menicocci suggested that he could remove some items from the list for this current year. But acquiring these items would thereby simply need to be deferred, not cancelled. He said that he and staff will work on a priority list, about which Clough can provide us more details. But he is going to need to confer with Clough and come back to our next meeting with a revised Capital Plan. We need to take stock anew of the actual issues with which we are currently dealing, and Bob wants to confer further with Clough about the demands facing us and how we should establish our acquisition priority plan for the next few years. He described this current discussion as really just the first serious cut at defining our needs. And though he and Clough need to confer about this further, Clough can at least for now provide us some details about our current capital needs.

Clough then proceeded to provide us some specific details about the priority capital items that we need to replace and problems that we need to address over the next five years. First and foremost is getting the Vac/Jet truck; and second is addressing the N. Hoosac Rd repair issues; and third is replacing the defective motor in a critical truck; and fourth is replacing the garage doors to the DPW building; and fifth is repairing Whitman St (a short road). (Again Sussman suggested that we should explore taking out loans to address these needs, but Menicocci said that such an approach has a lot of problems. Cragg observed that in this list we can see a lot of deferred problems. And getting to the bottom line, the list that Clough detailed comes down to about a \$2MM total for 2025. That doesn't count \$3 million in South Street repairs to be funded from Chapter 90 money from the state. But what can be taken off the list of capital necessities just described? A loader/excavator, maybe a mower/dump truck, perhaps a Town Hall server, some of the water/sewer needs, the No Hoosac Rd study? What? So Cragg suggested that Clough prepare another list with the deferred or deleted items removed from the current list. Menicocci suggested that vehicle leasing might be pursued as an alternative to some capital investments. Cragg pointed out that while vehicle leasing has the advantage of simplicity, it has the disadvantage of cost and repayment terms. Rather, better to understand the total picture first and then develop a financing mechanism.

In closing, the meeting approved (unanimously) the minutes of our last meeting. Cragg then described/reminded us of the agenda of issues remaining for the (proposed) two remaining meetings of this budget season: property insurance issues, phone and utility expenses, legal fees, OPEB balances, imminent capital costs, and last (but definitely not least) the DPW issues. Cragg sought to add another meeting but unable to find a date and time, she said the next meeting would begin at 6pm and last a likely three hours.

In the closing time of public commentary, Peter Beck, Chair of the Planning Board, gave us a brief summary of recent work by the Planning Board in preparation for the Town's Annual Meeting (no big package of new By-Laws is being proposed this year).

A motion to adjourn was approved at 9:05.

Minutes prepared by Charles Fox.