

JOINT MONTHLY MEETING OF THE
NEW SHOREHAM SEWER COMMISSION and BOARD OF WATER COMMISSIONERS

May 29, 2007 Minutes

Present were members Ann Cunningham, Frank Leslie, Steve McQueeny, Howie Rice, and District Clerk Janet Ziegler.

Absent were members Cliff McGinnes, Rally Migliaccio and Don Thimble.

Also present were Public Works Director Nancy Dodge, Finance Director Amy Lewis, Superintendents Dave Simmons and Ray Boucher and Counsel Elliot Taubman.

S. McQueeny called the meeting to order at 4:30 P.M.

1. WORKSESSION: Security and Collective Bargaining New Shoreham Sewer Commission's Employees. May Go Into Closed Session Pursuant to RIGL 42-46-5(a)(3) and 42-46-5(a)(2).

MOTION: by A. Cunningham to go into CLOSED SESSION to discuss collective bargaining of the Commission's employees and security. The motion was seconded, a quorum was present and the vote to close the open meeting was:

AYE: 3 (Cunningham, Leslie, McQueeny, Rice). NAY: Ø. ABSTAIN: Ø.

The motion carried.

The Commissioners excused all non-members from the meeting and went into closed session at 4:35 PM.

The Commission called all parties back into the meeting.

MOTION: by H. Rice to continue the meeting in open session. The motion was seconded, a quorum was present and the vote to open was:

AYE: 3 (Cunningham, Leslie, McQueeny, Rice). NAY: Ø. ABSTAIN: Ø.

The motion carried.

The open meeting resumed at 4:50 PM.

H. Rice reported that no votes were taken during the CLOSED SESSION.

2. PUBLIC HEARING

S. McQueeny stated that the draft budgets received at the May 22 meeting were incomplete, were not updated prior to this meeting and would not be adopted at this time. Additionally, the Commissioners agreed that it was prudent that the sewer Chair and Vice-Chair, not available for today's meeting, be present for the discussion and vote. The RI State enabling legislation for the Sewer and Water District requires the budget to be posted three-weeks prior to holding the annual financial meeting in June.

MOTION: by A. Cunningham to post a Public Hearing to review the FY 2008 Sewer and Water Budgets for Friday, June 8 at 3:30 PM. The motion was seconded, a quorum was present and the vote to post was:

AYE: 3 (Cunningham, Leslie, McQueeny, Rice). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by H. Rice to postpone the Annual Financial Meetings from June 19 to the last day of the month, Friday, June 29 at the Old Harbor Community Center, if available, beginning at 4:30 PM. The date was chosen to allow the annual budgets to be posted before the electorates three-weeks before the Financial Meetings. The motion was seconded, a quorum was present and the vote to postpone was:

AYE: 3 (Cunningham, Leslie, McQueeny, Rice). NAY: Ø. ABSTAIN: Ø.

The motion carried.

ADOPT FY 2008 BUDGETS FOR NEW SHOREHAM SEWER DISTRICT.

A. Lewis explained that the Revenue line for 'Contribution From Reserves' was necessary in order to balance the expense depreciation line; it is a means of balancing the budget by taking a non-cash portion from reserves; it also satisfies USDA requirement for capital. Although sewer reserves were low as of April 30, there was a USDA closing for \$463,490 expected shortly.

Last year, the Sewer Commission voted to spend down reserves by paying off several outstanding loans. There were several philosophical discussions regarding contributed capital, retained earnings, assets and liabilities, reserves, and depreciation.

To a question as to why the three line items for the Town Contract (Director of Public Works and Finance), Payroll Processing/Billing Services and Data Processing/Billing Services all went up 70% relative to last year, A. Lewis responded that the total revenue to the Town for services was \$35,000; the amount was divided up between the sewer and water budgets and then into line items.

When asked for further explanations, N. Dodge said that the time and effort of her department and the finance office had increased overtime; details to support the increase could be put together for the next meeting. A. Lewis added that there was an increase in the Finance office's costs when billings went from quarterly to monthly invoices; also the Aging process was transferred to Finance from the Sewer/Water District Office in January of this year. There was general agreement that a breakdown of the seventy percent increase should be forthcoming.

E. Taubman noted in the sewer budget that the Consultant/Legal line should be \$7,200, not \$6,000 as listed. This line represents a sewer retainer of \$600/month for his legal services. His retainer for the Water District is \$200/month.

The line item in the FY 2008 budget, 'Consultant-Legal' and 'Consultant-Other' have been separated.

3. PUBLIC HEARING

ADOPT FY 2008 BUDGETS FOR NEW SHOREHAM WATER DISTRICT.

A. Lewis noted that capital information was just received to complete the USDA section of the capital budgets. Figures for Water's Capital Budget from reserves, for roof repair and a new truck were verbally given out.

A. Lewis suggested that Water's cash position was improving and that it would be timely to start paying down loans.

On the Debt Service Schedule, it was noted that both sewer and water had 2006 USDA loans; the dates and interest are 'to be determined'. N. Dodge offered that the sewer interest rate would be ~4.215%.

N. Dodge noted for the record, that the Sewer Commission's raises for *sewer* employees were higher than the Town's employees and than those received by the Commission's *water* employees. The Town is presently in union negotiations and is considering different co-pays for health benefits. N. Dodge added that the Town was unable to meet the local prevailing wages of \$30-\$40/hour, but it does offer comparable compensation when health and retirement benefits were added.

R. Boucher said that often it is the wife that carries the family health benefits, and the reality is that sewer must still compete with island prevailing take-home wages. One Commissioner wryly commented that the wife probably works for the Town. It was also noted that the Town's across the board 3% wage increase was more palatable for someone earning \$90K, than to one earning \$30K.

The Commission/Board, in summation, said that the timing and preparation of the draft budgets was unacceptable this year. The Commission/Board, Public Works Director, Finance Director and Superintendents agreed that drafts budget would be prepared and scheduled no later than the first meeting in March next year.

4. New Business, Correspondence, Public Comment. *None*

Adjourn.

MOTION: by H. Rice to adjourn the meeting and that the time period for the filing of the minutes be extended to 75 days from today's date. The motion was seconded, a quorum was present and the vote to adjourn was approved unanimously by all members present.

Reminder:

The Public Hearing for the FY 2008 Sewer and Water Budgets will be continued to Friday, June 8 at 3:30 PM.

The meeting adjourned at 5:45 P.M.

Respectfully submitted,
Janet Ziegler
District Clerk
Approved: July 17, 2007