

Lunenburg Finance Committee Meeting Minutes
Bilotta Meeting Room
Lunenburg Town Hall
March 20, 2024

Present Members: Chair Evan Watters, Vice Chair Chris Menard, Board Member Tom Gray, Board Member Dave Passios, Board Member Jay Simeone

Absent Members: Board Member Jean Russell and Clerk Tiffaney Tavares

1. Call to Order

The meeting opened at 7:00 PM.

2. Pledge of Allegiance

3. Announcements

Evan Watter states Tiffaney Tavares and Jean Russell are absent for the meeting.

4. Public Comment

Dave Passios states at the Select Board meeting last night it was announced that it was a member of the Finance Committee had submitted a citizen's petition in regard to the override for the town side of the budget. Dave Passios is concerned that it's connected to this committee, and it was submitted with no signature after the cutoff date. Dave Passios believes all members know that they need to be careful as to what the committees' actions are and what they are being construed as.

5. Town Manager Report

There are several bids out right now include:

- The Flat Hill Culvert Project bid is due March 27th.
- Cleaning services for the town buildings is due April 4th.
- A proposal for data collection services for the assessing department for cyclical inspection is due April 8th.

4 response requests were received for the qualifications for the owner's project manager services for Marshal Park. The Parks Commission is currently reviewing.

Effective November 30th of 2025 an updated natural gas contract will go into effect. The rate for the town and school is \$5.66 and it's a locked in rate for 3 years. This is a raise compared to the current rate of \$4.39.

The town is approaching the end of the 3-year contract with El Harvey for solid waste and recycling removal. There was a meeting to negotiate and extend the contract.

Unfortunately, to extend that contract, there would be a 70% increase. The original bid project was based on an 80-hour work week in labor but it's taking El Harvey 120 hours a week to do all of the roots. For them to make a profit they would have to purchase new trucks, thus increasing costs. The ongoing approach is to put a bid out immediately to see what we get for proposals. Also, will be working with El Harvey on a cart toter system.

Jay Simeone asks if El Harvey disposes of the town trash. Heather Lemieux confirms. Jay Simeone asks if bidding for the town and residents could be separated. Heather Lemieux states there is an itemized list in the bid package and then the town is decreasing the size of 2 containers at a town building. Jay Simeone then asks if there has been a change in the amount of disposal bags being sold. Heather Lemieux states it has remained consistent.

6. Finance Director Report

This topic was skipped for this meeting.

7. New Business

a. Monty Tech FY25 Budget Presentation

The Superintendent-Director Tom Browne and Human Resources/Business Manager Tammy Crockett presented the budget.

Monty Tech actively seeks out grants and opportunities to get funds into the building to support the students. For FY 24 Monty Tech received 1.4 million in grants.

The Kenneth Donley workforce grant was received. The \$500,000 was added as a contribution towards installing 2 spray booths.

A \$25,000 grant was received specifically for the auto body department.

All individual shops are actively applying for grants.

Perkins funds were received and used for workforce training. This \$298,000 was used on industry recognized credentials.

Monty Tech has partnered with CAPS Collaboration in Westminster and the Arc in Fitchburg. Students from both programs are going to be trained in 4 different areas. This includes 7 weeks of technical skill training, 1 week of professional skills, and 2 weeks of paid internship.

Last year Monty Tech was identified by Mass Save as one of the largest climate leaders. This program trains students in terms of how to address energy efficiency when they go into the workforce.

FY 25 Foundation Budget

The Foundation enrollment includes 1476 students who live in one of the 18 communities. Total foundation budget was \$29,900,307 which then gets divided by the foundation enrollment equaling \$2,258 per pupil.

A total of \$18,318,704 was received from Chapter 70 funding.

The amount of aid for FY 25 is \$18,257,075 and this year is considered to be a hold harmless district.

The State is giving a minimum aid of 30 per pupil so that's an additional \$44,280 in additional chapter 78.

The required net school spending is \$30,011,216. This is the minimum spending every school district must spend not including debt services, capital transportation, meals. There is a burden of \$525,000 budgeted increase that falls on the communities.

Evan Watters questions how the district contribution number is calculated. Tammy Crockett states the number is based on towns property value, wealth. This is then multiplied by the municipal revenue growth factors and that equals the required district contribution. An additional factor is how many kids there are in Lunenburg.

The transportation cost for 30 buses equals \$2,516,010. Currently they are in year 2 of their contract and consist of a 4% contractual increase.

The Lunenburg foundation enrollment increased from 97 students to 99 students thus the required minimum went from \$1,127,113 to \$1,172,061.

Dave Passios asks if Monty Tech has a dedicated staff member that writes grants. Tom Browne confirms and states they have a development coordinator and that's one of her primary jobs.

Evan Watters reiterates that the state is spending an average of 126% and asks how that works. Tammy Crockett states each school gets a different net school spending number. It changes from district to district and is a balancing act of what each town can afford. If you go below 95% you won't get the chapter 70 increases.

Chris Menard questions if the town were to pass the 2 ½ override for schools if that would have any effect on next year's assessment. Tammy Crockett states that would not affect the assessment.

Dave Passios asked if there were any catastrophic increases that weren't banked on and had to budget for. Tammy confirms there have been issues mostly with technology.

Evan Watters asks how the transportation is broken down. Lunenburg has a similar total number of students, and their transportation costs are lower. Tammy states they bid by route and currently they are using 3 different bus companies.

b. Public Comment on Monty Tech Budget

There was no public comment.

c. Sewer Department FY25 Budget Presentation

There was a presentation by the Vice Chair of the Sewer Commission, Brett Ramsden, and Business Manager, Paula Bertram.

The department consists of:

- Chair John Reynolds
- Vice Chair Brett Ramsden
- Secretary Michael Nault
- Member David MacDonald
- Member Michael Mackin
- DPW Director Bill Bernard
- Business Manager Paula Bertram

- Administrative Assistant Camille Farrar

The Sewer Commission was established in 2006 and operates under the sewer enterprise fund. The system consists of 16 miles of gravity sanitary sewer, 3.9 miles of forced mains, 2.3 miles of low-pressure sewer, and 10 pumping stations. There are intermunicipal agreements in place with Fitchburg and Leominster to treat waste.

Current concerns

- Significant infiltration and inflows
- Pump stations need upgrades and repairs and nearing the end of their design life of 20-25 years.
- Increased feeds from Fitchburg and Leominster
 - o Fitchburg is increasing their rates by 7% each year for the next 5 years.
 - o Leominster is increasing rates by 16.7% effective July 1, 2024, and an additional 3% for FY 26.

Leominster's NPDES permit has new requirements thus Lunenburg being a co-permittee Lunenburg has new report requirements to meet.

New strategies are being put in place to address the infiltration and inflow of the system. ARPA funds of \$100,000 were awarded to repair manholes throughout the town. There is a plan to go out to bid in spring to correct the identified manholes. There is a need to purchase equipment to assist with identifying sources of infiltration and inflow. This will also include engaging engineering services.

Some improvements from FY 24 include the addition of new cranes installed at Dana Street, Leominster Road, and Mass One Station. Control panels were replaced and upgraded at West Street and Francis Ave. Station. Funding within the budget has been incorporated to clean wells annually.

The Capital plan has increased to \$368,749 for FY 25. This includes replacing aging equipment at various stations and addressing priority repairs at Mass One and Dana Street.

The Commission has been working with Green Communities to obtain grant funding for pumps.

The FY 25 Enterprise Fund Budget Revenues totals \$1,751,189.00.

Currently there is \$33,750 in the contingency plan for emergency funding.

Evan Watters questions if the proposed numbers include the cost of labor. Brett Ramsden confirms that is the case.

Chris Menard asks if they see sewer lines and storm water lines along the same road. Paula Bertram states sometimes yes and sometimes no. The GIS system shows storm water drainage and sewers.

Dave Passios asks if there is a design flaw that has led to the rusting of pipes and if the proper material was used. Paula Bertram states the force main can't be a different material, but the suction lines could possibly be replaced with schedule 80 PVC. There are currently discussions with an engineer to confirm.

Rate Increases

Sewer rates will increase by \$12.34 per month for the average residential customer. The average residential unit is currently \$233 per quarter and will increase to \$270. The minimum charge will increase from \$115 to \$126.

The connection fee will increase from \$2,250 to \$3,900 due to Leominster's increase.

The National Pollutant Discharge of Elimination System (NPDES) program administered by the EPA regulates discharge of waters. The new requirements set by NPDES include:

- Adaptive plans must be completed within 24 months to identify vulnerable critical assets.
- Adaptive measures within 36 months to minimize the impact of future conditions on critical assets and operations.
- Within 48 months a schedule of implementation and maintenance of adaptive measures must be submitted to the EPA.
- Annual maintenance plan and reports on adoption plan process and activities related to implementation of the ONM plans.

Chris Menard asks when they project the retained earnings to go to zero. Paula Bertram hopes that doesn't happen and we continue getting grant funding. By 2029 we hope to be starting to make a regular investment into retained earnings.

Chris Menard asks what your assumptions are relative to rate increases over those years. Paula Bertram states this has not been decided. We are looking at 16% potentially but that is dependent on whether grant funding is received.

Dave Passios asks if they plan to put a more aggressive inspection cycle into place. So that we will have a better handle on what's going on before we have a major spill. Brett Ramsden states that is absolutely the case. The new plan includes draining those wet wells on a regular basis. That wasn't the prior practice. Paula Bertram states we are also looking for I&I. As we identify issues, we will correct them and that will reduce costs but also weaken the infrastructure within.

Jay Simeone questions how many customers they have. Paula Bertram says currently we have approximately 1365 units. We don't bill customers. An example is the luxury apartments where they get 1 bill and there's 42 units.

Evan Watters questions if we are getting to the point where we may soon see catastrophic failures across the pipes. Brett Ramsden doesn't believe so. He suspects that the pipes underground are generally in good shape.

Evans Watters questions if we are anywhere near capacity issues with the current load. Brett Ramsden confirms that there is a lot of room. Paula Bertram states on average the flow is about 200,000 gallons per day to Leominster and the intermunicipal agreement is for 500,000 gallons per day.

d. Public Comment on Sewer Department Budget

There was no public comment.

e. Administration, Unclassified, & Debt Service FY25 Budget Presentation Selectmen

Administration

There are 2 increases that reflect additional advertising for open positions as we try to fill vacancies. An increase for the meeting training line that reflects actual expenditures.

The assistant town manager's salary and the executive assistant salary will be dependent on fiscal 25 impact in the salary administration plan.

This is an article at the annual town meeting brought forward by the Personnel Committee.

Evan Watters asks how it works if we go into town meeting with this as our balanced budget then we then approve an SAP increase. Heather Lemieux states that will have to come out of the salary reserve or another category.

Finance budget is level funded with the below increases:

- \$2,000 increases in the cost of dues and membership line.
- \$500 increase to attend conferences.
- \$100 increase in postage cost, \$50 increase to reflect actual cost for contracted services.
- Additional \$1,000 in meeting line for additional training for new staff

The town accountant salary line is contractual and the clerical staff line for the assistant town accountant includes contractual costs that were in the clerical collective bargaining agreement and the payroll benefits coordinator salary is dependent on the salary administration plan and town meeting vote.

Chris Menard asks which positions are in the town accountant clerical line. Heather Lemieux states it's the assistant town accountant, payroll, and benefits coordinator position.

The Annual town audit budget is level funded for fiscal 25.

Dave Passios asks what the GASB 45 evaluation is. Heather Lemieux states it's required government audit standards board.

The Legal budget is level funded for fiscal 25.

Evan Watters questions if these services are contracted. Heather Lemieux confirms that's the case and there have been occasional rate increases.

There are 2 councils: Labor Council and Town Council.

Assessors budget: There is a need for an additional position in that office for a data collection clerk. This is for 19 hours per week.

The treasurer/collector budget is level funded. This includes contractual salary increases for the assistant treasurer who is covered under the clerical bargaining agreement. It is dependent on the salary administration plan in the article at the town meeting. This is the same for the assistant collector.

The Town Clerks' budget reflects a 2.5% increase in salary.

Dave Passios asks why the town clerks' budget is separated by line item. Heather

Lemieux states it's historically always been that way. It is also covered by clerical bargaining agreements.

The grant writer budget includes \$50,000 for FY 25 for writing services.

The health and sanitation budget reflects inflation throughout the economy with a 10% increase.

The health insurance budget reflects the 10% renewal rate increase for active employees and a 6% increase for retirees. The preliminary budget reflects the annual renewal rate which is a 5.7% increase for active employees and a 6% rate of increase for retirees.

Chris Menard asks if there are any incentives offered if employees don't take the offered insurance. Heather Lemieux states there is an opt out program that started last year and has been extended to the end of next year. Chris Menard asks what the results were and Heather Lemieux states it was minimal.

Tom Gray requests to see the numbers and be informed about what they are receiving. Tom Gray asks if the town has a health insurance broker and Heather Lemieux says yes.

Unclassified

- Workers' compensation and liability insurance are estimated at a 5% increase.
- Police/Fire injuries on duty insurance estimated at a 5% increase.
- Medicare costs are estimated at a 10% increase.
- Assessment for Montachusett's planning is 10% increase.
- Salary reserve estimated decrease from \$199,000 to \$100,000.
- Reserve funds estimated decrease from \$275,000 to \$100,000.

Debt service highlights

FY 25: ES/HS heating system exempt debt retires in FY 24 (\$163,806), portion of sewer enterprise debt retires in FY 24 (\$335,148), Meadow Woods water debt decreases \$1,250 and MSBA payment for old school project reduced from \$59,969 to \$4.

FY 26: Library exempt debt, ladder truck, and Saliba property general fund debt retires in FY 25.

FY 30: Artificial turf field general debt bonded in 2017 retires in FY 29

FY 36: Pavement management excludable debt bonded in 2020 and retires in FY 35

FY 46: MS/HS excludable debt retires in FY 45

FY 48: Meadow Woods USDA debt for water/sewer retires in FY 47

Non-discretionary -Total appropriation for FY 25 debt service is \$2,941,322.

f. Public Comment on Administration, Unclassified, & Debt Service Budget Presentation

Dave Passios questions why some budding towns such as Ashby are capital exemption for 1 year and would like to see the comparison between Lunenburg and Ashby.

Evan Watters believes that Lunenburg is pushing an upper middle-class town and doesn't believe we are going to get additional money. The state thinks that we are supposed to fund our schools to a certain amount.

Chris Menard states we can't keep electing the same people because we know their priorities are not on schools. He pays a lot of money in state taxes, and it should be coming back to our communities.

Dave Passios states we keep getting hit from unfunded mandates from the state and federal government.

Evan Watter states 100% of our property taxes come back to Lunenburg. That's the highest value for the dollar that were going to find the largest amount of change that can be made directly for the town.

Tom Gray believes the problem with increasing real estate taxes is that there are people who bought expensive homes 40 years ago who don't have the income to pay the higher taxes.

g. Warrant Article Discussion

The below list are updated warrant articles submitted by the Town Manager:

- Local Wetland Protection bylaw fees
- Language for prop 2 ½ for schools. This doesn't include numbers.
- SAP warrant article has language but no numbers.
- SAPs from the Personnel Committee
- State exemption for taxpayers who are granted exemptions.
- Board of Assessor article has been submitted but doesn't include numbers.
- Adoption of Mr. Alonzo's for historical app
- OPAB Liability Trust fund and zoning code

The Planning Board articles have the changes in language but changes from Town Council are coming.

There is an article with language relating to the water supply district.

Heather Lemieux states the Select Board reallocated ARPA funding to cover the network upgrade equipment, 911 compliant phone systems, and Chromebooks totaling \$221,640. That money will come out of the school's budget and be paid through ARPA.

Additionally, there will be a pause on the pavement management plan and that would reallocate \$50,000 towards the schools.

h. FinCom Report for Warrant Discussion

There was a brief discussion about the timeline that this report needs to be completed by. Additionally, discussion will take place at the next meeting when Tiffaney Tavares is in attendance.

Chris Menard states that every department request has been reasonable this year.

Evan Watters wants to address the debt capacity spending. Tom Gray agrees and believes we need to prepare the town for this discussion and get a consensus from the town.

8. Old Business

a. FY21-FY23 Revenue and Expenditures Recap Discussion

This topic was skipped for tonight's meeting.

b. FY25 Budget Update/Discussion

i. Previous FY25 Presentations

Dave Passios reiterates his concern relating to the food service manager position and the increase in hours. He wants a clear answer as to what's going to happen with that position.

Tom Gray states these are difficult discussions. We must ask the Town Manager and department heads as if it were their money being spent.

Evan Watters states he trusts the department heads and their knowledge of what they need. Simply reducing people down to numbers is not what we should be doing.

ii. Upcoming FY25 Presentations

There was no discussion.

9. Minutes

a. 2/22/2024

The Committee postponed the 5 sets of minutes for approval to the meeting scheduled for tomorrow.

10. Committee Reports

Dave Passios states there is a green communities meeting on the 25th. There will be a discussion and next steps relating to the sewer commission upgrade to their pumping stations.

11. Topics for Future Meetings

- Create a table or graph of the override per household
- Town needs for upcoming services for buildings
- Prepare the town for upcoming projects
- Deeper dive into budgets this year
- Capital plan update
- Addressing the millionaire's tax only hitting so far for Chapter 90
- Update on SAP plan
- Consolidation of services
- Grant writer services

12. Upcoming FY25 Budget Meetings

a. Mar 21st – Public Access Committee, & Other Monied Articles – Lunenburg Public Schools Update (FinCom)

b. Mar 28th at 6:30 PM – FinCom Public Hearing

c. Apr 1st at 7PM – Remote Meeting

d. Apr 4th - FinCom Public Hearing

13. Important Dates

- a. Apr 2nd – FinCom Report for Warrant
- b. May 4th at 9:00 AM – Annual Town Meeting
- c. May 18th – Annual Town Election

14. Public Comment

Ana Lockwood had a comment relating to some of the proposed positions going from part-time to full-time. The Council on Aging and Parks and Recreation Departments are there to serve the people, the assessor's office are there to assess taxes fairly and that can't be put into the private sector. The public sector is not bringing in direct revenue from their activities. The money being spent to have a cook to serve people over the age of 50 in Lunenburg is not expensive.

15. Adjourn

There was a motion to adjourn by Chris Menard, seconded by Dave Passios. All in favor.

The meeting closed at 11:30 PM.