

➤ **Article 2B: Enterprise Budget Amendments**

9/7/16

Lynne Barrett, Director of Finance, presented Article 2B. This article appears at every Fall Town Meeting and makes adjustments to the Enterprise budgets voted at the Spring Annual Town Meeting. The following adjustments are necessary:

ARTICLE 7B: WATER ENTERPRISE FUND		April ATM Totals	FATM 10/15/2016	FATM Grand Totals
Personal Services	(Item #62)	\$ 1,123,375		1,123,375.00
All Other Expenses	(Item #63)	\$ 1,246,458		1,246,458.00
Debt Service	(Item #64)	\$ 1,139,917	(93,906.00)	1,046,011.00
Appropriated for Direct Costs		\$ 3,509,750	(93,906.00)	3,415,844.00
Indirect Costs - Charged to Enterprise Fund from General Fund	(Item #65)	\$ 1,293,076		1,293,076.00
Total Cost – Water		\$ 4,802,826	(93,906.00)	4,708,920.00
ARTICLE 7C: SEWER ENTERPRISE FUND		April ATM Totals	FATM 10/15/2016	FATM Grand Totals
Personal Services	(Item #58)	\$ 346,165		346,165
All Other Expenses	(Item #59)	\$ 2,024,311		2,024,311
Debt Service	(Item #60)	\$ 2,128,923	(8,982)	2,119,941
Appropriated for Direct Costs		\$ 4,499,399	(8,982)	4,490,417
Indirect Costs - Charged to Enterprise Fund from General Fund	(Item #61)	\$ 293,124		293,124
Total Cost – Sewer		\$ 4,792,523	(8,982)	4,783,541
ARTICLE 7E: AIRPORT ENTERPRISE FUND		April ATM Totals	FATM 10/15/2016	FATM Grand Totals
Personal Services	(Item #55)	\$ 509,431		509,431
All Other Expenses	(Item #56)	\$ 2,099,215	(3,114)	2,096,101
Appropriated for Direct Costs		\$ 2,608,646	(3,114)	2,605,532
Indirect Costs - Charged to Enterprise Fund from General Fund	(Item #57)	\$ 194,979		194,979
Total Cost – Airport		\$ 2,803,625	(3,114)	2,800,511

There is a decrease to Debt Service to the Water, Sewer, and Airport Enterprise Funds because we are borrowing less. That is the only change to these three budgets.

Also, based on updated estimated enrollments and the costs associated with providing those services, the following updates to the Solid Waste Enterprise Fund are needed:

ARTICLE 7D: SOLID WASTE ENTERPRISE FUND		April ATM Totals	FATM 10/15/2016	FATM Grand Totals
Personal Services	(Item #66)	\$ 314,354	(20,000)	294,354
All Other Expenses	(Item #67)	\$ 1,890,770	38,500	1,929,270
Appropriated for Direct Costs		\$ 2,205,124	18,500	2,223,624
Indirect Costs - Charged to Enterprise Fund from General Fund	(Item #68)	\$ 294,914		294,914
Total Cost – Solid Waste		\$ 2,500,038	18,500	2,518,538

The Solid Waste Enterprise Fund Budget will also require amendment to the funding sources due to the rates set back in May by the Board of Selectmen. An \$111,000 transfer is required from the Special Purpose Stabilization Fund for Solid Waste and the Solid Waste Retained Earnings.

To review the timeline for the FY2017 Solid Waste budget, in October 2015 enrollments are estimated for curbside and transfer station, then rates are set in May, sign ups are mid May through June, July and into August, fines go out in August for those using the transfer station that have not signed up, also ABC calls curbside non-renewals to ask them to pay or the barrels will be picked up and service discontinued.

Transfer station enrollment was estimated to be 3,600 and we are currently at 3,300. A rate of \$196 was recommended by staff to the Selectmen and they voted \$168.

Curbside enrollment was estimated at 5,600. There is an adjustment to the ABC contract, an increase of \$53,805, plus an increase in tipping fees of \$12,300 plus an increase to bags of \$2,369, which total \$58,500. Then there are decreases to overtime by \$20,000 and vehicle fuel of \$20,000, which total \$40,000. The net of increases and decreases total \$18,500.

Questions:

- What is the balance in the Special Purpose Stabilization Fund for Solid Waste? (J Moody) The current balance is \$102,147.94.
- This transfer will drain the entire reserve and the remaining approximately \$9,000 will come from Solid Waste Retained Earnings? (J Moody) Correct.
- The \$111,000 shortfall is due to the recommend rates not being approved by the Board of Selectmen? (J Moody) Correct.
- Why are we completely draining this stabilization fund? (H Helm) In 2013 this stabilization fund was created as the town converted to the Pay As You Throw program. At that time \$300,000 was transferred from Transfer Station operations for this conversion process. If this stabilization fund is not used to fund the shortfall, the options are to place the shortfall on the tax rate or cut the budget.
- What about next year, will the shortfall end up on our tax rate? (H Helm) Possibly, if the number of enrollees and the rate they pay do not cover the costs, there has to be changes made to the operations or to the services we provide there. We have been looking at options for the hard to manage program. The priority is that users fund the transfer station and that it not hit the tax rate.
- Staff gave the recommended rate to the Selectmen and then they reduced that rate. How can we change that? (L Barrett) That is a good question. The Selectmen are aware of the issue.
- How many municipalities have the same system as Plymouth? (C Merrill) Can't answer that because Solid Waste is handled differently in every town. Many towns offer curbside and then a transfer station only for items not accepted curbside. Not many towns offer both a curbside and a transfer station option for trash.
- It sounds like we are going to have to cut the cord on the transfer station at some point. (C Merrill)

Patrick O'Brien made a motion to recommend Article 2B to Town Meeting. Harry Helm, second.

Comments/Discussion:

We are going down a slippery slope where we are throwing money at a problem and this happens all the time. This is eventually going to end up on the tax rate if we do not solve the problem, which is unacceptable. (S Stephenson)

The motion carries (11-1-0). Scott Stephenson, opposed.