

<b><u>Advisory &amp; Finance Committee Budget Sub-Committee Meeting Minutes</u></b>		
Sub-Committee: Enterprise Fund G – FY24 Budget Cycle		
Meeting Date: 1/19/2023	Meeting Time: 9:30AM	Meeting Location: ZOOM
Budget Sub-Committee Members physically present: NONE		
Budget Sub-Committee Members attending remotely: Steve Nearman, Gail Butler, Joe Lalley		
Budget Sub-Committee Members that were absent: NONE		

**Purpose of the Meeting:**

The Enterprise Funds Budget Sub-Committee met with the Department Heads to go over the Select Board’s recommended budget documentation with them.

The Enterprise Funds Budget Sub-Committee met via ZOOM with the following Town Officials:

433 Solid Waste Enterprise - Sheila Sgarzi, DPW

440 Sewer Enterprise - Doug Pinard, DPW

450 Water Enterprise – Peter Gordon, Water Superintendent

482 Airport Enterprise - Matt Cardillo, Airport Manager

123 Cable Public Access Enterprise – Lynne Barrett, Director of Finance

Also present:

Jodie Volta – DPW Business Manager

Jeannette White – Budget Analyst

**Summary of Discussion:**

The Department Heads had an opportunity to discuss their area(s) of the budget and explain the adjustments made to them this year in comparison with prior years. The Enterprise Fund Budget Sub-Committee then had an opportunity to ask any questions they had about the relevant section of the budget or the operation of the given Town Department.

All five budgets for FY2024 Enterprise Funds were submitted and discussed in the same ZOOM call. The common theme was that budgets were level-funded and prepared with Cost of Living Adjustments (COLA) in mind as the economy continues to deal with inflationary times.

433 SOLID WASTE – Ms. Sgarzi presented a proposed SOLID WASTE ENTERPRISE budget with a 3.9 percent increase for FY24 from FY23, proposed at a total request of \$1,191,246. Ms. Sgarzi projected personnel services as budgeted for a 1.5 percent decrease to \$289,337. There was nothing extraordinary in the SOLID WASTE ENTERPRISE budget which needed further explanation and/or discussion.

440 SEWER – Mr. Pinard presented a proposed SEWER ENTERPRISE budget with a 2.6 percent decrease from FY2023, proposed at a total request of \$7,954,770. Mr. Pinard projected a 3.3 percent rise in personnel costs, again attributed to COLA, to \$388,528. He did indicate that

his budget showed increased costs for the waste water treatment plant due to increased costs of disposal.

450 WATER – Mr. Gordon presented a proposed WATER ENTERPRISE budget with a 6.0 percent rise in FY2024 over FY2023. He pointed out that personnel costs were virtually flat with a 1.8% rise. However, he stated that operating costs for everything have increased, with the biggest jump in electricity , heat and propane from running generators. Contributing to the 6.0 percent rise in total budget was increased costs of water testing mandated by the Environmental Protection Agency (EPA) and compliance with the Unregulated Contaminant Monitoring Rule (UCMR).

482 AIRPORT – Mr. Cardillo, in his first round of budget prep as the new Airport Manager, proposed AIRPORT ENTERPRISE budget with a 6.9 percent to \$3,669,491 for FY2024 over FY2023. The most significant driver in the Airport budget is aviation fuel costs, which comprises 73.6 percent of the total budget and is projected to increase 8.0 percent in FY2024. This is fuel sold to the private aircraft owners, with price increases fortunately passed on to the consumer. Mr. Cardillo said he also is expecting increased COLA and higher electricity, heat and vehicle fuel expense for airport operations. Some of the 3.2 percent increase in personnel costs were offset by long-time manager Tom Maher’s retirement and subsequent salary savings by successor Mr. Cardillo.

123 CABLE PUBLIC ACCESS – Lynne Barrett, Director of Finance, presented the CABLE PUBLIC ACCESS budget. Ms. Barrett explained that this enterprise fund is funded by cable access fees charged to Comcast and Verizon customers. For some time, those fees have been declining due to the popularity of streaming services over cable service. Ms. Barrett explained the two cost centers – public access (contract with PACTV for public cable access) and education (the Town’s school department for educational purposes). Ms. Barrett is projecting a 4.4 percent rise in expenses to this enterprise fund, to \$1,561,000, for FY2024. Much of this increase is due to a 9.1 percent (\$46,000) hike in Purchase of Services – School category.

Vote Tally to Approve Budgets of Each of the Five Enterprise Funds:

<b>Member</b>	<b>Solid Waste</b>	<b>Sewer</b>	<b>Water</b>	<b>Airport</b>	<b>Cable</b>
Steve Nearman	Yes	Yes	Yes	Yes	Yes
Joe Lalley	Yes	Yes	Yes	Yes	Yes
Gail Butler	Yes	Yes	Yes	Yes	Yes

Submitted by Sub-Committee Chair Steve Nearman

To: Advisory & Finance Committee  
 From: Budget Sub-Committee G - ENTERPRISE FUNDS – Steve Nearman  
 (Chair), Gail Butler, Joe Lalley

Date: February 7, 2023  
 Subject: Sub-Committee G FY2024 Budget Review & Recommendations: SOLID WASTE OPERATIONS

**Budget Summary:**

	Personnel Expenses	Other Expenses	Dept Equipment	Debt Service	OPEB	Budget Appropriation	Indirect Costs	Total Fund Expense
Proposed FY2024 Budget	\$ 289,337	\$ 575,586	\$ -	\$ -	\$ 2,675	\$ 867,598	\$ 328,923	\$1,196,521
FY2023 Revised Budget	\$ 293,746	\$ 538,770	\$ -	\$ -	\$ 2,192	\$ 834,708	\$ 309,142	\$1,143,850
FY2022 Actual	\$ 236,420	\$ 452,095	\$ -	\$ -	\$ 2,411	\$ 690,926	\$ 295,376	\$986,302

**Department Synopsis**

The Solid Waste Division of the Department of Public Works is responsible for the management, operation and maintenance of the Manomet Transfer Station with recycling, materials transport, administration of sticker sales, and violation processing. It is headed by Jonathan Beder, DPW Director.

**Budget Observations**

Use of the Manomet transfer station remains fairly consistent. However, challenges in the greater waste disposal and recycling industries continue to present themselves as well as rising expenses. The Sub-Committee believes this Enterprise Fund is well run.

**Initiatives & Opportunities**

Neither the Department nor the Sub-Committee has identified any new initiatives.

**Recommendations**

The Sub-Committee recommends:

- Approval of the Select Board’s recommended budget for the Solid Waste Operations Enterprise Fund.

**Comments / Other**

Actual expenses of the Enterprise Fund are higher than the annual budget appropriation because they include indirect costs that are budgeted to the General Fund and then charged back to the Enterprise Fund. Indirect costs include various costs and benefits associated with the employees of the Enterprise Fund.

**The Sub-Committee’s budget includes the indirect costs and the Total Fund Expense in the table above.**

To: Advisory & Finance Committee  
 From: Budget Sub-Committee G - ENTERPRISE FUNDS – Steve Nearman (Chair), Gail Butler, Joe Lalley

Date: February 7, 2023  
 Subject: Sub-Committee G FY2024 Budget Review & Recommendations: SEWER

**Budget Summary:**

	Personnel Expenses	Other Expenses	Dept Equipment	Debt Service	OPEB	Budget Appropriation	Indirect Costs	Total Fund Expense
Proposed FY2024 Budget	\$388,528	\$4,954,566	\$ -	\$2,609,559	\$ 2,117	\$ 7,954,770	\$454,438	\$8,409,208
FY2023 Revised Budget	\$376,250	\$4,697,463	\$ -	\$3,095,736	\$ 1,368	\$ 8,170,817	\$438,991	\$8,609,808
FY2022 Actual	\$283,636	\$4,399,961	\$ 4,724	\$3,037,850	\$ 2,002	\$ 7,728,173	\$366,739	\$8,094,912

**Department Synopsis**

The Sewer Division of the DPW is responsible for the operation and maintenance of the town's sanitary sewer collection and treatment systems. The Division is headed by Wastewater Manager Doug Pinard.

**Budget Observations**

The primary source of revenue for the Enterprise Fund is the rates paid by the sewer system users. Fees paid by septage haulers are another significant source of revenue. Budget shows increases due to increasing cost of living adjustments and increased costs for the wastewater treatment plant due to increased costs of disposal.

**Initiatives & Opportunities**

Capital requests to address treatment plant discharges out into the Bay as among a number of initiatives for the Sewer Enterprise Fund.

**Recommendations**

The Sub-Committee recommends:

- Approval of the Select Board's recommended budget for the Sewer Enterprise Fund.

**Comments / Other**

Actual expenses of the Enterprise Fund are higher than the annual budget appropriation because they include indirect costs of \$454,438 estimated for FY2024 that are budgeted to the General Fund and then charged back to the individual Enterprise Funds. Indirect costs include various costs and benefits associated with the employees of the Enterprise Fund.

The Sub-Committee's budget includes the indirect costs and the Total Fund Expense in the table above.

To: Advisory & Finance Committee  
 From: Budget Sub-Committee G - ENTERPRISE FUNDS – Steve Nearman (Chair), Gail Butler, Joe Lalley

Date: February 7, 2023  
 Subject: Sub-Committee G FY2024 Budget Review & Recommendations: WATER

**Budget Summary:**

	Personnel Expenses	Other Expenses	Dept Equipment	Debt Service	OPEB	Budget Appropriation	Indirect Costs	Total Fund Expense
Proposed FY2024 Budget	\$1,635,158	\$1,400,423	\$ -	\$2,385,269	\$ 13,321	\$ 5,434,171	\$1,621,014	\$7,055,185
FY2023 Revised Budget	\$1,606,835	\$1,319,123	\$ -	\$2,187,936	\$ 13,060	\$ 5,126,954	\$1,555,267	\$6,682,221
FY2022 Actual	\$1,305,687	\$1,089,234	\$ -	\$2,240,527	\$ 16,746	\$ 4,652,194	\$1,276,599	\$5,928,793

**Department Synopsis**

The Water Division of the DPW is responsible for the operation and maintenance of Plymouth’s water treatment, transmission and distribution systems, including 12 wells, 10 pump houses and 4 booster stations. The head of the Division is Peter Gordon, Water Superintendent.

**Budget Observations**

The primary source of revenue for this Enterprise Fund is from the rate payers who get their water from the Town. This revenue stream is strong and continues to grow. Costs are higher across the board, especially electricity, heat, propane and increased mandated water testing.

**Initiatives & Opportunities**

The Department continues to work on development of Plymouth’s water supply and water delivery network. As the Town grows, so does the demand for water. As demand grows, new supplies must be secured. Sustainable maintenance and growth of the system is a constant driving force of the Division.

**Recommendations**

The Sub-Committee recommends:

- Approval of the Select Board’s recommended budget for the Water Enterprise Fund.

**Comments / Other**

Actual expenses of the Enterprise Fund are higher than the annual budget appropriation because they include indirect costs that are budgeted to the General Fund and then charged back to the Enterprise Fund. Indirect costs include various costs and benefits associated with the employees of the Enterprise Fund.

The Sub-Committee’s budget includes the indirect costs and the Total Fund Expense in the table above.

To: Advisory & Finance Committee  
 From: Budget Sub-Committee G - ENTERPRISE FUNDS – Steve Nearman (Chair), Gail .Butler, Joe Lalley

Date: February 7, 2023  
 Subject: Sub-Committee G FY2024 Budget Review & Recommendations: AIRPORT

**Budget Summary:**

	Personnel Expenses	Other Expenses	Dept Equipment	Debt Service	OPEB	Budget Appropriation	Indirect Costs	Total Fund Expense
Proposed FY2024 Budget	\$ 705,733	\$2,919,750	\$ -	\$ 38,400	\$ 5,608	\$ 3,669,491	\$ 340,000	\$4,009,491
FY2023 Revised Budget	\$ 683,807	\$2,702,550	\$ -	\$ 39,650	\$ 5,498	\$ 3,431,505	\$ 218,805	\$3,650,310
FY2022 Actual	\$ 587,179	\$2,018,113	\$ -	\$ 40,900	\$ 3,144	\$ 2,649,336	\$ 212,432	\$2,861,768

**Department Synopsis**

The Plymouth Municipal Airport, home to more than 30 businesses that collectively employ more than 250 people, has been in operation since 1934. Many of these businesses operate from privately constructed buildings located on Airport property, adding considerably to Plymouth's tax base. The types of businesses range from flight schools and maintenance facilities to law enforcement and medical air ambulance services.

Matt Cardillo recently replaced long-time Airport Manager Tom Maher who retired.

The Airport Enterprise Fund provides for development, operation and maintenance of the Plymouth Municipal Airport in a safe, efficient and fiscally responsible manner that promotes general aviation. The airport helps stimulate the local economy and supports the community. Airport management is responsible for adhering to all federal, state and local regulations. Revenue for the operation of the airport is primarily generated through sale of aviation fuel to aircraft owners (approximately 80% of total revenue), landing and tie-down fees, and land leases.

**Budget Observations**

The budget shows an 23.5% increase in the cost of aviation fuel, but that will be offset by the increased price charged to consumers of the fuel. Vehicle fuel used by airport staff also is projected to increase 20%, along with heat and electricity, all due to economic factors. Salary savings by replacing the long-time manager with a new manager.

**Initiatives & Opportunities**

None were identified.

**Recommendations**

The Sub-Committee recommends:

- Approval of the Select Board's recommended budget for the Airport Enterprise Fund.

**Comments / Other**

Actual expenses of the Enterprise Fund are higher than the annual budget appropriation because they include indirect costs that are budgeted to the General Fund and then charged back to the Enterprise Fund. Indirect costs include various costs and benefits associated with the employees of the Enterprise Fund.

The Sub-Committee's budget includes the indirect costs and the Total Fund Expense in the table above.

To: Advisory & Finance Committee  
 From: Budget Sub-Committee G ENTERPRISE FUNDS – Steve Nearman (Chair), Gail Butler, Joe Lally

Date: February 7, 2023  
 Subject: Sub-Committee G FY2024 Budget Review & Recommendations: Cable Access

**Budget Summary:**

	Personnel Expenses	Other Expenses	Dept Equipment	Debt Service	OPEB	Budget Appropriation	Indirect Costs	Total Fund Expense
Proposed FY2024 Budget	\$ -	\$1,556,000	\$ 5,000	\$ -	\$ -	\$ 1,561,000	\$ -	\$1,561,000
FY2023 Revised Budget	\$ -	\$1,490,000	\$ 5,000	\$ -	\$ -	\$ 1,495,000	\$ -	\$1,495,000
FY2022 Actual	\$ -	\$1,480,585	\$ -	\$ -	\$ -	\$ 1,480,585	\$ -	\$1,480,585

**Department Synopsis**

This Fund acts principally as a financial pass-through fund for receipts received from Verizon and Comcast. The monies are derived from fees received from their customers for cable usage. Those receipts are disbursed to PACTV and the Plymouth Public Schools for costs associated with governmental and educational programming produced by those organizations. The Fund also receives approximately \$10,000 annually in franchise fees that are retained by the Town.

**Budget Observations**

The bulk of the funds received by the Fund are transmitted to PACTV and the Plymouth Public Schools to support public access television production. Revenue is generated from Verizon and Comcast is steadily declining due to the increasing popularity of streaming services over cable services.

**Initiatives & Opportunities**

None were identified.

**Recommendations**

The Sub-Committee recommends:

- Approval of the Select Board’s recommended budget for the Cable Access Enterprise Fund.

**Comments / Other**

The Sub-Committee’s budget DOES NOT include indirect costs as this Enterprise Fund is not apportioned such costs.