

Town of Ayer

Rate Review Committee

Meeting Minutes from January 9, 2024



Attendance: Jannice Livingston, Chair; Dan Van Schalkwyk, DPW Director; Robert Pontbriand, Town Manager; Kurt Fraczkowski (Representing Fin Com); Barbara Tierney, Finance Manager; Kimbelry Abraham, Water and Sewer Superintendent

Absent: Andy Loven

Also in Attendance: Michael Shraeder of Tighe and Bond; Brian Huntley of Tighe and Bond (participating remotely); Pauline Conley (Resident); Andrew Sealey (Resident and Fin Com Member)

Call to Order: The January 9, 2024 meeting of the Rate Review Committee was called to order at 1:00pm on January 9, 2024 in the First Floor Meeting Room of the Ayer Town Hall by J. Livingston. (Note: This was an in-person meeting only.)

Review and Approval of the Meeting Minutes from December 12, 2023:

The Committee reviewed the DRAFT Meeting Minutes from December 12, 2023 and there were no edits.

Motion: A motion was made by K. Abraham and seconded by K. Fraczkowski to approve the meeting minutes from December 12, 2023. **Motion Passed (6-0).**

Initial Meeting with the Consultant (Tighe and Bond) Regarding the Transfer Station Operational and Financial Analysis/Study:

D. Van Schalkwyk introduced Michael Shraeder and Brian Huntley of Tighe and Bond who are working on the operational and financial analysis/study of the Transfer Station. They visited the Transfer Station on December 30, 2023 to observe operations and to meet with Transfer Station personnel.

Michael Shraeder stated that he visited the Transfer Station on December 30, 2023 and toured the facility and met with Andrew Jackson (Transfer Station Foreman). The operations appeared to be very smooth. No concerns with the flow. The Transfer Station has an Enterprise Fund but is not fully supported by that Enterprise Fund. Part of the scope of our study is to look at the Enterprise Fund and see what it would take to make the Enterprise Fund whole or self-sufficient. It appears that your sales of stickers and bags are relatively flat. We will also want to look at and discuss any future capital needs of the Transfer Station as that can have significant cost impacts in the future.

J. Livingston stated that over the last decade or so, the subsidy of the Transfer Station has been about 1% or less of the Town's overall budget. The residents do not complain about the subsidy, but a couple of elected officials do and have scared the people. The residents do not want the Transfer Station closed. We looked at curbside several years ago and it was not a recommended option at that time. We need to know from your study, are we doing everything correctly. The pay as you

throw bags are problematic in terms of price. Five 33-gallon bags cost \$25.00. We also used to use stickers but changed to bags. Perhaps we could look at going back to some kind of sticker? Michael Shraeder stated that we will examine your current rate structure in terms of equity across users and non-users of the Transfer Station.

J. Livingston stated that though the number of users hasn't changed much over the last several years, the age of users has. They are getting older, and it is a generational issue. The people do not want curbside now, but they might in 10 to 15 years from now.

R. Pontbriand stated that the following have been the major issues regarding the Transfer Station over the last ten years or so: sustainability of the Enterprise Fund; the public hours of operation; having a payment kiosk at the Transfer Station; following the calendar year instead of the fiscal year.

Michale Shraeder stated that we will be looking at the next five years in terms of projections.

J. Livingston stated that it would be nice to see how much the public hours of operation cost the Town.

K. Fraczkowski stated that if the current schedule is not optimal perhaps there is a better schedule option.

Michael Shraeder stated that the major cost drivers of the Transfer Station are the disposal fees; personnel costs; and utilities.

K. Fraczkowski stated that we need to know are we running efficiently and are there any other revenue streams or efficiencies that we need to realize.

Michael Shraeder stated that your bulk metal revenue is up and that we could look at the bulk fee and cost to dispose as potential area to study.

Briand Huntley stated that what Ayer is experiencing with its Transfer Station is what most municipalities in Massachusetts are experiencing. Four of five years ago the commodity market went way down due to changes with trade to China. Now there is no money for recycling. The generational trend of users at Transfer Stations is the trend. One of our major goals with this study is to look at hard costs and revenues and see if there are other opportunities in terms of operational and funding components of your Transfer Station. In terms of the subsidy to the Enterprise Fund, a lot of that decision will be the communities in terms of the size of the subsidy and who bears the costs. Other areas we can look into are going out to bid for hauling/disposal services as well as consideration of privatization of services.

Michael Shraeder stated that your indirect costs look high and that is something we will explore further.

Brian Huntley stated that we need to look at the level of service versus the core needs of the Transfer Station. More users will increase costs.

J. Livingston stated that we have not really looked at it that way in terms of the pros and cons of increased users and costs.

Michael Shraeder stated that there is definitely a community aspect and dimension to Transfer Stations.

B. Tierney stated that she would be interested in any non-cash payment methods that are easy to use and inexpensive.

Michael Shraeder thanked the Community for this productive meeting, and he looks forward to working on this important project. He will use D. Van Schalkwyk and B. Tierney (for financial information) as his points of contact. In terms of next steps, he will be collecting and analyzing various data for the purpose of establishing some recommendations which will culminate in a second meeting with the Committee.

[Michael Shraeder and Brian Huntly left the meeting at 2:18pm]

Initial/Preliminary Discussion on the Review of the Proposed FY 2025 Water and Sewer Rates:

K. Abraham stated that she has been working with the consultant to get updated consumption data for the model.

B. Tierney advised that we just received the FY 2025 Capital recommendations for Water and Sewer.

K. Abraham stated that for the next meeting of the Rate Review Committee, they will be able to make an initial presentation and start an initial discussion.

Scheduling of Next Meeting(s):

The Rate Review Committee scheduled its next meeting for Tuesday, January 23, 2024 at 4pm.

Adjournment:

Motion: A motion was made by K. Abraham and seconded by K. Fraczkowski to adjourn the meeting at 2:55pm. **Motion Passed (6-0)**

The meeting was adjourned at 2:55pm.

Minutes recorded and submitted by R. Pontbriand, Town Manager

Minutes reviewed and approved by the Rate Review Committee on January 23, 2024.

Signed:  Robert A. Pontbriand, Town Manager