

TOWN OF ALLENSTOWN
Sewer Commission
33 Canal Street
Allenstown, New Hampshire 03275
October 25, 2016

Call to Order.

The Allenstown Sewer Commission Meeting for October 25, 2016 was called to order by Mr. Anderson at 4:00p.m.

Roll Call.

Present on the Board: Larry Anderson, Jeff McNamara, and Carl Caporale.

Others Present

Residents of Allenstown:

Others Present: Michael Trainque, Hoyle & Tanner Associates; Sheryl Pratt, Plodzik and Sanderson; and Peter Boettcher.

Other Public Officials: Jeff Backman, Superintendent and Roxanne Chomas, Assist Superintendent.

Meet with Sheryl Pratt of Plodzik & Sanderson regarding 2015 Audit Report

Mrs. Pratt explained the Town received an unmodified opinion on the governmental funds and the sewer fund as an enterprise fund and the town overall received an adverse opinion on the business type activities. She stated it is because not all the capital assets of both entities are fully recorded on the financial statements. She stated it was her understanding the Town is going through the process of capturing all the infrastructure assets of the entire town. She stated there are a few pieces of the collection system for the Sewer haven't been captured which is why the opinion was rendered. She stated hopefully next year they will received an unmodified opinion on all opinion units.

Mrs. Pratt stated page 18-20 are the financial statements of the Sewer Department. She stated the total assets were \$5.9 million which encompass cash, investments, receivables, prepaid items and capital assets. She stated there are two new items on the financial statements this year. She explained according to GASB 68 the NH Retirement System has separately tracked the retirement for both the Town and the Sewer Department so they are now picking up the pension

liability on the books for the Sewer. She stated the net pension liability is \$475,410. She stated it is supposed to be paid back by the State of NH.

Mrs. Pratt stated they are also reporting a Deferred Outflow of \$21,820. She explained because of GASB 68 they had to go back a year. She stated the Deferred Outflow is amounts paid in towards the retirement system in 2015 which will be applied in 2016. She stated the Deferred Inflow involves how the change in investments and contributions are on the retirement plan on a whole. She stated it is a very confusing thing but it is all by the State. She stated the liability has always been there but has never been required to be reported. She stated GASB is saying they need to report the information on the financial statements. She stated these amounts are the Sewer's portion for the retirement system and the Town's portion is \$2.2 million.

Mr. McNamara asked what she meant by not having to pay it back. Mrs. Pratt explained all the contributions everyone puts into the retirement system will pay off the liability. She stated if for some reason they went belly up they would probably have to pay it back. She stated there is a note explaining the retirement. She stated the State plans to have retirement fully funded by 2039. She stated those were the big changes for this year and there are no new changes for next year.

Mrs. Pratt stated they are left with a net position \$5.3 million of which \$3.8 million was capital assets. She stated the rest would be available to do other things with or in an emergency.

Mrs. Pratt stated page 19 is an Income Statement for 2015. She stated they had User Charges of \$2.5 million, miscellaneous revenue of \$39,079, \$2.1 million in expenditures, and an overall operating gain of \$406,656. She stated they had investment and interest income of \$43,000 and investment fees of \$7,600. There was discussion of how the trustees invested throughout the year.

Mrs. Pratt stated in the report there were no findings which means there were no material weaknesses or significant findings. She stated starting on page 37 there are four pages with one note which describes the net pension liability. She stated page 41 also explaining the post-employment benefits.

Mrs. Pratt stated in the government's letter they did have one comment. She explained they had noted there were no formal policies in place regarding bills, collections, and deposits for Sewer Rents and Hauler fee revenue. She stated they were recommending they formally adopt some policies and procedures and put in place so there is good segregation of duties between the billing, collection, and posting of the revenue so it isn't in one person's hands. She stated there are ways they can mitigate risks so if one person is doing two of the three things.

The Chair asked Mrs. Pratt where she got the information there was no commission. Mrs. Pratt stated she believed she got it from her manager. The Chair stated nothing has changed with the exception of them moving to the Tyler Accounting System. Mr. Backman explained they have begun segregating hauler billing and hauler collections. He stated they are having some difficulty because people are calling the Town Hall with questions about their bill not the Sewer Department. He stated collections may be moving back to the Sewer Department; however, the Town Hall will be reconciling the accounts. He stated part of the books for 2016 will be in QuickBooks and part of the year will be in Tyler.

The Chair stated the difficulty he has with the staff at the Sewer Department is they don't have time to do all the paperwork. He stated it is easier for the Town Hall to handle all the paperwork for them and tell them what is going on. Mrs. Pratt stated the Finance Director is a CPA. She stated her manager believes Mrs. Simmons will do a good job. The Chair thanked Mrs. Pratt for coming and going over the audit with them.

Mr. Backman asked Mrs. Pratt if they do any work assisting municipalities in developing the policies and procedures for invoicing and collections. Mrs. Pratt stated she can't because it is an independence issue. She stated she can put them in touch with other Water & Sewer Departments or google a template. She stated they can review the policy and let them know if it looks good.

UNAPPROVED MINUTES

Motion. Mr. McNamara made a motion to approve the October 12, 2016 and October 18, 2016 minutes. Mr. Caporale seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Anderson – Yes and Mr. McNamara –Yes. Mr. Anderson declared the Motion passed.

Meet with Mike Trainque

Waste Water Asset Management

Mr. Trainque stated ViewWorks has their software glitch all worked out and they will be contacting Mr. Backman tomorrow to set up the next workshop.

Mr. Trainque stated they have the proposed warrant article for the Pump Station and if it goes for review they will make any changes. Mr. Backman asked Mr. Trainque if he will be at the November 7, 2016 Select Board meeting to go over the warrant article with them. Mr. Trainque stated he will be at the meeting. The Chair asked if the warrant article is a revision. Mr. Trainque stated it is revised based on what they discussed at a prior meeting.

Mr. Trainque stated the accessibility fee update is still on hold pending the outcome of the lawsuit.

Mr. Trainque stated for Headworks Loading Study he is trying to get a meeting scheduled to discuss the sampling plant parameters and location.

Mr. Trainque stated he has been working on a draft letter to the property owners regarding the Sewer easements.

Mr. Trainque stated he has an outline of the agreement put together for the West Street Pressure Sewer Reimbursement Agreement.

Mr. Trainque stated he sent over the draft letter for the Cost Share of Allenstown's share of the repair work for the sewer.

The Chair asked Mr. Trainque with what he has to do for the trial. Mr. Trainque stated the attorney needed his help with something but he hasn't heard from the attorney and will send out an email tomorrow.

Meet with Peter Boettcher

Mr. Boettcher stated they had a meeting, went over the can blueprints, made recommendations and sent it to the factory. He stated when it comes back he will review it and send it to Mr. Backman to review.

Mr. Boettcher stated Mr. Downing will be here tomorrow to do some warrantee work on one of the samplers. He stated they are looking at installing a grinder in the septage building. He stated they did a cost recovery on the stainless steel can.

Mr. Boettcher stated they did a plant shutdown to test everything and everything appeared to work right. He stated they had a few issues with some presses and think they remedied the problems.

Mr. Boettcher stated he had a meeting with a representative from Capital Alarms who is doing an alarm system for the town. He stated he explained to the representative they need to have a radio system plus a phone line. He stated they can't use the phone line which is tied to the Town because they have to have two which will be more money. He stated Capital Alarms is getting them a price on the new system. He stated he wants to keep the old system up through 2017; however, it looks like the town is going to do it right away.

Mr. Boettcher stated he is heading off to Florida and Mr. Backman has all his information. He stated there shouldn't be an issue as he thinks they will get through everything they need to.

The Chair asked about the installation. Mr. Boettcher stated the installation is on the schedule. He stated as soon as the building gets installed they are pretty close to being done. He stated they are weather tight right now.

The Chair asked how the stainless steel can dumped last time. Mr. Backman stated it went well. He stated everyone else said they think it is an improvement. The Chair asked why they are putting some more hooks in. Mr. Boettcher stated they added a few extra because they felt they may need them. He stated it also appeared as they missed some hooks on the front end. He stated he expects the new blueprints by Monday.

The Chair asked if they can get any other chain binders. Mr. Boettcher stated they have to use the carbon steel ones because they are stronger. He stated the biggest thing with the ratcheting is keeping them clean. Mr. Backman stated Waste Management uses imperial red grease so he bought some to use. Mr. Boettcher stated they put a lot of tension on the binders. He stated the door bends and if they put them the wrong way they won't seal well.

Mr. Boettcher stated the exhaust fan in the septage building has been wired. The Chair asked if they have almost all the electricity done. Mr. Boettcher stated most of the electricity is done.

The Chair asked about the gates. Mr. Boettcher stated the gates have been ordered. He stated if they work as good as they hope they will order more. Mr. Backman stated he put it in the budget for 2017.

OLD BUSINESS:

2017 Budget New Worksheet

Mr. Backman stated they are presenting a new worksheet for the 2017 budget. He stated the last budget they had there was a motion for an increase of 3.05 but they are now up to 3.10 due to insurance increases. He stated the new worksheet needs a little bit more work before the November 7, 2016 meeting with the Select Board. The Commission reviewed the new format and account numbers for the Sewer Budget worksheet.

The Chair asked what the default budget is. Mr. Backman stated it is slightly higher than the 2017 requested budget. Mr. Caporale stated the Budget Committee is going to ask what contributed to the 3.10 increase. Mr. Backman stated contractual obligations and projects. He stated they are looking to improve the facility and a big project is going to be the screen for next year.

Sewer Billing

Mr. Backman stated they sent out the Sewer Billing Monday or Tuesday. He stated they had to do deduct meter readings and adjustments this quarter. He stated it took them a day to figure out how they did it in the past. He stated some of the deduct meters aren't doing anything. He stated he wants to send out a letter saying "please have it inspected and if you need to replace it, contact Pembroke Water to have an irrigation installed". He stated there are probably six which aren't moving. Mrs. Chomas stated they don't inspect the ones inside. Mr. Backman stated Pembroke does all the new meters.

Other Business

Mr. Backman stated they are having some bumps in the road with Hauler billing and collection at the Town Hall. He stated they are calling the Town Hall with questions and they can't help the haulers. He stated they are considering moving collections back to the Sewer Department. He stated they will need assistance with policies and procedures. Mrs. Chomas stated it may be something as simple as putting something on the website where to direct questions.

ADJOURN

Motion. Mr. Anderson made a motion to adjourn. Mr. McNamara seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Anderson – Yes and Mr. McNamara –Yes. Mr. Anderson declared the Motion passed.

Mr. Anderson declared the meeting adjourned at 5:23pm.

TOWN OF ALLENTOWN
SEWER COMMISSION
PUBLIC MEETING MINUTES

October 12, 2016

Signature Page

Original Approval:	
 LARRY ANDERSON, Member	11-29-16 DATE
 CARL CAPORALE, Member	11-29-16 DATE
JEFFREY MCNAMARA, Member	DATE

Amendment Approvals:		
Amendment Description:	Approval:	Date:
	LARRY ANDERSON, Member	DATE

	CARL CAPORALE, Member	DATE
	JEFFREY MCNAMARA, Member	DATE