

DMIAAB Task Force
Regular Meeting
January 25, 2011
Minutes
(Not approved at time of filing)

1. Call to order

Anthony DeFilio called the meeting at 7:06 p.m. with the Pledge of Allegiance. Present are Jim Hempil, Frank Petrella, Tom Archer, Geoff Colegrove, Howard Weissberg and Bruce Chaplin.

2. Interlocal agreement draft

Geoff Colegrove provided draft copies to the board, went over what items they agreed on and what items they still need to address. Geoff Colegrove provided a memo indicating what still needs to be addressed, and went over those items with the board.

Board members agreed to discuss these memo items first.

Reserve funds

It was suggested that there are two different items, transferring items between line items versus the end of the year balance, and there is also the capital reserve account (allowed under section 4.10)

Geoff Colegrove noted the intent of the amendment was to set aside reserve accounts for equipment replacement. He noted there is a useful life to the major equipment and their life spans and costs should be used to calculate how much they should be funded over time so that there will be funds available when they need to be replaced. It was noted the truck is leased. DMIAAB pays for the pay loader, compactor, containers and site improvements.

Anthony DeFilio thought the \$30,000 to \$40,000 surplus was reasonable for operations, independent of the capital. It was suggested to determine a percentage to be used in the agreement. Another suggested using one to one and half months worth is acceptable.

Geoff Colegrove noted at the end of the year, any surplus funds not used go into the STEIF fund.

Board members reviewed the budgets to determine how they want this figure reflected in the agreement. It was explained that at the end of the year any surplus funds are credited to the following year's budget. It was suggested of those funds, ten percent of the non-municipal income should be set aside.

It was explained that any balances at the end of the year are used to credit the following year's budget. Board members reviewed current and prior budgets to better understand and discussed various ways to move the funds at the end of the year. It was stated that the Board of Finance's of the two towns currently choose how it is handled. Geoff Colegrove stated that section 4.2 is not correct as it is not be carried as cash on hand it is a return of surplus. He suggested that 4.2 be changed to reflect that excess income shall be returned to the town in terms of the following years proposed budget. Others agreed. Board members continued to discuss how they can create/use a capital account.

It was decided that they need to determine what amount is needed as a reserve amount for operations as its own issue. It was suggested that at least one month's worth of operating expenses be used-others agreed.

For capital account items, Geoff Colegrove suggested the tub grinder, noting that it could be an operational cost rather than a capital cost if they used a service that brings on in rather than use their own. The compactor and pay loader should be capitalized as they are critical to the site and figures should be determined how long it is expected to last and at what cost.

Anthony DeFilio suggested the reserve amount should be 10% of the monies, less the town funding. Dom DelVecchio explained that may not be enough, noting the recycling market is constantly shifting and they need funds available to accommodate that. He suggested there be at least one full month's worth available. Anthony DeFilio stated that going back five years he never saw the balance below \$160,000, not one time, not one day. Dom DelVecchio reminded that the capital costs are lumped together in that figure.

It was noted that they can go back to the towns for additional funds if needed, or they could use a reserve fund as the fire department does. Anthony DeFilio suggested the reserve fund be controlled by the towns, and the only reserve account should be operational. Others agreed, noting it can be time consuming process. Members discussed how much control the DMIAAB board has over the funds versus the two towns. Dom DelVecchio noted the DMIAAB board can not expend funds beyond those allocated by the approved budget.

One person suggested that section 4.10 read only "The advisory board shall advise the towns and the towns shall establish a reserve fund for capital expenditures." Others agreed.

Dom DelVecchio said that would be tough as DMIAAB is a separate entity from the town. It was noted that there could be difficulties if both town's are not in agreement on a specific issue. Dom DelVecchio suggested that 4.10 indicate that the advisory board has the power to establish a reserve fund for capital improvements or expenditures as approved by the boards of finance. Geoff Colegrove noted they need to have specific items, and a capital budget process. It was suggested that once the funding is there, if one town has not fully funded their share the DMIAAB can decide to purchase a less expensive version and refund excess funds to the town that paid its full share.

It was agreed that they need to make a capital fund that indicates specifically what equipment is to be purchased and on what schedule of time and what cost. Board members discussed how to work a capital budget. It was noted

that both towns have always made their payments. It was noted that large purchases are financed, requiring little capital funds.

Bruce Chaplin suggested the following text: The advisory board shall advise the towns and the towns shall establish a capital fund for capital expenditures. The towns must agree on any capital expenditure. Dom DelVecchio suggested that DIMAAB establish the reserve fund for capital improvement based on town approvals.

Anthony DeFilio noted for clarity they are talking about having DMIAAB have a checkbook with funds specifically identifiable as to a specific purchase, but that purchase does not happen until the Boards of Finance and Selectmen of both towns approve it. Others agreed to this-for capital expenses.

Anthony DeFilio noted the second item is to establish an amount of money to keep in reserve that DMIAAB will control in relation to an operational surplus. Figures have included 10% figure, based on what is still to be determined. Anthony DeFilio felt 10% of the non-guaranteed money. He noted if at any point in time they need surplus for operations, they can request funds from the town. Another figure suggested was 5% of the overall budget. Anthony DeFilio and others agreed to that figure instead.

Anthony DeFilio suggested those funds, the 5% should sit in a separate account entitled "Operational Surplus." Others agreed.

Bruce Chaplin suggested that 4.10 be moved to 4.4 and renumber subsequent issues so that all the capital, reserve, etc. issues will be in the same area.

Board members noted that they will continue to go over these items and the decisions made at this time are not final binding decisions.

It was agreed the next items to discuss should be at a future meeting.

3. Comments

The board asked if there were any comments from the reporter in the audience. Anthony DeFilio asked that the reporter help the board to find out what the townspeople want.

4. Adjourn

A motion was made to adjourn at 8:07 p.m. The motion was seconded and approved by all voting members.