

TOWN OF IPSWICH  
Finance Committee Minutes  
March 2nd, 2023  
Ipswich Town Hall, Meeting Room A  
25 Green St. Ipswich, MA

With a quorum present, the Chair called the meeting to order at 7:30pm.

Finance Committee members present: Michael Dougherty, Emilie Smith, Walter Hartford, Michael Schaaf, Ken Swenson, Joseph Bourque, Rob White, Robert Chambers, Jamie Fay

**1. Welcome** – Michael Dougherty

- Michael went over the upcoming dates.

**2. Citizens Queries** – Michael Dougherty

- None

**3. Meeting Minutes to Approve** – Michael Dougherty

- None

**Fiscal Year 2024 Budget Hearing:  
Water Department and Veterans**

**4. Veteran's Services** – K. Tyler

Karen Tyler, District Director of Department of Veteran's Services, went over the makeup of the district and the department. A big accomplishment this year was re-naming and dedicating the High Street Bridge, and changing the name to the Global War on Terrorism Bridge. It was a lot of work and a long process, and Karen is very proud of this accomplishment. Other accomplishments include a high number of veterans receiving services, with Ipswich coming in at 9.5% higher than the national average. Monthly benefits from the VA to the town is over \$235k. Karen was also able to get \$75k in back pay by winning appeals for veterans, moved two un-housed veterans into homes, and got one veteran help with rehab. Karen was also appointed to the Governor's Advisory Committee of Women Veterans. Lastly, the department created an annual award called "Those Who Served".

Goals for the upcoming year are to have ceremonies and make each town in the district a Purple Heart Community. Karen would like to increase her outreach by attending events and conducting benefits seminars. Karen was just nominated to join the MA Veteran's Service Officer Training Committee. She is looking forward to helping fellow VSO's get the training they need to perform at the highest possible level. They do trainings all year round and things are always changing.

Karen went over Chapter 115, which is a local benefit. Ipswich pays the bill and then the state reimburses them 75%. In order to qualify for the benefit, a veteran or surviving spouse must be making less than \$2,265 per month, and have assets less than \$8,400. The threshold for qualifying for this benefit is extremely low, and in the budget this line item has decreased due to higher success with other benefits. Karen always uses this benefit as a last resort, as may other benefits are available and more beneficial.

Budget wise, Ipswich is 32% of the budget and is the largest portion of the budget. The budget for this year has not been approved yet, but the board has the proposed budget and will meet again in March. There is a Board of Directors which approves the budget and is comprised of a Select Board member from each town. Sarah said the assessment is on the tax recap. Sarah said she usually starts talking with Karen in October to see what she thinks she'll need for the assessment. The office assessment is \$72,805. That is not in the budget book, as the budget book only contains the Chapter 115 assessment. This includes financial supplement, fuel assistance, and medical reimbursement. Karen said it

has gone down from last year because of attrition. Also, Social Security went up and when that happens sometimes people's incomes are too high for Chapter 115. Karen has also been able to find a lot of much richer benefits for families so the Chapter 115 goes down since they use it as a last measure. Rob asked about the 115 budget and asked if it represents 32%, or is that just Ipswich. Karen said that is just Ipswich. The 32% is on the assessment and Karen's compensation is in the assessment. Sarah said that is in the base budget document.

Jamie said he is so impressed by all Karen does and thanked her for her hard work. He asked what the total operating budget is, even though it has not been approved yet. Karen said it is about \$227k and the representative is Linda Alexson. Jamie asked if the department pays Ipswich rent for the location at the town hall. Karen said they pay \$5k per year. Jamie asked if there is a value to the benefits that go through the office, or if they do an accounting of what benefits people receive. Stephen said it's the monthly benefits summary but they don't do it total for the year. Its \$235k per month just for Ipswich. Total is almost \$9M per year.

## **5. Water – V. Halmen/ J. Engel**

Vicki Halmen, Water Wastewater Director, went over the water department. The water department is made up of two divisions, distribution and treatment. They are both regulated by the DEP and the EPA. 350MG of water is treated and pumped to 98% of the population annually, and they do extensive water quality sampling for compliance sources and distribution. Capital projects include the Town Hill tank replacement, which is erected and will go online in the summer of 2023. The department received \$3.28M in federal funding for the tank. They detected PFAS in Brown's Well. The levels did not exceed limits, but were high enough to be concerned. The well underwent a full treatment in June of 2022, with the use of ARPA money. Jamie asked what the cost was for connecting Browns Well to the treatment plant, Vicki said it was about \$700k and will not incur any more costs. The department also completed water main replacements at Market Street, Topsfield Rd, and High Street. They need to complete the Lynch Well. Joe asked what the nature of the litigation is on the Lynch Well. Vicki said they are in litigation and she explained the issue. Stephen said the nature of the litigation is less to do with the wells and more to do with the larger water management system. Its more about the permitting process.

Vicki went over accomplishments for the department. Seasonal rates began in 2003 and that is a very impactful program that has improved drought management. It is a part of a larger drought management plan. This past year they also started a "Healthy Lawn Happy Summer" program that targets the top 15% of water users and tries to get them to lower water consumption. In last year's budget the town supported a water resources manager. Rachael Belisle-Toler has assumed that role. Michael asked what the Water Use Mitigation Program (WUMP) has in it. Vicki said it has been around for 3 years and has over \$150k. Rachel's salary is partially funded through the fund, by 25%. Michael asked what other expenditures have been funded through the WUMP. Vicki said nothing yet. They haven't appropriated it for anything. They have \$20k in the budget now to go toward programming in addition to the portion of Rachel's salary. They also offer a number of rebates offered through the Resource Ipswich program, and did an M36 water loss audit because the unaccounted-for water has been a little high. It is a program that helps to identify areas for savings. All of these efforts have helped to achieve great gains. This past year there was 337,000,000 gallons pumped which is the lowest in 33 years. Residential consumption was 40 gallons/ person/ day which is the lowest ever. They only had 9 water main breaks, which is the lowest in 10 years, and unaccounted for water is down to 11.5% which is the lowest it has been in 7 years.

The water department is an enterprise fund, so it is fully funded by the rate payers. It is an appropriated budget with no state funding. Revenue overages stay within the department and build reserves. The budget increase is 2.7%. The salaries and benefits line item went up slightly. Staffing levels are the same. Vicki went over the capital asset replacement plan which includes a Dow Dam rehab, a water treatment plant replacement, groundwater well replacements, new well construction, and water main replacements on High Street. Vicki noted that the Asset Management Plan projected funding for replacement but not for continued maintenance before replacement. Vicki also showed future projections.

Jamie asked about the \$25M for the water treatment plant and asked if that is the total project cost. Vicki said she believes it is the total cost but she wants to double check. Emilie asked if there is physical room to build a new plant. Vicki said it is proposed to go behind the existing plant and we own plenty of land there. They have been projecting consistent rate increases to pay off the long-term debt. Vicki went over the debt service projections. Michael asked if the rate increases, how much of the horizontal infrastructure is included in that. Vicki said everything is included but as we go

forward we add more projects and reevaluate every year. The water commissioners approved an 8.5% rate increase. Jamie asked what he current retained earnings is. It's currently \$1.88M and at the end of FY24 with the rate increase they will have \$2.2M.

## **6. Wastewater – V. Halmen/ J. Engel**

The wastewater department includes both collection and treatment and is also highly regulated by the DEP and EPA. They collect and treat about 300MG of wastewater annually. The wastewater department has a very strict permit with a lot of regulations because of the beaches and shellfish beds downstream. They need to be putting consistent money toward the revitalization and rehab of the 60-year-old system. Vicki went over the capital project updates which include the siphon, interceptor / bio stabilization, an aeration system replacement, and a town wharf pump station. Vicki discussed plans for upcoming projects. The town wharf pump station needs to be moved because the current location is too low.

The budget is funded by 2,200 customers and is an enterprise fund. There is no state funding and the assets are approaching or exceeding their life. The budget has contractual union increases for salaries, and there is no new staffing or raises. Expenses are up because the chemicals and maintenance costs have increased. They also have a lot of testing to do, and those costs have also risen. Short term debt service is for the town wharf. Capital dropped because the metering project last year made it higher. Vicki went over the Capital Asset Replacement Plan which includes the town wharf pump station, wastewater treatment plant upgrades, and collection system rehabilitation on High Street.

Michael asked what the timeline would look like for the upcoming projects from now until FY28. Vicki said the pump station will start in May and will be a multi-year project. The water treatment plant upgrades are in sequence in the debt schedule but the \$2M could be next year or the year after. Jamie asked what the bylaw limit is. It's \$3.65M. The wharf would require a ballot vote because it's over \$7M. They are projecting continued rate increases to fund these projects. The retained earnings are used to fund the debt service. The commissioners approved an 8% increase.

Joe asked why the plant is secondary treatment level, Vicki said that means it is also aerating and providing additional treatment. Secondary treatment plant is better than a primary treatment plant. Joe said he is on the subcommittee and has learned a lot from Vicki and Jim. Rob asked about the ballot vote for the pump station and Vicki said it's frustrating because everyone gets to vote even though it's only the rate payers that are funding it. The total project cost for the pump station is \$22.2M, Jamie asked why this is so much higher than previously thought. Vicki said they had originally looked at the rehab and the price a few years ago and it was a lot less, but the costs have gone up a lot and also now they are going to relocate it which is expensive. Emilie thanked Vicki for doubling the cell tower revenue. She also asked about grant writing. Vicki said they have been doing grant writing in house. The water resources manager position also writes grants and manages them. Rob asked what the revenue is when the septic companies remove waste and send it to the Ipswich treatment plant. Vicki said its \$350k-\$400k and it is stable but they aren't planning to grow it. In the past they took more in but it was causing issues with the plant, so they have to find a balance now.

## **7. Warrant Update – S. Crane**

Stephen said the Select Board has their meeting on Monday so they haven't seen this or voted on it yet. They have the consent calendar, which has a few items on it, a correction for a revolving fund that was created but does not have a purpose, and a correction to the stabilization line under the revenue side in last year's budget book. They also have the FinCom election, the town budget, school budget, Whittier Tech budget, Essex Tech budget, and education stabilization transfer. General stabilization funding, OPEB, capitol, and 5 citizens positions are also included. There is a lease for farm field at Marini Farm and Mile Lane, which authorizes the Select Board to enter into the lease as water commissioners. Also included are the water and wastewater improvement articles, the lease on the cell tower, adding properties to the open space bond list, and an issue with a private property/ town owned property easement for a driveway. There is also a debt exclusion for roof projects at the school. The select board has discussed putting in an article about the Ipswich River dam project, which they received funding for from NOAA. Ken asked if EBSCO allowed inspection of the foundations, Stephen said they haven't done that yet. They also have the opportunity to potentially purchase a property on Hammatt Street which could be used to incorporate into the municipal parking lot. Jamie asked what the article is for the cell tower, Stephen said it's an article for the new lease, there are now two companies.

Michael also asked for an update on the finance director position. Stephen said he and Sarah have discussed this and want to get through the warrant first. After the warrant goes through, Stephen and Sarah will talk about whether she wants to stay for longer in a part time position, or if they should hire another part time position to help, or hire a full-time position.

### **Subcommittee Updates – All**

Emilie said some people on the Government Study Committee would like to give a report during town meeting, and let everyone know there is an open position. There is a citizen's petition because it may have been denied for it to be a warrant article. Michael asked if the committee voted to support this. Emilie said they did not vote on it and the citizens petition is just from one citizen. Emilie said there is back and forth about whether or not this is the appropriate vehicle.

Michael gave an update on the Public Safety Building Re-Use Working Group and said they are moving forward with trying to get the community gardens relocated and are trying to replicate what they have now. They are meeting with Stephen to go over rough ideas. The biggest split right now is timing. There is plenty of time to get them in place before the public safety building is built, but some people would like to get it started this year to take advantage of this springs growing season. Michael said he thinks it's going to take longer than that. They were not able to use the current space last year due to soil testing, and will also not get to use the space this year again. Jamie said they can garden at the current location this season, they just couldn't do last season because of the testing. Ken asked about a location behind the water treatment plant and near the dam. There is a patch of land that has been farmed, so it has no trees, and it is big enough for athletic fields but access was challenging. Michael said he would pass this along. The Select Board suggested they hibernate this working group, because we are so far away from the public safety building being built.

Jamie gave an update on the Public Safety Building Committee and said they have been meeting twice a week meeting with the architects, the town planner, the building inspector, and the conservation commission. They are trying to make sure the design is ready and is working well with all of the aspects and constraints. Michael asked if we will get an update at town meeting. Jamie said he isn't sure. Rob asked if they are adding back the fourth bay. Jamie said Stephen is working with the Select Board to try to reserve some ARPA money to be able to add the bay back in. Most people feel strongly that we need four bays.

### **8. New/Old Business – Michael Dougherty**

- none

### **9. Adjourn – Michael Dougherty**

- Motion to adjourn made by Ken, seconded by Emilie  
→ *Motion passed unanimously, 9-0*

Respectfully Submitted By  
Alyson von der Esch  
3-9-23