



**Town of Ayer**

**Rate Review Committee**

**Meeting Minutes from September 6, 2023**

**Attendance:** Jannice Livingston, Chair; Dan Van Schalkwyk, DPW Director; Pam Martin, DPW Business Manager; Kimberly Abraham, Water & Sewer Superintendent; Robert Pontbriand, Town Manager; Barbara Tierney, Finance Manager

**Absent:** Andrew Sealey (Fin Com Rep.)

**Call to Order:** The September 6, 2023 meeting of the Rate Review Committee was called to order at 3:30pm on September 6, 2023 by J. Livingston. (Note: This was an in-person meeting only.)

**Motion:** A motion was made by R. Pontbriand and seconded by Kimberly Abraham to approve the meeting agenda. Motion Passed 6-0.

**Review and Approval of the Meeting Minutes from August 22, 2023:**

The Committee reviewed the DRAFT Meeting Minutes from August 22, 2023 and there were no edits.

**Motion:** A motion was made by K. Abraham and seconded by R. Pontbriand to approve the meeting minutes from August 22, 2023. **Motion Passed (6-0).**

**Update and Discussion on Independent Professional Financial/Operational Analysis of Transfer Station:**

D. Van Schalkwyk updated the Committee that he has been in contact with the engineering firm of Weston and Sampson who perform analyses of Transfer Stations and they are supposed to get a proposal by September 18.

J. Livingston asked what the cost of the study would be.

D. Van Schalkwyk stated he did not know. The proposal's costs will be somewhat determined by the number of meetings we would want to attend. He will hopefully have more information at the next meeting of the Committee.

J. Livingston asked for a reminder as to why the Town does not accept construction debris at the Transfer Station.

D. Van Schalkwyk stated that it is because of the weight of the debris and the cost as well as not having the appropriate place to put it.

**Review and Discussion on Calendar Year 2024 Solid Waste/Transfer Station Rates:**

D. Van Schalkwyk presented a memo to the Committee regarding his review of the Transfer Station Rates (See attached memo). He pointed out that page 1 of the memo outlines the projected

revenues for the Transfer Station and page 2 of the memo outlines the various rate scenarios as run through the rate model. The Transfer Station needs to generate \$321,299 in revenue from permit stickers and bags. The current rates are projected to generate sufficient revenue of \$334,925. If sales revenues from permit stickers and bags are lower than anticipated, the Town should ensure it can make up for this with subsidy/retained earnings. There is currently a safety net of approximately \$13,626 to cover shortfall in permit sticker and bag revenue.

D. Van Schalkwyk stated that factors impacting the Transfer Station Rates include contracts for solid waste disposal and recycling collection have increased due to increased hauling costs of the past several years, though FY 2024 is slightly down from FY 2023. The recycling commodities market is more favorable than past years, we are paying less to discard recycling. General cost increases due to inflation and the tax levy and retained earning subsidy.

D. Van Schalkwyk stated that there was a \$9,325 increase in revenue for a combination of bulk tag and bag sales at DPW. ON January 1, 2023, prices for most bulk items were increased.

D. Van Schalkwyk stated that based on his analysis and his memo it is his opinion that the Rate Review Committee should recommend to the Select Board no changes to the rates at this time and should proceed with a third-party professional review of the operations and finances of the Transfer Station.

J. Livingston asked about the retained earnings.

B. Tierney stated that the benefit of retained earnings is it is a "safety net" like a reserve fund. If there were unforeseen cost impacts and funding was needed it could be appropriated by a Special Town Meeting.

J. Livingston asked if the rates stay the same what would the subsidy be.

B. Tierney stated that the subsidy would be approximately \$198,000, which is less than 1% of the overall operating budget for the Town.

R. Pontbriand stated that he agrees with D. Van Schalkwyk in terms of not raising any rates this year and having the third-party professional analysis of the operations and finances of the Transfer Station conducted.

B. Tierney concurred.

#### **Review and Discussion on Proposed Schedule of Meeting for the Committee:**

The Committee decided to hold off on a proposed schedule of meetings for the year until the next meeting. The main topics of the next meeting would be the recommendation(s) of the Committee to the Select Board regarding the Transfer Station; scheduling of the Public Hearing with the Select Board; and an update on next steps in terms of the third-party analysis of the Transfer Station.

#### **Scheduling of the Next Meeting:**

The Committee scheduled the next meeting for Wednesday, September 20, 2023 at 4:00pm.

**Adjournment:**

**Motion:** A motion was made by K. Abraham and seconded by D. Van Schalkwyk to adjourn the meeting at 4:06pm. **Motion Passed (6-0)**

The meeting adjourned at 4:06pm.

Minutes recorded and submitted by R. Pontbriand, Town Manager

Minutes reviewed and approved by the Rate Review Committee on September 20, 2023.

Signed: \_\_\_\_\_



Robert A. Pontbriand  
Town Manager