

**Town of Sutton**  
**Sewer Commission Meeting**  
February 11, 2014

**Members Present:** Neal Crites  
Larry Wiersma  
James F. Dwyer (arrived at 4:10)  
Donald Obuchowski  
Amanda Perreault

The meeting was opened at 4:00 P.M. by Neal Crites.

The first order of business was to sign the minutes of 09-17-2014 with the corrected amendments.

The next order of business was to review and approve the minutes of 11-7-2014.

The next order of business is the board signed an abatement from the billing of November 2014.

The next order of business: Discussion of the Budget and Indirect Cost.

Neal made a motion to pass the budget as submitted. Larry seconded, James abstained. Motion passes 2-0-1.

The next order of business: Annual Report.

James Dwyer questioned a few items on the Annual Report. The board agreed to include past board members if applicable and in the future, the Annual Report must be reviewed by the board and approved prior to the due date.

The next order of business: New Business.

- The generator on Blackstone Street was installed in 1974. The Town Administrator is making a capital plan to replace the generator. Donald will keep the board informed of this upcoming cost.

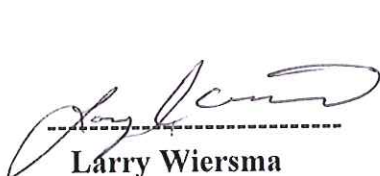
The next order of business: Correspondence.

- James Dwyer sent email to be discussed and tabled for next meeting.

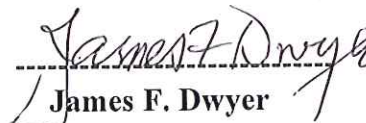
The next order of business: Old Business.

- Neal made a motion to make an annual calendar to be more aware of upcoming events to make planning Sewer Commissioners meetings easier. Jim seconded the motion. Motion passes 3-0.

Neal moved to adjourn. Larry seconded the motion. The meeting adjourned at 5:15 P.M.

  
Larry Wiersma

  
Neal Crites

  
James F. Dwyer

## FY2016 Town of Sutton Budget Process and Capital Timeline

Due Date	Days before TM	Steps in Budget Process	Bylaw/Charter
11/7/2014		Capital Budget Requests from Town Administrator	
12/5/2014		Budget Instructions to Department Heads	
12/16/2014		Capital Budget Requests Due to Town Administrator	
1/15/2015		Budget Requests from Department Heads Due to Town Administrator	
1/29/2015		Preliminary Revenue Projections Delivered to BOS/SC/FinCom	
1/30/2015	101	School Committee to Submit Its Budget	BL 20.1
2/10/2015	90	Budget Delivered to Board of Selectmen	BL 20.1
2/25/2015	75	Budget Delivered to Finance and Warrant Advisory Committee	BL 20.1
3/11/2015	61	FinCom Public Hearings Start	Ch 6-6
3/12/2015	60	Warrant Closes for Petition Article	Ch 2-7 (b)
4/21/2015	13	Warrant Signed by Bd of Selectmen	Ch 2.6
5/4/2015	7	School Committee Public Hearing	BL 20.1
5/4/2015	7	Fincom report available to public	Ch 2.6
5/11/2015		Town Meeting	BL 3.1



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# Municipal Finance Glossary

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May 2008

**Enterprise Fund** – An enterprise fund, authorized by MGL Ch. 44 §53F1/2, is a separate accounting and financial reporting mechanism for municipal services for which a **fee** is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs--are identified. This allows the community to recover total service costs through **user fees (( see below ))** if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, **sewer**, hospital, and airport services. See DOR IGR 08-101

NOTE< JFD: The Massachusetts Department of Revenue (**DOR**), Division of Local Services (**DLS**) provides guidance for such **Enterprises** in "**Informational Guideline Release (IGR) No. 08-101, April 2008.**" Further to facilitate setting **fair and equitable fees** to recover costs related to providing a service, the **IGR** references in it the **DOR, DLS** manual on "**Costing Municipal Services, March 2005.**"

**User Charges/Fees** – A municipal funding source where payment is collected from the user of a service to help defray **the cost of providing the service**. Note that any increases in the fees must satisfy the three tests set forth in the so called *Emerson case*. (See *Emerson College v. Boston*, 391 Mass. 415 (1984))

## **Amanda Perreault**

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**From:** jfdwyer2nd@verizon.net  
**Sent:** Friday, January 30, 2015 12:30 PM  
**To:** aperreault@town.sutton.ma.us  
**Subject:** Document for Feb meeting  
**Attachments:** SEWER ENTERPRISE.docx

Amanda:

Please forward the attached document to Donald and the other two commissioners, as well as the Board of Selectmen, the Town Administrator and Tim Harrison.

Respectfully,

Jim Dwyer



**NOTES**

1993 Oct, TM ART 12: "to establish a **Sewer Department Enterprise Fund** according to M.G.L. Chapter 44, Section 53F ½, effective July 1, 1994."

**DLS, IGR No. 08-101, April 2008: Enterprise Fund** is established to "readily identify a total service cost." & to separately account for municipal services of a proprietary nature, i.e., those services provided to individual customers for a charge, in a manner similar to private business."

**DOR/DLS notes on Enterprise Funds:**

1. "User charges and fee are amounts paid by those who use the services."<sup>1,2</sup>
2. Town should have a "written internal policy regarding Indirect cost allocation policy and should review this policy annually. The policy should be reasonable and calculated in a fair and consistent basis."
3. Accounting should identify Enterprise Fund assets, including capital items and infrastructure.

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<sup>1</sup> Emerson College v. Boston, 391 Mass. 415 (1984)

Fees are legitimate to the extent that the services for which they are imposed are sufficiently particularized as to justify distribution of the costs among a limited group (the "users," or beneficiaries, of the services), rather than the general public.

That revenue obtained from a particular charge is not used exclusively to meet expenses incurred in providing the service but is destined instead for a broader range of services or for a general fund, "while not decisive, is of weight in indicating that the charge is a tax."

**User Charges/Fees** – A municipal funding source where payment is collected from the user of a service to help defray the cost of providing the service. Note that any increases in the fees must satisfy the three tests set forth in the so called Emerson case.

<sup>2</sup> Department of Revenue, June 1, 1994: Permanent Privilege Charge:

"A permanent privilege charge is not a fee. It is a benefit assessment made under the taxing power to levy special assessments and betterments (taxes assessed to reimburse the municipalities for expenditures made in constructing a public improvement that specially benefits properties in a particular area...based on the actual cost incurred by the municipality... )."

## **ISSUES WITH TIMELINES**

Commission Rules (Set & **Review**)

Agendas & Minutes

Annual Commission Report to BOS

Updating Web Site

Indirect Cost Policy

Millbury Billing

Budgets

Setting Fees

## **GENERAL LAWS**

Open Meetings

GL 30A Sec 22

OPEB

GL 32B Sec 20

Fee Review & Approval

GL 40 Sec 22F

Enterprise Funds

GL 44 Sec 53F 1/2

Sewers

GL 83 Secs 16A – 16F

## **OTHER GOVERNING DOCUMENTS**

Costing Municipal Fees: DOR/DLS Manual, 2005

Millbury – Sutton IMA

Sutton Bylaw 10

Sutton Home Rule Charter<sup>3</sup>

Budget Process and Capital Timeline (annual edition)

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<sup>3</sup> Sec 7-5, Sec 7-6, Sec 7-8, Sec 7-9 (Setting Commission Rules)

James F. Dwyer

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**Direct Costs**

Salaries

Capital Outlay

Debt

Utilities

Maintenance/Calibration Contracts

Insurance

Millbury usage charges (see IMA)

Millbury Annual Capital Cost Recovery \$ 23,606

**Other****Sub Total:** \$ \_\_\_\_\_

Indirect Costs

Health insurance

FICA

Pensions

OPEB

Accounting

Collector

Treasurer

**Other****Sub Total:** \$ \_\_\_\_\_**TOTAL:** \$ \_\_\_\_\_

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**SERVICE UNITS** Kilo Gallons

MANCHAUG

WILKENSONVILLE

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**ANTICIPATED NEW CONNECTIONS**

MANCHAUG

WILKENSONVILLE