



Town of Rockland

SEWER COMMISSION

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Walter Simmons, *Chairman*
Charles Heshion, *Commissioner*
David P. Taylor, *Interim Superintendent*

Remote Teleconference
Recorded for Public Playback on WRPS
(local cable access tv)
www.wrpsrockland.com

Rockland Sewer Commissioners Meeting
March 9, 2021

In Attendance: Walter Simmons, Charles Heshion, David Taylor, Robyn Day, Elizabeth Zaleski, Doug Lapp, Stacey Callahan and Chris Kenny

Motion made by Walter Simmons, 2nd by Chuck Heshion to begin the meeting at 4:00 pm. All in favor 2-0.

Introductory Remarks

Walter Simmons, Chairman.

Discussion with Town Administrator & Town Accountant - Establishing Sewer Enterprise Fund

Town Administrator, Doug Lapp, gave an overview:

Town Accountant, Elizabeth Zaleski, recognized that a much better way to handle the accounting for the Sewer Department would be with an enterprise fund. The new auditing firm also recognized that an enterprise fund would be a more appropriate accounting method and the Department of Revenue (DOR) recommends it as well.

Establishing an enterprise fund is a different way of handling accounting and financial reporting. Enterprise funds are only allowed where fees are exchanged for goods and services. Water and Sewer Utilities are frequently cited as examples by the DOR of where an Enterprise Fund could be established.

Currently, we have special revenue funds that have strict rules that dictate leftover year end balances in the sewer accounts should technically be moved over to the general fund and not carried over year-to-year.

The most important advantage to establishing an enterprise fund for sewer revenue is that year-end balances can be carried over into the next year as retained earnings and can build up year after year. This will allow the Sewer Department to build up reserves for future use.

The Enterprise Fund will be separated into an interest bearing bank account that accrues interest.

A Stabilization Fund (savings account) is for when you need to put money away for later use. Undesignated funds at the end of the fiscal year should be moved from the Enterprise Fund to the Stabilization Fund (also interest bearing). The Stabilization Fund would be reserved for future capital improvements. Only the Sewer Department can use those funds.

In order to use funds from the Stabilization Fund, the Sewer Commission would recommend a vote at town meeting to move funds from the Stabilization Fund to the general operating budget account for the Sewer Department. If approved, the funds would then be available to pay for capital improvements.

The Water Department has approved the establishment of both Enterprise and Stabilization Funds.

Walter and Chuck agree on the establishment of an Enterprise Fund.

Chuck has a concern whether the Town can tap into the Sewer Stabilization Fund for emergencies? He asks for a postponement of the approval of a stabilization fund until the March 18th Sewer Commission meeting so that he can research stabilization funds.

Final Candidates for Sewer Superintendent Position

Walter stands by his choice of Brian Kiely while Chuck stands by his choice of Keith Nastasia.

After a brief discussion, the Commissioners decided to table the discussion.

Motion made by Chuck Heshion, 2nd by Walter Simmons to table the discussion until next week's meeting on March 18th. All in favor 2-0.

Motion made by Chuck Heshion, 2nd by Walter Simmons to adjourn the meeting at 4:475 pm. All in favor 2-0.

These minutes are a brief synopsis of discussions that occurred during the meeting. For more in-depth information, please refer to the meeting video on <https://www.youtube.com/WRPSRockland>