

**Department of Public Works
FY 2022 Operating Budget
&
Water and Sewer Enterprise Fund FY 2022 Budget
March 18, 2021**

INTRODUCTION

The Advisory Committee's Capital Subcommittee held a public hearing on the FY22 operating budget for the Department of Public Works, which includes six Public Works sub-programmes (Administration, Engineering/Transportation, Highway, Sanitation, Parks and Open Space, and the Water and Sewer Enterprise Fund), on March 18, 2021, at 5:00 p.m., via Zoom.

ATTENDEES

In attendance were Deputy Town Administrator Melissa Goff, DPW Commissioner Erin Gallentine, Director of Water and Sewer Fred Russell, Director of Parks and Open Space Alexandra Vecchio, Director of Highways and Sanitation Kevin Johnson, and Transportation Administrator Todd Kirrane.

Also in attendance were Subcommittee members Harry Friedman, Amy Hummel, John Doggett, Pam Lodish, Committee Co-chairman Carol Levin, and Committee Co-chairman Carla Benka. Other persons in attendance were Park and Recreation Commissioner Nancy O'Connor, Pedestrian Advisory Committee Chairman David Trevvett, Hugh Mattison TMM 5, Arlene Mattison, Sean Lynn-Jones TMM 1, Clint Richmond TMM 6, Paul Saner TMM 13, Regina Frawley TMM 16, Alok Somani, Karen Mauney-Brodek, and James Lee.

FY 2021 ACCOMPLISHMENTS/FY 2022 GOALS

In many ways, Public Works runs Brookline. They provide our water, make possible our system of roads, bridges, and sidewalks, and take away our waste. These encompass some of the core functions of a municipality.

As for all town departments, the past year has been "an incredibly difficult one for Public Works," to quote Commissioner Gallentine. The members of the department have been on the job every day, and have been recognised as first responders.

Among the accomplishments of the last year have been the following:

- Completed ADA compliance assessment of sidewalks and ramps
- Improving snow and ice control by using liquid pre-wetting and anti-icing techniques
- Designed and constructed improvements to the Town Hall grounds
- Continued improvements to the sanitary sewer system
- Performed a complete rehabilitation of both Clinton Road and Winchester Street
- Began a 10-Year Strategic Plan.

Looking forward to the coming year, the department seeks to do a number of things, among them, the following:

- Begin *Complete Streets* design process for Washington Street (Village to Driscoll School)
- Complete Beacon Street Bridle Path feasibility study
- Complete Carlton Street footbridge
- Begin solid waste master plan with a goal of zero waste for Brookline by 2040
- Commence reconstruction of Robinson and Murphy playgrounds
- Continue phased improvements to sanitary sewer system
- Reconstruct Columbia and Hamilton Roads.

BUDGET SUMMARY

The DPW has one of the largest operating budgets in the town totalling \$24,594,492. (Note: this includes Water and Sewer, but excludes payments to the MWRA.) The DPW provides essential services to Brookline residents and is one of two departments directly responsible for maintaining the capital assets of Brookline. The DPW budget contains six Public Works sub-programmes, including Administration, Engineering/Transportation, Highway, Sanitation, Parks and Open Space, and the Water and Sewer Enterprise Fund.

The DPW assists with the work of the following Boards and Commissions: Transportation Board, Conservation Commission, Park and Recreation Commission, Cemetery Trustees, Tree Planting Committee, and Solid Waste Advisory Committee. A number of these Committees have subcommittees such as the Public Transportation Advisory Committee, Bicycle Advisory Committee, etc.

TOTAL DPW OPERATING BUDGET					
	FY20 Actual	FY21 Budget	FY22 Budget	2021-22 Actual vs Budget Variance	2021-22 Actual vs Budget % Variance
SALARIES	\$8,604,499	\$8,719,491	\$8,710,723	-\$8,768	-0.10%
SERVICES	\$3,758,987	\$4,707,159	\$5,121,628	\$414,469	8.81%
SUPPLIES	\$1,106,841	\$983,420	\$970,261	-\$13,159	-1.34%
OTHER	\$39,715	\$45,500	\$45,500	\$0	0.00%
UTILITIES	\$1,025,420	\$1,054,901	\$1,132,392	\$77,491	7.35%
BUDGETED CAPITAL	\$874,008	\$687,730	\$687,730	\$0	0.00%
Total	\$15,409,470	\$16,198,201	\$16,668,234	\$470,033	2.90%

There is an overall budgetary increase of \$470,033 or 2.9%. The largest changes involve the Sanitation Division, and to a lesser extent, Parks. This is discussed in greater detail below.

The budgets for the different divisions of the Department are as follows:

ADMINISTRATION					
	FY20 Actual	FY21 Budget	FY22 Budget	2021-22 Actual vs Budget Variance	2021-22 Actual vs Budget % Variance
SALARIES	\$875,103	\$814,545	\$823,860	\$9,315	1.14%
SERVICES	\$62,933	\$97,904	\$97,904	\$0	0.00%
SUPPLIES	\$7,169	\$4,500	\$4,500	\$0	0.00%
OTHER	\$16,956	\$22,900	\$22,900	\$0	0.00%
BUDGETED CAPITAL	\$4,053	\$10,455	\$10,455	\$0	0.00%
Total	\$966,214	\$950,304	\$959,619	\$9,315	0.98%

HIGHWAY					
	FY20 Actual	FY21 Budget	FY22 Budget	2021-22 Actual vs Budget Variance	2021-22 Actual vs Budget % Variance
SALARIES	\$3,403,105	\$3,452,942	\$3,450,624	-\$2,318	-0.07%
SERVICES	\$593,031	\$501,685	\$501,685	\$0	0.00%
SUPPLIES	\$856,304	\$694,322	\$681,163	-\$13,159	-1.90%
OTHER	\$7,295	\$6,000	\$6,000	\$0	0.00%
UTILITIES	\$692,137	\$701,200	\$762,431	\$61,231	8.73%
BUDGETED CAPITAL	\$510,425	\$415,285	\$415,285	\$0	0.00%
Total	\$6,062,296	\$5,771,433	\$5,817,188	\$45,754	0.79%

PARKS & OPEN SPACES					
	FY20 Actual	FY21 Budget	FY22 Budget	2021-22 Actual vs Budget Variance	2021-22 Actual vs Budget % Variance
SALARIES	\$2,343,414	\$2,523,257	\$2,494,976	-\$28,281	-1.12%
SERVICES	\$611,737	\$765,486	\$920,183	\$154,697	20.21%
SUPPLIES	\$173,614	\$194,958	\$194,958	\$0	0.00%
OTHER	\$11,085	\$11,600	\$11,600	\$0	0.00%
UTILITIES	\$314,663	\$333,702	\$346,462	\$12,760	3.82%
BUDGETED CAPITAL	\$196,263	\$220,547	\$220,547	\$0	0.00%
Total	\$3,650,776	\$4,049,549	\$4,188,726	\$139,176	3.44%

ENGINEERING/TRANSPORTATION					
	FY20 Actual	FY21 Budget	FY22 Budget	2021-22 Actual vs Budget Variance	2021-22 Actual vs Budget % Variance
SALARIES	\$1,092,731	\$1,088,431	\$1,098,562	\$10,131	0.93%
SERVICES	\$181,996	\$269,004	\$275,004	\$6,000	2.23%
SUPPLIES	\$9,691	\$14,000	\$14,000	\$0	0.00%
OTHER	\$4,379	\$5,000	\$5,000	\$0	0.00%
BUDGETED CAPITAL	\$28,174	\$0	\$0	\$0	0.00%
Total	\$1,316,971	\$1,376,435	\$1,392,566	\$16,131	1.17%

SANITATION					
	FY20 Actual	FY21 Budget	FY22 Budget	2021-22 Actual vs Budget Variance	2021-22 Actual vs Budget % Variance
SALARIES	\$890,147	\$840,317	\$842,701	\$2,384	0.28%
SERVICES	\$2,309,291	\$3,073,080	\$3,326,852	\$253,772	8.26%
SUPPLIES	\$60,063	\$75,640	\$75,640	\$0	0.00%
UTILITIES	\$18,620	\$20,000	\$23,500	\$3,500	17.50%
BUDGETED CAPITAL	\$135,092	\$41,443	\$41,443	\$0	0.00%
Total	\$3,413,212	\$4,050,480	\$4,310,136	\$259,656	6.41%

The department is also expected to generate revenues of \$4,059,903, a 9.74% increase over FY 2021, and putting it just ahead of revenues for FY 2020. These include refuse fees, as well as parking fees. While proposed trash and parking permit fees were initiated last year, the Select Board chose not to go through with parking meter increases. Note that refuse fees are back to covering approximately 75% of refuse costs.

MAJOR/OF INTEREST DPW DOLLAR CHANGES:

There were two larger-than-average percentage increase changes for the department, although they are of completely different dollar magnitudes. There is also a new position.

- **Utilities Up 7.35%**
 Utilities for the overall department have increased \$77,491, or 7.35%. Utilities account for 6.79% of departmental expenses. Other departments have also seen utility increases for FY 22.
- **Services Up 8.81%**
 Services increased \$414,469, or 8.81%. Services account for 31% of departmental expenses. This increase was felt most strongly in the Sanitation programme (up \$253,772). We have new 5-year contracts with Casella Waste Systems for both solid waste disposal and recycling. The \$253,772 is attributable to that.

Also contributing \$122,600 to the services increase is money for the ice rink at Larz Anderson. The rink's refrigeration system failed, and this

money enables us to lease refrigeration units.

There are also landscaping services included here, and there was concern raised by both Pam Lodish and Arlene Mattison that perhaps not enough was being funded, vis-a-vis the outstanding need. While both Erin and Melissa agreed that there were outstanding needs here, Melissa pointed out that the budget process was challenging, some increases, such as for group health, we were obligated to fund, and that we did the best we could.

- **New Environmental, Health & Safety Officer Position \$94,562**
The new position is to deal with OSHA and other regulatory issues. (Municipalities are now subject to full compliance with OSHA regulations.) The salary will eventually be evenly split between the general DPW budget and the Water & Sewer Enterprise Fund. (The stated salary does not include benefits.)

The new position appears in the salaries portion of the Administration budget. However, there is a like offset in that budget. When asked why by the subcommittee, it was stated by Melissa Goff that the funds for the DPW's portion of the position would be provided by the town's capital budget. She said this was normal procedure, the salary would in two years find its way back to the DPW's operating budget, and that the reason was simply that the town's operating budget could not accommodate this additional expense. However, Commissioner Gallentine said that in reality, most of the work done by the new hire would be related to capital projects.

It was also noted that no candidate for the position had been identified, and because we budget full funding for the position, any savings due to the new hire not working a full 12 months, would be moved, via an intradepartmental transfer, to cover snow removal, obviating the need to seek a reserve fund transfer for snow.

SOLID WASTE/RECYCLING

Solid Waste

**CURRENTLY—\$324/TON TO COLLECT AND DISPOSE OF SOLID WASTE
PROJECTED FY 2022—\$332/TON TO COLLECT AND DISPOSE OF SOLID
WASTE, A 2.5% INCREASE (Prior annual increase was 15%)**

MUNICIPAL SOLID WASTE DISPOSAL	FY 2021	FY 2022	% INC.
Disposal	\$1,003,000	\$1,033,600	3%
Tonnage	8,500	8,500	0%
Cost per Ton	\$118	\$122	3%
Commercial Waste Credit	-\$168,000	-\$168,000	0%
Overflow Bags	<u>\$3,000</u>	<u>\$3,000</u>	0%
Net Disposal Cost	\$838,000	\$868,600	4%
Net Disposal Cost per Ton	\$99	\$102	3%
MSW Kerbside Collection	\$1,920,068	\$1,958,492	2%
Collection Cost per Ton	\$226	\$230	2%
Net Disposal Cost + MSW Collection	\$2,758,068	\$2,827,092	3%
MSW Cost per Ton	\$324	\$333	3%
Special Waste Disposal	\$164,745	\$164,745	0%
Yard Waste Disposal	\$118,000	\$118,000	0%

Brookline handles the collection of solid waste in-house. In FY 21, it costs about \$226/ton to collect. Disposal is handled by an outside company. The FY 21 cost to dispose is \$99 per ton to dispose of solid waste. Thus, the total cost per ton is about \$324 in FY 21.

In FY 2022, collection is predicted to rise just a bit to \$230/ton. Disposal is expected to increase to \$102/ton, for a total cost of \$332/ton, an increase of 2.5%.

Brookline used to dispose of trash on site. Later, it was shipped to landfills. However, Southbridge, the last of the large Massachusetts landfills, closed in 2018. We now utilise waste-to-energy plants, which are more expensive.

Total tonnage of municipal waste remains at about 8,500 tons per year. The decline in solid waste, since we went to a modified pay-as-you-throw, has levelled off. Thus the budget increase related to collection and disposal of municipal waste is about \$69,024.

Recycling

**CURRENTLY—\$368/TON OF RECYCLABLE GOODS
 PROJECTED FY 2022—\$372/TON OF RECYCLABLE GOODS, A 1%
 INCREASE (Prior annual increase was 15%)**

SINGLE STREAM RECYCLING (SSR)	FY 2021	FY 2022	% INC.
Collection	\$1,379,050	\$1,420,422	3%
Tonnage	5,000	5,100	2%
Collection Cost per Ton	\$276	\$279	1%
SSR Processing	\$460,000	\$473,800	0%
Processing Cost per Ton	\$92	\$93	0%
SSR Total Cost	\$1,839,050	\$1,894,222	3%
SSR Total Cost per Ton	\$368	\$372	1%

Brookline, like other communities, continues to suffer from the lack of a strong market for recyclable goods. China, the former market leader, continues to demand contamination rates that simply cannot be met.

Brookline’s contamination rates range from 3% to 5%, very low compared to other municipalities.

For recycling, under the current contract we pay both a flat fee for collection, and a variable fee per ton for disposal/processing. For collection, we currently pay \$1,379,050, which comes out to \$276/ton. For FY 2022, and each subsequent year of the contract, the collection fee increases 3% each year. Thus, for FY 2022, it will rise to \$1,420,422. Due to a projected increase in tonnage, this will come out to \$279/ton, a 1% increase on a cost per ton basis.

The processing cost is variable fee per ton, and depends on the average monthly commodity price Casella Waste Systems, our hauler, can get.

The base processing fee for recycling increased from \$75 to \$90 per ton in FY21. The fee increases by \$8 per ton in years 2 and 3 and then by \$6 per ton in years 4 and 5. However the actual cost to the Town is based on the Average

Commodity Revenue (ACR) which reflects the current market value for each commodity and varies monthly. When the ACR is less than the processing fee, the Town pays the difference dollar for dollar. When the ACR exceeds the processing fee the Town receives 80% of the difference in revenue.

For example, if the average price Casella gets for recyclables is \$90/ton, the variable fee we pay is \$0/ton. If they get \$75/ton, we pay a variable fee of \$15/ton. If they get \$100/ton, we actually get back 80% of the overage, or \$8/ton.

The ACR is currently quite volatile. In July 2020, the ACR was (-2.41) and therefore the Town paid a processing fee of \$92.41/ton, whereas in February 2021, the ACR was \$35.17 and therefore the Town paid [\$90 - \$35.17] or \$54.83/ton. Covid, changing regulations and the Chinese market have led to a great deal of uncertainty and volatility in the market.

In 2017, we got money back. The commodity market then collapsed, causing us to pay more for processing/disposal each month. Our current processing costs are \$92/ton, projected to rise to \$93/ton in FY 2022.

Thus, the FY 21 recycling cost per ton is \$276 (fixed) + \$92 (variable) for a total of \$368/per ton. For FY 2022, this is expected to rise to \$372/ton, a 1% increase.

Single Stream Pricing

Single Stream Recycling Formula:

Residential ACR – Processing Cost = Rebate/Charge

Average Commodity Revenue “ACR”—means the current market value for each recyclable commodity (including residue tons) less any direct costs of Processer related to transportation, capital improvements, storage, or marketing of product divided by the total tons of commodities shipped from that facility over the same month.

Rebate (Charge)—means the percentage of value paid to the Generator when the ACR is greater than the Threshold. When the Rebate is negative, each dollar below the ACR will be charged to the Generator.

Rebate split = 80% to Generator when ACR is above Threshold

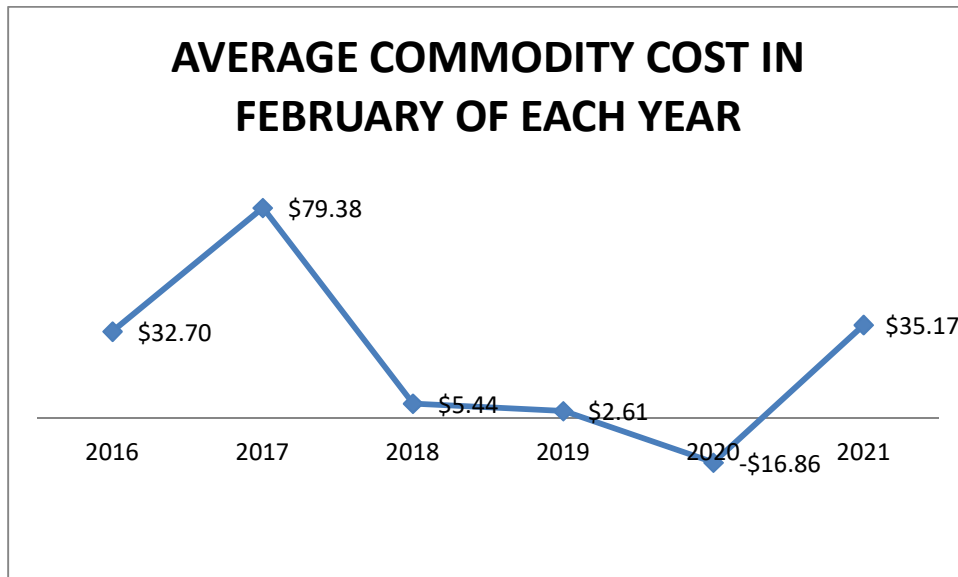
Processing Fee—means the base rate required to process recyclable material (including increases in labour expenses) and to cover capital investments. Processing fee will be increased annually beginning on the anniversary date of

the Effective date, and each anniversary date thereafter.

Year 2--\$98/ton, Year 3--\$106/ton, Year 4--\$112/ton, Year 5--\$118/ton

Example:

Example Pricing Based on Today's Market
ACR = \$5.72/ton Processing Fee = \$90/ton
Pricing Formula $\$5.72 - \$90 = \$84.28/\text{ton}$
Rebate/Charge: 80% over Threshold to Generator, and dollar for dollar below the Threshold to Processor
Net Charge to Generator is \$84.28/ton



OTHER ISSUES RAISED DURING THE SUBCOMMITTEE HEARING

Federal Funds

Sean Lynn-Jones asked if any federal funds authorised from recent Covid relief legislation would be coming to the DPW.

Melissa replied that we are still awaiting information from both the state and federal governments as to how the money can be spent. That being said, it is one-time money, spread over two years, and thus should not be spent on recurring operating budget items. It will be spent on one-time capital items.

Recycling

It was asked how much of our recycling materials were actually being recycled. Kevin responded that all recyclables, less contaminated items, will be recycled, although they may in the interim be stored in warehouses. Our contamination rate is in the 3% to 5% range, making Brookline one of the municipalities with the lowest rates of contaminated items put into the recycling bins.

He said that black plastic items, such as restaurant take-away containers, can be recycled.

Composting

We have approximately 1,000 subscribers to the town's programme with Black Earth Compost. The town is encouraging this partnership in order to bring solid waste tonnage down.

Personnel Changes

Erin said we hope to soon find a replacement for Director of Engineering, Peter Ditto, who has retired. However, we do have a new Director of Parks and Open Space. Alexandra Vecchio comes to the town from Mass Audubon, and both there and in previous positions, she has focussed on climate change issues.

RECOMMENDATION

The Subcommittee, by a vote of 6-0-0, recommended \$16,668,234 for the FY22 DPW operating budget.

Water and Sewer Enterprise Fund - FY22 March 2021

The Water and Sewer Division is responsible for the operation and maintenance of the town's water, sanitary sewer, and storm water collection systems which include 135 miles of water mains, 10,770 service connections, 1500 Hydrants, 2,000 valves, 111 miles of sewer mains, and 117 miles of surface water drains and 3,296 catch basins. An Enterprise Fund established by Town Meeting in 2001, finances the Water and Sewer operations and fully reimburses the General Fund for expenses incurred, including OPEBs. Since FY09, the cost of debt service is no longer reimbursed to the General Fund but is budgeted within the Fund itself.

WATER/SEWER						
		FY20 Actual	FY21 Budget	FY22 Budget	2021-22 Actual vs Budget Variance	
SALARIES		\$2,458,793	\$2,839,650	\$2,893,931	\$54,280	1.91%
SERVICES		\$302,055	\$321,398	\$321,398	\$0	0.00%
SUPPLIES		\$118,563	\$124,220	\$124,220	\$0	0.00%
OTHER		\$20,048	\$17,080	\$302,080	\$285,000	1668%
	EDUCATION/TR AINING/CONFER ENCES	\$6,273	\$12,080	\$12,080	\$0	0.00%
	PROFESSIONAL DUES/MEMBER S	\$5,917	\$5,000	\$5,000	\$0	0.00%
	PROPERTY INSURANCE	\$7,858	\$0	\$0	\$0	0.00%
	WATER/SEWER RESERVE	\$0	\$0	\$285,000	\$285,000	100%
UTILITIES		\$85,223	\$91,561	\$104,707	\$13,146	14.36%
INTERGOVER NMENTAL		\$20,494,367	\$21,272,997	\$21,952,709	\$679,712	3.20%
BUDGETED CAPITAL		\$547,414	\$426,569	\$576,569	\$150,000	35.16%
DEBT SERVICE		\$1,680,838	\$1,715,921	\$1,131,170	\$584,751	34.08%
	PRINCIPAL-MAT DEBT	\$1,486,528	\$1,357,000	\$1,021,420	\$335,580	24.73%
	INTEREST-LONG TERM DEBT	\$194,310	\$358,921	\$109,750	\$249,171	69.42%
INTERFUND		\$3,038,020	\$2,429,747	\$2,472,183	\$42,436	1.75%

TRANSFERS OUT						
Total		\$28,745,321	\$29,239,143	\$29,878,967	\$639,823	2.19%

The FY22 budget shows an increase of \$639,823 or 2.19%. The largest parts of the budget are the rates paid to the MWRA. The final rates are not set by the MWRA until June. Past experience has been that they will be a bit lower than the estimates above, but there is no guarantee of this.

There are two items of interest over which we have some control. First, we are adding \$285,000 to the Water/Sewer Reserve, or rainy day fund. In normal years, approximately 1% of the budget is allocated to the reserve. We had stopped due to Covid, but are now resuming the allocation.

Second, there is a \$584,751, or 34% drop in debt service. This is because we paid off more bonds than we issued.

The Subcommittee, by a vote of 6-0, recommended approval of \$29,878,967 for the FY22 Water and Sewer Enterprise Fund budget.