

## **BUDGET COMMITTEE**

**JANUARY 30, 2017**

## **MEMORIAL BUILDING**

**7:00 P.M.**

*The following are to be considered draft minutes until approved by the Board.*

Present: Chairman, Ken Jacques, B. Manning, Jeff Milne, Bryan O'Day, Tim Cook, Justin Hastings, Bill Huntoon, Darrin Patten and Tamara Butcher.

Leigh Callaway was also present.

The meeting was called to order at 7:00 p.m. and the roll was called.

Minutes of January 16, 2017: on page 2 the year of the tanker was corrected to 1992 from 1982. Motion by B. to approve as corrected, seconded by Jeff, and unanimously approved.

Scott Hazelton, Sunapee Highway Director, presented information on the new Take It or Leave It Shop now operating at the Sunapee Transfer Station designed to take solid waste products out of the waste stream. Residents with a valid transfer station sticker may leave or take items from the shop during hours of operation. Savings has already been recognized. Municipal Solid Waste has decreased, as has construction debris. Revenue from recycling is lower, with some of the decrease due to low prices for recycled materials. Sunapee continues to look at ways to improve Municipal Solid Waste disposal and recycling. Sorting of clothing and textiles go to help support the Senior Center and reduces waste by quite a few tons per year. The Senior Center will be moving to the lower level of the old Abbott Library. The Board thanked Scott for his presentation.

Fire Department member present: Chief Pete Lacaillade, Raymond Abair, Kevin Roberts, Ken Butcher, and Alex Moskalenko. Alex presented a power-point presentation for truck replacement, showing the ages of existing trucks with a schedule that spreads replacement of engines at 30 years. Fire Standards defines a frontline piece of equipment as the primary pieces responding first, and recommends replacement at 7 to 15 years. Seven being the average age of equipment in bigger cities and towns, and 15 for those smaller. The tanker, engines and rescue truck are considered frontline. Reserve or backup pieces of equipment for use on large calls or mutual aid are recommended at 15 – 25 years, with the recommended lifespan of 25 years. The presentation showed if the tanker was kept for 5 more years it would result in replacement of two front-line pieces of equipment at the same time, in 2022/2023. Estimated cost to replace two trucks at the same time makes the cost prohibitive. The schedule shows using an engine as frontline for 15 years. By then, the reserve engine would be at 30 years and would be due for replacement. The 15 year old engine would then become the reserve piece. The tanker is 25 years old. The table showed how replacing the tanker now would spread out the debt service and avoid two large fire department purchases at the same time.

Leigh read the information he received noting the cost to replace fire trucks increases on average 10% per year. Kevin reported in 2021, Fire Standards will increase again, and prices could go up 8% to 10% more. All fire truck companies must adhere to the same standards in building the equipment, so there are no options to reduce standards between vendors. Ken Butcher noted that vendors make the most money on refurbishing and fixing, not on new vehicles.

The Board questioned what is involved to recertify a piece of equipment. Kevin stated he has researched refurbishing. Engine 2 and the Tanker do not qualify to refurbish. He has been given estimates of \$298,000 for refurbishing a truck like Engine 3 at 15 years of age. The Fire Department's goal is to make each truck in the department perform, as much as possible, the same as all the other trucks. The tanker will be set up so it can be used as a pumper too.

Pete Lacaillade reported that ISO ratings, which impact residential insurance rates, recommends the department have 4,000 gallons of water capacity. B. questioned if the proposed tanker would meet those capabilities. Pete indicated that it would.

Leigh presented a spreadsheet, showing cost increases based on a 5% or 10% per year average, comparing those costs versus savings if a purchase is made now or put off. There was discussion regarding the sustainability of that type of increase.

Ken thanked Leigh and the Fire Department for their presentation. Ken indicated, the Budget Committee expects every department to get the longest life it can out of every piece of equipment. The mindset with the Highway Department of purchasing used trucks has seemed to work well. He indicated that the departments need to make sure the numbers in the CIP for future expenditures need to be as accurate as they can be.

Pete Lacaillade noted part of his responsibility as Fire Chief, is to present requests to the town based on standards for the department, as cost effectively as possible, while maintaining the safety of fire personnel.

Ken recommended in the future the department should consider buying used or refurbished. He is concerned with NFPA Standard's "cookie cutter" approach for small towns. He noted replacing the tanker now makes sense from a financial standpoint based on the status of the operating budget, the existing debt service, and there are no other known large-ticket items for a couple of years. The Board appeared in agreement.

The Budget Committee then spent time reviewing the proposed operating budget department by department. There was a discrepancy noted in the executive budget computer line item, and the highway department guardrail line item. Money encumbered from the 2016 budget was not showing accurately. Corrections will be made for the next meeting.

Circuit Rider costs were discussed. The current contract runs through June 2017 and is based on 6 hours per month at \$288.00 whether used or not. There are not a lot of planned projects on the Planning Board agenda. The Board agreed to \$3,000 appropriation in that line item. The Planning Board has talked about an option to pay for hourly assistance on an as needed basis.

The non-recurring project line was reviewed. The Board requested the appropriation for checking the septic system at the Town Office. Leigh noted this is an estimate. The appropriation is there so the board can get someone to look at the system. No one is sure about the last time it was maintained.

The Board reviewed the proposed warrant articles.

*To see if the Town will vote to raise and appropriate the sum of \$240,000 (gross budget) to purchase and equip a tanker truck for the Fire Department, and to authorize the issuance of not more than \$240,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33); and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon; furthermore, to appropriate the sum of \$28,000 for the first year's payment.*

The Board discussed using funds from the Unreserved Fund Balance to offset the expense of the truck. Leigh noted his concern to not reduce fund balance too much in case there is a need to use some of it to offset taxes in the fall. The Board agreed it makes sense to apply money from the fund balance toward the truck and finance less. That is a known amount and the tax rate won't be known until fall. This would be a favorable approach to present at town meeting. Ken noted it appears the budget committee is comfortable with the purchase of a tanker, and look favorably upon the Selectboard to come up with numbers.

*To see if the Town will vote to raise and appropriate the sum of Four Thousand Twelve Dollars (\$4,012) for deposit in the Old Home Day Expendable Trust Fund in accordance with RSA 31:19-a; with said funds to come from the unreserved fund balance with no amount to be raised from taxation; (this represents proceeds collected in 2016 by the Old Home Day Committee).*

No discussion.

*Shall the Town of Springfield vote to adopt the provisions of RSA 72:28-b, All Veteran's Tax Credit? If adopted, the credit will be available to any resident, or the spouse or surviving spouse of any resident, who (1) served not less than 90 days on active service in the armed forces of the United States and was honorably discharged or an officer honorably separated from services and is not eligible for or receiving a credit under RSA 72:28 or RSA 72:35. If adopted, the credit granted will be Five Hundred Dollars (\$500.00), the same amount as the standard or optional Veteran's tax credit voted by the Town of Springfield under RSA 72:28.*

The Board reviewed the difference between this tax credit and the one already offered to Veteran's, and what impact on the town does this have. Tamara reported the existing credit is for Veteran's who are eligible because of service during a conflict, or having earned certain honors or medals. The proposed exemption is for any Veteran honorably discharged after serving 90 days. . Currently there is \$36,900 granted in Veteran's credits. The outlook is, if passed, this article likely would at least double that amount. Leigh indicated the Selectboard, agreed to present this to the voters to decide.

With no further business, the meeting adjourned at 8:57 p.m.  
Submitted by,

Janet Roberts,  
Administrative Assistant