

## **BUDGET COMMITTEE**

**JANUARY 21, 2014**

## **MEMORIAL BUILDING**

**7:00 P.M.**

*The following are to be considered draft minutes only until approved by the Board at their next meeting.*

Members present: Ken Jacques, Jon Poston, Bryan O'Day, Jeff Milne, Tim Cook, Bill Huntoon, Darrin Patten and Leigh Callaway, Ex-Officio.

Others present: Tim Julian, Pete Abair, Ed Abair, George McCusker and Justin Hastings.

Ken Jacques called the meeting to order at 7:00 p.m.

Ken reported B. Manning tendered his resignation, effective yesterday, for personal reasons.

The Board went through the process of replacing a chairman. Leigh nominated Ken Jacques as Chairman, seconded by Jeff, and unanimously approved. Darrin nominated Jeff Milne. Jeff declined and nominated Jon Poston, seconded by Tim Cook, and unanimously approved.

Ken questioned how the board wished to proceed with the open position. With 8 members, the downside could be a 4 to 4 vote. Jeff stated he doesn't ever recall an obvious decision being a problem. The problem with bringing someone in now is in bringing them up to speed. Darrin stated Justin Hastings has been at the meetings so would be familiar with discussions. Justin stated if pressed he would consider but would prefer to see if others are interested. The Board decided the minutes would reflect they are looking for someone and will revisit the issue at their next meeting (Monday, February 3). Motion made by Darrin to wait until the next meeting before appointing someone for the open position. Motion seconded by Tim and unanimously approved.

Minutes of January 6, 2014: Motion made by Jeff Milne to accept as written, seconded by Darrin and unanimously approved.

Ken noted the budget committee had met with the department heads with the most impact on the budget and questioned if there were any other department heads they should meet with.

Review of the budget work sheet.

Leigh recommends removing the proposal for \$15,000 for planning/zoning enforcement now that wetlands ordinance is not moving forward to town meeting. Their coarse filter process will continue.

Ken asked if the 2.5% wage increase is included in the worksheets. He asked what the history of wages was over the past 2 years. Leigh reported in 2012 there was an increase of 3% and nothing in 2013. The Selectmen based the 2.5% on the Social Security increases from the last two years. The increase is also reflected in lines associated with employee costs and benefits.

Areas that were specifically addressed:

- Assessor's fees slightly increased for preparation of the revaluation project.
- Legal fees reduced slightly – costs associated with pending appeals are pro-rated and shared between other municipalities
- Health Insurance - a change was made to a less expensive plan that kept costs flat, with a slight increase in emergency room and office visit co-pays to the employee
- State retirement costs increased for the last half of 2013; so the increase reflects a full year at the increased level.
- Workmen's comp – Property Liability Trust is changing their billing cycle and will be going from a January bill date to a July bill date resulting in an 18 month period for 2014.
- Planning Board budget - There was discussion as to continuing with circuit rider, or consider changing to a per hour rate. At the January 16 meeting, the Planning Board recommended the budget stay the same.
- Grounds and buildings/property repairs – Leigh reported a lot of work was done this year, but there is still work to be done on the project list.
- The Cemetery committee has plans for getting a certain number of the old stones repaired each year.
- Police Department – Tim noted he has addressed his concern with the Selectmen regarding wages. He recommends leaving the computer line proposed; he feels it is better to get a new computer with new technology rather than getting old technology or a refurbished computer.
- Transfer Station - Cost increases are attributable to decreased revenues; increased employee benefits, and fuel costs as well as some capital improvement projects being proposed. A final number will be known in the next few days.
- Library - Steve has requested an additional \$500.00 for purchasing a couple of tables and some chairs for the library. Darrin noted he recalls that in the past the State did not like to see the library budget fluctuating up and down and suggested it might be cleaner to keep their budget level and purchase the chairs from general government budget. The tables and chairs could be “donated” to the library by the Selectmen to keep their possession separate. Leigh will speak to the other two Selectmen.
- Debt service principal and interest is calculated for the remaining term of the lease on the Police Explorer and the Fire Department Rescue Truck. The loan for Fire Department Engine 3 was paid off in November 2013.

Ken complimented the Selectmen on the preparation of the budget worksheet. He has noted in the last 5 to 6 years by the time the budget numbers are presented to the Budget Committee the Selectboard has done quite a lot of research and preparation beforehand.

Draft language for possible warrant articles were prepared based on decisions the Selectmen reached at their January 13, 2014 meeting. Discussion follows:

Highway Department: New truck purchase. Ed Abair has spoken to some other highway departments and they recommend not going with the Ford F550. They run the International Durastar and are happy with them. Pete Abair reported he has pricing from Freightliner which is 5-6K cheaper with the State bid, with a price to equip of \$68,000. The Freightliner is the same size as the International Durastar, but has a heavier transmission. There is no State bid for the International. International has offered \$18,500 trade-in for blue truck and Freightliner \$12,500. Pete feels the blue truck is worth \$20,000 and suggests putting it out for bid. Total price to purchase and equip a new truck is \$155 to \$156K. At their recent meeting the Selectmen voted to approve \$150K for the International 25.5 GVW.

Various scenarios discussed:

- Purchase and fully equip new truck, new equipment. GVW 25.5 or 19.5
- Purchase new truck, use equipment from blue truck. GVE 25.5 or 19.5
- Purchase smaller vehicle (pickup) with a front plow, no wing for plowing and for general use; applying sale of blue truck toward purchase.
  - Concern noted trade-in would not offset the cost to purchase and equip a smaller truck; not having a wing on a truck is not ideal and is like going backwards.
  - The blue truck was purchased to step up to something bigger than an F550 and has done what it was meant to do. It carries a wing and sander and is used year-round. At some point the blue truck will need to be replaced. The problem now is finding something that fits. GMC no longer makes that model. Putting this off this year “kicks the can” down the road to next year.
- Purchase another 6-wheeler and keep the blue truck for summer use, especially in view of looking to replace the white International in 2016.
  - Concern addressed with storage issues with a third large truck; having 4 trucks for 2 full-time employees; having an additional vehicle to maintain.
  - Highway department likes a truck lower to the ground to work out of in the summer.

George noted the Selectmen are not opposed to any of the options discussed. They were asked to come back to the Board with a proposal. The 25.5 GVW International was that proposal. The Board affirmed that none of their discussion is intended to be taken personally; the highway budget is one of the largest budgets in town. Leigh will draft up the various scenarios discussed for the Selectmen to review at their next meeting.

Revaluation: No major objections. Bid has come in at a fair price.

Town Hall Painting: Leigh obtained quotes from Foster's Painting for \$32,000 and \$3,000 for carpentry repairs. Selectmen recommend appropriating up to \$40,000 from the unreserved fund balance to also allow for unknown contingencies once work begins. Leigh noted he believes the last time the hall was painted was in 1999. The feeling from the Board is the Town Hall is

admired and supported by the Town and needs to be taken care of. It was suggested not go as long in between painting so it is in better shape next time.

Sand Shed Replacement: Leigh noted he is representing the Selectmen's proposal to appropriate \$40,000 to replace the sand shed where it is now. The Selectmen voted with one (Leigh) opposed. The idea behind appropriating this now was to get the work done and have it behind us. He noted the approval from DES has not been received yet, but the engineer, Jeff Evans says approval is on its way.

Ken stated his take from the meeting with Jeff Evans was moving the existing sand shed further away from wetlands was to be a selling point to the state in trade for allowing the wetlands crossing. George stated the Selectmen voted against moving the sand shed due to inconvenience and costs. A figure of \$100 K had been suggested for building a road, though a better estimate is not certain until the property is cleared.

#### Discussion:

- A first step was to have the study done to determine what the best use of the land is and was not just about replacing the sand shed.
- The space needs committee addressed at some point the town will need to consider better facilities for the Police Department
- Increased storage area up back and possible moving the sand shed frees up a lot of area around the existing building.
- The building is used as the emergency center for the Town; freeing up space around the building increases parking for the building and the recreation field..
- \$40K is an attractive figure for the short term, but is not addressing long-term issues.
- There is no obligation to solve the sand shed issue this year.
- Before putting money toward the shed or the land, there needs to be care taken about long-term commitment.

Ken raised the question and the general consensus among board members was to take the next year and look at all the possible scenarios; do some soil sampling; install the culvert and begin clearing the land; and further look at the site from an engineering standpoint as to the best use for a clear picture of the property and an idea of potential costs before proceeding. The approval from DES may determine what can be done.

Leigh presented the Board with fund balance retention percentages noting the various projects that are proposed to be funded through the fund balance while maintaining a balance for the worst case scenario pending the ruling of the utility appeals filed, as well as possible increase to the fund balance from money not spent from the 2013 operating budget.

Leigh will review the Budget Committee's discussion with the Selectmen at their next meeting on January 27<sup>th</sup>.

Ken noted to clarify this meeting the Board would expect to continue the sand shed and truck discussion at their next meeting.

Darrin commended Pete noting that of past road agents he has known, Pete does the best job that has ever been done. Ditching is done well and appreciates his ability to repair and maintain the trucks.

The next meeting of the Budget Committee is scheduled for Monday, February 3, 2014 at 7:00 p.m.

This meeting adjourned at 8:55 p.m.

Submitted by,

Janet Roberts.