Budget Committee
December 9, 2013

Present: Nancy Spencer Smith, Chairperson; Ken Paul, Selectmen's Rep; Jerry O'Connor; Bruce Rich; Dave Mankus; Craig Farley; Carlene Stewart; and Ron Canney.

Those also present included: Connie Twombley; Chief Ken Fifield; Jim Miller (videotaping); and Lt. Mark O'Brien (joined the session in progress).

Ms. Smith called the posted meeting to order at 6:40 p.m., leading those present in the Pledge of Allegiance.

Mr. Farley moved to approve the minutes of November 2, 4, and 6, 2013, as presented. Ms. Stewart seconded the motion, which passed 8-0.

Ms. Williams provided a number of handouts and referred to the Articles for Warrant. The first article listed is to establish an Expendable Trust Fund for Highway Road Projects, and to appropriate $75,000 for the fund. Mr. Paul explained that such a fund would allow unexpended appropriations to accumulate, rather than being returned to the General Fund. He stated the Board's expectation to encumber some funds to do work on High Street. Mr. Paul noted that the Board had reduced the number of road projects over the last several years in order to keep the budget down. Ms. Williams indicated that the Town historically spends $100,000 to $175,000 each year on road projects. The Budget Committee has approved $100,000 in the operating budget for road projects. This establishment of, and appropriation for, this fund is in addition to the operating budget appropriation. Mr. Paul believes it important to establish this fund, even if the Committee decides on a different appropriation.

Ms. Williams advised that there is approximately $44,000 left in the road projects line of the 2013 budget. The Board anticipates encumbering ±$18,000 for culverts and catch basins on High Street. Mr. Paul confirmed to Mr. Canney that the intent would be to continue to appropriate money for the new fund each year, similar to the routine for emergency management and forest fires. Future boards would determine the amount of those appropriations. The current Board is suggesting a $75,000 appropriation based on past history, rather than on more recent years. Ms. Williams confirmed to Mr. Rich that the expectation is that paving projects will be funded via the new trust fund in the future, rather than by the operating budget. We cannot contribute to an expendable trust fund without approval of such an appropriation at Town meeting.

Mr. Mankus noted that the proposed language is rather "open" and questioned whether it would be possible to purchase equipment from this new fund. Ms. Williams explained that capital reserve funds can be used for capital items, while expendable trust funds can only be used for operational projects. The final wording may be adjusted when reviewed by counsel; however, the Budget Committee needs to vote on the amounts to be listed. Ms. Williams agreed with Mr. Mankus that legitimate uses would include stormwater issues. It might also include work to the approach of a bridge, but would not cover the work on the bridge.

Mr. Canney questioned the reference to the Board of Selectmen being Agents to Expend. Mr. Paul explained that, once approve by the voters, any expenditures would be approved by the Board of Selectmen at a public meeting. The Road Agent would not have the authority to expend the funds.

Ms. Williams added that the Board of Selectmen is listed as Agents to Expend on all capital reserve funds. Mr. O'Connor referred to the large increase proposed for road projects. Ms. Smith suggested that $50,000 might be a more appropriate appropriation. **Mr. O'Connor moved to support the creation of an Expendable Trust Fund for Highway Road Projects, with an initial appropriation of $50,000. Ms. Stewart seconded the motion, which passed 8-0.**

The purpose of the next article is to purchase a 4x4 truck for the Transfer Station, with a $27,000 appropriation. Ms. Williams referred to one truck that cannot be registered that is kept on site for plowing. A second truck, which is not in good condition, is shared by Transfer Station staff and the sewer lagoon operator (who is also a Transfer Station employee). The actual condition of the second vehicle is unclear. Mr. Paul indicated the anticipation of purchasing a used truck, which could last approximately 5 years. Currently, employees often have to use their personal vehicles for things such as salting/shoveling at Town Hall; picking up recyclables at Town Hall, etc. Ms. Smith wondered whether it would be possible for the sewer fund to purchase the vehicle. **Mr. Mankus moved to approve the $27,000 appropriation for purchase of a 4x4 truck for the Transfer Station. Mr. Rich seconded the motion, which passed 8-0.**

The purpose of the next article is to appropriate $47,000 to purchase a small bus or van for the Parks & Recreation Department. Mr. Paul indicated that such a vehicle would hold 15-20 people. He added that the Board has received several citizen requests for this purchase, in specific for adult trips. It is unknown whether the vehicle would be handicap accessible. The recommended appropriation includes the first year's cost of maintenance. Thereafter, that cost would be part of the operating budget.

Mr. Canney asked about the current cost to Parks & Rec for transportation. Mr. Paul stated that it varies depending upon the number of participants and the size of bus used. It is thought that this purchase would expand the number of trips offered. Mr. Paul confirmed to Mr. Rich that Parks & Rec does earn revenue, which goes to the Parks & Rec revolving fund and which partially offsets costs. There followed significant discussion about revenues and use thereof. Ms. Smith noted the importance of knowing whether the vehicle would be handicap accessible. **Mr. Mankus moved to table discussion of this article. Ms. Smith seconded the motion, which passed 7-1.**

The purpose of the next article is to appropriate $20,030 in order to purchase new accounting software. This would include general ledger, accounts payable and receivable, cash, banking, etc. The Town has been utilizing BMSI software for at least 20 years, which is DOS based and is lacking in security. Mr. Rich asked whether this is the same software as presented to the voters last year. Ms. Williams indicated that it is; however, it is a more streamlined package. Ms. Williams confirmed to Mr. Canney that there would be yearly maintenance fees of $1446, with the first year being included in the $20,030 appropriation. This cost also includes 16 hours of on-site training, as well as a number of webinars, and 3 licenses. **Mr. Mankus moved to approve the $20,030 appropriation for purchase of accounting software. Mr. O'Connor seconded the motion, which passed 8-0.**

The purpose of the next article is to appropriate $143,000 ($47,000 from taxation; $96,000 from the undesignated fund balance) for purchase of a fire truck. Mr. Mankus referred to a previous consideration to change the language of this article to allow purchase of equipment.

Ms. Williams advised this change was not pursued. In response to a question from Mr. Rich, Ms. Williams advised that the undesignated fund balance is $1,646,324; however, $621,324 is actually available as cash. The Board is also considering that some of those funds will be used to offset the 2014 tax rate, as a decrease in revenues is anticipated.

Mr. Paul explained the intent is to purchase a new tanker at a cost of $457,000 and eliminate two vehicles—a 1967 and a 1989. It is possible that the Town may be able to generate a small amount of revenue by marketing those old vehicles. Mr. O'Connor questioned how the overall increase in the 2014 budget would affect the tax rate. Ms. Williams had previously estimated the impact to be $0.38; however, a number of changes have been made since that calculation was made. **Mr. Mankus moved to approve the appropriation of $143,000 (as indicated in the article) for the Fire Truck capital reserve fund. Mr. Paul seconded the motion, which passed 7-1.**

The purpose of the next article is to appropriate $1800 for the purchase of 5 sets of tire spike strips for police cruisers. This appropriation would be offset by a 50/50 Highway Safety Grant, with the Town's portion being $900. This article was approved by the Committee at the November 2 meeting.

The Committee proceeded to review capital reserve appropriations. 3 changes have been made to this list compared to the previous version provide, namely in CRF's for Fire Truck, Town Hall Improvements and Highway Road Projects. Ms. Smith asked why the Town Hall Improvement line has been increased. Mr. Paul stated that the Board is considering renovations in the lower level office area, as well as insulation in the opera house and work to the balcony. Painting should be accomplished if funds are available. WPI takes care of the finishing touches, while the Town focuses on code issues, structural repairs, etc. Discussion followed regarding the structural integrity of the opera house floor. Prior boards have considered taking a bond to complete the entire project. Cost of construction rises each year. Although the structural integrity is very important, the economic situation has not made such an expenditure practical. Mr. Mankus noted that the building has been used for 100 years without issue, and he wonders why now it is an issue. He would expect a good explanation before approving such a large expense. Mr. O'Connor noted that large events do not often occur in the opera house, while the public safety building is heavily used and has been half-finished for years.

Mr. Mankus referred to the recommended appropriation for the Invasive Species CRF. He stressed that the members of Great East Lake Association generate a lot of tax dollars to the Town, and over the years they have captured that first plant several times. A total of $26,800 was expended from this fund in 2013, yet the Board is only recommending a $13,000 appropriation for 2014. Mr. Paul noted that there is a balance of nearly $20,000 in that CRF, and a $13,000 appropriation would bring that balance back up to $33,000. Ms. Williams advised that the 2013 appropriation was higher because the Board had anticipated a greater request from Belleau Lake. However, the State of NH ultimately approved their treating of less acreage, so that request came in lower than anticipated.

Ms. Smith referred to the $20,000 request for the Parks & Rec Field Maintenance CRF; however, no expenditure was made from the account in 2013. Ms. Williams stated that the Director hopes to build up the balance in this CRF in order to address major issues on the soccer field.

The purpose of the Cemetery Well, Pump House CRF is to establish a water source for the new Town cemetery in order to grow grass. Mr. Mankus indicated that the 2014 appropriation may result in sufficient funds to install a well.

Mr. Rich referred to the $26,000 recommendation for the Technology CRF and asked how that differs from the proposed purchase of accounting software. Ms. Williams stated that this appropriation would cover a new server for the public safety building, new routers for both the public safety building and town hall, and 5 new computers for each of those two buildings. As of April 1, 2014, Windows XP will no longer be supported. The actual expenditure may be modified if some of the pieces are worthy of keeping.

Ms. Smith asked whether there is a final figure for the salt shed. Mr. Paul stated that the Board hopes it will be about $75,000. The current shed is falling down, and power has been disconnected. That building has met its life expectancy.

Mr. Canney asked when the Board expects to replace a highway truck. Mr. Paul advised that is planned for 2014 at a cost of ±$200,000. Mr. Paul advised Ms. Smith that the cost of an ambulance would be around $170,000, with purchases being made in a 5-7 year cycle.

Ms. Smith asked what work is planned for the Transfer Station facility. Ms. Williams advised that the oil shed needs to be replaced, issues need to be addressed with the paper container, and the driveway should be paved. Mr. Canney asked whether Transfer Station revenues can be used to offset some of those costs. Ms. Williams advised that all revenues must go to the General Fund. In essence, they help to offset the operating costs. Mr. Mankus was advised that the Town is insured in the event that someone gets injured at the site. Discussion followed regarding the current use of blocks at the facility.

Mr. Paul confirmed to Mr. Mankus that the Board is not recommending any appropriation for Aquifer Protection. Mr. Canney was advised that replacement of a police vehicle is standard each year. Chief Fifield noted that he anticipates the Expedition will be passed onto the Code Department and will be replaced with a 4-door pickup truck.

Ms. Williams confirmed to Mr. Rich that the Board will include a warrant article to dissolve the Aquifer Protection CRF, with those funds going to the General Fund. The same will be done for the Town Cemetery CRF. Ms. Smith stressed that there are still many aquifers that need protecting. Mr. Paul noted that the funds have not been touched in years.

Mr. Rich referred to a previous discussion about purchasing a chipper for the Highway Department. Mr. Paul advised that such a purchase has not been included in the 2014 budget.

Mr. Paul moved to approve the $25,000 appropriation for the Ambulance CRF. Mr. O'Connor seconded the motion, which passed 8-0.

Ms. Smith moved to approve the $10,000 appropriation for the Bridge Construction CRF. Ms. Stewart seconded the motion, which passed 7-1.

Mr. Paul moved to approve the $75,000 appropriation for the Highway Truck CRF. Mr. Mankus seconded the motion, which passed 8-0.

Ms. Smith moved to approve the $10,000 appropriation for the Transfer Station Facility CRF. Mr. Mankus seconded the motion, which passed 8-0.

Mr. O'Connor moved to approve the $10,000 appropriation for the Highway Heavy Equipment CRF. Mr. Paul seconded the motion, which passed 8-0.

Mr. Mankus moved to approve the $45,000 appropriation for the Town Hall Improvements CRF. Mr. Canney seconded the motion, which passed 8-0.

Mr. Mankus moved to approve the $35,000 appropriation for the Police Cruiser CRF. Mr. O'Connor seconded the motion, which passed 8-0.

Ms. Smith moved to approve the $13,000 appropriation for the Invasive Species CRF. Mr. Mankus seconded the motion, which passed 8-0.

Mr. Mankus moved to approve the $26,000 appropriation for the Technology CRF. Mr. Paul seconded the motion, which passed 8-0.

Mr. Mankus moved to approve the $2,000 appropriation for the Cemetery Maintenance CRF. Mr. Paul seconded the motion, which passed 8-0.

Mr. Mankus moved to approve the $20,000 appropriation for the Parks & Rec Field Maintenance CRF. Mr. Paul seconded the motion, which passed 8-0.

Ms. Smith moved to approve the $1750 appropriation for the Emergency Management CRF. Mr. Mankus seconded the motion, which passed 8-0.

Mr. Mankus moved to approve the $5,000 appropriation for the Cemetery Well/Pump House CRF. Ms. Smith seconded the motion, which passed 8-0.

Mr. O'Connor moved to approve the $20,000 appropriation for the Salt Shed CRF. Mr. Mankus seconded the motion, which passed 8-0.

Ms. Smith moved to approve the $50,000 appropriation for the Highway Road Projects CRF. Mr. O'Connor seconded the motion, which passed 8-0.

Ms. Williams referred to the 2014 Health Plan handout. She advised that the figure for Employee Hospitalization under General Government – Personnel Benefits should be $355,990. The Board has voted to change health insurance providers and will now offer a Harvard-Pilgrim plan. The 2013 appropriation was reduced to reflect an anticipated credit from LGC.

We will have more employees on our plan in 2014. The employee contribution has been increased from 5% to 7%. Reviewed co-pays, deductibles and cost of the plans. Ms. Williams advised this is still a site of service plan. Mr. Canney referred to the percentage of increase over 2013's plan. Ms. Smith was advised there was no change to the dental line, and there will be no cost to administer FSA. The new section total is $749,739. **Mr. Mankus moved to approve the Personnel Benefits section at $749,739. Mr. O'Connor seconded the motion, which passed 8-0.**

Ms. Williams advised there will be a special election in January. The Town Clerk has estimated that will cost the Town an additional $1077.66. **Mr. Mankus moved to approve the revised Election/ Registration appropriation at $75,513. Mr. Canney seconded the motion, which passed 8-0.**

Ms. Williams advised that the Town Hall elevator requires a new hydraulic seal at a cost of $2000. **Mr. Mankus moved to approve the revised General Government – Town Hall appropriation at $56,450. Ms. Smith seconded the motion, which passed 8-0.**

As part of the Town Hall renovations over the summer, the Fire Chief was on site. He requested that the Gafney Library's smoke detectors be tied to the Town Hall panel. The cost to do so is $4650. **Mr. O'Connor moved to approve the revised Gafney Library appropriation at $121,075. Ms. Smith seconded the motion, which passed 7-0-1.**

Ms. Smith moved to approve the revised Libraries appropriation at $167,895. Mr. O'Connor seconded the motion, which passed 7-0-1.

The public hearing on the proposed municipal budget is scheduled for Tuesday, January 14 at 7 p.m. (Back up date is Wednesday, January 15). The Budget Committee will meet prior to the public hearing (at 6:15) to review any outstanding issues.

There being no further business, the meeting adjourned at 8:36 p.m.

Respectfully submitted,
Toni Bodah, Secretary