

**Budget Committee
December 8, 2014**

Present: Jerry O'Connor, Chairperson; Dave Mankus; Steve Brown, School Board Rep; Charlie Edwards, Selectmen's Rep; Bruce Rich; Lisa Kimball; Priscilla Colbath; Carlene Stewart; Asha Kenney; Teresa A. Williams, Town Administrator; and Toni Bodah, Secretary.

Mr. O'Connor called the posted meeting to order at 6:39 p.m. and led those present in the Pledge of Allegiance. Those present at this time included: Donna Martin (videotaping); Jim Miller; Chief Ken Fifield; Nate Fogg; Relf Fogg; Cindy Bickford; Don & Rosemary Stewart; Joe & Cecile Arnone and several members of the Belleau Lake Property Owners Association.

Mr. O'Connor called the Committee members' attention to the proposed Assessing budget, specifically line 01-41522-312, New Property Assessment. Ms. Williams advised that the Board of Selectmen has voted to support the increase in this line for the Statistical Update, in addition to the \$45,000 Assessing Contract. The Statistical Update will actually cost \$25,000; however, the Board plans to encumber \$7000 from the 2014 budget. Therefore, the Board of Selectmen is recommending an appropriation of \$63,000 for this line. **Mr. Mankus moved line 01-41522-312 at \$63,000. Ms. Kenney seconded the motion, which passed 9-0.**

Mr. Mankus moved the section total at \$124,931. Ms. Kenney seconded the motion, which passed 9-0.

Ms. Williams then referred to line 01-43122-120, Part Time Employee under the Highway Department. The Board has hired a new part time snow plow operator at a higher rate. Therefore, the Board is recommending the line be increased to \$6500 (an addition of \$1120). **Mr. Mankus moved to increase line 01-43122-120 from \$5380 to \$6500. Ms. Kenney seconded the motion, which passed 9-0.**

Mr. Mankus moved the section total at \$370,237. Ms. Kenney seconded the motion, which passed 9-0.

Capital Reserve Appropriations

Mr. O'Connor referred to the Ambulance CRF, for which \$25,000 is recommended. This equipment is not on Chief Nason's replacement schedule. Ms. Williams believes this equipment is replaced every 7 years. Mr. Edwards confirmed to Mr. O'Connor that no appropriation is being sought for the Public Safety Building Phase II CRF for 2015. Mr. O'Connor noted that the total request for CRF's has increased; however, he agreed with Mr. Edwards that we need to play catch up.

Mr. Mankus referred to the amount budgeted in 2014 for the Invasive Species CRF. One lake had a very expensive project going; however, there was a limited amount of funding available. Although this is a public meeting, it is not a public hearing. At this time the Budget Committee must decide whether to accept or adjust the Selectmen's recommendation. Mr. Edwards noted that everyone who attended the Selectmen's meeting at which funding was allotted was given the opportunity to divide the funds available.

Invasive Species - Ms. Kimball asked about the difference between the Department request (\$50,000) and the Board's recommendation (\$53,000). Ms. Williams stated she may not have had all requests when the original budget was put together. Various individual lake requests were discussed.

Mr. Rich moved to support \$53,000 for the Invasive Species CRF (01-49151-942). Ms. Stewart seconded the motion, which passed 9-0.

Police Vehicle – Ms. Colbath asked what will happen with the vehicle being retired. Chief Fifield advised he plans to trade it in. He spoke to the life cycle of police vehicles. If the vehicle were still in good shape, it would be passed on to Code Enforcement or Animal Control, etc. If there is not much value, the vehicle is traded in. Mr. Brown suggested advertising on Craigslist. Chief Fifield stated he has tried a number of methods, including requests for bids.

Mr. Rich referred to the minimal balance in that account and questioned whether the recommendation of \$31,500 is sufficient. Chief Fifield is confident it will be sufficient. He advised that much of the equipment is swapped out, rather than purchasing new equipment. The Chief advised Ms. Kimball that this is a State bid price that will not expire before the March vote. **Ms. Colbath moved to support \$31,500 for the Police Vehicle CRF (01-49151-941). Mr. Edwards seconded the motion, which passed 9-0.**

Town Hall Improvement – Ms. Williams referred to an estimate received for outside drainage issues, for which project she is recommending \$30,000. The Board increased the appropriation to \$50,000 in order to assist WPI with various projects in the opera house. Mr. Mankus wonders how the Town Hall foundation is actually constructed. We may be surprised! Ms. Kimball asked about the location of the leak. Ms. Williams advised it is in the lower level on the High Street side. Mr. Mankus noted that the project may evolve, but we must start somewhere. **Mr. Mankus moved to support \$50,000 for the Town Hall Improvement CRF (01-49151-940). Ms. Kenney seconded the motion, which passed 9-0.**

Highway Truck – The new truck was just received so the account balance will be much-reduced soon! Mr. O'Connor spoke to the specs of the new truck. Mr. Mankus asked whether this request fits into the CIP. Mr. Edwards expects we will need to replace another truck within 4 years. Nate Fogg advised the CIP Committee has not seen a replacement schedule for Highway trucks, but he personally believes from conversations with the Road Agent that the Road Agent hoped for an appropriation closer to \$75,000, rather than the \$50,000 recommended. If a 6-wheeler is to be purchased, the cost would be less. In the past, the appropriation is increased in the year the vehicle is expected to be purchased. **Mr. Mankus moved to support \$50,000 for the Highway Truck CRF (01-49151-935). Ms. Kimball seconded the motion, which passed 9-0.**

Fire Truck – Our new truck is coming this Friday, so the account balance will soon decrease significantly. **Mr. Mankus moved to support \$75,000 for the Fire Truck CRF (01-49151-934). Ms. Kenney seconded the motion, which passed 9-0.**

Bridge Construction – Mr. Edwards advised there is no specific plan at this time. Discussion followed regarding several Town bridges. Mr. O'Connor suggested that the bridge in Union might be replaced with culverts. Ms. Williams has asked the Road Agent to contact the company that did the culvert work on the North Wakefield and Pine River Pond bridges. **Mr. Mankus moved to support \$10,000 for the Bridge Construction CRF (01-49151-933). Mr. Rich seconded the motion, which passed 9-0.**

Ambulance – **Mr. Mankus moved to support \$25,000 for the Ambulance CRF (01-49151-930). Ms. Kenney seconded the motion, which passed 9-0.**

Technology – Ms. Williams advised that the server was replaced 5 years ago and should be replaced again in 2015. **Mr. Mankus moved to support \$16,000 for the Technology CRF (01-49151-944). Ms. Kenney seconded the motion, which passed 9-0.**

Cemetery Maintenance – Mr. Mankus noted this CRF has nothing to do with maintaining plots; rather it might be used to have trees removed. **Ms. Colbath moved to support \$2000 for the Cemetery Maintenance CRF (01-49151-946). Ms. Stewart seconded the motion, which passed 9-0.**

Emergency Management – Ms. Williams stated that the goal was to attain a balance of about \$10,000. Chief Fifield suggested continuing to add to this CRF at a reduced level once the goal is attained. He explained that the Town used to appropriate \$2000 each year within the operating budget, which was not generally used and which did not accumulate. Eventually a capital reserve fund was established in order to allow the funds to accumulate to be used in the event of a large-scale emergency—such as an ice storm. Ms. Kimball asked why these funds are expended only by the Board of Selectmen. Ms. Williams explained that the Board is listed as Agents to Expend on most of the Town's CRF's. It all depends on how the original warrant article is written. Chief Fifield confirmed that in the event of a mass power outage, meals might be served at the public safety building. The funds would be used to purchase necessary items that the State would not provide. **Mr. Mankus moved to support \$1750 for the Emergency Management CRF (01-49151-947). Ms. Kimball seconded the motion, which passed 9-0.**

Mr. Rich referred back to the Cemetery Maintenance CRF. He noted there is a similar line in the operating budget and questioned whether both are necessary. Mr. Mankus explained that the CRF was established to allow funds to accumulate to be used for major issues.

Ms. Colbath referred to the \$70,000 balance in the Salt Shed CRF (01-49151-949) and asked if all funds were spent on the shed. Ms. Williams advised that the actual balance is around \$2000. The Board decided to leave this fund intact for 2015 in case anything arises. The Board may recommend this fund be dissolved for 2016.

Highway Construction Projects – Ms. Williams advised that the Department Request of \$100,000 was only an estimate included by her while waiting for estimates from the paving company. Mr. Edwards spoke to the importance of maintaining our roads in order to protect the taxpayers' investment in our infrastructure. Looking at the proposed list of projects, Mr. O'Connor referred to Oak Hill Road, on which some work has already been done. Mr. Edwards advised the proposed work is to finish the project previously begun. **Mr. Mankus moved to support \$193,000 for the Highway Construction Projects CRF (01-49151-951). Ms. Kenney seconded the motion, which passed 9-0.**

Capital Outlay

Highway Mower – Mr. Edwards stated this would be a combined unit to be used by the Highway Department to mow the sides of roads. We have rented a mower in the past, and availability is sometimes a problem. The current employees would be able to operate the mower. **Mr. Mankus moved to support \$25,000 for the purchase of a mower for the Highway Department (account number to be determined). Ms. Kenney seconded the motion, which passed 9-0.**

Mr. O'Connor then referred to the General Administration budget, specifically the \$3825 that was removed from the Misc Expense line (01-41991-810). These funds represented the cost for GASB 45 requirements and actually represented the cost of a 3-year contract to track potential costs and liabilities relating to retirees. Ms. Kimball asked whether the Town's new software could accomplish that task. Ms. Williams advised it cannot, although it does track fixed assets. The auditors advised Ms. Williams that, in light of the Affordable Care Act, they would recommend continued compliance with GASB 45. Mr. O'Connor read aloud information regarding GASB 45. He noted that non-compliance could adversely affect the Town's interest rate should it seek a bond.

Ms. Kimball stated that she had suggested the original elimination of the \$3825 because the Town actually has no liability in this regard. Previous to 2009, the Town did not have an unqualified audit and was not adversely affected. Mr. O'Connor noted that it seems to be a small investment in order to maintain an unqualified audit status, as recommended by the Town's auditors. It is possible that the Town may bond the cost to complete the public safety building.

Ms. Kimball noted that there are many GASB requirements, with many of which the Town is not compliant. She stated that the auditors would never recommend that the Town not comply with GASB. However, in her opinion, the Town of Wakefield will never have any liability for retirees due to the structure of NHRS. She would need more information as to how it could affect the bond rating if the Town were truly interested in pursuing bonding a project. Ms. Kimball noted that bonding companies look at many factors, not just GASB 45.

Discussion followed regarding the financial snapshot of the Town, of which compliance with GASB 45 is a part. Mr. O'Connor still believes the cost for the actuarial study is minimal for the benefit received. Mr. Mankus suggested tasking the Town Administrator to do more research. Ms. Williams agrees with everything said by Ms. Kimball; however, she would like to continue to have an unqualified audit. She believes the unknown justifies staying in compliance. **Mr. O'Connor moved to increase line 01-41991-810 (Misc Expenses/General Administration) by \$1275, representing one year of a 3-year contract. Mr. Edwards seconded the motion, which passed 6-3.**

Minutes

Mr. O'Connor read a section to be deleted and amended in the November 6, 2014, minutes. **Ms. Colbath moved to approve the minutes of November 6, 2014, as amended. Ms. Stewart seconded the motion, which passed without objection.**

Ms. Colbath moved to approve the minutes of November 10, 2014, as presented. Mr. Mankus seconded the motion, which passed 7-0-2.

Other Business

Ms. Colbath stated that it was said at a School Board meeting that we could not include the cost of a multi-year contract in the budget; rather, only one year could be included. Ms. Williams agreed only one year's cost should be included in the budget.

Mr. O'Connor referred to the vacancy on the Committee. Nathan Fogg had expressed an interest; however, the RSA does not allow a part-time department head to serve as a member at large. At this point in the budget process, it may not be worthwhile to seek a new member at this time.

Town Deliberative Session is scheduled for January 31, 2015, at 1 p.m.

Ms. Bodah asked whether the Committee members want her to identify those members abstaining from a vote. Mr. Rich believes this may be important in view of possible conflicts of interest. The Committee agreed by consensus to list members abstaining from votes, other than votes taken to approve minutes.

Ms. Williams thanked the Committee members for the time and effort expended in preparing this budget. The amount of increase is less than the previous year (although the actual proposed budget has increased).

There being no further business, the meeting adjourned at 8:33 p.m.

Respectfully submitted,
Toni Bodah, Secretary