

# DRAFT MINUTES

## BUDGET RECOMMENDATIONS COMMITTEE MINUTES

November 17, 2011

Chairman Don Brabant convened the Budget Recommendations Committee at 6:02pm in the Nowak Room of the Town Office. The members of the Committee and Board of Selectmen present are: Mark Leighton, Bob Kelly, Corey Stevens, Harry Thayer, Don Woodward, Allen Corey, Dan Chartrand, Chairman Bobby Aldrich, Selectwoman Julie Gilman, Selectman Don Clement, Selectman Matt Quandt, Selectman Frank Ferraro, Finance Director Doreen Ravell, and Town Manager Russell Dean.

Mr. Brabant said that tonight's meeting will focus on Water and Sewer budgets and Vehicle Replacement accounts. Mr. Kelly chaired the subcommittee along with Mr. Leighton and Mr. Stevens.

### **Water Fund**

#### **Administration**

Ms. Perry said that there are a number of major capital programs including a proposed groundwater treatment plant for \$6.3 million instead of a higher cost surface water treatment option that was presented in 2004 or 2005. There is also a preliminary proposal for a wastewater treatment plant, which is just a beginning discussion at a cost of \$375,000.

**Mr. Kelly moved to reduce 621-5000 to \$4,264 to adjust for copier savings. Mr. Woodward seconded. Vote: Unanimous.**

The subcommittee does not feel that a \$7,000 increase in 621-5000 is warranted for the Exeter Stratham proposed project.

**Mr. Kelly moves to reduce 621-5200 to \$6,000. Mr. Woodward seconded.**

Mr. Clement said this line item is for consulting services in general, not just for the Exeter Stratham talks. Ms. Perry confirmed that the budget item is for more water issues than just the Stratham proposal. Mr. Thayer asked if any money has been spent on this issue yet, and Mr. Dean said no. Mr. Brabant asked if Stratham will contribute equally to the effort, and Ms. Perry said that RPC is heading up the project and both towns will contribute equally. Mr. Ferraro said that he believes all the money for this study is coming out of the 2011 budget and that is what the Board authorized. Ms. Perry thought some of this line item was for the study. Mr. Kelly says that he would like the motion to stand.

**Vote: 5-2, Motion carries.**

The subcommittee also would like to discuss 621-5224 Legal. He is unclear what it would be used for, so they would like to cut the funding.

**Mr. Kelly moves to reduce 621-5224 to \$3,000. Mr. Woodward seconded. Vote: Unanimous.**

Mr. Dean said that water/sewer had a few issues that required legal advice in the past year, and the funding has to come from somewhere. Up to now, these items have been paid out of the General Fund Legal budget. Mr. Brabant questioned the addition of this new line item in addition to an increase in the General Fund account. He may want to revisit that account. Mr. Thayer would like to see actual expenses for the current year that warrants the creation of a new line item in the coming budget.

## DRAFT MINUTES

**Mr. Kelly moves to reduce 621-5400 to \$500. Mr. Leighton seconded. Vote: Unanimous.**

**Mr. Kelly moves to reduce 621-5560 to \$3500. Mr. Woodward seconded. Vote: 5-1, Motion carries.**

Ms. Perry thinks that there will be additional violations in the coming year and this budget will be used in total. They use this line item for hydrant flushing also and many of the violation ads have to legally be placed repeatedly. Mr. Thayer will not vote due to the nature of his printing business.

**Mr. Kelly moved to reduce 621-5810 to \$850. Mr. Woodward seconded. Vote: 4-3 Motion carries.**

**Mr. Kelly moved to recommend a total Water Administration budget of \$305,306. Mr. Woodward seconded. Vote: Unanimous.**

### **Billing and Collection**

Mr. Kelly said the only issue in this section is 624-5740 for additional software purchase. The subcommittee did not get the feedback that the MuniSmart program is not adequate or that there has been time to properly try to address the issues with the current system. Ms. Perry said the department feels that they are in need of a different program for water sewer billing. Right now, much of the work is done in Excel spreadsheets to properly calculate some complex billing situations. This would be half water and half sewer for a total of about \$38,000. Ms. Perry asks that the committee consider the importance of this item. Ms. Ravell acknowledges that computer systems often have stronger and weaker modules, but she does not have enough information available to her to make a recommendation to the committee. She thinks it is worth a conversation with the vendor to see if there are options for improvement to the current system. Ms. Ravell knows that the billing folks are not getting the reporting that they are trying to get out of the program.

Mr. Dean said that MuniSmart conversion was \$60,000 to \$70,000 when it could cost upwards of \$200,000, so we got a good price for it. Mr. Stevens said that there were no real options shown to the subcommittee, so they do not know if it is an expensive program or if there are others at higher or lower price points. Water Sewer Managing Engineer Michael Jeffers said there was a problem with MuniSmart jumping tens places in the calculations. They created corrective bills via Excel spreadsheets as a secondary measure. He has been told that MuniSmart's support has been poor since they were bought out by Harris Systems. Mr. Jeffers only contacted one company and got one estimate, and he does not know if it is a high or low estimate, but he knows the meter company recommended them highly. The subcommittee still feels that there is no compelling reason to spend this money at this time.

**Mr. Kelly moves to reduce 624-5740 to \$6,300. Mr. Leighton seconded. Vote: Unanimous.**

**Mr. Woodward moved to recommend a total Billing and Collection total of \$76,323. Mr. Stevens seconded. Vote: Unanimous.**

### **Distribution**

Mr. Kelly asked about 622-4309. Ms. Perry said they get one bill per year in November or December and this bill has not gone up in a lot of years. Ms. Perry anticipates that it may increase so she added the extra funding to the line item. She believes that he is a very inexpensive vendor for a job well done. She said the increase would be related to fuel costs.

# DRAFT MINUTES

**Mr. Kelly moved to reduce 622-4309 to \$2,000. Mr. Woodward seconded. Withdrawn by Mr. Kelly and Mr. Woodward.**

**Mr. Kelly moves to reduce 622-5327 to \$1,000. Mr. Woodward seconded. Vote: Unanimous.**

**Mr. Kelly moved to reduce 622-5760 to \$15,000. Mr. Woodward seconded. Vote: Unanimous.**

**Mr. Kelly moved to recommend a total Distribution budget of \$503,123. Mr. Leighton seconded. Vote: Unanimous.**

Mr. Brabant is concerned that each department is keeping their own records and taking a lot of staff hours to seemingly duplicate the duties of the finance department. Ms. Ravell will look into it.

## **Treatment**

**Mr. Kelly moved to reduce 623-4300 to \$6,000. Mr. Woodward seconded. Vote: 6-1, Mr. Corey opposed.**

Mr. Kelly says that the subcommittee agrees that 623-4311 is a large increase but they would leave that increase because they believe the work on the pumps is very important. Mr. Jeffers said that this is to replace pumps on a regular basis instead of running them until they fail.

Mr. Kelly brought the committee's attention to line 623-5985- Chemicals. He said the increase in this item is due to a new alkalinity feed system, which the subcommittee supports wholeheartedly. Ms. Perry stated that the system itself is the \$25,000 increase to the line item and Mr. Brabant asked if the system cost should be moved out of the Chemical budget line. He would like Finance to move the cost of this to a new line item, but the numbers in the section would not change.

**Mr. Kelly moved to reduce 623-6220 to \$95,000. Mr. Woodward seconded. Vote: Unanimous.**

**Mr. Kelly moved to recommend a total Treatment budget of \$751,080. Mr. Leighton seconded. Vote: Unanimous.**

## **Debt Service**

**Mr. Kelly moved to recommend a total Debt Service budget of \$468,607. Mr. Stevens seconded. Vote: Unanimous.**

## **Capital Outlay**

Mr. Kelly says the vehicle request is to purchase a new  $\frac{3}{4}$  ton truck to replace a 13 year old  $\frac{1}{2}$  ton truck, for a budget of \$30,000. The subcommittee felt that the truck could be replaced with the same kind of truck for about \$10,000 less. Mr. Clement supports the larger, better equipped truck to increase employee safety. Mr. Jeffers said that he would support a 2 wheel drive vehicle with a lift gate to save money, about \$4,000.

**Mr. Kelly moved to reduce 627-7420 to \$20,000. Mr. Woodward seconded. Withdrawn by Mr. Kelly and Mr. Woodward.**

# DRAFT MINUTES

**Mr. Woodward moved to reduce 627-7420 to \$26,000. Mr. Kelly seconded. Vote: Unanimous.**

Ms. Perry said that the slate roof is leaking and needs to be addressed. This building dates back to the 1800's but is not considered a historical building. Mr. Corey does not believe that the Town should be delaying building maintenance, especially when the building is housing expensive equipment and chemicals. Mr. Kelly said that there are water drainage issues that are more significant than the roof issues. Ms. Perry said that the slate on the roof is falling off, so she believes that the full project should be done.

**Mr. Kelly moved to reduce 627-74xx WTP Roof to \$41,150 to include only the flat rubber roof at the Water Treatment Plant. Mr. Thayer seconded. Vote: 6-1, Mr. Corey opposed.**

The next item is the new boiler. \$50,000 was spent in 2011 for a \$120,000 proposed boiler project. In review of the project, the subcommittee felt that there were a lot of efficiency items that were being proposed, but they thought that replacing the boilers would lead to a good increase in efficiency by itself. The subcommittee looked at the numbers and thinks that funding \$20,000 for venting and seeing how that performs, and then review it next year. Ms. Perry said that there are other deficiencies in the heating system that need to be addressed, not just the venting. Mr. Jeffers agrees that the piping needs to be addressed. Mr. Leighton does not think the work is defined well enough to warrant \$70,000. Mr. Thayer is more comfortable giving this line item \$50,000.

**Mr. Kelly moved to reduce 627-74xx Boilers to \$20,000 for venting. Mr. Leighton seconded. Vote:3-4, Motion Fails.**

**Mr. Thayer moved to reduce 627-74xx Boilers to \$50,000 for venting. Mr. Chartrand seconded. Vote:6-2, Motion Carries.**

**Mr. Kelly moved to recommend a total Capital Outlay budget of \$207,750. Mr. Leighton seconded. Vote: Unanimous.**

**Mr. Kelly moved to recommend a total Water Fund budget of \$2,312,190. Mr. Thayer seconded. Vote: Unanimous.**

## Sewer Fund

### Administration

**Mr. Kelly moved to reduce 631-5000 to \$4,264. Mr. Chartrand seconded. Vote: Unanimous.**

Mr. Kelly addressed the request for 2 smart phones so that operators can remotely connect to the SCADA system. The subcommittee would like to try one phone this year instead of 2 since they do not know how it will actually work. Mr. Jeffers thinks that this request for 2 phones is less expensive and there are only 2 operators who can address these issues, and they both need them. Ms. Perry reiterated that there are only 2 operators and they have a lot of responsibility. Mr. Ferraro asks if we need to wait for a cell phone policy to decide on a carrier. Ms. Perry is comfortable using Verizon, the current provider for the Public Works department. Mr. Jeffers said that the phones have already been purchased and this cost is for the monthly plan.

# DRAFT MINUTES

**Mr. Kelly moved to reduce 631-5310 to \$600. Mr. Chartrand seconded. Vote: 4-3, Motion carries.**

**Mr. Kelly moved to reduce 631-5810 to \$500. Mr. Chartrand seconded. Vote: Unanimous.**

**Mr. Kelly moved to reduce 631-55820 to \$3,150. Mr. Chartrand seconded. Vote: 5-2, Motion Carries.**

**Mr. Kelly moved to recommend a total Administration budget of \$327,706. Mr. Chartrand seconded. Vote: 6-1, Mr. Thayer opposed.**

## **Billing and Collection**

**Mr. Kelly moved to reduce 634-5320 to \$2,500. Mr. Chartrand seconded. Vote: Unanimous.**

**Mr. Kelly moved to reduce 634-5740 to \$6,000. Mr. Chartrand seconded. Vote: Unanimous.**

**Mr. Kelly moved to recommend a total Billing and Collection budget of \$75,823. Mr. Chartrand seconded. Vote: Unanimous.**

## **Collection**

Mr. Kelly said that there are increases in the Building Maintenance and Pump Control line items and the subcommittee supports both of these increases.

**Mr. Kelly moved to reduce 634-4366 to \$15,000. Mr. Woodward seconded. Vote: Unanimous.**

**Mr. Leighton moved to recommend a total Collection budget of \$525,138. Mr. Woodward seconded. Vote: Unanimous.**

## **Treatment**

Mr. Kelly referenced the Outfall Dredging account where a \$5,000 increase is requested. The subcommittee does not recommend since this year only a portion of the budget has been used. Instead they recommend level funding. Mr. Jeffers said the dredging that will likely be required next year will cost about \$14,000 to do a legally and properly. He will take the funds from another account or request money from the Board of Selectmen if needed. Ms. Perry thinks it is a reasonable approach looking forward to likely expense.

**Mr. Kelly moved to reduce 633-6220 to \$130,000. Mr. Chartrand seconded. Vote: Unanimous.**

**Mr. Kelly moved to recommend a total Treatment budget of \$459,742. Mr. Chartrand seconded. Vote: Unanimous.**

## **Debt Services**

**Mr. Kelly moved to recommend a total Debt Service budget of \$331,482. Mr. Chartrand seconded. Vote: Unanimous.**

# DRAFT MINUTES

## **Capital Outlay**

Department is requesting 2 new vehicles, a ¾ ton pickup with a plow package and a replacement box truck. The subcommittee thinks the pickup needs to be replaced but is unsure of the added cost of a plow. They subcommittee does not believe that the box truck needs to be replaced this year and can be put off to a future year. Mr. Jeffers thinks that the water department having the ability to plow out their own building and not having to wait for highway department trucks is very important to serving the town and it is a good maintenance plan. Four wheel drive is important for this department also.

**Mr. Thayer moved to support \$30,000 for a ¾ ton pickup truck with a plow. Mr. Chartrand seconded. Vote: Unanimous.**

**Mr. Kelly moved to reduce 637-7433 to \$55,000. Mr. Corey seconded. Vote: Unanimous.**

**Mr. Kelly moved to reduce 637-74xx to \$35,000 for one generator. Mr. Thayer seconded. Vote: 5-2, motion carries.**

**Mr. Kelly moved to recommend a total Capital Outlay budget of \$120,000. Mr. Thayer seconded. Vote: 5-2, motion carries.**

**Mr. Leighton moved to recommend a total Sewer Fund budget of \$1,839,892. Mr. Kelly seconded. Vote: 6-1, Motion carries.**

**At 9:48 PM, Mr. Chartrand moved to adjourn. Mr. Kelly seconded. VOTE: Unanimous.**

Respectfully submitted,

Kelly Geis  
Recording Secretary