

Budget Recommendations Committee

November 13, 2014

Final Minutes

Call Meeting to Order

Chairman Corey Stevens called the meeting to order at 6:33pm in the Nowak Room of the Exeter Town Offices Building on Thursday November 13, 2014. Other members present were Allan Corey, Bob Kelly, Bill Campbell, Francine Hall, Vice Chairman Harry Thayer, Don Woodward, Robert Wentworth, Peter Lennon, Phil Johnson, Stephanie Canty, Judy Rowan, and Dr. Anthony Zwaan. From the town were Russ Dean, Town Manager and Doreen Ravell, Finance Director. Also there were Selectwoman Nancy Belanger, Selectman Clement, and the BOS Chair Julie Gilman.

Chairman Stevens said that they will be talking about DPW Budget tonight, and then on Tuesday, November the 18th will talk on the Water and Sewer budget. Tonight Jennifer Perry is speaking on DPW.

DPW Budget

Ms. Perry, the Public Works Director gives an overview of what the DPW does and their commitment, core values, and vision statement. Ms. Perry starts with the Administration/ Engineering Budget. Ms. Perry explains that the Engineering Team is comprised of three full time employees: the Town Engineer, Assistant Engineer, and Engineering Technician. Ms. Perry gives the 2015 budget highlights/ impacts, as well as speaking on the categories of wages/benefits, expenses, and capital outlay.

Questions

Mr. Campbell speaks on Line item #0601-5446- EPQ Storm Water Phase II. MS. Perry said that they did start some work. Mr. Campbell wants to know if they cut this one back this year. Chairman Stevens asked Ms. Perry what she thinks if they cut it back this year. Ms. Perry said that the momentum is there and that the NH final permit is imminent, and that there are no guarantees. Mr. Campbell asked if they need all \$75,000 if they are still working on last year's budget. Ms. Perry said that there is a lot going on such as the drainage issues.

Chairman Stevens asked about the permit. Ms. Perry explained about filing the notice of intent to file the permit, and the process. Chairman Stevens asked if there are fines with non compliance, Ms. Perry said there are fines in the language of the permit. Mr. Campbell asked if they cut it back to \$50,000 what might occur. Ms. Perry answered and said if the permit gets issued later then they can prorate it.

Ms. Rowan asked in regard to the permit for definition. Ms. Perry explained in depth about the permit regarding storm water, and how the town discharges storm water today, but that they need permission to discharge the water.

Mr. Lennon asked if there is a relation to the other permit in regard to Great Bay, Ms. Perry said that this is a different permit as it is for storm water and not waste water. Mr. Lennon asked about the \$40,000 encumbered and if there is other line items that are spread around. Ms. Perry answered and said that it all is in the same line. Ms. Perry stated that they have a limited staff and that they might be a little behind schedule and this is the season to get the storm water finalized.

Mr. Kelly asked about the consultant. Ms. Perry said that they are working on the Oak Street Area/ neighborhood. Ms. Perry said that a lot of the data is field derived data and that it has to be changed with a program. Mr. Kelly also asked if they have received any scope of work from a consultant. Ms. Perry answered and said that larger communities have done it, but that they look at what they feel is needed and then they put numbers on it. Mr. Kelly said that his point is that it might be until the middle of next year before they start and that maybe the amount can be decreased to fit in with a time line such as that. Ms. Perry stated that it does not matter as all communities are treated equal.

Mr. Corey asked in regard to the encumbered amount, and Ms. Perry said that it all will be spent in 2014. Mr. Corey said that if they feel they need the \$75,000 then anything left over then they can use it for the next phase.

Vice Chair Thayer stated that they will be spending all the 2014 and 2015 amount in that time line. Ms. Perry answered and said yes it should all be spent but that she likes Mr. Corey's idea of rollover any leftover funds.

Mr. Woodward said that it is difficult to fund something that is not definitive. Ms. Perry said that it is a five year permit, and that if it isn't done perfectly the first year then they have four more years.

Mr. Lennon stated that it seems to do damage to the principle of coming to the board for a certain budget year and asking for an amount in anticipation of maybe needing it in the budget after that year. He stated that he is uncomfortable with getting the money and then rolling it forward.

Dr. Zwaan stated that he knows the money will be needed at some point but that he thought that they were trying to stay close to the calendar year and that he is puzzled to be putting money in a line item that might not be used next year. Ms. Ravell answered and said that they are permitted by budget laws to expend it the following year and that in the past they never have shown encumbrances.

Mr. Corey said that Mr. Lennon and Dr. Zwaan are correct that it should be fit in the fiscal year, but he is trying to understand how to place the budget in the proper year as it might start in one year and then continue in the next year.

Mr. Kelly said that the bottom line is that they do not know what they will do next year and that they do not know the time frame.

Dr. Zwaan said that if they do get notice in the middle of the year and with the limited staff if they would be able to use it. Chairman Stevens said that they have contracts. Ms. Perry agreed and said that they work with consultants and contract aid.

Vice Chair Thayer asked about the two contracts out with engineers if they expire this year. Ms. Perry said that the contracts are very task specific.

Ms. Hall asked what happens if they are underfunded. Mr. Dean answers and says that they would have look at options. He said that the permit is being renewed, there is the 90 day notice of intent and in between the time they have to file the notice of intent they will have to do full analysis of permit to cost it out and see how much money is needed. Mr. Dean says that they have been good with progress in other areas and his take is that there is some time, and he would like to see if there are any distinctions and take a thorough look at it.

Mr. Campbell made a motion to change line item#5546 to \$50,000, Mr. Woodward seconded it. All in favor except Mr. Lennon- motion carried.

Mr. Campbell would like to reduce line item #5362- Radio Replacement. Ms. Perry said that they can reduce that to \$1,000 and get two units.

Mr. Campbell made motion to reduce line item # 5362 to \$1000, seconded by Dr. Zwaan- all in favor, motion carried.

Line item #5810- conference and meals, Mr. Campbell would like to know if they can reduce it, Ms. Perry said that they can reduce it to \$3,000 with no problem.

Mr. Campbell made motion to reduce line item #5810 to \$3,000, seconded by Mr. Zwaan. Mr. Kelly said that it is small money and if they plan on going and getting the education he feels is better than saving the \$500. Mr. Johnson said that he heard that there was a choice of places for conferences. Ms. Perry answered and said that they go to the one in Toronto because it deals with what they need to be covered. All in favor- motion carried.

Mr. Lennon spoke on the smaller items: line #'s 5010- Postage, #5650- general expenses, and #5820- education/training. Mr. Lennon said on line #5010- postage, that he would propose to take the \$150 out of that line and recommend \$350. Ms. Perry said that postage does vary year to year. Mr. Dean said that some could be attached to Jady Hill and to be careful of this methodology in the small dollar amounts, as things might happen. Mr. Campbell said that the committee felt like they did not need a reduction.

Line item #5650- general expenses, recommend taking out \$200 and recommending \$500. Mr. Kelly asked about the line number, and Ms. Perry answered and said it is for meals for the employees during storms. Mr. Lennon said it is a good reason not to cut the line.

Third line is item #5820- education and training, Mr. Lennon thinks that it is on auto pilot and recommends reducing it by \$500. Ms. Perry answered and said that the conferences are equally distributed, and that this line is training. Mr. Lennon said that if they will use the money then they should keep it, but based on past experiences they have not. Ms. Perry said that they try to do as much training as possible and that they try to get free training when they can and that when they get new people then they need to be trained. Mr. Campbell recommends that they leave it, as they do not know what might happen. Mr. Dean says that what they try to do is training, development, refresher training, and that in PW they have a full plate and that it will fluctuate based on day to day and that there will be fluctuation in the budget. Mr. Lennon said that he will defer to Mr. Campbell.

Motion to approve new total of Administration and Engineering of \$415,756 moved by Vice Chair Thayer and seconded by Mr. Kelly. All in favor-motion carried.

Ms. Perry gave the budget narrative on Maintenance Fleet Operations, which is responsible for fleet maintenance, repairs, fueling and support vehicle/ equipment acquisition and to keep departments Town- wide continually operational. Ms. Perry states that there are wage and benefit changes, overtime, expenses, and capital outlay.

Mr. Campbell said that they need more information for the two people, one going to full time and one going to more hours. Ms. Perry clarified and said that there is only one person going from part time to full time. Ms. Perry gives a detailed description of the new budget requests, the recommendation to increase the part time Mechanic's laborer to full time.

Questions

Dr. Zwaan asked if they contemplated adding one more part time person. Ms. Perry said that they have done it in the past, but this time was to utilize the current employee who is extremely qualified. Mr. Woodward agrees with the idea of adding full time. Mr. Dean wanted to make the distinction of labor law.

Vice Chair Thayer said that there were two references to fire department vehicles and why it was mentioned twice. Ms Perry said that they took on the fire department vehicles and that it is an increase in workload. Vice Chair Thayer said that he will support this as he is aware that some town vehicles go to the garage and then sit there waiting to be serviced.

Mr. Dean stated that he thinks it is a compelling argument and that his own view would be to have more time to review the operations and look at the gap in the service and look into the core issues. Mr. Lennon asked Mr. Dean if his recommendation is to defer it, and Mr. Dean agreed. Mr. Dean says that for him it warrants more study. Mr. Campbell says that they usually do take time to review it.

Dr. Zwaan thinks that further discussion needs to be made in order to hire from part time to full time and that his observation is that they cannot get new trucks and then not deal with the maintenance side of it.

Mr. Kelly says that he would support it and the data and it would still give the Town Manager final say. Mr. Johnson says that he is comfortable with recommending it and sending it forward. Vice chair Thayer said that if it was recommended in 2009, then they should do it.

Mr. Campbell moves on with other items.

Line item #5202- Contracted Service, and item#5610- safety equipment, Mr. Campbell stated that nothing was change.

Line item #4300- Building Maintenance, Mr. Campbell asked if it was needed. Ms. Perry said that there is another request to repair the Town Office building and that there are a lot of needs and request for use of the Town Office building. Mr. Dean says he agrees with that perspective.

Ms. Hall asked about the increase in Natural gas in the Town Office building. Mr. Kevin Smart from Maintenance spoke on it, and says that the high demand buildings require more additions.

Mr. Campbell asked about line #4300- DPW Building Maintenance. Mr. Smart says that some of the buildings are from the 1970's era.

Line item #5000-supplies for the train station. Mr. Smart says that this is just a carryover from what the committee put the request at prior. Mr. Campbell asked if it could be reduced. Mr. Smart says that the train station is subject to a lot of use. Mr. Lennon asked in regard to the expenditure and why \$3800 is needed, and whether or not someone asked the train committee about it. Mr. Smart answered and stated that no one asked the committee.

Motion to reduce Line #5000 to \$2800 made by Mr. Campbell and seconded by Vice Chair Thayer. All in favor- motion carried.

Mr. Campbell asked about the bottled water and asked why not hook them into the town water and how many they have around town. Mr. Smart does not know the number. Mr. Dean says that his comment is that the set up is for the benefit of the public.

Line item #4110-Water/sewer bills for the train station was asked about and Ms. Perry answered that there should have been a charge and she will look into it.

Vice Chair Thayer moved to reduce line #4110 by \$100 and Mr. Kelly seconded it. All in favor- motion carried.

Ms. Perry goes through the Maintenance Project List for 2015 and said that they targeted the first batch, and what the projects include.

Mr. Campbell says that all the projects are valid, but several are deferred, so maybe we made the list longer than what can be done in a year. Mr. Smart states that the encumbered would be the works that are in progress.

Mr. Kelly states that on every town building there is line called building maintenance, how are they different than the projects on the maintenance list. Mr. Smart explains how it works.

Mr. Smart also explains about contracts and how it works with the town's maintenance employees. Mr. Kelly commends Mr. Smart on his work and that it seems a well thought out list, and he would support the list and the overall budget.

Dr. Zwaan asks about Park and Rec as they recently discussed with them about the impact fee and how this relates to it, about the adding of the bathroom. Mr. Dean says that they can look at it as it is based on expanding. Dr. Zwaan says as a follow up, he believes that these are projects that cover other departments and seeing list covering these departments are additional funds being spent on those departments.

Mr. Campbell asked about the revolving fund and why painting comes out of it. Mr. Dean interjects that they could probably defer over, and that it is a valid question.

Vice Chair Thayer believes that it would be nice for the committee to see from the Rec impact fee, a historical review of expenditures. Mr. Dean says that they can probably do it.

Dr. Zwaan says that he would like to emphasize the bathroom issue, but would hesitate to remove the funds, and would be more inclined to focus on the \$7,850 of the added bathroom for the pool. Ms. Hall asked Mr. Dean if it was removed then does Maintenance do the work or outside contract. Mr. Dean said Maintenance would do it.

Mr. Kelly says that they are over viewing it and recommends that they agree the request for \$110,000.

Mr. Lennon asked about the Uniforms, line #5671. Ms. Perry explained. Vice Chair Thayer stated in regard to the uniforms that it would be shy of \$800 a person. Mr. Lennon asked on average how often they change out the uniforms. Ms. Perry said it depends on the job, and that they have 11 sets of full uniforms, so that one weeks worth they are at the cleaning service and the other sets are being worn. It was noted that the line also includes dry cleaning expenses.

Mr. Lennon asked about Line #5680- Software Agreement and said that they have not spent anything yet, and Mr. Smart said that the bill just came in today.

Mr. Lennon asked about line # 1300- Salaries overtime. Ms. Perry said that it reflects approximately 76 hours a year that is for work that goes beyond the 40 hour work week and that this is the best estimate that can cover for what might happen.

Mr. Lennon asked about Line #4210- Vehicle Equipment Stock. Mr. Smart says that it takes care of the entire Town's fleet.

Mr. Lennon asked about Line #5222- Mechanic tools, and what accounts the low expenditure. Mr. Smart answered and said that they are trying to purchase a scanner tool but it will not be available until next year.

Vice Chair Thayer comments on the equipment stock, Line #4210 and says that if they under spending lines this year then they will be fine for spending the next year.

Dr. Zwaan states that he is concerned with making judgment calls as to money expended in the fiscal year, which it can be sliced both ways. Mr. Lennon agreed. Mr. Dean said that to keep in mind that in a large budget you will have some money not spent and he promotes the message of not cutting it too thin, as they handle the snow and ice budget, as the closer you cut it and have one bad year then you are faced with a crisis.

Vice Chair Thayer went back to Line #4210- Equipment Stock, and stated that since there is no use by date and then it will equal out if it is not spent this year.

Mr. Kelly says that Mr. Smart does a great job budgeted expenses and that the bottom line is we are reluctant to buy new trucks so therefore we must give the tools for them to do the upkeep.

Mr. Lennon asks about the Line item # 4304- other town structures. Mr. Smart says that there is a person occupying so therefore they must do upkeep.

DPW Maintenance total is \$ 1,023,212.

Motion to move General Maintenance total of \$544,638 made by Mr. Kelly and seconded by Vice chair Thayer. All in favor- motion carried.

Motion to move total of Mechanics/Garage of \$234,875 made by Vice chair Thayer seconded by Mr. Kelly. All in favor-motion carried.

Motion to move the Recreation Center total of \$23,600 moved by Mr. Campbell, Vice chair Thayer seconded. All in favor- motion carried.

Motion to move Town hall total of \$30,800 made by Mr. Woodward and seconded by Ms. Rowan. All in favor- motion carried.

Motion to move Town office total of \$35,140 made by Vice chair Thayer and seconded by Ms. Rowan. All in favor- motion carried.

Motion to move Senior Center total of \$16,450 made by Vice chair Thayer and Ms. Rowan seconded. All in favor- motion carried.

Motion to move Safety Complex total of \$69,000 made by Vice chair Thayer and seconded by Ms. Rowan. All in favor- motion carried.

Motion to move the DPW Complex total of \$47,700 made by Vice Chair Thayer and seconded by Ms. Rowan. All in favor- motion carried.

Motion to move the Train Station total of \$9,900 made by Vice Chair Thayer and seconded by Ms. Rowan. All in favor- motion carried.

Motion to move Other Town Structures total of \$11,100 made by Vice Chair Thayer and seconded by Ms. Hall. All in favor- motion carried.

Motion to move the total of the DPW Maintenance Total of \$1,023,212, made by Mr. Campbell and seconded by Ms. Hall. All in favor- motion carried.

Highway Team Budget

Ms. Perry speaks on the Highway Team Budget, total is \$ 1,977,118 which is a 0.8 percent increase, the increase primarily due to wages and benefits, road paving/ maintenance, solid waste disposal and recycling contract, recycle bins, fuel, and street marking. Ms. Perry gives an over of the Highway Team Budget.

Mr. Campbell goes through Line item #6260- fuel. Ms. Perry explains how she got to the numbers and believes that those are safe numbers. Mr. Lennon asks if in the budget the fuel numbers have been adjusted. Mr. Dean said that they will go back and look into it.

Mr. Campbell says that they looked at the road paving maintenance. Mr. Campbell would like to commend the Snow Removal budget and says that the only question they had was if the amount they had set up years ago has been exhausted, and Mr. Dean answered no, that there is likelihood to use it to offset the snow removal budget. Mr. Dean suggests looking over it.

Mr. Campbell says that they have no recommendation for reductions.

Dr. Zwaan asked about Line item # 7507- Storm Drain Cleaning. Ms. Perry said to clarify that it is a contracted service.

Chairman Stevens asked about the street marking, Mr. Smart answered and said it would be the first year to do it twice.

Mr. Kelly asked in regard to street marking can they do it at \$25,000, and if there is any feedback from the public. Mr. Dean answered and said they get calls in regard to it.

Mr. Lennon asked about interns, and Ms. Perry said that they missed the hiring window so next year they will start the search earlier. Mr. Lennon asked if they noticed any negativity not having an intern. Ms. Perry said that they are behind and they need certain updates to be done. Ms. Perry said that having an intern is pretty important.

Chairman Stevens asked about paving, Line item # 7503. Ms. Perry said that you need to do regular assessments as conditions change and explains the procedure. Mr. Campbell would like to say the High Street job was done very well. Discussion ensues on paving. Mr. Dean spoke on how they bonded some of the work at Jady Hill too, and that the paving per ton price has been the same since 2011.

Vice Chair Thayer said that there should be an explanation under that line what was spent, as we are not showing the true cost on paving because of the warrants

Motion to move the Highway and Street total as being \$1,974,118 made by Vice chair Thayer and seconded by Mr. Lennon. All in favor- motion carried.

Motion to move the Snow Removal Total of \$264,044 made by Mr. Lennon and seconded by Vice Chair Thayer. All in favor- motion carried.

Mr. Kelly made motion to recommend to the selectmen to charge the full rate for the recycle bin and Vice Chair Thayer seconded it. All in favor- motion carried.

Total for Solid Waste Disposal is \$834,001.

Vice Chair Thayer motioned to move Solid Waste Disposal of \$834,001, seconded by Mr. Lennon. All in favor- motion carried.

Total for Street Lights is \$ 130,000. Question raised in regard to LED lights, Ms. Perry stated that Unitil owns the lights, and that she agrees that it would be a better way to go, but right now Unitil is not provided LED lighting.

Motion made by Mr. Lennon to move the total of \$130,000 for street lights, seconded by Vice Chair Thayer. All in favor- motion carried.

Total of Public Works General \$3,617,919.

Motion to move the total of Public Works General Budget of \$3,617,919 made by Vice Chair Thayer and seconded by Mr. Corey. All in favor- motion carried

Total of combined Public Works is \$4,641,131.

Motion made by Mr. Lennon to move the combined total of Public Works of \$4,641,131 and seconded by Vice Chair Thayer. All in favor- motion carried

Updated General fund number as of now is \$17,355,054. As of date there is a 1.6 percent difference from 2014 budget.

Other Items

Mr. Kelly mentioned that the Water and Sewer will be leaving the report as is and then adjusting it at the meeting next Tuesday.

Chairman Stevens mentioned the library reserve, and stated that they have not heard back from the Library on the balance yet. Mr. Dean said that he will send out a note.

Vice Chair Thayer said that in the budget they are finding money being spent on the Sportsman's Club, and he would like to see a line item for it. He said there are expenses for the club for legal, highway, planning, and fire departments. BOS Vice Chair Chartrand agrees.

Mr. Lennon moved to adjourn and seconded by Dr. Zwaan. All in favor- motion carried.

Meeting ended at 10: 07pm.

Next meeting is next Tuesday, November 18, 2014.

Respectfully submitted,

Brigitte Nelcoski
Recording Secretary