

Budget Recommendations Committee

November 18, 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 Tuesday, November 18, 2014. Other members present were Allan Corey, Phil Johnson, Bob Kelly, Peter Lennon, Nelson Lourenco, Bill Campbell, Fran Hall, Vice Chairman Harry Thayer, Don Woodward, Bob Wentworth, Stephanie Canty, Judy Rowan, and Dr. Anthony Zwaan. From the town were Russ Dean, Town Manager, Jennifer Perry PW director, and Doreen Ravell, Finance Director. Also there were Selectwoman Nancy Belanger, Chairwoman Julie Gilman, Vice Chair Chartrand, and Selectman Don Clement.

Chairman Stevens stated that they will be talking about Water and Sewer budget. Some updated numbers from the Town Manager and DPW. Mr. Dean said that fuel is updated. Ms. Ravell said that within the general fund there are 3 changes for fuel and is a reduction in fuel. First is in Police Department fuel, Line item #0403-6260, new total is \$62,010.

Mr. Lennon made a motion to move new Patrol total of \$1,896,840 and seconded by Mr. Woodward, all in favor- motion carried.

Mr. Kelly made motion to move the new revised Police total of \$3,637,648 and seconded by Dr. Zwaan. All in favor, motion carried.

Ms. Ravell stated that the new Fire Suppression fuel total, line item # 0503-6260 is \$18, 204.

Motion to move new Fire Suppression total of 2,991,931 moved by Mr. Lennon and seconded by vice chair Thayer. All in favor, motion carried.

Motion made by vice chair Thayer to move the new Fire Department total of \$3,716,430 and seconded by Dr. Zwaan, all in favor- motion carried.

New total for Parks and Rec fuel, line item #0802-6260 is \$6,750.

Motion to move the new Parks total of \$167,661 made by vice chair Thayer and seconded by Dr. Zwaan. All in favor, motion carried.

Motion to move new Parks and Rec total of \$449,871, moved by vice chair Thayer and seconded by Dr. Zwaan, all in favor, motion carried.

Ms. Perry said that for the Public Works budget line item #0601-5446, it can be reduced to \$25,000 due to the rollout of new permit will be in June 2015 with December implementation number from Motion made by vice chair Thayer and seconded by Mr. Lennon. All in favor, motion carried.

New total administration and engineering total of DPW is \$390,756 moved by Mr. Woodward and seconded by vice chair Thayer.

New Public Works general fund total is \$ 3,592,919 moved by vice chair Thayer seconded by Dr. Zwaan. All in favor- motion carried.

A new general fund current total is \$17,312,699 before approval.

Water Department

Ms. Perry gave an introduction into the Water Department. Bob Kelly gave the subcommittee report and thanked Ms. Perry and her staff. Mr. Kelly said that debt share takes up the project increase. They had a few observations on certain line item. Line item# 0621-1210- Sal/wages Temp. Mr. Kelly said that it is not shown in the report but that they would accept a change. \$3500.

Motion made by Mr. Kelly and seconded by Mr. Lennon to change line item #0621-1210 to \$3500. Discussion- Mr. Michael Jeffers, the Water/ Sewer Managing Engineer, stated that bringing the same person back year after year is more beneficial. All in favor- motion carried.

Line item #0621-5000- supplies Mr. Kelly would like number to reflect what is needed. Ms. Perry said that they took a hard look and that they recommend 4000 for supplies. Mr. Kelly moved \$4000 and vice chair Thayer seconded, all in favor- motion carried.

Discussion on line item #0624- 1110- full time wages. Mr. Campbell said that he thinks it would be needed. Vice chair Thayer said that his comment is that they will be paying health insurance anyways so maybe if they cut back the hours how would they get the work done. Mr. Dean says that it is not completely clear at this point whether the insurance will cover the 29 hour week

Ms. Perry stated that they cannot keep expecting to get more done without more assistance. Chairman Stevens asked what the subcommittee thought. Mr. Kelly answered and said that it is not a good use of the Managing Engineer and Engineering Tech to be doing the clerical items.

BOS vice Chair Chartrand stated that he shares the concern for the people going from part time to full time. Mr. Lennon said that he thinks it is justified.

Mr. Kelly said that item # 621-5224 Legal Expense, that they will not request level funding on that.

Chairman Stevens asked in regard to property insurance, item # 0621-5213, why the jump. Ms. Perry said it was the insurance. Chairman Stevens asked about line item # 0621-5214- Insurance Deductibles. Ms. Perry answered. Mr. Dean said that it used to be higher but they brought it back.

Mr. Campbell asked about #0621-5310-Mobile Communications, and if it needed to be at that level. Ms. Perry said they do need it.

New total for Water fund Administration is \$370,635 for water admin- moved by vice chair Thayer and seconded by Dr. Zwaan. All in favor- motion carried.

Next item is line item #0624-5740- Software Agreement; Mr. Kelly said that there were allocations to other departments so we suggested \$4,350. Mr. Kelly moved and Mr. Lennon seconded. All in favor- motion carried.

New total for Water fund billing total is \$ 131,205, moved by Mr. Kelly and seconded by vice chair Thayer, all in favor- motion carried.

Ms. Perry said that the maintenance team will be focusing on repairs that need to be made in the next month and a half.

Mr. Kelly spoke about last minute conversions, and that he would rather see the facilities taken care of. Ms. Perry said that they are cautious about expenditure previous to March as they do not know the new budget; therefore some items are caught up at the end of the year.

The subcommittee supports the line item # 622-4312- Road repairs.

Line item # 0622-4320- Vehicle Maintenance- decided to pull it out and then add \$1000 back in to account for maintenance. Mr. Kelly made motion to change line item #0622-4320 Vehicle Maintenance to \$6,250 and vice Chair Thayer seconded. Mr. Jeffers said that they did take the truck in and they will need to do serious repairs. Discussion ensued. Recommend to change to \$6,750 made by vice Chair Thayer and seconded by Mr. Lennon, all in favor- motion carried.

Line item #0622-4370- System Maintenance they support.

Line item #0622-5681- GIS Software, Mr. Kelly stated that they were confused, and he deferred to Ms. Perry. Matt Berube, W/S Engineer Technician spoke on the software and said that they anticipate having people work on the software to keep it up to date. Mr. Jeffers explained as well that they are changing the software and that they have been told if they want the funding they need to do the GIS and be current and up to date. Mr. Berube said he is willing to reduce the amount.

Dr. Zwaan made motion to change it to \$5000 line item #0622-5681, seconded by vice Chair Thayer, all in favor -motion carried.

Line item #0622-5759- Metering. Mr. Kelly asked for explanation. Mr. Jeffers explained that half the meters in the town are 10 years old and need to be replaced and recertified and show that they are updated, tested, and is accurate. Mr. Jeffers said that this year will cost \$44,760 for 381 meters to be recertified. Mr. Jeffers said that they need the amount in the line item.

Mr. Woodward asked if there is any that could be tested once a year instead of twice. Mr. Jeffers explained which ones are done once or twice a year. Mr. Lennon asked if there was any testing done to verify level of inaccuracy if they go later than ten years. Mr. Jeffers said that this comes from America Water Works and was developed through decades of research. Mr. Lennon asked if there was any information done to see if another year would have impact on accuracy of meters. Ms. Perry explained the way that meters function and that if they slow down they lose revenues.

Dr. Zwaan asked if they can quantify loss of revenue when they go beyond ten years, and also questioned the back flow devices and is there a fee levied for doing the service or if it is figured into the rates. Mr. Jeffers answered and said it is comparable to other towns and that in regard to the meters, the ten year mark is used because there is so much research and development to explain the reasoning for the ten year mark.

Mr. Lennon said that he wonders if when people are going by the AWWA guidelines, can they look and make their own decisions. Mr. Jeffers said that these specifications are used worldwide.

Ms. Perry stated that the revenue between water and sewer is about a 4 million dollar revenue stream and the importance of keeping the meters updated is relevant. Mr. Jeffers said to stay at this level of quality assurance and quality control, there is still a cost.

Vice chair Thayer stated that the Water and Sewer departments are entities that do not affect the tax rate. Mr. Corey said that for him putting off the maintenance, he would like to have maintenance put on a schedule for the entire town infrastructure.

Mr. Wentworth said that the key word is credibility, and that there are standards, and that this is a service to the residents and they need to have belief that they are being served to the best.

Mr. Kelly asked if they try to do the same recertification each year, and Mr. Jeffers said they only replace the meters when they die.

Ms. Ravell said it is almost 82 percent spent. Mr. Berube said that this line item is also to stock the shelf, brass parts, all back flow devices; it is not just the project that they show.

Motion to move line item #0622-5759- Metering to \$65,000 made by Mr. Kelly and seconded by Dr. Zwaan. All in favor- motion carried.

Ms. Perry spoke on Contract Maintenance reflects the maintenance on Hampton Rd project and they would also like to add in to include the cross road tank near the River woods neighborhood as it is in need of work. Increase of \$17,933 which would make total of \$138,381. Mr. Dean clarified where the amount is. Ms. Perry removed her request.

Mr. Corey asked if they looked into the financial strength of the companies to make sure they will continue to be around in the upcoming years. Ms. Perry said that they have done their due diligence.

Ms. Perry proposed to decrease line item #0622-6260- water distribution fuel, reduced to \$10,000. Motion made by Dr. Zwaan and seconded by Mr. Campbell, all in favor- motion carried.

Chairman Stevens asked in regard to line item #0622-4309- brush cutting. Dr. Zwaan and Mr. Kelly spoke on it, and stated that last year there was a combination of things that happened, but it depends on the winter.

New total for Water Distribution is \$658,034 moved by Mr. Kelly seconded by vice chair Thayer. All in favor- motion carried.

Treatment- line item #0623-5202 Software, the subcommittee recommended for \$1000 increase. Mr. Jeffers stated that it should be changed from Software Agreement to Software Hardware.

Ms. Perry said that line item #0623-6260- treatment fuel needs to be reduced from \$2000- \$1600 moved by vice chair Thayer and seconded by Mr. Campbell. All in favor- motion carried.

The new total for Treatment is \$735,914 moved by Mr. Kelly seconded by Mr. Campbell, all in favor- motion carried.

Vice chair Thayer moved total for Debt Service of \$821,369 seconded by Mr. Campbell, all in favor- motion carried.

Line item #0627-7420- Capital Outlay- Vehicle, motion to change to \$17,500 made by Mr. Kelly, seconded by vice chair Thayer all in favor, motion carried.

Line item # 0627-7425- WTP Upgrades/ Maintenance- Mr. Paul Roy, water treatment supervisor speaks on getting the last valve operators and that everything that was estimated to have last year is coming and now they need to get the personnel on site. Mr. Kelly suggests that they buy the parts and the equipment.

Vice chair Thayer asked if they need the whole \$40,000 for line item #0627-7425. Mr. Jeffers said yes they will need the whole amount. Mr. Dean states that they have a great and passionate staff at the Water department.

New figure for Capital Outlay is \$72,500 moved by Mr. Lourenco, seconded by Mr. Kelly

New water fund total is \$2,789,657. Motion to move new total made by Mr. Kelly and seconded by Mr. Lennon. All in favor- motion carried.

Mr. Dean said that it is reasonable to have a rate projection adjustment in the future and to put people on notice that rates will go up as they adjust the system.

Vice chair Thayer asked if there is a new impact fees. Mr. Dean said that there is a new impact fee.

Sewer

Ms. Perry gives a narrative on sewer.

Questions

Vice chair Thayer asked for definition of in flow and infiltration abatement, and Ms. Perry stated that it will result in combine sewer overflow as well as impacted treatment cost, ultimately it reduces the flow that gets to the wastewater treatment plant. Vice chair Thayer questioned why they do not raise the total amount now and float a bond to pay it out. Mr. Dean said it is project H1 in the CIP.

Ms. Rowan asked how the projections relate to the expenditures they are here to consider. Ms. Perry answered and said that they do try to raise the amount to be expected in the budget by the revenue. Mr. Dean said that the revenue for 2015 is 2.25 million compared with 2013 a revenue of 2.14 million.

Motion made to move line item # 0631-1210- temp wages to \$3500 made by Mr. Kelly, seconded by Mr. Lennon, all in favor- motion carried.

Supplies line item #0634-5000, motion made by Mr. Kelly to change it to \$4,000, seconded by vice chair Thayer, all in favor- motion carried.

Consulting service, line item #0634-5200 and legal service, moved by Mr. Kelly to change to \$10,000, seconded by vice chair Thayer. All in favor- motion carried, and Mr. Dean agreed that it would be fine to have it.

Motion to move line #5224 to a budget 10,000 made by Mr. Kelly, seconded by Mr. Lennon, all in favor- motion carried.

Motion to move the new Sewer Administration total of \$352,035 made by Mr. Kelly, seconded by Mr. Lennon all in favor- motion carried,

Billing

Software agreement line item #5740 revised to \$4,350 moved by Mr. Kelly seconded by Mr. Lennon. All in favor- motion carried.

Motion to move budget for Billing of \$131,205, made by Mr. Kelly and seconded by vice chair Thayer, all in favor- motion carried.

Collections- line item #0632-1110, the subcommittee supports the increase.

Line item # 0632-4320- Vehicle maintenance \$6,750 moved by Mr. Kelly to offset not replacing pickup seconded by Mr. Lennon, all in favor- motion carried.

Grit removal- line item #0632-4365 moved to reduce it to \$3,500 made by vice Chair Thayer seconded by Mr. Kelly, all in favor- motion carried.

Manhole maintenance- line item # 0632-4366, motion to add budget for smaller scale investigations before funding construction. Ms. Perry spoke on the issue- table 14-1, and stated the she would like everyone to give it time and look at it as it is part of I/I phase 3 documents. It lays the plan out what the town plans to do in regard to inflow and infiltration. Ms. Perry said she would like to confer with her team and make sure that it is realistic and well received by EPA.

Mr. Kelly commented and said that note #4 talks about assessing the cost effectiveness' and that they like to spend the time and effort doing the cost effectiveness. He also stated that the extra \$40,000 would cover extra work and seems like a healthy budget.

Selectman Clement speaks on it and says that he is concerned to pull back now, and would like to get EPA's input. Mr. Kelly said that the line should say system maintenance instead of manhole maintenance that is why they are adding the amount as it is just not manhole maintenance.

BOS vice Chair Chartrand agrees with Selectman Clement and said that he likes the idea to verify with the EPA, and that the percentages of the I/I already eliminated is a great approach. Mr. Dean said from his perspective it is a good approach, and he thinks it could be added to the budget, and also stated that he is very proud of Public Works and that they have made great strides.

Mr. Kelly made motion to change line item #0632-4366, Manhole Maintenance to \$100,000, seconded by Mr. Lennon, all in favor- motion carried.

Motion made by Dr. Zwaan to move line item #0632-5681 to \$5,000, seconded by vice Chair Thayer. All in favor, motion carried.

Line item #0632-4311 moved by Mr. Kelly and seconded by vice Chair Thayer, all in favor- motion carried.

Motion made to move line item #0632-5875 and zero out budget made by Mr. Kelly and seconded by Dr. Zwaan, all in favor- motion carried. Funding is included in line #0633-4311.

Reducing \$12,200 in line item #0632-6260 to \$10,000 made by Mr. Kelly seconded by Mr. Campbell. All in favor, motion carried.

New Sewer Collection total is \$695,986 moved by Mr. Kelly and seconded by vice Chair Thayer, all in favor- motion carried.

Treatment

Motion made to move line #0633-4300 by Mr. Lennon to change budget to 6,000, seconded by Dr. Zwaan. All in favor, motion carried.

Line item #0633-4364- Outfall Dredging, motion made by Mr. Kelly to change to \$9,000 seconded by vice Chair Thayer. All in favor- motion carried.

Line item #0632-5682- SCADA software- Discussion ensues; Mr. Lennon stated that he believes the question to be what is a reasonable but a more accurate number to sustain the department. Mr. Jeffers says that some of this is planned and then some of this is a "what if". Mr. Dean said that he is fine with \$15,000.

Motion to move the budget to \$15,000 for line item #0632-5682 made by Mr. Kelly and seconded by Mr. Campbell, all in favor- motion carried.

Lab testing- line item #0633-5984, Mr. Kelly said that he will let Ms. Perry speak on it, but nowhere on the agreement with EPA states it has to be done year one or year two.

Ms. Perry spoke on the lab testing, and gave a summary of the numbers involved in the past and currently. It would include a monitoring station and also monitor continuous oxygen as well as the purchase. Ms. Perry stated that they manage to defer the work this year but it needs to start in 2015, so that they can start monitoring right away and then they can make the improvements.

Vice chair Thayer asked if they could put a dollar difference between 3 percent and 8 percent. Ms. Perry said that they will be getting information in the next week or so and that the numbers are high.

Selectman Clement agrees with Ms. Perry and states that one of the points is that waste water is only a small contributor, and that now they need to look at the non point source of nitrogen and needs to control and reduce the level of nitrogen.

Vice chair Thayer asked that removing the dam will help and Ms. Perry said that sediments are a bigger point that will help water quality at this time. Discussion ensues.

Mr. Kelly said that the issue the advisory board has with this is because it seems that they are just being handed a bill. Ms. Perry said that they recognized that the opportunity to gather together is value. Mr. Kelly said that the concern is that since we have a pipe that we are asked to pay the larger part of the bill, even though there are 13 other towns that are contributing to the nitrogen and are not taking responsibility.

BOS Vice chair Chartrand agrees and says that there is a possibility to get out of the bay and that we all need to remain aware that having a waste water treatment does enlarge the bill.

Vice chair Thayer asked about monitoring stations being put up stream and place it on the property line, and how to get the data. Selectman Clement speaks on it.

Ms. Perry answered and said that the nutrient collection is done on a monthly basis, and that the base location is in the Squamscott River.

Motion made by Mr. Kelly to adjust the budget of line item#0633-5984 to \$62,875 seconded by vice chair Thayer. All in favor- motion carried.

Motion made by Dr. Zwaan to move line item # 0633-6260 to \$1600 and seconded by vice chair Thayer. All in favor- motion carried.

Motion to move the new Sewer Treatment total of \$ 490,187 made by Mr. Kelly and seconded by vice chair Thayer. All in favor- motion carried.

Mr. Kelly stated that they recommend to retired three projects and move the Debt service total of \$611,975, seconded by vice chair Thayer, all in favor- motion carried.

Line item # 0637-7420- Capital outlay- Vehicle, motion made by Mr. Kelly to revise it to \$ 17,500, seconded by vice chair Thayer- all in favor- motion carried.

The new Capital outlay total of \$95,759 moved by Mr. Kelly seconded by vice chair Thayer. All in favor- motion carried.

New total for Sewer Fund is \$2,377,147 moved by Mr. Kelly and seconded by vice chair Thayer- all in favor, motion carried.

CIP

Mr. Dean said that the Lincoln St. program could wait until next year. Ms Perry said that there is a lot of need out there. Mr. Kelly said that there are a lot of questions on the Sewer side, so let's get the financial house in order first. Ms. Perry said that it is always advisable to have some projects for design if funding became available.

Chairman Stevens thanked the Water and Sewer departments. BOS vice chair Chartrand thanked the department as well as the subcommittee and Mr. Kelly.

Chairman Stevens said that the next meeting will be on Thursday, November 20, 2014 at 6:30 pm, at the Fire Station Planning Room.

Motion to adjourn the meeting made by vice Chair Thayer and seconded by Dr. Zwaan. All in favor- motion carried.

Meeting ended at 10:00 pm.

Respectfully submitted,

Brigitte Nelcoski
Recording Secretary