

## **BUDGET RECOMMENDATIONS COMMITTEE**

**November 2, 2016**

### **Draft Minutes**

#### **1. Call to Order:**

The session was called to order by Chair Corey Stevens at 6:37 pm.

Members present were: Chair Corey Stevens, Leonard Benjamin, Bob Kelly, Bill Campbell, Vice Chair, Francine Hall, Christine Soutter, Peter Lennon, Anthony Zwaan, and Niko Papakonstantis.

Also present were Don Clement, Selectman, Dan Chartrand, Chair of the Board of Selectman, Julie Gilman, Selectman, Russ Dean, Town Manager, Dave Sharples, Planner; Doreen Ravell, Financial Director and Laura Hill, Finance.

Also present was Recording Secretary David Pancoast.

#### **2. 2017 Budget Review:**

Review of Public Works (“DPW”) with Director Jennifer Perry.H

Mr. Campbell reported on the DPW Subcommittee’s efforts:

DPW General Fund Supplies: a buying agent for the Town was discussed. The DPW does a good job of buying in bulk and keeping things under control as to disseminating supplies.

There was significant discussion on Stormwater Phase II, a topic for last several years. DPW is waiting for NH DES to file a new permit with which DPW will have to comply but don’t know when it’s coming. It’s in the budget and it wasn’t changed. Mr. Sharples, Planner, had an item for stormwater analysis by Planning Board but the Subcommittee wanted to do it in-house with DPW to save the money, so wanted to reduce that line item in the Planning budget. Mr. Stevens reported that some of the

Planner's lines were reduced and they might need to revisit it. Mr. Kelly said he wanted to keep it as it is to give the Planner/Planning Board some latitude to accomplish their goals.

Ms. Perry reported that Town Engineer looked at stormwater issues and consultant Wright Pierce did some work on it too. Current anticipated balance of about \$5,400 will be left at year-end. US EPA reported that the NH permit would be issued in December of this year. Have 90 days to submit its local plans. Would like funding at the \$80,000 level. Have to do GIS mapping. There are two signed consultant contracts, one with Wright Pierce. There were significant comments from the Committee members on this matter. Mr. Kelly said that multiple millions of dollars were anticipated to have to be spent, but the Town showed it could do it for much less money, so proceeded accordingly. Ms. Perry said it's a five year plan and the DPW has been working off that plan, already doing some Year One requirements. Most of it is fairly straightforward. Trying to reduce the need to farm things out. Mr. Zwaan asked if talking about a substantial amount of the \$80,000 line item is encumbered this year. The response was that about \$74,600 is encumbered.

There was discussion on funding and Mr. Dean said it would have to be set up through Town Meeting and have to be put into a capital reserve fund (CRF) so as to take money out as we go. CRF is good because it encourages dialogue and benchmarking on expenditures. We are being proactive. Mr. Zwaan asked if that was contemplated. Mr. Dean said contemplated but it has not moved forward. Mr. Lennon asked Ms. Perry if other tasks were accomplished where some things fell out and didn't need to be done.

Ms. Perry set up budget last year for \$80,000 (down from \$100,000), it was anticipated work that they planned to do. Work is basic to the needs and they know it's required so wanted to get it done. Relates to

water quality issues we have in Town, and GIS mapping and infrastructure are part of that.

There was discussion on what in 2016 budget had not been done and that it was accomplishing 2016 tasks as if the permit had issued, to get ahead of its impending issuance to save time. Mr. Stevens said that DPW is working along as if the permit was issuing and Ms. Perry agreed. The levels of expenditure they are facing for years to come are things that need to be done at the outset. Mr. Kelly asked if the \$80,000 will be a constant over the next few years. She said that sewer has to be adjusted and it gets expensive. Figures can be significant. Stormwater outfalls were not all maintained yet, which is laborious.

Mr. Campbell said the Subcommittee recommends that budget stay the same for now. Mr. Dean said the EPA permit is forthcoming, the only issue is the timing of it and some details of what needs to be done. Mr. Lennon asked about drug alcohol testing under administration, \$2566 spent and only \$1200 was budgeted and what does it mean and why so much higher. Ms. Perry said drug and alcohol testing is for any drivers of commercial vehicles and it's random, must report to Exeter Hospital within 30 minutes. Turnover in staff has occurred with retirements, so a lot of new hires, with increase costs to test them. Discussion was on planning that and she reported that it's not usually known in advance.

Top of Page Two of Subcommittee report: Mr. Lennon asked about line that was budgeted at \$700, but spent \$24,000+. Ms. Perry explained that a critically important available parcel of land was purchased next to DPW for \$24,000 and transfers were made to accomplish that so it shows up there. It was vetted/approved by multiple boards and BOS. She moved funds around to cover that cost.

Communications equipment was not changed by subcommittee. DPW wants to purchase digital communications equipment to be able to

communicate with Police (“PD”) and Fire )”FD”). Recommended that it stay as requested. Ms. Perry explained that DPW communications are archaic now. A “Digital Repeater” (“DR”) is requested, so that dispatchers can all communicate. Their equipment is not as robust as PD and FD. It would accommodate handheld units if they want to. Other departments are analog today so can’t communicate with them at all. Repeater is a one-time purchase. Beginning of digitization of DPW. She was asked what costs are forthcoming in future on this and she said about \$1500/year in the future, as they go to digital.

There was significant discussion on this changeover, the repeater, and the need for it. Ms. Perry said that right now DPW can’t communicate with PD or FD on their new equipment, so those two departments now also have analog equipment that DPW provided them so they could communicate in some ways at least. DPW needs radios that can communicate with those two departments. Mr. Campbell said he thought the DR was needed. Mr. Lennon said that backward compatibility could be useful to save money. He wants the Town to solve the problem rather than buy new equipment. Ms. Perry said DPW developed the plan with “Two Way Communication” Company used by PD and FD.

Ms. Hall asked how much would it cost to go all digital? Might be best to avoid the intermediate steps and maybe some costs. Ms. Perry said that they would need to research radios before going all digital. They replace radios in vehicles as vehicles are replaced, don’t need to do them all at once. Don’t need FD/PD level of equipment, just good enough to communicate with both. Mr. Lennon asked if DPW could use older FD radios or PD radios, even though not as good as new ones those departments are getting this year. No demonstration yet that cast off radios of PD/FD are not way better than what DPW has now.

Ms. Perry said the Repeater is needed despite getting radios, need Townwide coverage with it. Discussion was held on nature of the Repeater. Mr. Dean said think of it as a router and the Repeater is needed to even use the radios. Mr. Lennon asked if used older PD/FD radios, why the DPW could not use space on their Repeaters. Fire Chief Comeau said DPW couldn't use theirs as there's no room (capacity).

FD has three separate channels, PD has two, DPW can't be on their channels. About the same cost for an all digital repeater. Mr. Lennon wants to see something from Chiefs about no capacity on their Repeaters before buying this equipment. Ms. Perry said Fire Chief is very knowledgeable on this, but could ask Police Chief Shupe. Mr. Campbell said it was important as to how many digital radios DPW needs, because if go all digital with Repeater, then all key staff must have them.

Administrative health and dental insurance figures were discussed and overall benefits total was \$163,116. New Administrative/Engineering total figure was \$479,895.

#### Highway and Streets:

Location and status as well as value of trees on Town property was discussed, they are not valued at all right now. Jay Perkins of DPW said that the tree budget was low this year, and they are going over it. This would give a maintenance plan and put a value on the trees, so if they were all wiped out, could figure replacement costs. Discussion was held on this need. Mr. Zwaan asked if other towns are doing it. Jay said yes, Portsmouth is doing it. Mr. Lennon asked about an arborist's time would be purchased. Mr. Perkins said the person needs to be licensed and have experience about risks. UNH Forestry did Swasey Parkway and it worked out ok, but they can't use UNH for everything, it doesn't have the resources for that. Ms. Soutter asked about UNH Cooperative Extension. Julie Gilman said she had Urban Tree Services come out to the cemetery

and assess trees, some dying. That project alone would be \$40,000. Grant availability was discussed.

Street Maintenance: \$2,960, some to be done later this year. Ms. Perry reported it was just completed.

Dam Maintenance: \$35K last year, asking same amount again. Mr. Kelly asked about dam breach analysis last year-was it done? Ms. Perry said underway now. Mr. Clement said need a letter of map revision, which is being done, why need another one? Ms. Perry said they need another one for Wastewater Treatment Plant upgrade this year.

Phone reimbursement:

That amount was not changed by the Committee.

Signs \$27,000; extra \$20K was to redo signs and upgrade them. Split over two years, so \$17K this year, same next year. Mr. Papakonstantis asked if 40% is the savings. There was discussion on changing signs over to a new format/design, for consistency and ease of reading. Discussion lead to reflectivity analysis, refractometer purchase, federal mandates and whether the needed repeater should outweigh this request. Public safety factors were brought up, with faded/missing signs. This request is conservative but DPW is doing the best they can. If replaced all the street signs and be done with it, it's far less money. Mr. Stevens asked about price savings when buying in bulk. Mr. Perkins said DPW would get a really good savings, they are about a \$100 each. The seal/crest doesn't add much money to the cost, about \$300-\$400. Mr. Chartrand made point about Town infrastructure benefits through the sidewalk project. Signs are similar issue in a smaller way. Dramatic effect on how folks perceive the Town, there is both an aesthetic and emotional quality to this. Mr. Campbell said if going to do it, should be spread out over 2-3 years at most.

Reduced fuel due to price going down so \$5K less now. No other matters were discussed. Mr. Campbell moved that line 06025561 be reduced to \$17,000, seconded by Mr. Lennon and the vote was unanimous for approval. For fuel, Mr. Campbell moved reduction to \$25,000, seconded by Mr. Kelly, and the vote was unanimously passed.

Ms. Ravell reported DPW figures of:

Benefits and General Expense 259,901, Highway total of \$2,020,941. That figure was moved for approval by Mr. Campbell, seconded by Ms. Hall, and the vote was unanimously approved.

Snow removal no changes. There was discussion on sidewalks being sealed and getting road salt on them. Mr. Kelly raised setting up a revolving fund for snow removal. Mr. Stevens said a warrant article for \$50,000 is coming this year. Mr. Dean said we'll see if we need it. Mr. Zwaan asked what plan is for maintaining the concrete sidewalks as to sealing and such. Important to do on a regular basis. Mr. Perkins said they have to do them every two years. Epping Road was not done.

Mr. Kelly asked if the \$50,000 warrant article includes a hedge on fuel costs? Mr. Dean said that the fund could be used for any element of the snow removal budget. He said it's currently \$50,000+. If approved, it would be \$100K, but if the current budget isn't spent, the money could be used elsewhere. Discussion on that ensued.

Snow removal total is \$281,960, approval of that figure was moved by Mr. Campbell, seconded by Mr. Kelly, and unanimously approved.

Solid Waste Disposal:

Big increase for  $\frac{3}{4}$  of year was revealed. Mr. Lennon said narrative states that the contract expires in May 2017. Is it 9 months or 7 months. This is a 10% increase. Current inflation estimates for 2017 are in 2% range, so

why is this so much higher?. If you put in \$750,000, then bids will come in for at least that. Recommends lower starting amount, so if you get a higher bid, use the surplus to pay for that. Mr. Stevens asked where the 10% increase comes from. Ms. Perry said that it was during preliminary discussions with potential bidders. She said this will be competitive, it's a good contract for the bidders to have. Mr. Kelly said these folks beat out Waste Management ("WM"), Northside severely underbid WM last time and won out. Six years ago it was for \$680,000, she said that should be the maximum amount, keep it level at \$681,000. Ms. Hall asked why it's going up. Ms. Perry said it's wages. Northside had a good setup, it's own recycling facility. Mr. Kelly's point was good, last time got price proposals was about 2007, nearly 10 years ago. Prices in this industry don't go lower, will see it going up. Mr. Dean said Northside contract is extended right now at additional \$10,000 per year. Right now, industry is higher and figures will come in higher. Suggested 7-8% increase to hedge this to get to a good figure. Mr. Benjamin asked about number of bidders. Ms. Perry said 4-5 bidders are expected. Want good accurate bids from knowledgeable bidders. Some costs have gone up even where fuel has gone down. Tipping fees for disposal have gone up. DPW wants a minimum 5 year contract.

Mr. Lennon asked BudCom not approve final until learn about radios issue. Mr. Kelly asked about extensions. Ms. Perry said that DPW wouldn't extend them right now as their service has been less than desirable. Ms. Hall asked about missed trash pickups. Sometimes missed due to equipment failures. DPW documents all complaints and missed pickups. Get frustrated callers. Mr. Dean said recycling has been left out and not picked up, bins end up in streets etc. Enough issues exist so that it's caused concerns.

Mr. Campbell recommends \$720,000 figure. If under, exist goes to the general fund, this was seconded by Mr. Zwaan. On discussion, Mr. Kelly said it should be in its own disposal and recycling line item title. Ms.



Perry said that the Town does a good job of recycling at 37-38% which is quite good. Mr. Lennon said that Bill Campbell's assumptions being built into the budget request so why go 10%, not reasonable. Mr. Campbell said we just don't know. Mr. Lennon said why throw dollars at something you don't know? Mr. Benjamin asked Ms. Perry, based on what she's heard, what the number should be. She said \$720,000 seems right to her. Mr. Dean said his 7-8% increase actually comes out to \$728,000, so the numbers are not far apart at this point. The vote passed in the majority.

Mr. Campbell: Three new wells had to be installed but he is concerned about landfill monitoring.

Mr. Lennon said narrative states that 2 new monitoring wells are requested by NH DES, is it 2 or 3, and how much per well? Ms. Perry said there are other costs involved for \$22,200, but she believed it is two wells. Increase \$22,200 for two wells plus other work: monitoring, weir and such. Mr. Kelly asked if this is new program by NH DES, it's a 20-year old facility, so why new wells? Ms. Perry said there are concerns at site about leakage and more monitoring needed. Have a permit with the state that need to comply with. Don't have all answers, need to do testing to find out.

Solid waste disposal: General Expense \$889,550, new solid waste disposal, so \$918,520 approval was moved by Mr. Campbell, seconded by Mr. Kelly and the majority vote was for approval with Mr. Lennon opposed.

Street lights: Ms. Perry said that street lighting account doesn't really change. LED lights much better, more powerful, use much less electricity. Bulbs more expensive at outset but worth it in long run. Mr. Dean said that other states have allowed towns to buy the street lights

and do that work to install them. Utilities companies prefer the older technology because they make more money with it.

Mr. Campbell moved approval of \$150,000 for Street lights, Mr. Lennon seconded, and it was unanimously approved.

Maintenance: Ms. Perry reported that the Highway and Maintenance Garage has a flat metal roof that does not meet code re: snow removal. Known code insufficiency there. \$8K increase was to have snow removal on it farmed out. Only on an as-needed basis, not paid if not used.

Ms. Soutter asked if anything can be done to make it safer? Ms. Perry said she's looking at about 5 years until total building replacement. Mr. Lennon asked about the terrible winter, vis-à-vis the removal of snow on it? Ms. Perry said they did some but may have used subcontractors too.

Mr. Lennon asked if Doug Eastman, the Code Enforcement Officer, had looked at it? Ms. Perry said no. The report she has says it's safe to assume that it wouldn't pass code on high snow loads. Discussion was held on FY 20 "band-aiding" at \$8K per year until then. Mr. Perkins said they are not spending it if it's not needed. Mr. Kelly said garage maintenance originally \$40,000, which is reasonable insurance to cover the roof work until replacement.

Mr. Kelly: Education amount is \$1800, same every year and less spent every year. Need a better number in budgets. Mr. Kelly asked if can live with \$1000? Renewal fees for licenses are high. Mr. Kelly said shouldn't carry the same amount every year when don't spend it. Discussion was held on anticipated amounts. Mr. Kelly moved that adjustment be made to \$1000, seconded by Mr. Lennon, with unanimous approval

Health and Dental insurance figures were presented by Ms. Ravell, total benefits at \$126,287. New general expenses \$49,309. new general

maintenance total \$468,829. This amount was moved for approval by Mr. Campbell, seconded by Mr. Lennon, and unanimously approved.

Mr. Campbell: \_\_\_\_\_. Reduced vehicle maintenance to \$2K (?). What is actual on that line: Doreen \_\_\_\_: \$1102. Discussion was held on amount expended. \$500 at a minimum could be absorbed easily in this budget. \$1300 on mechanics' tools.

There was discussion on tools account at \$1512. Ms. Perry said DPW needs another \$500 for third mechanic that hasn't shown up on this budget yet. Mr. Kelly moved to level fund this budget, seconded by Mr. Lennon, and the majority approved. The Subcommittee recommended reduction to \$2K, moved by Mr. Campbell and seconded by Mr. Lennon and it was unanimously approved.

Ms. Ravell said the new total of mechanics garage is \$265,313. Mr. Kelly said last year was 9 months new mechanic and now \$20,000 more. He moved the \$265,313 approval, seconded by Mr. Campbell and it was unanimously approved.

There was discussion on Town building maintenance, Mr. Kelly said that approved funding should be spent before November. Mr. Kelly said the \$100,000 budget last year went to \$115K and it did go up. Do you know why? Discussion on energy users. Ms. Perry just paid the third quarter bill. Run into it every year, three more months to pay in 2016, have until 1/15 to pay 2016 bills.

Discussion was held on the budget for electricity reduced from \$120,000 to \$119,000. Mr. Campbell moved reduction from \$120K to \$119K on town building electricity. Mr. Lennon seconded and it was unanimously approved.

Total of \$271,894 for building maintenance was moved by Mr. Campbell, seconded by Mr. Kelly, and unanimously approved.

Mr. Lennon questioned the Climate Control portion of the maintenance budget and Town Clerk's requests for document preservation money. Discussion ensued on how and why that is more important than building maintenance. Why does Historical Society rank above the other projects? Julie Gilman of the BOS said all grants are competitive and need a 50/50 match. Mr. Lennon said ADA is more important than document preservation in his view.

Discussion ensued on "cut line" about priorities. Ms. Perry explained that many more projects need to be done and it's an illustrative list. Mr. Lennon said he understood but not convincing argument where Historical Society did not seek a grant on it for 50% of it. He moved \$15K amount be replaced by Bow St entry work. Public safety ice dam project is a higher priority. Mr. Stevens asked how that was arrived at. Mr. Perkins said items below the cut line were things that had been put off for a while.

Ms. Hall revealed that she was on Board of Directors for Historical Society, but is not recusing herself. She said it's about valuable documents that will be lost if not properly preserved. Mr. Campbell said there is a cupola that is leaking and needs to be done soon. Discussion on the value Mr. Kelly said that Kevin Smart had come in with \$100,000, which was where we wanted to be at. Mr. Dean said this level of investment is great. Ongoing investment in buildings is important, especially ADA.

Mr. Zwaan asked about the amount, was told it has been understood. Mr. Lennon said that public safety complex and other weather related needs should prioritize over Historical Society preservation. Mr. Lennon's priority substitution motion was not seconded so it failed.

Mr. Kelly moved the \$100,000 total maintenance budget for projects, Mr. Campbell seconded, and it was unanimously approved.

Total DPW maintenance figure was \$1,105,056, moved by Mr. Campbell, seconded by Mr. Kelly and it was unanimously approved.

Sidewalk program should be handled same way as road program (ie for paving). Should be a regular budgetary item. Mr. Campbell moved that sidewalk program become a regular budget item, Mr. Lennon seconded. On discussion it was explained that an amount had been in budget but didn't cover things. Discussion on levels of funding not covering what is being done. Ms. Rowan asked if made sense to have an ongoing smaller budget for sidewalks. Ms. Perry said smaller amounts don't allow much work to be done. Spent \$570,000 on downtown sidewalks. Takes a lot of money to accomplish these projects. Mr. Dean added that within the urban compact area, they are trying to connect those spaces, like Spring Street. Mr. Campbell said \$120,000 would be a good start. Mr. Kelly said it should be in the budget. Let Jay Perkins do it has he wants. Mr. Dean said can move money back and forth in budget if need to.

Current CIP for \$120,000 was moved into DPW budget by Mr. Campbell and seconded by Mr. Kelly and the majority approved it.

Dam removal was reduced as didn't need the whole \$151,000, in there at \$120,000. Reduced for some reason. Discussion on LOMAR issues ensued.

There was discussion on vehicles, service life and replacement costs as well as possibly refurbishing them to save money. There was discussion on the costs of repairing the dump truck. Mr. Benjamin said they got a work sheet with a scale of costs and it factored into recommendations. Mr. Dean gave information on vehicle maintenance and what is done

and CIP interplay. Discussion was held on a service life extension program.

Mr. Zwaan asked if they were holding off on purchasing new vehicles until a new program is developed and instituted. Very interesting approach but not for this budget cycle. Mr. Lennon said the cost of vehicles is so much that it's worth looking at it, but he was not saying put everything on hold and buy nothing.

Mr. Lennon asked about the vehicle point system.

[Ms. Hall and Ms. Rowan left at 10:30 pm.]

Chair said Members should look at these matters for next time.

Mr. Campbell said that Town Hall repairs should be in the budget. Mr. Lennon said first requested in 2007, design already done, are we paying for more design. DPW, no, we have a design. Costs increase led to doing project all at once. Discussion on details was held.

Next meeting is Monday, 11/7/16 at 6:30 pm.

There being no other business before the Committee for this session, Mr. Campbell moved to adjourn, seconded by Mr. Lennon and it was unanimously approved. Mr. Stevens adjourned the session at 10:48 pm.

Respectfully submitted by David Pancoast, Recording Secretary.