

## MUNICIPAL SERVICES COMMITTEE MEETING MINUTES

April 10, 2013

Present: Councilor Scott Clarenbach (Chairman), Councilor Ted Starkweather, Councilor George Dzujna, City Manager Elizabeth Dragon, Finance Director Judie Milner and MSD Director Brian Sullivan

The meeting was called to order at 9 a.m.

MSD Budget Review: Brian opened by giving the overall strategy of the MSD Budget for FY 14. The overall goal is to level-fund the bottom line and the MSD Budget, as presented, accomplishes this. Some divisions and individual lines are higher but, overall, bottom line is level with respect to Operation and Maintenance.

Elizabeth explained she had adjusted some of the lines, which we could discuss as we proceeded.

The largest impact on the MSD is cutting a position from the current 6-person Highway Division. Due to a retirement, the position will not be refilled. Brian did point out that, regardless of this, he is requesting a position in water.

Some minor increases as a result of natural gas and electricity price increases, along with some minor capital requests under \$5,000, are requested in buildings.

In MSD Administration, Highways Drainage and Vegetation, Snow and Ice, Mechanical Garage, Curbside Collection, Transfer Station, and MSD Parks, an overall 14% is reflected in the bottom line of all combined divisions. Most of these costs can be attributed to increase in State Retirement and the Haynes Brook Project.

The Water Budget was reviewed with no rate increase proposed since 2007. The budget is close to being level-funded, with the exception of Capital Outlay, which has been increased by \$425,000 to repair and paint the Cross Street Water Tank and \$75,000 to cover the cost of resurfacing Chance Pond Road after the water main is installed.

Judie explained we have \$1.5 million in retained earnings and since money cannot be encumbered in water, several line items are re-appropriations of money not spent but she explained we are bringing \$500,000 from retained earnings into the Water Department budget for these Capital projects.

Brian explained that the Lawndale / Route 11 / Kimball Street / Chance Pond Road loop for replacement of old water main to new 12" is underway and budgeted at using a NHDES, DWSRF loan totaling \$3,030,000. This includes replacing the two water tanks. It was explained that if we want to complete the entire loop, an additional \$340,000 is needed and NHDES agreed to allow City to amend the current loan / grant by adding this to it through an amendment. Thus, the new loan amount with a 40% forgiveness is increasing to \$3,740,000. Ted said this was the time to complete the project with prices so low and rates to borrow low. The Committee voted unanimously to support the resolution

authorizing \$340,000 additional borrowing to be taken up at a public Hearing at the May 6, 2013 City Council Meeting.

Scott inquired how much that will add to the principal and interest annual payment and Brian explained about \$2,000 per year. Much of the principal and interest for these projects was being paid for by covering the principal and interest cost from expiring bond payments.

The additional request for a position was brought up. The overall goal is to eliminate the percentages charged to Sewer and make the new position in the Water Budget. Brian pointed out that the new position is requested due to the 40% of someone's time to operate the Treatment Plant and to increase revenue from being vigilant about replacing meters because of regulatory requirements and the age of the system. We just need to be doing more overall maintenance that has not been achieved. The Committee unanimously endorsed the Water Budget and adding the new position.

In the Sewer Budget, again the State of NH costs are increasing 7% over FY 13, mainly due to increased debt service. The city side is going up zero. The Committee felt that the increased costs charged by the State should result in a rate increase. This rationale, although unpopular, keeps the City side of the Sewer Budget level-funded and not getting taken down by these ongoing State increases.

Brian explained where the WRBP is headed with the Maintenance Operation and Management Study and the Flow Metering Project. A public utility authority may eventually replace the State as the managing agency.

As a result of the discussion on the sewer rates, the Committee voted unanimously to recommend a rate increase, which would be sufficient to cover the increased debt service schedule charged to Franklin by the State. Judie was going to calculate the numbers, include it in the budget and explain this in the account detail column.

#### Other Business:

1. Lake Shore Drive: The Committee voted unanimously to recommend a June agenda item for the City Council to eliminate the City's winter maintenance of Lake Shore Drive. They noted the seven mile round trip plowing and treating of Lake Shore Drive has no written agreement and with the State down shifting and transferring costs to municipalities, the City should do the same. Brian agreed to pull all the old information together for the June City Council Meeting.
2. John Suldenski service request: John had issued a service request to have the City Council consider changing the trash disposal fee for commercial disposal of trash from rental property. Currently, the charge is \$78.60 per ton for commercial trash over 250 pounds. The Committee was not in favor of recommending a positive motion. They advised Staff to let John know that he should recover his costs by taking the disposal fee from a renter's security deposit. They also advised Staff to let John know he is welcome to come before the full City Council for their consideration.

3. Flashing School Zone Beacon – Central Street at the High School: Elizabeth advised the Committee of the School District's intent to request an ordinance change to the Traffic section of the Code, authorizing the placement of two solar powered flashing yellow warning beacons, to lower traffic speed to 20 m.p.h. on Central Street at either side of the High School entrance and exit. The 20 m.p.h. is in place and the School District is requesting adding the beacons. Elizabeth noted the Highway Safety Committee had supported this concept through raising grant funds to pay for the project. The Committee did not take action and said they would consider the request at the May 6, 2013 City council Meeting.

Meeting was adjourned at 12:16 p.m.

Minutes taken by: \_\_\_\_\_  
Brian J. Sullivan

BJS:mgc