



Budget Committee Meeting
Town of Gorham
Gorham Town Hall
Public Meeting Room

Minutes of January 19, 2017

Members Present: Michael Waddell, Chairman; Diane Bouthot, Vice Chairman; Reuben Rajala, Secretary; Robert Demers; Lee Carroll; Doug Gralenski; Dan McCrum; Todd Lamarque; Pat Lefebvre, Selectmen's Rep

Town Staff Present: Robin Frost, Town Manager; Denise Vallee, Director of Finance & Administration; Paul Bousquet, SAU 20; Buddy Holmes, Public Works Director; Grace LaPierre, Chairman of Board of Selectman

Others present: Judy LeBlanc

Minutes Taker: Shelli Fortin

AGENDA ITEMS & DISCUSSION

1. Call to order: 6:00 PM
2. Approve Minutes 1/17/2017: **Motion to approve from Diane Bouthot with a second from Robert Demers. Voted in the affirmative, with an abstention from Todd Lamarque.**
3. Update on Prior Requests:
 - a. Mike Waddell asked about the copy of the Town Manager's contract, TM Frost advised that she would send that to the members.
 - b. Mike Waddell reported that the breakdown of the administrative legal costs was received by the committee.
 - c. Mike Waddell asked about the copy of the Emergency Management Plan and TM Frost advised she would send it.
 - d. Mike Waddell confirmed that the road study was received by all members. Waddell asked about the CMA proposal and TM Frost advised it was a full proposal. Waddell requested a copy.
 - e. Diane Bouthot asked about the increase in the gas line item for the police department. TM Frost advised it was due to increased patrols with the extra full-time officer. Denise Vallee added that the estimated cost is based on a five year average. Bob Demers mentioned that with two officers attending the academy this year, there will be added cost for their transportation traveling to Concord.
 - f. Waddell asked how many grants were applied for in 2016. Denise Vallee advised it is either six or seven. Vallee will have the information next week. Todd Lamarque asked if any grants applied for by departments would have to go through the town and was advised that it would go to the Board of Selectmen.
4. Review of School Budget:

SAU 20 Superintendent, Paul Bousquet, presented an overview of the school's proposed budget for 2017. Bousquet advised that they began their budget process in November with a proposal that was up 3.2% over last year, and after several meetings, had reduced the budget enough to cover the cost of teacher's raises. The budget presents a 0.94 cent increase in the tax rate for Gorham, but this is due to decreased revenues, not increased spending. Bousquet stated that the cost of out-of-district placements has increased the special education part of the budget, but the regular education cost is down \$99,000, due to the retirement of two teachers. He stated that there will also be two teachers retiring next year, which will reflect in the 2018 budget. Bousquet stated that it is preferable to reduce staff by attrition, rather than eliminating positions. Bousquet stated that the School Board line is up for the SAU cost, due to the increased salary of the tech position. He stated that in order to keep qualified employees, the salary has to be comparable to other school districts. Bousquet advised that the transportation cost is down as instead of buying a full size bus, they have decided to purchase a smaller 12-18 passenger bus. Doug Gralenski asked about the estimated and actual CRF numbers for 2016 and why there was such a difference. Bousquet will look into it and get the information to the committee. Bob Demers asked how much was in the Building CRF and Bousquet advised it was about \$300,000. Bousquet advised over the last couple of years, work has been done on bathrooms, windows replaced, and the heat control in the gym worked on.

The committee asked how many students were currently enrolled in the school and Bousquet advised that there are 171 at the Ed Fenn and 254 at GMHS. Bousquet advised that with a drop in enrollment, they try to make adjustments, such as combined classes at the Ed Fenn, including a K-1 and a combined 2nd and 3rd grade. Bousquet advised that with the retirement of one of the teachers next year, they are also planning a combined 4th and 5th grade. Bousquet reported that he has a meeting scheduled next week with the principals to discuss future plans as the children move from Ed Fenn to GMHS. Bob Demers asked how many students were in each mixed class and Bousquet advised it was about 17, with 27-36 students in each grade level. Dan McCrum asked how the students were faring with the mixed age classes and Bousquet advised that the younger kids have been excelling as they want to keep up with the older children, and the older ones are learning to help the younger ones. Todd Lamarque stated that from a parent's point-of-view, it is challenging.

Bousquet advised that keeping quality programming in the schools is important to the town, as many people look at the school before moving to a community. He also advised that he understands a high tax rate also sometimes discourages people from moving to a town. Bousquet stated that his finance committee has done a good job in keeping the budget down. Diane Bouthot asked how many members were on the finance committee and which towns they were from. Bousquet advised there are 4 members who volunteer for the committee, and currently two are from Shelburne, one from Randolph, and one from Gorham. Bouthot shared that she was concerned there was not enough representation from Gorham, as it was not proportional to the size of the communities. Bousquet advised that the committee is part of the School Board, and anything they do is brought to the Board. Bousquet advised that although the school can keep 2.5% of the unused budget, as a superintendent, he would recommend returning the surplus money to the town to reduce the tax rate. Dan McCrum asked about the history of the predicted fund balance to the actual amount and the estimated tax rates as compared to the actual. Paul Bousquet will get this information to the committee. Todd Lamarque agreed with Bousquet that schools are having a difficult time keeping their budgets down, as the money they are receiving from the state and federal government is decreasing and the cost per pupil is increasing.

Lamarque noted programs that have been cut by the school, and asked Bousquet to share with the committee in what areas the school is growing. Bousquet shared that technology is one area that has improved. The STEAM program has a beautiful lab where the shop used to be and offers additional instruction in science, technology, engineering, art, and math. Many children who are advanced in a subject have been able to join classes at a higher grade level, and running start classes have helped students with both high school and college credit, saving students on college tuition.

The committee asked Bousquet about the newly negotiated contract with the teachers. Bousquet shared that the new contract has fewer steps, which allow newer teachers to move up more quickly, but once they reach the top, they use CPI, which mirrors the economy. He advised that the athletic salaries have been changed to a flat rate based on the time for each sport, and include an extra \$200 if the team makes the playoffs. He advised that the next contract will also do the same with any co-curricular activities, such as yearbook.

Denise Vallee asked Bousquet if insurance benefits changed for the school department. Bousquet advised that insurance rates are up 6%, but benefits did not change. Vallee also asked if the employee contribution was the same percent, and Bousquet advised it is currently 80/20, but for newly hired employees it is 75/25. Vallee asked if dental was included and Bousquet advised it is as a single plan, a family plan would have to be paid by the employee. Judy LeBlanc asked about the flex cards provided to help cover the \$1000 deductible, and suggested that the amount of the cards be reduced to help save on costs. Bousquet advised that this is part of the contract and would have to be negotiated. Bousquet advised that the unspent amount on the flex cards goes back into the fund balance. Pat Lefebvre asked about stipends if an employee chooses to not take the insurance benefit and Bousquet advised that he believes it is currently \$2500.

Review of Public Works Department Budget:

Buddy Holmes advised that the highway budget has increased due to the 2% raise for employees, and because benefits are now included in the budget. Everything else is mostly the same.

Doug Gralenski asked about the pipe maintenance line item and asked if this was for a specific project. Holmes advised that it was not, it is money budgeted in case any need to be replaced. Diane Bouthot asked when the highway department may need another pickup truck. Holmes advised that he plans to keep his until he retires, which will be in another 7 years or so. He advised that they may need to buy a truck for the cemetery, but will purchase a used truck from Fastenal, as they did with their last purchase. Bouthot mentioned that the recreation department used to get the trucks that they were done with and Holmes advised he does not remember this happening. He advised that the recreation department used to take the seats out of their vans that were no longer used for passengers and use those as trucks.

Holmes was asked about plowing and in what order town properties were done. Holmes advised that streets and then sidewalks are the first priority. These are followed by the fire and police departments. When these areas are done, the recreation department, library, and other town lots are done. Todd Lamarque asked about the plowing of dirt roads and private roads, and Holmes advised all town roads are plowed, regardless of whether they are paved or not, but not private roads.

Reuben Rajala asked about the large puddle at the corner of Church Street and Main Street and how to get the problem resolved. Holmes advised that the easiest fix would be to get rid of the handicap accessible sidewalk and replace it with a regular sidewalk, but he is not sure if this would be ADA compliant. Lee Carroll advised that one person has fallen out of a wheelchair and two people have fallen due to the water and ice in this area. Carroll advised that the town is liable for any injuries. TM Frost advised that they tried to apply for a grant to help repair it this year, but were unsuccessful. Mike Waddell asked what the cost would be to fix the problem and Holmes advised he would find out.

Mike Waddell asked about the amount requested in the road repair line and Holmes advised the more they have available the more roads they can fix. Holmes advised that last year they were able to do three, including Libby Street, Ray Street, and First Street. Holmes said that that this year they are hoping to do School Street, and 2 or 3 others.

Diane Bouthot asked about the new building. Holmes stated they are currently having an issue with heating, but a part has been ordered. Holmes advised the heating system is electric and also includes AC. The cost of the building was discussed and Denise Vallee advised that the contractor, Ray's Electric, was the low bid at \$159,000. Furniture was \$6,035. Other costs included the architect fees and the rental of the temporary office trailer. The final cost was \$180,00, or \$312.50 per square foot.

Buddy Holmes advised that the only change in the sanitation budget is in benefits. Diane Bouthot asked which budget Lisa White was paid from and Holmes advised she is 2/3 sanitation and 1/3 highway.

Holmes advised the budget for streetlights is down. Denise Vallee advised that there are currently 39 lights on the midnight plan, there were 40, but the one in front of Yokohama was turned back on. Vallee spoke about the streetlight plan, which includes replacing those 39 fixtures. Vallee advised the original quote was \$20,000, but she recently received a new quote for \$3000 less. There is also a \$3900 grant available from Eversource. Waddell asked how much it would be to do all of the lights in town, and Vallee advised it would be about \$90,000. She will find out what the total number of lights in town is, as she did not have that number available. Lee Carroll asked if Fairpoint was going to charge a riding fee to have the lights on the poles and Vallee will look into this. Vallee will also check with Primex to see if the town has any liability for an accident that occurs in an area without sufficient lighting.

The cost for gas was discussed, as was the cost charged to the school. Bob Demers pointed out that all of the costs for fuel for the school are charged on the same line, which is deceiving, as some is gas and some is diesel which are different prices per gallon. The committee requested that the line item reflect that it is gas and fuel usage and that a note be made as to the cost of each. Denise Vallee will add this.

Holmes advised there were no capital projects planned. He advised that they had planned on replacing the Sno-go, but will try to get a couple more years out of it. He stated that with the mild winter last year, the life of the Sno-go was extended. Dan McCrum asked what the replacement cost for the Sno-go would be and Holmes advised it would be approximately \$120-140,00. Holmes reported that the current one is a 2005, with a life expectancy of about 10 years. Holmes also advised that the garbage truck will need to be replaced soon, at a cost of about \$163,500. Mike Waddell asked if there is any value to the old truck and Holmes advised he would discuss with the Town Manger and Selectmen whether or not to trade it in or put it out to bid.

5. New Requests for Information

6. Old Business

7. New Business

Mike Waddell asked about the Recreation Revolving Fund and when a warrant article would need to be submitted for this year's meeting. Denise Vallee advised it would need to be submitted by February 7. TM Frost advised that it has not yet been discussed by the Board of Selectman.

8. The next Budget Committee meeting will be on 1/23/2017 for review of the Library and Water and Sewer budgets. It will be at 5:00 pm at the Library.

9. Robert Demers made a motion to adjourn at 8:00 PM, seconded by Lee Carroll. Voted in the affirmative.

Respectfully Submitted
Shelli Fortin