



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

Minutes of October 17, 2017

Members Present: Diane Bouthot, Chairman; Doug Gralenski, Vice-Chairman, Robert Demers; Lee Carroll; Dan McCrum; Abby Evankow; Judy LeBlanc; Terry Oliver, Selectmen's Rep; Absent, Todd Lamarque

Town Staff Present: Robin Frost, Town Manager; Denise Vallee, Director of Finance & Administration

Others present:

Minutes Taker: Shelli Fortin

AGENDA ITEMS & DISCUSSION

1. Call to order: 6:00 PM

2. Approve Minutes 6/20/2017: **Motion to approve from Dan McCrum with a second from Terry Oliver. Voted in the affirmative.**

3. Public Comments

There were no public comments.

4. Review Revenue and Expenses for Town Budgets to Date

Dan McCrum asked about the ambulance contracts and if they were all paid. Denise Vallee will look into this. New contracts should be signed by April 18. Bob Demers stated he would like to see the ambulance and dispatch contacts be reviewed, as with \$75,000 a year in capital reserve money toward new dispatch equipment, the other towns using the service should also be contributing toward this.

Abby Evankow asked about payments in lieu of taxes and which organizations in town do this. Vallee advised that Coos County Family Health used to, but no longer has an agreement. North Country Education Services makes a payment. The Federal Forest also makes a payment which we usually receive in July, and have not received yet this year. The amount for the forest is usually just under \$15,000.

Vallee advised that she has filed a statement of revised revenues with DRA and as soon as that is approved, she will adjust the budget column. Dan McCrum asked if this was late and TM Frost advised it was due September 1.

Doug Gralenski asked about the transfers from the Capital Reserve Funds. Vallee advised that they were to cover purchases made out of the General Fund, and the money was transferred from the CRF back to the general fund.

In reviewing the revenues to date, Vallee advised that the Interest and Costs Property line is about 40% lower than last year. Vallee advised that there is only about \$11,000 due in interest on taxes at this point. Vallee stated that building permits are just about at the budgeted amount. Demers asked what type of construction is going on in town and Frost advised that it is mostly residential. Vallee advised that the payment for the rooms and meals tax is made in one payment in December. Vallee advised that there is another installment due in the Highway Block Grant, and that the additional money received is in another line. This money can be used for highways or sidewalks. The railroad tax line includes the water pollution grant that is received at the end of the year. Vallee advised that the ambulance revenue line, not ACH, is about \$8,000 behind last year. She advised that the ACH line will be adjusted down to \$75,000. The interest investment line is for the money that the town has in the NH Public Deposit Investment Pool and the interest rate is higher than it has been, at 1.05%.

Judy Leblanc asked about the special details for the Police Department. Vallee advised that this is revenue from the police being hired by outside agencies, such as Verizon or Spectrum, and the expense for this is in another line.

Vallee advised that they had not budgeted for the taping of the meetings, so that line is over this year. Vallee also advised that the software support line is up, as they were double billed and will get a credit. The software purchase line is the same issue.

Vallee advised that Chief Cyr is looking at the Overtime and Overtime Vacation lines to see if they need to be adjusted. The overtime vacation line is for someone to cover a shift when someone else is on vacation. The travel expense line for the police department is up, as there were three different officers at workshops this year. The money for the officers traveling to the Academy is in the gas line. Leblanc asked if there was overtime due to the officers being in the academy, and Vallee advised there was, both for their travel time, and officers covering their shifts. Demers mentioned that he still has a complaint that the town carried new officers for months before they went to the academy, who had to work with someone else and still accrued overtime. Vallee advised that the overage in the travel expenses would be covered by the training line. Demers asked about the difference between regular overtime and special detail. He was advised that regular overtime was to cover patrol shifts and special details are for outside agencies.

Vallee advised that the overage in the NHRS line for the ambulance was an error in preparing the budget last year, it should have been \$5775 more. Demers asked about physicals for the fire department and TM Frost advised they had not been scheduled yet. Doug Gralenski pointed out that electricity and heat for the fire department were over-budgeted, and asked why the water line was so high. Vallee advised that the hydrants had not been billed yet.

In the dispatch budget, Vallee pointed out there was a full-time employee who was out on medical leave, and so part-time had to cover.

Vallee reviewed the highway budget, which she stated was totally dependent on the weather. Contract services has been expended, but the salt is in good shape.

Lee Carroll asked about the street lighting conversion. Vallee advised that they will be using Affinity, and the work will begin at the beginning of November, with 60 lights being changed over to LED. There are a total of 321 that will need to be changed. Leblanc asked if it would be done in stages and was advised it would be. They will mostly be changed on the main streets to start, and are all dark sky compliant.

Vallee pointed out the welfare line and stated that Sue Bolash is in charge of this and has good knowledge of the resources available to help keep costs down.

The heat line for the Recreation Department was over, as they had relied on the oil company to estimate what they would need, and it was underestimated. The supplies line is over, but there is a \$294 entry that should have been charged to another line and will be adjusted.

There are no expenditures listed for the Information Booth, as that was moved to the Revolving Fund.

It was pointed out that the Moose Tours were the largest revenue for the Recreation Department. Gralenski asked about the gas for the tours, which comes from the Moose Tour Expense line.

Dan McCrum asked why the water department expense line is still at 45% and Carroll advised it is because they budget heavy and then fight to keep expenses down. Leblanc asked if there were any major upgrades needed for water and sewer in the near future and Carroll advised there were not. They have a contract for work on the Icy Gulch reservoir for next year. Gralenski asked about the Admin Permanent Position and was advised there were some cross charges that were not made yet, as the position is split between water and sewer.

Diane Bouthot asked about health insurance and if the new rates are available. Vallee and TM Frost advised that the not to exceed numbers are due any day.

Dan McCrum asked how the town was doing overall. Frost advised that we are fine on expenditures, but revenues are down. Judy Leblanc asked how taxes are coming in and Frost advised very well.

Bob Demers asked about renegotiations with the mill and Frost advised they would begin on November 9. Frost advised that when they started making payments, they owed around \$800,000, and new taxes of \$400,000 for 2016 and 2017 were added. They have paid around \$700,000, leaving \$500,000 that they still owe back to 2015. There is no interest added to the taxes per the agreement.

5. Old Business

- Meetings for Budget Process/Preparation of Proposed Meeting Schedule - The meeting schedule was decided. Meetings will begin on January 9, every Tuesday and Thursday, and one Monday for the Library and Water and Sewer. It was decided to move the police to the first meeting with the Recreation Department, and to just schedule Fire and EMS for the second meeting. It was agreed that if for some reason they do not get to a department head at one meeting and they have to come back, they will be first at the next meeting. Gralenski also requested that members read their minutes and other electronic information before the meeting. Bouthot asked if another meeting was needed in November after the Selectmen have met with the department heads and it was decided that they do not. Gralenski suggested that someone from the budget committee attend the Selectmen meetings to see if there is anything that comes up that they should be aware of.
- Budget Workshop Update – Both Leblanc and Evankow agreed that the workshop was informative. The presenter was dynamic and there was a lot of good information.
- Unrestricted Fund Balance – TM Frost advised there is \$305,619 in the Fund Balance and there is none available to use to reduce taxes this year.
- Road Repairs – TM Frost advised that everything is on hold for now. There is a contract with HEB for a road plan, which will list all roads and what it will take to bring them up to what they should be. It was asked if the Selectman would be including road repairs in the budget and Terry Oliver advised they would be, but they don't know yet what it will be, as just two roads, Cascade Flats and Stony Brook, is over \$3 million. Frost advised that if nothing is done, the roads continue to get worse and more expensive to fix.

6. New Business

- Update on the Police/Dispatch Study – Terry Oliver stated that both towns want it to happen, but that it will take time and may not be this year. Oliver stated that he would have liked to see a bigger amount for savings. Judy Leblanc pointed out that the grant

eligibility would be much greater, so there may be savings down the road. The committee asked about regionalizing rather than a contract for services and if you could combine a town and city. Frost advised that you would have to form a precinct and a separate tax rate would be set for that precinct. Bob Demers asked if you could combine Police and Fire and was advised that you could. Diane Bouthot asked about Berlin's comment that they would not need an office and could work from their cruiser and was advised that they could, as they have laptops available in the cruisers to use. Oliver stated that everyone wants to see lower taxes, but they don't want to give up anything.

- Bob Demers again mentioned dispatch costs and the need to negotiate a contract based on population and not the number of calls. Demers stated that the time for being a donor town has come to an end. Judy Leblanc asked if they could create a warrant article asked that this be done. Frost advised that they could, but it would be the Selectmen's decision and they could just ask them to do it. Oliver will bring this to the Board.
- Update on Revaluation – TM Frost advised that the new values are preliminary until the hearings are done. Michelle Lutz can print the new cards. A link will be put on the website for KRT. Diane Bouthot asked why sales affect value and Frost advised that sale prices are an indication of the value. Gralenski asked if there was a change in the total value for the town and Frost advised that there isn't a final total yet, but it looks like it will be down just a bit. Frost advised some areas, like Cascade Flats and Crestwood Drive, went up. There were some areas, such as the lower village and Stony Brook, that went down. Demers asked what the appraiser does if they are not able to get in to assess the house and Frost advised that they have to make assumptions, and typically assume on the high side.

7. Date of Next Meeting: The next meeting is scheduled for Tuesday, January 9 at 6:00 pm.

8. Chairman Bouthot made a motion to adjourn at 7:34 PM, seconded by Doug Gralenski. Voted in the affirmative.

Respectfully Submitted
Shelli Fortin

Approved