



Budget Committee Meeting
Town of Gorham
Public Meeting Room (2nd floor)
Gorham Town Hall

Minutes of December 13, 2016

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

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

Minutes Taker: William H. Jackson

AGENDA ITEMS & DISCUSSION

Call to order: 6:02 PM

1. Appoint Minutes Taker: **Motion to approve William H Jackson as minutes taker for the Committee by Diane Bouthot with a second from Rueben Rajala. All voted in favor.**
2. Vacancies: **Motion to appoint Lee Carroll and Doug Gralenski to fill vacant positions on the Budget Committee until Town Meeting March 2017 by Terry Oliver with a second from Dan McCrum. Voted in the affirmative. Denise Vallee gave the Oath of Office to Doug Gralenski at this time. Lee Carroll was sworn in a short time later.**
3. Approve Minutes 9/20/2016: **Motion to approve Diane Bouthot with a second from Bob Demers. Voted in the affirmative**
4. Current Town Finance Report: Denise Vallee began a discussion concerning the current status of the 2016 budget (attachment A):
 - a. General discussion of Revenues focusing on Room and Meals Tax (what is the basis for assessment); are prisoners counted as residents in the City of Berlin.
 - b. Mike Waddell requested password access for the Committee to the New Hampshire Municipal Association site for items such as the Wage & Benefit information, etc. Also requested were several copies of the publication "Basic Law of Budgeting".
 - c. Diane Bouthot inquired as to storage of Budget Committee minutes and the posting of current minutes online. Robin Frost stated that minutes are stored in the Town Clerk's vault and that she will speak to Shelly Fortin about posting to the WEB site. Mike Waddell inquired about the ambulance revenues. A general discussion took place concerning the change in staff. This resulted in a drastic drop in transfers, particularly from Colebrook. Mike Waddell noted that spending appeared to be the same as last year even with the drop in revenue. Dan McCrum noted that he compared current expenses with revenues and noted that they were a closer match – just that there was no surplus. Bob Demers asked about the contracts with surrounding communities (Randolph & Shelburne and Unincorporated Areas). He stated that these contracts need to be reviewed and adjusted to cover increase costs to the Town of Gorham. Bob stated that property taxes have dramatically increased. In spite of the fact that the Town has no control over the school budget, cuts must be made on the Town side. When

asked, Denise Vallee stated that current estimates show a decline in EMS Revenues of approximately 25%.

- d. Diane Bouthot asked the Town Manager, if Sue Bolash had assumed the position of Welfare Director. Robin replied, yes. She and Denise commented that Sue has been doing an excellent job.
- e. Dan McCrum asked Denise how the new financial software was working out. Denise stated she was satisfied so far even though it was just recently installed. She feels there will be a longer learning curve but also that the reports are clearer and faster. Bob Demers and Mike Waddell asked if full implementation would save the Town money and possibly a position. Denise and Robin said it was too early to tell.
- f. Mike Waddell and Doug Gralenski requested a copy of all Job Descriptions.
- g. Mike then asked about the expenses under the legal line. Town Manager Frost stated that a majority of the expense went towards the Eversource divestiture. Mike requested a breakdown of the legal expenses. It was mentioned that \$50,000 might be needed for fiscal 2017 just for Eversource legal.
- h. Mike then mentioned that the State of NH does not consider the "Dike" as a flood control structure; however, the State has also asked Eversource to remove all trees on the "Dike". The Town also has encroachments on Eversource land that could prove to be a minor cost to rectify or could cost the Town "a ton of money". He stated that a "no response from Eversource" is not an acceptable answer.
- i. The Police Budget was briefly reviewed. Denise noted that Special Detail had offset revenue referred to as Special Duty. Doug Gralenski inquired about reimbursement for expenses in the hiring of officers. Robin Frost stated that if the applicant is not "Certified" then there is a commitment of 3 years. Diane Bouthot asked if that included uniforms. Town Manager Frost will get the answer. There is no commitment for "Certified" officers.
- j. Ambulance expense budget – Doug Gralenski asked if there was a proposed ambulance replacement in next year's budget. He was told, no.
- k. Fire Department expense budget – Robin stressed the need to replace outdated SCBA bottles. The Department will be requesting 20 in fiscal 2017. There was a general discussion on maintenance schedules and inventory of Fire Department supplies and equipment so that we don't get hit with these big expenses. The Town Manager stated that the new Fire Chief should have a plan ready shortly.
- l. It was noted that Building Permits were off approximately 50% in 2016.
- m. Highway Department budget expects no unusual expenses during the balance of 2016.
- n. Street Light Expenses – Denise stated that she had quote for approximately \$14,000 to replace. Denise feels it will take 5-6 years to do the entire town. Lee asked if the Town would own the lights when payment completed. It appears that Eversource will retain ownership of the fixtures and the Town would be responsible for light maintenance. There was also a discussion of general lighting, particularly in the Town Hall. Denise stated that the bulbs had been changed in the Police Department and the hope was that the Town Offices would be next. Lee asked if we were changing the bulbs or the fixtures. The answer was the bulbs. Lee stated that was the most expensive way to do it.
- o. Solid Waste Collection – nothing noted for the end of this year.
- p. Rec & Parks – discussion of the Revolving Fund and the new building. Robin stated that they had replaced the heating system and some of the flooring. Comments were also made concerning a pick-up truck that the department wanted and whether or not it should be purchased with a plow for clearing the new building parking lot. Doug asked about the Administrative Travel Line and was told it was used for mileage for the Director. Mike inquired about the long-term plan for the Recreation Department. There was no response.
- q. Town Garage Office Building – there was a rather lengthy discussion concerning the cost of the new structure. Robin stated that an additional \$20,000. was needed to furnish the building. Terry stated the costs were necessary due to the

requirement for fireproof file cabinets and the age of the current office furniture. The topic then moved to the overall cost of the new building. Mike stated that the original Warrant Article 16 from the last Town Meeting authorized that the Town would raise and appropriate \$50,000 to be added to the Town Building Purchase & Repairs Capital Reserve Fund that contained a balance of \$89,762.17. The majority of this funding would be used for this structure and as a match for the USDA Grant of \$30,000. Mike asked what happened between the design build quote from Memelo Construction of \$80,000 and the final bid of \$160,000. The question was asked "Why didn't the Town go back to Memelo to ask how he could do the job for so much less than the \$160,000 figure?" The response was that the USDA grant was not available for a "Design/Build" project. Further question, "Did the Town receive and expend the funds in fiscal 2016?" Now the Committee is being informed that an additional \$20,000 will be spent on furniture. Bob Demers asked what was the source of the funds for the furniture request and why did the Budget Committee not know that this additional expense was being incurred during last year's meetings?

- r. Capital Reserve expenditures – Mike feels that Public Notice should be given prior to expending any of these funds to that the public at large has notice. Terry stated that from now on all expenditures would become part of the Selectmen's Agenda.
 - s. Mike had a list of items that he would like to be available for the Committee. These include:
 - i. Access to the Road Work Studies that have been done.
 - ii. Flood Hazard maps and studies
 - iii. Job Descriptions
 - iv. List of grants applied for and received (Diane Bouthot request)
 - t. Doug asked about efforts being taken to find tenants for empty business structures in town. Robin responded that some inquiries had been received but offsetting demands were not always acceptable to the Board of Selectmen. She further stated that the Town was taking the Muntz properties for non-payment of taxes. Finally, Doug asked if the Water Department was in a position to sell surplus water to southern NH communities. Lee answered that it would not be practical due to transportation costs and the need for the Town to retain an adequate surplus for its use.
5. It was agreed by the Budget Committee to change the Water/Sewer budget presentation on 1/23/2017 from 6 PM to 5 PM due to a conflict in meeting times.
 6. The School Public Hearing on its Budget is scheduled for 1/25/2017
 7. The Budget Committees next meeting will be on 1/10/2017 for review of the Recreation and Parks Budget. It will be held at the new location
 - 8. Diane Bouthot made a motion to adjourn at 8:08 PM seconded by Bob Demers. Voted in the affirmative.**

Respectfully Submitted
Bill Jackson