

**Unofficial
As of 1/23/09**

**BUDGET COMMITTEE MEETING
MINUTES
35 Main Street
Thursday, January 22, 2009**

CALL TO ORDER

J. Pieroni called the meeting to order at 7:03 pm.

ATTENDANCE

J. Pieroni, J. Danforth, B. Gahara, K. Hughes, N. Comai, M. Miville, D. Pearl, JR Ouellette, and S. Doyon.

APPROVAL OF MINUTES

November 20, 2008

JR Ouellette motioned to approve the minutes of November 20, 2008 as presented.

Seconded by M. Miville.

Vote unanimously in favor

December 6, 2008

N. Comai motioned to approve the minutes of December 6, 2008 as presented. Seconded by J. Danforth

Vote unanimously in favor

December 18, 2008

M. Miville motioned to approve the minutes of December 18, 2008 as presented. Seconded by N. Comai.

Vote unanimously in favor.

January 15, 2009

Tabled.

PUBLIC HEARING

The Budget Committee requested that in the future, all water precincts submit the budgets for review at least one (1) week prior to the hearing.

Hooksett Central Water Precinct

J. Danforth motioned to accept the Hooksett Central Water Precinct budget as presented.

Seconded by N. Comai.

Vote unanimously in favor

Hooksett Village Water Precinct

D. Pearl motioned to accept the Village Water Precinct budget as presented. Seconded by JR Ouellette.

Vote unanimously in favor

Open Public Hearing on Central Water Budget 7:10 pm.

Greg Weir and Irene Beaulieu representing the Central Water Precinct

G. Weir, Central Water Precinct Superintendent: The overall budget is a 6.35% decrease from last year. We have some changes, 20% increase in hydrants, 40% decrease in water testing because we don't have to do the amount of testing once required. The water has been so good the testing has been reduced.

Page 4 shows last year's expenditures vs. this year's expenditure.

The truck line went down because last year we purchased a vehicle and this year we are not. Inspections dropped as well.

Irene Beaulieu: The Precinct has already approved this budget.

\$663,515 is the total operating budget for the Central Water Precinct.

Salary increases are 5.8%, which is based on the cost of living.

Office equipment \$8400 is for rental of the copy machine, the Internet service, and the contracts on the software. Our meters for our readers have software. Need a new fireproof cabinet.

Legal counsel is retained for \$15000 per year.

The retirement is includes the increases.

Meter purchases: We are in the process of replacing meters in homes to convert to radio frequency meters. As we change them, we don't charge the customer because they pay to rent them. We are about 50% complete.

There is no change in the rates in this budget.

We exceeded our budget for salaries due to the hiring of a person to paint hydrants in the summer.

JR Ouellette stated that the new wages reflect an 8% increase over last year's total salaries.

I. Beaulieu: I calculated 6% over last year's salaries plus \$2700 for a season person to paint hydrants. The 6% is a COLA.

G. Weirs: The pays scale within the water precinct is lower than through the State of NH. I feel that the 6% is very reasonable.

JR Ouellette: The only issue I have is that some may view this has high compared to the Town getting a 3% increase.

G. Weirs: Last year, we received a 5% increase.

This budget is operating at a 6.5% decrease. This is a job well done.

D. Pearl: I would better understand if there was a line for full time and a line for part time.

I. Beaulieu: I can break it out for this year as you requested. This won't change the total.

JR Ouellette: Retirement fund – the fund has a 10% increase.

I. Beaulieu: For the first half I have to match at 8.3% and the second half I have to match at 9.7%. It is based on what the state tells us we have to match.

I also don't pay retirement on the part time employee.

M. Miville: There is a 100% increase on grounds. Is it for black top?

I. Beaulieu: We expanded the driveway and went over the budget \$2000. WE are asking for \$4000 to be sure we are accurate. It was expanded 16' x 24' for snow removal purposes. The building was built in 1999. Nothing has been done to the driveway and it is in good shape. It is time however to have it blacktopped so it doesn't have to be replaced.

Warrant Articles

#5. To see if the Precinct will raise and appropriate the sum of Ten Thousand Dollars (\$10,000.00) for the Central Hooksett Water Precinct Capital Reserve Fund #1, entitled Water Storage Capital Reserve Fund

Irene: This fund has been there since I was there in 2000. There is approximately \$80,000 in the fund. The money comes from the water revenue and some from new construction. This is to develop new water storage, pipe replacement, and expansions.
All trusts have \$750,000. That is all new money due to new construction.
We have used money out of this fund. We have five (5) storage tanks.
We have capital improvement fees and capital development fees.

#6. To see if the Precinct will raise and appropriate the sum of Nineteen Thousand Three Hundred Ten Dollars (\$19,310.00) for the Central Hooksett Water Precinct Capital Reserve Fund #2 - New Construction and Capital Improvements Capital Reserve Fund

G. Weir: This is for the improvements on Route 3. For example, while the road is torn up by the State for improvements, we will have the pipes replaced. The State will put them in which is a great savings, but we must purchase the pipe.

#7. To see if the Precinct will raise and appropriate the sum of Ten Thousand Dollars (\$10,000.00) for the Central Hooksett Water Precinct Capital Reserve Fund #3 - Repair and Replacement of Main and Equipment Capital Reserve Fund

#8 To see if the Precinct will raise and appropriate the sum of Nineteen Thousand Three Hundred Ten Dollars (\$19,310.00) for the Central Hooksett Water Precinct Capital Reserve Fund #4 - Standpipe Relining Capital Reserve Fund

#9. To see if the Precinct will raise and appropriate the sum of Fifty Seven Thousand Two Hundred Forty Dollars (\$57,240.00) for the Central Hooksett Water Precinct Capital Reserve Fund #5 - Source Development & Infrastructure Preservation Capital Reserve Fund.

This is to be used to purchase the right to buy the water from Manchester Water Works.

#10. To see if the Precinct will raise and appropriate the sum of Six Hundred Sixty Three Thousand Five Hundred Fifteen Dollars (\$663,515.00) for general Precinct operations. This article does not include appropriations from any other warrant articles \$663,515
Operating Budget

Close Public Hearing for Central Water Precinct. 7:48 PM

***D. Pearl motioned to recommend Article #5 as written. Seconded by Jr. Ouellette
Vote unanimously in favor***

***K. Hughes motioned to recommend Article #6 as written. Seconded by N. Comai
Vote unanimously in favor***

***J. Danforth motioned to recommend Article #7 as written. Seconded by S. Doyon
Vote unanimously in favor***

***JR Ouellette motioned to recommend Article #8 as written. Seconded by D. Pearl
Vote unanimously in favor***

***S. Doyon motioned to recommend Article #9 as written. Seconded by N. Comai.
Vote unanimously in favor***

***J. Danforth motioned to recommend Article #10 with an operating budget of \$663,515.
Seconded by K. Hughes.
Vote unanimously in favor***

Open Public Hearing Village Water Precinct 8:00 PM

Mike Jache, Joe Hebert, Tony Amato and Nancy Philbrick

M. Jache: Operating expenses - temporary labor went from \$1500 to \$7000. This account is when we use labor ready. Rather than hire a full time person, we use labor ready when needed. Legal and audit is up \$3000. Last year we placed an attorney on a retainer. Legislation required an increase in audit cost which have gone up 30% to 40%

The budget is up 7.5% due to cost of chemicals and copper.

Well testing is required by the State. Our source is wells. We currently have four (4) wells. They require different test and the frequency dictates the cost of the well testing. .

There is an increase of 75 cents per thousand being put in place.

We took money out of undesignated fund balance to cover this budget. We have tried to keep the rates down, but we just can't continue at the current rates.

Precinct building went up because we had a new furnace installed. The cost was \$4500.

The wage increase is 5%. We have one (1) part time person who has been with the precinct for 60 years and he never took a pay increase.

Insurance is up \$10,000, which is health, liability, and property.

Truck expense went up \$2000 for fuel and the van will need work.

We have approximately 1000 customers and very little commercial.

Central's rate is \$2.50/1000 and we have a graduated rate based on the usage.

Warrant Articles

#5. To see if the Precinct will raise and appropriate the Budget Committee sum of \$516,39 for general district operations. The Commissioners recommend \$516,399. This article does not include appropriations contained in any other warrant articles.

#7 To see if the Precinct will vote to raise and appropriate Sixty Thousand Dollars (\$60,00.00) to add to the Tank Maintenance Expendable Trust Fund with said funds to come from Pike Industries.

HVWP owns land on Hackett Hill and Pike pays royalty for the property. That money is put into a warrant article and put into a trust fund for major projects.

#8 To see if the Precinct will vote to authorize the Commissioners to establish a capital reserve fund named "Hooksett Village Water Precinct Repair and Replacement Trust Fund" for the purpose of expending funds for costs, including but not limited to, major repairs, preservation or replacements of the Precinct's property, equipment and appurtenances and administrative cost and expenses associated therewith, and to raise and appropriate Nineteen Thousand Twenty Three Dollars (\$19,023.00) to be placed in this fund from funds received from Pike Industries and further to name the Commissioners as agents to expend.

This is a reserve fund for something catastrophic such as a major pipe break, which would be very costly. We don't have the manpower to handle this.

Close Public Hearing for Village Water Precinct at 8:15 pm.

***J. Danforth motioned to recommend Article #5, with an operating budget of \$516,399.
Seconded by JR Ouellette.
Vote unanimously in favor***

K. Hughes motioned to recommend Article #7 as written. Seconded by M. Miville

Vote unanimously in favor

***M. Miville motioned to recommend article #8 as written. Seconded by D. Pearl
Vote unanimously in favor***

Hooksett Sewer Commission Budget

Bruce Kudrick represented Hooksett Sewer Department

EPA and DES rules – we run a 6-man operation with someone on call 7 days a week. We collect our own money and generate our own invoices. This is not part of the town operating budget.

Bruce Kudrick showed a sample of the new mapping system for the town. An Aerial photo was shown.

Bruce gave an overview of the Sewer lines and pump stations in town.

B. Kudrick: The sewer plant is under construction. It was originally built in 1969 and has expanded over the years. In the past, we used 1000% gas chlorine, which is very dangerous. We are in the process of switching to hyperchloride, which is only 12%. It is a safer product.

Budget

Last year, we did not increase the budget because we thought we would have to go up this year. It increased this year 58,855.40.

Page 1 is the expenditures and requests by line. There is a 4% wage increase with a 2% cost of living and 2% merit on their anniversary.

There is an increase in manholes and sewer lines.

SNHP is doing a study of the river to see how much water can be safely taken out and what can be put in safely. All communities have picked up a portion of the cost.

Office operations went up \$2000.

Total Operating Budget is \$1,476,724.

Due to the new Village Water Precinct rates, which we are only now hearing about, we will be short \$5000. This will be brought up at the next Commissioner's meeting.

Total revenue is \$1,239,424.

We are approximately \$200,000 short. We usually make this up through other means. Because we are under construction, we had a fund, which was collected from developers. We can't use this money for operations; it must be for upgrade of the plant. It is now 3.5 million and a bond for 3.5 million, which we must pay back. For every bond, the State matches but that money is gone. We do have an accountant part time, and he has given advise to the commissioners on how to raise the money and that is through raising the rates. The commissioners have not made a decision yet. The most the rates will increase is 6.00 per month.

The average homeowner pays \$421.00 per year based on 90 gallons per year usage. When compared to other towns and the state, we are well below the average.

Capital replacement fund is \$102,000. When it is time to buy a vehicle, we have money available. We show what we have spent to increase the treatment plant. We are not a separate government. We are part of the Town. The land and buildings are owned by the Town but they are governed by the commission.

Warrant Article

A few weeks ago, Sid and I went to DES and found out about money coming to the State of NH. There could be 75% grant money. Since the late 70's we haven't seen grant money given to the State of NH. In the past 75% was Federal money, 20% State and 5% from the taxpayers. The existing plant was funded with only 5% of the tax money.

The Federal government is going to give 75% of the cost of a project that is ready to go. The cost is 9 million and we only have 5 million so that is all we built. We had to fight with DES because we had the plan and we went to bid and this was more than we had. DES said you have to redesign the project and go back out to bid next year. The Commissioners did some lobbying and we are now going forward with our project.

The rest of our project is ready, and this is what DES is saying. If you are ready to go, you will be eligible for this money.

We are trying to get the land that is owned by the school for a compost facility. We are looking at land in the south side of town for a facility. Our Compost facility is now on land from MS&G. All we have to do is go out for bid.

Warrant Article reads.....read by Bruce.

The money from the federal government goes to the State and they distribute to the communities.

J. Pieroni: The upgrade is for additional capacity?

Bruce: It is additional capacity and cleaner. As the plant grows, I'm allowed so much to go to the river. You must design the plant for what the site will take. We went from the original 225,000 to 450,000 to 800,000 to 1.1 million. We must do a design. The site was designed for 2.2 million. When we went to design this last phase, we had to design the entire facility. It came in for 8 million and we only had 6 million. Actual construction was 4.4 million for what we are doing now. We will make the water cleaner because we are doing phosphorous treatment. We must take the nutrients out.

J. Pieroni: It will increase the capacity. You are asking the ratepayers to increase the capacity. I see that as problematic. Where in the future will this benefit the payers? Will future users be paying off this?

B. Kudrick: We have had to turn away development because we have not capacity. For example, Cabelas, we can't take them. At Exit 10, Lowes and Wal-Mart are building their own wastewater treatment plant because we can't take them on. We have the plans to expand down there but we can't do that. The cost to do that is 2 million dollars.

It takes 2 years from the time you start until you have completed the expansion of the treatment plant. The compost operation has been going on for 9 years but is ready to go if we have the money.

J. Pieroni: Is the warrant article contingent on that federal money being available? Otherwise ratepayers will be on the hook for the entire amount.

B. Kudrick: The towns voting in March will have to amend their articles on the floor. This will be final by the end of February. We vote in May so we should have time. DES said they would write up an article with DRA and get it out to the towns. It has to be put in that IF the money is available. The warrant presented tonight is just a draft. When they present to the Town Council, we will be sure it is correct and it will be reviewed by counsel.

J. Pieroni: Where is the protection to the current ratepayers where future ratepayers will be absorbing this cost?

B. Kudrick: The commission could take the money from a developer and pay off the debt service.

J. Pieroni: I see this as a tough sell. You want ratepayers to take on the expansion for future developers. There must be something in place that says as these commercial developers come on board, they will pay for this expansion.

B. Kudrick: Rate impact would be no more than \$6.00 per month increase. There is another meeting on February 6th at DES. They want it done by the end of February. Then we have to properly write the warrant.

**Final Recommendation of Hooksett School District Budget
Operating Budget of 26,490,516.92 School District**

#3. Shall the District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the Warrant, or as amended by vote of the first session, for the purpose set forth therein, totaling twenty-six million, four hundred ninety thousand, five hundred sixteen dollars and ninety-two cents (\$26,490,516.92)? Should this article be defeated, the default budget shall be twenty-six million, six hundred twelve thousand, nine hundred seventy-two dollars (\$26,612,972), which is the same as last year, with certain adjustments required by previous action of the Hooksett School District, or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

***J. Danforth motioned to recommend Article 3 as written with an operating budget of \$26,490,516.92. Seconded by M. Miville
Vote unanimously in favor***

Warrant Article

#2. Shall the District vote to approve the cost items included in the collective bargaining agreement reached between the Hooksett School Board and the Hooksett Educational Support Professionals, which calls for the following increase in salaries and benefits (FICA and retirement) at current staffing levels:

Year	Estimated Increase		Total
	Salary	Benefits	
2009-2010	\$38,450	\$5,026	\$43,476
2010-2011	\$39,409	\$5,152	\$44,561

and further to raise and appropriate the sum of forty-three thousand, four hundred seventy-six dollars (\$43,476) for the 2009-2010 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal year?

***J. Danforth motioned to recommend Article 2 as written. Seconded by D. Pearl.
Vote unanimously in favor***

Resignation

***M. Miville motioned to accept the resignation of John Marasco, which was submitted on January 15, 2009 with commendation for work done. Seconded by N. Comai.
Vote unanimously in favor***

ADJOURN

The meeting was adjourned by the Chair at 10:00 pm

Respectfully submitted,

Lee Ann Moynihan