

**WOLFEBORO BUDGET COMMITTEE**  
**December 28, 2011**  
**Minutes**

**Members Present:** John MacDonald, Chairman, Stan Stevens, Vice-Chairman, Dave Senecal, Selectmen's Representative, Robert Moholland, Harold Parker, John Burt, Allan Bailey, Frank Giebutowski, Bob Tougher, Members.

**Member Absent:** Brian Black, Member.

**Staff Present:** Dave Owen, Town Manager, Pete Chamberlain, Finance Director, Lee Ann Keathley, Secretary.

*Chairman MacDonald called the meeting to order at 6:30 PM at the Wolfeboro Inn Ballroom.*

**WARRANT ARTICLES**

**Article F: Water Meter Upgrades \$500,000**

John MacDonald read Article F.

Dave Owen stated the Committee received Dave Ford's memo, dated 12/21/11, in addition to the engineering study. He stated that when Dave Ford and he were hired there was 41% unaccounted water use; noting such has decreased to 31% due to improvements to the system. He stated unaccounted water usage will continue to decrease when improvements/upgrades are made to the water meters; noting he views the warrant article as an effort to better manage the Town's resources and unaccounted water.

John MacDonald questioned when the upgrades would be installed if the article passes.

Dave Owen replied 2012. Referencing monthly billing, he stated such is a policy discussion however; the Town will then have the ability to read the meters monthly. He stated the Town is currently reading 1/3 of the water meters per month and billed quarterly. He stated the article notes grant assistance in the amount of \$100,000 however, the amount is actually \$175,000.

John MacDonald questioned whether the State has committed to the grant.

Dave Owen replied not in writing.

John MacDonald questioned whether there would be a water rate increase.

Dave Owen replied no; noting an anticipated revenue increase of 2.5% due to the increased accuracy of the meters. He stated the meters would pay for itself.

Frank Giebutowski questioned when the payoff would be.

John MacDonald stated he recalled reading 2-3 years.

Frank Giebutowski questioned what exactly the Town would get out of the meter upgrade; noting information the Committee received was about other communities.

Bob Moholland questioned the number of staff that read meters.

Dave Owen replied one person.

Bob Moholland questioned the number of staff allotted when the meters are replaced.

Dave Owen replied one employee one day per month.

John Burt verified the Town replaces approximately 100 meters per year.

Dave Owen stated only meters 15+ years or older will be replaced.

Bob Moholland questioned the number of people with silcock meters.

Dave Owen stated all silcock meters are covered in the replacement program.

**It was moved by Bob Tougher and seconded by Allan Bailey to recommend Warrant Article F: Water Meter Upgrades.**

*Discussion of motion:*

John Burt expressed concern regarding the amount of manpower expended and reallocated; noting a position could be eliminated once the meters are installed. He questioned the water department's surplus.

Dave Owen replied \$2 million.

John Burt expressed concern regarding the deficit of the sewer system; noting a need to address the sewer bond payments. He expressed concern for the reallocation of assets.

Dave Owen stated the report states the manpower could be reallocated if the position is not needed; noting such would then be a decision of the BOS and Town Manager.

Frank Giebutowski questioned the total annual billing for the water department.

Pete Chamberlain replied revenue is \$2 million.

Frank Giebutowski stated the payoff cannot be in 2-3 years if the Town receives \$50,000 per year.

Dave Owen stated the report states the upgrades would save the water department \$247,500 in 20 years and that the upgrade would pay for itself with an increase in 2.5%. He stated Dave Ford's report states the bond cost for the program will be covered by a 2.5% increase in revenues.

**It was moved by Bob Tougher and seconded by Allan Bailey to recommend Warrant Article F: Water Meter Upgrades. Allan Bailey, Harold Parker, John MacDonald, Bob Tougher, Stan Stevens voted in favor. Frank Giebutowski, Bob Moholland, John Burt opposed. The motion passed (5-3).**

**Article I: Construct Bath House at Albee Beach \$125,000**

John MacDonald read Article I.

Ethan Hipple stated the proposal includes the construction of a 3-season bath house at Albee Beach with 2 ADA accessible bathrooms, ADA ramp, 300 SF storage area for lifeguard equipment, changing rooms and an outside shower. He stated the septic system (2 septic tanks and leach field) and the foundation for the bath house was constructed and done so under budget. He stated the bath house would be timber construction with barn board exterior. He stated he has proposed a partnership with Region 9 Vocational Technical Education Center (General Contractor) to help build the bath house and the Agriculture Program is also committed to helping out with the landscaping.

John MacDonald questioned the dimensions.

Ethan Hipple stated the building size is 18X32 and deck size is 23X42.

John MacDonald questioned the breakdown of costs.

Ethan Hipple reviewed Options 1 & 2; noting Option 1 would cost \$125,510 (Region 9 Voc-Tech) and Option 2 would cost \$154,693 (outside contractor).

John MacDonald questioned recourse if something goes wrong.

Dave Senecal stated the program has their own insurance and a 1 year construction warranty.

John Burt questioned who would inspect the construction.

Dave Senecal replied Audrey Cline. He stated he is on the Board of the program at the school and conducts site visits as well.

Allen Bailey asked Mr. Senecal if he believes the students are competent to construct the bath house.

Dave Senecal replied yes.

John MacDonald questioned labor costs.

Ethan Hipple replied 15% markup on the cost of materials. He reviewed the costs associated with the project.

John Burt questioned whether the BOS recommended the article.

Dave Owen replied yes, unanimously.

John Burt questioned the cost of the portable toilets.

Ethan Hipple replied \$4,000 per year. He stated Albee Beach is the only beach without a bath house.

John MacDonald questioned why the warrant article language includes "Region 9 Vocational Technical Education Center" and why there is no opportunity for a local contractor to bid on the project. He stated that by having the language in the warrant article provides for no opportunity for others to bid and he feels that is not fair.

Allan Bailey questioned whether the Committee could change the language of the warrant article.

Dave Owen replied no however, the BOS could do such.

**It was moved by Bob Tougher and seconded by John Burt to recommend Article I: Construct Bath House at Albee Beach as written.**

*Discussion of motion:*

Bob Tougher stated the CIP Committee has reviewed the project for two years and was concerned for the cost of the project (original cost estimate of \$200,000+). He stated the Committee requested costs for modular units; noting the submittal of the warrant article is Mr. Hipple's solution to the CIP's concern in regard to cost.

Harold Parker asked what figures were used to determine the cost.

Ethan Hipple stated AG Architects submitted the original cost estimate of \$210,000. He stated he is open to the bid process but, also open to a partnership with the school.

John Burt questioned whether the plans are adequate to go out to bid.

Ethan Hipple replied yes.

**It was moved by John Burt and seconded by Stan Stevens to amend the motion to table the vote until review and recommendation by the Board of Selectmen.**

*Discussion:*

John Burt stated he is not willing to support the motion as it is currently written.

Stan Stevens stated local contractors should be given an opportunity to bid on the project.

Dave Senecal stated the Town puts a lot of projects out to bid and either no bids or very few bids from local contractors are received.

**It was moved by John Burt and seconded by Stan Stevens to amend the motion to table the vote until review and recommendation by the Board of Selectmen. All members opposed. The motion failed.**

**It was moved by Bob Tougher and seconded by John Burt to recommend Article I: Construct Bath House at Albee Beach as written. Bob Tougher voted in favor. John MacDonald, Harold Parker, Stan Stevens, Allan Bailey, Bob Moholland, Frank Giebutowski, John Burt opposed. The motion failed (1-7).**

**It was moved by John MacDonald and seconded by Harold Parker to not recommend Article I: Construct Bath House at Albee Beach. John MacDonald, Harold Parker, Stan Stevens, Allan Bailey, Bob Moholland, Frank Giebutowski, John Burt voted in favor. Bob Tougher opposed. The motion passed (7-1).**

**Article G: Insulation and Dehumidification System at Pop Whalen Arena \$275,000**

John MacDonald read Article G.

Ethan Hipple stated there are corrosion, mold and excessive energy use at the Pop Whalen Arena. He stated the rink itself is not insulated, there is no temperature control and excessive moisture in the building; noting the rink does not have a dehumidification system. He noted a potential increase in revenue once the insulation and dehumidification system is installed through the use of the arena for summer activities (indoor soccer, lacrosse, roller hockey, craft fairs, antique or car shows, etc.). He stated he is currently seeking cost estimates from three contractors (2 local); noting he has received one estimate and is awaiting the other two quotes. He stated the \$275,000 figure was from a quote

received for the CIP Committee from FSC Engineering; noting that if the estimates come in over that amount that he would support the article due to the impact on the rates.

John MacDonald recommended putting off the project for a couple of years; noting the Town has spent a lot of money over the past several years on the facility.

**It was moved by Allan Bailey and seconded by Bob Tougher to recommend Article G: Insulation and Dehumidification System at Pop Whalen Arena.**

*Discussion of the motion:*

John Burt questioned the outstanding debt load of the arena not including Article G. He questioned whether air conditioning would have to be installed for indoor summer use of the facility.

Pete Chamberlain stated outstanding principal is \$541,578 and outstanding interest is \$164,863.

Ethan Hipple stated air conditioning is not being requested.

John Burt questioned whether a request for air conditioning will be anticipated in the future.

John MacDonald verified new bleachers are not included in the project.

Frank Giebutowski stated he feels the project request form does not satisfy the request and requested a more thorough investigation of potential revenue.

Ethan Hipple stated he has revenue projections and can forward such to the Committee.

Frank Giebutowski questioned how long the renovations would extend the life of the building.

Ethan Hipple stated the project would stop the corrosion and mold; noting the goal is to preserve the building. He stated an additional benefit would include summer programs.

Dave Senecal stated the local hockey program erected the building and gave the rink to the Town as a gift at no cost.

John Burt questioned the plan for bleacher replacement.

Ethan Hipple stated such is currently not in the CIP; noting the current bleachers are adequate. He stated he would rather see improvements to preserve the building and improve the viability of the building.

Bob Tougher stated he supports the warrant article and doesn't want to see the Town get into a situation like it has with the Town Hall or Public Safety Building.

John MacDonald questioned the contractors submitting cost estimates.

Ethan Hipple replied Dave O'Brien, NH Heating and Cooling and CCI.

Dave Senecal stated the dehumidification/air exchange system is necessary.

Ethan Hipple stated that despite the approval of the project, the corrosion must be treated.

John Burt questioned whether the treatment of the corrosion is included in the \$275,000.

Ethan Hipple stated the corrosion was included in the specs distributed to the contractors; noting the specs also included insulation and dehumidification.

**It was moved by Allan Bailey and seconded by Bob Tougher to recommend Article G: Insulation and Dehumidification System at Pop Whalen Arena. Allan Bailey, Bob Tougher, Bob Moholland voted in favor. John MacDonald, John Burt, Stan Stevens, Frank Giebutowski, Harold Parker opposed. The motion failed (3-5).**

**It was moved by Stan Stevens and seconded by Frank Giebutowski to not recommend Article G: Insulation and Dehumidification System at Pop Whalen Arena. John MacDonald, John Burt, Stan Stevens, Frank Giebutowski, Harold Parker voted in favor. Allan Bailey, Bob Tougher, Bob Moholland opposed. The motion passed (5-3).**

#### **Article S: Establish Recreation Revolving Fund**

John MacDonald read Article S.

John Burt questioned which activities would be included in the revolving fund that are considered self sustaining.

Ethan Hipple replied sailing, wilderness camp and day camp field trips.

#### **FINAL BUDGET REVIEW**

John Burt stated the Public Works Department moved the intern position to the Highway Department and questioned whether Dave Ford was justified to do such. He stated a half position from the dump was also moved to the Highway Department; noting such is equivalent to one full time person. He stated that as a result of the changes, the Highway Department's pay and benefits increased 12.9% (\$84,339). He stated overall increase to the Highway Department is \$113,000; noting a creeping increase of both equipment and personnel.

Pete Chamberlain noted significant changes and increase in health insurance in 2012 over 2011 due to changes in employee plans (single to family, two person to family, opt out).

Frank Giebutowski questioned the sewer fund transfer out increase in the amount of \$138,000.

Pete Chamberlain stated due to the debt service schedule not starting until February 2013, the sewer fund transfer decreased by \$61,103 which in turn increased the General Fund by 2.3%.

**It was moved by John MacDonald and seconded by John Burt to decrease 01-49131.940 Sewer Fund Transfer to \$747,309.00. All members voted in favor. The motion passed.**

Pete Chamberlain stated the Town will be under budget for 2011. He stated the General Fund is up 2.34%.

**It was moved by John MacDonald and seconded by John Burt to decrease 01.45500.113 by \$963.00, 01.45500.114 by \$413.00 and 01.45500.117 by \$726.00.**

#### *Discussion of the motion:*

John MacDonald stated the motion reflects the removal of the merit increase pay raises it the Library budget; noting he does not feel such is fair and that no other Town employees receive such. He stated he doesn't feel the Library employees should be treated differently than other Town employees.

Bob Tougher questioned whether the Police Department gave merit raises.

John MacDonald replied no.

Dave Owen questioned whether the Committee intends to leave any increase.

John MacDonald stated the budget reflects a 1% increase to the director's salary.

Bob Tougher questioned what differentiates the Library employees from other Town employees.

Dave Owen stated the Board of Trustees establish staff compensation.

John Burt questioned the increase to other Town nonunion employees.

Dave Owen replied 1%.

**It was moved by John MacDonald and seconded by John Burt to decrease 01.45500.113 by \$963.00, 01.45500.114 by \$413.00 and 01.45500.117 by \$726.00. John MacDonald, Harold Parker, Stan Stevens, Bob Moholland, Frank Giebutowski, John Burt voted in favor. Allan Bailey, Bob Tougher opposed. The motion passed.**

John Burt noted the 200 series has to be revised to reflect the changes to the 100 series.

#### **DEFAULT BUDGET**

Pete Chamberlain reviewed the Default Budget.

Bob Tougher questioned what the operating budget comes to in regard to the tax rate.

Pete Chamberlain replied approximately sixteen cents.

**It was moved by Bob Tougher and seconded by Allan Bailey to adjourn the December 28, 2011 Budget Committee meeting. All members voted in favor.**

*Budget Committee Public Hearings scheduled for January 12 and 13, 2012 at the Wolfeboro Inn Ballroom @ 7 PM.*

*There being no further business before the Committee, the meeting adjourned at 8:38 PM.*

Respectfully Submitted,

*Lee Ann Keathley*

Lee Ann Keathley

***\*\*Please note these minutes are subject to approval and amendments at a later date.***

