

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
December 30, 2014
Minutes**

Members Present: John MacDonald, Chairman, Frank Giebutowski, Vice-Chairman, Dave Senecal, Selectmen's Representative, Brian Black, Robert Moholland, Matt Krause, John Burt, Steve Johnson, Bob Tougher, Members.

Member Absent: Harold Parker, Member (excused).

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

Chairman MacDonald called the meeting to order at 6:04 PM at the Wolfeboro Public Library.

WARRANT ARTICLES

Article B Purchase & Demolition of Dilapidated Buildings on Lehner Street; \$120,000

Dave Owen stated the lots on Lehner Street are adjacent to Foss Field. He stated the Town previously attempted to purchase the properties however, the parties couldn't agree to a selling price. He stated the owner passed away a couple months ago and the owner's son has agreed to drop the selling price to \$55,000 for each parcel. He stated an additional \$10,000 is included in the warrant article for the demolition of the buildings by the Town's Public Works Department. He stated the parcels would be added to the Foss Field complex with the intent to build a pavilion including public restrooms. He stated the appraisals for the properties have been provided to the Committee.

John MacDonald asked if the taxes are current.

Dave Owen replied no.

John MacDonald asked the amount of outstanding taxes.

Dave Owen stated there is in excess of \$57,000 of back taxes owed for all properties owned by Mr. Dumont. He stated Mr. Dumont's son has agreed to pay \$25,000 towards the total back taxes from the proceeds of the sale of the Lehner Street properties. He stated a Purchase and Sales Agreement has been drafted to include the provision of payment of back taxes.

John MacDonald asked why the Town is bonding the purchase rather than purchasing the properties outright.

Dave Owen stated the Town has previously bonded land purchases (McBride and Moody). He stated the philosophy of the BOS is that the properties are assets of the Town and the cost shouldn't be borne by the current taxpayers but, also by the long term users.

John Burt expressed concern that the Town does not have a facilities plan and asked when the Town is going to implement such.

Dave Owen stated the BOS currently does not have an overall facilities master plan. He stated the CIP Committee has discussed such.

John Burt stated something should be done.

Brian Black asked if the Lehner Street properties are marketable as building lots if the Town does not develop the lots.

Dave Owen replied yes, however the intent is to add the properties to the Town's recreational complex.

John MacDonald asked if the restrooms would be accessible year round.

Dave Owen replied yes.

Dave Senecal stated the pavilion would be similar to the structure at The Nick.

Dave Owen stated there is a Capital Reserve Fund for the Foss Field building; noting the fund is currently at \$100,000.

Article G Interim Town Offices; \$76,250

Dave Owen stated the article includes the cost of 9 months of rent payments, moving costs and technology connection when the offices move back to the Town Hall.

Article N Police Union Contract Agreement (NEPBA Contract); \$36,077

Dave Owen stated the Town entered into a two year agreement and noted the employees agreed to pay an increase in health insurance contributions (the Town currently contributes 93% and employees contribute 7%). He stated over the two year period the employee contribution will increase to 10%; noting that in exchange for such, the Town agreed to a step increase for each year and a small adjustment in shift differentials. He stated the canine officer was restricted so that the officer is only receiving one hour per day of compensatory time; noting overtime for the position has been eliminated.

Frank Giebutowski questioned the offsets of healthcare.

Pete Chamberlain replied \$2900 the first year and \$8923 the second year.

Referencing page 1, subparagraph 2. of the NEBPA Tentative Agreement which reads as follows; "Employees who receive an unsatisfactory performance shall be granted a 90-day extension to improve their performance to a satisfactory level," John MacDonald asked if such is in the Town's personnel policy.

Dave Owen replied yes.

Steve Johnson asked Mr. Owen if he participates in the negotiations.

Dave Owen replied yes.

Steve Johnson asked if the negotiations include the union or police officers.

Dave Owen stated the union is comprised of a committee of police officers.

Steve Johnson asked if the negotiations apply to the dispatchers.

Dave Owen replied yes, full time dispatchers are members of the union.

John MacDonald asked if the contract applies to the Captain.

Dave Owen replied no, the Captain and Chief are nonunion employees.

Article O AFSCME Contract Agreement; \$45,087

Dave Owen stated such is similar to the Police Union contract; noting changes regarding health insurance contribution was implemented. He stated an increase in the boot allowance was allotted.

Frank Giebutowski questioned the number of employees in the AFSCME unit.

Pete Chamberlain replied 31.

Frank Giebutowski questioned the number of employees in the Police Union.

Dave Owen replied 11 police officers and 4 dispatchers.

Referencing the increase in the boot allowance, John MacDonald asked if the budgets need to be increased from \$200 to \$250.

Dave Owen replied yes.

John MacDonald questioned the pay increase for nonunion employees.

Dave Owen stated the BOS voted on a 3% increase/salary adjustment for nonunion employees.

John MacDonald asked if the nonunion employees are paying the same health insurance contribution.

Dave Owen replied yes.

Steve Johnson asked when the union came into effect.

Dave Senecal replied approximately 20 years ago.

Dave Owen stated the Police Union came into effect 6-7 years ago.

Brian Black questioned the role of the Police Commission during the negotiations.

Dave Owen stated he presented the information to the Chief and Police Commission prior to negotiations to receive feedback. He stated a Commissioner was included at the bargaining table, not to negotiate but to report to the other Commissioners. He stated Dave Senecal was the BOS Bargaining Representative.

Steve Johnson questioned merit pay.

Dave Owen stated the Town doesn't have merit pay rather; the Town has an annual performance evaluation for all employees.

Article Q Fire Trucks & Apparatus Replacement Capital Reserve Account; \$176,000

Dave Owen stated such relates to the annual contribution to the capital reserve account; noting a schedule of apparatus replacement and acquisition has been provided.

Steve Johnson asked if the money is being actively managed.

Dave Owen replied yes, by the Trustees of the Trust Funds. He stated the Town is seeking authority, through Warrant Article T (Investment Management Services for the Trustees of the Trust Funds), to hire a fund manager because the Town is currently only allowed to hold the money in CD's.

Referencing Warrant Article T, John MacDonald stated he received a call from Bob Stewart who wanted to make a presentation to the Committee with regard to such however, because it is not a money warrant article, the Budget Committee doesn't review it.

Article S Abenaki Ski Area Capital Reserve Fund; \$15,250

Dave Owen stated such relates to the annual contribution to the capital reserve account to fund future anticipated capital replacement costs for the snowmaking equipment.

ESTIMATED REVENUES

Pete Chamberlain distributed the estimated General Fund Revenues and noted the BOS would be reviewing and approving such on 1/7/15.

John MacDonald questioned commercial vessel fees.

Dave Owen stated the BOS licenses such; noting such is based on the size of the vessel and the number of landings.

Steve Johnson questioned interest on investments.

Pete Chamberlain replied such relates to interest on the General Fund.

Bob Tougher asked if the bond for the Town Hall renovations would be in 2016.

Pete Chamberlain stated the next bond sale is in June 2015; noting the Town has bond anticipated notes because the final cost of the renovation has not been determined.

Bob Tougher asked if the 2015 revaluation is reflected in 2015 or 2016.

Dave Senecal replied 2016.

Linda Murray stated October 2015. She stated she would find out.

John MacDonald questioned the percentage increase of the general operating budget.

Pete Chamberlain replied 4.93% and noted the overall increase is 2.03%.

FINAL BUDGET REVIEW

Referencing the 2015 purchase of the Fire Chief's vehicle, John Burt questioned whether the same rationale would apply to the procurement of mobile phones and thermal imaging cameras.

Dave Owen stated such would depend on the interpretation of fire apparatus; noting he isn't sure it would apply to miscellaneous items.

Referencing lease purchases, John Burt stated he feels such is another form of public debt. He stated the request is noted in the 2015 budget however, lease purchasing then obligates expenses in the 2016 and 2017 budgets. He stated he doesn't think it's right. He stated he feels the thermal imaging camera is an apparatus.

Dave Senecal stated apparatus refers to vehicles and not the equipment on the vehicles.

Dave Owen stated the departments are participating in lease purchase programs to reduce the impact to the budget. He stated the thermal imaging camera is not a lease purchase.

Pete Chamberlain noted the lease purchase rate is 3.5%.

John MacDonald asked who pays for review by Town Counsel.

Dave Owen stated each department has their own legal budget.

John MacDonald asked what budget was charged when he asked the question regarding the stipends in the Police and Communications budgets.

Dave Owen replied the BOS legal budget; noting the Police Department did not agree to for the review.

John MacDonald asked whether the Budget Committee should have its own legal budget.

Dave Owen stated such isn't necessary.

Referencing the purchase of the street sweeper and catch basin cleaner, John Burt stated the request was in last year's capital expense; noting the Budget Committee voted no for the expense. He stated this year the request is hidden in the outside service line of the budget. He stated Mr. Ford stated a lot of reasons for purchasing the equipment however, Mr.

Ford did not state that a Town employee currently works with the contractor when the catch basins are cleaned; noting overtime is absorbed in the overall highway budget. He stated Mr. Ford has underestimated the cost and has not provided information with regard to the number of hours that it will take to do the job in house or detail for the cost to run the equipment. He stated he resents seeing the request placed in outside services; noting the request should be put in rentals and leases. He stated it is implied there may be another position in future years. He stated the cost of the equipment is \$240,000; noting such would require annual maintenance and doesn't feel the cost estimate is accurate.

John MacDonald questioned the amount spent this year for street sweeping and catch basin cleaning.

Pete Chamberlain replied \$18,950 was paid out to Ruel Sweeping and an additional \$12,000+ was paid for catch basin cleaning.

It was moved by John MacDonald and seconded by John Burt to decrease 43120.380 Outside Services in the amount of \$40,000; specifically contract services for sweeper and catch basin cleaner and estimated lease purchase payment on new sweeper and catch basin cleaner.

Discussion of the motion:

John MacDonald stated there is no need to purchase additional equipment and the service should be contracted out.

Bob Tougher disagreed with Mr. MacDonald and stated Mr. Ford wants to clean the catch basins more often; noting such affects drainage issues and the quality of the lakes.

John MacDonald stated there has never been an issue with how it is currently done.

Dave Owen stated Mr. Ford needs \$30,000 to maintain the existing services; noting \$10,000 was requested for the lease purchase.

John MacDonald verified \$30,000 is necessary to maintain existing services.

John MacDonald withdrew his motion. John Burt seconded.

Matt Krause stated Mr. Ford did not factor in labor costs.

It was moved by Frank Giebutowski and seconded by Bob Moholland to decrease 43120.380 Outside Services in the amount of \$40,000; specifically contract services for sweeper and catch basin cleaner and estimated lease purchase payment on new sweeper and catch basin cleaner.

Discussion of the motion:

Frank Giebutowski stated Mr. Ford did not provide a good accounting of the costs associated with the purchase, including labor costs.

Brian Black asked if there have been any documented issues and/or complaints with regarding to the current procedure.

Dave Owen replied not to his knowledge.

Sarah Silk stated adding catch basins and improvements to existing catch basins will add to the expense in the future.

Frank Giebutowski stated the financial analysis doesn't reflect what a future budget would entail.

John Burt stated a better analysis is deserved.

The Committee confirmed that \$30,000 is needed to maintain the existing services; noting \$10,000 was requested for the lease purchase of the equipment.

It was moved by Frank Giebutowski to amend his motion to decrease 43120.380 Outside Services in the amount of \$10,000; specifically the cost associated with the lease purchase payment for a new street sweeper/catch basin cleaner. The motion was seconded by John Burt. John MacDonald, Steve Johnson, Bob Moholland, Frank Giebutowski, Matt Krause, John Burt voted in favor. Bob Tougher opposed. The motion passed.

Steve Johnson recommended in the future that the Committee discuss the highway department, specifically its size and function.

Referencing Fire/Rescue, specifically 42200.380 Outside Services, John MacDonald verified the \$345,000 is used as revenue to offset the user rate.

Dave Owen replied yes, the funds are revenue to the water fund and an addition to the user fees.

John MacDonald verified the funds are used to determine the user rate.

Linda Murray replied yes.

John MacDonald asked if rates will increase if the amount is lowered.

Dave Owen stated it would depend on revenue at the time the rates are reviewed.

Referencing agencies, Frank Giebutowski requested the Committee closer examination the information provided for the funding requests during the next budget cycle. He stated it doesn't feel right when an agency can pay their current bills 3.5 times over yet asks for \$200,000 from municipalities; noting VNA Hospice has \$400,000 in current assets.

Referencing Abenaki Ski Lodge, John MacDonald asked if the plans have been reviewed by the Code Enforcement Officer and Police and Fire Departments.

Ethan Hipple stated the departments have been provided the conceptual design.

John MacDonald asked if a fire suppression system is required.

Ethan Hipple stated such is currently being reviewed and noted the intent is to design the building without it. He stated the building falls under the square footage threshold however location of exits and ceiling height will impact whether such is required.

The Committee cancelled the January 8, 2015 meeting (originally scheduled as an open date).

The Committee scheduled a regular meeting for January 13, 2015 at 6PM at the Wolfboro Public Library (prior to the scheduled public hearing that same evening at 7PM).

It was moved by John Burt and seconded by Steve Johnson to adjourn the December 30, 2014 Budget Committee meeting. All members voted in favor.

There being no further business before the Committee, the meeting adjourned at 8:07 PM.

Respectfully Submitted,
Lee Ann Keathley
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