

**TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL BUDGET WORKSHOP SESSION**

OCTOBER 27, 2018 9:00 AM

TOWN COUNCIL CHAMBERS

Approved December 6, 2018

PRESENT: Council Chairman Dale Pike, Council Vice Chairman Toni Weinstein, Councilor Zachary Dumont, Councilor Gretchen Kast, Councilor Kyle Bowden, Councilor Amy Burns, Councilor Casey Finch

ALSO PRESENT: Town Administrator Steve Fournier, Police Chief Kyle True, Recreation Director Aimee Gigandet, Town Planner Diane Hardy, CIP Committee Chairman Russell Simon, Facilities Director Greg Marles, Environmental Services Director Sean Greig, Library Director Carrie Gadbois, Library Treasurer Rod Crepeau, Finance Director Lisa Ambrosio

AGENDA

Chairman Dale Pike welcomed everyone to the Town Council Budget Workshop Session of October 27, 2018 and called the meeting to order at 9:00 am, followed by the Pledge of Allegiance.

TOWN FY2019/2020 PROPOSED BUDGET

Chairman Pike said they would review the Budgets as well as the Capital Improvement Plans for each Department.

POLICE DEPARTMENT

Police Chief Kyle True said the first item for CIP was a request for a contribution of \$47,500 for a cruiser for FY2019/2020. He said some of the money in the fund came from a Detail Revolving Account that helped offset the cost of the cruisers, and there was currently \$217,235 in the Capital Reserve Fund (CRF). Chairman Pike said the amount requested had been reduced to \$26,000, and said he felt the level of funding in the Police Capital Reserve was beyond what was needed. Town Administrator Fournier said he would prefer to see it in the Operating Budget rather than Capital Reserves in the future, and they should work on reducing the fund at this time. Chairman Pike said he could see having a low balance of \$100,000

in Capital Reserves, and made a recommendation that the CIP contribution of \$26,000 not be made for FY2019/2020.

Police Chief True said the Police Department had purchased 2 cruisers in the summer and would be due to purchase 2 more in February. He said he planned to use the School Resource Officer (SRO) in the summer to offset the costs of overtime and vacation in patrol. He said he was concerned with the figure of \$100,000 in the event of a major incident, and Town Administrator Fournier said Capital Reserves were not cash on hand and the Town would cover the funding until insurance money was received. Chairman Pike said the plan was to still keep the Police CRF account due to the emergency nature of the budget. Town Administrator Fournier stated that the Council requested reducing the Police CRF contribution line by \$26,000 to zero.

Town Administrator Fournier said he also wanted to make the Council aware that the Finance Director had found an error in the Police Budget of \$30,000 in the salary line which would not affect the bottom line of the budget but would change the numbers. He said the request for Dispatch Equipment was \$25,470 which he reduced to \$10,000. Police Chief True said there were no capital projects for next year in Dispatch but there were requests for 2021 and 2022/2023, and the balance of \$150,000 in this fund would not be sufficient to cover all the items requested. Town Administrator Fournier said that if Newmarket were to take on more municipalities for Dispatch Services, they would look at earmarking some of those revenues towards Capital Projects.

Councilor Kast asked about the increases in the Salary line, and Police Chief True said they were due to the Collective Bargaining Contract as well as money for an additional officer. Finance Director Ambrosio said the Town budgeted for the Police Officer in their budget, but they also put revenues from the School to offset that. Councilor Kast said they were adding to the headcount but relying on the School to fund this position in the future. Councilor Burns said she agreed for this year but there were no negotiations going forward. Town Administrator Fournier said if the School did not fund the SRO position it would either be eliminated or the Town would provide the funding, as they did with the current SRO at the High School.

Chairman Pike asked how this position was different from funding 2/3 of their Facility Director, and said this was how they were able to do Shared Services for the Facilities Director and the Finance Director. Town Administrator Fournier said there were two things here, the budgeting aspect and the policy aspect. He said if the policy was that the Town Council did not want a Police Officer at the Elementary School that was one thing, but from a budgetary aspect they put it in the budget and had it as a revenue, which the Town Council could approve or eliminate from the budget. Vice-Chair Weinstein asked if they should have a Memorandum of Understanding, and Town Administrator Fournier said they already did.

Chairman Pike said some of this discussion took place at the Budget Committee as well, and reiterated that Shared Services was a good solution that benefitted the School and the Town by having a person of expertise that could be shared without the Town or the School covering the entire amount. He said to make Shared Services work, they had agreed in essence that the School Department had these funds and the decision rested with the School Board. He said asking them how they were spending the funds would

kill Shared Services, and said he did not think the SRO was an unreasonable request and he accepted that the School Board had made that decision.

Councilor Burns asked if the School could still fund the position on their own if the Council reduced the SRO in the budget, and Town Administrator Fournier said they could not because only the Police Department could provide a Police Officer and they were contracting a service from the School. He said it was the role of the Police Chief to hire and place officers, and they were funding the same as last year but this year the revenue was anticipated.

Police Chief True recommended that these issues be hashed out at a joint meeting of the School Board and the Town Council because talk of eliminating a position created an effect on the morale of his agency. He said he believed in this position and believed in the School Resource Officer (SRO), and said he and the Police Department had a great relationship with the Superintendent and the School, and he wanted to insure that these continued. Town Administrator Fournier said there were also certain rules they had to follow when there was a notification of a reduction in the force. Police Chief True said the officer would be assigned to the School during School hours and in summer would be used for patrol purposes. Chairman Pike said it would not be unreasonable to allocate 3 months of the salary to the Town.

Councilor Burns asked about the Criminal Investigation line item, and Police Chief True said it had been level-funded since 2011, and that with the opioid epidemic he needed to make sure all officers were equipped. He said it was also used for evidence processing and crime-scene equipment and costs were going up.

RECREATION GENERAL/ RECREATION REVOLVING

Town Administrator Fournier said the Recreation Operating Budget was up 6.41% to \$214,431 with increases mainly in Salaries and Travel, and said the Recreation Revolving Fund was up 1.61% to \$310,706 and was all revenues created from programming. He said for CIP they had requested \$120,003 and he had recommended \$15,000.

Recreation Director Aimee Gigandet said CIP had approved a Skate-Board Park, a shade shelter for the Senior Center, the Splash Pad, and a passenger van. Vice-Chair Weinstein asked where they were with the Splash Pad, and Recreation Director Gigandet said everything was approved at the Federal level and she was now talking with the State. Town Administrator Fournier said if it went through they would use Capital funds and postpone other projects. Recreation Director Gigandet said she had \$47,000 towards that project and the revolving funds, with impact fees being used for the match of \$199,000.

Vice-Chair Weinstein asked why there were a lot of reductions in the General Fund, and Recreation Director Gigandet said they flat-lined the General Fund last year knowing the availability of the Revolving Account, and said it had been built up knowing more of the fees would be absorbed. She said she kept the majority of things not generating revenue in the General Fund, and because of the increase in salaries she had tried to keep line items down. Town Administrator Fournier explained that administration was in the General Fund and programming was in the Revolving Fund. Chairman Pike asked about the other

projects, and Recreation Director Gigandet said if the Splash Pad were to go through, she needed to make sure funds were available in the Revolving Fund which currently had \$310,706.

PLANNING

Town Administrator Fournier said Planning had increased 3.59% to \$133,802 with changes in Postage and Salaries and the rest level-funded.

Town Planner Diane Hardy said they had a Capital Reserve request of \$10,000 for updates to the Master Plan, and said they had been putting aside money for 5 years. She said they were currently updating one chapter per year, and said they hoped to have enough money by 2025 to do a comprehensive overhaul as one project, and also hoped to involve the public in continued Visioning Sessions. She said Transportation was an area they needed to look at with the road congestion on Route 108 and also widening some roadways. She said they would like to ask the Regional Planning Commission this year if they could assist with a transportation plan update, and would discuss that with the Planning Board in December.

Chairman Pike said the Master Plan was also into the sizing of underdeveloped areas and lots, and said a fair amount of work had gone into the Future Land Use Chapter and it was a separate process trying to integrate into their zoning. Town Planner Hardy said they also hoped to work on the 3 gateways to Newmarket and come up with some recommendations to move forward with some zoning changes to facilitate development in those areas.

Vice-Chair Weinstein asked why the Postage line item was back up to \$2,500, and Town Planner Hardy said postage was dependent on applications received, and said she did not know how much they would need but that the Town recouped those costs through applicant fees. She said she had tried to keep costs level with the exception of Salary increases. Vice-Chair Weinstein said General Supplies was \$2,500 but they had spent \$3,882 in 2018, and also asked why the amount for 2020 was so specific. Town Administrator said they should round their numbers.

CAPITAL IMPROVEMENTS PROGRAM (CIP)

Town Planner Hardy introduced CIP Committee Chairman Russ Simon, and said they would like to give a quick overview of the CIP process and an overview of their recommendations and suggestions for future changes. CIP Committee Chairman Simon said he wanted to thank everyone involved in the CIP process which was done in 5-6 weeks, a process which used to take 5-7 months, and said they had made a lot of progress bringing the School in and that Facilities Director Greg Marles had been a great addition.

Town Planner Hardy said the first section of the CIP booklet was requests from Town Departments and the School, and the last section was a summary and CIP Committee recommendations with details on how that correlated to actual projects. She said CIP was a long-range planning document with a 6-year planning horizon authorized by State RSA and it was required of the Planning Board and the Town to review their Capital needs and update their list of assets and assess the needs within the community for long-range infrastructure improvements needed to accommodate growth.

Town Planner Hardy said a Capital Project was defined as over \$50,000 or a piece of equipment over \$10,000. She said once a year requests for proposals were sent out to Town departments to provide a list of their needs, and the CIP Committee met on September 1st to review those requests and visit Town departments and facilities. She said Department Heads were then called in to present their budgets, and there was extensive discussion among CIP Committee members as to what the needs should be, setting priorities for the Town, and then going forward with recommendations for financing. She said this year they received 59 requests, or a 28% increase over last year.

Town Planner Hardy said because they now had the expertise of Facilities Director Greg Marles to help them identify the needs of the community, they could access what the needs were and cost them out in terms of future projections. She said Water & Sewer had done a tremendous amount of Capital improvements planning over the last 5 years and the Public Works Department now had a Roadway Improvement Plan, and said they could use those resources to help plan for the future. She said CIP was recommending a \$1.9 million Capital Improvements Program to move forward with some of these projects.

Town Administrator Fournier discussed his budget on this portion and said CIP and the Department Heads requested \$1,097,525 in contributions to Capital Reserve Funds which he reduced to \$524,400. He said his main reason was a lack of revenue to put into Capital Reserves, and in order to avoid impacting operations had reduced the amount of Capital Reserve contributions. He said the surplus at the end of the fiscal year had been shrinking with tight budgeting, and last year they had used a significant amount of Fund Balance to contribute to Capital Reserve Funds. He said they used approximately \$800,000 of Fund Balance last year and he could only recommend \$250,000 this year to keep it at the 5% requirement of the Fund Balance Policy. He said they had \$3 million in Capital Reserves to do projects, and were just not replenishing at the previous rate.

Chairman Pike explained to the CIP Chairman that with regard to the Police Cruiser, there was around \$200,000 in the fund and he felt they should not continue to contribute to a fund that already had enough money to do what was intended. He said they had discussed putting the Police Cruiser in the Operating Budget in the future and reducing the amount of money reserved in the Capital Fund. CIP Chairman Simon said he understood the rationale but reminded the Council that the Town had historically under-funded Capital Reserves, and said they needed to see the comprehensiveness of what they had been able to put forward. He said for purchase with a useful life of 10 years, they needed money for replacement and said money in the Capital Reserves would not affect the tax rate.

Chairman Pike said he was open to understanding where their deficiencies were and said he wanted to see CRF adequately funded but also wanted to see where money was being over-funded. CIP Chairman Simon said one of the restrictions was that they had to set up a Capital Reserve Fund for each particular purpose and funds could not be moved. He added that Town Facilities had also been ignored. Chairman Pike said they now had a Facilities Director and they were trying to find ways to address that shortfall. CIP Chairman Simon said he would add to this a list of Town properties as a way to augment funds, and Town Administrator Fournier said they had been reviewing Town properties.

CIP Chairman Simon said they were in a much better process in CIP to be able to identify things. He said the Town needed to think about long-term planning, which was a reason to put away a fairly consistent amount money in Capital Reserves. He pointed out that the amount requested by Department Heads in the CIP Report did not match what was listed as requested by Department Heads in the Town Budget. Town Administrator Fournier said it was up to the Department Heads to make a recommendation to him for what their operations were and then he made a recommendation to the Town Council, and he said the CIP Report was the document approved by the CIP Committee.

CIP Chairman Simon said the amounts should track to what the manager said, and asked if the changes had something to do with ESCO performance contracting. Town Administrator Fournier said part of it was that he could tell Department Heads to hold to a certain increase but that ESCO (Emergency Services Contracting Organization) was part of it as well. He said he had to put ESCO in Capital Projects (performance contracting) but did not appropriate for it because they would not be paying for it through taxpayers. He said budgeting was one thing and planning was another, and said CIP was seeing what was needed for Capital Projects, but how it was funded was not going to be in the Operating Budget.

CIP Chairman Simon said he was trying to figure out how to improve the process, and said CIP was putting together what the Capital needs were for the Town and the School so they would be aware of them, and said their job in CIP was to be able to give an overview of that process and he felt progress was being made along that line. He said there may be other funds available to contribute to some Capital needs. Chairman Pike said this year they were reviewing CIP recommendations at the same time they were reviewing the line items in the budgets.

Town Planner Hardy said regardless of whether specific recommendations showed up in this year's budget they needed to look at the long run and identify their future needs. She said they might use a grant or another funding mechanism to implement some of these ideas, and said the ESCO Project being worked on by Facilities Director Marles was a good example of that. She said she did not want to minimize the work done by the CIP Committee. Town Administrator Fournier said he agreed, and said the other aspect was that debt was not a bad thing, and for large Capital projects they should look at issuing debt. He said this year the Town was requesting two bonds, one for the Macallen Dam as well as a \$12.5 million bond for Water Improvements.

Vice-Chair Weinstein said they were adding \$50,000 to the Macallen Dam but were also requesting a bond. Town Planner Hardy said the idea of the Capital Planning was to reserve funds for the future, and even after the Dam Project was completed they would have to continue to do monitoring and engineering to meet DES requirements and make repairs to the Dam in the future. She said GZA was working on the final design now and would be coming up with a water-control plan which could add additional costs. CIP Chairman Simon said they also had to deal with non-point source issues and hire experts for studies.

The town Council recessed at 10:38 am and resumed at 10:53 am.

BUILDINGS & GROUNDS

Town Administrator Fournier said there was a reduction in this overall line item of 2.76% to \$648,581, mainly due to moving certain items to other budgets in Public Works.

Facilities Director Greg Marles said they did show an overall reduction with increases in some areas to reflect the increase in water & sewer, increased heating costs, and increases in travel expenses tied to professional development. He said for Heating they locked into a 2-year contract on propane but fuel oil costs had gone up considerably which impacted his budget. He said there was an increase to Town Clock Maintenance as the cost for leasing the space in the tower had not been previously included. He said they also increased their Equipment Maintenance and Equipment Purchasing.

Town Administrator Fournier said they had requested \$35,222 be contributed to Capital Reserves for Building Improvements, and he had reduced the amount to \$15,000. He said the reason was that a lot of the projects could be done through Performance-Based Contracting programs, and they also had a current CRF balance of \$352,000 to do some of the projects. Facilities Director Marles said that last year the Town Administrator had authorized an Operational Repairs line item to be added which would take care of smaller projects, and said it was working well.

Chairman Pike asked if the Senior Center on Beech Street Extension was being well utilized, and Facilities Director Marles said it was used as additional meeting space and for some recreation programming, with the parking lot being used for School overflow. Chairman Pike asked if the \$60,000 project for the Recreation Center parking lot was going to happen, and Facilities Director Marles said he would like to do the project but did not have the funding at this time. Chairman Pike asked about the Energy Management Project and Facilities Director Marles said that would be an ESCO Contracting Organization or performance contracting project and he hoped to have the details together by November. Town Administrator Fournier said the HVAC project at the Community Center would also come through performance contracting.

Chairman Pike asked about the installation of Access Systems for the Police Department, and Facilities Director Marles said it had already been done at the Town Hall and the Community Center and the School was on the same system. Chairman Pike suggested looking at grant funding for the project as the Police Department was the Emergency Operations Center for the Town. He asked about the timeline for repointing of Town Hall brickwork, and Town Administrator Fournier said for 2022/2023. Facilities Director Marles said they would do the project over time as it would impact operations.

Chairman Pike then asked about the Town Hall Emergency Generator, and Town Administrator Fournier said they asked for \$32,833 for the project but it was eliminated and they might look at other ways to fund it. He said he would request that the School use any remaining construction funds to install a generator at the High School and said the Town would share with Exeter in a mass emergency. Chairman Pike asked if the Town Hall HVAC upgrades were also in performance contracting. Facilities Director Marles said they were, and said they would see a list of projects at multiple facilities which were deemed to have a certain payback period.

Councilor Kast asked about Capital project building repairs eventually going into maintenance mode, and Facilities Director Marles said they would go into maintenance once major Capital expenses were met. He said their budget now included a full roof maintenance replacement plan and a full HVAC preventative

maintenance plan to keep the systems in good shape. Chairman Pike asked about the plan for the upstairs of the Fire Department and Town Administrator Fournier said they were still working on that. As far as the Town Hall Façade, Facilities Director Marles said it involved specialty work and the latest price of \$16,000-\$17,000 was in the repairs budget and not Capital Reserves. Chairman Pike asked about the roof replacement for Public Works and Facilities Director Marles said there were some structural issues and he was trying to put the project in their ESCO plan and include insulation along with the roof.

DEPARTMENT OF PUBLIC WORKS

Public Works Administration

Town Administrator Fournier stated that the Public Works Director/Fire Chief Rick Malasky had a family emergency and was unable to attend the meeting today. He said he asked him for a summary of the changes and a budget overview. He said Public Works had a minimal increase of 3.89% to \$476,446, mainly due to Salaries, and said Dues/Memberships were up to \$1,000. Councilor Dumont asked about Dues/Memberships, and Town Administrator Fournier said different departments were members of different associations, and Public Works was also a member of the Mutual Aid Agreement.

Chairman Pike said there was a big change to Communication Services, and Vice-Chair Weinstein said also in a few other budgets. Town Administrator Fournier said it reflected the actual cost of the phones and said they were under-budgeting the line item. He said it was just the overall phone system. Councilor Dumont asked about the Advertising line of \$1,200 and Town Administrator Fournier said it was used if the project required closing a public street.

Roadways & Sidewalks

Town Administrator Fournier said the Department Head had requested a 34.22% increase and he had reduced it to 16.42%. He said the major changes between the two budgets were that in his budget he was trying to budget to actuals for both Winter Salt and Pavement Marking, and said otherwise there was little change in the budget. Vice-Chair Weinstein said that chemicals currently used by the Town for Curbside Weed Control were the same as in Roundup, and there were concerns about a possible link to cancer. Town Administrator Fournier said other towns were looking into alternatives which did not seem as effective. Chairman Pike stated there was not incontrovertible evidence at this time and some safety reviews found Roundup to be not that dangerous.

Vice-Chair Weinstein said Winter Sand was \$6,200 but there were no expenses in 2018, and Town Administrator Fournier said the Town had its own sand pit. Vice-Chair Weinstein said for Cold Mix they spent over budget for 2018 yet budgeted again for \$3,400. Town Administrator Fournier said it depended on the weather. Chairman Pike asked about the Sidewalk Network and Town Administrator Fournier said that would be for the continuation of Bennett Way and he was getting recommendations for between Durrell Drive and Route 152.

Chairman Pike said with the CIP for Roadway Improvements they were essentially continuing to budget at the same rate and currently had a balance. Town Administrator Fournier said he had not yet paid all the bills and also had one-time funds from the State. He said the Paving CRF had \$325,702 and the Municipal Transportation Fund had \$318,900, for a combined total of approximately \$650,000.

Street Lighting

Town Administrator Fournier said there was a decrease of 20% to \$40,000 due to the new LED Street Lighting. Councilor Dumont mentioned the concerns about the brightness of the lights, and Town Administrator Fournier said he would not change them in downtown because of pedestrian safety. He said LED was white light instead of the orange of sodium lights and people perceived it as brighter.

Bridges

Town Administrator Fournier said Bridges was level-funded at \$4,000.

Cemetery

Town Administrator Fournier said there was an increase of 1.48% to \$37,346, mostly for Salaries.

Vehicles

Town Administrator Fournier said there was an increase of 2.65% to \$194,000 mainly in vehicle maintenance and gasoline increases due to cost. He said the Town had their own gas pump for which they got State rates. Chairman Pike said for CIP the proposed annual funding was \$195,360 and the Town Administrator had proposed \$75,000. Town Administrator Fournier said there was an adequate amount to replace vehicles as needed, but for larger vehicles they might have to look at leases.

Chairman Pike reviewed the CIP requests and asked about the Vac-Con truck. Town Administrator Fournier said it was rebuilt and they were looking to replace the vehicle in 2026. Chairman Pike asked about the culvert replacement and Town Administrator Fournier said it was a Stormwater Management plan. He said though they were appealing the MS4 Permit they would use some of the funds for implementation of projects. Chairman Pike said the Stormwater CRF currently had about \$64,000 in the fund and they were continuing to put in \$25,000/year.

FIRE & RESCUE DEPARTMENT

Town Administrator Fournier said there was an increase in the Fire Department budget of 9.24% to \$427,859 due to part-time salaries, which were up 18.75%. He said the Town had had some issues with staffing and an increase in call volume in the summer months and they had been offering stipends to Fire Fighters. He said the response time had greatly increased, and said more calls for Ambulance equaled more revenue. He said General Supplies were up due to the increased calls and they were budgeting closer to actuals.

Councilor Burns asked about the Mutual Aid Contract as actual expenditures were \$1,946 and they were budgeting only \$1,000. Town Administrator Fournier said he believed he had to pay 2 in one year. Chairman Pike asked what the Fire Chief was needing for equipment purchases, and Town Administrator Fournier said it was for cleaning smoke (carcinogen) and chemicals off of equipment, and they hoped to be able to eventually have 2 sets of turnout gear for everyone.

Vice-Chair Weinstein asked about the Freightliner Pumper listed under CIP Equipment requests and asked if this would be done in the current year. Town Administrator Fournier said if they were to do it they

would use debt through a bond or lease. Councilor Kast asked if there was another way to fund the CIP request and Town Administrator Fournier said the fund currently had \$219,436 which could offset some of the cost. Chairman Pike said the Fire Department requested a CRF contribution of \$159,080 which was reduced to \$50,000, and Town Administrator Fournier said the Fire Capital Reserve Fund was not just for vehicles and included other equipment, and said he was also reducing the equipment line from the Operating Budget.

EMERGENCY MANAGEMENT

Town Administrator Fournier said there was a 25% reduction of \$750 as the Emergency Management Director was now the Town Administrator.

SOLID WASTE

Town Administrator Fournier said this was a Special Revenue Fund where system revenues offset expenses. He said there was an increase of 6.92% to \$571,087 with an increase in the MSW Contract of 11.96% and an additional increase in the Recycling Contract of 13.64%. Chairman Pike asked if there might be any way in the future to burn a lot of this material safely for energy generation. Town Administrator Fournier said the line item in the budget for Lamprey Coop started out as a trash-to-energy program at UNH and they were still paying for the closure of the facility.

WATER & SEWER

Water: (24.61% decrease to \$822,125)

Environmental Services Director Sean Greig said the problem for Water and Sewer over the next 2 years would be wages for fulltime staff due to the Clean Water Act. He said a lot of people were retiring and not many people were coming into the field and it was difficult to fill positions with qualified staff. He said the other contributing factor was that people were upgrading their Wastewater Treatment Plants, and drinking water facilities were becoming more complicated and required more training and licensing. He said with more competition costs would start to rise. He said the overall budget for Water was down 24.61% to \$822,125 because they reduced contributions to Capital Reserves as they were going to bond those projects.

Councilor Bowden asked about the current number of employees for Water & Sewer, and Environmental Services Director Greig said there were 3 employees shared 50/50 between the departments, 1 water operator, and 3 wastewater operators. He said there were some small increases mostly in wages, electrical, and system maintenance. Vice-Chair Weinstein asked if salary increases were normal or an effort to raise wages a little, and Environmental Services Director Greig said both. Councilor Dumont asked if he was currently in serious need of staff, and Environmental Services Director Greig said it was extremely tight and was hardest when he lost staff and had to bring new employees up to speed.

Councilor Dumont asked about the qualifications and Environmental Services Director Greig said he did a lot of reach-out to the High Schools through associations, and said NEWEA was trying to bring back

veterans. He said his current crew was extremely small but they would use what they had and leverage control to bring in contractors. Chairman Pike said per the CIP document \$1.4 million would be spent on the Bennett and Sewell Wells in FY2019/20. Town Administrator Fournier said that was the bonding proposal and said a lot of the projects would be done with the \$12.5 million bond.

Environmental Services Director Greig said the only money in the CIP this year was \$14,000 for equipment and trucks, plus \$50,000 for storage as they were in transition of moving out of the Water Plant and had a huge storage problem. Town Administrator Fournier said all his projects were part of the bond, but they had to submit through CIP process for recommendation, and said they were now doing one large bond because of the interest rates and money from the Feds. He said Rural Development was happy they were doing all these projects and said it helped their case to do a larger bond. He said this would also do almost 10 years of their projects so they would be able to manage projects better in the future.

Chairman Pike said the Moody Point would be self-funding their part of the Water Main Project. Environmental Services Director Greig said the \$14,000 being put in the Capital Reserve Fund for trucks and equipment currently had \$52,000 in the fund and they would contribute \$14,000/year. He said the \$50,000 for Storage would be shared by Water and Sewer. Vice-Chair Weinstein asked about uses for the old Water Plant and Environmental Services Director Greig said he had not yet figured that out.

Chairman Pike said the Overtime line item in the budget was going up, and Environmental Services Director Greig said it depended on water breaks and calls and said they were also flushing more hydrants. Vice-Chair Weinstein asked about the 148.4% increase in the Merit Pool. Town Administrator Fournier said what was funded did not reflect the cost-of-living increase which was retroactive to July 1st, and said he could only cover increases out of his budget.

Sewer: (7.37% decrease to \$2,334,817)

Environmental Services Director Greig said the Town just completed a year of operation for the new Wastewater Treatment Plant, and said it would take a few years to figure out how to best operate the facility and what the actual expenses were. He said for the first year they ran the plant as a secondary Wastewater Treatment Facility and for the second year were now running it as a primary and secondary treatment facility.

Chairman Pike said on the last report the nitrogen level was not quite as low as previously. Environmental Services Director Greig said they were making some changes at the facility and also had some environmental changes which affected the process. Vice-Chair Weinstein said between Water and Sewer the electricity line for one went up quite a bit and down quite a bit for the other (Sewer was down 25% and Water up 7.14%). Environmental Services Director Greig said the Wastewater Treatment Plant was just started up and now they had 1 year of data. He explained that for Water it depended on whether the season was wet or dry and said he had to budget for a dry year and he had anticipated electricity going up. He said for Sewer they were still trying to figure things out, and said it was the opposite of water in dry and wet years.

Chairman Pike asked if they had the right balance in the Capital Reserve Funds and Environmental Services Director Greig said he did. Chairman Pike asked about Pump Station Improvements and Environmental Services Director Greig said they had 6 pumping stations, some of which dated back to 1969 and had very little improvements done. He said he planned to do two pump stations per year and was currently doing engineering for that and it would depend on actual costs.

Chairman Pike asked about the equipment requests and Environmental Services Director Greig said it included all the equipment at the Wastewater Treatment Plant, new equipment, and roof upgrades. He said he was putting away \$150,000/year to have in Capital Reserves to use when needed for replacements. Councilor Dumont asked how accurate the figures were for replacement years and Environmental Services Director Greig said he consulted with engineers to work that out. He said because they took money from Rural Development, they wanted asset plans on replacement costs as part of their contract.

PUBLIC LIBRARY

Town Administrator Fournier reminded the Council that they only had a say over the bottom-line of the Library Budget, as the line items were governed by the Library Trustees. He said the Library Budget increased 1.3% to \$319,290.

Library Director Carrie Gadbois said the Library was doing well and the total circulation of all materials had gone up 8%. She said programming had more variety and attendance was on the rise, and said they had opened the Library 4 more hours per week. She said they moved money from Building Maintenance to Part-time Salaries as many building problems had been resolved.

Town Administrator Fournier said the Library had requested \$155,890 in contributions to Capital Reserves, but that he had level-funded it at \$10,400 as they currently had \$77,000 in their CRF and also \$270,000 in Fund Balance. Finance Director Lisa Ambrosio said they had incorporated some of the Trustees Trust Funds into the Fund Balance and now had only one total fund balance. Library Director Gadbois said the Library Treasurer, Rod Crepeau, was at the meeting.

Chairman Pike asked about the slate roof repairs requested in CIP, and Facilities Director Marles said part of the slate roof had already been repaired but they had recently identified some issues on the upper area of the 2nd floor. Library Director Gadbois said there was also a leak in staff offices from the flushing near the chimney. Facilities Director Marles said some temporary repairs had been made but there were more issues, and slate was a specialty type of work. Councilor Bowden asked where the new problem was and Library Director Gadbois said it was big section on the west side, approximately 1/3 of the roof.

Chairman Pike said the Library had some monies to be able to continue working on projects. Library Director Gadbois said they needed to work on interior painting, pedestrian enhancements, and redoing the front of the Library for safe access, and said they were working on preliminary plans now. Town Administrator Fournier said they could take money for the roof from their Fund Balance, and said that any large projects would be bonded. Vice-Chair Weinstein said she felt that there was a small increase to the

budget considering the increased hours and circulation. Library Director Gadbois said she had seen a lot of savings on oil and some on electricity.

TOWN COUNCIL

Town Administrator Fournier said the Town Council saw a reduction of 6.51% to \$19,475 to reflect actual part-time salary hours for the Recording Secretary.

TOWN ADMINISTRATOR

Town Administrator Fournier said the Town Administrator budget increased 6.63% to \$206,604. He said Equipment Maintenance was going up and Salaries had been negotiated with the Town Council. Vice-Chair Weinstein said General Supplies actuals in 2018 were \$4,616 but they had budgeted \$11,500, and Finance Director Ambrosio said she did not have insight into the former budget. Town Administrator Fournier said it was sometimes used as a catchall and he could reduce it to \$9,000. Councilor Bowden asked about Dues/Subscriptions, and Town Administrator Fournier said it was his Municipal Association dues as well as his professional dues. Councilor Dumont asked for clarification on Contracted Services, and Town Administrator Fournier said it was for a possible consultant.

FINANCE

Town Administrator Fournier said Finance increased 4.79% to \$266,948, mainly for training and staff development for the new Munis software system. Vice-Chair Weinstein said that Communication Services was huge in 2018, and Finance Director Ambrosio said they were going to realign some of the costs in that department and bringing them into each department. Chairman Pike asked if they were happy with the Munis system at this point, and Finance Director Ambrosio said it was progressing and would be great once the software was in. Town Administrator Fournier said as a result of the new software he was seeing and responding more to purchases and reviewing them more. He said the new agenda software also cut down on a lot of time in preparation.

HUMAN RESOURCES

Town Administrator Fournier said Human Resources increased 3.8% to \$1,669,670. He said this was where they would see the reduction to offset Police, and said the Property/Liability line was down and the guaranteed maximum for Health Insurance was 5.5%. Finance Director Ambrosio said there was also a slight decline in Workers Compensation.

TOWN CLERK/TAX COLLECTOR

Town Administrator Fournier said the Town Clerk budget increased 1.36% to \$192,373 as 2020 was a presidential primary year. Finance Director Ambrosio said they were also implementing a new software system and there was an increase in training there as well. Town Administrator Fournier said Equipment Purchases were up 76% to \$8,800 for the purchase of new ballot boxes. Chairman Pike asked the Town Administrator if it was possible to have a simple document to analyze Shared Services, as they were seeing

some efficiencies in shared personnel in this department and in other cases were improving their capabilities.

BUILDING SAFETY

Town Administrator Fournier said Building Safety increased 2.86% to \$80,004, mainly for supplies and salaries.

WELFARE

Town Administrator Fournier said the budget for Welfare increased 1.69% to \$31,605 due to cost-of-living for the Part-time Director. He said even if the budget was not spent, they were required to have here it by law. He said he did reduce some but kept the budget pretty much in line. Vice-Chair Weinstein said most of the budget was in the Salaries line and asked if the director was required by Statute. Town Administrator Fournier said they had to have a Welfare Program and that was why they were spending more on salaries versus actual assistance provided, and said the Director provided support to people to apply in other places like non-profits and charities. He said other communities were looking to contract Welfare Services out to non-profit.

Councilor Kast asked about the history of use in these funds, and Town Administrator Fournier said in the Annual Report the cost was dropping significantly and said they tried to send people to other agencies first. Vice-Chair Weinstein felt contracting these services out could have a more global reach and greater perspective.

ASSESSOR

Town Administrator Fournier said the Assessor budget increased 2.44% to \$73,387, with \$65,000 contracted out. He said the Capital Reserve Fund currently had \$30,000 which could be given back to Fund Balance, and said he planned to discuss this with the Finance Director and Assessing, though some may be needed for software updates.

LEGAL

Town Administrator Fournier said Legal was level-funded at \$85,000 as it was contracted out.

CONSERVATION COMMISSION

Town Administrator Fournier said the Conservation Commission budget increased 0.77% to \$2,964 due to a minor increase in costs.

ECONOMIC DEVELOPMENT

Town Administrator Fournier said Economic Development was increased 1,100% to \$30,000 to hire a contracted Economic Development Director. He said the RFP period closed yesterday and he had received one bid, and felt the amount of money would probably not be enough to cover the costs.

DEBT SERVICE

Town Administrator Fournier said Debt Service had decreased 5.84% to \$118,048. He said if the Warrant for the Macallen Dam was successful, this would increase next year. He said the first year would be interest only and the second year would see the principle.

INFORMATION TECHNOLOGY (IT)

Town Administrator Fournier said there was a 17.17 increase in the IT budget with a big part being training for Munis and software maintenance for current software, leases, and subscriptions. He said Part-time Salaries for Channel 13 increased 12.57% as they now had multiple individuals rather than relying on one person.

GRANTS

Town Administrator Fournier said Grants was money given to outside agencies and was down 0.78% to \$64,000. Vice-Chair Weinstein asked about Festival Support, and Town Administrator Fournier said it was a continuing attempt by the Recreation Department to bring back a summertime festival for the Town. Councilor Dumont asked about COAST Grant, and said they had actually cut back services to a large volume of people. Town Administrator Fournier said for COAST it was determined by population and number of people from the location, and said \$21,000 was the floor that had to be met to receive services. He said the problem was that the Town had a competing system with Wildcat Transit.

SOCIAL SERVICE GRANTS

Town Administrator Fournier said Social Services Grants decreased 3.89% to \$49,400. He said annually the Finance Department sent out applications to be filled out and be submitted to the Town with a very strict deadline. Vice-Chair Weinstein said some of the applicants had no expenditures, and Town Administrator Fournier said if they did not request the funds they were not submitted. Councilor Dumont asked what happened to the funds budgeted, and Town Administrator Fournier said they would go to Fund Balance.

Vice-Chair Weinstein asked about the new ones and said there was some overlap in services. Town Administrator Fournier said New Generation was a new homeless shelter in Greenland, and One Sky Community was a new facility in Town for the developmentally challenged which assisted with independent living.

CAPITAL RESERVE FUND CONTRIBUTIONS

Town Administrator Fournier said the decrease to Capital Reserve Fund contributions was 32.08% to \$550,400. He said they had decreased Public Works, Building Improvements, Roadways, and Stormwater Management. He said the Macallen Dam contribution was \$50,000 and Veterans Memorial \$2,000. He said the Revaluation line was zeroed out and they would determine where to use those funds. He said they were setting aside \$2,000/year until 2027 for the 300th Anniversary, and he said Compensated Absences was underfunded but money needed to be put in the fund. Finance Director Ambrosio explained that the money was payout for vacations if everyone eligible to retire were to leave. Councilor Dumont asked how much it was underfunded and Town Administrator Fournier said approximately \$300,000.

REVENUES

Town Administrator Fournier said Revenues were down 4.68% to \$7,089,248 and were listed on the Summary of Funds page. He said there was a large reduction in Water (down 24.61%) and Use of Fund Balance was down 70.59% to \$250,000 which was \$850,000 last year. He said the Town Budget increased 0.44% over last year with a Tax Impact of 52 cents. He said this number for the tax rate and impact would change as they were doing Revaluation right now. He said the Assessed Value of the Town was at 75% right now (\$762,114,192) and undervalued by 25%, and with the revaluation five years ago the Town was at \$125%.

Town Administrator Fournier said the total amount for Expenditures was \$12,191,371 at 0.44%, Enterprise Funds were down 3.31%, and Special Revenues were up 3.98%, with a Total General Fund increase of 1.5%. He said if there were no other changes he would submit a resolution to the Town Council for that amount. He said he would need to request Suspension of the Rules at the next meeting as the Budget had to be to the Municipal Budget Committee by November 15, 2018.

ADJOURNMENT

Chairman Pike adjourned the Town Budget Workshop Session at 1:20 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary