

BUDGET COMMITTEE MINUTES
TOWN OF PEMBROKE
THURSDAY, DECEMBER 16, 2010

Members Present: Mark LePage, Chair; Gerry Fleury, Vice Chair; Michael Connor; Bruce Kurinskas; Brian Seaworth; Raymond Foss, Marie Chouinard; Daniel Crean; Steve Abbott;; Tina Courtemanche, Selectman Rep.; Dave Sheldon, Alt. Selectman Rep. *Excused:* Tom Serafin, School Board Rep.

Others Present: David Jodoin, Town Administrator; Sewer Commission: Paulette Malo, Harold Thompson; Pembroke Water Works: Louise Roberts, Chris Culberson, Norm Provencher; Public Works: Jim Boisvert, Director.

Documents Distributed: Pembroke Water Works Budget; Pembroke Automated Collection Program Data Collection 2010 Summary; response from Library

Mark called the meeting to order at 6:30 PM.

Approval of Minutes

A motion to approve the minutes of December 9, 2010 as presented was made by Gerry, seconded by Dan, and passed by unanimous vote.

Sewer Commission

Paulette gave an overview of the Sewer Commission's budget. She indicated that Pump Station #1 is now off line. This was part of their Capital Improvement install four 3D1 pumps and the property owners are now responsible for them.

Allenstown's budget for the sewer plant has gone up \$102,000 which is split 50/50 with Pembroke.

Gerry asked if there has been any gain realized by replacing the manhole covers. Paulette explained that data is not yet available as other projects that are not completely on-line yet but will see the savings once they are complete. There will be however, a drastic decrease in the numbers when it rains.

Mark questioned the substantial increase, approximately \$110,000, in Sewer Rent Fees. Paulette indicated that part of this is due to the increase in the treatment plant. Pembroke budgets extra funding for their share (\$70,000/54%) in the event it's needed. Further, they are budgeting for a new part time field person, at approximately \$30,000, so that less of the work can be sub-contracted out. There is a possibility of a full time employee being hired in July. However, if there is not enough revenue the hiring of these positions will not take place.

Gerry inquired as to Late Penalties increasing 200% of the 2010 budgeted amount. Paulette stated that currently 14% of late fees are uncollected. They do not lien property but rather the fees stay current until a new owner takes over payment of the fees.

Cash flow is currently good except the first two months of the year when Allenstown is paid.

Gerry asked how much capacity there is for new hook-ups should someone want to build a major facility or a development. Paulette explained that currently there is no capacity for this however Allentown will be on-line with an upgraded plant, anticipated to be approved in March, at which time Pembroke can request, on a first come, first served basis, additional capacity and plans to request 100,000 gallons.

Pembroke Water Works

Norm gave an overview the budget highlighting various decreases and expenses. He indicated that the Sewer Commissioners required that 2011 expenses be cut in order to decrease the budget from 2010. He explained that a bond is being considered due to the possible Broadway project and they are looking into hiring an Engineering firm to evaluate the entire water system for a cost of approximately \$50,000. The Capital Improvements have been reduced from \$54,000 to \$20,000. The billing process is being revised. Currently billing carries a minimum base fee of \$20 per quarter which includes the first 5,000 gallons of water. Beginning in April, the minimum base fee will continue to be \$20 per quarter but prices will start at gallon #1. This is anticipated to cost individuals an additional \$30 per year for a total increase in revenue of approximately \$60,000 which will help pay the bond and some of the engineering fees as stated above.

Gerry inquired as to Pembroke's water reserves/capacity as well as quality of water. Chris stated that 2010 was an extremely dry summer with approximately 20 million more gallons being pumped this year versus last year and at times were running three pumps to maintain the distribution system. There have no issues with quality.

Ray asked if the budget reduction required by the Commissioners is only for 2011 or if it is a structural change. Chris explained that it is hard to predict as it depends on many factors including unaccounted for water.

There was a brief discussion regarding meter replacement. Currently 55% have been completed over the past five years.

Chris provided a more detailed description of the budgeted engineering work. This cost is a one-time expenditure to complete a hydraulic study/water model of the existing system including two storage tanks and five pumps. It will provide a GIS data collection point to determine high/low flow conditions, as well other pertinent information regarding the water going through the system. Once the model is complete, projections can be estimated and work that needs to be done can be determined.

Mark asked for additional information regarding the increase in revenue for Other Fees. Norm explained that back flow protection makes up a good part of this number and is due in part to high hazardous areas that have more irrigations systems that need to be inspected more often. Ray asked for further clarification on back flow protection and how it correlates with the back flow testing decrease listed under Services. Chris explained that the Back Flow Testing budget under Service is labor costs. Ray requested that Revenue/Other Fees be broken out in order for the committee to see where the actual increases are.

Chris explained that due to increasing sewer rates, several people are choosing to put in a second meter for water to separate it from sewer. Gerry inquired as to the cost of a second meter. Norm stated that the cost is \$185 not including a permit fee of \$25 charged by the state; the permit is good for five years.

Norm indicated that there have been more shut-offs this year due to non-payment. The cost for this service is \$25 to turn it off and then \$25 to turn it back on. Usually payment is received within 24 hours.

Public Works Department

Dan recused himself from this portion of the meeting.

Jim indicated that tonnage for solid waste into Penacook will increase \$62.10 to \$66.80. Fuel will increase \$2.27 to \$2.62/Diesel \$2.31 to \$2.77. Salt prices will increase \$52.84 to \$56.76 (State prices). Costs for burnable and non-burnable materials have also increased. Jim indicated that on 1/1/2011, an RFP will be prepared to get competitive bids on the containers now being used at Public works for demolition.

Dave Jodoin explained that solid waste tipping fees will be revised to reflect current numbers; the fee that currently shows \$279,280 will decrease to \$249,280 and the recycling line currently at \$5,000 will increase to \$15,000.

Jim stated that the recycling program which started in May is currently at 30%. The transfer station has brought in over 1,056 tons of trash, 491 tons recycling, 135 tons of burnable materials to Penacook, and 1,418 tons from businesses.

There was a discussion regarding the disposal of appliances.

The town website has been updated to reflect more information on recycling. There was a brief discussion on the issues with the schools recycling procedures. Jim indicated that the Solid Waste Committee is working with the school department on trying to obtain better participation rates.

The Wages line for Public Works shows a decrease from \$453,176 in 2010 to \$430,081 in 2011. This number reflects current wages and does not include the proposed new three year contracted amount increase which will appear as a warrant article. Dave Jodoin explained that the warrant article will appear as a separate line item broken out for the three years. There is currently a tentative agreement that has not been finalized. Any new approved contracts will begin April. If the agreement is finalized, the estimated increase for 2011 will be \$11,711.80, 2012 - \$12,802.18, and 2013 - \$15,038.26. The warrant article will be only for 2011 and will include wages, social security, retirement, etc. This contract does not include the Public Works Director.

The union arrangement was briefly discussed as well as the role of the budget committee as it pertains to recommending the warrant article or not. It was determined that the committee can only recommend or not and can not make any adjustments to the numbers or the terms.

Mark asked if there are any vehicles in need of replacement. Jim indicated that they wanted to replace one vehicle however it is not included in this year's budget. It will instead appear in the 2012 budget.

Road paving funds, estimated at \$600,000 which would have been budgeted for 2011 will be put toward the Broadway project. Steve asked when the dirt section of Cross County Road will be paved. Jim explained that it is not clear when that section of road would be completed. Steve then asked how much remains in the 2010 road paving budget and how much it will cost to pave that section of road. Jim indicated there is approximately \$83,000 remaining in the budget and that the cost would be approximately \$82,000 (current pricing) to pave the road. Mark indicated that this discussion should be held with the Roads Committee. Jim stated that the Roads Committee will not meet again until April. Procedures for a petition warrant article was discussed; 25 signatures must be obtained and the petition warrant article must be submitted to Dave Jodoin by February 1, 2011.

Gerry questioned if funds would be available for emergency road repairs. Dave Jodoin indicated that of the \$600,000 estimated roads budget, he plans to keep back \$100,000 for incidental repairs and emergencies and \$500,000 will go toward the bond for Broadway construction costs. He hopes to not float the bond until late 2011 with the first payment being due in late 2012. Various aspects of the Broadway project and the bond were discussed at length. There was discussion as to what would happen if the bond failed. Selectmen Sheldon stated that whether or not the bond passed, it was the intent of both the Selectmen and the Roads Committee to do the Broadway work. The only possible change would be, with a bond, the work could get done all at once with one contractor; without the bond passing, it would be a phased project and the Town could not guarantee that the same contractor would be the successful bidder for all phases.

Other

Dave Jodoin reviewed the warrant articles and indicated that he is still in the process finalizing them. He is also working on finalizing the tax impact sheet before the committee meets with the school department.

The selectmen are meeting with members of the School Board on January 3rd to discuss the School Resource Officer and the funding.

The response from the Library regarding missing items was reviewed as well as the overall operation of the library.

The proposed purchase of the Hillman property by the Conservation Commission was briefly discussed and Dave Jodoin gave a synopsis of the potential purchase and the warrant article.

There is concern regarding revenues and if they are on target specifically rooms and meals tax.

Dan suggested the possibility of recessing Town Meeting versus adjourning to leave open the option of revisiting appropriations after the legislative session is over.

The upcoming discussion with the school department was reviewed. Ray feels that the committee should look more closely at the school budget considering the town has limited availability for budget cuts. It was the general feeling of the committee that there should be more time spent reviewing the school budget. The option of having the school department present their budget first in the future was discussed. Gerry indicated that the reliability of their estimates that early will be impaired based on the fact that they operate on a fiscal year. Mark will be requesting that the school materials, including their business plan, be available in advance for review. Further, Mark indicated that the principals will be in attendance for the school presentation however they will not be presenting for their individual schools.

Adjournment

A motion to adjourn the meeting at 8:40 PM was made by Dan, seconded by Brian, and passed by unanimous vote.

The next meeting is scheduled for Thursday, January 6, 2010 at 6:30 PM at which time the School Department will begin presenting their budget.