

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
December 6, 2018 at 6:30 PM**

Karen Yeaton, Chairman, called the meeting to order at 6:30 pm

I. Attendance:

Present: Michael Connor, Tom Serafin, Connie Soucy, Ann Bond, Gerry Fleury, Karen Yeaton, Tina Courtemanche, Marie Chouinard, Brian Seaworth, David Doherty, Daniel Crean, Armand Soucy

Staff: Recording Secretary Jillian McNeil, Town Administrator David Jodoin

Excused: Kim Landry

Karen Yeaton introduced the new member to the Board, Armand Soucy.

II. Approval of Minutes:

Dan Crean moved to approve the minutes of November 29, 2018. Michael Connor seconded the motion. Motion approved 10-0 with Ann Bond and Armand Soucy abstaining. Ann Bond mentioned that her name appears as both present and absent.

III. Presentation of the 2019 Recreation Budget

Recreation Commission Chairman, Rose Galligan, was unable to attend the meeting. Therefore, David Jodoin presented the 2019 Recreation Budget. The only two increases are \$100 for electricity and \$200 for Field Maintenance which the Town will receive some reimbursements from the Little League for. The Recreation Commission will continue to do the fishing derby and concerts in the park next year.

Gerry Fleury asked if the erosion at the park has been progressing or stabilizing. Jim Boisvert, Department of Public Works, answered that the gate was shut for the last three weeks and the water has reached up to the pits but erosion is not occurring.

IV. Presentation of the 2019 Public Works Budget

David Jodoin and Jim Boisvert, Director of Public Works, presented the 2019 Public Works Budget. General Government Buildings budget is up \$3,130 due to electricity and heat at 4 Union Street. The building is fully leased at this point which is driving up those costs. There is revenue to offset these costs. The library repair and maintenance line is up due to a wasp issue that had to be addressed and the air conditioning unit needed maintenance. David stated that he will prepare the year end revenue and expense report for 4 Union Street. There have been a lot of capital

expenditures for the building and the wall needs to be dealt with. The wall is being reviewed and surveyed and an RFP will hopefully go out by year end. Karen Yeaton asked for clarification that the Perry Eaton and 4 Union Street are the same building. David answered that they are. Dan Crean asked for a ball park idea of how the revenue and expenses are comparing. David answered that if he looks back to 2006 and compares all revenue and expenses, the Town comes up in the black by approximately \$2,000 but after the wall is fixed, the Town will be in the red. Dan asked when the leases are up with the tenants. David answered that there is one tenant in a lease and the rest are "at will". The Selectmen are in charge of the maintenance and leasing of the building. Gerry Fleury stated that even though we don't quantify the Town's administrative costs for the building, that we can't disregard the fact that there are town resources being spent on that property. David agreed and stated that no expenditures have been charged to the CRF for the time Public Works has spent maintaining the building. Gerry Fleury asked if there is any sentiment for an advisory warrant article to get a sense as to whether or not the residents of Pembroke would like to retain that building. Dan Crean agrees that an advisory warrant article is a good idea but thinks that there should be a report of revenues and expenditures and also how much time and resources the Town and Public Works uses for the building so the voters are informed. The rents the Town collects cover the property taxes and that should be subtracted from the revenues. David stated that if the Town fixes the wall, we would need to retain that building for a minimum of 10 years to recoup the costs. Gerry states that the Town should not be in the commercial real estate business. Dan states the justification for keeping the building could be that it may have a public use at some point in the future. Connie Soucy asked what the Perry Eaton building is and what's the significance of it. Gerry answered that it was the 2-bay fire station in the Village back when Suncook Village was a thriving community. It also held the Pembroke Town Offices and the Police Department. Marie Chouinard asked what the chances of selling the building without fixing the wall are. David answered that we can sell it as-is but we will have to disclose the issues with the wall and it will affect the market price. The Selectmen have already voted for the Town to do the engineering and design. Tina Courtemanche asked that the issue be added the Board of Selectmen's agenda for the December 17th meeting.

Cemeteries Budget has no changes. The contracted services budget line is for the mowing that is in the 2nd year of the contract. Karen asked who holds the contract. Jim answered BMC out of Epsom. There are usually 2 – 3 individuals who will bid on RFP's for mowing. Mike Connor asked why mowing is budgeted for \$22,670 when the YTD actual is \$15,455 and the prior years are \$15,750. David answered the value of the contract is \$22,670. Jim answered that the fall clean up bill has not been added in yet and it will use up the remaining budget. Dan Crean asked about space needs in the cemeteries and has any thought been given to a mausoleum. Jim answered that the Cemetery Commission meets to look at that kind of thing. There was a lot of space opened up at the Buck Street Cemetery two years ago. Gerry Fleury asked if they did ground penetrating radar scans. David said he has not seen a bill come through for that service and has not read anything in the minutes discussing that.

David stated that just like the other department budgets, this one will change when the new health insurance rates are added. Tom Serafin asked if the change was finalized. David answered that it was. Gerry Fleury asked about the increase to storm drain and repair. Jim explained that was due to the MS4 permitting. David shared that the Town signed a contract in October with Capital Region Planning and the engineer. Due to the MS4, there will be changes to go before the Planning Board and new town ordinances. It will be a costly and prolonged program. Dan Crean mentioned the new drains on his street that say no waste and that's exactly where the sand and salt will go come winter. Jim answered that on that road the drains were designed as a basic system and at the last minute the project was re-engineered to include bigger pipes and catch basins. Jim said going forward, every time they come in contact with a storm drain, they will have to upgrade them and have it approved by the state. Mike Connor asked about the budgeted amount of \$8,000 to equipment rentals. The YTD actual is \$662.58 and previous years the same amount was budgeted but only \$1,967.27 and \$2,150.81 was used. Jim said there is still an outstanding bill of \$6,200 that will use up the \$8,000 for this year. Mike asked why road maintenance and improvement went up \$2,000 when YTD actual is \$20,259.19 and the previous year's actuals are \$13,956.67 and \$11,071.47. Jim said with there is currently only \$5,200 left in that account. Mike stated that still leaves an increase of \$7,000 and what is the reason for that. Jim answered that there is a large culvert that needs to be taken care of in the next few weeks. Culverts that aren't taken care of by the roads budget are now coming out of this budget line. The newer culverts are all plastic rather than galvanized steel which last longer. Mike asked about the vehicle maintenance line that went up by \$5,000. Jim stated that DPW got a new mechanic and he has required some new tools and equipment. The Department is very happy with the new mechanic and he is not allowing things to slip by as functional which is costing more money for the service. Karen Yeaton asked if there are any outstanding invoices on that line and how much. Jim answered that there is around \$4,000. David stated there is one more manifest for this month to give to the Selectmen. They will then review items to be carried over and encumbered for what there are contracts for into 2019. Then there will be one more manifest in January that will be charged to 2018. By the second week in January there will be a better picture of final actuals. Jim stated there were some expenses planned for 2019 that had to be purchased in 2018 due to the early winter. Items like plow blades, hydraulic hoses, and urea. Jim said sand is cheaper this year, salt was a few pennies more expensive a ton, and fuel is in range.

David stated that the negative \$14,000 for the street light conversion is in anticipation of the street light conversion being done in 2 weeks. Karen Yeaton asked for an overview of the project. Dan Crean answered that the Energy Committee has been working on this for two or three years. The first problem was the Public Utilities Commission did not approve an LED tariff. Manchester got them to do it and gave the committee an idea of potential costs. Two contractors they had talked to did not follow through. The committee went out and looked at street lights in town and gave recommendations for lights that could be removed. The LED lights are a high quality

and exceptionally bright light. The committee worked with Lightec to step down the intensity of the light. Except for the lights on Route 106 and Pembroke Street, which are state highways, the Town has been paying around \$44,000 a year for street lighting and Lightec is approximating savings of \$14,000. The bulbs last much longer but if the bulbs go that is now on the town and not the utility company to replace but the replacement costs should be very little. There will be a number of lights on Pembroke Street removed. Dan also suggested a study on how roads can be signed better so the reliance on street lighting isn't as heavy and so there is consistency as to how they are signed. The only new light being installed is on the corner of Buck Street and Route 28. The Police Department had a suggestion for a new light on Route 106 as well. Ann Bond stated that a new one will not be installed but the direction on the existing light will be changed. Gerry Fleury asked if the utility companies are not replacing lights and are also not supplying the bulbs, who will be doing it now. Jim Boisvert said the Town is obligated and are negotiating with NE Signal to change the bulbs. There is a one-year warranty on the lights so there is not anything in the budget for items related to the bulbs and service this year. The Town will have to contract with a company that has a bucket truck. Tom Serafin asked if there is a current CRF for light maintenance and replacement. Gerry said there is not but if one was created, it should name the selectmen as agents to expend. Dan explained that it will likely be years before any bulbs will need to be replaced. Jim stated that in Allenstown they are on year four without any bulb changes. Karen asked for the estimated cost of replacing a bulb. Dan said it's not insignificant but it also isn't a lot of money. Doing it this way gives us local control over changing the bulbs and are not at the mercy of the utility companies waiting for them to change a lightbulb.

David Jodoin explained that there will be a request to the Selectmen from the Roads Committee at the December 17th meeting to add a new line to their budget in order to segregate \$20,000 dollars to go toward cracked sealing and repair. Brian Seaworth explained that cracked sealing was part of road maintenance and road reconstruction and paving was a completely separate budget which was treated as a CIP budget even though it comes out of operating expenses. The two lines were managed separately. The paving budget was on a 10-year plan and that has come officially full circle. It's time to start over and prioritize the roads. An opportunity came to the town to implement software that is administrated through Central New Hampshire Regional Planning (CNHRP). The program is backed by federal money and has no cost for the town. This program prioritizes which roads to do and which method of maintenance (sealing, new top coat, etc..). Pembroke will be the third town in the state to adopt this software. Jim Boisvert said the Town always has had \$600,000 a year to use in the budget but after the Broadway, Pembroke Hill, and this year's Beacon Hill and Dudley Hill Road projects, half of that budget is being used to make debt service payments. Main Street is currently being engineered to begin once the bonds are paid off in three years. Brian said that this isn't about needing new money as much as it is separating and prioritizing it correctly. Brian said when putting preliminary data into this software, Main Street came up as the next project that should be tackled which agrees with what the Town had already decided. Karen Yeaton asked how the data is getting put into the software on a constant basis. Brian answered that even though the software is set up to be predictive of how road

conditions will change and deteriorate, it should be recorded every 3-5 years. Someone will have to resurvey the roads. Although the software was free to us, the federal funds will not cover ongoing operation costs. CNHRP may find a way to get the money from another source but for now we may have to pay someone to do it. At this moment, the creators of the software are not going to allow the town to input their own information. Dan Crean asked if we have a binding commitment to this software. Brian answered no. Dan asked if we can opt out at any point. Brian answered that yes, we can. David answered we have not signed any commitment documents. Brian said right now there is no financial commitment. Dan stated that the details of a road are subsurface and the top has little effect on the life of the road. Brian said yes, a major flaw of the software is that they only consider the road surface. Connie Soucy asked if the software system factors in the volume or type or traffic. Jim says that it does. Tom Serafin asked if the new line could also be used for shoulder repair. Jim said shoulder repair would be the \$40,000 general budget line. David said when they take all the money out for ditching and shoulder repair, the cracked sealing repair was never getting done so they wanted a line dedicated just to crack sealing.

David Jodoin discussed the Recycling/Solid Waste budgets. Recycling has a \$5,000 increase. Even with the increase, it is still more cost effective than taking it to the incinerator. Gerry Fleury asked how the Town is doing on tonnage. Jim Boisvert stated that all information regarding recycling and tonnage is online dating back to the start of the program. Jim said there are a lot of houses being sold and that it leads to a lot more being thrown away. Until the contract with Casella is up in 2022, the recycling rate will stay low around \$20/ton compared to the solid waste rates of around \$62/ton. For comparison, other towns are paying upwards of \$150/ton and it is becoming unaffordable. Dan Crean asked about the condition of the truck. Jim answered it is still doing good but in 2020 they will be looking for a new truck. The savings from recycling will offset the majority of the cost of truck even if there isn't a direct link showing that. Dan asked if there is still one supplier. Jim said no, but there is only one supplier of the split body truck that the Town uses. While the split body is a more expensive truck, the Town is saving money by only having one truck with one route rather than having multiple drivers and having to send the same truck out multiple times a week. Mike Connor asked about the tipping fees budget of \$220,000 when the YTD spend is at around \$180,000. Jim answered that right now YTD there is \$40,000 left in this year's budget. There is another bill to come that will be around \$18,000. The money that is left over will pay for the overage on single stream recycling which was over spent by \$7,700 with one more month to go. Container removal is also a negative of \$734 with one more bill to go. Mike responded that there was money added to the budget for recycling and containers so why is the tipping fees budget line not being reduced. Jim stated that they are anticipating that the economy stays where it is or grows and with more house sales comes more and more trash. Connie Soucy asked what tipping stands for. Jim answered that tipping is the fee for disposal of trash.

Gerry Fleury clarified that this year is an "on" year for hazardous waste removal which is done every other year. The budget was bumped up to \$7,500 because in 2017 \$5,000 was budgeted and \$7,346 was the actual. Jim answered that yes, as long as the Town votes it in, it will be an "on" year.

V. Other Business

Next Budget Committee Meeting will be held December 13, 2018 at the Town Hall to hear the Water and Sewer Budgets.

Gerry Fleury asked when the committee will be able to see the impact of the revised insurance rates. David answered that after the Selectmen make a decision on the crack/sealing budget line at their next meeting on the 17th, he will distribute an updated copy. Hopefully by the meeting on the 20th, but if not then the meeting after.

The meeting on the 20th will be to go over the School Budget and be held at Pembroke Academy. Ann Bond asked Tom Serafin if the committee will be getting a copy of the school budget prior to the meeting. Tom said the School Board is meeting on the 17th to vote on the budget and can distribute copies after that.

VI. Adjourn

Daniel Crean made a motion to adjourn at 8:19 PM. Tom Serafin seconded the motion and it was approved unanimously.

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Karen Yeaton, Chairman

For more detailed information, the meetings are now taped and can be seen on www.townhallstreams.com
Click on Pembroke NH and look for the day of the meeting under the month.