

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
December 13, 2018 at 6:30 PM**

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

I. Attendance:

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

Staff: Recording Secretary Jillian McNeil

Excused: Kim Landry, Michael Connor, Connie Soucy

II. Approval of Minutes:

Dan Crean moved to approve the minutes of December 6, 2018. Gerry Fleury seconded the motion. Motion approved 10-0

III. Presentation of the 2019 Water Budget

Chris Culberson, Matt Gagne, Larry Plourde, and Kevin Brasley presented the 2019 Pembroke Water Works budget. Chris started by explaining how the department creates their budget. They take the revenue and expenditure actuals received to date, divide by 11 (last updated figures were as of 11/30/18) and multiply by 12 to project into next year. They then factor in any unknown and known factors and add any percentages for labor increases to tighten up the projected budget.

Chris explained the Department's revenue budget line items. Every year, they move money from the General Fund into the Capital Improvement Fund and then anything left over is then moved back to the General Fund. They are anticipating taking \$50,000 out of the Capital Improvement Fund this year. Residential sales are projected at \$769,525 and that is all water sales based upon consumption throughout the year. There will not be any rate increases next year.

Chris then highlighted some expenditure lines. Well Redevelopment is budgeted at \$8,000. Each year the Department maintains 5 wells on an annual basis. One audit is done a year to make sure all cleanings and production are happening on a regular maintenance basis. Budget line 169 is the Scada System and Bear Brook and has a dollar figure of \$75,000. Bear Brook has two wells that they have been doing continuous upgrades on the instrumentation of automation as well as electrical upgrades with efficiency motors. The \$75,000 is a combination of money that the Department would like to take out of the Capital Improvements Fund and General Fund. The majority of the work on the Rte. 3/Rte. 106 wells has been completed and

those will be next for efficiency motors, automation, transformers, and the ability to put them in line for an emergency backup generator that could stay on for longer periods of outages. Karen Yeaton asked if the \$75,000 Bear Brook line is a single line item or a combination of lines. Chris answered that it is line item 169. The Scada System and Bear Brook are the same line item.

Labor categories are broken out by well stations and category and also carry a 3% increase across the board for all staff. There are three full time employees, one part time office staff member, and Matt Gagne as the Superintendent. They do not anticipate hiring any new staff members. The contract labor line is a category that is always changing with capital improvements and based upon road paving work in Pembroke and Allenstown. Next year, there will be work in Allenstown that will require sub-contractors. Their wages will be taken from that budget line. Chris stated that the insurance has gone up by 10.5%. The total projected expenses for 2019 are \$898,792.61 with projected revenues of \$908,385.39

Gerry Fleury asked if the payments on lines 250-253 are payments being made for loans taken out to finance the Water Works involvement in road reconstruction. Chris answered that they are. Gerry asked about the reconstruction of Main Street and if when these projects are financed, is there a debt ceiling they need to be aware of. Chris said yes, there is, however, they do projections on projects including potential future service work, engineering evaluations, and other projects needed around town to keep debt service affordable.

Dan Crean asked if there will be any issues with MS4. Chris said it should not be an issue for Water, it will mainly impact Sewer.

Ann asked for clarification on the insurance figures. Matt Gagne answered that the 10.5% increase is a combination of health and dental. Staff changes in the previous year threw off the actual figures from what was projected. Ann stated that the Selectmen have been working on changing the Town policy and asked if they have looked into that. Matt said that while the Town's plan is a little bit better, Water Work's plan is very similar.

Tina Courtemanche clarified that the budget presented is based on 11 months of revenue. Matt answered that it is as of 11/30/18 and there are more bills out.

Gerry Fleury asked if there were any pending equipment concerns. Chris said there are not. There is a rotation schedule for their vehicles and there are no projected major equipment purchases planned for the next couple years. Kevin Brasley stated that it is mainly small equipment that breaks down and has to be replaced. Gerry asked if they were still using their former offices as storage. Chris answered that they sold the building last year after it was offered to the Town and the Town had no interest in it.

Dan Crean asked if they are trying to get a handle on the phone and internet costs. Matt said those lines are a part of the Scada System and also for the offices where there are multiple phone lines, internet, and static IP addresses. This allows them to have real-time communication with all of their tanks and well locations. This allows them to have the ability to make changes to the tanks and wells from the office.

IV. Presentation of the 2019 Sewer Budget

Paulette Malo and Harold Thompson presented the 2019 Pembroke Sewer Commission's Budget. Paulette stated there are not a lot of changes with one full time staff member and one per diem staff member. Most work has been done by sub-contract for the last two years. The Department has four pump stations and one cold storage building at Memorial Field that is an old pump station. All the buildings have new camera systems and they are looking to add internet. The Department has started the Scada System that allows them to pull up all of the pump stations on the internet and on her cellphone but it does not currently allow them to see the cameras.

Gerry Fleury asked if installing internet at any of the pump stations would be a challenge. Paulette said the only one that could be a potential problem is Bow Lane. Karen Yeaton asked if that would be a capital improvement project. Paulette said they have budgeted \$1,200 per station. Karen asked if the \$1,200 includes the cost to install. Paulette answered that it does not, they will not be provided with the installation costs until the decision to move forward with the project. If that cost is over \$5,000, then it will be a capital improvement.

Paulette stated that in 2018 they did not replace any "muffin monsters" but in 2019 the rotation will start again. They are on a 5-year cycle but only have four pump stations leaving one off year. Karen Yeaton clarified that a "muffin monster" is a grinder. Paulette said that it is.

Gerry asked if there is any on-going difficulty with collections. Paulette said that the problems have been remedied. They are down to \$30,000 outstanding from \$130,000.

Gerry asked about the current capacity and if new developers will get permits. Paulette said the Town is at capacity and there will not be any new permits issued. Gerry asked at what point the Commission feels the need to discuss with Allentown about either expanding their plant or building a new plant to increase capacity. Paulette said the Commissioners are currently in talks with Allentown to get an additional 150,000 gallons per day. They have agreed to it but with stipulations that the Commission has not agreed to so there will be further negotiations taking place. Gerry asked if the lack of capacity of the Sewer plant is an impairment to building in the Town of Pembroke. Paulette answered yes, currently three projects are waiting on approval. Ann stated that while sitting on the Planning Board, the three projects have been saying they have Sewer. Paulette stated that the 16 homes project across from Kimball's Cavern were given a conditional approval by Planning based on receiving sewer capacity approval which they currently do not have. The Pembroke Pines

project by the golf course was given approval for 33 houses out of the 77 proposed homes. The Wilkens Ave project has no approvals. The 110 homes on Broadway pulled their application and they were given no approvals. Ann asked about the Flagg Robinson project and Paulette stated that those would be septic systems. Ann expressed concerns over presentations to the Planning Board by developers stating they have their approvals. Paulette said they are hoping for approvals but right now they would have to expand their house lots and put in septic. Brian Seaworth commented that the developers of the 16 houses across from Kimball's presented confidently that they have the sewer approvals so they were given a conditional approval. Brian asked how the additional 150,000 gallons a day will transfer to homes or businesses. Paulette said it would mean an additional 660 single family homes could get approval and for businesses it would be dependent on the type of business, size of building, number of employees, etc. Dan Crean asked if any commercial properties are pending approval. Paulette said currently no. Gerry asked how big a plant can be, where it can be located, and could the location in Allentown be expanded. Paulette said that in speaking to an engineer, there appears to be enough land at the Allentown facility to expand. The Town cannot get a bond to do any improvements in Allentown. Allentown tax payers would have to approve the project and they have a hard time getting dollar value warrant articles passed. Pembroke would be willing to pay to upgrade their facility but it isn't likely to pass. Gerry asked what is the likelihood of getting a facility in Pembroke. Paulette said there is a limit to how many facilities can be in one area for dumping purposes along the river. New technology and processes make it possible but it would carry a price tag of over \$30 million dollars. Ann Bond asked how the public would be notified if the additional 150,000 gallons passes. Paulette said it would be in their meeting minutes, it would be brought to the Selectmen and be in their minutes, and letters would go to the Town and the Planning Board.

Tine Courtemanche asked if they expect a rate increase next year. Paulette said there will be a \$5.00 increase per quarter. Gerry asked if that was a \$5.00 across the board per connection increase. Paulette said no, the other increases will be going up to \$57.00 and \$61.00 for a 12% increase across the board. Tina asked how the collections are going this year. Paulette said since they started taking debit and credit cards, it has been a lot better.

Dan Crean asked if they have any ideas about the costs MS4 will bring. Paulette said MS4 is more the Public Works Department. Dan stated that he is seeing large expenses for internet across all Town Departments. He thinks maybe the Town should look at creating an internet access point for the Town Departments and residents. It would be costly and have to be bonded but, in the end, it would save what the Town pays to Comcast. Gerry asked if the technology with the internet at the pump houses saves them money overall in wages. Paulette says with the newer technology, she can see the pump houses on her phone which allows her to make decisions on whether or not someone has to go out to the pump houses. This saves a lot of overtime and on sub-contractors.

Ann asked if Sewer has considered looking at other Health care plans. Paulette said that they have not. This plan only covers her and the budget line is for her health and dental.

V. Other Business

Next Budget Committee Meeting will be held December 20, 2018 at the Pembroke Academy Library to hear the School Board Budget Presentation.

VI. Adjourn

Dan Crean made a motion to adjourn at 7:14 PM. Armand Soucy 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.