

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
DECEMBER 12, 2019 at 6:30 PM**

Karen Yeaton, Chairman, called the meeting to order at 6:31 pm

I. Attendance:

Present:

Karen Yeaton, Michael Connor, Gerry Fleury, Marie Chouinard, Brian Seaworth, Peter Gagy, Paul Hanson, Sandy Goulet, Daniel Crean, Armand Soucy

Staff: Recording Secretary Jillian McNeil, Town Administrator David Jodoin

Excused: Andy Camidge

II. Approval of Minutes: December 5, 2019:

Sandy Goulet moved to approve the minutes of December 5, 2019 as presented. Marie Chouinard seconded the motion. Motion approved 10-0. Dan Crean abstained.

III. 2020 Water Works Budget Presentation

Kevin Brasley, Chairman, Chris Culberson, Commissioner, and Matt Gagne, Superintendent, presented the 2020 Water Works budget to the Committee. Kevin stated that when they are creating their budget, they take the month-to-date actuals, divide by 10, and multiply by 12 to determine what their year-end totals will likely be. They would then add 3.00% across the board and make adjustments to line items as needed. As of 10/31/19, the Water Works is trending on budget with projected residential sales. Kevin shared that \$50,000 will be moved from capital reserves to the operating budget to cover upcoming roadwork and maintenance work completed on the backhoe. Kevin stated that the Bear Brook station is next in the schedule to be automated. Matt explained that the line covering supplies charges increased because of insulating the garage, back hoe maintenance, and general supplies. Kevin stated that health insurance rates are up 7.1%, dental insurance rates are up 3.9%, and wages are up 3.00%.

Gerry Fleury asked what the outlook on capacity is and if there are any quality issues, and do they foresee any challenges in the year ahead. Kevin stated that the biggest challenge is the unpredictability of breaks with the old pipes in town. Improvements made in automating the stations are saving them a lot of time in having to go to out to each individual station in order to monitor them. The metering system with this program saves both time and money because rather than having multiple people out reading meters, one person in a truck drives around town and the meters pick up the reads as he drives by. Kevin stated that capacity is good but they are always looking

for new well sites. Chris shared that the investment in electronic controls and infrastructure upgrades has caused a large reduction in unaccounted for water which has made the current demand historically low. Chris also stated that they are monitoring PFAs containments in the wells quarterly. There are traces of PFAs at two of the wells but the levels are well below any industry or government standard. Although not mandated, the Water Works commits to sampling water quality quarterly looking for PFAs.

Mike Connor asked if there are concerns with the water shed that is in proximity to the state facility and have they been contacted by the State. Matt answered that the State reached out after their initial round of samplings. The water shed on 106 is in good shape and will be monitored closely given its proximity to the fire academy. Chris stated that the State did their own sampling of the Town's water shed at their cost to ensure that it was not compromised.

IV. 2020 Sewer Commission Budget Presentation

Paulette Malo, Operations Director, and Harold Thompson, Chair Sewer Commission, presented the 2020 Sewer Commission budget. Paulette stated that the budget was remained largely unchanged, however, the budget has a 1.5% increase. Paulette shared that next year bills will be able to be viewed online prior to having them mailed.

Karen Yeaton asked if there are any outstanding expenses that she would like to share. Paulette stated that at this time there are none to point out.

Gerry Fleury asked if there are any general infrastructure concerns. Paulette answered that 98% of the infrastructure is in good shape but there have been some clay lines left over from the 70's that were discovered by cameraing the lines. This year they did 5-miles worth of cameraing. One clay line that was discovered will need to be replaced in the coming years.

Gerry Fleury asked if there are any difficulties with infiltration. Paulette answered that out of 594 manhole covers in town, they are down to 130 that still need to be replaced. The manhole covers reduce a lot of infiltration. Cameraing the systems has been able to find cracks that they have been able to fix. Paulette stated that the major concerns for infiltration come from homeowner sump pumps.

Brian Seaworth asked for Paulette to explain the \$420,000 going into the capital reserves. Paulette answered that the \$420,000 will purchase 150,000 gallons per day for development from Allenstown.

Armand Soucy asked if there have been any capacity changes. Paulette stated that according to Allenstown, the Town is currently at the limit. The 150,000 gallons per day they are purchasing will cover roughly 90 houses. Karen Yeaton asked if those gallons are first come first served. Paulette stated that once they have them, it will be.

Brian Seaworth asked if there is a waiting list. Paulette answered that there are currently about six people on the wait list. Dan Crean asked if they are residential or commercial customers. Paulette answered that there is a combination of the two.

V. 2020 Department of Public Works Budget Presentation

Jim Boisvert, Director Public Works, and David Jodoin, Town Administrator, presented the 2020 Department of Public Works budget. David discussed the comments on Facebook regarding the last snow storm and clean up. Residents shared concerns about the trash pickup and snow removal on the sidewalks. The sidewalks in town are not plowed on Pembroke Street and Academy Road until the State is done their plowing because they fill them with snow. The Selectman are discussing the future snow policy at Monday's meeting. Jim shared that a large part of the problem was the holiday leading to a double trash route on Monday and then two snow storms on Monday and Tuesday. There were five complaints made to DPW directly. The rest were multiple long threads on Facebook. There is no way to satisfy everyone but residents should be aware that all man power is being utilized in all aspects of public works during a snow emergency. Ten years ago, there were primary and secondary routes for plowing and not all sidewalks were plowed. Now, state law mandates all sidewalks are plowed in a timely fashion.

David discussed the Trash contract that is up in 2021. The current per ton cost of trash is \$62/ton and the rate outlook is close to \$120/ton. The average cost for recycling over the past year was \$21.97/ton. Jim explained that in the current contract they can raise the price 3.00% every year. Trash is now closer to \$65/ton. In 2021, the Town will be purchasing a new garbage truck and there will be a contract increase with Casella. In 2021, the budget could potentially see an increase of \$700,000. The Solid Waste Committee will be meeting again to discuss the trash contracts and options.

Jim stated that the MS-4 Storm Water Management mandate will start costing the Town money next year. The Town website lays out everything that has to be done for the program. The Town will receive a grant from the Government for asset management that will help with the cost of yearly inspections. Jim stated that there are a lot of old culverts in Town that are in need of repair and if they are in the MS-4 district, they will need to consult with the Town engineer as well as get permits from the State before they can be fixed. This will make those culverts more costly to the Town to replace than others.

Gerry Fleury asked why the requested amount in the sand/salt lines are not increased if the budget runs over every year. Jim states that this year he will be right around \$50,000 for sand/salt once his last load is delivered. It will not go over this year. In 2020, the cost for sand went up \$2.80/ton delivered and salt remained the same.

Brian Seaworth stated that he heard towns were being quoted over \$100/ton for recycling. Gerry Fleury stated that when the Solid Waste Committee met with

Casella, they shared that one of the major challenges with recycling is that people think everything is recyclable and put it all into the bin. Not all items are recyclable and when trash is frequently put into the recycling stream, that community will likely be charged the trash rate for those tons. Jim stated that in the Casella rates there is an XYZ factor that is included into the calculations. That XYZ factor is how much of the recycling is not actually recycling. Casella will be doing a recycling audit on the Town where they will have the Town dump out a typical load of recycling and pick out how much of it is actually trash. Dan Crean asked that when the demonstration occurs, they get the information out to the public. Dan explained that there is an education barrier about not only is recycling good but reducing what they use is an essential component of Reduce, Reuse, and Recycle. Residents are not making the correlation between their tax dollars and the amount of waste they put out. Karen Yeaton asked when the demonstration will be happening. Jim stated that he isn't sure but the contract is up in 2021, so an RFP will need to go out in 2020. The sooner the Town gets under contract again, the better it will be because rates will only continue to rise.

Armand Soucy asked if there have been changes to what is considered recyclable. Jim answered that the Town has a single stream system and there is a flyer on the website that they keep up to date with what is accepted and if it is not on the list then it is not accepted. Armand asked if he knows of any changes coming to what is allowed and what is not allowed. Jim answered that it is whatever buyers of the recycling are accepting.

Gerry Fleury asked for specifics on what will be happening with the Town's run-off water. Jim stated that the Town is working on an asset management program that includes steps like photographing catch basins, however, the asset management grant will not be available until June and it may not cover prior costs so they are waiting until they know how a little more about the specifics on what the grant money will cover and how much the town will receive before doing any work. Jim stated that in five years all outflows need to be tested and if there are containments, they need to be traced back to the offender. The contamination needs to be documented throughout the process from discovery to remediation.

Brian Seaworth shared that the initial phases of the MS-4 program are identifying the issues and mapping. Those are not large cost items. The real cost comes in the next few years. The State is realizing that the federal government based this program on large scale municipalities and they weren't taking smaller municipalities with limited resources into consideration and that is causing them to rethink their requirements. The program may or may not see changes in the future.

Jim shared that in the coming years, DPW will need more manpower and/or more equipment to get trash/plowing/sidewalks during a snow emergency done in more of a timely fashion.

Jim shared some other items in the budget that had increases such as the care for the older buildings in town, payroll due to the extra pay week in 2020, and health insurance that went up 4.8%. Government Buildings went down with the removal of 4 Union Street expenses and the street light update also saved the town money.

David stated that in the capital outlay, DPW will be looking for a new loader and money to be put into the capital reserve funds. Some capital reserve appropriations were reduced in order to put more money into the culvert capital reserve. The paving budget remained level funded.

VI. Other Business

David shared that the estimated tax impact sheet was sent to the School District and should be updated for the next meeting.

The next Budget Committee meeting will be held at Town Hall on December 19th to review the School District budget.

Gerry Fleury asked if the assessed valuation increase on the tax rate impact sheet of 14.8% in 2019 is attributed to the revaluation. David answered that is and the decrease in 2020 is due to the Eversource settlement. There is only an estimate available since they are still in court. The settlement will hopefully be finalized soon.

Gerry Fleury stated that by the end of the process he would like to have a better understanding of the fluctuations in the revenue figures. David stated that the revenue for motor vehicle permits was adjusted because of better figures from the town clerk since it is closer to year-end. Unanticipated revenue that came from the state is not reflected in the current budgets but will be in the finalized copy. The other decreases in revenues are economy driven. When the economy is good, people sell land and that has in increase in timber taxes and that is an unpredictable revenue. Property tax interest will be going down next year as people are getting caught up. There were also a lot of Planning Board fees this year but that will taper off.

VII. Adjourn

Sandy Goulet made a motion to adjourn at 7:58 PM. Marie Chouinard seconded the motion and it was approved unanimously.

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.