



Budget Committee Meeting
Town of Gorham
Gorham Town Hall
Public Meeting Room

Minutes of January 31, 2017

Members Present: Michael Waddell, Chairman; Diane Bouthot, Vice Chairman; Reuben Rajala, Secretary; Robert Demers; Lee Carroll; Doug Gralenski; Dan McCrum; Todd Lamarque; Terry Oliver, Selectmen's Rep

Town Staff Present: Robin Frost, Town Manager; Denise Vallee, Director of Finance & Administration; Carol Porter, Town Clerk/Tax Collector; PJ Cyr, Police Chief; Jay Watkins, Fire Chief; Jeff Stewart, Recreation Director; Buddy Holmes, Public Works Director; Arthur Perry; Adam White; Grace LaPierre, Board of Selectman

Others present: Glen Eastman, Judy LeBlanc, Barbara Tetreault from Berlin Daily Sun

Minutes Taker: Shelli Fortin

AGENDA ITEMS & DISCUSSION

1. Call to order: 6:00 PM

2. Approve Minutes 1/19/2017: **Motion to approve from Diane Bouthot with a second from Terry Oliver. Voted in the affirmative.**

Approve Minutes 1/23/2017: **Motion to approve from Doug Gralenski with a second from Diane Bouthot. Voted in the affirmative.**

Approve Minutes 1/24/2017: **Motion to approve from Doug Gralenski with a second from Diane Bouthot. Voted in the affirmative.**

3. **Update on Prior Requests:**

- a. Buddy Holmes was asked about the cost to repair the sidewalk at the corner of Church and Main Street. He advised it is on the list of things to be fixed in the Spring, but it is difficult to estimate the cost since they are not sure what they are going to do yet.
- b. Diane Bouthot asked about the date of the agreement with the Family Resource Center. Denise Vallee advised it was dated June 30, 1997, so this year will make 20 years. Vallee advised they would be re-negotiating.

4. **Warrant Article for Recreation Revolving Fund:**

Mike Waddell advised that he met with Lee Carroll, TM Frost, Denise Vallee, and Jeff Stewart in reference to the Revolving Fund. The Warrant Article reads "To see if the Town will vote to restrict the revenues deposited into the Recreation Revolving Fund to gifts and donations; Moose Tour receipts; Medallion Opera House gifts, donations, and receipts; and bus trip revenue. And further to restrict the expenditures from the Recreation Revolving Fund to

Moose Tour and Medallion Opera House expenditures, bus purchases and repairs, and for purposes designated by any gifts and donations.”

TM Frost advised that she has contacted the town’s attorney to ask about the revenues in the fund and whether they would go back to the general fund. Denise Vallee advised the amount in the revolving fund now is \$122,285.95, without the Medallion Opera House money it would be \$119,216.

Bob Demers asked about the gas expenditures in the budget that were coming from the general fund and suggested that they be included in the Revolving Fund. Doug Gralenski said he was satisfied with the compromise, but also thinks that the percentage of gas used by the Moose Tours should come from the Revolving Fund. It was decided that the last line of the warrant article would be amended to say “bus purchases, bus fuel, and bus repairs”. Mike Waddell will reprint the article and get signatures.

Mike Waddell asked what the amounts of the revenue lines requested to be removed from the Revolving Fund would be, and Jeff Stewart advised it would be \$34,701.01 for Program Revenue and \$8876.25 for the Recreation Access Fee. Revenues that come in from this point forward will go into the general fund. Dan McCrum pointed out that the increase in the expenses in the operating budget will be \$36,440, but the increase in the revenue will only be \$21,300, which increases the budget for the department. Denise Vallee advised that this is because it was based on the type of revenue, not amounts, that were moved from the Revolving Fund to the regular budget. Dan McCrum again stated that there should be a cap on the fund.

Reuben Rajala asked what the \$18,000 in program expense was for. Jeff Stewart advised it was for soccer, basketball, baseball, softball, and the summer programs. Stewart advised it was previously in the Revolving Fund, but has been moved back to the operating budget. Rajala again suggested that the summer park employees be paid minimum wage, instead of the \$5.50 they are currently paid.

Mike Waddell asked the committee if they were done with the Recreation Department budget and they advised they were, as long as the gas line is adjusted to move Moose Tour fuel to the Revolving Fund.

Review of Capital Reserve Funds:

The committee asked about the \$25,000 in the 2017 appropriation for the Ambulance CRF and if that would be reduced since there was discussion about selling the oldest ambulance.

Dan McCrum asked about the Assessment CRF and if the money in there would cover the assessment costs. TM Frost advised that it would.

The committee had a discussion about the Dispatch Equipment CRF, which is currently budgeted at \$12,000, but may be increased to \$76,500. Chief Cyr advised that the current equipment will be obsolete by 2020. The estimate to replace the equipment was \$320,000, which was received in November of 2016. This will cover the police primary radio for communication with cruisers and handheld radios, the control station to control the repeater, the multi-channel console, and the Centracom control station. Todd Lamarque asked about the possibility of dispatch being covered by Berlin, and Mike Waddell responded that even if dispatch services were transferred to Berlin, they money would still be in the account. Chief Cyr advised that if dispatch was handled by Berlin, they would need to upgrade some of their equipment, which they would expect Gorham to pay for. The Board of Selectman will be discussing this on Monday and will decide whether to increase the appropriation to the \$76,500. This would increase the tax rate by \$0.28. Doug Gralenski offered to assist Chief Cyr in finding compatible equipment from other departments that are upgrading, so that we will have spare parts in case they are needed before the equipment is replaced.

A discussion was had about the River Maintenance Fund. The Spring Road project was mentioned and how the cost was originally \$280,000, and is now \$630,000. TM Frost advised that there should be money available from FEMA and from DOT for bridge maintenance to help cover the cost. The worst case scenario would be that they would need \$90,000. Concerns were raised over the fact that if another disaster such as Hurricane Irene or Hurricane Sandy hit again, and there was \$1 million in damage, the town would be responsible for \$250,000, which they do not have at this time.

In discussing the Road Resurfacing CRF, Mike Waddell suggested taking \$100,000 from this and putting it into the Emergency Disaster CRF. Waddell said that the amount appropriated will not touch the cost for doing the roads, and that there needs to be a better plan in place before asking the taxpayers for money for the roads. Terry Oliver argued that the town cannot continue putting off the road work and the \$100,000 budgeted this year will at least get it started. Both Bob Demers and Dan McCrum agreed with Oliver that it should be left where it is.

The committee asked about the Emergency Energy CRF and what that money is used for. Denise Vallee advised that it was used a few years ago when the cost of oil and gas went up drastically and the money budgeted was not enough to cover the increase.

Chief Watkins was asked about the Fire Truck CRF and how much a new truck would cost. Watkins advised it would be about \$300,000. Diane Bouthot asked if the old truck could be sold. Watkins stated it would only be worth around \$5000.

The committee asked about the \$80,000 in the Highway Heavy Equipment CRF, and if it was for more than one piece of equipment. Denise Vallee advised it is for replacing the 2008 International dump truck, the 2010 holder, and the Sno-Go. Buddy advised that they leased the loader that they have for 5 years and can purchase it at the end of the lease for \$1.

Chief Cyr was asked again about the fleet for the police department and the Police Cruiser CRF. Cyr advised they will be replacing the 2008 Ford Explorer, which will not pass inspection this year.

In discussing the Town Building Purchase/Repairs CRF, Denise Vallee advised the committee that the current balance of 108,814.02 will be reduced by \$60-65,000 when the last payment is made to Ray's Electric for the Public Works office. Vallee advised that work to be done this year includes \$23,000 for painting the trim on the Town Hall, \$7,500 for the alarm system at the Fire Department, and \$1,500 to install an oil tank at the Fire Station. Bob Demers asked what size the oil tank will be and Jay Watkins advised it will be 275 gallons. This is based on a recommendation from Kevin Rines, so that they can remove the electric fuel pump that has been pumping oil to the furnace to reduce the electric bill. Watkins advised the tank is about 30 years old, so it should be replaced anyway. Doug Gralenski suggested reducing the amount in this appropriation, but Lee Carroll stated he thought this may leave the town strapped if any repairs were needed.

Glen Eastman asked what the total appropriations for 2017 totaled, and was advised it was \$555,185.00, which is \$119,110 less than last year. The number will go up to \$619,685 if the Selectman decide to add the money to the Dispatch Equipment CRF.

Glen Eastman asked what the Unrestricted Fund Balance is and Vallee advised it is estimated at \$670,000.

Diane Bouthot asked about the proposed budget and the 0.57 decrease in the tax rate. Denise Vallee advised that does include the additional full-time dispatcher, the merit increases, and the 2% increases. It does not include the Dispatch Equipment CRF.

5. New Requests for Information

6. Old Business

7. New Business

Mike Waddell asked the committee if they would like to schedule one more meeting. It was agreed that one more was needed. Discussions at the next meeting will include merit pay, the 2% pay increase, and the PD personnel request. Waddell also asked Chief Watkins to be at the next meeting as the committee may have questions about the EMS revenue. Waddell advised the committee members to email him with any other items they may want to discuss so it can be added to the agenda.

8. The next Budget Committee meeting will be on 2/7/2017 to discuss the rest of the concerns about the budget. It will be at 6:00 pm in the Town Hall Public Meeting Room.

9. Robert Demers made a motion to adjourn at 8:07 PM, seconded by Diane Bouthot. Voted in the affirmative.

Respectfully Submitted
Shelli Fortin

Approved February 2