



Budget Committee Meeting
Town of Gorham
Gorham Public Library
Meeting Room

Minutes of January 22, 2018

Members Present: Diane Bouthot, Chairman; Doug Gralenski, Vice-Chairman, Robert Demers; Lee Carroll; Dan McCrum; Abby Evankow; Judy LeBlanc

Absent: Todd Lamarque; Terry Oliver, Selectmen's Rep

Town Staff Present: Shannon Buteau, Library Director; Jeff Tennis, Water and Sewer Department; Jessica Jacques

Others present: Clare Fox, Gail Wigler, Margaret Laperle, Library Trustees; Ted Miller, Roger Goulet, Water and Sewer Commission

Minutes Taker: Shelli Fortin

1. Call to order: 5:00 PM

2. Approve Minutes 1/18/2017: **Motion to approve from Lee Carroll with a second from Judy Leblanc. Voted in the affirmative.**

3. Update on Prior Requests

Judy Leblanc asked about someone from the school coming to a meeting to discuss the school budget. Diane Bouthot stated she would follow up on this with TM Frost. Bob Demers stated that he saw no reason for the school to come, as what they do is not relevant to the Budget Committee.

4. **Library**

Shannon Buteau advised the committee that the budget is flat this year at \$161,895 along with a \$10,000 request for capital reserve. Buteau advised that even with the increase in insurance costs, they were able to reduce the amount in collections and office operations to keep from increasing the budget. Buteau was asked what collections included and she advised it is magazines, books, and DVDs. Judy Leblanc asked about the value of donations received and Buteau advised that not many donations are received, as it was the policy of the prior director to not accept donations unless they were new. Leblanc asked about the number of programs that were offered this year and Buteau advised they had 16 programs for children and 22 for adults. Buteau advised they have at least one program every day. Bob Demers asked about the increase in the health insurance and was advised it was due to a change in plan from a single plan to a family plan. Diane Bouthot asked about maintenance on the building with the capital reserve request. Buteau advised that the parking lot needs work, they need to replace siding by the front door, the pillars need work, and long-term the roof will need to be done. Leblanc mentioned the Murphy Fund and the trustees advised this would be used as well, however they only want to use it to compensate the capital reserve fund to make it last. Gralenski asked what the CRF balance was now and was advised it is zero, as it was used for the siding on the front of the building last year and the railing. The trustees advised that they will begin saving part of the capital reserve funds every year toward the roof, which will need to be done in about 5 years. Leblanc asked if the library does any fundraising and was advised that in the past, not enough was raised to make

the time and effort worthwhile. Bob Demers asked what the balance in the Murphy Fund is and was advised it is \$110,000. Dan McCrum asked what kind of interest it is earning and was advised it is about \$12 per year, and that they have discussed moving the money to earn higher interest.

Water and Sewer Department

Lee Carroll advised that the big increase in the budget this year is due to a water main replacement on Alpine Street, which is \$30,000. Jeff Tennis advised that the main will be replaced on Alpine Street from Main Street to Palmer Street. This is being done in conjunction with the highway department, who are planning to do Alpine Street to Cottage Street. Tennis advised they will go to Palmer Street to add valves and to provide better fire protection to the neighborhood. Doug Gralenski asked if this was a capital reserve item and Carroll advised that it is budgeted, as if it was not it would be a bond issue. Abby Evankow asked how long the water main would last and was advised 70-100 years. Tennis advised that they have been actively replacing the older lines in town and have replaced about 80%. Tennis advised next year they are planning to do Corbin Street in conjunction with the highway department. Bob Demers asked if they would be increasing water rates this year and the commissioners advised they would review the budget in six months, and there may be one then if needed. Ted Miller advised that it will depend on revenue, as the revenue has been down due to less usage. Gralenski asked where the unexpended revenue goes and was advised it goes to the water and sewer capital reserve accounts. The current year amount for these accounts is \$25,016.38 for water, and \$20,752.45 for sewer. Bouthot asked what properties were lost for revenues and Pizza Hut closing and the mill using less water were mentioned. The commissioners also advised that many residential customers are seasonal and that the weather in the summer affects revenue, as there is more usage during dry summers. Gralenski asked if the water supply in town has been affected by PFOA and PFOS like other towns have been. Tennis advised they participated in volunteer testing last year for both Icy Gulch and Perkins Brook and nothing was detected. This year they checked Gorham Hill and Well #2, which were also fine. Tennis advised these are manufacturing compounds, and hopefully will not affect our supply, as it is very costly to deal with. Leblanc asked if there were any major maintenance projects scheduled and was advised Perkins Brook Dam has already been contracted, which is about \$25,000.

In the sewer budget, chemical costs are up, but wastewater is down, so it balances out. Evankow asked about revenues. Jessica Jacques advised that water revenues were \$391,400 and sewer was \$405,400. Jacques will get a copy of the revenues to the committee. Carroll advised that the water and sewer department also makes the bond payments for the town for the major improvements they have done. Demers asked about delinquent accounts and how far they go before being shut off. Jacques advised they will be shut off the following quarter for non-payment if a payment agreement is not made. If the water is shut off, there is a \$35 fee to restart. The fee is the same for seasonal customers; it is free to turn off, \$35 to turn on. Evankow asked about the sewer main replacement budget of \$7,000, of which only \$2,000 was spent. The commissioners advised that the work was not urgent and they felt they could wait to give the taxpayers a break. Some of the work can possibly be coordinated with the town at a later date. Evankow asked about the capital reserve balance and was advised water is \$286,595.53, sewer is \$231,558.25. The Water Capital Reserve started at \$322,000 this year and was used to purchase a truck, for the engineering study at Perkins Brook, and to purchase the hangar at the airport. The hangar was purchased because the airport sits over the aquifer and they wanted to remove the hangar to prevent any contamination. Bouthot asked about overtime and pointed out that it has been pretty consistent. Tennis advised it is for on-call rotation for weekends and also for emergencies.

5. New Business

Abby Evankow asked about the agreement with the mill and why they did not have to pay interest on their taxes. She was advised it due to a legal agreement that the town made with the mill.

Doug Gralenski brought up the motor vehicle registration revenue and suggested the committee increase the revenue line. Judy Leblanc advised that she had asked about this before and was advised if they do, there will be less available in the fund balance. Leblanc stated that accounting standards suggest a fund balance be at least five months of operating cost, and the auditor said the only way to increase the fund balance was to increase revenue or decrease spending. Carroll explained that increasing the revenue line will decrease the amount of taxes you collect, as the more revenue you have to subtract from expenses, the lower the amount needed to tax on. Dan McCrum asked for a graph showing the history of the fund balance for the town.

6. Date of Next Meeting: The next meeting is scheduled for Tuesday, January 23 at 6:00 pm at the Town Hall Conference Room.

7. Diane Bouthot made a motion to adjourn at 5:53 PM, seconded by Judy Leblanc. Voted in the affirmative.

Respectfully Submitted
Shelli Fortin

Approved 01-23-20