



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

Minutes of January 16, 2018

Members Present: Diane Bouthot, Chairman; Doug Gralenski, Vice-Chairman, Robert Demers; Lee Carroll; Dan McCrum; Abby Evankow; Judy LeBlanc; Todd Lamarque; Terry Oliver, Selectmen's Rep

Town Staff Present: Robin Frost, Town Manager; Denise Vallee, Director of Finance & Administration; Austin Holmes, Public Works Director

Others present:

Minutes Taker: Shelli Fortin

AGENDA ITEMS & DISCUSSION

1. Call to order: 6:00 PM

2. Approve Minutes 1/11/2017: **Motion to approve from Lee Carroll with a second from Terry Oliver. Voted in the affirmative.**

3. Update on Prior Requests

Judy Leblanc shared the numbers she received in reference to the Cascade Fire Station. The cost per year for oil is \$893.75, electricity is \$360.83, and water is \$458.18, for a total of \$1712.76. The cost of climate controlled storage units would come to \$4,860 per year for 3 units at \$135 per month. The Board asked if the station was owned by the mill and was advised it was. TM Frost advised that it would provide minimal revenue in the form of taxes if the mill took it back. Terry Oliver asked about the cost of water and was advised it is the minimum bill from the water department.

4. Review of Budget Requests from Highway/Cemetery/MSW-Recycle

The Cemetery budget was reviewed first, and Diane Bouthot asked about the part-time position. Holmes advised that the pay was increased from \$12 per hour to \$12.50. This is for one person, 24 hours per week, for 23 weeks. The entire budget increased \$96.00 from last year. Holmes advised a few lines are down, including unemployment insurance, social security, and Medicare.

On a motion by Doug Gralenski, seconded by Todd Lamarque, the Committee voted to accept the Cemetery budget as presented.

Holmes advised the Highway budget was down \$13,363.00, mostly due to the price of salt. They are buying the same amount of salt, but are saving \$13,728.00. Doug Gralenski asked about the overtime hours for plowing and was advised they are included in the Admin OT line. The committee discussed the loader, as that is the big issue this year. Holmes advised that he has not received the third quote from Komatsu, but that would be the brand they are most interested in, as it can be serviced in Lancaster. The most Komatsu will offer for a lease/purchase is 6 years, as opposed to 7 or 10 for the others they have looked into. Judy Leblanc asked about the warranty

on the loader and was advised it is about 2 years. Diane Bouthot asked how long the town has owned the current loader and was advised 18 years. Holmes advised they will trade-in the loader they have, and should get about \$35,000 for it. Gralenski asked about the decrease in the electricity, oil, and heat costs and was advised it is partly due to the new office, and partly due to the lower KW rate for electricity supply. Denise Vallee advised that they have a fixed rate of 7.29/kw until November of 2018. It will go out to bid again in August. Bob Demers asked about the new insulation in the roof and Holmes advised it is amazing, they have no icicles this year. Leblanc asked if there were any employees planning to retire, and Holmes advised that Roland Blais will possibly be retiring in April. Blais has been with the town for 43 years. Bouthot asked if they can purchase fuel in advance for next year and Holmes advised they could not, but they do get the government rate, with no tax. Holmes advised he has budgeted \$3.00/gallon. Demers asked if they cut the fuel and Holmes advised it is done by the company they purchase from. In discussing capital reserve requests, Holmes advised that they are planning to replace the Sno-go in 2019, which costs about \$125,000 new. Demers asked about the Road Resurfacing and Reconstruction CRF. The current balance will be \$357,000, and a separate \$272,000 will be requested in a separate warrant article. Abby Evankow asked why it would be a separate article and was advised it is not an operating expense, so will be an annual request that will be voted on each year. Dan McCrum asked about health insurance costs and Vallee advised there was an increase of 5.9% this year.

On a motion by Doug Gralenski, seconded by Abby Evankow, the Committee voted to accept the Highway budget as presented.

Holmes advised that the Solid Waste budget request includes an additional \$2600 over last year. Fuel costs, health insurance, and bulky waste make up the main reasons for the increase. The budget also includes \$3500 for monitoring costs at the landfill that was closed. The money is not always needed, as some years the town receives a bill and some years they do not. Vallee will look up the agreements to see how long is left for this cost. Todd Lamarque asked if a study had been done recently about privatizing trash pickup. Oliver mentioned that if you are not paying the town to do it, you will be paying a private company. Gralenski mentioned that the average rate downstate is about \$500 per home per year for a company to pick up the garbage. Demers also mentioned that there is a lot of cross-trade at the public works garage, as the same people picking up the trash are also plowing the roads during a storm. Gralenski asked if the town is plowing the snow machine parking lot and asked if the state might reimburse for the cost of that, as they do pay private contractors for plowing and mowing. The committee asked about revenues received and were advised that they make about \$6000 per year for scrap metal, which goes into the MV surcharge line. This is used for tire disposal, which costs about \$8000 per year. Holmes advised that the trailer rental for the tires is \$100 per month, and the company picks up the trailer and hauls them away.

On a motion by Lee Carroll, seconded by Terry Oliver, the Committee voted to accept the Solid Waste/Recycling budget as presented.

Denise Vallee advised that the first phase of the LED streetlight project was completed. The town is hoping to get a CDFR loan for \$40,000 to cover the remaining 260 lights. It is a 3-year loan at 2 ½%. It will take less than 2 years to start saving money with electric savings on the new lights.

5. 2017 YE Budget Review

Vallee advised that in the Railroad Tax line, there is a water grant that has not yet been received. It should come in during January. The ambulance had budgeted \$190,000 for revenues and the actual figure to date is \$211,172. The line for sale of town owned property has \$9800 that has not yet been collected for the piece of land that was owned by Munce. It is in the attorney's hands right now. Judy Leblanc pointed out that the motor vehicle registration line took in \$110,000 more than budgeted. Bob Demers asked about building permits and was told Proquip was the biggest one this year. Lee Carroll pointed out that a house was being built on Evans Street as well. Dan McCrum asked about the incentive for businesses to build or improve their buildings and TM

Frost advised that nobody has applied yet. Leblanc asked about commercial duty and if that was offset by the overtime and was advised it was. The revenue received from commercial duty was \$32,820, and the expense was \$23,445. Vallee pointed out that the \$40,000 overage in the Assessing line will be covered by a transfer back from the capital reserve fund. Evankow asked why assessing was coming from capital reserve as it should be an operating cost. Frost advised that the 20% of the properties done each year was an operating cost, but abatements and special assessments are from capital reserve. Vallee advised that the legal line fared well this year and was reduced a bit for next year. Vallee advised that money left in the Planning/Development/Code Updates has been encumbered to finish the Master Plan. Vallee pointed out that the overage in telephone and internet in the Fire budget was for an equipment upgrade for a new phone system. The increase in insurance for dispatch was for a change in demographics, from a single plan to a family plan. Gralenski pointed out that the budget for dispatch wages has been overspent the last few years, but is still only listed at \$141,000. It was decided that the committee will wait to ask this question of the police chief. Demers mentioned the line for building inspector and pointed out that more was taken in than spent. Demers questioned where the extra money went and was advised it goes into the general fund and becomes part of the fund balance. Demers pointed out that the police department had cadets until the end of August and that the amount of time one of them spent on the street before attending the academy cost us dearly. Demers suggested hiring officers closer to the start of the academy and Oliver pointed out that the more time they spend training before attending the academy, they better prepared they are. Evankow asked about the contract for new officers and was advised that they are required to give the town three years, or pay back part of their training cost. Gralenski asked what happens when a department runs over on a line item and TM Frost advised that money can be transferred from one line to another in the budget by a vote of the Selectmen as long as they stay within the operating budget. Vallee mentioned that the highway department went over on the telephone and internet line due to having to disconnect and reconnect telephone and internet service for the new office. Gralenski asked about the recreation admin gasoline and was advised this is the recreation department's actual use and gas cost. Evankow asked about the moose tour gas and was advised it comes under moose tours in the revolving fund. In looking at the water and sewer department budget, Leblanc mentioned that there is no overtime line. Lee Carroll advised that it is available in the more detailed water and sewer budget, but not in this copy. Carroll will get the information for the committee. Bouthot asked about the amount left in the home health line and was advised that they bill on what is actually used for services and some years they do not use it all. Other groups with petitioned warrant articles usually ask for a lump sum. TM Frost advised that the petitioned warrant articles will be voted on at town meeting, and are either recommended or not recommended by the budget committee. Vallee will get a copy of the requested warrant articles to the committee.

On a motion by Doug Gralenski, seconded by Bob Demers, the Committee voted to accept the Revenue and Expense report as presented.

6. New Business

Bob Demers asked for a list of wages for employees and Vallee advised this will be available soon, once the W2's and 1099 forms are completed.

7. Date of Next Meeting: The next meeting is scheduled for Thursday, January 18 at 6:00 pm. Doug Gralenski will chair this meeting, as Diane Bouthot has a conflict.

8. Dan McCrum made a motion to adjourn at 7:35 PM, seconded by Terry Oliver. Voted in the affirmative.

Respectfully Submitted
Shelli Fortin