



Budget Committee Meeting
Town of Gorham
Medallion Opera House

MINUTES OF JANUARY 21, 2021

Members Present: Douglas Gralenski, Diane Bouthot, Abby Evankow, Greg O'Neil, Patti Stolte, Lee Carroll, Reuben Rajala, and Adam White, Selectmen's Representative

Absent: None

Town Staff Present: Denise Vallee, Town Manager; Kathy Frenette, Finance Director; Judy LeBlanc, Selectmen; Michelle Lutz, Assessing; Jeff Tennis, Water Superintendent; Roger Goulet; Ted Miller; Jessica Jacques

Minutes Taker: Shelli Fortin

1. Call to order: 6:03 PM by Diane Bouthot

2. Minutes of January 19, 2021

Motion to approve minutes of January 19, 2021 from Reuben Rajala, with a second from Abby Evankow. Evankow noted that the amount for the UTV should be included in the minutes. Voted by roll call vote in the affirmative as amended. Evankow - yes, White - yes, O'Neil - yes, Rajala - yes, Stolte - yes, Bouthot - yes, Carroll - yes

3. Old Business

Denise Vallee advised that Shannon Buteau emailed to say the Library is withdrawing their request for the \$5,000 for their CRF, and will cover the amount out of their fund balance.

4. New Business

a. Review of Water and Sewer Department Budget

Ted Miller advised the total Water Department budget is \$502,651, an increase of \$41,000. Most of the increase is due to water main replacement. They have included \$40,000 in the line item for this year, as they were unable to do the work they had planned last year. The money they did not use last year goes into their CRF. This year they are planning work on Cross Street. Other increases are in the cost of labor, with a 2% COLA, and insurance. They did not do a competitive wage adjustment last year, but are planning to one this year. Reuben Rajala noted that the Water Filtration Plant was budgeted at more than \$61,000 last year and they only used \$38,346.28. Miller advised they had budgeted for Sodium Bicarbonate, which they did not need, so that have included that in this year's budget. Diane Bouthot asked if they were planning to raise rates this year and Miller advised they were not. They did increase rates last October due to decreased revenues, but are in good shape now. Abby Evankow asked how much is currently in their CRF and was advised water has \$229,916.60 and sewer \$209,651.38. This money is in the CRF for any breakdowns so they do not have to shift the cost to taxpayers. It is recommended that they keep 6 months of operating expense in their CRF. Bouthot asked about warranties for equipment and was advised they are usually only for a year or two on parts.

The Sewer Department budget is \$519,470, an increase of \$21,488. This is mostly due to the COLA and insurance. They have also increased the budget for Sewer Main Replacement from \$5,000 to \$10,000. Patti Stolte asked why the budget is higher this year if they spent less last year. Miller advised that they did not have as much OT last year, the cost of ferric acid was down, electricity was down, and the cost of solids at the landfill was down. They did reduce the budget for the sludge to the landfill, but the other lines are not anticipated to remain low this year. Lee Carroll advised that although the town can move money between departments, water and sewer cannot per state law, so they need to be conservative when budgeting.

Denise Vallee asked if they have any plans for bonding any money in the future. Jeff Tennis advised that he went through the street survey from HEB and did a rough estimate of costs to work on the streets that they have not done. Just for piping and materials, not including sand, stone, fuel, labor, pavement, or directional boring, the cost would be about \$1 million. There is also the cost of manpower. Tennis advised if they were to do any more than one or two streets per year, they would have to contract out, which then would require engineering and approval by DES. With doing the work on a smaller scale, it is considered maintenance and does not require engineering. Main Street and Lancaster Road would require engineering as well, as they are state highways. Tennis advised water mains have a lifespan of about 100 years. Tennis advised that they are not planning on a bond as long as they continue to do the streets as they have been doing them.

When asked about hours, Tennis advised they work 40 hours per week and are on-call 10 weekends per year. Weekends require about 5 hours per day to do the rounds, and call-ins are a 3-hour minimum. Reuben Rajala asked if the tax issue was resolved with Randolph and Adam White advised it was.

b. Review of Assessing Budget

Michelle Lutz advised the permanent position includes a 2% COLA. They have also budgeted for a part-time position of 28 hours per week to take over planning, zoning, and code enforcement responsibilities to allow her to spend more time on the assessing side with measuring and listing. The 28-hour position is budgeted at \$17 per hour. Overtime is up due to the COLA adjustment. Training will hopefully be available again soon, and the DRA offers classes for \$50 each. The Assessing line is unchanged. Telephone and internet are up. When asked why the assessing numbers were all over the board, Lutz explained that it depends on what they have for utility updates for Skip Sansoucy. Sansoucy defends cases at the BTLA for the town. Lutz advised that they need to update their tax maps, of which they currently use old Forest Service maps. The best way to update is using LiDAR, but it is very expensive. They have found a company, CAI Technologies, who will convert the USFS maps to digital to relieve some of the issues they have. The total cost is \$36,000 which will be split over three years. Abby Evankow asked if they will complete the work the first year and Lutz advised they have not nailed that down, it may be completed in the first year and billed for three, or they may see the work at the end of the three years. The Software line is for Microsoft Office 365 which is a yearly cost of \$120. Doug Gralenski asked about the \$78,000 that they are over and was advised that it will come out of the CRF. Gralenski asked what they put into the CRF annually, and was advised it has been \$40,000, and will be going up. The current balance is \$13.98 as they have already taken out \$53,500 this year. Evankow asked what the town gets back in taxes for fighting the valuation and Lutz advised that the point of fighting the values is to keep the revenues coming in. Evankow asked if they would get more back in taxes than the cost fighting it, and Lutz advised they would. Lutz advised that Sansoucy has been successful in defending values, noting the abatement filed by Walmart. Evankow noted that they are putting \$80,000 this year, and \$80,000 next year into the Assessing CRF. Vallee advised there is also a smaller amount being put in for the revaluation in 2022 as

well. Bouthot asked if we are losing any abatements, and how many have filed for abatements. Lutz advised 25 abatements were filed for 2019 and most were commercial. Lutz advised residential properties are selling well above their assessed values, which will help with increased value in the 2022 revaluation, but also drives the equalization rate down. Some of the 2019 abatements have not been settled as the BTLA is behind due to Covid as well. Evankow asked about the racks for the maps, which Lutz advised were removed from the budget last year, but have been added back in this year. Bouthot asked about the part-time position, and if Lutz was going to be out of the office 28 hours per week. Lutz advised that she cannot be out measuring and listing and then entering that information, and also do the work that needs to be done for planning, zoning, and code enforcement. Abby Evankow asked about building permits, and how much time that takes in the Assessing office to process. Lutz advised that she accepts them, sends them to John Scarinza to review, and then she issues the permit. In the following assessing cycle, she needs to get them ready for the assessing company. Evankow asked if fees should be increased for building permits to cover the cost of processing. Gralenski stated that the permit should be a minimal cost to cover administrative fees as it will eventually lead to increased value in the property. Rajala stated that the cost should also be in line with other North Country towns. Adam White advised that they dropped the price to encourage people to improve their property and the Selectboard will look at the cost again after a year. Evankow asked if the cost discourages building, and White advised it does stop people from getting permits so that the town doesn't know what is being done. Evankow advised she would like to see the cost cover Michelle's time.

c. Superintendent of Schools

Doug Gralenski advised that David Backler was unable to be in attendance as he is currently at a meeting with the school board, where they are still working on the budget. It was suggested that the committee members attend the School Budget Public Hearing next Thursday, January 28. Backler offered to reschedule and attend another meeting, but there is not much time left before the hearing.

5. Other

Denise Vallee advised the Budget Hearing will be held at the GMHS gym, not the Medallion Opera House, to allow for social distancing. The school can accommodate up to 135 people.

Doug Gralenski had asked members to bring any suggested amendments to tonight's meeting. Adam White advised that he would like to see the library budget reduced, as they are open more than any other library in Coos County. White noted if they were able to run so many programs this year, be open less, and still get materials to patrons, then they could reduce their budget easily. Gralenski asked how much was in their capital overlay account and Vallee advised that she would have to get the number from the auditor. Vallee advised they do not usually have much left in their budget, so it is not much. Reuben Rajala noted that the Library CRF was added fairly recently, and money used to be taken just from the Murphy fund. White noted that the Murphy Fund can be used for capital expenses or for operating expenses and Rajala stated that if they were to use it for operating expenses it would be gone. The money from the Murphy Fund was in a checking account, but is now in the NHPDIP. White stated that the library was under budget this year and Rajala noted that all departments were, however those other departments were not being asked to reduce their budgets. When asked if the committee could recommend a change to the library budget or if it would have to be done on the floor, White stated that this was researched last year with the NH Municipal Association and the budget committee decides the amount. Abby Evankow noted that the library operates on a pretty tight budget. Rajala noted they have a good collection of media available, and patrons rely on the library for materials, programming, and computer access. Both Patti Stolte and Greg O'Neil inquired if the library was asked if there was anything they could cut and were advised they were not. It was noted that it is

late in the process now to request this. Evankow stated that reducing hours was discussed before and it would not make sense to reduce hours for the small amount they would save, which would just reduce access for the taxpayers. Rajala noted that those that do not use the service do not appreciate it. O'Neil asked how they could learn about the budget and was advised that the Library Trustees hold meetings and the public is welcome to attend. Rajala suggested that this be discussed further at the public hearing and White stated that he felt the committee's decision should be made before then. Stolte stated that communities need libraries and asked how much the proposed reduction would impact the budget. Vallee stated it would be \$0.09 on the tax rate. It was noted that the library has been with just a few dollars of the previous year's budget since 2017, and is an asset to the town.

Kathy Frenette asked if the outside agencies could be invited to the meetings via Zoom to reduce exposure to Covid and the committee agreed.

6. Next Meeting Date

The next meeting will be held Tuesday, January 26, 2021 at 6:00 pm.

8. Adjournment – Abby Evankow made a motion to adjourn at 8:01 PM, seconded by Adam White. Voted by roll call vote in the affirmative. Stolte – yes, Gralenski – yes, Rajala- yes, White – yes, Bouthot- yes, Evankow – yes, O'Neil – yes, Carroll – yes

Respectfully Submitted
Shelli Fortin