

**TOWN OF DEERFIELD
MUNICIPAL BUDGET COMMITTEE MEETING
December 3, 2013
MINUTES**

Call to Order:

6:00 pm Chairman Kevin Verville called the meeting to order.

Pledge of Allegiance to the Flag

Chairman Verville asked all to rise and pledge allegiance to the Flag.

Moment of Silent Reflection

Roll Call:

Present: Kevin Verville, Chairman; Jim Spillane, Vice Chair; Harriet Cady, David Carbone, Don Daley, Carol Levesque, Fred McGarry, Jeff Shute and Bill von Hassel, Members; Maryann Clark, School Board Rep; Steve Barry, Select Board Rep

Also Present: Leslie Boswak, Town Administrator; Jan Foisy, Town Finance Director; Alex Cote, Highway Agent; Rick Pelletier Building Inspector and Transfer Station Manager; Denise Greig, Welfare Administrator

Approval of Minutes – November 26, 2013

Motion: D. Daley moves the minutes as written

Second: C. Levesque

Vote to approve the minutes as amended: Yea 8, Nay 0, Abstained 1 – Motion Carries (M. Clark and F. McGarry absent for this vote)

Discussion and Review 2014 Town Budget

Highway Department - \$750,626

Motion: Selectman Barry moves to approve the Highway Budget in the amount of \$750,626

Second: Vice Chairman Spillane

Discussion: H. Cady asked how many full time employees were in the Department, A. Cote answered four. A. Cote presented the Committee with highlights from the proposed budget, the numbers are as close to 2013 as was possible, decreases can be seen in the Uniform, Propane and Sand lines, increases are reflected in the Equipment Maintenance & Repair. He noted that Salt usage is up as they have experienced an increase in the number of ice events. The Reconstruction Contract line shows a decrease, but part of that was due to funds being transferred to new Equipment Rental and General Contractor lines in order to better track expenses.

Vice Chairman Spillane asked why the Telephone line showed such a dramatic increase, A. Cote answered that it was based on a Town-wide contract that experienced a rate change, he did not know any more detail than that. H. Cady asked how many phones does the Department have, A. Cote answered 4 cell phones and a land line at the shed. Vice Chairman Spillane asked if the Committee should expect to see all Department phones double to which Selectman Barry answered yes. Vice Chairman Spillane suggested looking at other carriers, J. Foisy indicated that part of the increase was contributed to the landlines with FairPoint, the Town has negotiated a price reduction for the contract, but she is waiting to see two months of actual expenses before adjusting her estimates. She hopes to have those numbers more firm for the Deliberative Session. She will double check on the cellular phones monthly charges YOY.

D. Daley noted the increase in the Part Time Employee line and that it does not seem to match the Actual Expenditure from this year. A. Cote responded that they plan to use this for more mechanical work in 2014, in 2012 and 2013 the Department had employees unexpectedly out for extended periods of time.

H. Cady voiced concern with the Pleasant Hill Road and asked if there were any plans to address it, or identify what was causing the problem? A. Cote answered that the road is 40 years old, they have done testing in the area and water seems to be running OK.

F. McGarry noted the large jump in the Parts line, A. Cote indicated that they spent roughly \$10,000 this year to repair the backhoe, and many of those parts were hard to come by due to the age of the equipment.

Vice Chairman Spillane asked which roads the Department plans to work on in 2014 and A. Cote answered Pleasant Hill and the front part of South Rd, from Rt 43 to Deerfield Leathers. H. Cady thought that South Rd was covered by State funds; A. Cote responded that he has looked into this and it appears the work was originally done through a State Betterment Grant, but that on an ongoing basis the Road appears to be the responsibility of the Town. D. Carbone asked if we might expect any future grant monies for such a project, A. Cote answered that he has been told there is currently a 10 year wait list. A. Cote noted the 5 year paving plan and traffic count information in the back up materials. He also plans to pave the bibs where Coffeetown Rd and Harvey Rd meet Route 43.

B. von Hassel noted that the Vehicle Maintenance/Repair Line is up, but that if the Warrant Articles pass for new equipment, wouldn't that eliminate the need for those extra funds? A. Cote confirmed yes, but that if the Warrant Articles do not pass he cannot be left without the funds to work on the current equipment.

Vote: Yea 11, Nay 0, Abstained 0 – Motion Carries

Highway Department Warrant Article 1 - \$67,000 for the Lease/Purchase of a F550 Work Truck

Mr. Cote walked through the various purchase and lease options for the truck. D. Carbone asked what the bid process was for a vehicle such as this. A. Cote answered that, as a municipality, the Town is able to use the State bid price, at this time that bid has been awarded to Graponne Ford. Vice Chairman Spillane asked if spreading out the purchase through a longer lease impacts the maintenance or warranty schedule, A. Cote answered no. Chairman Verville asked what the anticipated life of this truck would be, A. Cote estimated 12 years. C. Levesque asked what the tax impact for this might be, there was no immediate figure, but Selectman Barry provided that a \$560,000 increase represents roughly a \$1 per \$1,000 valuation tax increase. B. von Hassel asked what the Maintenance Expense for the current truck was for 2013, A. Cote estimated \$4,000. J. Shute confirmed that the \$67,000 figure was for a straight purchase, A. Cote responded yes, and added that he has not finalized with the Select Board what the best approach for this will be. D. Carbone asked what happens at the end of the lease, A. Cote answered that the Town would then buy the vehicle for \$1, it is essentially a lease to own.

Highway Department Warrant Article 2 - \$90,400 for the Lease/Purchase of an Excavator

Mr. Cote walked through the various purchase and lease options for the Excavator, the pricing was per a quote from MB Tractor. Vice Chairman Spillane asked if the equipment would be large enough so the Department could avoid future rentals, A. Cote answered yes, that this is the same piece of equipment they have rented recently and added that the Department spent some \$8,000 in equipment rental costs in 2013. B. von Hassel asked if this would be an additional piece of equipment or would replace something existing in the fleet, V. Cote answered that the intent is to replace the work the backhoe is currently doing, it would be an additional piece of equipment. Chairman Verville asked if the new machine would make quicker work of ditching and other road work, A. Cote answered yes and Selectman Barry added that it would also extend the work life of the backhoe. Vice Chairman Spillane asked for an estimate on the rental costs the Department has incurred over the last five years, A. Cote estimated approximately \$60,000. Chairman Verville asked what the life expectancy of the machine would be and A. Cote answered 20 years based on his experience with new equipment purchases. B. von Hassel asked if any study had been done as to the cost of hiring an outside firm to do maintenance on the Department's equipment, A. Cote responded that nothing formal has been done, but that any time an outside mechanic is called in it is at a rate of roughly \$80/hour.

Building Inspector - \$48,788

Motion: Selectman Barry moves to approve the Building Inspector Budget in the amount of \$48,788

Second: Vice Chairman Spillane

Discussion: D. Daley asked if the Town Employee pay raise of 4% last year is reflected in this budget, R. Pelletier answered that yes it was. Vice Chairman Spillane asked if the budget included a cell phone line, R. Pelletier answered that he uses his own personal phone and plan and is reimbursed by the town \$14/month.

D. Daley asked how old the truck is that the Building Inspector has, R. Pelletier responded that it is a 2008 or 2009 with 20,000 miles on it, he replaced the tires this year, but does all other repairs from his home at no cost to the Town. He has considered trading it in next year as the low mileage may make it valuable, whereas if he waits too long the age may render it relatively worthless. B. von Hassel asked how many building permits made up the

revenue provided. R. Pelletier answered that there have been 9 new homes started this Fall, he expects the number of new homes for 2013 to be around 20, compared to 17 or 18 in 2012.

Vice Chairman Spillane spoke that many of the lines, for example legal services, supplies, postage, gasoline, seem to be inflated more than necessary. He feels there is a potential to save several thousand dollars if the budgeted numbers were brought more in line with actual expenditures. R. Pelletier responded that legal is a big variable to him, he agreed that the postage and supplies lines could be reduced and explained that the gasoline actual for 2013 was low as he used his personal vehicle much of the summer as he was doing other projects around town.

Vote: Yea 11, Nay 0, Abstained 0 – Motion Carries

Transfer Station - \$328,708

Motion: Selectman Barry moves to approve the Transfer Station Budget in the amount of \$328,708

Second: M. Clark

Discussion: R. Pelletier spoke that they are trying to do a closer job of tracking specific recyclables that move through the facility. C. Levesque asked if they charge for disposal of items, R. Pelletier confirmed yes, they charge for items such as refrigeration equipment (\$10) and electronics (\$5-\$10). They typically do a 24ft box truck of electronics monthly. B. von Hassel asked about the large variance between actual and budgeted for the recyclables, R. Pelletier spoke that the market can be very volatile. He has found that vendors come and go quickly and that overall he has tried to play it safe with the amounts budgeted. The Department has benefited from their long term contract at the trash to energy facility they use that has stayed flat for the last several years, but he just never knows what the market will bring.

Vice Chairman Spillane spoke that the Mowing and Electricity lines seems to be budgeted at twice the actual usage. R. Pelletier responded that he based those numbers on contracted amounts and anticipated usage. H. Cady asked about the Telephones within the Department, R. Pelletier explained that they have a cell phone and a land line in the Office, the land line is limited that it cannot call outside of Deerfield. H. Cady recalled that the Town recently renegotiated the Fairpoint contract so that it would include unlimited local and long distance and asked if this phone would be included in that contract, J. Foisy will look into this and respond. Vice Chairman Spillane asked about the \$115/month charge for the cell phone, J. Foisy believes it is due to the style of the phone, but she will get a more full reporting of Town cell phones for the Committee as soon as possible. Chairman Verville asked if there was a need for both a land line and a cell phone, R. Pelletier responded that the land line runs the answering machine and has a security system routed through it.

F. McGarry asked if there were numbers available as to what percentage of the waste is recycled versus burned, R. Pelletier did not have the tonnage figures, but spoke that Deerfield is getting close to the average recycled amount of its neighboring communities, he believes a copy of the information is included in the Annual Report. He updated the Committee that they have struggled this year with theft. The Transfer Station has been broken into four or five times with batteries and scrap copper being taken.

Vice Chairman Spillane spoke that there were a number of budget lines where there is a sizable discrepancy between actual and proposed. At this time he is unprepared to vote on the budget as presented, proving a 20% buffer over actual usage he still sees that some \$11,000 could be removed.

Motion: Vice Chairman Spillane moves to reduce the Mowing line to \$2,000

Second: H. Cady

Discussion: J. Foisy spoke that part of the reason this line wasn't full spent in 2013 was due to the dry summer that made some of the weekly mowing unnecessary. The dump site is mowed twice annually at a cost of \$500 per instance. Chairman Verville asked why the hill is mowed more than once a year and R. Pelletier answered that it is a State mandate to keep the grass below a certain height to maintain the integrity of the cap. B. von Hassel asked if the contract was a capped amount, Selectman Barry answered that it specifies the number of mowing and the cost for each.

Vote: Yea 5, Nay 6, Abstained 0 – Motion Fails

Motion: Vice Chairman Spillane moves to reduce the Electricity line to \$4,600

Second: H. Cady

Discussion: Selectman Barry spoke that the actual amount presented is not a full year figure, R. Pelletier added that they are coming into the cold weather season where much of that cost is driven. He has

heaters that run on 100 gallon oil tanks. The tanks are not insulated and must maintain the oil at 70 degrees in order to run the hydraulic equipment at the Station.

Vote: Yea 3, Nay 8, Abstained 0 – Motion Fails

Vice Chairman Spillane requested further explanation on the Maintenance/Repair and Loader lines. R. Pelletier spoke that the Maintenance contract had a couple of expenses this year, he caught a boot on the seat that caused a tear at \$300 to fix, there was also an instance where the key broke in the ignition, costing \$600. The line also includes container repairs and welding. L. Boswak added that many Departments have been instructed to put a halt to their year-end projects as the Highway Department is dangerously close to its bottom line, where inclement weather could easily push that Department beyond its available money, other Departments have been impacted.

Vote: Yea 9, Nay 2, Abstained 0 – Motion to approve the Transfer Station at \$328,708 carries

Emergency Management - \$6,744

Motion: Selectman Barry moves to approve the Emergency Management Budget in the amount of \$6,744

Second: M. Clark

Discussion: D. Greig updated the MBC that \$2,500 was added to this budget recently as they have included grant money available from the State to update the Emergency Operations Plan last revised in 2009. The plan is due for an update in 2014 and it is important to keep it current in order to continue to qualify for Federal and State grants and to ensure it is relevant to the Town's current situation. This will be a 50% matching grant where the Town's contribution will be in the form of volunteer hours. The additional \$2,500 is a wash, or net \$0, as it will be reimbursed by the State. H. Cady asked who the contractor will be, D. Greig answered that they are currently reviewing three different firms provided by the State.

Vote: Yea 11, Nay 0, Abstained 0 – Motion Carries

Welfare – General Assistance - \$68,584

Motion: Selectman Barry moves to approve the General Assistance Budget in the amount of \$68,584

Second: M. Clark

Discussion: D. Greig spoke that the budget was generally flat year over year, appropriations did well in 2013 and they worked hard to stay below the anticipated amount. She has seen a bit of a recovery in the economy with underemployment, rent costs and fuel costs being the biggest issues facing citizens currently. H. Cady spoke that Deerfield has one of the highest Welfare budgets of its surrounding Towns. Selectman Barry expressed that it is the remarkable ability of Ms. Greig to use a network and resources that has kept the costs low, adding that a single case could use up the approximately \$20,000 remaining in the budget for 2013. D. von Hassel asked Ms. Greg what sort of circumstance might cost that much money in one month, D. Greig answered that it would be unusual, but if the Office were to receive someone with an extensive medical need where prescriptions were unable to be fulfilled elsewhere, there is a potential to cost tens of thousands of dollars quickly.

Vote: Yea 10, Nay 1, Abstained 0 – Motion Carries

Discussion: Social Agencies - \$31,418

Motion: Selectman Barry moves to approve the Social Agencies Budget in the amount of \$31,418

Second: Vice Chairman Spillane

Discussion: D. Greig indicated that there was a slight YOY increase as they elected to give a few hundred dollars more to the Rockingham County Meals on Wheels Program. She has seen an increase in the number of Deerfield people using this service five days a week and the Agency has had a difficult time recently in terms of support. C. Levesque asked if the Meals on Wheels charged for its service, D. Greig answered that they put a suggested donation on the service, but still serve those who cannot afford to pay. Vice Chairman Spillane asked if all of the Agencies receiving the voluntary donations had done work in Deerfield during the year, D. Greig referred to some of the back-up information provided by the individual Agencies and added that in addition to direct services many provide as educational and other informational resources for both Citizens and her Office. M. Clark suggested that the Middle School may like to coordinate efforts with Ms. Greig with regards to the Safe Place educational resources.

H. Cady spoke that these Agencies are also included in the State and County Budgets. She expressed a concern for how many people they are serving versus what they are paying for administrative costs and volunteered to review the audits and 990's of the programs with Ms. Greig. Specifically she voiced her displeasure with the Lamprey River Agency. Vice Chairman Spillane asked if \$4,000 for the local Deerfield Pantry was enough, D. Greig answered as co-coordinator of the Pantry that they are able to provide for the Town's people at that level.

Vote: Yea 10, Nay 1, Abstained 0 – Motion Carries

Old Business None

New Business None

Citizens Comments None

Adjourn:

Motion: Selectman Barry moves to adjourn the meeting of December 3, 2013

Second: F. McGarry

All in Favor – Motion Carries – Meeting Adjourned @ 7:55p

Next Meeting Saturday, December 7th @ 9:00am

The Minutes were Recorded, Transcribed and Respectfully Submitted by Katie Libby.
Pending Approval by the Municipal Budget Committee