

TOWN OF WOLFEBORO
BUDGET COMMITTEE
November 19, 2018
Minutes

Members Present: John MacDonald, Chairman, Bob Tougher, Vice-Chairman, Paul O'Brien, Selectmen's Representative, Steve Johnson, Bob O'Brien, Brian Black, Robert Moholland, John Burt, Robert Loughman, Members.

Staff Present: Becky Merrow, Town Manager, Deb Zabkar, Finance Director, Lee Ann Hendrickson, Administrative Secretary, Alana Albee, Director, Libby Museum, Dave Ford, Director of Public Works.

Chairman MacDonald called the meeting to order at 6:32 PM at the Great Hall.

LIBBY MUSEUM

Alana Albee stated the Museum exceeded its admission numbers from last year. She noted the construction of the shed and ADA accessible ramp are almost complete.

John Burt questioned salaries and why Ms. Albee's hours are expanding from 26 to 30 weeks.

Alana Albee stated she has tracked her hours over the months however, there are a series of things that occur during the winter months (prep for summer programs, project oversight and attendance at meetings). She stated the request for four additional weeks address the work she does during the off season. She stated she is overseeing the construction of the shed and maintenance and next year hopes to oversee the waterfront project.

John Burt expressed concern for the increase. He questioned the 43% increase in outside services.

Alana Albee stated such reflects a change (and increase in cost) in the cleaning service contractor, elevator inspection and drinking water for the public.

John Burt asked if the Museum is serviced by Town water.

Alana Albee replied yes however, a lot of parents would object to their child drinking Town water.

John Burt questioned the increase in printing.

Alana Albee stated such has been significantly over-expended the last three years. She stated the line doesn't cover the actual cost of printing brochures.

John Burt noted the five year average is \$305.

Bob Tougher questioned electricity; noting the department request was decreased however, the line is over-expended.

Alana Albee stated more efficient fans were installed therefore, she doesn't anticipate needing additional funds however, she will not know for sure until after winter.

John Burt noted the five year average is \$627.

It was moved by Bob Tougher and seconded by Bob O'Brien to increase Electricity 01-45891-410 from \$573 to \$750. All members voted in favor. The motion passed.

Alana Albee submitted and reviewed an additional funding request; a request for \$750 in Building Maintenance. She stated the Town has placed trash bags over the crawl space vents for the winter months; noting the request is to purchase and install four large shutters to cover the vents.

Becky Merrow stated they are in the process of working with an architect regarding building renovations issues associated with moisture; noting the architect recommended installing shutters.

Alana Albee stated the moisture study done by C. Williams and Larson recommended both vapor barriers and sealed gaskets.

It was moved by John Burt and seconded by Brian Black to increase Building Maintenance 01-45891-435 from \$573 to \$750. All members voted in favor. The motion passed.

Capital Outlay

01-49619-900 Libby Shoreline Repair; \$20,000

Alana Albee stated the request is to repair the front wall of the shoreline; noting the repair has to be done by an operator with a barge.

John Burt asked why the project is in the Libby Museum's budget and not the Buildings and Grounds budget; noting it should be in the latter budget.

Alana Albee stated she doesn't care what budget it is in, she just wants it done. She stated people have fallen.

It was moved by John Burt to decrease 01-49619-900 from \$20,000 to \$0.

Discussion of the motion:

John Burt stated Ms. Albee doesn't have the capability of managing the work.

Becky Merrow stated that State permits dictate what can and can't be done.

Bob Tougher agreed that the expenditure should be in the Building and Grounds budget.

Dave Ford stated capital projects are not included in the operating budget.

Alana Albee stated she was encouraged to put it in her budget so she did.

Becky Merrow asked that the project be left as a capital outlay request.

It was moved by John Burt to decrease 01-49619-900 from \$20,000 to \$0. There being no second, the motion fails.

HIGHWAY AND STREETS

Bob Moholland stated he has seen and watched the work done by the Public Works Department and its employees; noting they have done a stellar job and their work is appreciated.

Dave Ford noted the Department has had significant issues with manpower, unexpected equipment failures and now an early winter therefore, he has placed a freeze on several areas of the budget.

Administration

No changes.

Highway and Streets

John Burt asked Mr. Ford if he has a feeling for the number of man hours expended for projects.

Dave Ford stated he estimates 1/3 of the time is spent on emergency maintenance, 1/3 on capital projects and 1/3 on regular maintenance; approximately \$18,000 man hours.

Becky Merrow replied approximately \$900,000.

John Burt stated such is a lot of money which is not being recorded against capital projects.

Dave Ford and the Budget Committee discussed the issue of construction projects being done in-house.

John MacDonald questioned L.O.S.S.

Deb Zabkar replied Length of Service Stipend.

John MacDonald stated he wants to ensure that all departments receive the same stipend.

John Burt questioned the 4% increase in hourly wages.

Dave Ford stated such is due to promotions, transfers, demotions and union contract agreements.

John Burt asked if there has been an increase in the number of employees.

Dave Ford replied no.

Bob Moholland requested the balance of the Capital Reserve Account.

Dave Ford replied \$300,000.

Steve Johnson questioned the percentage of use of the grader for road maintenance v. construction projects.

Dave Ford replied 500 hours/year; noting the Town has 12 miles of gravel road. He stated the grader is not used for construction projects.

Paul O'Brien confirmed the grader is only used for road maintenance.

Referencing rentals and leases, John Burt asked why the department is renting an excavator when an excavator was purchased last year.

Dave Ford stated the department used two excavators all year for projects.

Becky Merrow stated the excavator was used to trench for drainage.

Bob Moholland asked why the BOS increased maintenance supplies.

Becky Merrow stated it was an area she has requested Mr. Ford to reduce however, the BOS reinstated the original funding request.

Dave Ford stated the Town Manager was trying hard to get raises for personnel therefore, he agreed to reduce areas within his budgets where he thought could be reduced.

Referencing Travel and Meetings, John MacDonald asked if paying for employee's lunches is new.

Dave Ford replied yes, two years ago such was incorporated per the Union contract.

John MacDonald stated he observed traffic lights on a post on College Road and asked if the Town owns such.

Dave Ford replied yes. He stated the Town acquired such from the State following the completion of the construction project on Middleton road. He stated the Town will also acquire the message board used on the Center Street project following the completion of the project.

John MacDonald asked how much the Public Works Department contributed to the radar trailer used by the Police Department.

Dave Ford stated he is unsure however, the Police Chief purchased it through grant funding.

Garage

Dave Ford stated Ed Wilder, Chief Mechanic, has resigned.

John Burt questioned the increase in grounds maintenance.

Dave Ford stated such is related to a continued effort to upgrade the grounds.

It was moved by John Burt to decrease Grounds Maintenance 01-43191-431 from \$1,000 to \$500. There being no second, the motion fails.

Buildings and Grounds

It was moved by John Burt and seconded by Steve Johnson to decrease Supervisory Salaries 01-43192-113 from \$35,790 to \$35,334.

Discussion of the motion:

Becky Merrow stated the BOS increased the line by 2% and increased the longevity bonus to reward employees for their length of employment.

John MacDonald noted L.O.S.S is not based on salary rather, it is different among all employees and confirmed the amount reflects the 2% raise by the BOS and the increase in the L.O.S.S.

It was moved by John Burt and seconded by Steve Johnson to decrease Supervisory Salaries 01-43192-113 from \$35,790 to \$35,334. John Burt, Steve Johnson voted in favor. John MacDonald, Brian Black, Bob Moholland, Bob O'Brien, Robert Loughman, Bob Tougher opposed. The motion fails.

John Burt questioned water; noting he believes such is under-funded and recommended increasing such based on both 2017 and 2018 expenditures.

It was moved by John Burt and seconded by Bob Tougher to increase Water 01-45891-412 from \$1,847 to \$2,300. Brian Black, Steve Johnson, John Burt, Bob Moholland, Bob O'Brien, Bob Tougher, Robert Loughman voted in favor. John MacDonald opposed. The motion passed.

Solid Waste

No changes.

Capital Outlay

01-49619-970 Townsend Brook Dam Engineering; \$95,000

Bob Tougher stated the project is important and needs to get done however, the request should be a warrant article.

Robert Loughman agreed.

It was moved by Robert Loughman and seconded by Bob Tougher to decrease Townsend Brook Dam Engineering from \$95,000 to \$0.

Discussion of the motion:

Bob Tougher stated he wants to ensure that a warrant article for the project will be presented.

Becky Merrow stated she drafted the warrant article today.

Dave Ford agreed with the motion; noting the project could become a larger project.

It was moved by Robert Loughman and seconded by Bob Tougher to decrease Townsend Brook Dam Engineering from \$95,000 to \$0. All members voted in favor. The motion passed.

Other Business

Administrative Cost Allocation Expense

Referencing Robert Loughman's email, dated 11/18/18, regarding such, John MacDonald requested the Town Manager to respond (see attached email).

Becky Merrow stated Mr. Loughman is correct that such is a double expense; noting it is not the best practice to do such under DRA standards. She stated she could share the formulas that are used to determine the administrative cost allocation.

Bob Tougher asked where the revenue shows up when it is received.

Deb Zabkar stated it shows up as an offsetting revenue.

Robert Loughman asked if it could be fixed.

Becky Merrow stated it is not a quick fix; noting it took the Town of Colebrook four years to correct the issue. She stated she has begun the process of correcting the issue with the Parks and Recreation Department.

Robert Loughman asked if the proposed allocations for 2019 totaling \$691,757 would affect the tax rate.

Becky Merrow replied yes.

Parks and Recreation Department

John Burt noted a substantial increase in the Parks and Recreation Department's budget (\$58,296).

Becky Merrow noted an offsetting revenue in cemeteries in the amount of \$21,563. She stated the increase is related to the headstone cleaning and is reimbursed by the Trustee of the Trust Funds; noting such is gross based budgeting in which the money is built into the budget and offset by revenue.

Operating Budget

John MacDonald requested the Town Manager provide the Committee with a figure of what the budget would be at a 3% increase; noting such reflects what the Town Manager originally requested of Department Heads. He stated he does not want a default budget and will not support the existing budget as it is presented which includes a 6% increase.

Bob Tougher expressed concern for the budget that has been presented and noted next year the budget will include collective bargaining and debt service for the Library.

Deb Zabkar noted that last year's budget reflected an increase of 4.67% for both the General Fund and Enterprise Funds and an increase of 2.85% in the General Fund.

It was moved by John Burt and seconded by Bob Tougher to adjourn the November 19, 2018 Budget Committee meeting. All members voted in favor.

There being no further business before the Committee, the meeting adjourned at 8:42 PM.

Respectfully Submitted,

Lee Ann Hendrickson

Lee Ann Hendrickson

*****Please note these minutes are subject to approval and amendments at a later date.***



Robert Loughman <robertl03894@gmail.com>

admin cost allocation expense lines

1 message

Robert Loughman <robertl03894@gmail.com>

Sun, Nov 18, 2018 at 1:09 PM

To: John MacDonald <johnmac@metrocast.net>

Hi John,

After some headscratching, I decided to do some research. Based on the enterprise fund departmental budgets, the following are the Admin Cost Allocation amounts proposed for 2019:

Sewage Collection	line 382	35493.00
Wastewater Treatment	line 382	35493.00
Water Distribution Service	line 382	82818.00
Treatment Plant	line 382	82818.00
Electric Admin	line 382	390422.00
Pop Whalen Arena	line 382	64173.00

Total		691757.00
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We are being asked to approve these line items as expenses in these various enterprise fund departments, which, as I interpret it, they are being allowed to "spend" those funds.

Since this is an administration expense being "paid for", I would assume that there would be a corresponding reduction in some of the General Government functions. I went through each of the General Government functions budgets, and found no corresponding reductions whatsoever.

Unless I am really stupid, it certainly looks like we are "double-budgeting" these funds.

If you could shed some light on this, I would really appreciate it. Otherwise, I am recommending that the formula that was used to allocate the administration costs should be reversed in the appropriate General Government functions budgets to avoid "double-budgeting" these funds.

Or a second option would be to zero out all the line 382 proposed funds in the above-mentioned departmental budgets.

Let me know what you think, please

Bob Loughman.