

**TOWN OF WOLFEBORO**  
**BUDGET COMMITTEE**  
**November 14, 2018**  
**Minutes**

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

**Member Absent:** Steve Johnson, Member (excused).

**Staff Present:** Becky Merrow, Town Manager, Deb Zabkar, Finance Director, Lee Ann Hendrickson, Administrative Secretary.

**Others Present:** Cindy Scott, Director, Wolfeboro Public Library, Barry Muccio, Director of Operations, Municipal Electric Department.

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

**LIBRARY**

Cindy Scott noted the number of people attending the children's programs have increased (Storytime has increased from 10 to 31 participants). She stated several programs would be suspended in 2019 due to the renovation and expansion project and noted such is currently underway.

John MacDonald asked how the percentage increase for employee raises was determined.

Cindy Scott stated the percentage increased for nonunion employees recommended by the BOS was used. She stated a custodian was added.

John MacDonald questioned the difference between part time wages for cleaning services and outside services for custodial services.

Cindy Scott stated the Library has hired a cleaning service historically however the service only performs certain cleaning tasks in specific rooms in the Library. She stated that once the Library reopens following the completion of the renovation and expansion project, she has requested a custodian for cleaning services.

John MacDonald asked why the funds are in part time wages and not in outside services.

Cindy Scott stated because it is not a contracted service rather, it is an employee of the Library.

John Burt asked why the amount was increased by the BOS over the amount approved by the Trustees and the Town Manager.

Cindy Scott stated the BOS recommendation includes the raises for the employees; noting the Trustees developed a flat budget and the raises were incorporated after the Trustees submitted the budget.

John Burt noted an increase from 2018 expended v. approved.

Cindy Scott stated different employees receive raises at different times throughout the year; noting such was originally established by the Trustees. She stated that if the Budget Committee approves the 2018 approved budget for 2019 then she will have to take away the raises.

Brian Black asked why the employees are given raises at different times throughout the year.

Cindy Scott stated it is the way the Trustees set it up; noting such is performance based. She stated at that time the Trustees felt it was important for raises to be given on the one year anniversary of employment.

Bob O'Brien recommended speaking with the Trustees to change such.

Cindy Scott stated she has begun the discussion with the Town Manager and Finance Director regarding how to handle the issue and simplify the matter.

John Burt asked if the 2019 request is Ms. Scott's request.

Cindy Scott replied no, it is the Trustee's request.

Robert Loughman questioned the increase by the BOS.

Cindy Scott replied 2%.

Robert Loughman stated the increase equates to 2.6%.

Cindy Scott stated the BOS also increased the longevity stipend.

Bob O'Brien questioned the increase in legal.

Cindy Scott stated \$3,500 has been spent year to date; noting such is associated with the building project. She stated an attorney has been used for contract reviews and anticipates an increase in legal during the project.

Becky Merrow stated there are soft costs involved with bonding. She stated the Town is going to have a Bond Anticipation Note and once the project is completed it will be converted to a regular bond. She stated it makes sense to cover the soft costs up front rather than bonding such for 20 years.

John MacDonald questioned IT and whether the Library's IT needs could be rolled into the Town's IT budget.

Becky Merrow replied no.

Cindy Scott the Library has a contract with Block 5; noting the Library needs technical management. She noted that outside services could be decreased by \$4,800.

**It was moved by Bob Tougher and seconded by Bob Moholland to decrease Outside Services 01-45500-380 from \$29,731 to \$24,931. All members voted in favor. The motion passed.**

#### **ELECTRIC DISTRIBUTION & GENERATION**

Barry Muccio noted the replacement of the 390 line is underway.

#### **ADMINISTRATION**

John MacDonald noted the past couple of year's consultants has been under spent and asked Mr. Muccio if he anticipates spending the funds this year.

Barry Muccio replied yes and noted he has some of the money encumbered.

John MacDonald questioned the increase in Administrative Cost Allocation.

Barry Muccio stated such is based on a proportion of administrative costs and prior year's budgets.

Becky Merrow stated such is being reviewed in the upcoming year and anticipates a decrease in such. She stated the figure is based on administrative salaries and percentage of overhead.

Robert Loughman asked if the overhead relates to the Electric Department's overhead.

Becky Merrow replied no, the Town's overhead (i.e.: Tax Collector sends out the Electric Department's bills and the Town Manager's office processes collections and payroll).

#### **DISTRIBUTION**

Barry Muccio stated outside services reflects an increase of 16%; noting such is related to a tree trimming allowance. He stated the majority of outages are a result of trees therefore, he increased funding to allow for additional tree trimming. He stated vehicle maintenance also reflects an increase because he had forgotten to include in the 2018 budget a second stress test for the bucket trucks; noting stress tests are required twice per year. He noted general operating supplies are offset by revenue from job work sales.

#### **GENERATION**

Barry Muccio noted a decrease in part time wages; one employee position and vehicle was eliminated.

John Burt questioned consultants.

Barry Muccio stated he has a contract with Terracon; noting Terracon bills the State directly. He stated he carries money in the line in case he needs to replace a monitoring well if it becomes damaged; noting the Town is required to repair the monitoring wells.

Bob Tougher asked if the substation on Filter Bed Road will be bypassed.

Barry Muccio stated there are two substations on Filter Bed Road; noting the older substation constructed in the mid 1980's will be decommissioned. He stated the other substation constructed in 2004 will remain. He stated electric is down due to Federal tax breaks however, not down enough to lower the electric rate.

#### **ELECTRIC FUND**

##### **03-49619-100 Cowper Road Underground; \$46,000**

Barry Muccio stated half the line and 7-8 poles did not pass testing; noting the line is the primary electric distribution connection from the lower section of Cowper Road to the upper section of the road. He stated it was set in the 1940's and the line is no longer accessible therefore, the proposal includes the relocation of the line and eliminating 2500' of off-road and failing pole structures.

Brian Black questioned the number of homes served on the line.

Barry Muccio replied 10.

Brian Black asked if the homes would be connected to the underground system.

Barry Muccio replied no, the homes would remain on the overhead system.

##### **03-49619-150 Meter Reading Vehicle; \$35,000**

Barry Muccio stated this vehicle would replace an existing vehicle.

##### **03-49619-200 Generator Upgrade; \$40,000**

Barry Muccio stated the backup generator at the Electric Department facility is no longer starting automatically.

##### **03-49619-250 Air Conditioning Upgrade**

Barry Muccio stated he is proposing a conversion of the air conditioning system from an R22 system to an R410 system; noting he is having mechanical issues with the system.

### **Other Business**

- Budget Committee to attend the Police Commissioner's nonpublic meeting on November 15, 2018 at 6 PM at the Great Hall
- Deb Zabkar distributed capital project requests submitted by the Police Department

John MacDonald asked when the vehicle leases are up.

Deb Zabkar stated the Department is currently in a lease cycle.

Brian Black questioned the number of vehicles in the lease cycle.

Deb Zabkar replied 4. She stated two vehicles are out of commission and two other are having issues. She stated the Department originally requested purchasing 4 vehicles however, agreed to purchase two vehicles.

Bob Tougher stated the capital outlay increase is 230% therefore it is prudent to take the vehicles out of capital outlay and go back to leasing vehicles and putting such in the operating budget.

Deb Zabkar noted the first payment of the lease is out of capital outlay and the subsequent years of the lease are incorporated into the operating budget.

John MacDonald stated he has researched interest rates; noting 2.9 % and 4 year financing is available.

**It was moved by Bob Tougher and seconded by Bob Moholland to adjourn the November 14, 2018 Budget Committee meeting. All members voted in favor.**

*There being no further business before the Committee, the meeting adjourned at 8:11 PM.*

Respectfully Submitted,

*Lee Ann Hendrickson*

Lee Ann Hendrickson

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