

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
November 28, 2017
Minutes**

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

Members Absent: Bob O'Brien, Harold Parker, Members (both excused).

Staff Present: Dave Owen, Town Manager, Pete Chamberlain, Finance Director, Lee Ann Hendrickson, Administrative Secretary.

Others Present: Jim Pineo, Wolfeboro Fire Department, Linda Murray, Selectman.

Chairman MacDonald called the meeting to order at 6:30 PM at the Great Hall.

EMERGENCY MANAGEMENT

No changes.

PUBLIC SAFETY BUILDING

Jim Pineo noted the projected approved last year is currently underway.

John MacDonald questioned plans for building maintenance.

Jim Pineo stated the overhead doors were serviced today and the ceiling fans will be serviced by an electrician because they are currently unoperational.

FIRE/RESCUE

Jim Pineo stated the cost of maintenance for Engine 1 has been very expensive.

John Burt questioned the age of the vehicle.

Jim Pineo replied four years; noting the purchase included a one year warranty.

Steve Johnson questioned the 11% increase in hourly wages.

Dave Owen stated such includes the implementation of the wage study; noting the Town was found to be very far below counterparts in other communities. He stated it would have been costly to increase the wages in one year therefore, the increase was phased over two years in order to avoid a spike in last year's budget.

Steve Johnson questioned the increase to overtime wages.

Jim Pineo stated he anticipates running a deficit of \$9,000; noting such is offset by appropriated funds in part time wages, specifically Kelly Shift Replacement.

Dave Owen stated most of the increase in overtime wages in 2018 is due to the increase in hourly wage rate.

Referencing the Fire Hydrant fee, Linda Murray read Kathy Eaton's letter, dated 11/21/17, see attached. She stated the American Waterworks Association (AWA) was established in 1871. Referencing the BOS' warrant article relative to the request for additional funding for the hydrant fee, she stated she takes full responsibility

for such and did not mean to offend the Budget Committee rather, the BOS were just trying to get an opinion from the largest body of the Town.

John MacDonald stated he received nonbiased information from the State of Maine that includes a formula.

Linda Murray stated the Town has been on a system; \$300,000 for two years, \$325,000 for two years and \$340,000 for two years. She stated the AWA came up with the calculation and based on the size of the Town's system determined that 20% is the percentage to use to determine the hydrant fee.

Dave Owen stated the Town incurred the cost to have the engineers present the formula, charts and rationale. He stated that in any cost accounting system someone has to set the allocation and, in this setting, the BOS (legislative body of the Town) set the percent and has done such since he has been employed with the Town. He stated the appropriate governing body of the Town has determined the rate to be 20%. He stated at the request of the BOS, he prepared a warrant article however, he has been instructed to hold such into abeyance in the hopes of a resolution. He stated that by increasing the rates, the revenues of the water system are increased and the rates were raised 2% to fill the hole. He stated the rates needed to be raised 4.5% to fill the gap and noted that was the intent of the warrant article.

Linda Murray stated the BOS reviewed the impact of 4.5% on businesses and agreed to phase the increase; noting the phasing has occurred over the last six years. She stated the BOS is receiving information from experts.

John Burt stated the study that determined the 20% may not apply to Wolfeboro. He stated it was a terribly arrogant position to have the threat of a warrant article.

Robert Loughman stated he reviewed the hydrant fees and lost water and determined a 10% of lost water; noting it appears the hydrant fee subsidizes the lost water.

Linda Murray stated the Town has been working on such and has brought down the amount of lost water significantly. She stated she understands that a 15% water loss is industry standard.

Robert Loughman questioned the current percentage of water loss.

Dave Owen replied 22-23%.

Linda Murray stated she is before the Committee to get a resolution; noting there is a need to balance the debt service.

John MacDonald stated at one time the hydrant fee was \$50,000.

Bob Tougher stated he still feels that \$318,000 (17.5%) is a compromise. He noted that 18% would be \$326,000 and 18.5% would be \$335,000.

Linda Murray stated the AWA suggested the rate should be between 24 and 33% however, the BOS determined the rate to be 20%.

It was moved by John MacDonald and seconded by Brian Black to increase Outside Services 01-42200-380, specifically Hydrant Fee, to \$326,694.96.

Discussion of the motion:

Steve Johnson questioned whether the Town is following the recommendation of the engineers and not incurring additional expense.

Linda Murray stated that such is what the fund is set up to do; to fund projects with cash out of the fund rather than bonding projects.

John MacDonald stated the water system will never be self-sufficient and is disappointed with the warrant article. He stated he thought the issue was resolved when the Committee voted on 17.5% and was offended when informed about the warrant article. He stated that if the warrant article shows up, he will vote to remove it at the public hearing. He stated he would support 18% and asked if the BOS received the information he researched.

Linda Murray replied no. She stated the BOS would review the information and forward it to the Underwood Engineers.

Brian Black stated there is no established foundation as to how the 20% was arrived and feels the issue should be resolved.

Dave Owen the whole system is sized to provide commercial flows within the business district.

It was moved by John MacDonald and seconded by Brian Black to increase Outside Services 01-42200-380, specifically Hydrant Fee, to \$326,694.96. All members voted in favor. The motion passed.

Bob Tougher questioned machinery and maintenance; noting such is under expended.

Jim Pineo stated ground ladder services and aerial testing is in process and noted gear wash/dry was completed last week.

John MacDonald questioned the five year average for maintenance supplies.

John Burt replied \$3,094.

Jim Pineo stated oxygen is costly and is needed if a lot of the oxygen is utilized.

Steve Johnson questioned the protocol for Fire/Rescue and Ambulance response.

Jim Pineo stated both respond simultaneously.

John Burt questioned miscellaneous operating expenses.

Jim Pineo stated a new chair for the administrative assistant and noted that in the past such has been utilized to purchase hazard material supplies.

Capital Outlay

01-49618-500 Decommission Fire Alarm; \$22,500

Jim Pineo stated such relates to the decommissioning of the fire alarm system; noting the costs to repair and maintain such cannot be justified. He stated the BOS approved the decommissioning of the system which will include removing all cables off of utility poles and would occur between April and May 2018. He stated the Center Street circuit is currently turned off.

John MacDonald asked if such would affect homeowners insurance.

Jim Pineo replied no and noted that the current system is a greater liability.

01-49618-600 Fire Hose Replacement; \$15,000

Jim Pineo stated he has initiated hose testing; noting the smaller diameter hose has been replaced through the operating budget. However, he stated the 800' and 1,500' of 5" hose failed testing therefore he proposes to replace the 800' of hose this year and the 1,500' of hose next year. He stated he would then incorporate a replacement maintenance program in the operating budget.

HEALTH

No changes.

Other Business

John MacDonald stated Dean Rondeau has informed him that he is not carrying forward the request for an additional one hour per week for the prosecutor position.

It was moved by Bob Moholland and seconded by Robert Loughman to decrease Part Time Wages 01-42100-117 to reflect the removal of the funding of one additional hour per week for the prosecutor position (as noted in the Budget Reinstatement/Addition List). All members voted in favor. The motion passed.

Bob Tougher distributed the flow chart for the Wolfeboro Police Department.

Referencing the Town Manager salary, Linda Murray distributed and reviewed the Ideal Candidate Profile and Challenge Statement.

John MacDonald asked why the BOS did not include the language “or combination of education and experience.”

Referencing the education requirement, Steve Johnson asked what a Master degree offers over a Bachelor degree.

Linda Murray replied more management skill.

Dave Owen stated that a Master’s degree in Public Administration is a typical entry into a Town Manager position.

Bob Moholland questioned the cost and expectation for applicants.

Linda Murray distributed the salary range justification and noted the Town needs an experienced Town Manager.

John MacDonald asked if the same criteria is being used that recruited Dave Owen.

Linda Murray replied no, same process however, not the same criteria.

John MacDonald asked if the candidate would be required to live in Wolfeboro.

Linda Murray stated she would take the recommendation to the BOS.

Dave Owen stated such a requirement could limit the pool of applicants.

Linda Murray distributed the advertisement for the position; noting a salary range of \$90,000-\$120,000 based on experience and criteria. She asked the Committee if they were agreeable to the salary range to that such (\$120,000) could be included in the budget.

John MacDonald asked if \$15,000 could be removed from the retirement benefits.

Dave Owen stated that if the Town hires someone from NH who has participated in the NH retirement system, that person would most likely want to continue with the enrollment. He stated such could be part of the negotiations.

Steve Johnson asked whether the \$120,000 is net or gross; noting that his issue is that the \$120,000 does not include the benefit package.

It was moved by John MacDonald and seconded by Bob Moholland to decrease Supervisory Salaries 01-41302-113 from \$126,848 to \$110,000.

Discussion of the motion:

John Burt stated he does not want to vote without having accurate figures.

John MacDonald withdrew his motion.

Bob Moholland withdrew his second.

Pete Chamberlain stated he would calculate the 200 series.

Brian Black asked if a viable candidate could be found for \$110,000.

Linda Murray stated the BOS are being told no. She stated the Town Manager's salary in Meredith is \$115,000.

It was moved by Bob Tougher and seconded by John Burt to carry the BOS approved budget forward for Supervisory Salaries 01-41302-113 in the amount of \$137,469.

Discussion of the motion:

John MacDonald stated he disagrees with the motion; noting that Dave Owen has worked for the Town for ten years and currently earns \$105,000.

Linda Murray stated the BOS compared Wolfeboro to Meredith because they felt the towns were comparable.

Bob Tougher stated he trusts the BOS will use the MRI process fairly and professionally.

It was moved by Bob Tougher and seconded by John Burt to carry the BOS approved budget forward for Supervisory Salaries 01-41302-113 in the amount of \$137,469. Bob Tougher, John Burt, Bob Moholland, Brian Black voted in favor. John MacDonald, Robert Loughman, Steve Johnson opposed. The motion passed.

It was moved by Robert Loughman and seconded by John Burt to adjourn the November 28, 2017 Budget Committee meeting. All members voted in favor.

Budget Committee meeting scheduled for November 30, 2017, 6:30PM at the Great Hall.

There being no further business before the Committee, the meeting adjourned at 8:26 PM.

Respectfully Submitted,

Lee Ann Hendrickson

Lee Ann Hendrickson

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



BOARD OF SELECTMEN
ECONOMIC DEVELOPMENT COMMITTEE

Town of Wolfeboro

November 21, 2017

John MacDonald, Chairman
Wolfeboro Budget Committee
PO Box 629
Wolfeboro, NH 03894

Dear John,

The Wolfeboro Economic Development Committee voted unanimously at its meeting on November 21, 2017 to urge the Wolfeboro Budget Committee to reconsider its decision to reduce the amount allocated to the Wolfeboro Fire Department budget's hydrant fees line item to support the Town's water system budget because of its negative impact on our town's economy.

Reducing the percentage of the "Hydrant Fees" will shift more of the water system's cost to the users, forcing an even greater rate increase on some of the largest users in Wolfeboro, which are also our largest employers.

What may look like a small increase in water rates for the individual homeowner translates into thousands of dollars for our largest users: our hospital, our nursing home, our schools, our restaurants,

According to the 2017 Demographic Census Report compiled by Headwaters Economics, 30% of Wolfeboro residents are employed in health, education, or social service jobs, 11% in tourism related jobs like restaurants, hotels, attractions and 7 % in retail stores. That's close to 50%.

We understand that for many years now approximately 20% of the cost to maintain the system has been shared by all Wolfeboro taxpayers through what has been called a "Hydrant Fee" or assessment paid under the Fire Department's budget.

This was done in recognition of the fact that the Fire Protection System provided by the network of hydrants in the downtown core benefits all residents because it protects assets and resources utilized by everyone in the community such as our hospital, schools, library, town hall, public safety building, banks, grocery stores, pharmacies, post offices, restaurants and stores.

Wolfeboro's primary industry is tourism and the same system protects most of our lodging and attraction businesses as well.

In protecting the buildings that house all these institutions and businesses, the water system protects the heart of the town's economy: the places the people of Wolfeboro work.

84 South Main Street Post Office Box 629 Wolfeboro, New Hampshire 03894

(603) 569-8161

Fax (603) 569-8167



Thus it is wholly appropriate that at least 20% of the cost of our Town Water System be shared by all the residents.

Considering both the negative impact water rate increases have on our town's economy and the fact that supporting our town's institutions and businesses and protecting the buildings that house them is in every Wolfeboro resident's best interest, the EDC urges you to keep the so-called "Hydrant Fee" at 20% of the Water Department's budget.

Respectfully,

A handwritten signature in black ink, appearing to read "Kathy Eaton", with a long horizontal flourish extending to the right.

Kathy Eaton, Chair
Wolfeboro Economic Development Committee