

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
September 27, 2018
Minutes**

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

Member Absent: Harold Parker, Member.

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

Chairman MacDonald opened the meeting at 6:36 PM at the Great Hall.

I. Consideration of Minutes

July 26, 2018

Corrections:

It was moved by Robert Loughman and seconded by Bob Tougher to approve the July 26, 2018 Wolfeboro Budget Committee minutes as submitted. All members voted in favor. The motion passed.

II. Discussion Items

A. 2018 Budget & Expenditure Reports

Deb Zabkar stated that as of August 31st the overall budget is expended 63%. She noted the General Fund is 66% expended, Water Fund is 72% expended, Electric Fund is 53% expended, Sewer Fund is 79% expended and Pop Whalen is 65% expended.

John MacDonald stated one of the agencies, Appalachian Mountain Teen Project, has gone out of business and asked if the Town paid them their funding request in 2018.

Linda Murray stated that when the agency was aware they were going out of business they did not ask for funding.

Bob Tougher stated he noticed the Police Department, Department of Public Works and Communications overtime lines have been expended.

Becky Merrow informed the Committee that John Burt has tendered his resignation as Treasurer.

Referencing the Police Department, John MacDonald asked why the summer salaries line is over expended by \$6,000.

Becky Merrow stated she met with the Police Department; noting Chief Rondeau would like to meet with the Budget Committee and address personnel issues in a nonpublic meeting.

The Committee discussed the revolving fund and grant money received by the department.

Deb Zabkar stated the detail money goes into the revolving account and the grant money reimburses overtime or salaries.

Becky Merrow stated that when the warrant article was written it allowed for the money to go in and out. She stated the balance of the account never should have been accumulating and it is being proposed to use the accumulated fund balance to purchase tasers. She stated a new warrant article is required to correct the issue.

Brian Black stated when the revolving account was first set up it was designed for outside agencies to bill more than cost to cover the wear and tear on the vehicles and administrative costs. Therefore, any excess amounts should be applied to various line items of the aspect of the job.

Becky Merrow stated such is a policy decision to be reviewed by the BOS; noting the funds could be used to purchase tasers, a vehicle or be returned to the General Fund.

Paul O'Brien asked if there is an indirect expense recovery built in.

Becky Merrow stated that not all the officers make the same rate.

John MacDonald asked why there isn't a flat rate for details.

Paul O'Brien stated such may need to be part of the bargaining agreement.

John MacDonald stated it isn't fair that the Captain get more than a patrolman to do the same job. He asked what the contractor is charged for a detail.

Becky Merrow replied \$72.

John MacDonald requested further information regarding details services.

Linda Murray stated the BOS would like to have a joint meeting with the Budget Committee to discuss the Public Safety Building Feasibility Study and the cyanobacteria outbreak in Winter Harbor.

The Committee agreed to attend the 10/10/18 BOS meeting at the Great Hall at 6 PM.

B. Police Commission Meeting; October 18, 2018

John MacDonald stated the Police Chief has requested to speak to the Committee in nonpublic session; noting the meeting has been scheduled for 10/18/18 at 4 PM at the Great Hall.

After a discussion regarding the time of the meeting, the Committee agreed to meet at 6 PM on 10/18/18.

III. Town Manager Report

Becky Merrow stated the Restroom Committee has been revived and met on 9/5/18. She stated the nursery school at the Railroad Station has vacated the building and moved to All Saints Church and the Restroom Committee proposes to expand and renovate the existing restrooms at the Railroad Station. Referencing the cyanobacteria bloom in Winter Harbor, she stated it is proposed to mitigate the damage and phosphate runoff from the Cricket Hill development into Winter Harbor.

She stated Warren Muir spoke to the BOS regarding the cyanobacteria bloom. She stated Dave Ford recommended establishing a capital reserve account to address the issues; noting she supports Mr. Ford's recommendations.

John MacDonald asked what other opinions other than Mr. Muir's have been reviewed and noted he believes the runoff from State and Town roads in Tuftonboro is also an issue.

Paul O'Brien stated Carry Beach was also closed due to E.coli; noting the problem needs to be assessed, the source determined and the issue mitigated.

John MacDonald asked if the Town of Tuftonboro would be helping with the problem.

Paul O'Brien stated he did not know.

Steve Johnson stated the State should get involved.

Brian Black stated he recalls there being a previous project for Whitegate Road however, there was an issue because of proposed work to be done on private property.

Bob Tougher stated in 2016 a \$40,000 capital outlay project was included in the budget to work on Whitegate Road however, the Budget Committee zeroed it out. He stated the Committee approved \$15,000 for watershed management to match a grant that was being applied for however, the Town did not receive the grant and the money was not spent.

Becky Merrow stated the economy is changing therefore, there will be upcoming changes such as purchasing vehicles rather than leasing them; noting the current interest rate to lease a vehicle is 7%. She stated there will be two Union contracts; noting both are agreeable to a four year contract.

Steve Johnson stated he disagrees with a four year contract.

Becky Merrow stated the Town lost a certified CDL driver to a \$5 increase in pay in another town; noting that if the Town does not address salary issues the Town will become a training ground. She stated it took one year for the employee to get a CDL license.

Bob Tougher stated he supports the Town Manager's idea.

Bob Moholland stated that insurance becomes an issue with a four year contract.

Becky Merrow stated an escape clause would be included as part of the contract if the insurance increases a certain percentage; noting at this point 10% has been agreed upon.

John MacDonald asked what the Department Heads were given as a directive regarding the budget.

Becky Merrow stated the Department Heads were directed to maintain level funding.

John MacDonald asked Ms. Merrow if she is recommending the purchase of three new cruisers instead of leasing the vehicles.

Becky Merrow stated the proposal is to establish a capital reserve fund to replace vehicles as needed.

Deb Zabkar stated she discussed a cruiser replacement plan with the Police Department and recommended against leasing vehicles due to the increase in interest rates. She stated the Department needs two vehicles now.

John MacDonald stated he feels the Police Department's expenditures can be handled within their budget, including vehicles.

John Burt stated there is no need for a capital reserve fund; noting the expense is an annual operating expense. He stated he is concerned for the misuse of capital reserve accounts.

Becky Merrow stated a capital cost should be defined as anything over \$5,000 and with a useful life of three years or more. She noted the total Town assessed evaluation is down and the Town is up for revaluation.

Paul O'Brien noted the business assessments are decreasing.

Becky Merrow stated the Town has used the accumulated fund balance to offset taxes. She stated the Town has a policy to retain a specific percentage and noted the Town has not adhered to its policy or the recommendation of the DRA. She stated the Finance Director recommended against using any fund balance which could impact the DRA recommended rate of 8-17%.

IV. Other Business

John MacDonald stated the Committee received an email to participate with several other towns to review their budgets together; noting he doesn't feel it is necessary for the Town of Wolfeboro to participate in such.

John Burt stated warrant articles never include labor from the Public Works Department when the Department works on warrant article projects therefore, the true total cost of the project is not included in the warrant article.

Becky Merrow stated it has been agreed that such will no longer happen.

Robert Loughman questioned the status of the Klickety Klack Railroad and the freight building.

Becky Merrow stated two grants were applied for however, the Northern Border grant was denied. She stated they would know by October if the project is moving forward.

Bob Tougher noted that nothing can be done to the building without a warrant article.

John MacDonald requested the Town Manager send letters to the agencies regarding their scheduled appointments with the Budget Committee on 12/11/18 at the Great Hall at 6:30 pm.

Becky Merrow noted the BOS are currently meeting with the agencies; noting a cumulative increase of \$3,000.

Paul O'Brien stated the BOS requested balance sheets and income statements from the agencies.

V. Informational Items

The Committee was provided the following informational items; Capital Projects Report and the 2018-2019 Budget Committee meeting schedule.

Referencing the Capital Projects Report, Bob Tougher questioned the status of the water meter replacement program; noting the Capital Projects Update Report states the meters were installed over the summer.

Deb Zabkar stated she would review such; noted she believes there is an outstanding purchase order for the project.

John MacDonald asked when the Center Street project would be completed.

Becky Merrow stated she believes spring 2019.

Referencing the Budget Committee meeting schedule, Bob Tougher recommended adding another "open date".

VI. Public Comment

None.

It was moved by Bob Tougher and seconded by Bob O'Brien to adjourn the September 27, 2018 Budget Committee meeting. All members voted in favor.

There being no further business before the Committee, the meeting adjourned at 8:13 PM.

Respectfully Submitted,

Lee Ann Hendrickson

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