

**Budget Committee
Minutes
January 15, 2014**

Members Present: David Ruell, Jeanette Stewart, Ingrid Heidenreich, David Toth, Fran Newton, Mardean Badger, Sandra Coleman, Renee Liebert (alternate), Norm DeWolfe (alternate)

Members Absent: Mark Scarano (excused), Christine Cilley (excused)

Numerous Members of the General Public

The regular meeting of the Budget Committee was called to order by Vice Chair David Ruell at 6:01 pm.

Changes in the Budget Committee's proposed budget and preliminary votes on some warrant articles were acted upon.

Motion by Fran Newton, second by Ingrid Heidenreich, to change the Highway Bond Principal (#4711-20-987) under Debt Service to \$0.00 by removing \$40,000. Vote 6-yes, 0-no.

Motion by Fran Newton, second by Ingrid Heidenreich, to change the Highway Bond Principal Default (#4711-20-987) under Debt Service to \$0.00 by removing \$40,000. Vote 6-yes, 0-no.

Motion by Fran Newton, second by Mardean Badger, to recommend BOS Warrant Article (4th of July expendable trust). Vote 6-yes, 0-no. This vote pertains to the original wording of the article. The town attorney is proposing a wording change for this article.

Motion by Fran Newton, second by Jeanette Stewart, to recommend Petition Warrant Article (Bridge House). Vote 5-yes, 1-no. The Budget Committee noted that the article does not contain information regarding assistance provided to Ashland residents, as requested by the application. It was hoped that this will be forthcoming at the Deliberative Session.

[Sandra Coleman arrived; now 7 Budget Committee members voting]

Before voting on a recommendation of the Library bond issue, the Budget Committee asked for some more information. It was briefly explained by David Ruell: need for a replacement library, recent availability of the TCCAP building, TCCAP acceptance in principal of purchase offer price, and bank estimates of bond financing. Concerns expressed by the Budget Committee included the cost of the building, the timing of the bond issue, and the financial burden to the town and taxpayers.

Motion by Mardean Badger, second by David Ruell, to recommend Petition Warrant Article (Library bond issue). Vote 3-yes, 3-no, 1-abstention.

Motion by Jeanette Stewart, second by Fran Newton, to recommend Petition Warrant Article (Grafton County Senior Citizens Council). Vote 6-yes, 1-no.

Motion by David Ruell, second by Jeanette Stewart, to recommend Petition Warrant Article (Voices Against Violence). Vote 2-yes, 5-no. The Budget Committee noted that the article does not contain information regarding assistance provided to Ashland residents, as requested by the application. It was hoped that this will be forthcoming at the Deliberative Session.

Before voting on recommendations for Petition Warrant Articles 11(i), 11(ii), 12(i), and 12(ii), Anne Abear (submitter of the articles) was allowed to give some brief explanations. The primary reason for the articles is to mandate that the Water and Sewer Departments assist with the repayment of the general obligation water/sewer bonds, thereby relieving the property taxpayers from some of the financial responsibility. Budget Committee members noted some questions that still need to be explored or answered: Will the Water/Sewer Departments need to increase their appropriation to cover this cost? What will be the impact on the ratepayers? Are the Water/Sewer Departments financially able to take on this mandate? Were town revenues relating to water/sewer grants from the state taken into account?

Motion by Jeanette Stewart, second by Sandra Coleman, to recommend Petition Warrant Article #11(i) (Water Bonds Offset Fund). Vote 2-yes, 2-no, 3-abstentions.

Motion by Jeanette Stewart, second by Sandra Coleman, to recommend Petition Warrant Article #11(ii) (Water Bonds Offset Fund Payment). Vote 2-yes, 2-no, 3-abstentions. The \$48,402 will need to be amended to \$48,802 from the floor at the Deliberative Session.

Motion by Jeanette Stewart, second by Sandra Coleman, to recommend Petition Warrant Article #12(i) (Sewer Bonds Offset Fund). Vote 2-yes, 2-no, 3-abstentions.

Motion by Jeanette Stewart, second by Sandra Coleman, to recommend Petition Warrant Article #12(ii) (Sewer Bonds Offset Fund Payment). Vote 2-yes, 2-no, 3-abstentions. The \$48,402 will need to be amended to \$48,802 from the floor at the Deliberative Session.

Motion by Fran Newton, second by David Toth, to recommend Petition Warrant Article (matching grants). Vote 6-yes, 1-no.

Motion by Fran Newton, second by Ingrid Heidenreich, to correct the Street Improvements (#4312-10-730) amount to \$47,955, in line with the Highway Block Grant amount listed in revenues. Vote 7-yes, 0-no.

It was noted that, on the BOS Warrant list received prior to this meeting, the Budget Committee recommendation for Warrant Article (Transfer Station mini-loader) was incorrect. The correct Budget Committee recommendation vote is 7-yes and 1-no, as indicated in the minutes of the January 8, 2014, meeting.

Jeanette Stewart updated the Budget Committee on the status of town payments to the school district, including the reissuing of a missing check and scheduled January payments. A handout of past payments was provided.

The Budget Committee meeting was recessed at 6:49 pm.

The Public Hearing on the Ashland Town Budget was opened at 7:00 pm.

David Ruell reminded the audience that after the budget hearing, the Budget Committee cannot increase any line or add any purpose after the public hearing if that number is not mentioned at the hearing tonight.

David noted that the Budget Committee made some corrections in the budget prior to the hearing, which will be noted as the budget lines are reviewed – addition of \$84 to highways and streets, and subtraction of \$40,000 from Debt Service Principal.

David Ruell went through each department or section of the budget, noted where key increases/decreases or changes were made, and entertained questions and comments from the public. Warrant articles from the Board of Selectmen and petitioned warrant articles were referenced at the appropriate time during the budget review.

Summary of Questions/Comments from the Public and the Budget Committee

It was asked why the pbCAM request is for \$2000 while only \$633 was spent in 2013. The number of evening televised meetings was reduced last year, but the higher amount was retained in case the new, larger Selectboard increases the number of meetings to be televised.

Salary and Benefits -- The union employees are getting 1.07% increase, while generally other non-union employees are getting a 3% increase. Exceptions are the town administrator, police chief, police lieutenant, fire chief (more hours) and finance officer (more hours). Health insurance costs and retirement rates have increased.

Town Clerk/Tax Collector salary is split between 2 lines, with a 3% increase. Town Clerk Deputy salary and Tax Collector Deputy salary are now indicated separate from clerk expenses. Additional elections this year have increased several relevant line items.

Town Administrator's salary increased by contract with the BOS. Finance Office overtime is primarily for the administrative assistant (new line).

Health insurance (Financial section) covers the town administrator and tax collector, but not the administrative assistant, finance officer, treasurer or deputies. Health insurance and benefits for other employees are within their respective departments.

Finance Officer – The new person is working more hours than previous finance officer; the rate starts at \$32/hour, then \$35/hour after 3 months probation, at 20 hours per week. Discussion ensued on what hourly rate(s) were used for the calculation (\$32, \$35 or \$40) on the salary detail sheet and on the actual budget line. Some weeks will be longer than 20 hours. The calculation will be checked and corrected.

Explanatory notes under several salary items need to be corrected to indicate the actual % salary increase approved. The 3% salary increase has been the BOS recommendation for the last few years. Last year the non-union percentage increase was less (about 1.5%), while the union got a higher increase last year. The union increase this year is the current CPI of .07 + 1% (total increase is 1.07%).

Revaluation cycle is completed, resulting in a smaller budget amount (\$14,600) this year temporarily until the new cycle starts. Tax appeals amount is an estimate, based on the assessor's recommendations (based on "pick-ups" and abatement appeals).

Unemployment is self-funded. The amount was decreased based on past usage. The town legal line request is an estimate; over-expenditures are covered elsewhere in the bottom-line budget. The Planning Board legal line is also an estimate, based on what others want to do (appeals, etc.)

General Government -- General Repair is a proposed partial renovation of the town hall (\$43,076 for window replacement, \$7289 for air conditioning replacement, \$2000 for general repairs). The Budget

Committee postponed \$7000 for carpet replacement, as the other items were felt to be more important for energy efficiency and quality of life. A member of the public felt new carpet is important to present a positive image to the public.

Potential grants are being researched for the renovations, which could include the carpets. General government matching grant line was reduced from \$3,000 to \$1; if a grant is secured for the Town Hall renovations, there is sufficient money in the general repair line to cover a matching amount. Police department matching grant line is \$2500, in line with what they have used in previous years.

The petitioned warrant article for a matching grants expendable trust fund (\$15,000) was explained -- to create a pool available to all departments that can be carried over/increased from year to year. It was asked why the BOS did not recommend the matching grant article(1-1)? Jeanette Stewart feels department heads prefer having it in their own budgets, in case the warrant article fails. Norm DeWolfe voted in favor of the warrant article. Tony Randall explained their active procurement of grants through their dedicated budget line, but also supported the warrant article. The CIP chair explained the goal of increasing (through a capital reserve process) the balance of available funds for matching grants for future needs of the town.

The new police chief contract goes into effect in March; 5% increase for the lieutenant, and other officers receive their union increase. The total line decreased due to change in officer and accurate costing.

The Budget Committee received a late request to increase the police department computer system maintenance line, due to an error in computing the annual cost (based on monthly rate).

The warrant article for police department capital reserve for vehicles (\$25,000) was explained. The \$25,000 placed in it last year was used; this year's warrant article will bring the balance back to \$25,000.

Our ambulance contract with Plymouth, the billing process and number of ambulance calls was explained.

The Fire Chief will go to 29 hours per week (\$25/hour), as per contract with the BOS, beginning July 2014. This contract is not full-time and will not include any benefits. Additional hours are needed to provide time to perform needed duties and responsibilities (including inspections of rental properties for life safety issues). Supportive comments were contributed by a member of the fire department, the police chief and the health officer.

A member of the public objected to the salary being part of the default budget and the voters not being given the chance to say no (based on previous votes at town meetings defeating full-time fire chief). The Budget Committee's interpretation of the law considers that all contractual obligations (whether personnel or services) need to be part of the default budget.

The Fire Department's budget has gone down significantly, compared to last year's budget which included the roof replacement.

The warrant article for capital reserve for fire vehicles will add \$50,000 to the same amount that was funded last year. This will be a long-term savings fund for future replacement for a fire engine.

The salary for the building inspector has increased. While the new building inspector has many years experience in other communities, the BOS gave him only part of the increase he requested.

The emergency generator expense has been moved from the fire department to the emergency management category.

The overall public works budget has decreased. The amount for street improvements is the same as the revenue from the highway block grant amount, corrected to \$47,955. Additional funds are in the warrant article for the road improvements ongoing capital reserve fund.

Questions were asked regarding current balances in all the capital reserve accounts. The annual report includes a Town Trustees report with balances of all trust funds at the end of the previous year. Going forward, the Finance Officer will establish a separate line in the budget reports for each capital reserve account.

Various comments were made regarding vehicle replacement procedures – capital reserve vs. lease/purchase vs. full expenditure in one year. Utilizing the capital reserve process for large equipment expenditures allows the town to save gradually while preventing large spikes and dips in tax rates.

The warrant articles for the pickup truck/plow and for the transfer station mini-loader were explained.

The salary for the welfare director has increased. The new director has considerable experience, is enforcing the appropriate rules, is already saving the town in welfare payments, and recommended that the 2014 budget amount should be reduced. The salary line also includes the welfare assistant; it was suggested that the 2 positions should be placed in separate lines for clarity.

The seven petitioned warrant articles for social service agencies were explained. The police department mentioned that they have not used the CADY diversion services for several years; the usage statistics will be checked. Two articles did not include explain how Ashland residents have benefitted; it is hoped that the information will be forthcoming at the Deliberative Session.

The salary for the Parks and Recreation director was not increased by the Budget Committee, because there was no second to the motion when it was considered. Some members of the public requested that the Budget Committee reconsider this item, as salary increases were given to others. Other cuts (electricity, internet, telephone, etc.) within P&R were based on a review of the pattern of actual expenditures in the past few years. Discussion ensued on the campground regarding competitive rates, waiting lists, access by residents, and revenue opportunity. The beach salary line was adjusted to near 2013's actual expense, and includes 2 lifeguards and gate attendant.

The petitioned warrant article for the purchase of the TCCAP building for use as the Ashland Town Library was explained by the library trustees. Issues discussed included: the price of the building, the cost of the previous renovation, location and parking, the needs of modern libraries, the shortcomings of the current building, Scribner Trustees oversight of the current building, and fundraising. The major issues were the cost of the bond issue and the impact on the taxpayers. The audience was encouraged to come to the bond hearing, Monday, January 20, 7:00 pm in the Ashland Elementary School Library.

Patriotic Purposes includes a new line for \$13,000 which is the cost of the 4th of July fireworks; the revenue amount has already been received from the volunteer committee and will be used by the

town to pay the fireworks contract shortly; an equal amount is shown in revenues. The warrant article for accepting funds (\$3,500) into an expendable trust fund for the 4th of July celebration was explained; the donated money received will be used for other vendor and music contracts for the event.

Anne Abear explained the four petitioned warrant articles for mandating that the water and sewer departments set aside a specific sum to contribute toward the cost of the town's general obligation bonds for water and sewer grants, for the purpose of reducing the burden on the taxpayers. Further questions that need to be explored include the impact on water and sewer ratepayers, the impact on the financial viability of the departments and their anticipated capital projects going forward. The Budget Committee indicated that there is about \$45,000 in federal and state grant revenues that go toward offsetting part of the general obligation water/sewer bonds.

No money has ever been requested by the cemetery trustees for the cemeteries.

The debt service and revenue sheets were reviewed for the public. The Budget Committee has changed the Highway Bond Principal under Debt Service to \$0.00 by removing \$40,000; the same change was made under the default budget.

The budget presented by the Budget Committee totals a tentative \$ 2,559,955 for expenses (appropriations) and \$2,823,746 in revenues (including property taxes). These figures do not include the additional warrant articles.

The Water Department budget was reviewed: \$193,445 income, \$178,548 expenses, with a default budget of \$159,251.

The Sewer Department budget was reviewed: \$236,250 income, \$303,655 expenses, which creates a shortfall of \$67,405. The default budget is \$308,751. The income page of the Sewer Department does not include \$202,803 income from septic receiving, which helps subsidize the sewer operation.

The Electric Department budget was reviewed: \$3,130,150 revenues, \$3,105,968 expenses, with a default budget of \$3,102,772. Labor, materials, and supplies are all included in each function.

All three utilities' budgets are accepted by the Budget Committee as presented by the utilities; no changes were made.

The Public Hearing for the Town Budget was closed at 10:09, followed by the adjournment of the Budget Committee meeting.

Minutes by Mardean Badger