

ASHLAND BUDGET COMMITTEE

May 10, 2012

DRAFT MINUTES

MEMBERS PRESENT: C. Austin, S. Coleman, , S. Felton, I. Heidenreich, P. Preston,
D. Ruell, M. Scarano, D. Toth,

MEMBERS ABSENT: M. D'Ambruoso (excused), Miriam Brown (excused)

OTHERS PRESENT: E. Badger, M. Badger, R. Boyle, P. Branscombe, A. Cilley, J. Felton,
B. Hoerter, P. Heidenreich, J. Hughes, G. McCormick, T. Paquette, F. Newton, C.
Thompson, P. Tucker

The meeting was called to order @ 6:03 P.M. in the Elementary school cafeteria.

The meeting minutes from April 12 and February 12 were approved. Minutes from December 22, 28, January 4, 5, 11, 13 are all on the website and should be reviewed by the committee for approval at the next meeting.

Discussion of Website Content

D. Toth, I. Heidenreich and S. Felton, with the assistance of M. Badger, have been organizing the Budget Committee section of the town website. D. Toth presented an overview of the site area contents. The site contains budget committee agendas, minutes, recordings of meetings, presentations, and financial reports and worksheets from the town and the utilities. The site also contains a section for frequently asked questions (FAQs). It was the consensus of the committee that these be made public.

Review of Budget Committee Review Guidelines and Template

S. Felton briefly reviewed these guidelines, which had been previously developed and agreed to.

Public Works Review

T. Paquette reviewed his expenditure sheet dated 9 May. He reported that there are approximately 70% of funds remaining for the highway department, mechanic and transfer station. The major expenses have been for equipment repair and maintenance. This is also the major area of concern, especially given the fact that the warrant articles for a new loader and new tractor for the transfer station did not pass. The current equipment is very old. If the engine and transmission fail in the loader, it will have to be replaced at a cost of ~\$30,000. There is no money in the budget to rent this equipment. Heating costs are always of concern, especially given the fact that the doors are constantly opened and closed as equipment is utilized. The department is looking at future capital needs and is considering a capital reserve account, especially for the purchase of a pick-up truck.

The skid steer at the transfer station is also of concern given its age and potential need for costly repairs.

T. Paquette reported that tonnage fees (Casella) are going up slightly, but does not anticipate that this will be problematic. Heating costs at the Transfer Station are always of concern. The station has a waste oil furnace, but the availability of waste oil has decreased. The budget includes the purchase of a new container for tires, but they are putting that purchase on hold given concerns about the failing skid steer. Recycling is expected to increase in the summer, especially for aluminum cans. In general, the volume of newspapers and metal has decreased.

Water and Sewer Review

R. Boyle reported that the year is going as expected and the budget is on track. Some unexpected financial issues include the maintenance unit in the lagoons, which needs attention, as well as the lights in the bays in the shed. These will eventually need to be replaced since they are old and the bulbs are no longer available. There are 10 lights and they expect to have to replace 6 of them this year.

The new receiving station project is in progress. \$370,000 has been put into a capital reserve account for this project, which is expected to cost up to approximately \$600,000. They are not anticipating having to borrow any money to complete the project, which is currently in the design stage. The commissioners will be meeting with engineers from Underwood (Concord) soon for preliminary discussions. The building to house the equipment must be explosion proof, and there are many options in the design to discuss. The design must be approved by the state DES. The payback period for the receiving station was projected at about 3 years. Utility Partners are being used as a resource in the project, but their participation is limited to strategic plan input, given that they do not have experience with the equipment to be purchased for the station.

Other long-term capital costs anticipated total at least \$2.5 million. One near-term concern is that some water mains will need to be replaced. The anticipated cost is ~\$275,000. Some sewer lines are also of concern and may need to be excavated. The cost will be high, but there was no estimate available. The lagoons are expected to need cleaning in approximately 8 years at a cost of \$1million. The receiving station is expected to extend this period.

Potential revenue from septic haulers is approximately \$275,000 per year. The waste treatment area is currently at 11% capacity, and they have contracts with six haulers. The department may be able to increase the number of haulers by two.

Other long-term projects that could bring additional revenues include extending water and sewer lines to Holderness, Levitt Hill and Plymouth. The cost of these projects is quite high, and there is agreement that the first concern is for in-town projects/needs.

The water department is breaking even and current revenues do not cover new expenses. The sewer department is generating income from hauling fees. The rates alone do not cover expenses and an increase in rates should be considered.

The financial statements for water were discussed. Clarification was made to the line for well testing. There was a large discrepancy between the figures for 2011 as compared with the same period for 2012. The difference was likely the cost of repair to the pump. Water income is down this year compared to 2011 despite the rate increase and clarification is needed. Miscellaneous expenses for this year are \$13,564 as compared with \$4100 during the same period last year. The difference is due to the cost of repair after a lightning strike. These costs will be reimbursed by insurance. Miscellaneous revenue this year is \$40,516. Last year, it was \$112,011. The difference is likely approximately \$83,000 added from capital reserve reimbursement. This needs further clarification.

R. Bolye provided the budget committee with copies of the Utility Partners contract.

Utility Partners will provide input to capital needs discussions. The plan will be reviewed this year.

Additional Discussion

The budget committee discussed the process and practices of budget review.

The meeting was adjourned at 8:31

Fran Newton, Volunteer Recording Secretary