

**Town of Durham
Budget Committee Meeting Minutes
February 23rd 2015**

Call to Order: Chairman Milt Simon called the meeting to Order at 6:00 p.m.

Establishment of a Quorum:

Members Present: Milt Simon, Terry Kirk, Benjamin Love, Charles Pollock, Cori Holt, William Morrill, Michael Fitzpatrick, Kevin Nadeau, Michael Conway.

Quorum: Chairman Simon announced a Quorum has been met with nine (9) members present.

Selectmen Present: Chairman Jeffrey Wakeman, Vice Chairman Sarah Hall, Selectman Mark Blake, Selectman Joshua Libby, Selectman Michael Stewart.

Also Present: AA/TA Glaeser, Fire Chief/EMA Director William St. Michel, Secretary Jill Toher.

Election of Chairman and Vice Chairman:

Chairman: **Bill Morrill Nominates** Milt Simon. Terry Kirk Second. Motion Carried.

Vice Chair: **Bill Morrill Nominates** Terry Kirk. Milt Simon Second. Motion Carried.

Update and Ratify By-laws:

Terry Kirk Moves to approve the By-laws. Bill Morrill Second.

Discussion: Terry Kirk stated there is a typo in Paragraph one in Section two and suggests the number "3" be deleted. Cori Holt proposed changing the wording in the fourth paragraph of Section two by adding "A minimum of" and "Budget" so that the sentence reads "A minimum of five members of the Budget Committee shall constitute a quorum for the conducting of business."

A brief discussion followed regarding the timeliness of electing a Chairman and Vice Chairman and when the term begins and ends.

Cori Holt Moves to Amend the Motion by adding "A minimum of" and "Budget" to the fourth paragraph of Section #2 of the By-laws and delete the typo in the first paragraph of Section #2 on page one. Terry Kirk Second. Motion Carried.

Introduction of Budget Committee and Selectmen: Completed.

Initial Questions of Budget Committee:

AA/TA Glaeser compiled a list of questions the Budget Committee had provided most of the answers for tonight's meeting, along with supporting documentation.

Chairman Wakeman provided additional clarification on borrowing using TAN, the raise pools, mowing and the possibility of the DPW performing this service by adding a line for contracted services. Chairman Wakeman also addressed hiring an Animal Control Officer which could save the Town money versus the yearly cost of the current contract with Lisbon which ends in July. Also clarified was the calculations for the Fire Chief's salary.

The Budget Committee members requested a line by line itemization of which departmental budget lines from 2014 were incorporated into the Department of Public Works as well as other departments for 2015. Terry Kirk stated he is particularly concerned with monies received from the State for maintenance and upkeep of Runaround Pond Park. Chairman Wakeman stated additional expense lines can be added to the Department of Public Works budget itemizing expenditures and receipts for Runaround Park.

Also discussed was the status of the Union Church Restoration. Ben Love stated there has been some movement in 2014 and architectural plans as well as initial estimates to repair the foundation should be developed soon.

Chairman Wakeman addressed questions regarding the Town's health plan stating there is currently a \$200.00 deductible with 80/20 coinsurance. Maximum out of pocket for single is between \$1,200.00 and \$1,300.00 and for family the maximum out of pocket is between \$2,400.00 and \$2,600.00.

A lengthy discussion followed regarding the Town's cost for providing it's portion for health insurance. It was the general consensus of the Budget Committee that deductibles and maximum out of pocket limits should be increased in order to save the Town money. This will be further discussed when the budget for Administration is presented.

Milt Simon stated that in reviewing the 2015 Budget Overview, it reflects a 5.61% increase over last year's budget. Of particular concern are the proposed increases to the following budgets: Roads, Fire/Rescue and Planning Board. In addition to cost of insurances in Administration.

Fire/Rescue Budget:

Chief St. Michel presented his proposed budget to the Budget Committee. He stated the department has approximately 45 members with between 20 to 25 members being active.

On the average, the department has lost approximately five members since this time last year.

The Fire Chief stated that fire/rescue calls have steadily increased and is requesting adding four hours per week, or one hour per day for four days for part-time employees to help in keeping up with increased demand. Part-time employee's duties include record keeping, personnel gear checks and inventory, new member orientation, monthly fire extinguisher inspections in Town, keep weekly calendar, issuing burn permits and answering phone calls in addition to answering fire/rescue calls while on duty.

Chairman Wakeman stated the Selectmen are requesting a 2% raise pool which would be distributed after the Town vote. Individual raises will be determined by merit and performance reviews.

AA/TA Glaeser explained that a Worker's Compensation line has been added. In prior years, this line was carried as part of the Administration's expenses and this year the projected cost is apportioned out by department.

Chief St. Michel next reviewed the Department's Operating Expenses, stating there is a net increase of \$3,040.00 requested. The net increase is primarily due to additional costs for equipment maintenance attributed to the Quint, the need to begin to replace turn out gear most of which is about ten years old, providing physical exams and inoculations, background checks as well as for the printing of handbooks for the members. There is also a slight increase in the dispatch line per contract with Lisbon plus PSAP costs.

The Chief stated that the Gasoline line is being deleted this year and combined with the Diesel line as gasoline is primarily only used for the running of hand tools.

The request for Ambulance Intercept has been increased due to the need for another Town to provide paramedics when needed for transports. Last year the Town required nine paramedic intercepts. Also included are costs related to billing for services rendered.

Mike Conway requested clarification of the costs associated with the dues line. Chief St. Michel explained that this line represents fees levied to be able to participate with and to be able to transport to hospitals in Southern Maine EMS (60%) and Tri-County EMS (40%) as well as to other neighboring counties. The dues line also includes the cost for the Chief to be a member of the Cumberland County Chief's Association.

Kevin Nadeau Moves to accept the proposed Fire/Rescue/EMA Budget by raising \$292,860.00 as presented. Charles Pollock Second. Motion Carried 5-3 with Milt Simon Abstaining.

Fire Department Capital Improvement:

Chief St. Michel presented his proposed Budget for the Fire Reserve Account and Debt Service.

The Chief advised he has added a budget line to the Debt Service for exterior painting, replacement of wood trim, installing a suppression hood in the kitchen and for the installation of several security cameras. The amount requested is \$12,000.00 for these expenditures. The Chief's request is based on quotes/proposals which he provided. It was suggested that the components of this request be apportioned out between building maintenance capital improvements.

Chief St. Michel stated his request to raise \$50,000.00 for the Fire Reserve Account is based, in part, on an attempt to try to catch up to what is needed to stay on track with the department's capital plan. He also stated that during the past several years requests for the Capital Reserve Account have been cut.

The Chief also discussed the need for parking lot paving in the near future. He stated that when the lot was originally paved a top coat was never applied, and there is a two inch drop from the garage bay entrances to the existing pavement. He stated that sealing the cracks in the pavement has been done in an attempt to prevent further deterioration.

The Chief provided an amortization schedule for payments on the Quint. The minimum payment is \$33,003.08 but the Chief recommends paying the \$40,000.00 approved by the Town, which would pay off the Quint in 2018, saving the Town interest on the loan.

It was determined that the budget request for the Fire Station was omitted from the Fire Reserve/Capital Improvement account. Selectman Chairman Wakeman stated the Selectmen would look into this at the Selectmen's meeting tomorrow night and re-visit with the Budget Committee at the February 26th 2015 meeting.

Charles Pollock Moves to Raise \$40,000.00 for the Fire Reserve Account. Terry Kirk Second.

A discussion followed regarding designated and undesignated funds. Terry Kirk advised that the undesignated fund information is missing from their budget sheets. Selectman Chairman Wakeman stated this information just became available. He stated there currently is approximately \$800,000.00 available in undesignated funds. He also stated the suggested amount should be between 1.3 and 1.5 million dollars for adequate cash flow. AA/TA Glaeser will prepare and supply the information requested regarding the undesignated fund. Also discussed was the possibility of needing to apply for a TAN loan again this year.

Budget Committee Chairman Simon called for a Vote. Motion Carried 6-3.

Administration:

Selectman Chairman Wakeman presented the budget request for Personnel, advising that the Selectmen nor the Chairman are requesting raises.

He stated the following positions would receive raises at varying amounts from the proposed raise pool: Tax Collector, Treasurer, Deputy Treasurer/Coll/Clerk, Town Clerk, Meetings Secretary and Janitorial.

The Administrative Assistant's salary is not part of the raise pool as terms of employment included an increase at the ninety day mark. The new AA/TA was hired at significantly less as she is not as experienced at the former AA/TA.

The Selectmen are proposing an increase in hours worked for the Codes Official from 15 hours per week to 24 hours per week. The increase to 24 hours per week would encompass time spent in the office, time spent making inspections as well as two hours per week on the average for attending meetings. The current Codes Official has so far discovered several remodeling projects as well as new construction that occurred in the past for which proper permitting was not obtained.

Selectman Chairman Wakeman stated the Personnel Review process was implemented approximately two years ago and during that time deficiencies were discovered in the prior CEO's performance and a decision by the Selectmen was made to look for a new Codes Official. The position was filled in June, 2014.

The Selectmen are requesting a raise from \$20.00 per hour to \$22.00 per hour. With the requested increase in hours, this position will still be part-time. Full time positions are thirty-two hours or more per week.

Chairman Wakeman stated that the new Codes Enforcement Officer was hired at the same rate as the outgoing one and instead of being available to residents two hours of office time per week, the new Codes Official is in the office fifteen hours per week which does not include time on the road spent making inspections.

Selectman Vice Chairman Hall advised that the Codes Official is now working with the Assessor to ensure new construction in addition to existing permitting for remodeling records are up to date. Chairman Wakeman stated there were a number of additions and other construction that was not logged into the tax records through the permitting process.

Chairman Wakeman also stated that the Selectmen will be putting before the Town for a vote a new, updated fee schedule, which will include a double fee for those residents who do not get necessary permits prior to construction.

Chairman Wakeman stated that MPERS reflects an increase this year as the credit balance the Town had with the State has been exhausted. The rate for MPERS is 4.1% and the FICA rate is 6.2%.

Budget Chairman Simon voiced concerns regarding the cost of providing health insurance to the Town, in particular the low deductibles and providing family coverage.

A very lengthy discussion followed. It was the general consensus of the Budget Committee that the Selectmen do another study on both MMA and what other commercial insurance companies offer. Budget Committee's Chairman Simon is particularly concerned with the low deductibles the Town's insurance package currently offers. Selectman Chairman Wakeman stated that the current insurance package is in-line with what other Towns offer. The conversation continued.

Selectman Chairman Wakeman suggested the Budget Committee meet with the Selectmen at four month intervals to review budget expenditures as well as projected costs. AA/TA Glaeser will provide a copy of the 2013 insurance survey to Budget Committee members this evening.

The requested raise pool, \$1,400.00, represents a 2% increase and would be distributed, according to merit, between the Town Clerk, the Tax Collector/Treasurer, the Meetings Secretary and Janitorial.

AA/TA Glaeser stated Computers and Networking figures are based on actual and/or anticipated bills for software as well as the copier leases and the computer hardware request of \$1,500.00 which represents updating at two work stations.

AA/TA Glaeser stated the request for Operating Expenses includes \$750.00 for MUBEC Code Manuals which cannot be downloaded. The Office Supply line request includes \$100.00 for CEO site evaluation equipment, and a \$100.00 increase to the Selectmen's Discretionary line. AA/TA Glaeser stated \$100.00 has already been spent on funerals.

The group discussed the possibility of having the DPW do the Town's mowing, which could be a cost-saving measure. The Selectmen will continue to discuss this possibility with the Road Commissioner.

AA/TA Glaeser stated the Personnel, Electricity and Union Church budget requests represent a \$3,189.00 decrease over last year. The Election Services budget request of \$7,395.00 includes a request of \$2,000.00 for voting booths as well as costs associated with coding for the tabulator and for printing ballots. Selectman Chairman Wakeman stated the Town has been using the same voting booths since the mid-1980's. The booths are in varying states of disrepair. AA/TA Glaeser advised that the Town falls short of the State's mandate of number of voting booths per capita.

The \$550.00 in the Union Church budget line remains the same as last year and is for costs related to the security system only.

Professional Services includes a request of \$2,000.00 for legal fees incurred by the Codes Official's Office. AA/TA Glaeser stated the Town already is engaged in a lawsuit. The remainder of the budget lines in Professional Services represent fixed costs for Audit, MMA dues and AVCOG/GPCOG dues. AA/TA Glaeser advised the Town is now associated with GPCOG as it provides more comprehensive services and membership dues cost less.

A discussion followed regarding the ability of residents to dispose of hazardous waste. Selectman Chairman Wakeman stated that hazardous waste disposal is included in the Solid Waste budget and an allotment of monies will be reimbursed to a resident upon presentation of a paid receipt.

Office Expenses includes a \$400.00 decrease in the Tax Billing line based on the Selectmen's proposal to not include an insert in the 2015 Property Tax bills. The Liens/Discharges request of \$3,500.00 is based on last year's increased activity which totaled \$3,401.00. The cost for printing the 2015 Annual Town report is based on printing 700 reports at 84 pages each and would not include the Tax Commitment as this is public information and can be found on-line at the Website and does not include information on individual tax cards. Selectman Chairman Wakeman stated that last year 600 reports were printed and the Town ran out of printed reports. The Dues/Training/Mileage line includes a request of \$1,500.00 for mileage reimbursement and \$400.00 is for certifications and re-certifications.

The budget request for postage remains the same at \$3,300.00. The budget request for advertising has been increased by \$600.00. The Town is currently getting ready to advertize with Pownal at a 60% - 40% split for a new Road Commissioner. Other anticipated advertising costs are associated with proposed Ordinance changes, advertising for an ACO as well as other unanticipated advertising costs.

Selectman Chairman Wakeman stated that the 2014 Abatements line has been moved (deleted) as approved tax abatements including poverty tax abatement requests made by residents are covered by the tax overlay. Supplemental tax bills are added to the tax overlay.

A general discussion followed regarding filing tax liens, processing foreclosures and/or discharges. Selectman Chairman Wakeman explained each process.

Cori Holt Moves to Approve as is by appropriating \$78,284.00 from Designated Funds and Raising \$249,609.00. Kevin Nadeau Second.

Budget Committee member Charles Pollock suggested deducting \$10,000.00 from the Insurance and Benefits budget, deducting \$2,000.00 for voting booths, deducting \$2,000.00 from Dues/Training/Mileage, and \$3,710.00 from the MMA Dues for a total deduction of \$17,710.00, by appropriating \$78,484.00, raising \$231,899.00 for a total of \$310,183.00.

A discussion regarding Charles Pollock's proposed deductions, in particular the request for voting booths and training followed.

Budget Committee Chairman Simon Calls for a Vote on Cori Holt's Motion.

Motion Carried 5-4.

Capital Projects:

Selectman Chairman Wakeman stated the Capital Projects line in the amount of \$5,000.00, has been added this year to go towards lowering the height of the front counter and remodeling the remainder of the wall at the Town Office which will include re-painting of the Board Room as well as making the counter area handicap accessible and some other needed small repairs. A general discussion followed regarding costs. Selectman Chairman Wakeman stated the Board intends on getting estimates. He stated that the plexi glass was added about five years ago to address security issues.

Selectman Blake stated the requested amount would probably not cover all of the proposed changes. He also stated he would be doing a good part of the leg work in preparing a firm plan. The \$5,000.00 requested for cost for the proposed remodel, or a portion thereof, would be paid out of designated funds – Municipal Building Account.

Selectman Chairman Wakeman stated the Board would have the option of calling for a Special Town Meeting to appropriate additional monies from the Municipal Building Account, but this is an avenue he would not want to pursue. Budget Committee Member Charles Pollock suggesting increasing the amount requested to somewhere between \$10,000.00 to \$15,000.00.

Selectman Chairman Wakeman stated there is currently \$37,809.00 in this fund, which represents unspent monies plus interest accrued from the original construction of the Town Hall. Questions were raised as to whether there has been talk of any expansion plans or the possibility of other capital improvements. Selectman Chairman Wakeman stated there has been no talk of expanding, however, it is anticipated the original roof will need to be replaced soon. In 2017, the current roof will be 30 years old. A long range capital plan for the Town Office has been discussed, but to date monies to do this have not been requested. The discussion continued. It was the general consensus of the Selectmen to have firm figures for the lobby counter remodel by Town Meeting.

Budget Committee Member Charles Pollock Moves the Budget Committee make no recommendation at this point and time due to a lack of information available to approve or disapprove. Mike Fitzpatrick Second.

Budget Committee Chairman Simon Calls for a Vote.

Motion Carried 9-0.

Chairman's Comments:

Chairman Simon announced the next meeting of the Budget Committee will be held on Thursday, February 26th 2015 at the Town Office beginning at 6:00 p.m.

Adjournment:

Chairman Simon Moves to adjourn at 9.59 p.m. Bill Morrill Second. Motion Carried.

Respectfully submitted,

Jill S. Toher, Secretary