

Town of Rye
Budget Committee

11/8/18

Budget Committee Attendees: Chair Jaci Grote, Peter Crawford, Randy Crapo and Alternate Shawn Crapo for the Beach Village District, Doug Abrams, Mae Bradshaw, Phil Winslow, Kevin Brandon, Peggy Balboni, Ralph Hickson. Also present: Town Administrator Michael Magnant, Town Finance Director Rebecca Bergeron and department heads as indicated.

Chair Grote calls the meeting to order with the pledge of allegiance.

Jaci Grote: Becky can you go over the executive summary for us and then Peter will make a couple of comments for us.

Becky reviews the operational budget. Most of the increase is the COLA, up 3.4%. Health insurance costs will be up 13.6%. There are increases in staffing and hours. New Hampshire Retirement rates have decreased slightly. Replacing computers. Stretcher for the fire department, as well as a Sea Doo and rescue utility vehicle. Police department is splitting the cruiser with half paid from the outside detail account and half paid for by taxation (capital outlay). Public Works has a culvert for Perkins Road, a glass crusher and the Ocean Blvd Sidewalk.

Jaci: Peter has a few items that we will do briefly.

Mae: There are items that are not in the CIP plan here, and I assume that they are above \$15,000.

Three items were confirmed to be under \$15,000. Town Administrator Magnant said that that is an emergency repair due to a recent storm. There was discussion about splitting the cruiser funding.

Peter spoke about the presentation that he had put together.

- The budget is up 6.43% if the encumbrances are excluded. In the budget book, there's a line at the bottom of some of the department budgets called "encumbrances." That's the amount from the 2017 and earlier budgets that didn't get spent in 2017 and rolled into 2018. It's not appropriate to use that as a baseline. That is about \$105,000 and was taken out.
- The 3.40% COLA does not kick in until April. You wouldn't expect all of the wage and salary lines to be up 3.40% because the prior year the COLA was 2%. It works out to 3.06%.

Motion to table Peter's discussion by Shawn, seconded by Randy.
Motion failed 8-2. Only Shawn and Randy voted in favor.

Peter continued. He said that he added up the health insurance lines in each of the departments and the total cost is up 15% vs. the 13.6%. That is probably at least partially explained by two positions moving from part-time to full-time, one in Public Works/Custodian and one in Building Inspection. Those people don't currently get health or retirement benefits. There is a \$170,000 increase in salaries and wages, which is 4.2% not the 3.06%. This is partially explained by the two positions. Also the fire and police wages are up 6% vs. the expected 3.06% expected from COLA.

Citing the COLA and health insurance increases, Jaci said that the long-term outlook for capital needs has to be considered. A water treatment plant may be necessary, she said.

Paving is up 45,000.

Debt service is up \$76,000 due to the \$300,000 conservation bond draw down to pay for the South Rd. Settlement and the Red Mill Ln. culvert which was \$250,000.

If you take out the debt service and the capital outlay, spending has been rising significantly faster than inflation.

It seems we have been paying down debt since 2013. A lot of the debt is gone but we have over 2 million dollars in capital projects to be approved. Those are likely to be funded by debt, would add to the debt service. While debt service has made it easier to control the budget in the past, that is turning around and it is making it harder to control the budget.

Jaci: We could see things in the warrant articles coming up. We need to be careful and aware of the budget process. There may be circumstances where we will be hit with something big.

Mae pointed out that the CIP plan for 2019 is over \$2.7 million, not \$2 million.

Peter pointed out that the Garland Road Pump house for over \$500,000 accounts for most of the difference. That is not part of the town budget so he did not include it. However, two-thirds of the people are in the Water District and would have to pay for that.

Recreation (general fund): 4520-50 \$291,490 (approved)

Recreation Director Lee Arthur presented. The standards went up for the 3.4% COLA and the 13.6% healthcare. We are up \$8,250 in the recreational general fund side for leased space. We did a recreational study to look at space for a facility and our needs. We are looking at the church which is closing its thrift shop.

Doug makes a motion to approve the Recreation budget and Mae seconds it.

Peter points out this will need to be a warrant article if it is more than a one year lease.

In response to a question from Peter, Ms. Arthur agreed that the department would be able to bring in additional profitable revenues.

Mae recommended a one-year lease with a five-year option.

In response to a question from Kevin about necessary improvements, Recreation Commission Chairman Gregg Mikolaities referred to paint and wallpaper.

Ms. Arthur pointed out that the other half of the lease cost, another \$8,250, is in the Rec. revolving budget. Even more costs across other line items would be needed for the programs.

Mae recommended a one-year lease with a five-year option.

Jaci agrees this is a great idea.

Jaci: Motion, all in favor?

All were in favor.

Patriotic purposes budget: 4583-59, \$10,700 (approved)

Doug: I move to approve \$10,700. Peter seconded.

Jaci: All in favor?

All were in favor.

Rec. revolving Fund 9: \$241,869 (approved)

Ms. Arthur said that the \$2000 increase is mostly attributed to COLA, along with \$3750 in Rec. facilities.

Peter moves to approve. Phil seconds. All were in favor.

Sewer Fund 2: \$288,591 (approved)

Lee Arthur presented. The budget is actually down, but the new Hampton bond of \$11.19 million, which Rye is responsible for paying 4 percent of, causes a budget increase. The increase will be passed along to sewer ratepayers. The rate increase is \$.01 per 100 cubic feet. There has not been an increase since 2012. The contract is good through November 2024. We are 1 percent of Hampton's flow, but are paying 4 percent. That is nevertheless a real bargain. If we had to do a sewage treatment plant it would be a major burden. Ms. Arthur pointed out that, while the contract is through 2024, Rye is responsible for the bond payment through 2038.

Phil asked what would happen if discussions with Portsmouth regarding a sewer on Route 1 came to fruition. Ms. Arthur said that what would happen would be similar to what happened with Foyes Corner. One of the Sewer Commissioners pointed out that the town had lost control of that and that Portsmouth is now handling that and this would also be expected with Route 1. Ms. Arthur pointed out that with Route 1, there was always a buy-in cost of a couple of million dollars. Peter Kasnet met with them and that cost has been removed. However, we feel that the cost of the pipe in the road would be on the developer unless a different warrant article is proposed. We do not know if they will be proposing that.

Peter asked whether any line that was installed would be of sufficient diameter so that everyone that the line passes could hook up. Ms. Arthur confirmed. She said that Portsmouth might also want to extend the line into North Hampton.

Peter makes motion to approve. Phil seconded.

All were in favor.

Emergency Management: 4290-17, \$11,500 (approved)

Presented by Police Chief Walsh.

Chief Walsh stated that we were graded and got good marks for the assessment by the state. Budget request is the same as last year. We are looking for some reimbursement from the Federal Government for the storms and the wages that were impacted.

Peter moves to approve the budget. Doug seconds. All in favor.

Police Dept. 4210-15, \$1,472,956 (approved)

Presented by Chief Walsh. Chief brings attention to a situation on 7/7/18 that went very smoothly with multiple calls at the same time.

Phil asked about the 6.1% increase in wages. Chief Walsh explained that there were 3 employees with longevity increases.

Doug made a motion to approve, Ralph seconded.

Peter asked whether two of the step increases weren't in 2018. Chief Walsh explained that these occurred late in the year. He also said that they are down an employee, which is why the actual is below budget.

Peter referred to an article in the newspaper regarding dissatisfaction with the leadership of the Police Department and asked whether some budget was needed for facilitation or training. Chief Walsh said that the Board of Selectmen and Town Administrator had addressed a number of things with him and the process of making things better is ongoing.

All in favor?

The vote was 9-1 in favor, Peter voting against.

Animal Control 4414-38, \$29,690 (approved)

Presented by Chief Walsh. The dog committee has come up with some positive recommendations. There is an increase in hours requested from

685 hours before to 1671 hours for the year, 32 hours per week (still part time).

Mae made a motion to approve, second by Ralph. All in favor.

Parking enforcement Fund 8, \$39,966 (approved)

Presented by Chief Walsh. Some of the parking enforcement officers are starting at 7 a.m. to extend the hours for parking enforcement and education at the beach. 1700 tickets were given out. Of those, 1180 so far have been paid and 577 remained unpaid as of Oct. 15th, 2018. We are looking at doing this electronically. The officers in the cruisers have this but not the parking enforcers. There was a review of ways to get people to pay.

Study was done on increasing the parking fee and fines. Chief Walsh said that this was submitted to the selectmen.

Motion to approve by Phil. Second by Mae. All in favor.

Outside Detail Fund 7, \$75,000 (approved, excluding capital outlay and fire portion)

Presented by Chief Walsh. Approving the outside detail \$75,000 for the police department.

Mae made the motion to approve, second by Doug, all in favor.

Public Safety Building 4194-08, \$61,875 (approved)

Presented by Chiefs Walsh and Cotreau.

“-484,” building maintenance is up due to boiler repairs and HVAC repairs.

“-483” maintenance supplies went up. We are purchasing smaller orders and shop around a bit. Our oil is locked in at \$2.50. We okayed the Purchase Order for a floor scrubber. That is \$6000, in capital outlay.

Discussion about repair of the building exterior and how interior and exterior maintenance should be budgeted. When will these be done?

Mae moved that the line item be increased to \$71,875 to incorporate maintenance. There was no second.

Doug made a motion to approve \$61,875. Second by Phil. All in favor.

Ambulance 4215-19, \$131,672 (approved)

Chief Cotreau said that they started patient surveys going to persons we have accommodated. We are exceeding our benchmarks. Chief will get everyone a copy of this report. Net revenue is \$470 for each transport, which is very good.

Motion to recommend by Doug, second by Ralph. Peter is against. Vote is 9-1.

Peter said that he is against because the value of the second ambulance has not been taken into account. We are just breaking even relative to the maintenance, he said.

The Chief explained the second ambulance is breaking even or a small gain.

Mae asked a question about seasonal wages are for in the summer on the weekend's additional coverage. Chief has split it in two accounts for the future budgeting.

Peter said that North Hampton has looked at it and they could not justify a second ambulance, and they have about the same population.

The Chief pointed out a different service population during the summer.

Fire Department 4220-16, \$1,521,334 (approved)

Chief Cotreau reviewed the salaries and increases. Overall expenses are up in wages. There were two step increases included in this as well.

Questions about the foam. There is no training for handling the foam.

Peter notices that the budget is up almost \$100,000. After backing out the \$23,000 in prior year encumbrances, the budget is up 6.5 percent. A significant part of that is wages, which is up about 6 percent, or about \$40,000. The retirement is up 7.35 percent even though the rate is down. The retirement is up an even higher percentage than the wages. Chief Cotreau turned and spoke to Ms. Bergeron, saying he had figured the retirement based on the entire year. Ms. Bergeron pointed out that the rate will go down July 1 and that she had not calculated the retirement.

Peter made a motion to table so that this could be looked at.

Doug suggested cutting back on an item like protective equipment to reduce the amount of the increase.

Peter again made his motion to table based on the issue of equipment as well. Mae seconded. Vote 7-2 against, with Peter and Mae voting for, others voting against. Jaci abstained.

Motion to approve by Doug. Randy seconded. All in favor. Peter said that he voted in favor on the condition that the budget be checked and brought back. Doug added that his question about the equipment should also be considered.

There was discussion about the forum on Fire Department equipment but it only had two attendees.

The Chief said that there was a good discussion but the last hour was cut off because the meeting went longer than expected. We are doing another meeting on January 31st and again March. How did we get the word out? We announced it at a Selectmen meeting. There was an article in the Herald. The video after 8:00 p.m. is cut off. Peter said that he should have captured the audio and that, if so, he will upload the audio for the missing portion to the Rye Civic League website so that people can hear the missing portion. The Chief said that he will send out the presentation as a pdf.

Beach Lifeguards 4520-52, \$72,790 (approved)

The budget includes training for using the Sea Doo. The Chief viewed a rescue at the beach and has to say that the kids are doing a great job as life guards. Very positive feedback. The only difference is wages went

up. We had to cancel guards for 1-1/2 weeks of coverage because of lack of budget.

Chief is comfortable with this budget. He said that there were 13 lifeguards.

Motion to approve by Doug, seconded by Ralph. All in favor.

Capital Outlay Fund 7 (no action)

Chief Walsh. Question about the cost of the cruiser. This year we are buying one cruiser for \$47,000. Rebecca Bergeron said that half of the cost is in Fund 7 and half is in capital outlay. Peter asked about what happened to the Fire Chief's car that was replaced by the new SUV. The response was that the old car is in the boneyard and will be going to auction. Public Works Director Dennis McCarthy said that this occurs only every other year. Mr. Magnant said that the car is totally expended by the time we send it to auction, with 140,000 to 150,000 miles.

There was discussion about the details. Chief Walsh said that, when another town sends officers into Rye for these, the other town gets all of the revenues.

Tabled. Not voting now.

Fund 12, Beach cleaning, \$33,472 (approved)

Dennis McCarthy said that the visitors have one issue which raises the budget a little bit. There is a change in the seaweed and increasing requests to clear it. Their people are paid overtime to clean the beaches from about 6:00 a.m. to 8:00 or 9:00 a.m. The beach is raked from

Jenness past Cable to the point where there are too many stones and at Concord Pt. from “Stinky Brook” up to and including the State Beach. The State provides the equipment with the stipulation that we do Jenness and Wallis Sands State Beaches. It is typically done once a week. There was no concession from the state for replacing the prior self-propelled rake with one that must be towed with the town’s tractor which the town had to buy. The replacement rake is actually a used unit from Hampton which has been replaced by a new rake.

There was discussion about the beach permit revenues which funds this account coming from residents, while the non-residents do not pay, but tend to generate more littering.

Doug said that he would support the \$33,472.

Mr. McCarthy said that the young ladies present are requesting additional Porta-Potties at Sawyer’s Beach. The Selectman supported that request, which increased the restroom line from \$2400 to \$3600, he said.

Colleen Pavlas said that the closest restroom is at Jenness Beach, however, when it is high tide, that stretch of beach is impassable. The only option is to go over onto Route 1A and walk that treacherous stretch with our children, she said.

Mr. McCarthy said that the Porta-Potty would be tucked into the berm right next to the stairs. Mr. McCarthy said that the pricing is for two Porta-Potties.

Peter said that he had gotten a call from one of the Beach Committee members, and this had come up before them. They are unanimously

against this for a number of reasons. The high tide only blocks that off for an hour or two. DES was consulted about this and was not happy, saying that if it tips over and there is environmental contamination the cost would be on the town. According to the Beach Committee this is a pervious surface, unlike Wallis Sands, which is asphalt. Peter said that Selectman Winslow said that, if this were approved, it would be turned over to the Beach Committee to look into. Unless they dramatically change their minds they're not going to be in favor.

Selectman Winslow clarified that they felt strongly that this location should be approved, but that any future ones should involve the Beach Committee.

Mr. McCarthy said that these were non issues. The DES has no say in where the Porta-Potties go. All of the effluent would go into storm drains in any case. Mr. McCarthy disagreed that the proposed location was in the state right-of-way.

Kevin cautioned about people crowding around the area and this adding to that. There are already people lacking Rye stickers congregating in the area to unload, he said.

Shawn raised the possibility of the Porta-Potty blowing over. Mr. McCarthy said that they have a plan in place to assure that this does not happen.

Phil Winslow said that the decision was made on the basis of safety, not convenience.

Peter suggested that it either be a separate warrant article or that the Beach Committee be invited in to express their views. This is too quick, he said.

Mae asked what the Beach Committee's objections were. Phil Winslow said that Selectman Keri Roman is on the Beach Committee and voted to support this.

Ms. Pavlas said that the objection was that it was an "eyesore." She said that she did not know how that could be put before safety. She said that she brings three children to the beach and their hands cannot all be held simultaneously.

Mae moved the higher number of \$33,472. Ralph seconded. The vote was 9-1, with Peter against and Jaci changing her abstention to a vote in favor with a proviso. Note: The budget book has \$33,472 on the summary sheet with green lines, but \$32,272 on the detail page.

Town custodian 4194-02, \$91,486 (approved)

Dennis McCarthy addressed. The change here is for a full-time building and grounds person. Last year, the Selectmen approved a part-time person and it did not work out. It was very difficult to find someone who wanted to work 32 hours a week without benefits. We had a person who was part-time and he lasted a month. He was offered a better job with benefits.

Peter pointed out that the additional cost of someone working 40 hours compared to 32 hours a week was \$36,000. Mr. McCarthy agreed with the analysis. Peter said that that was a lot of money and there is a 6.4% budget increase this year.

Mr. McCarthy said that there is a part-time, 25 hours a week, janitor for Town Hall and other buildings who is included in the wages line. He would remain.

Mr. McCarthy said that the person would also do work for Public Works and would have a CDL license and would plow.

Peter made a motion to approve a bottom line \$55,000, which is a reduction of \$36,000, taking out the additional 8 hours of labor with benefits. Doug seconded. The vote was 3-6, with Peter, Doug and Kevin voting in favor, and the others voting against, except Jaci who did not raise her hand either for or against. She then asked why people were opposed.

Shawn said that the Selectman had already recommended this and that a full-time person would be more diligent and likely to remain.

Kevin said that he did not have a clear picture as to what is not being done. The rate for the additional 8 hours of work is unbelievably high.

Jaci expressed concern about the lack of specificity.

Peter said that this is a \$20 per hour guy. Mr. McCarthy agreed that that was approximately correct. He's going to drive plow trucks, Peter said. He's going to be a licensed electrician. He's going to be a plumber. He's going to handle all of the contract negotiations. We're looking for somebody that probably doesn't exist. If he does, he's not going to be \$20 an hour.

Peggy referred to the School Board having finally hired a full-time manager of the janitors to make sure that things were done.

Phil said that he thinks that the cost, although high, is justified, and said that he had voted begrudgingly to approve as a Selectmen.

Doug said that positions are never reduced, only added. He agreed with Peter about the extra cost of the 8 hours because of the benefit package. He asked about the need for another vehicle as well.

Mr. McCarthy said that the person would use one of the existing Public Works vehicles.

Peter said that, in the past, when people are added, there has been a warrant article. He asked why the normal policy was not being followed.

Shawn said that this is just increasing the hours.

Peter pointed out that it's just being done over two years. Last year, a 32 hour part-time position which was a new person. What normally would be a warrant article is being accomplished in two years, he said.

Mae made a motion to approve \$91,486. Randy seconded. The vote was 6-4, with Doug, Jaci, Peter, and Kevin voting against.

Jaci suggested that a list of the tasks be put together.

Kevin said that he thinks that a vehicle would be required. He has never seen a property manager without a vehicle, he said.

Public Works Building 4194-06, \$14,240 (approved)

Dennis McCarthy presented. Mae made a motion to approve. Jaci seconded the motion.

Ralph asked about the fuel cost. Mr. McCarthy said that it was \$2.465 for non-treated heating oil. Last year it was \$2.17.

Peter noted that many of the heating budgets seem to be flat, and asked whether this price had been used for all of them. This has been a problem in past years, in that the budgets were not done consistently. There should be a gallons assumption. He suggested that Becky go through all of the heating budgets to make sure that they are consistent. Dennis agreed to work with her on that. It was agreed that the gallons and price would be provided for the November meeting.

All in favor.

Public Works Personnel 4312-23, \$718,673 (approved)

Dennis McCarthy said that the number of people is the same. The budget increase is due to the pay increases.

Motion by Doug made to approve, second by Phil. All in favor.

Public Works Operations 4312-24, \$597,510 (approved)

Dennis McCarthy said that this is driven by the paving. Every year I try to bump it up, he said.

Peter said that there is a \$45,000 increase in the paving. The CIP says that he wants to increase it to \$400,000. Mr. McCarthy said that he wants to increase it to that eventually. Peter said that it was \$195,000 in 2010. He asked about the change in asphalt pricing since then. Mr. McCarthy said that it had been staying level but is now going up 3% next year. Peter asked whether the asphalt price increase was a small part of the increase from \$195,000 to \$360,000. Mr. McCarthy confirmed.

After Mae pointed out that the CIP says \$400,000, Mr. McCarthy confirmed that that is what is needed to catch up, but he budgeted \$360,000.

Peter referred to the CIP sheet, which divided the 45 miles of roads by a 15 year life. He pointed out that there is shim and overlay and other procedures. Mr. McCarthy said that there is that and full reconstruction, which they don't do as it is so expensive. Peter pointed out that the side roads may not need to be paved as often.

Peter asked about the automated scan of the roads that had been done 3 or 4 years earlier, and the ability to plug in various annual investments to see whether the roads would be improving or not.

Mr. McCarthy said that they had used that to keep the roads at the same level.

Peter pointed out that the budget was \$250,000 to \$300,000 at that point.

Mr. McCarthy said that, at that time, it showed that \$325,000 to \$350,000 was needed.

Peter said that he didn't see how a back-of-the-envelope calculation could be used. There are different types of roads and different types of procedures.

Doug asked why Rec. was having to pay for their paving. Mr. McCarthy said that it falls under his umbrella, but Rec. has to pay for it.

Peter pointed out that the paving budget is up \$55,000 then, because Rec. did not pave last year.

Mr. McCarthy said that Public Works is paving Recreation Rd. Rec. is paving their road and their parking lot.

Peter pointed out that the prior year encumbrances of \$15,000 needs to be pulled out, so the increase is from \$542,000 to \$597,000, almost a 10 percent increase.

Doug made a motion to approve \$597,510 second by Phil. All approve except Peter and Mae opposed. Vote 8-2. Mae said that she thought that it was too little.

Peter asked about the \$125,000 that was received from the State for roads and bridges. That's not even in the budget, he said.

Mr. McCarthy said that the supplemental grant of approximately \$162,000 was used for a number of different projects for engineering, the bridge, and the Red Mill guard rail. There is still \$13,000 remaining.

Peter pointed out that none of that had flowed through the budget that the Budget Committee approved. Mr. McCarthy said that that was all for accounts where their costs overran their estimates.

Street lighting 4316-27, \$11,650 (requested), \$10,000 (approved)

Doug said that he thought that the LEDs were going to reduce the cost. Dennis McCarthy responded that they had not been installed yet. We are not able to get the contract done this year, he said.

Motion to approve by Shawn, second by Kevin. Shawn withdrew his motion.

There was a discussion about the savings in electric from LEDs, which should reduce the electricity cost.

Doug made a motion for \$10,000. Phil seconded. All in favor.

Transfer Station Operations 4323-33, \$251,782 (approved)

Up 8% due to raises and wages once the \$20,000 in encumbrances has been removed. Mr. McCarthy said that the head guy has a large increase due to his seven years of service. There are only two pay steps in the union contract, at three years and at seven years. They are pretty substantial.

Motion to approve by Doug, second by Ralph. All in favor.

Solid Waste Disposal 4324-34, \$208,327

Dennis McCarthy said that recycling is tough because of people are not buying our recyclables for as much.

Peter pointed out that the decrease in recycling revenues does not explain the increase in tipping fees because we are still recycling, but getting less money for it.

Mr. McCarthy said that we are now paying to have some recyclables hauled away. The price for aluminum cans is still good. Paper is the big hit right now. The people do the separation, which is source separation. I would not tell anyone to stop recycling. Other towns can't sell their products because they stopped separating.

Motion to recommend Doug, second by Shawn. All were in favor.

Land Management 4520-55, \$45,250 (approved)

Dennis McCarthy explained that the contract service is the lawn services, landfill monitoring is going up, Parsons Creek is ongoing, Care of Trees is ongoing.

Doug made a motion to approve, second by Kevin. All in favor.

Board of Adjustment 4191-10, \$13,270 (approved)

Kim Reed explained that she had no changes.

\$13,270 motion by Kevin, second by Mae, all in favor.

Planning 4191-11, \$152,655 (approved)

Doug moved to approve. Phil seconded. All were in favor.

Mosquito Control 4414-39, \$85,395 (requested), \$86,495 (approved)

Ms. Bergeron reported that the Board of Selectmen had voted to approve the prior year's figure as they had not received anything.

Jaci pointed out that there was a typewritten page with \$86,495.

Mae moved to approve \$86,495, second by Doug. All in favor.

Conservation 4611-53, \$90,000 (approved)

There was discussion about the land acquisition line item and whether that should be in the CIP Plan. Jaci explained that that had been used for soft costs and down payments. She said that, after deducting the \$24,058 of the encumbrance from the 2018 actual, only approximately \$30,000 of the 2018 budget has been spent. Jaci said that approximately \$30,000 of the remaining acquisition costs in the 2018 budget would be encumbered bringing the actual up to \$60,000. Also there is a \$2000 invoice from the Rockingham Planning Commission. Close to \$70,000 will have been spent by the end of the year, she said.

Peter said that they cannot encumber unless there is a contract by the end of the year. He asked whether this was West Rd. Jaci confirmed and said that there is a signed purchase a sale waiting to come back from the Selectmen and that they are assuming that the process will be completed by year end. Peter said that they would need to have another hearing and the "a through p." Jaci confirmed and said that they were working on the "a through p" now.

Doug moved the bottom line of \$90,000. Phil seconded. All were in favor.

Peter made a motion to suspend until 1:30 pm and break for lunch. Phil seconded. All were in favor.

Building Inspector 4240-18, \$250,882 (tabled)

Peter Rowell said that the salary line is the Building Inspector and himself. That includes me at 24 hours per week without benefits, plus one full-time person with benefits. Wages is the assistant with an increase from 30 hours to 40 hours per week with a benefit package. There is not a lot of change in the other items, he said.

Doug moved the bottom line of \$250,882. Mae seconded.

Peter Crawford said that it looks like the budget is flat, but there is not an explanation of the 2017 and 2018 budgets. A new guy came in and Mr. Rowell had a certain number of hours. He said that he wanted to understand how that played out with the budget. We have a big increase with the assistant going to full-time, but we're not seeing it with the doubling up in 2018, he said.

Mr. Rowell said that, in 2018, on June 30, his hours were reduced from a full-time position to a part-time position and his benefit package went away at that time. Chuck came on September 11, 2017.

Peter Crawford asked what the impact of increasing the assistant to full-time would be in 2020. He pointed out that the 2019 budget would not have the increased cost starting until April.

Mr. Rowell said that they figure that the additional cost is about \$35,000, mostly due to the benefit package.

Phil pointed out that the Selectmen were very concerned, and would not have agreed to the increase unless the cost was covered.

Mr. Rowell explained that they have redone the fee schedule. It has not been revised for 10 or 12 years. The selectmen have reviewed it. It will be going before the selectman for approval. The cost per thousand will not be going up, but there will be an application fee. There are 900-1000 permits annually. Most will be a \$50 fee. Some will be \$100, he said.

Peter Crawford said that he is opposed to looking at it this way as the increased fees will be borne by the residents. It is nice that the people doing the building will pay, but this is going to come out of the pockets of the residents, or people that are becoming residents.

Jaci commented that the Conservation Commission covers for the Building Department on conservation-related issues because the Building Department lacks the time.

Mr. Rowell said that the Selectmen want them to look at efficiencies.

Peter Crawford asked whether they wouldn't want to wait to see the impact of those before adding hours. It should be seen what efficiencies can be achieved and then look at whether the increased hours are still needed.

Jaci said that the lists of tasks consists of the things that are being done now.

Mr. Rowell said that the assistant also helps the Planning Administrator.

Peter Crawford suggested another part-time employee to support both offices. It would be a lot less expensive, he said.

Mr. Rowell said that there is not enough space.

Peter Crawford asked who is in the former Recreation offices.

Mr. Rowell said that he was.

Peter Crawford pointed out that there used to be three people up there.

Mr. Rowell pointed out the inconvenience of going up and down the stairs.

Peter Crawford said that there is talk of reconfiguring Town Hall, which might happen in two to three years. Mr. Rowell is talking about making a position full-time, which will last forever, he said.

Doug referred to greater efficiencies if there is one, rather than two, people.

The vote was 4-5 in favor of approving the budget as requested. Doug, Phil, Mae and Ralph were in favor. The rest were against, except Jaci who did not vote.

Kevin pointed out that adding a full-time employee is a permanent commitment. We don't have lot of population growth, he said. There is not a lot of land to build on, so it must be renovation market.

Peter Crawford pointed out the expansion of the department in the past few years.

Chuck Marsden, Deputy Building Inspector, talked about the advantages of having a full-time assistant.

Peter Crawford pointed out that the cost of \$35,000 annually for 500 added hours works out to \$70 per hour for the extra hours.

Peter Crawford moved to approve \$225,000. He explained that he had taken three fourths of the \$35,000 to account for the fact that the \$35,000 does not start until April 1, and deducted that from the proposed budget. Shawn seconded. Peter, Shawn, Randy and Kevin were in favor. Jaci did not call for a vote of those against. She commented that that meant no additional part-time person.

Mr. Rowell said that he would like to look at a permitting system to relieve some of the workload rather than a second part-time person. He has not been able to find one meeting their needs, however.

Peter Crawford moved to table. Kevin seconded. All were in favor.

Library 4550-58 \$694,986 (approved)

Library Trustees/Director A. Richmond presented.

Brian Klinger trustee/treasurer speaks about the budget. In the wages and benefits section they only have control over the wage line. This year, included in that is their request for a 1% performance pool. Last year it was 1.5%. The COLA and health insurance we have no control over. The remaining operating budget is up \$300 from last year. Health

insurance went up as one person opted out and is now on the medical, he said.

Mae had a question about the heating budget. Peter said that Ms. Bergeron had agreed to go through all of the departments and make sure that the price per gallon used was consistent. We may want to change this after that. He pointed out that the contract would be bid in June and that the price per gallon for the second half of the year is still unknown. There should be a gallons estimate for each department used for building up the budget.

Andy Richmond pointed out that there has been an oil delivery that has not yet been posted and that there would be yet another delivery this year, so the total will likely be in the \$7000 range.

Doug asked about the health care. Andy Richmond pointed out that he has opted out in the past but will need to go on the health care plan this coming year.

Peter asked whether the stipend for opting out shouldn't be deducted. Ms. Bergeron said that that has already been done.

Mae made a motion to approve the budget of \$694,986, Doug seconded. All in favor.

Town Clerk/Registrations 4140-13, \$7250 (approved)

Doug moved the \$7250. Peter seconded. All were in favor.

Tax Collector 4150-14, \$244,440 (approved)

Mae asked about the discrepancy between the actual and the budgeted for 2018. The explanation was that the office had been short a person.

Mae moved to approve \$244,440, Peter seconded, all were in favor.

Elections 4140-03, \$13,745 (approved)

Doug complained about having to wait in line at the recent election. Phil explained that the lines varied depending on when you came. Town Clerk Donna Decotis said that the number of lines would be increased to five.

Jaci asked about the Accuvote program. Next year we only have a town election. This will go down.

Mae made a motion to approve, seconded by Doug. All in favor.

Donna asked about the Deputy and whether her increase had been approved. The response was yes.

Energy committee 4620-46, \$600 (approved, but see decrease later)

Nobody was present from energy at this point.

Mae moved to approve, seconded by Kevin. All were in favor.

Heritage Commission 4590-57, \$4100 (approved)

Mae explained that the expenses are the same as last year. There is \$22,000 in the Town Hall fund. We are looking at new storm windows. We are doing a study in historic buildings.

Doug moved to approve, seconded by Phil. All were in favor.

Historic District Commission 4589-54, \$1900 (tabled)

Mae Bradshaw said that they are looking for a little more than in the past. We applied to the Certified Local Government Program which makes us eligible for federal funding. We are highly favored for receiving funds. However, now we need to meet regularly as a requirement, which means we need to increase the stenographer charges. This is an increase.

There was a comment that the printing, membership dues and postage were the items that were up.

Mae explained that the printing is for a booklet for new residents. We will need to mail those and do regular mailings. We want to make them feel included in the district and show them the advantages and benefits of the district. There are about 30 households in the district.

Mae said that since the town had been qualified for the Certified Local Government program more grants may be available. One of the things that they will be applying for is a space study of the interior of the Town Hall to make it more effective for the employees. She added that there is an expressed interest in putting the Town Hall on the Federal Register as more funds would then be available.

Peter said that he wonders if this should be tabled. He thought that the printing and postage was to send to the 30 houses, but he agrees with Shawn that that seems excessive. However, there is no increase in the contracted services even though there are more meetings. He said that he wonders whether it should be reconsidered and brought back. It may not be enough, he said.

Doug made a motion to approve \$1000, keeping it level with the prior year. He expressed concern about the process leading to putting Town Hall on the federal register, which would limit what could be done with the building. Kevin seconded.

The vote was 5-5, Shawn, Randy, Kevin, Doug and Ralph in favor and Peter, Mae, Phil, Jaci and Peggy against.

Peter moved to table. Peggy seconded. Randy voted against the motion. Doug and Ralph were not observed voting. The rest voted in favor of tabling. There were 7 votes to table. Doug later said that he was in favor of tabling.

Jaci said that the contract services line should be figured out. She said that we can't pay to print for 30 houses.

Phil said the value and the culture of the town are enhanced by the Historic District. He pointed out that Rye was the first Historic District in the state.

At this point Kevin left.

Energy 4620-46, \$600 (requested), \$400 (approved)

Danna Truslow was now present and was told that the Energy budget had already been approved. After she said that she was going to suggest a \$200 reduction, Doug said that, if she was serious, every little bit would help.

Peter said that Mae had made the original motion and Kevin, who had now left, had seconded.

Mae made a motion to approve the reduced \$400 budget. Doug seconded. All were in favor.

Executive Office 4130-01, \$236,562 (approved)

Mike Magnant/Becky Bergeron

Mr. Magnant said that there was little change except the COLA increase.

Doug said that the health insurance is not proportionate to other departments. Ms. Bergeron said that 2019 was the last year that stipends to persuade individuals on higher cost health plans to sign up for reduced cost plans would be available. This is not changing anyone, she said.

Motion to approve by Ralph, second by Doug. All were in favor.

Assessing Office 4150-20, \$172,369 (approved)

Doug made a motion to approve, Phil seconded. All were in favor.

Peter made a comment about the possibility of extra capacity in this office during part of the year that could be used to fill in elsewhere. Ms. Bergeron and Mr. Magnant denied that there was any excess capacity and Mr. Magnant said that they were already frugal.

Peter said that everything continues year after year and there are increases on top, which is why the budget is increasing faster than inflation.

Doug pointed out that new construction was adding to the tax base. Peter calculated that \$60 million in new construction would be needed to pay for the increased spending proposed in 2019.

Finance Office 4150-21, \$176,999 (approved)

Motion to approve Ralph, second by Mae. All were in favor.

Legal 4153-04, \$130,000 (approved)

Mae asked whether it was time to hire a full-time attorney rather than to have these swings in fees.

Shawn Crapo asked whether this was an appropriate amount in the event that the cell tower goes to court. Mr. Magnant said that they spent a lot of time talking to the town attorney about this amount. Also, they will be entering into negotiations with the three unions. We feel comfortable that this is adequate, he said.

Doug made a motion to approve, second by Phil. Vote 8-1. All in favor except Peter, who voted against.

Doug asked for a summary of the cell tower issue.

Shawn said that their application is in and the abutters have submitted their information. We got to the point where we were ready to sit and deliberate. In the meantime, new information about alternate sites that may have made them became attractive came in. Verizon didn't think they were attractive before so Verizon asked for a time out. They are off doing that process. We are waiting to hear back as to whether we should reconvene. There may or may not be a new proposal. If the variances are granted it would go to the Planning Board, otherwise they would go to court.

Doug asked about the revenues.

Shawn said that the proposed tower off Brackett is on private land and there would be no revenues.

Phil said that, at the upcoming Selectmen's meeting there would be a refined direction.

Town Hall Building 4194-07, \$22,760 (approved)

Reduction is due to the repairs and painting that were part of the 2018 budget which is being done now.

Peter asked whether there was a possibility that the painter would not be held to his contract.

Mr. Magnant confirmed and said that the price applied only if the painter was able to finish this year.

Peter asked whether any delay shouldn't be the painter's responsibility.

Mr. Magnant said that the town, not he, had delayed the painting.

Doug moved \$22,760. Phil seconded. All were in favor.

Jaci asked whether anything other than the painting was being done next year. Mr. Magnant referred to money in capital outlay to fix the foundation. Mae referred to a Heritage grant proposal in the spring relating to the windows.

Cemetery 4195-25, \$120,258 (approved)

Doug moved to approve. Phil seconded. All in favor.

Insurance 4196-12, \$157,721 (approved)

Mae made a motion to approve. Ralph seconded. All were in favor.

Regional Agencies 4197-22, \$56,371 (approved)

Phil said that every three years the organizations are asked to present what they are doing to the Selectmen.

Motion to approve by Shawn. Doug seconded. All were in favor.

General Government 4199-26, \$87,100 (approved)

Peter pointed out that much of the increase is due to the increase of \$11,500 in IT Systems Management. He asked whether this was due to the squirrel who ate the wire.

Mr. Magnant said that that was a partial cause. They sat down with the IT professional and it was determined that above and beyond the normal computer replacement plan, some switches, cables, backups and new printers are needed. There is a request to increase his hours as well.

Shawn asked whether the IT contract is ever put out to bid. Mr. Magnant said that it has been the same guy for years, since before I was here. It has not been put out to bid. He knows the infrastructure, he said.

Peter recommended having him come in to explain the increase in funding. He asked whether the server had been moved back from Town Hall to the Public Safety Building.

Mr. Magnant confirmed and added that it had only been moved after the squirrel chewed through the data line.

Peter asked whether the line has been fixed.

Mr. Magnant said that it had been patched. A new line needs to be run to the Public Safety Building. He said \$5000 is equipment and the rest is his hours.

Mae moved to approve, second by Phil. Vote 8-1. All were in favor except Peter.

Randy asked how the auditors have reacted to a contract that does not go out to bid.

Ms. Bergeron said that there is nothing in the government's letters about that.

Randy said that we've had the same auditors as well.

Health Officer 4411-37, \$5485 (approved)

Mae made a motion to approve, second by Doug. All were in favor.

Direct Assistance 4442-44, \$46,600 (approved)

Mr. Magnant said that this is contracted out to Portsmouth.

Mae moved to approve, Doug seconded, all were in favor.

Doug asked whether there was revenue from attachments.

Peter asked who was recording the liens. He said that he wanted to make sure that it didn't fall through the cracks. Ms. Bergeron provided assurance that it would not.

Parsonage Fund - Fund 5, \$12,298 (tabled)

Mae said that it did not seem like enough money.

Mr. Magnant said that it is the money that comes from the annual lease. In 2015 a warrant article was passed to place the lease revenue in a special fund.

Phil said that there is a contract with the Housing Partnership which stops in January of the coming year. He said that they thought that as much as \$250,000 to \$300,000 could be obtained to repair the building. The Parsonage Committee did not want to enter into a 99 year lease that the Housing Partnership wanted because it might be desirable to use the building for something else within the next 100 years. They then looked at a 2-3 year lease but the Housing Partnership was unable to raise the funds. We're now winding down the lease and pushing for a one year extension.

Mr. Magnant said that it might be two years.

Peter noted that the Housing Partnership does not want to pay the town anything, whereas they are paying about \$10,000 annually now and they're gradually going to kick out the tenants, leaving us with an empty building to deteriorate.

Mae mentioned the possibility, now that were a Certified Local Government, of placing the building on the federal register and obtaining grants to pay for renovation of the building.

Peter said that there are a lot of unknowns and in all likelihood no revenue coming in to pay for the maintenance. I agree that we need something, but the building is going to be empty.

It was agreed that possession of the building would be returned to the town in June.

Phil explained that, as tenants leave, the revenue to the Housing Partnership would decrease.

Peter said that what is being ignored is that all of the debt taken on to renovate the building will have been paid off by June. They're going to be making money hand over fist and I can't believe the Selectmen are letting them get away with this, he said.

Mae pointed out that there are 8 units and they are probably \$800 each. That is a sizable amount of money every month, she said.

Peter said that we should tell the Housing Partnership goodbye, and that we'll take the \$800 per month per unit.

Mae said absolutely, and hire a property manager.

Jaci asked why we would want to throw out the tenants if they want to live there.

In response to a question from Shawn, Peter said that the Housing Partnership pays the town about \$10,000 a year, but collects more like \$80,000 a year from the tenants. The debt payments end in June when the loan has all been paid off, he said.

Mae said that we need a bigger plan on this.

Peter said that he moves approval of \$1, which would allow money to be spent, but not have us raising taxes for something that is unknown.

Shawn asked if it should be tabled.

Peter said that, if that is a motion, he would second.

Jaci said that the Selectmen should know that the Budget Committee is interested in making this revenue generating for the town and benefiting from the income.

Phil said that, in talking with the Housing Partnership, it wasn't \$250,000 or \$300,000. They are talking about \$.5 million.

The motion to table carried, 8-0-1 with all in favor except Phil, who abstained.

Peter asked whether this was enough definition. Phil said that it was, and that he would talk to the other Selectmen.

Mr. Magnant said that the Selectmen have already decided to extend the lease with the Housing Partnership for up to two years.

Mae said that they don't have an agreement to do that and if that fails by January there needs to be a Plan B.

Peter pointed out that, if they want to extend the lease for more than a year they need to go to Town Meeting. Mr. Magnant confirmed.

Shawn clarified that his motion was based on looking at whether the amount was enough, not necessarily on the issue of making the property revenue generating.

Debt Service 4711-67 – 4790-67, \$443,096 (requested) \$442,898 (approved)

Peter made a motion to reduce the BANS and TANS to \$1.00 each as they have not been used for years. This will keep the line item. Doug seconded. All were in favor.

Peter made a motion to approve \$442,898 for the debt service, which incorporates the reductions just made. Phil seconded. All were in favor.

Fund 1 revenue

Phil pointed out the large difference between the 2017 and 2018 tax revenues. Peter said that it has to be wrong.

Peter asked whether the Selectmen would have made a decision on the fees before the next meeting. He added that the revenue estimates will need to be done for the state eventually, and he would like to see them at the December meeting.

Minutes and adjournment

Jaci said that she had two changes to the minutes. The first was the misspelling of Mr. Magnant's name on page 5. The other is that "that" should be removed on page 14 so that it reads "I want to recognize the CIP..."

Phil moved to approve the minutes as amended. Shawn seconded. All were in favor.

Mae moved to adjourn. Shawn seconded. All were in favor. The meeting adjourned at approximately 3:37 p.m.