

Town of Rye Budget Committee  
District Budgets Public Hearing  
02/05/19

Attendees: Peter Crawford, Mae Bradshaw, Peggy Balboni, Doug Abrams (left during discussion of the Rye Water District budget, prior to vote), Phil Winslow, Randy Crapo (arrived during the discussion of the Rye Beach Village District budget, but voted), Shawn Crapo, Scott Marion (arrived during discussion of the minutes), Ralph Hickson.

Absent: Chair Jaci Grote, Kevin Brandon.

Presenting for the Rye Beach Village District: Frank Drake (representative to Budget Committee, but Shawn Crapo, Alternate, voted, not Mr. Drake).

Presenting for the Rye Water District: Art Ditto.

Peggy Balboni called the meeting to order with the pledge of allegiance.

### Minutes

First order of business is approving the minutes of the previous meetings.

There was discussion about the January 9 minutes, but Scott had changes and was not present, so this was skipped.

Minutes from January 10, 2019 Town Budget Hearing. Mae motions, Phil seconds, all in favor, except Doug who abstained. Scott was just arriving and did not vote.

Minutes from January 9, 2019 meeting included some amendments from Scott, who had now arrived. He felt sentences were left out that should be added. Not all members had read Scott's changes.

Peter moved to table the January 9, 2019 School District Budget Hearing minutes, second by Phil. All in favor, except Doug who abstained.

Next minutes for the January 23, 2019 meeting. Motion to approve by Scott, second by Mae. All in favor except Peggy and Doug who abstained as they were not there.

Lastly the minutes of February 2, 2019, only one page. Motion to approve by Mae, second by Randy. All in favor except Doug who abstained.

Motion to open the public hearing by Scott, second by Mae. All in favor.

### Rye Beach Village District

First on the agenda is Rye Beach Village District. Frank Drake presented. Treasurer's report was handed out to everyone showing the activities for the year. This drives the budget. Second sheet is the comparison of the budget that was spent from the Treasurer's report and the delta between what was budgeted and spent. Then you have the 2019 proposed on the far right column of the budget sheet. There are really no significant changes. We did overspend in a few categories, administrative was up quite a bit because we brought in a bookkeeper. Our previous Treasurer left us with a bit of a disorganized transition. Then Linda Sheppard passed away.

There was discussion about there being no snow removal costs.

Phil: Who pays for sewer, and water, etc.?

Frank: We do. Maintenance is budgeted.

Mae: What is the planning and zoning equipment?

Frank: We just put it in in case we have a miscellaneous expense, it's been there for 25 years.

Mae: It's quite a specific amount of money you spend for it.

Phil Winslow: I feel uncomfortable with the delta only being \$4000 for the renters. I think we are letting the renters off easy. I think we need to look at that.

Budget Committee would like to see the contract. Approximately 3 more years on the contract. Frank agreed to provide.

\$10,000 budget for maintenance. Roof is old and we could require some additional repairs.

Mae: Does the Post Office pay for anything for the building?

Frank: Yes, they pay for painting and some minor repairs inside. They have their own electric meter. Water can't be split off and they have two bathrooms.

Can this go out to more than one customer for bids?

Frank: It hasn't but it could. We'd get shot if we let the Post Office go. The deed says the building must be used to serve a public purpose. It was given to the precinct by the Philbrick family. Back in the day it was the Post Office and the fire building. There was a nice meeting hall upstairs. Over the years the Post Office expanded into the fire bay and that's where it has been for the last 50 years. The community finds that Post Office to be a great meeting place.

Peggy: Is there a possibility we can get the contract renegotiated so that we could get a higher rent?

Frank: Possibly. I will get a copy of the contract and you can read it. All the contracts are being subbed out by the Post Office.

Phil: I would be interested to see what the Rye Post Office rents for vs. the Rye Beach Post Office just to get a sense of where we are.

Frank: Do you guys own the land?

Phil: No, we don't.

Phil said that he would get a copy of the contract for the Rye Post Office from Deb.

Shawn: We also don't want to raise the rent and push the Post Office out.

Doug made a motion to recommend the budget. Mae seconded.

Peter has some questions. The lights are all done?

Frank: The lollipop lights are all done. They are metered on a special street light agreement. We had 11 lights. We are going with LED's on some other areas.

Peter pointed out that the street lights constitute the delta on the budget. It's up a couple of thousand if you take that out. Frank agreed.

Peter: The Boardwalk. Was that the thing that washed out?

Peggy: No that's the sidewalk.

Frank: There's another boardwalk. At no expense of the town we take care of it.

Peter recommends an expendable trust for the maintenance you might be able to budget a little bit more tightly for the buildings. The response was that this was a good suggestion. They will consider that.

Mae: Even if it's only \$5000 or \$10,000 a year, like the Library.

Peggy suggested that that issue be followed up on as well.

All in favor of recommending the budget. **Vote: 9-0.**

The final budget was sent around to be signed with the signature sheets.

### Jenness Beach Village District

Peggy: Okay let's move on to the Jenness Beach Precinct.

Randy: We had a few changes, the hydrants went up. The street lighting went way down. We still have credits to process. It only came out to about \$4000 after the credits. We have half a year at the new rates and half a year at the old rates. The credits are from the year before, which is why the 2019 budget is greater than the 2018 actual. One-time credit over multiple months. This light project has been a huge success.

Randy said they have 34 hydrants. Frank said that the Rye Beach Village District has 24 hydrants.

Peggy: I will open questions up to the public. Any questions? There were none.

Mae motions to approve. Second by Scott. All in favor. Unanimous.  
**Vote: 9-0.**

Randy: I have the MS-37 form to sign. I may have to print it again as it is cut off.

Peter: Can we handwrite the totals on the Rye Beach Village District form? The totals for the last year's actual and last year's budget are missing from the form because of a bug in the DRA software. If you want to compare last year's budget vs. this year's using the form you can't do it.

Frank said that he would post the Treasurer's report along with the budget form.

Peter pointed out that the \$9700 should be a minus on the Jenness Beach budget sheet.

## Rye Water District

Peggy: Up next is the Rye Water District.

Peter: Big changes are capital outlay and warrant articles.

Art Ditto: In the capital outlay the big item is the water line along Route 1A.

Peter: It's like \$400,000.

Art: It's from Harbor Rd. south to the condos. It's about 1250 feet. That's the end of the line. We have had several breaks in the last several years. It's a marsh area which is corrosive. It usually happens during a pressure change event.

Peter: Is this in the CIP Plan?

Art: No.

Peter: Why not?

Art: We just discovered this in the last year. We were not aware of it. We will have to put it in as an ongoing project to be done in 2019. We had two breaks this year and one the year before. This was put in when the Pilot House condominiums were put in. It was paid for by the developer.

There was discussion about the number of years ago those were put in. It was estimated that it was about 30-40 years ago.

Art: There are four warrant articles that are for capital reserves. These are straightforward. The other two are for \$100,000 to start the water line for the Garland Road pump house. That will be taken out of the extensions and improvements reserve. The other is a new truck. That was in the CIP Plan for \$45,000.

Peter: The Garland Road pump house is in the CIP Plan for \$535,000. Does this mean that the rest will only cost \$435,000?

Art: We're still doing the design, there will probably be other changes.

Mae: What do you get grants for?

Art: We have asset management grant this year for \$20,000 projected. We had one last year as well. These are state grants.

Mae: Are there any federal grants?

Art: Not that I am aware of.

Art: This past year, we looked at our hydrants and valves. We have some work to do on these.

Doug: Over the years it's been talked about having the salt shed at the recycling center? Does that contaminate the wells?



Art: We looked at this before, in 2009. The State of NH does not regulate salt sheds but has best management plans. The design currently before the town is a good one and a good thing to do. It could impact the groundwater, but with the new salt shed all of the work is inside under cover. The trucks are loaded under cover. It probably won't impact the ground water. The larger impact is salt on the roads. It runs off and goes right into the ground.

Phil: What is the process for setting up the water district? Is it a nonprofit? A municipal organization?

Art: It's a village district under the RSAs from 1948 or 1949. We follow the same criteria as the other village districts.

Phil: Can we apply for grants separately from Aquarion?

Art: I don't think Aquarion can apply for grants as they are private. We can, but there are not a lot of grants available. The screening process for MBTE money is very convoluted. We put in last year for grants and loans and we didn't get either.

Phil: We could have Jaci Grote, our State Rep. or Tom Sherman, our State Senator, provide assistance.

Art: NHDES administers.

Mae: I know in the CIP in 2023 you are looking for the possibility of a water treatment plant. Are there any grants that we could look at now from the Federal Government for cleanup of water situations like this?

Art: We may be able to. Are there grants available? Yes, but if the water is impacted by someone's actions then we could go after them.

Mae: If we are responsible are there loans we can get at low interest rates? This is a 7 million plus project.

Art: Yes there are loans available.

Mae: How long would it take to process a loan for this amount of money.

Art: Usually you get an answer within 6 to 9 months. We put this in as a place holder. We had it on the CIP plan due to iron and manganese but removed it. Now there is another issue with PFCs. We don't chlorinate our water now. If we do we will need a water treatment plant.

Mae: Some people are putting water filtration systems in their homes. Are we better off giving them some sort of tax incentive to put something in on their own?

Art: That's a liability issues if they don't maintain the system. The best way to manage the problem is to centralize the treatment.

Shawn agrees that there is a liability issue with not maintaining the systems.

Deb Crapo: I won't sell houses in Stratham until I get certification from owners relating to the filtration systems in their homes. This is what is happening in Stratham. They have arsenic in the water. Now they are trying to join Aquarion.

Art: There are benefits to having a good rating on the fire system. This affects the homeowner's insurance.

Shawn: Can we recommend the bottom line of the budget without the warrant articles.

Peter has a few questions.

Scott: Can we do the warrant articles first? So I can leave if I must.

**Article 4** for the Storage Tank Maintenance Expendable Trust, \$30,000. Peggy reads the article. Peter asks for the balance in the fund. The response is \$60,000. Peter asks about the cost of painting a water tank. The response is \$120,000. Peter asks when the next one is coming up. Art responds that they are several years away.

Ralph Hickson: Tanks are assessed every year. Divers go in and look at them.

Peter argues that the next tank painting is 3-4 years away and that a big tax rate increase is projected this year.

Mae moves to recommend, Second by Randy. All in favor, except Peter. By this point Doug had left. **Vote: 7-1.**

Phil asks what the interest rate is on funds we have left over.

Peter reads from the budget book: 2.28%.

Peggy reads **Article 5**, Distribution System Replacement and Improvement Capital Reserve, \$30,000.

Shawn asks if this would help pay for the water treatment plant and whether the funding should be increased.

Art: This is the one from which \$100,000 is being removed for the water line replacement at the pump house.

Art says it could be but we should have another fund for the water treatment plant.

Shawn believes that we should make the fund broader so if we don't have a water treatment plant we could use the fund for other purposes.

Peter points out that the word "of" is missing prior to "Thirty Thousand Dollars."

Shawn moves to recommend with the addition of the word "of." Mae seconds. All in favor. **Vote: 8-0.**

Peggy read **Article 6**, Unanticipated Expenses Expendable Trust Fund, \$15,000.

Art says that there is \$128,000 in this trust.

Peter asks when was the last time we used it?

Art: We haven't.

Peter: Then why do we need this much in there?

Scott: Do you guys have a target?

Art: There is a ceiling on all of the funds, but I don't know what it is.

Mae moves to recommend, second by Scott, with a comment saying that he agrees with Peter that the target should be revealed next year. All in favor. **Vote: 8-0.** Peter states that he was going to vote against, but is voting in favor subject to Scott's proviso.

Peter asks for one sheet next year that has all of the information for each of the funds, including the balance, the amount to be added, the agents to expend and the goal for the balance.

Peggy reads **Article 7.** Equipment and Buildings Capital Reserve Fund, \$15,000.

Art: This fund has \$78,608 in it. Peter asks what is going on with Ken Aspen's SUV and the fact that it is being traded in on a truck. The response is that Ken has retired and a new operator will be hired.

Ralph makes a motion to approve, Mae seconds it. All in favor. **Vote: 8-0.**

We don't have to vote on **Article 8.** Contingency Expendable Trust Fund change of purpose.

Art reads the article. This fund is restricted to main breaks and storms. Changing the language of this fund. Art explains why they are doing this. So, they have more flexibility to utilize the funds.

If a car hits a hydrant money has to be spent. There is an insurance reimbursement, but no way to put the money back in.

Peter notes that he thinks that a two-thirds majority needed, which probably needs to be added. He said that the punctuation in the last three lines is incorrect. Quotations rather than semicolons may be more appropriate.

Scott noted that the number of the article is missing.

It is noted that the line for the Budget Committee's recommendation should be removed.

Peggy reads **Article 9**, Vehicle purchase \$45,000.

Shawn moves to recommend, Mae seconds. All in favor. **Vote: 8-0.**

Peggy reads **Article 10**, waterline and fittings, Garland Rd., \$100,000.

Ralph moves to recommend, Mae seconds, all in favor. **Vote: 8-0.**

Peggy says the last is the **Operating budget.**

Peter: So, the superintendent has retired?

This was confirmed.

Peter has a question on the FICA and Medicare. Looks like it is flat compared to last year and almost the entire budget was spent last year. The salaries are going up. Shouldn't that be going up as well?

Art said that the salaries should be going down.

Peter said that the budgeted salaries are going up.

Art says that he doesn't know how the figure was arrived at.

Peter says that FICA is a constant percentage unless the limit is reached. The salaries should be added up and that percentage applied. That is the figure that should be used.

Scott asks that they bring the information to the next meeting.

Peter questions the \$40,000 for Engineering Services.

Art: The asset management plan and any services that are required to be needed.

Scott: It was budgeted, but none was used last year.

Art: When the rollup there was an addition error and though it was budgeted for \$30,000 it wasn't included on the MS form so it couldn't be spent.

Scott: Meters and accessories.

Peter: You were going to finish all of the meters last year, that's why it was up.

Art: There is a distinction between the radio readers and the meters. The money this year is for 100 new meters. The radio readers have been bought.

Peter: Why is the operations equipment up?

Art: We have a new operator and truck and the tools he needs to have. Leak detention equipment is about \$4000. Brush clearing as well is about \$6000.

Peter asks if we can lower the budget on water purchased from Portsmouth. Art replies no. We don't know how much water we're going to use. The biggest user is the golf course on Wentworth Rd.

Scott is ready to recommend the operating budget. Shawn seconds the motion. All in favor, except Peter. **Vote: 8-1.** Peter said that he is voting against as it is too big of an increase this year.

### Budget forms

Peter has a question about the columns on the Jenness Beach form that are cut off. Randy said that it can be done later.

Peter said that he can print it out. I can then vet the Water District and Jenness Beach forms and then everyone can come by and sign, he said.



Peggy recommends that we sign the Water District budget be signed now and if an error is found we will change it for the annual meeting.

Peter noted that we have weeks to complete these.

Ralph Hickson provided the three sets of forms for Peter to review and sign.

Peggy asks if there is any other business.

Shawn moved to close the public hearing. Seconded by Phil. All in favor.

Phil moved to adjourn. Shawn seconded. Meeting adjourned at 5:48 p.m.