

TOWN OF GILFORD , NEW HAMPSHIRE

BUDGET COMMITTEE

SUBCOMMITTEE REPORT Special Warrant Articles / Capital improvements/
Community Service funding requests.

Present: Tim Sullivan, Sue Green

On Oct 26, 2016 the subcommittee met in the Town Hall Conference Room A at 4:30m PM. Present were the subcommittee members Timothy Sullivan and Sue Greene; Stephen Carrier, Chief, FD, Glen Waring Finance Director, Peter Nourse Public Works Director, Mia Gagliardi DPW Operations manager and Scott Dunn Town Administrator. Budget committee member Sean Murphy was also in attendance.

The budget preparation worksheet for special warrant articles as recommended by the Board of Selectmen (BOS) was reviewed. There is a 425.21 % increase proposed in this FY 2017 recommendations for special warrant articles. The primary increase coming from, but not solely the proposal for Gilford to host it's own solid waste transfer station. None of the expected to be proposed annual Social agency items were discussed as the BOS and normally the Budget committee do not make recommendations.

There were 4 Capital improvements Special Warrant articles reviewed.

\$200 K for a new fire engine. The rest of the cost of the fire engine to come out of the lease- to - own financing plan. The fire engine is proposed to be purchased on a lease -to -own basis with an interest rate anticipated to be near 3.2%. There is some discussion as to whether Engine #2 will need any motor work for an oil burning issue, and that engine #4 not be retired and disposed of before that work is accomplished if money is appropriated for that purpose. The \$200K for the new fire engine was approved by the Sub committee members. The total cost of the new engine is estimated at between \$515 to \$555 K depending on what the vendors are offering and how much in options may be expected to be required.

\$175 K for 10 years, To replace a 34K Gross Vehicle Weight (GVW) dump truck with a smaller more versatile 26K GVW one. The new truck will be 4 wheel drive and NOT require a CDL license to operate, providing greater employee shift adjustments. The \$175K was approved by the Sub committee members.

\$450K for Town Hall improvements to be paid out of an “undesignated Fund Balance”. The “Building Repair Capital Reserve fund” (CRF) ? No actual money to be raised from the tax rate in expenditures from the issuance of any bonding but a continued financing of the CRF from where the money is to be supplied from. There are “possibly” two issues with this request that the sub-committee had questions on, so the subcommittee tabled this and did not approve the expenditure pending a greater understanding and some guidance from the Budget committee itself. One issue being that the expenditure is a rather large one vs the recent renovations already made to the town hall in the previous fiscal year. Some question as to whether some of the requests for Town Hall repairs could be postponed. While the Heating and cooling repairs and water system retrofits seem needed and warranted due to obsolescence, spare parts unavailable, and energy consumption costs, there is some question as to how much we may want to put into landscaping and sidewalks at the same time. Also the Flooring and/OR Vault retrofit may possibly be postponed to reduce this total \$450K expenditure to something a bit less. Items that could be accomplished in forward budgets. The second question may be as to the nature of the proposed police impound lot and whether there is any interpretation of this project possibly being a cost over run on the recent Police Station Retrofit. In the end this seems like a want that could possibly be postponed to another fiscal year? The sub-committee deferred on /tabled this \$450 K pending some further discussion and input from the budget committee.

\$1MM 20 year Bond for the design and construction of a Transfer station with an upgraded retrofit of the current recycling and its PACKAGING/Compacting. The subcommittee also tabled/ deferred on this pending a meeting in the next week with the Budget committee Vice Chairman to get a more specific understanding of what the specs and anticipated costs should be. Ms Gagliardi informed us that the design was apt to include a small heated section with a small office and a restroom(s). We had not heard any previous discussion of a building other than one fitted with appropriate electrical infrastructure, and that there was no plan to heat or plumb this proposed building . Town Administrator Dunn remarked that the \$1MM was the bare minimum to construct an appropriate project for us

to accomplish ending our relationship with Laconia, as to whose transfer station we currently have an agreement with. He also noted that the BOS were unlikely to change their recommendation on the size of the bond issue/project cost. The budget committee can then recommend or not recommend. The Subcommittee is generally in favor of the project itself, but is deferring to those in the commercial and building construction trades on our Budget committee as to getting a more thorough understanding of the more refined specifications, some additional drawings, the envisioned scope, beyond the money already invested in the feasibility study, site plan, and rough design phase.

There are 4 Capital reserve Fund appropriations.

\$20 K for the building reserve Fund for the general periodic planned maintenance and repair of Town owned buildings.

\$25 K for the Fire water supply fund. A \$15K increase over what has been the usual annual funding. The Alva Wilson fire pond is in need of extensive topography re-structuring. It has been filling with silt, lowering the water level for the pumpers to fill from. Too much silt in a water source can find it's way into the pumper pump and cause wear to the Pump "Casings" which are more difficult to get a repair on than the replaceable wearing parts as sealing rings and the impellers. The small estuary that feeds the pond requires being re-directed and the pond needs some dredging/earth work enhancements. This work is then the major basis of the allocation increase.

\$10 K for the recreation facilities fund. No increase from previous allocation. Some question as to the life left in the tennis court lighting. On going beach repairs and maintenance including the proposal to install a new fence along the road. Other miscellaneous costs for sponsoring group events. Hikes, Coach trips, skating. Some mill foil abatements? Maintenance to some other town parks.

\$10 K to the Glendale facilities fund. No increase. Some questions as to potable water supplies and other costs possible due to sharing costs with the state, on parking lots and other water supply issues. Some possible paving. The replacement/retrofitting of a boat ramp.

All four of these appropriations to CRFs were approved by the subcommittee.

✓ The Trust fund for The Lakes Region Business Park II (Hounsell Ave), under the agreement with the City of Laconia is getting a \$58K appropriation. This is an area agreement compact and the town is legally obligated to continue these annual fundings. There is no increase in this outlay.

The subcommittee voted to approve this allocation to the LRBP II trust fund.

✓ The annual \$10K funding to the Sewer maintenance reserve fund was also approved by the Subcommittee. There will be a near \$758K bonding for the retrofitting of the Varney point pumping station. The plan is for this to be born in it's entirety by the Sewer rate payers and not come out of any town tax revenues. Sub Committee member Timothy Sullivan made note that the preservation and enhancements of our region's water shed benefits all taxpayers and businesses in some way, and that the town might consider taking a small portion of these bonding costs onto the town tax rate . Town Administrator Dunn indicated that idea would not fly with the Selectman or the (?) voters. The subcommittee did raise the issue.

Respectfully submitted,

Timothy D Sullivan
Budget Committee member