

MINUTES
JOINT SELECT BOARD & BUDGET COMMITTEE
TOWN OF PETERBOROUGH
Tuesday, January 17, 2012 – 7:00pm
1 Grove Street, Peterborough, New Hampshire

Present: Joe Byk, Barbara Miller, Elizabeth Thomas

Steve Jones, Bob Lambert, Roland Patten, Gordon Kemp, Susy Mansfield, Bertha Harris

Also Present: Pamela Brenner, Rodney Bartlett, Nicole MacStay

Chair Miller called the meeting to order at 7:02pm.

Department of Public Works Reorganization

Mr. Bartlett said that in August one utilities employee resigned, and in November another resigned. In December an administrative employee resigned and went to another community. At that time he and Ms. Brenner took advantage of the opportunity to take a look at the organization, particularly at how the wastewater treatment facility will be managed. He said that he has approached Woodward and Curran to ask for a budget for what it would cost to operate the plant, sewer lift station, water supply wells, booster station and tanks. As that came together it gave us a feel of what the value would be as it relates to our labor costs. We compared that to what we did pay in the past, and we think that we have a program to move forward that will make the operation of the wastewater treatment facility efficient. The water meters in your home, customer service and the infrastructure in the streets would remain in Public Works.

Mr. Bartlett continued by saying that when Christine Lavery left we looked at her tasks which included administrative support for DPW, accounting for DPW and human services. We decided it would be best to separate those duties and reassign them: Nicole MacStay has taken on the human services piece, Leo Smith has taken on the accounting, and part-time assistants to manage the receptionist and administrative responsibilities for both the DPW and Administration offices. When you get to the bottom line, we have reduced our positions by five, and also reduced the cost of wages and benefits that go with those five positions. All assets in the street will become the responsibility of the Highway Superintendent. The three remaining Utilities employees will become employees of the Highway Department. Many Highway employees have expressed an interest in cross training. This will allow us to put three more permanent employees on the street during snow removal.

Mr. Byk asked if any of these changes increase utility fees; **Mr. Bartlett** said that the contract with Woodward and Curran is for \$175,000 and will be split 75/25 between sewer and water. The water budget will go down 9.45% which means that we will not need to increase water rates. This summer we did an increase of 30% to the sewer rate, and this year we will pay the first payment on the bond, which is 50% of the overall operating budget for that department. With these changes, we think we can hold the next increase to between 15 and 18%. In general we have reduced our costs, reduced our people and made a commitment to hold our water rate to what we estimated back in August, and will be able to reduce the impact of rate increases to the sewer users.

Chair Miller said that we have looked at this restructuring twice in non-public session from every angle imaginable, and we are in full support of it. She applauded both Ms. Brenner and Mr. Bartlett for this work. Chair Kemp agreed that the plan looked good. **Mr. Bartlett** said that we are looking at a savings of almost \$18,000 in the general fund, and almost \$31,000 in savings in utilities. **Mr.**

Kemp asked if the positions which have been listed as open, are they being filled; **Mr. Bartlett** said that they are by cross-training personnel. **Mr. Kemp** asked how the administrative positions would be filled. **Mr. Bartlett** said that one of two twenty-hour a week position has already been filled, and the other would be filled soon; it is important to have someone at that desk forty hours a week. **Mr. Kemp** asked how he expects to maintain continuity with so many different people providing support. **Mr. Bartlett** said that staff is looking into a system that would help to track tasks and complaints. Right now we are using Outlook tasks to track work orders and complaints, and are looking at taking the next step.

Mr. Jones said that he gets the sense that **Mr. Bartlett** is confident that this will work going forward, but the memo says that this is temporary. **Mr. Bartlett** said that he thinks that a year of trouble shooting makes sense. **Mr. Bartlett** said that many other municipalities contract out the operation of the plants because they are so technical and expensive to operate. **Ms. Mansfield** asked if anyone would be cross trained to run the wastewater system. **Mr. Bartlett** said that training staff to run the treatment plant would be conducted by DES. **Ms. Mansfield** asked what would be the fee associated with a new discharge permit; **Mr. Bartlett** said that there isn't one. She then asked if the town is not in compliance, what is the per-day charge; **Mr. Bartlett** said that currently the town is under an administrative order of consent, which means that for the first six months of operation we would not be fined. She asked what would happen after the six month window; **Mr. Bartlett** said that that question will be worked out in the contract. He said that this plant is required to meet DES and EPA requirements, which is the upside of contracting with the design team.

Highway

	FY 2012	FY 2013	% Inc. or Dec.
Net Operating	\$1,353,544	\$1,405,559	3.8%
Net Capital	\$90,000	\$55,000	-38.9%
Net Special Articles	\$0	\$185,000	100%
To be raised through taxation	\$1,443,544	\$1,645,559	14%

Mr. Bartlett reviewed the proposed Highway budget, noting that the work on the Union Street Bridge is moving forward, though it is complex given the historic nature of the bridge and how it works with the river, dam, as well as water and wastewater services all in that location. There is also a budgeted transfer from capital reserve to fleet management, which is up \$35,000. **Mr. Lambert** asked if he will have a better figure for the Union Street Bridge as they get closer to Town Meeting; **Mr. Bartlett** said that is what he is working towards, and wants to have the best estimates possible.

Turning to the operating budget, **Mr. Bartlett** said that there are three accounts that are currently over-encumbered and not overspent; vehicle repair, vehicle parts and supplies. He explained that the department creates a purchase order for every vendor they have every year and then spends out of that purchase order when buying parts. They are currently looking for a better way for the superintendents to manage their money. Heating fuel costs are based on what we pay per gallon for heating fuel today. A couple of years ago we introduced a wood pellet stove in the break room which has been very successful in reducing our heating costs. Contracted services is up \$25,000 which reflects an increase in the road construction line with was made in the CIP process. Overall the budget is up 1.51%.

Water

Mr. Bartlett said that revenues are estimated at \$904,000 this year, which is \$70,000 more than what we projected when the rate increase was implemented last summer. The projected 2013 budget is

only \$900,000, making this budget the easiest place to see the savings that were just reviewed. If the budget holds true, we may be able to transfer some funds into the water capital reserve fund, which we can draw on in upcoming years for large expenses.

Wastewater

Mr. Bartlett said that he would like to review this budget in three parts. The reorganization that was just discussed explains how the responsibilities of this department would be shared between municipal employees and Woodward & Curran. Revenues are projected at less than \$800,000 this year which can be attributed to the change in fees; people are using less, which is a common reaction to a rate increase. We now have a better estimate of the cost of electricity and contracted services.

Mr. Byk asked about building a solar array to help supply electricity; **Mr. Bartlett** said that will not come into play until after the lagoons are closed and filled. At that time we will begin the design and RFQ process. Now that staff has a better handle of the actual costs of running the facility the fears of having to implement another 30% rate increase have abated. **Ms. Mansfield** asked about the cost of telephone services; **Mr. Bartlett** said that those numbers come from Woodward and Curran, and include the cost of the alarm systems and phone systems. They will be revisiting that estimate soon.

Mr. Bartlett then addressed the principal and interest payments on the Rural Development loan by saying that our payments are about 50% of the operating budget, which is important to bear in mind when talking about user rates in the future. As was discussed in August the \$1 million that was appropriated at Town Meeting will be used over the next few years to buffer the costs. Staff is currently working with the firm that did the original rate study last year to look at what the actual projected impact of the wastewater budget will be. **Ms. Brenner** said that in past years the Town would have gotten 30% of the loan in revenues from the State, which would equal \$120,000 a year that the Town will not receive because the State did not honor its commitment.

As there was no further business, **Chair Kemp** adjourned the meeting at 8:37pm.

Respectfully Submitted,
Nicole MacStay, Assistant to the Town Administrator

PETERBOROUGH
SELECT BOARD:



Barbara A. Miller, Chair



Joe Byk



Elizabeth M. Thomas

ACTION ITEM PENDING LIST

1.