

Municipal Budget Committee Meeting
Allenstown Fire Station
I Ferry Street
Allenstown, New Hampshire 03275
November 21, 2019

Call to Order

The Allenstown Municipal Budget Committee Meeting of November 21, 2019 was called to order at 6:12 pm by Chair Keith Klawes. He called for the Pledge of Allegiance.

Introductions

Present on the Committee: Keith Klawes, Melaine Boisvert, Carol Angowski, Michael Juranty, Bobbie Laflamme, Julie Keane, Tiffany Ranfos, Deb Carney, Dave Coolidge, Jim Rodger, Maureen Higham, Selectboard Representative

Excused: Kris Raymond, Jeffrey Venegas and Ron Cox

Allenstown Staff: Derik Goodine, Town Administrator; Debbie Bender, Finance Director

Present as Presenters: Jeff Backman, Sewer Department Superintendent; Roxanne Chomas, Sewer Department Assistant Superintendent

Sewer Budget

Mr. Backman first invited everyone to take a tour of the sewer plant this Saturday, beginning at 9:00 am. He said it is a great tour and an eye-opening experience. He began his presentation, saying that the Sewer Department budget is up 0.8%, or \$18,925, over last year. Some items have been moved between lines, but it is otherwise similar to the 2019 budget. He referred to the Contractor line, saying the increase there is because of plans to do more lining in the collection system. He said they are rehabilitating pipes by relining them versus excavating and installing new pipes. The relined pipes are like new without the expense of excavation.

Ms. Angowski asked who they use for contractors.

Mr. Backman said they use several. The Ted Berry Company from Maine is one and Smith Pipeline in Bow is another.

Chair Klawes asked how long the relining extends the life of the pipe.

Mr. Backman responded that the relining extends the life of the pipe by 50 years. The installation of new pipes would have a 75-year life. He added that there is a cost savings by leaving the pipes buried in the ground because they are partly composed of asbestos, and if that is dug up, it is costly to dispose of. In the ground it is safe.

Chair Klawes asked if customers would be without service during this process.

Mr. Backman explained that a letter would be sent to customers, asking them to conserve on that day by not doing laundry, for example. A robot cuts out the service for a very short time.

Ms. Chomas said that she and Mr. Backman made an amazing PowerPoint presentation on this whole process, which will be shown during the tour on Saturday.

Mr. Backman said that the lining has no joints, which stops infiltration.

Chair Klawes asked about the warranty on the new lining.

Mr. Backman said he didn't have that information with him but would provide it for the Committee. In addition to the relining, he said, they are planning regular inspections, so that ten feet per year is cleaned and checked via camera.

Ms. Boisvert asked about full-time staff.

Ms. Chomas stated that they have five full-time employees in addition to herself, Mr. Backman and an administrative assistant. She said they have a young staff and they are proving themselves willing and able to learn. They are advancing rapidly in their training and performing very well on the job.

Ms. Angowski asked if there were still three sewer commissioners.

Mr. Backman affirmed that there are three.

Ms. Boisvert asked about percentage increases in salaries.

Mr. Backman said he was able to give a 1.6% COLA this year and had a merit pool of 2.6%. Allentown is underpaid in comparison with Concord or Hooksett. Concord, he said, has a starting salary of \$20 per hour for a new employee without experience. Allentown Sewer has a starting salary of \$13 per hour for someone without certification.

Chair Klawes said that they have been working to get town departments to competitive pay levels, which aids in retention.

Mr. Backman said he does not want employees to expect big raises, and he added that Allentown could never compete with Concord. He said there is a benefit to working in a small operation. Employees are trained to perform a variety of tasks and avoid the tedium of doing just one job over and over again.

Ms. Chomas noted that the Commissioners decide pay rates.

Ms. Ranfos asked if Mr. Backman and Ms. Chomas could put together an action plan to present to the Commissioners.

Ms. Boisvert asked about how Allentown Sewer Department benefits compare with others.

Mr. Backman said that he does not know.

Chair Klawes made a motion to have the Sewer Department prepare an action plan to be presented to the Sewer Commissioners. Ms. Boisvert seconded the motion, which carried unanimously, with the abstention of Mr. Rodger, due to the fact that he is a Sewer Commissioner.

Chair Klawes stated that the Sewer Commissioners would be welcome at a Municipal Budget Committee meeting.

Mr. Rodger said that they were making a big issue of this. He said that the Sewer Department is educating these employees to learn all of the tasks, so that if someone is out sick, others can fill in. At larger plants, employees do just one task. He said the sewer operation is different from the Police Department.

Mr. Backman said they bring in an employee as a Laborer at \$13 or \$14 per hour and then give them training and the opportunity for growth.

Ms. Ranfos asked where they top out.

Mr. Backman said that an Operator would start at \$20 per hour and top out in five to seven years at \$25 per hour. He said they hire people locally and they have advantages such as a short commute and the opportunity to go home for lunch.

Ms. Boisvert said she is concerned that they will be trained on all tasks and then leave.

Ms. Ranfos asked about the years of service of the current staff.

Mr. Backman said he has been there 15 years and Ms. Chomas has four years of service. The employees we have, he said, like it and want to be there. Their range of experience is one to three years. They are relatively new and young.

Mr. Rodger asked how many have left in the past few years to earn more money elsewhere.

Mr. Backman said that two have left for that reason.

Ms. Ranfos asked if something can be done to retain a good employee who claims to have a better offer somewhere else.

Mr. Backman said that has happened and they have been able to do something.

Ms. Ranfos acknowledged that there could be a problem if others 'got wind of that.'

Ms. Boisvert said she heard that a Londonderry plant is not accepting some trucks which Allenstown does accept.

Mr. Backman said he is not aware that there is a plant in Londonderry.

Ms. Boisvert asked if Allenstown has the capacity to take more.

Mr. Backman said that they do.

Ms. Ranfos asked how many bays they have in Allenstown.

Ms. Chomas said they have four bays, and every year they take in one million more gallons.

Mr. Backman said they have 20% of the State market. Another 20% goes out of state, and the rest is handled by all of the other operations. He said Allenstown is the only facility that accepts grease, which produces a lot of revenue.

Ms. Ranfos asked if others are trying to get in on the grease market.

Mr. Backman said that all of them are trying, but Allenstown has a process that works. He said they have a great location and the capacity. The next regional facility is in Plymouth. He added that Allenstown's operation is completely funded by ratepayers; no property tax revenue is used.

Ms. Chomas said that if they keep the user rate down, it is going to hurt the users in the end.

Mr. Backman disagreed with that. He said there is nothing wrong with using revenue to subsidize rates. He said that revenue is also being used for the pump station project.

Chair Klawes asked for an update on the pump station.

Mr. Backman said they are still negotiating easements. Two are done. He said it is not an easy process and they want to do it the right way. By the end of this year, he said, they expect to have all easements negotiated, and they will begin bidding and construction in 2020.

Chair Klawes asked if they have had to go to court regarding the easements.

Mr. Backman said that so far, they have not.

Chair Klawes asked about the financing of the project.

Mr. Backman said they have a State Revolving Fund Loan. It is a 20-year loan. They have the money in the bank and it won't take 20 years to pay it off.

Mr. Goodine asked if there is an early payoff clause.

Mr. Backman said they do not know that yet.

Ms. Angowski noted that the IT line is up \$5,000. She asked if that was a contract.

Mr. Backman said that some of it is contractual and that it is the heart of the operation.

Ms. Angowski asked about the Legal Fees line, which is down by \$10,000.

Mr. Backman said that is hard to predict. They have no pending cases now.

Ms. Angowski next asked about Sludge.

Mr. Backman said there is a budgeted increase of three percent for the contract with Waste Management.

Ms. Angowski asked about the increase of \$9,000 in the Building Maintenance line.

Mr. Backman said they have five miles of electrical wire which must be maintained.

Ms. Boisvert asked about the user rate.

Mr. Backman said the user rate of \$7.50 per 1,000 gallons will not change.

Ms. Angowski referred to the Freight line.

Mr. Backman explained that all freight is kept in one account. He said that they receive \$2.2 million in freight deliveries from various sources over the course of a year.

Ms. Angowski noted that there is no amount budgeted for odor control.

Ms. Ranfos said that five or six years ago the odor was very bad, especially in the summer; there is none now.

Mr. Backman said that Rotor Mixed Pumps have significantly reduced odors.

Ms. Chomas said they receive about four complaints each year about odor, and they can't justify the cost of odor control products without complaints.

Ms. Angowski asked about magnetite.

Mr. Backman said that magnetite is a natural compound, a magnetic iron ore product which is delivered to them in the form of powder. It increases the capacity of the plant through the use of a magnetic drum which allows wastewater to settle rapidly in the clarifiers. He said he budgeted for one extra truckload this year. Each truckload carries 20, two-ton bags. He added that 85% to 90% of the magnetite is recycled. That is, it is pumped back into the plant.

Ms. Angowski asked what percentage of the total waste processed is generated by Allenstown.

Mr. Backman said it was 35%.

Ms. Ranfos made a motion to approve the budget of the Allenstown Sewer Department. Ms. Boisvert seconded the motion, which carried unanimously, with Mr. Rodger abstaining because he is an Allenstown Sewer Commissioner.

Storm Water Budget

Mr. Goodine said that the expenses for stormwater management are related to the MS4 and mandatory testing. The process is about controlling the discharge of stormwater into outfalls. He noted that Concord is not in the watershed and therefore does not incur these types of expenses. Allenstown, he said, is ahead of the curve in this process, having done a lot of consulting work. Much more will be done in terms of educating the public, which is a vital part of the process. The Planning Board is working on Illicit Discharge and Post Construction ordinances to be presented at the Town Meeting in March. The goal is to avoid contamination of catch basins. The Administration line is down \$2,000, as is the Storm Water Testing line because a lot of this work has been done. The Engineering line is down \$1,500 for the same reason. The total for this budget is \$33,500.

Chair Klawes said that the former Town Administrator suggested testing upstream to see what is flowing south.

Mr. Goodine said he favors doing only what is required. The only contamination found was related to a resident putting leaves and dog waste into the storm drains. Once they were educated about that, it was re-tested and there was no problem. He said educating the public is important. Much of this is done on the website. Since many communities are involved in this, they share educational materials.

Ms. Boisvert asked about fines.

Mr. Goodine said there are none at this point. The goal is to establish a baseline and ensure that is maintained. Industrial operations are another issue. He added that many communities with snow dump

areas are adding settlement areas so that contaminants can settle into the ground before the snow is allowed to flow into the storm drains. Other communities have a 'Roof Top Tax,' whereby residents pay for MS4 costs via a tax on the area of their roofs.

Street Lights Budget

Mr. Goodine noted that the cost for energy and maintenance of street lights is down \$500. He asked everyone to call Town Hall if they notice that a light is out.

Chair Klawes asked about the number of street lights in Allentown.

Mr. Goodine said he would get that information for the next meeting.

Solid Waste Budget

Mr. Goodine said that the first four items in this budget relate to the transfer station where a \$1,500 wage increase is proposed for the part-time employee working there. Maintenance and General Supplies each have a decrease of \$50. The last two lines of this budget, Collection and Disposal, relate to the three percent annual contractual increase with Casella.

Ms. Boisvert said that with dump stickers no longer being issued, she wonders how the attendant knows that the person making a drop off is a resident.

Mr. Coolidge said that the attendant knows everyone. There are regulars.

Mr. Goodine said he would check with Marc Boisvert about that procedure.

Town Administrative Budget (continued from the last meeting)

Ms. Bender reported on her research of the Town Report situation. She said that 250 copies were printed last year at a printing cost of \$3,600. The printer told her that he has a new printer and the cost next year will be only \$2,500. Postcards would cost \$21 for 150. Regarding Health Insurance, she estimates a cost of \$21,000. She said her budget amount of \$240,000 allows wiggle room for adding four more people, either as four individuals or as two new two-member plans.

Mr. Goodine said that for the Planning Board, the Contracted Services line has been increased from \$3,500 to \$6,000 because of two major developments: China Mill and a possible assisted living facility. This would be at the corner of Chester Turnpike and Route 28. The developer is looking at a four story, 60-unit facility. It would be on two acres of land and would add \$16 million to the tax base with no children adding costs to the School budget. A variance or ordinance change would be needed for the four-story building, as the town now limits buildings to three stories. He added that Tri-Town EMS could realize additional revenue here by transporting people home from the hospital.

Ms. Boisvert asked if the town could offer incentives for this project.

Mr. Goodine said that they could take advantage of the tax break incentive, which would mean no property taxes for the first two years, an 80% reduction for the next two years, 60% for the fifth and sixth years, 40% for the seventh and eighth years, and 20% for the ninth and tenth years. Mr. Goodine continued, saying that the Master Plan is complete, so there is no money budget for that in 2020. Now they will be working on the CIP, with a plan to be able to charge impact fees when that is done. Because

of anticipated required public notices, the Advertising line for the Planning Board has increased by \$1,000. The ZBA Advertising line and Dues & Training line are down. Turning to General Government Buildings, he said that Custodial Services are down \$900. This service cleans Town Hall and the Community Center; it is shared with the Parks & Rec maintenance person. Repairs and Maintenance are down from \$10,000 to \$9,000 because a lot of this work has been done. He said they have been having trouble with the boiler at Town Hall and should be putting money away for that.

Chair Klawes asked if they had thought about moving Town Hall to the second floor of the Fire Station, which is vacant, rather than putting more money into an old building which is not energy efficient.

Mr. Goodine said they would need an elevator.

Ms. Bender said the second floor would need a lot of work and would cost about one million dollars.

Chair Klawes said that perhaps the Town Hall functions could use part of the first floor and part of the second, with the Fire Department also using one-half of each floor.

Mr. Goodine explained that the Cemetery line is up from one dollar to ten dollars. This is to keep all dollar amounts rounded to tens. Property Insurance is up \$10,340, he said, mainly due to newer vehicles in the fleet. The Sewer Department is responsible for about 15% of this line.

Ms. Boisvert asked about the insurance provider.

Ms. Bender said they are part of a Primex pool

Mr. Goodine said that the Central NH Regional Planning Commission has increased its fee, so this line has been increased by \$140. The fee is based on Allenstown's percentage of the total population they serve. He said they are working on a Road Surface Management Program, whereby the town will be able to systematically make repairs to roads based on analysis of the condition of all town roads. This process will save money by repairing roads as necessary before they need to be redone and will also allow for more accuracy in budgeting. Furthermore, road projects can be coordinated with water and sewer projects for added efficiency and cost savings. Next, Mr. Goodine reported that the Building Inspector line is down \$1,000. This is for the salary of a part-time Administrative Assistant who divides time between the Building Department and the Fire Department on an 80/20 basis. He said they have just hired a new Code Enforcement Officer, who also works for Windham. He will work on Mondays from 7:30 to 11:30 am at a rate of \$40 per hour. The Emergency Management Officer receives a stipend and is also the Health Inspector. He is a former Police Chief and will be updating the Emergency Management Plan. Mr. Goodine said that Public Works is implementing an Asset Management Plan; the Sewer Department has been using an Asset Management Plan a while now. This is something which the auditors are looking for. He said that the Generator line is for the maintenance of six generators in town. He said that the River Gauge expense of \$3,200, which monitors flood potential, will no longer be split with Pembroke because they do not wish to participate when the contract ends sometime next year. Allenstown will have to decide whether to continue with it or not.

Next Meeting

Chair Klawes stated that the next meeting would be on December 5, 2019, with agenda items including finishing the Administration budget and reviewing the Highway and Library budgets.

Review of Minutes

Chair Klawes said that he would like to amend the November 7th minutes to include a listing of members excused.

Ms. Angowski made a motion to approve the minutes of the November 7, 2019 meeting as amended by Chair Klawes. Ms. Ranfos seconded the motion, which carried unanimously, with Ms. Boisvert abstaining because she did not have a chance to review the minutes and Ms. Laflamme abstaining because she was absent from the November 7, 2019 meeting.

Ms. Angowski made a motion to adjourn at 8:30 pm. Ms. Boisvert seconded the motion, which carried unanimously. The meeting was adjourned.

DRAFT