

MINUTES OF FINANCE COMMITTEE MEETING
EXECUTIVE CONFERENCE ROOM
June 26, 2016, 9:00 a.m.

Committee Members present: Councilor David Witham, Chair
 Councilor Dale Sprague
 Councilor Martin Pepin

Administration/Staff present: City Manager, Bob Belmore
 Finance Director, Scott Smith
 Public Works Director, Mike Bobinsky
 Roy Remick

Chairman Witham called the meeting to order at 8:32 a.m.

MINUTES OF THE PREVIOUS MEETING

Motion made by Councilor Pepin, seconded by Councilor Witham, to accept the minutes of the meeting of May 26, 2016 as presented. Motion carried by a vote of 2-0, with Councilor Sprague abstaining.

WWTP LOADER BIDS.

Director Bobinsky explained that the replacement loader is in the fy16 sewer budget, and allows for \$95K. In the spec for bid, they included a trade in opportunity. Had a few people look at the unit before the bid was due. They received a few proposals. See handout for bid info.

They were pleased with all of the proposals. All of the units are good and the best of what we can get for our dollar. Caterpillar stood out and training is provided. The Cat can be delivered immediate delivery.

Councilor Sprague asked why they did not choose a backhoe. There was lengthy discussion and it was determined that the front end loader is best for their needs.

Motion by Councilor Sprague, seconded by Councilor Pepin, to endorse purchase of the Cat 908M. All in favor.

City Manager Belmore asked about the warranty, and that we will get the full 5 years of use. It was confirmed.

VEHICLE FLEET PURCHASES

Director Bobinsky distributed a handout which summarizes the vehicle purchases for fy17. They asked the Committee to acknowledge and grant permission to use state grant contracts on most units. They would like to shift toward some standardization with the fleet.

The plow truck, will be a replacement unit to the current 1989 ford truck, has some limits beyond the age. It cannot plow; only salt/sand. They would like to pursue a contract with Peterbilt of NH. They will buy the chassis and add the salt/sander and other needed attachments. The department has used International Chassis in the past, but have experienced some problems. The Peterbilt is expected to go 10-15 years or more with regular maintenance. They are willing to provide a municipal agreement, which matches the state bid. The original cost is about \$139,000K, and will give to us at \$94,000; a substantial discount.

City Mechanic Remick, said he researched many trucks. Peterbilt is the best value for their dollar. Offer everything they want. It has a Cummins engine, 5 year coverage plus powertrain, all automatic, double frame. The body will be an 8 ft steel. Slide sander. Hot top shoot.

Councilor Witham said he knows some of the other communities have moved to a Peterbilt fleet for similar reasons.

Councilor Witham supports the idea of a single source purchase. Competitive cost, serviceability, safety, visibility.

There was discussion about colors.

There was brief discussion about the Police parking vehicle and vehicle for code, rec pickup, and to move forward with everything at once.

Councilor Sprague, seconded by Councilor Pepin, made a Motion to endorse the sole source purchase. All in favor. 3-0.

REPORTING.

Finance Director Smith gave a report and printout of the general fund. Police is over budget, due to payouts. Public Works is over budget because of street lighting. Fire is ok but will need a transfer by the end of the year.

The software conversion is going well. They will be live with utility Jan 1 2017, and live for tax in July 2017. It has changed the operations a little bit, a lot was the conversion of the chart of accounts. The big one is the payroll, but it has gone very well. The big issues will be utility and tax billing. All in all it has gone fairly well.

MISCELLANEOUS

City Manager, asked about road repair cost estimates.
Director Bobinsky distributed a handout with cost estimate by streets.
Wiggins Court is scheduled for just the basic, shim and coat.

The other streets, as we get closer to the utilities, and core samples, using data from the water distribution report from WrightPierce, the costs are high. Higher than estimated.

The water main on Indigo Hill Rd is in a degraded state. It definitely needs to be upgraded.
There are other priorities on High street like curbing, etc; maybe the utilities on High street could be upgraded a later time

On the handout, the total cost is about \$2.1mil, and about \$925k of that is water utility cost.

The breakdown is specific to water. It includes the service in the right of way. The stub to the curbstop, gate valves, shutoffs.

On the handout, the breakout costs includes parking improvements, storm drain improvements to the area around the school on Memorial Drive, and the sidewalk on one side of Indigo where there is no sidewalk.

Councilor Witham said this conversation is more about the utility work. We need to do Memorial Drive completely, not many failures on High Street and Down Street. Indigo Hill needs more conversation. We should consider doing the utility work on Indigo Hill and Memorial Drive and forego the others.

Councilor Sprague said we need to look at Main Street. Need to rebuild the whole street. Start with the water, utility.

Director Bobinsky said there has been a lot of research. We are leaning on the city wide evaluation by Wright Pierce. The work of the core samples will provide the information needed for the correct hot top in the High Street area and other areas.

There was lengthy discussion about High Street; leave the water main in place, but replace the curb stops... when the sidewalks are repaired. Mill and over lay on high street. Don't want to disturb the curb after we have it in.

Councilor Pepin asked if it would be better to put this off for a year.
There are a couple moving targets on High Street; the intersection at Franklin, the Pedestrians at Memorial, and the area of Verona needs to be repaired. Just some patchwork at the bad area.

City Manager Belmore expressed his concern that this is not out to bid yet. It is time sensitive.

Councilor Pepin, seconded by Councilor Sprague, made a motion to not include the High Street section in the bid. The motion passed, 3-0

The agreed to alter the bid for delineated sections on High Street for patchwork repair to get us by.

The committee endorsed the move forward with the bid, and move forward with the water line projects on Indigo Hill and Memorial Drive, and the sidewalk on Indigo Hill. Bid the school piece as well.

SEWER FEES

Finance Director Smith explained that we currently charge \$1800/bedroom or equivalent (which is 75gallons per day) for the sewer connection fees. Also allows for change of use. A new business needs to pay if they change from, say, office to restaurant, where more there is more impact on the sewer, however, there are no fees or refund for restaurant to office, etc.

Bonfire Recovery is what has spurred this conversation. Based on the calculation their fee would be about \$87,000. That greatly changes the estimated the amount of water usage.

They have looked into other communities. Rochester uses a fee based on the gallon usage.

Councilor Witham said the question is, should the ordinance be revised. There have been discussions about the wastewater, and additional load.

City Manager Belmore said there is also a sewer betterment district, is \$250 per bedroom, not \$1800 per bedroom, basically the expansion on Rt 108.

Councilor Sprague said the timing is terrible. After all of the permits are approved by Zoning, they are then hit with the Sewer Fee. They get a sewer and water bill every month. If they build an office, there is an impact fee. Then a change of use to restaurant, then to an office, then to a restaurant... how many impact fees are we going to charge on one property? We don't do that with houses. We don't charge at each sale. Councilor Sprague said we should be more attractive than other communities, and with the high rates it is discouraging new businesses.

Councilor Witham said this should be part of the planning process so it is determined early in the planning stage.

Councilor Witham said he likes the idea of getting rid of the betterment district. We need to look at the ordinance; he feels the fees are too high. He suggests that staff look to other communities, and he would like a recommendation.

Councilor Pepin, seconded by Councilor Sprague, made a motion to adjourn at 9:50am. The motion passed 3-0.

Respectfully submitted,

Trish Harris, City Clerk