MINUTES OF THE SELECT BOARD & ADVISORY BUDGET COMMITTEE BUDGET WORKSHOP

December 11, 2019

Board & Committee members present: Chairman Bugbee, Selectman LaCourse, Selectman Brown, Chairman Thomas Murdoch, Brian Burke, Rebecca Hawthorne and Pat Barbour
Not present: Alice MacKinnon
Others present: John and Anne Tappan, Pat Jenkins, Cord Blomquist, Jeff Lipoto, Bob Smith, Paul and Annie Gasowski, Chris Lemelin, Wayne Lehman, Caren Rossi, Scott Nemet and Town Administrator Julie Glover.

1. Chairman Bugbee calls the meeting to order at 6:30 pm and turns the meeting over to Mr. Murdoch. TA Glover explains in order to make the website ADA compatible there are a few changes that can be made immediately. Scanned documents are not readable by the software programs that are available to people who are visually impaired. Therefore, we need to get as many documents as possible as original word docs and then covert them to pdf’s ourselves and then post on the website. These are readable. Since there is no requirement that minutes are signed we can approve the minutes, reflect the approval in the minutes and post them that way. Tom Murdoch moves to accept the November 14th minutes. It is seconded. All in favor. Motion passes. Tom Murdock moves to accept the November 7th minutes. Ms. Barbour seconds. All in favor. Motion passes.

2. Caren Rossi presents the Fair Committee budget. The budget was $4000 plus $500 that was left over from last year. The Fair Committee raised the balance for the fireworks. The Fair Committee would like the entire amount for the fireworks this year which is $7500. The fair itself is funded by sponsorships.

Ms. Rossi states that in the overall Planning and Zoning Budget there is a $1000 increase. The building permit software went up $100; outside consulting needs to go back up to $1050 from the reduced $900 amount; equipment lease is up $200; postage has increased from $1700 to $2000; and electricity has increased. She thinks it would be reasonable to decrease the legal line by $5000. This would make the budget an overall decrease of $4000. Ms. Rossi meant to ask for $500 for the OT line for Bill. Last fiscal year (FY) they had an estimated cost of construction of $9,243,490 with a total of 446 permits. Out of the 446 permits, 21 were for new homes. This year to date the total cost of construction is $2,939,423 and the total permits issued to date is 315 and out of that is 14 new homes. So far Ms. Rossi has not had any issues with not being members in the Strafford County Regional Planning Commission. She is just paying for things as she needs them.

3. Chris Lemelin, Director at McGregor, explains that the way that they arrive at the appropriation figure is by looking at 3 fixed costs; UNH Dispatch costs; the Station Lease; the overnight paramedic coverage. They divide this amount based on the call volume in the last year. Lee’s is 28% of the total call volume which comes out to $21,827. McGregor is asking all the communities across the board to pitch in $4k more than last year. That amount would be $1,628 more from Lee. The number of calls has not decreased in Lee but they have in Durham and UNH. Last year they took a $90k loss. There is a short discussion about a new ambulance facility and the fact that this has been a need for a long time.

4. Scott Nemet, Fire Chief, states that there will be no changes to the EOC budget for the next FY. Currently he is the director and Ms. Rossi is the assistant director. They are still upgrading
things in the kitchen. He reminds everyone of the winter storm a few years ago when they fed over 600 people in 3 days. They have purchased a lot of new cots to replace the ones that were destroyed by mice. His biggest concern is, if there is an emergency, he doesn’t have enough people to help. Selectman Brown is concerned with this as well. Chief Nemet states that there should be at least one drill per year, but it is a lot of work to schedule. Between the State and Homeland Security it is probably a 3-4 month process.

5. Chief Nemet states that his fire department budget has increased by 1.33% from last FY. They continue to see a decrease in the on-call staffing levels and the participation. They have seen a 54% decrease in their on-call members from 2016-2019. Chief Nemet has been on this department for 20 years and it’s always been a handful of members who do everything and keep the department afloat. (He presents a list of calls and who responded.) They need to figure out the housing issue. Chief Nemet plans on coming back every year asking for more full-timers. He knows this is a difficult situation but his long term goal is to have 4 full-timers on 24/7 within 5 years working with the part-timers and on-call members. They need their on-call members to survive. He wants to also make all the full-timers Lieutenants. He would like to add another full-time firefighter for FY21. Currently his budget has a 1.33% increase or $6,836. If the full-time position was approved the budget would increase by $48,041 which is a 9.3% increase in the fire department’s budget. The Town’s overall budget would increase $82,402.18. They briefly discuss the different schedules that can take place. TA Glover points out that the overall budget number that the Chief gave is on the higher end. It all depends on insurance costs. Jeff Liporto has taken on the inspections and is helping out with the daily operations in the station which has been great. They are starting to charge for permits and are working on a new reporting program which will help keep better track of the inspections. The command vehicle has been working out great by assisting with operations and especially accountability. There is a brief discussion surrounding ISO rating and the impact that it has on homeowner’s insurance rates. According to the Chief, Lee needs to improve on its rating.

6. Cord Blomquist, Town Center Vision Committee (TCVC) Rep, will present the TCVC Town Office proposal. First, he reminds everyone that the TCVC revised charge is to focus on building an office building with the understanding that this would allow the Town Hall to be renovated and returned to a meeting space. The Select Board decided in September to move forward with a two-story office building. This building would house all the administrative functions of the Town, provide dedicated private meeting spaces, provide monitored and controlled access to the building and create a more efficient work space for Town staff. A two-story building with an elevator stood out during their evaluations by providing more interior accessible area, reducing the building’s footprint and providing the least impactful design. This makes the two-story building better both in terms of the environment and preserving land for future use. The TCVC has created this provisional site plan that shows a possible location for the office building and a layout of the parking lot. The Parish House is shown here but they have no plans for the Parish House. The Heritage Commission is pursuing plans for that structure. He shows the interior layout of the first floor of the office building. The layout is provisional and created to make sure that everything that is needed fits and so they could calculate the cost for building this building. The 1st floor contains the Town Clerk/Tax Collector and the Planning and Zoning Offices. The 2nd floor houses the Select Board offices. The basement provides space for mechanical room, elevator room, an IT closet and other
necessities. With the new office building built, the Town Hall could be vacated, renovated and turned back into meeting space. This could be funded up to 50% through an LCHIP grant. The TCVC is taking significant steps towards securing that grant. In October the Select Board approved an assessment of the Town Hall which is now underway by AECm Architects. This includes assessing the current state of the building, providing detailed costs of renovation and preparing a report that meets LCHIP guidelines.

John Tappan, TCVC Rep, presents the budget for this project. The conceptual project budget is based on 3 estimates from 2 independent cost consultants. The two-story municipal office building, full basement, elevator, a foot print of 3200 sq. ft. and finished area of about 5500 sq. ft. would cost $2.23 million including design costs. Site development which includes land clearing, utilities, parking lots, walkways, site lighting and landscaping would cost $530,000 including design costs. Contingency at 5% adds $138,000. Bond counsel may be up to $14,000. The total would be $2.91 million. Separately budgeted Town Hall renovation is expected to cost about $400,000. A more accurate number to come after the assessment is complete. A search was made for possible grants and the Town has existing Capital Reserve Funds to drawn on. The balance will come from a Bond. Total cost is $2.91 million. Of the grants identified the Town would not qualify for USDA Grant or a CDFA Grant. We are too rich.

From the Town Buildings Capital Reserve Fund, the Capital Improvement Plan does not show any Town Center Building withdrawals that would be replaced by the municipal office building construction. From approximately $220k available in the fund, a withdrawal of about $112,000 is suggested. Other sources such as fund balance are possible and the remainder $2.8 million would come from a bond. A 20 year bond is proposed. The net interest cost for 20 year bonds issued by the NH Municipal Bond Bank on June 4 was 2.6%. This is a decrease from the 3.05% this past January. The tax rate increase would be 44 cents. In FY21 the Town Hall renovation at $400k would add 32 cents to the tax rate. Due to an increase in operating and maintenance costs they estimate an 11 cent increase to the tax rate. In FY21 the projected tax rate increase above today’s rate is 29 cents. The largest increase happens in FY22 when the added debt service and O&M will add 44 cents to the current tax rate. In FY23 this amount drops to 42 cents and then 27 cents in FY24. This year the median house value in Lee is $230,500. This property valuation would see a tax increase of $66 in FY21 and $100 in FY22 dropping to $94 in FY23 and $61 in FY24.

7. Bob Smith states that the plan for the Highway Equipment Capital Reserve Fund is to expend for new tires for the loader and having it painted. They need to replace truck 4 which is currently a Ford 350 pickup. Steve Bullek has increased this fund by $20k. Mr. Bullek reviewed his funds and has made some significant changes in both timing and in dollar value. The most significant one is in FY23 he says he will need to replace truck 3 with a used truck. Randy had a new truck there. Mr. Bullek has moved out the trailer. In FY25 he will need to replace truck 5 which is a small dump truck. He did all of these changes by maintaining the same deposit for this trust fund.

The plan for the Roads and Bridges Capital Reserve Fund is that there are no requirements this year. Mr. Bullek has moved the Fisher Brook culvert replacement out to FY23. He is adding Tuttle Road pipe and doing it himself. He has moved out a ½ mile of rehabbing the road to FY24.
The plan for Code Enforcement’s vehicle is a place marker. Every year they look at it and don’t have to replace it they can move it out. This vehicle is a hand me down vehicle from the police department.

The plan for fire equipment is to get the 3rd thermal imaging camera which is $15k. Engine 1 is up to be replaced. The plan is to trade in the old tanker at the time of purchasing the new one. Chief Nemet would like to put it on the warrant this March and order it right away because it could take a year to make. Currently the Fire Equipment Reserve Fund has about $433k. The new engine will be approximately $575k.

The Fire Department new radio infrastructure has been added for FY26 and the radios for FY27. The idea of leasing is introduced and discussed. Chief Nemet proposes a new idea which is a lease to own program for the portable radios. He has all the paperwork figured out for the financing. Now he just has to figure out which one will work as a warrant article. He is investigating using an existing tower across from the racetrack.

The command vehicle is working so well that it is in for replacement in FY29. This was not in the plan before. Every five years they have a new replacement rig in the CIP. This can’t work with the radio infrastructure in there. The closest Mr. Smith can do is FY25 and FY30 for the rescue vehicle. To do this, he would have to increase the deposits to $175k for the first 5 years.

There is no plan to do anything for cisterns and fire ponds in FY21. Repairing Elder Osborne cistern is in for FY23. The Lee Hook Burley DeMeritt Farm has been moved out from FY21 to FY24. The Town Center one has been moved out from FY23 to FY27. This would be moved up if the municipal office building plan passes. The Tuttle Road has been moved out two years as well.

The plan for the Transfer Station is to replace one of the roll offs. Mr. Bullek has revised and reduced what is needed at the Transfer Station such as going from 4 Bobcats to 3. At this point 4 are still in the CIP.

The Library has no change in their plan.

The Conservation Commission has $250k in the plan now and they feel that is sufficient.

The Police Department has a new patrol car in the plan for every year.

There is no plan to do anything in Recreation in FY21. Mr. Smith received an email from Larry requesting a deposit of $10k into the trust fund to rebuild the tennis court at Town Memorial Field. At the end of FY23 their plan right now is some landscaping and some field improvements on Stevens Field. Once that is finished everything goes away. With no plan there, there is no way they can recommend trust fund deposits.
The plan for Town Buildings is a new furnace in Town Hall and a new furnace in Town Hall Annex, new sand/salt shed at the Highway Department and re-painting the inside of the Library.

The overall CIP is a 4.6% increase over last year.

Selectman LaCourse states, with regard to highway equipment he is not enthusiastic about Steve Bullek’s decision to come down from $180k to $60k because he thinks he can get a used truck. He feels that they should keep that money in the budget at the new price and if he happens to find a used truck then great. Mr. Smith says that they have not dropped the deposits into the trust funds so the money is there if need be.

Selectman LaCourse motions to adjourn at 9:08 pm.

Minutes accepted by Lee Select Board and Advisory Budget Committee on January 6, 2020.

Minutes transcribed by Denise Duval, Town Secretary