

Barre Town Budget Committee Meeting

Proposed Budget for Fiscal Year 2015 - 2016

Minutes for February 10, 2015

The duly warned meeting of the Barre Town Budget Review Committee for the proposed 2014-2015 fiscal year budget was held February 10, 2015 at the Barre Town Municipal Building, Emergency Operation Center, Lower Websterville at 6:30 p.m.

The following members were in attendance: Chair Rolland Tessier, Jeff Blow, Rob LaClair (arrived at 6:55 p.m.), Tom White (arrived at 6:40 p.m.), W, John "Jack" Mitchell, JP Isabelle, Scott Hutchins, Paul Malone, Chris Day, and Jaimes Fewer.

Also in attendance were: Town Manager Carl Rogers, Town Clerk-Treasurer Donna J. Kelty, Town Engineer Harry Hinrichsen, Aldrich Public Library Trustees Nancy Pope and Rob Spring.

CALL TO ORDER

Town Manager Rogers called the meeting to order at 6:35 p.m.

MINUTES

On a motion by Malone, seconded by Fewer, the Budget Committee voted unanimously to approve the minutes of February 10, 2015 with the following corrections:

Page 1, Heading, change the date of January 27, 2015 to February 3, 2015.

Page 1, Presentation of the Aldrich Library: 6th bullet, end of first sentence insert the word needed after replacement;

Page 1, Presentation of the Aldrich Library: 7th bullet, add the words the funds between the words but and were;

Page 2, Questions & Answers, second sentence delete the word know and insert the word known;

Page 2, Homework Assignment, first paragraph, first sentence, delete the word of. LaClair was not present for the vote.

QUESTIONS & ANSWERS

The Manager distributed the Highway and Equipment Fund budgets. There were no questions at this time. Malone did request a "Highway Divider tab" for his budget book as he did not have one. The consensus was to discuss the Aldrich Public Library question when LaClair arrived.

CEMETERY FUND

Rogers stated the budget will increase 2.26% (\$1,390). Something new for the Cemetery Commission is a project to replace very old broken headstones in all three cemeteries. The Town is receiving a very good deal from GIV for the replacements (13 for \$2,600 or \$200 each). The headstones will be granite, similar in style to the marble ones, with inscriptions. The bottom line is there will need to be an increase in property tax support of \$2,065.

Revenues: Right after property tax support the biggest revenue is the sale of lots/columbarium niches and services. This spring the Commission will be looking at our pricing to determine if adjustments are needed.

It was noted that part of the revenue for a niche is put aside in a capital reserve account. Once 48 niches have been sold there should be enough money in the reserve account to build another unit. Currently we have \$13,000 in our reserve account with 25 of the 48 niches sold.

Expenses: The Manager noted that the Sexton works half-time for Cemetery and half-time for Recreation - thus the split in his wages. Other notes of interest were: holiday pay for seasonal workers; flag purchases for Veterans; the transfer of revenue to the columbarium reserve account; and insurances.

CEMETERY TRUST FUND

BUDGET COMMITTEE MEETING OF February 10, 2015 continued:

With every sale of a lot or columbarium niche a portion of the proceeds are placed in a perpetual care trust fund. The Town cannot spend these dollars for operating, but can use the interest earned for operating expenses. The majority of our trust money is invested with Edward Jones in accordance to the Investment Policy approved by the Selectboard. Funds are laddered and the interest rate yield is around 5.5%.

ALDRICH LIBRARY DISCUSSION

Jeff Blow started the discussion with a follow-up to a statement made at the last meeting. He would be willing to consider level funding the Aldrich Library appropriation in this budget (\$115,000) and have this Committee ask the Selectboard to put a special article on the ballot for an additional amount to be determined. If the special article is approved by the voters then there would be clear evidence to support more than a cost of living increase.

Isabelle stated he would be more inclined to increase the budgeted line item appropriation by perhaps half of what the bond payment was. However, he wanted to make it clear that the Committee has not reviewed the rest of the budget which may change his mind about the amount of a line item increase. Overall he could support the special article.

Rogers distributed a handout for discussion. In it he noted the Committee's options:

1. Do nothing. No increase or give a cost-of-living type increase.
2. Plan for 4 annual increases (\$10,000, \$10,000, \$10,000, and \$15,000) to reach a \$45,000 more than we are giving now. The \$45,000 represents the Town's half of what is needed to reduce the Library's need to use any of the principal on the endowment fund(s).
3. Increase the appropriation by \$45,000 now.
4. Increase the appropriation by \$120,050 now to the full amount (\$235,050) requested by the Library.
5. Seek voter approval of a bond issue for half the capital projects (estimated at \$180,000). The Town's share of \$90,000 could be repaid over 5 years.
6. Do number 5 in conjunction with Options 1, 2, or 3.

The Manager stated that in Barre Town \$60,900 is equal to 1¢ on the tax rate. Our current contribution of \$115,000 equals \$14.51 per capita and 1.88¢ of the tax rate. Grand List values divided by population impact the per capita rate. Some towns could be contributing \$25/capita to their library with little tax rate effort; other might be making a lot of effort to contribute \$25/capita. An example is Stowe which has a large grand list/population. So a penny on the tax rate raises more dollars. Barre City's Grand List is lower and smaller population so 1¢ is only equivalent to \$48,000.

Other points of discussion included the concern with the Town paying more than the City, when there are more users; and that the intent of the Library Board was to use the Semprebon Endowment for as a capital improvements fund. The Library Board stated that while it would appreciate the bond for all repairs it would not cure the existing problem - continual underfunding of operating expenses which are already bare bones. They would prefer working on increasing the municipal support.

SEWER FUND

The proposed budget is increasing 1.19% or \$10,820. Changes include an increase in the new audit contract and a share of bookkeeping services; a decrease in various insurances, and an increase for electricity use at the pump stations and metering sites. The B.O.D. is at a lower rate and the user fee will remain the same. The Town is still waiting for a couple of bills from Barre City for the Main Street sewer line project and work at the sewage treatment plant.

Revenues: The number of connections is up slightly and the revenues are expected to exceed expenses.

The Committee discussed the Sewer Vactor which will need to be replaced soon and is not in the 5-Year Equipment Plan. The vactor is used by the DPW for cleaning manholes and

BUDGET COMMITTEE MEETING OF February 10, 2015 continued:

culverts. Paying for a replacement should be split with DPW (80/20). In the event there is excess revenue a thought is to designate some of the funds toward a vactor replacement. *The Manager will have the staff look into the cost of new and used vactor, whether or not we could trade-in the one we have, and the market value of our machine - as is.*

Expenses: A new item in wages is part of the billing clerk (works in Assessor's office) wages. She assists with supplemental billing and tracking changes in use. Another big change is in the telephone bill which is cut in half due to the new town phone system (Sovernet) and negotiations made with Verizon for wireless contract rate reductions. The Manager also spoke to Engineering Services, VMERS retirement rate increases, the collection system costs (55.85 miles of sewer pipe) and other services like root control, meter calibration, and B.O.D. testing. Sewage treatment expense is 2/3 of the sewer budget.

SEWER CAPITAL IMPROVEMENT

This fund receives its revenue from connection permits, line extension fees, and interest. The projected June 30, 2015 balance will be \$522,967. With interest rates being low the funds are kept in the General Fund sweep account. This fiscal year approximately \$300,000 will be invested with Edward Jones (similar to the Cemetery perpetual care). The interest will be returned to the fund and used for operating expenses.

The only expense is for debt service (Waste Water Treatment Plant loan) which is \$18,125 annually.

HOMEWORK ASSIGNMENT

Next week the Committee will review the Highway and Equipment Fund budgets. If you have questions prior to the meeting feel free to call (479-9331) or email (crogers@barretown.org) the Town Manager.

Reminder: Should you be unable to attend a meeting or will be late, contact the Town Manager as soon as possible. He will also be available if you want a one-on-one session to catch up on the information you missed. The Budget Committee meetings are audio taped and will be another resource available to you. All meeting minutes are posted on the website (www.barretown.org).

NEXT MEETING

The Budget Committee meeting will reconvene on Tuesday, February 17, 2015, 6:30 p.m. at the Emergency Operation Center, Municipal Building in Lower Websterville.

RECESS

On a motion by Isabelle, seconded by White, the Committee voted unanimously to recess the meeting at 8:42 p.m.

Donna J. Kelty, Town Clerk-Treasurer

Barre Town Budget Committee

x _____
Committee Chair

x _____

x _____