

Pownal Budget Committee

Meeting Date: March 23, 2011

Meeting Time: 7:00 PM

APPROVED

Members Present: Andy Wyatt, Carlene Harvey, Bill DeWitt, John Green, Jan Pieter van Voorst van Beest, Scott Kaplan, Mary Ann Hodsdon

Guests: Shawn Bennett, Jesse Peters, Jamie Welch presenting for Solid Waste, Jim Boyles presenting for Capital Projects, Rodney C. Richard, Matt Chipman

Selectmen Present: Fred Fauver

The meeting opened at 7:03 PM. There were seven members present and a quorum was established.

Secretary's Report: There were a number of changes in the minutes of March 9, 2011:

- * Andy Wyatt requested that dollar signs be added to monetary figures
- * Andy asked about the statement "Vehicle maintenance has increased". The increases are in both cost and need.
- * Fire Chief Jesse Peters requested a change in the section on Mutual Aid and ISO. The rating change could mean reduced rates for home owners
- * Andy asked that the minutes include the date.

Andy Wyatt made a motion to approve the minutes with the changes. Jan Pieter van Voorst van Beest seconded the motion. Carried

Public Comment: Compensation Committee Report: Jan Pieter van Voorst Van Beest asked how to proceed with the presentation from the compensation report. Does the Budget Committee vote to support the presentation? Carlene Harvey reminded us that historically, all presentations are voted on at the same time and the Budget Committee recommendations are then given to the selectmen to be included in the warrants for town meeting. Members of the committee felt that the report of the Compensation Committee should be voted on at the same time as the budget recommendations.

Scheduling: The Budget Committee is scheduled to meet on the same evening Wednesday, April 13, 2011 as the budget meeting for RSU5. Does this committee wish to change the schedule? No

Capital Projects: The Capital Projects 2011/2012 budget includes three recommendations to the selectmen. The first item is to add \$75,000 to the capital projects fund.

The second item is a dump truck for public works. The estimated cost of the truck is \$145,000. This truck has been planned for and the money is available in the capital projects fund to purchase the truck.

The third item recommended is the purchase of a \$310,000 tanker pumper for the fire department. Recommendations in favor of the purchase are:

Age and need for repairs of the existing tanker

The tanker originally was an oil truck and the baffles are different for oil or water

The existing tanker is "homemade" and the municipal insurance company MMA is considering dropping insurance on homemade fire equipment.

The new tanker would have the same water capacity, but greater capacity to fill and dump water on scene.

This purchase has been on the capital Projects budget plan since 2008

Cost of new tanker pumper. The cost of the tanker pumper exceeds the usual \$250,000 limit for a capital project, and the committee would usually recommend that it be put out to bond. However, the committee recommends that it be purchased with a lease/purchase agreement. In such an arrangement the down payment (\$170,000 from capital projects account) and ten years worth of lease payments (\$169,000 from taxation) yield a total cost of \$339,000. A ten-year bond would cost \$373,000. Moreover, a comparison of the two approaches, one that includes

*Bill DeWitt * John Green * Carlene Harvey * Mary Ann Hodsdon * Scott Kaplan
*Jan Pieter van Voorst van Beest * Andy Wyatt *

the additional impact of concomitant capital projects appropriations, indicates that bonding would cost the town \$74,000 more than lease/payment over a ten year period. If bonded, the annual payments would come from future taxation. If lease/purchased, the annual lease payments would come from future taxation.

Scott Kaplan suggested that complete information on both the lease/purchase agreement and the bond payments should be included in the capital projects budget page. Mary Ann Hodsdon suggested that all the figures be included in the warrant. Including the information in the warrant would allow tax payers to see both plans, make a decision and realize that most of the money would be coming out of taxation.

Solid Waste: Selectmen have renewed the trash hauling contract with Pine Tree Waste. There is a .52% increase in the expense portion of the Solid Waste budget for 2011/2012. The sale of trash bags is not covering all the cost of tipping and assessment fees. The town has raised the cost of large bags slightly, and that additional income may reduce the deficit. Tipping and assessment fees are down because of recycling which increased with curbside pick-up.

General Government: The "highlights" for general government for the budget year 2011/2012 are:

- * MMA is increasing the cost of insurance.
- * The selectmen have chosen a different company to conduct the annual audit. This company has quoted a lower cost for the audit.
- * The increase in training costs are due to hiring new employees.
- * Selectmen and the administrative assistant are exploring ways to cut photocopying costs. A suggestion has been made to not renew the photocopy contract and replace the photocopier with a new printer which will photocopy, scan and fax. The town would no longer pay rental on the photocopier. The expense would be ink cartridges for the printer. As the committee reviewed the recommendations, it was unclear if the change would actually save money. Toner cartridges for a laser printer are expensive. Fred agree to have the selectmen and the administrative assistant review the costs and report back to the budget committee

The next presentation to the Budget Committee is Public Works on March 30, 2011.

The Budget Committee needs to meet on April 27, 2011 to make recommendations on the articles for town meeting.

Respectfully submitted,

Mary Ann Hodsdon