

BUDGET WORKSHOP
MARCH 18, 2013

Mayor Bailey called the budget workshop to order at 7:00 p.m. In attendance were Council members James R. Gatto, Linda C. Kuiper, Mabel Mumford-Pautz and Mauritz Stetson, along with W. S. Ingersoll, Town Manager, Robert Sipes, Utilities Manager, Patricia Diver, Director of Finance, Jennifer Mulligan, Stenographer and guests.

Ms. Diver described the figures on page one for possible water and sewer hookups in the next fiscal year. She said that the actual names of the customers were not formal, but were used for estimation purposes. There were estimations of eight (8) residential hookups and seven (7) commercial. Sprinklers were required on all buildings and were in the totals. The anticipated revenue from hookups was \$161,000.00.

Ms. Diver stated that in order to cover growing expenses there was a 10% increase tentatively added to the rates for water and sewer. There was no change in rate last year, although there was an increase the year before. Ms. Diver stated that additional revenue was added for the hookups in the Quaker Neck area.

Ms. Diver stated that Mr. Gatto requested that hookup funds be earmarked for capital projects only. She said that in this draft budget water and sewer hookup funds were allocated to capital projects. She said that it would be up to the Mayor and Council to decide if that would actually take place.

Mayor Bailey stated that some of the costs that went up each year were Workmen's Compensation, medical expenses and life insurance.

Mr. Ingersoll stated that the proposed rate increase was not set until the Council decided on it. He said that this was a very preliminary budget and when capital revenues were set aside for capital expenses, general revenues had to be with general expenses. Mr. Ingersoll stated that the names used in this preliminary budget for hookups were only as a guide for things that could happen this year. He said that it was difficult to predict where future hookups would come from.

Ms. Diver stated that the MTBE settlement funds were currently shown on the draft under capital projects. She said that they could be used for capital projects or it could be determined to use some of it for operating expenses (as they were awarded partially for the costs of operating costs due to MTBE).

Ms. Diver stated that there were increases for the different insurances, but the exact figures could not be known at this time. Those numbers would be certain in April or May. She said that the Workmen's Compensation went down substantially last year, but she expected an increase this year. She said that the pension expense was a 10% increase this year.

Mr. Sipes stated that there was a significant increase under operation, maintenance and equipment as it went up \$14,000.00 (page 15). He said that as the wastewater plant aged, the costs for repair and maintenance will rise. Mr. Gatto asked if the engineers gave any indication of how much will be needed and in what year to have a sufficient capital reserve to pay for any

major issues. Mr. Sipes stated that warranty periods were given but nothing else. Mr. Gatto stated that there should be a timeframe of when expenses would be hitting in the next decade.

Ms. Diver stated that Mr. Ingersoll negotiated a 3-year decrease on the rate for electricity, and a \$16,000.00 savings was expected. Mr. Ingersoll stated that the bid opening for the solar array was scheduled for April 19th. He said once it was built, that it could further reduce electric costs permanently.

Ms. Diver stated that there was also a request for a new vehicle and pump station at Mill Street for a total cost of \$43,000.00. Mr. Sipes stated that he would replace an additional two (2) pump stations in subsequent years.

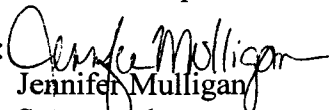
Mr. Gatto asked if the proposed rate increase could be broken down into residential, commercial, and industrial so they could find out how much was coming from each sector of the Town in any change.

Mr. Sipes stated that at a previous meeting there was discussion the condition of the towers. He said that the contractor responded and the towers were in very good shape.

Mr. Gatto asked about specifics for the State pension. Ms. Diver stated that the rate was changed on an annual basis and that municipalities were audited separately.

The meeting closed at 7:30 p.m.

Submitted by:


Jennifer Mulligan
Stenographer

Approved by:

Margo G. Bailey
Mayor