

Town of Deering Budget Advisory Committee

DRAFT - Meeting Minutes

13 October 2022

Highway Department

Committee members present:

Stephen Fogelson, Chair; Jill Smith, BOS representative; Lou Ellen Beard; John Shaw; Sharon Simpson;

Also present:

Peter Flynn, Interim Town Administrator; Brian Houghton, Road Agent – Highway Department Head
members of the public: Stephen Diers

Meeting was called to order at 1801.

The proposed budget was not presented in whole, but rather by line items.

01.4311.40.110 Highway Admin – F/T Wages

Mr Fogelson opened the discussion. Ms Smith questioned the increase of 8%. Mr Houghton explained the 8% was in keeping pace with the surrounding towns. He further explained that he, himself, had not received an increase in pay for 5 years and was adding himself to the increase this year as well.

01.4311.10.111 Highway Admin – P/T Wages

To remain the same at \$7,500

01.4311.40.130 Highway Admin – Overtime Wages

To remain the same at \$20,000. Mr Houghton explained that even though he is underbudget at this time on this line item, there are a couple of winter months to yet get through this year.

01.4311.40.430 Highway Admin – Mobile Phones and 01.4311.40.405 – Highway Admin – Electricity

To remain the same at \$2,000 and \$5,000 respectively. Mr. Houghton explained that \$2,000 budgeted for the mobile phones also covers the trackers in the vehicles.

01.4311.40.401 Highway Admin – Heating Fuel

Mr Fogelson noted that this was unchanged from last year's budget. Mr Houghton explained that he has some surplus and is locked in at \$1.94 for the heating propane. Ms Beard inquired if this item was put

out to bid. Mr Houghton explained that it had not, that the tanks are owned by Ayer & Goss and that the company has always given one of the lowest prices.

A discussion ensued about the Town of Deering's bid policy.

01.4311.40.402 Highway Maintenance – Vehicle Fuel

The proposed vehicle fuel budget of \$59,680, same as last year's budget amount, came into question during the discussion over the bid policy. Mr Houghton explained that it was a mild winter last winter and he is coming in under budget this year. However, he would like the amount to remain the same for the coming year due to the unknown impact that current world events may have on the cost of fuel, as well as the unknown, but anticipated, weather events of the coming year. Ms Beard suggested bidding a package deal for both the heating fuel (propane) and the vehicle fuels. It was noted that the Town Hall's generator uses propane. Mr Houghton suggested a future consolidation of fuel use from all Town departments with which the selectboard may create a policy and send out to bid. He noted that the consideration of the purchase of fuel involves the level of service as well as cost. He cited that Vaillancourt, vendor for the highway vehicle fuel, will top off the fuel tanks during a severe weather event so that the town will not run low on fuel during such high use times. Other vendors do not offer this service.

BAC recommends that the proposed budgets for the heating fuel and vehicle fuel remain as proposed, with the flexibility to increase the amounts as time draws closer to the final budget.

01.4312.40.483 Highway Maintenance – Cold Patch

Mr Fogelson noted that this item went over budget for the last four years. Mr Houghton explained that he would like to keep it the same at \$2,500 again this year; he does not anticipate going over this amount during the coming year since the bulk of the roads have already received attention.

01.4311.40.350 Highway Admin – Training & Certification

To remain the same at \$800. Mr Houghton expressed the sentiment that this amount allows for safety and development training for the highway crew. Ms Beard noted that there was an open posting for a town mechanic (who would also assist with plowing snow). She wanted to know if this was enough to cover CDL training, if necessary. Mr Houghton explained that, if a successful candidate for the position was hired who did not possess a CDL, that candidate would be given X amount of time to obtain a CDL, which is necessary for the position.

Mr Fogelson inquired how much a town mechanic would save the Town of Deering. Ms Beard responded it would save the town a lot. Discussion ensued.

BAC recommends the selectboard investigate the complete cost (from all town departments) of repair without an inhouse mechanic vs cost of all repairs with an inhouse mechanic – including the cost of such employee.

Considerations such as limitations of inhouse mechanic (no lift for vehicles) and current practice of delivering vehicles to offsite repair facilities, to be included. Based on what the board finds, the BAC recommends that in order to attract a qualified mechanic, the hiring wage be increased to the \$30 per hour range. To help retain talent, the BAC recommends the selectboard investigate the possibility of including the highway personnel in the State of NH retirement system.

01.4311.10.351 Highway Admin – Drug Testing/Background Check

To remain the same at \$1,000.

01.4311.40.445 Highway Admin – Uniforms

To remain the same at \$6,420. Ms Beard inquired if this was put out to bid. Mr Houghton said it was not. He explained that he checked out prices of other companies before he decided to remain with the same company.

BAC recommends putting this item out to bid.

01.4311.40.445 Highway Admin – Office Supplies; 01.4311.40.490 - Public Notices; 01.4311.40.655 – Building Maintenance and Repair; 01.4311.40.710 - Mileage

Stays the same at \$300, \$800, \$5,500 and \$250, respectively.

01.4311.40.382 Highway Maintenance – Roadside Mowing

Stays the same at \$9,000. Mr Houghton was asked if he was utilizing this line item, as the accounting over the past two years showed no expenditures, and showed inconsistencies during two years before that. Mr Houghton explained that he *does* utilize this item. However, roadside mowing did not occur this year because he cut corners where he could as he was still playing ‘catch up’ from when his budget was slashed in 2021. There were some committee members who questioned whether it had been done in 2021, whereas they did not remember roadside mowing in their immediate neighborhoods. Mr Houghton explained that while mowing the roadsides in Deering, the vendor suffered equipment failure. By the time the equipment was operational, winter weather had set in and the vendor was unable to complete some roads. Mr Houghton could not speak to the inconsistencies in the accounting. However, he did add that roadside mowing is done during the fall, and that the bill is sometimes slow to be received from the vendor.

01.4311.40.383 Highway Maintenance – Tree Removal

To remain the same at \$3,500. Ms Beard noted that there were no expenditures for this line item for the last three years, and questioned the need for this amount if it was not being utilized. Mr Houghton explained that the vendor had indeed removed trees for the Town of Deering within that time frame. He stated that \$3,000 was a sufficient amount to keep up with the hazardous and nuisance trees. When pressed about why the accounting did not show this activity, Mr Houghton replied he did not know.

01.4311.40.384 Highway Maintenance – Gravel Crushing

To remain the same at \$30,000. Ms Beard expressed her concern that Mr Houghton rarely expends even close to this budget amount on crushed gravel. She suggested that Mr Houghton utilizes this entire amount for this line item to create a stockpile. This way, this amount may decrease for the years that a surplus of material exists.

01.4311.40.381 – Highway Maintenance – Crack Sealing

(This information was not included on the worksheet Mr Houghton had prepared for the BAC. It was in the budget and expenditure spreadsheet supplied by Ms Smith)

It was noted that in 2019 and 2021 this was budgeted for \$7,200 in each year; in 2021 there was no amount and in 2022 the budget amount was \$1.00. Mr Houghton was asked to clarify. Mr Houghton explained that crack sealing was on hold, as he was looking into 'chip sealing'. He explained that this item is budgeted from the Road Reconstruction Fund. However, crack sealing material has changed and fails fairly quickly. He is investigating a product which is integrated into it to prolong the life of this maintenance material – chip sealing.

BAC recommends changing the name of line item 01.4311.40.381 from 'crack sealing' to 'crack and chip sealing'; reinstate the previous budget amount of \$7,200, and take out of Road Reconstruction Fund.

01.4311.40.481 Highway Maintenance – Culverts

Proposed budget of \$4,500 is a 50% increase over last year's budget of \$3,000. Mr Houghton explained that the price of culverts has increased. He explained that this line item is utilized for situations such as culverts needing to be replaced due to failure. Culverts which are replaced because a road is being reconstructed are paid for with the Road Reconstruction Fund, and not this line item. Ms Beard noted that, once again, accounting indicates no expenditures for this line item over the last three years. Mr Houghton replied he had utilized funds from this line item. Discussion ensued over inconsistencies in the budget and the accounting for the expenditures. Information revealed from the discussion:

- Mr Houghton has a minimal inventory of culverts on hand
- Mr Houghton purchases culverts on an as-needed basis
- Mr Houghton, whereas he does not know off hand where recently purchased culverts are located, can retrieve the data from his work log of where and when culverts were replaced – indicating accountability of usage of materials purchased with budgeted funds.

01.4311.40.399 Highway Maintenance – Other Professional Service

To remain the same at \$5,600. Mr Houghton explained that this line item is mainly used for catch basin/culvert cleanout services from a vendor. Again, it was noted that accounting does not indicate consistent usage of this line item. Mr Houghton stated that he has utilized this service every year, except for 2021 when this budget was decreased to \$600, and no services could be provided. Mr Houghton could not speak to the accounting inconsistencies. However, data from his work log can be retrieved to show work was done.

01.4311.40.482 Highway Maintenance – Salt

Proposed budget is \$70,000, an \$11,000 increase from last year's budget amount of \$59,000. Mr Houghton explained that he is already about \$10,000 overbudget and has a couple months of winter weather to get through.

01.4311.40.484 Highway Maintenance – Dust Control

To remain the same at \$11,000. Mr Houghton explained that this is sufficient for the what is needed for Deering. Mr Houghton did not expend this amount this year because it was difficult to locate a supply. When a small supply was identified, the shipping cost was prohibitive.

01.4311.40.485 Highway Maintenance – Sand

To remain the same at \$9,000. Mr Houghton explained that since Deering is in possession of pit, this line item is expended on rental of a screener and an additional piece of equipment to screen our own sand.

BAC recommends changing the name of line item 01.4311.40.485 from 'sand' to 'sand screening'.

01.4311.40.445 Highway Maintenance – Other Supplies

To remain the same at \$20,500. Mr Houghton explained that supplies which do not fall into other categories, are paid for by this line item. Discussion ensued over items covered. When asked if Mr Houghton had any reservations about any supplies assigned to this line item, he questioned oils and lubricants. He stated that a previous TA told him these items needed to be in this line item, even though he felt it was more of a maintenance item for equipment and vehicles. However, it would be difficult to divide the items between the budgets for equipment and vehicle maintenance, and with the previous purchase order process, data could be retrieved to detail which vehicle was utilizing what. He was comfortable with leaving oils and lubricants in this line item.

01.4311.40.610 Highway Maintenance – New Equipment

To remain the same at \$5,000. Mr Houghton explained that this is for small equipment which may be needed or replaced. Even though he does not usually expend the majority of this amount every year, it is necessary at times to have this full amount accessible. Otherwise, a hardship may be experienced. Discussion ensued about the usual excess funds.

BAC recommends the selectboard consider creating and funding an ETF for New Equipment, in lieu of funding this line item yearly.

01.4311.40.620 Highway Maintenance – Equipment Maintenance; 01.4311.40.Vehicle Maint/Repair

To remain the same at \$16,000 and \$31,500, respectively.

Other discussions:

Discussions ensued about the Highway Reconstruction Trust Fund, Road Block monies, Municipal Transportation Trust Fund and the allocation of the beach parking fees. Highlights from the discussion:

- Created in 2008, the Municipal Transportation Trust Fund is funded with \$5 from every motor vehicle registration. It may last have been used in 2017?
- Beach fees put into fund – the fee for beach parking should be going into a fund, which can be drawn on to pay for things such as porta potties.

BAC would like to bring to the attention of the selectboard the Municipal Transportation Fund and the proper allocation of the beach parking fees. The BAC encourages the board to investigate these funds to identify the amount in these funds, if these monies are being properly allocated, and if these monies are being used for the specified purposes.

01.4316.40.405 Street Lighting – Electricity

To remain the same at \$3,500.

BAC recommends investigating the utilization of LED lighting.

Other discussions:

Discussions ensued about CIP and the Capital Improvement needs of the Highway Department. (BAC is not in receipt of finalized CIP) Highlights of discussion:

- 350 Ford to be replaced in 2027
- Exhaust collection/fan install - \$110,000 (not mandated by DOL, but highly recommended) in 2023
- Garage door replacements - \$52,000 in 2023, (ETF Highway Building has \$67,000)
- Six-wheeler dump, slide-in sander and plow to be replaced in 2024 (funds in CRF)
- 2007 Komatsu loader in 2025. (There are funds in CRF, however replacement will zero this fund out.)

There being no further business before the BAC, Mr Fogelson made a motion to adjourn the meeting. Mr Shaw seconded the motion. Vote was unanimous. The meeting was adjourned at 2010.

Respectfully submitted,

Sharon Simpson