

OSSIPEE BUDGET COMMITTEE
MEETING MINUTES
October 6, 2021

Minutes summarized by Laura Nash, Budget Committee Recording Secretary, amendments are noted by ***bold/italic*** type.

Call to Order: Chairman Joe Goss called the meeting to order at 6:32 PM.

Pledge of Allegiance – was recited

Attendance by Roll Call: – Joe Goss, Donna Sargent, Roland Millette, Connie Billings, Dallas Emery, Jonathan Smith (Selectmen's Rep.), Matt Sawyer, Jr, Town Administrator, Andrea Picard, Finance Administrator, and TJ Eldridge

Absent: Donna Gridley, Cameron Quigley, and Lynne Parker,

Meeting Minutes: Review of minutes from September 1, 2021.

A **Motion** by Emery to approve the meeting minutes of September 1, 2021 as submitted. Millette seconded. No discussion. Smith and Sargent abstained since they were not present for the meeting. All others voted in favor. **Motion passed.**

Selectmen's Report:

Jonathan Smith conveyed certain situations that will be affecting the Town in the future, and some have a monetary value, but some do not.

1. TJ Eldridge hired a different HVAC Heating & A/C company to assess the facilities. The Library has two boilers. One is a steam boiler and the second is a hot water baseboard. The library heating system is inefficient and using approximately 275 gallons of heating oil per week. The Selectmen are awaiting the final assessment and there may be a warrant article for the new heating system.
2. Chickville Church has the same heating issues but since the church is rarely used the Town has time before it needs repair.
3. Mill Hill has been closed down because the walls are collapsing. TJ Eldridge has found a product of expandible grout and concrete. It's weighted for 6 tons and may reduce the need of hiring an engineer.
4. Eliminated tax payment plans. Leaving 11 – 12 property owners outstanding. December 4th, 2021 will be the Auction for these 11 – 12 properties. Public Notice will get posted about a month before the auction. Sawyer noted most of the properties are non-livable and dilapidated states or are just land. Attorney Sager makes all the arrangements through the courts and is the Auctioneer.

Smith noted the assumption was if you held a property for 3 - years the Town could keep 100% of the proceeds. But the State Supreme Court overturned that rule. Sawyer noted it's still within the RSA. Smith continued based on this ruling it makes no sense to hang on to these properties for any long period of time.

5. Sawyer addressed the uncollected taxes. Currently there is approximately \$396,000.00 from all prior years combined of uncollected back taxes, which is down from 1.2 million in unpaid taxes. There is approximately \$365,000.00 due for tax year 2021 in uncollected taxes.

6. Smith commented on last year's warrant article for the Dam Engineering to determine the dam's fate and options are being evaluated. The Dan Hole Dam serves both Tuftonboro and Ossipee, but Tuftonboro has two campgrounds and 2/3's of the camps are in Tuftonboro. Smith reported the Selectmen have sent a letter to the Tuftonboro Selectmen informing them of the engineering taking place. But any future upgrades to the dam the Ossipee Selectmen are asking the Tuftonboro Selectmen to contribute to the cost since they benefit from the dam as much if not more than Ossipee does.
7. Smith noted there are certain line items the Town has no control over, (ex: cost of road salt increased by 38%). The only way to save money on the budget is thru personnel.
 - In the Town Clerk's office: A new full-time employee has been hired to replace an employee who left. Another position will open in January but instead of hiring another full-time employee. They're going to hire a part-time employee thus providing a cost savings of \$50,000.00 from the operating budget.
 - In the Police Department: A position will be opening and will not be filled by eliminating the 2:00 AM – 6:00 AM coverage. There will be an officer on - call but not patrolling. By eliminating the position it's a cost savings of \$100,000.00 from the operating budget. Discussion ensued.
 - Recycling Cost: Recycling is a net loss of \$70,000.00 - \$75,000.00 per year. By eliminating recycling, the cost savings would be about \$70,000.00 - \$75,000.00 from the operating budget. Discussion ensued.

Smith summarized the cost savings by eliminating the items listed above would be a cost saving of approximately \$200,000.00 per year off the operating budget.

Recycling Report: by TJ Eldridge and Matt Sawyer, Jr.

TJ noted he was asked to do a true analysis of recycling costs. Sawyer noted on page 2, the purpose was to gather and aggregate the raw data to determine the cost of recycling. The cost of the facility was not included in the analysis, only the operating cost were analyzed. All metals and aluminum cans always have a scrap market and would sell to Ricker's or other scrap metal facility. All other materials would be placed in the municipal solid waste landfill trash.

Smith commented that currently paper, cardboard, aluminum (tin) cans and metals is what gets recycled, even though there is a bin for glass. The glass is scooped up and placed in the MSW container.

TJ Eldridge proceeded to explain the Recycle Report. The Transfer Station / Recycling Facility consists of 3-FTE's, one being a supervisor and 1 part-time employee. The facility consists of a 90 x 90 building, that houses 2 – Balers (one recently purchased for \$80,000.00), and small compactor for aluminum cans. There is a small building with two compactors on each side for MSW, 4 – construction/demolition debris containers, a metal container and two-bays for freon and appliances. There is a large building with different sections for the recyclables. There is a skid-steer used for recycling, a backhoe and a 1-ton truck used at the facility. They had a 40-foot, and recently installed a Rice Lake's scale.

TJ Eldridge explained the true cost of recycling. The recycling facility has two vendors that are NRRA and Casella. In 2018, the Town received \$16,536.00 in aluminum cans but the processing of 40 tons of baling wire, mixed paper and griples cost the town \$3,348.00. Revenue from processing 35 tons cardboard was only \$2,198.00, Mixed papers revenue was only \$236.00 and revenue from plastics was \$790.00 for a net revenue of \$19,827.00 to the town. In 2019, net revenue was on \$3,176.00 and no aluminum cans were processed. In 2020, the town sold aluminum cans for revenue of \$18,444.00 and a total net revenue of \$17,967.00 and a 3-year average of \$13,657.

TJ Eldridge proceeded to explain about personnel and equipment. By eliminating recycling, the Town could eliminate 1 full-time employee and have the Transfer Station operate with 2 FTE's and 1 PTE to fill-in while one FTE is off.

Projected Cost to Recycle	2021	2022	2023	2024
Personnel Costs*	\$74,101.86	\$75,583.90	\$77,095.58	\$78,637.49
Skid Steer Purchase/Replace Cost	\$8,500.00	\$8,840.00	\$9,193.60	\$9,561.34
Skid Steer Maintenance	\$2,000.00	\$2,080.00	\$2,163.20	\$2,249.73
Balers Cost/Replace	\$7,500.00	\$7,800.00	\$8,112.00	\$8,436.48
Balers Maintenance	\$1,560.00	\$1,622.40	\$1,687.30	\$1,754.79
Storage Containers Cost/Replace	\$1,333.33	\$1,386.67	\$1,442.13	\$1,499.82
Fuel and Electricity**	\$4,500.00	\$4,680.00	\$4,867.20	\$5,061.89
Total Projected Cost	\$99,495.19	\$1,011,992.96	\$104,561.00	\$107,201.53
Average P&E Cost of the next 3 years	\$104,585.17	◀-----		
3 Years' P&E Costs	\$331,755.52			

*1 FT employee's payroll expenses with benefits

**Additional fuel and electricity specific to recycling

TJ Eldridge explain the personnel cost from 2021 to 2024 with an annual 2% increase. The skid steer is approximately \$85,000 with a life expectancy of 10 years and still be able to get a good trade-in value. Skid Steer - Parts and Maintenance cost is roughly \$2,000.00 yearly with an increase of 4% yearly for parts.

Machine/Equipment	Purchase Price	Years Amortized	Starting Annual Exp.	Inflation Rate
Skid Steer	\$85,000	10	\$8,500	4%
(2) Balers	\$150,000	20	\$7,500	4%
Storage Containers	\$20,000	15	\$1,333	4%

Sawyer explained how the 4% increase was determined. Sawyer noted the inflation cost of living increase is approximately 6% but it's typically around 3% and from prior discussions about qualifying for the Federal ARPA Funds due to loss of revenue. The Federal government through the Treasury, assumes a minimum growth rate of 4% for municipal budgets annually. So, 4% is being conservative on the parts and maintenance numbers.

TJ Eldridge continued to explain the Balers Cost/Replace \$7,500.00, Balers Maintenance \$1,560.00, which is accurate amount from just having it repaired, Storage Containers Cost/Replace \$1,333.33 this is for the cardboard and paper, which has to be stored inside because if it gets wet or too moist the batch will be rejected, and the Town would lose out on revenue from the sale. Fuel and Electricity** for \$4,500.00 is an accurate number on the fuel but the electricity is an estimate based on the electricians estimate of usage for the bailer.

TJ Eldridge explained the cost to put recyclables in MSW (chart below)

Cost to put Recyclable in MSW (130 Tons Average per year)	Dumping	Hauling Fee Total Yearly Cost for Fee	Hauling and Dumping
1st Year of Operation without Recycling (2022)	\$9,880.00	\$4,015.00	\$13,895.00
2nd Year of Operations without Recycling (2023)	\$10,324.60	\$4,195.73	\$14,520.33
3rd Year of Operations without Recycling (2024)	\$10,788.70	\$4,384.49	\$15,173.19
Total 3 Year's cost	\$30,993.30	\$12,595.22	\$43,588.52
Average MSW increase to include recyclables \$14,529 ◀-----			

TJ Eldridge explained the projected savings by not recycling (chart below). The Revenue from Recycling would be remove because the Town would lose this amount. The Recycling P&E Cost to the Town is what the Town would save. Increased Hauling Cost w/o Recycling is what it would cost to haul the trash and Savings by Not Recycling is what the Town would save each year by eliminating recycling.

Projected Savings If Recycling Discontinued	2022	2023	2024	3 Year Total
Revenue from Recycling (net from supplies)	-\$13,656.67	-\$14,202.93	-\$14,771.05	-\$42,630.65
Recycling P&E Cost to the Town	\$101,992.96	\$104,561.00	\$107,201.53	\$313,755.50
Increased Hauling Cost w/o Recycling	-\$13,895.00	-\$14,520.33	-\$15,173.19	-\$43,588.52
Savings by Not Recycling	\$74,441.30	\$75,837.74	\$77,257.29	\$227,536.33

Based on the recycling materials market over the last 4+ years, it has costs Ossipee an extra \$75,000 per year to recycle. The cost to recycle will continue to grow unless the price of recycled goods drastically changes. TJ Eldridge presented detailed reports from Northeast Resource Recovery Association (NRRRA) and Casella which list the costs and revenue from recycling. TJ Eldridge presented a New York Times article titled, "Your Recycling Gets Recycled, Right? Maybe, or Maybe Not?" The article focuses on what gets recycled and what ends up back in the landfills. If any plastic containers are not rinsed cleaned prior to disposal the whole bale will be considered contaminated and end up back in the landfill.

Discussion ensued over how to eliminate processing of recyclables. By putting a dumpster in the bays for glass, fibers and corrugated cardboard for dumping the recycling companies will come and pick up for free. This would be beneficial for Ossipee because it would not cost to process or dispose of, but further study and data is required.

Discussion ensued over continuing to recycle all metals because it has value, but mixed paper, cardboard is costing money, and glass is already disposed of and not processed. Depending on the market will determine what will get recycled and if the market changes the facility is already established and could go back into function. But by saving the \$75,000.00 per year and putting into a capitol fund it could potentially help offset

the cost of a new police station or the town hall needs plumbing, and the cost could be incurred now or when there are funds available in the capital fund.

TJ Eldridge noted it used to cost \$300.00 to have brush hauled away. But now they work with a local logger, who grinds the brush and hauls it to Berlin at no cost. Recycling will need a warrant article to eliminate recycling at town meeting. Discussion ensued.

Matt Sawyer, Jr. reported that he, TJ Eldridge and Justin Chappee met with Chuck Fuller, Chairman of the Effingham Select Board to discuss increasing Effingham's contribution from \$10,000 to \$30,000 for afterschool/summer programs for their student's with no changes.

Matt Sawyer, Jr. reported the legal budget will increase by \$10,000 for legal fees and court case pending and a bunch of animals to be held by the Humane Society for animal cruelty. Matt Sawyer, Jr. has filed for a state grant with the expectation of getting reimbursed for expenses incurred.

Matt Sawyer, Jr. reported on the fiscal relief funds that the interim treasury rule stating the funds could not be used to directly offset taxes. Pending an official confirmation, the state has reconsidered, and the fiscal relief funds can now be used to offset taxes.

Jonathan Smith has asked the Police Chief to find out if Ossipee can charge other towns for police coverage during the hours those towns do not supply their own police coverage.

2021 YTD - Budget Report: (New reports title: Expenditure Detail By Account)

Matt Sawyer, Jr. reported with being about 75% through the overall budget shows 78% expensed. The warrant article for paving has not been expensed so the \$300,000.00 remains in the budget.

Matt Sawyer, Jr. reported the gym floor was never properly cleaned or sealed and tiles are starting to pop off. The floor will be refinished, and the town now owns a machine to keep it properly taken of.

Matt Sawyer, Jr. reported the Select Office expenditures are up because of the cost of supplies has increased.

2021 Revenue Report: (New Title: Revenue Detail by Account)

Matt Sawyer, Jr. reported the revised revenue report now mirrors the MS 434 which is reported to DRA. The Highway block grants for unknown reasons is projecting zero but the town does get a monetary return. Meals and Room tax is also projecting a zero balance, but that return does not come until December. The Tax Collectors departments income is up approximately \$100,000.00, Water projections for the year is estimated to be approximately \$213,000.00, which will cover the expenses. Sewer projections for the year is estimated to be approximately \$250,000.00 to \$260,000.00 with \$40,000.00 - \$50,000.00 going into a Capital Reserve Fund.

Andrea Picard reported, she is holding off as long as she can from borrowing from the T.A.Note.

Discussion ensued over possibly using the estimated \$600,000.00 collected from back taxes and adding it to the Unassigned Fund Balance, so it's within the range that DRA wants the town to have as a cash on hand balance. Discussion ensued.

2022 Town Budget Proposal by Department: Chairman Goss stated all budgets will be taken under advisement at this time.

- Conservation Agent: proposed 2022 budget is Level Funded at \$4,000.00.

Sawyer explained with the new finance software and the remapping of each line item to coincide the MS-434 with DRA. So based on the remapping the Conservation Agent (Timber Monitor – Bob Boyd) Wages and Benefits are now combined with the Conservation Commission Secretary's Wages and Benefit line items. But at the bottom of the page is the break down of wages. Also remapped to the Conservation Commissions

budget is the Water Quality Testing in the amount of 1,100.00, the Lake Host Program will now come in as an Outside Agency, so this will be removed, and the Dam Authority line item was remapped here as well.

Discussion: Billings commented that the Conservation Agent (Timber Monitor – Bob Boyd) Wages and Benefits should not be combined with the Conservation Commission Secretary's Wages and Benefit line items because he has nothing to do with the Conservation Commission. Sawyer disagreed and noted this is where DRA says it belongs and he's not going against the DRA.

- Board of Selectmen: proposed 2022 budget is Level Funded at \$19,920.00

Matt Sawyer, Jr. reported is level funded at \$19,920.00. No concerns or questions from the Budget Committee.

- Dam Authority: proposed 2021 budget is Level Funded at \$8,300.00

Matt Sawyer, Jr. reported the proposed 2022 budget is decreased by \$300.00 and budgeted for \$8,000.00. This is in agreement with John Picard. Billings inquired if the State is now operating the dam. Smith and Sawyer reported they are only operating the new section.

- Legal: proposed 2022 budget is Leveled Funded to \$40,000.00.

Matt Sawyer, Jr. reported is level funded at \$40,000.00. Emery inquired of the 10- -12,000 increase. Matt Sawyer, Jr. explained the increase of approximately \$10,000.00 is due in part to the cost of an animal cruelty case coming up.

- Patriotic Purposes: proposed 2022 budget is Level Funded at \$2,000.00

Matt Sawyer, Jr. reported is level funded at \$2,000.00. No concerns or questions from the Budget Committee.

- Cemeteries: proposed 2022 budget is increased at \$43,045.00

Committee members are Krystal Eldridge, and Angela Eldridge. Matt Sawyer, Jr. explained the increase in due to an increase in salary wages. When Chris Nason passed away, they were unable to find someone interested in maintenance of the cemeteries. So, the Board of Selectmen increased the salary wages in hopes of attracting potential personnel. K. Eldridge reported maintenance is decreased from \$10,000 to \$8,000.00, ground penetrating sonar is approximately \$4,500.00 and are coming the second week in May. All other line items are level funded aside from wage increase. K. Eldridge reported, they have someone for lawn maintenance for the fall but are not sure if he will stay on come spring.

- Treasurer: proposed 2022 budget is decreased to \$8,930.00

Matt Sawyer, Jr. explained the budget of \$8,930.00 is decreased to \$8,230.00 due to some changes made to the Treasurer's Salary.

- Welfare: proposed 2022 budget is decreased to \$40,000.00

Matt Sawyer, Jr. explained the budget is level funded at \$40,000. Sargent commented she can not understand why people are not asking for assistance. Sawyer commented, he believes it's because there is so much government money and unemployment benefits available, that those in need are already getting the help.

Emery questioned if the \$40,000.00 is expended each year. Matt Sawyer, Jr. explained he has not seen that much expended, but Smith commented you have to have the money budgeted just in case of an influx. Smith noted other towns are also seeing low demands for assistance.

Next Meeting:

Scheduled for October 20, 2021 - 6:30 PM at the Freight House

Any Other Business that May Come Before the Committee:

Adjournment:

A **Motion** by Millette to adjourn the meeting. Emery seconded. No further discussion. A unanimous vote was taken. **Motion passed.** The meeting adjourned at 7:40 PM.

Minutes approved by majority vote of the Board on – _____

Date

Joe Goss, Chairman
Budget Committee

Donna Gridley, Vice-Chair
(In the absence of the Chairman)