

Town Council Meeting
March 21, 2016
WORK SESSION – 6:30 p.m.

Present: President Shibley, Vice President Carlson, Council members Laboissonniere, McGee and Duxbury. Solicitor Gorham was absent.

Review of Emergency Plan
Pledge of Allegiance

Work Session - Presentation of the FY 2016-2017 operating and capital budgets and review of proposed municipal budget.

Manager Waters began his presentation with a letter to the Town Council as follows:

The Honorable Council President and Members of the Town Council:

I am pleased to present to you a balanced budget for fiscal year 2017. The Town's finances and economy are strong, and we have seen some positive improvement on our property revaluations and the amount of building taking place within our Town. The full revaluation has begun; however, the results won't take effect until FY18.

The total valuation of the Town has increased from \$3,245,885,047 to \$3,287,859,343 which is a total gain in value of \$41,974,296 or an increase of 1.29%. Keeping the Town's tax rate unchanged, this will produce an additional \$1,002,105 in tax revenues due to the increase in property values. However, in order to meet the needs of the Town in FY17, I am recommending that the tax rate be increased to generate an additional \$1,702,462. To accomplish this, the residential tax rate will need to be set at \$21.48 per thousand of the property value and the commercial tax rate will need to be set at \$25.89 per thousand of the property value. This represents a residential and commercial tax rate increase of 3.15%.

The largest impact to expenditures has been the state mandatory expansion of all-day kindergarten. The Town and Schools have been working together to prepare for the implementation, but we should be aware that this will be a continuous future expense for the Town. To help with the initial startup costs, the state will pay for the one-time set up expenses of the program. The Town will contribute \$750,000 of the cost to implement all-day kindergarten, and to cover FY17 teacher and school-related personnel contractual increases of \$450,000 which accounts for 1.78% of the 4.00% tax levy increase.

The Town has also fully taken responsibility and accounted for its pension obligations for its employees. This is a significant item to note due to the fact that it impacts the Town's credit worthiness; as a result of having a fully funded employee pension plan, we can expect a better credit rating and lower borrowing costs in the future.

I would like to add on some additional good news by announcing that there will be a small savings in the Town's health and dental insurance premiums, due to the disaffiliation with Central Coventry Fire District for the upcoming fiscal year. The original intent of the Town/ Central Coventry Fire District health insurance affiliation was to help the Fire Department obtain lower premiums by becoming part of a larger group (e.g. the Town); so long as the town wouldn't suffer adverse effects through increased premiums related to the relationship. Unfortunately, the Town was notified that due to the affiliation, we could expect our premiums to increase significantly in the upcoming fiscal/plan year, and thus a decision was made to end the relationship.

Within my proposed budget document, the Town Council and residents will find that the Planning Department and I have recommended fully staffing the department to the Director's request. From what I have heard from the Council, and as initial steps toward having a sustainable path for the future of the Town, it is critical to have a fully-staffed Planning Department.

More than \$2.1 million of the increased budget expenses can be attributed to mandatory expense obligations the Town has incurred; I have included a table below for your reference.

Expense	Amount
All Day Kindergarten	\$750,000
School Department Contractual Obligations	\$450,000
Police Union Contract Updates From FY14-FY17	\$688,000
New Debt Service	\$201,000

Fiscal Year 2017 Police Pension ARC	\$90,000
-------------------------------------	----------

In addition to the above listed items, the budget includes funding for the following: three additional police cruisers; funding of the previously existing Associate Planner position; accounting for increased costs in electric utility savings that have not yet fully materialized; materials for additional road & bridge projects; an additional lease payment on the Town's street sweeper; increased costs for the Board of Canvassers due to it being a presidential election year; making a part-time custodian full-time to alleviate over-time costs; contract engineering funds to help speed up the back log of drainage projects; a proposed part-time Emergency Management Director to ensure the Town is fully prepared for a hurricane or other life-safety emergency; and increased Professional Services costs (increases to the Fire Dispatch Contract & the Johnson's Pond Contract.)

Debt Service

The Town issued \$5.88 million in new bond proceeds for liabilities and projects to carry us into future fiscal years. Some of these projects, which will be addressed in the upcoming 2017 fiscal year, include: Quidnick Reservoir Dam Test Section, drainage piping and repair to a retaining wall on Potter Road, and drainage projects for Shady Valley Road and Prospect Street among others.

Capital Projects

The Town's departments are requesting \$15.1 million in capital projects; of note are two requests for a new Police Department and infrastructure improvements for the Human Services Building, \$14 million and \$410,000 respectively. The Town's Department of Public Works is requesting Capital Funding of \$422,090, of which \$142,000 is for road and bridge projects. However, due to the lack of available funds, I cannot fund all of these items in the FY 2017 budget.

Attached councilmembers will find a prioritized list of FY 2017 capital projects should funds become available in the future.

Capital Funding

For some time, the Town has had no dedicated funding source for capital projects other than a year-by-year/ case-by-case funding of emergency project requests.

As part of the FY 2017 budget process, I am requesting the Town Council pass a resolution amending the Town's policy of allocating surplus General Fund monies in excess of 10% solely to the Town's pension systems. To provide dedicated funds for the Town's Capital Improvement Program, I am recommending that the Town Council adopt a policy that any surplus monies from the last audited fiscal year, in excess of the 10% allocated to the Town's undesignated fund balance, be split between the Town's pension system funding and funding the Capital Improvement Program, 25%/75% respectively. While this will in no way meet the needs of the Town's capital outlay, it will be a good start in demonstrating that the Town Council is thinking about the future taxpayers and reducing the debt burden to them.

Finally, I would like to thank the Town's Finance Department and Departmental Directors for assisting in the budget process; and to thank the employees for their hard work every year to ensure that the residents tax dollar stretch as far as possible. I have noticed that there is a great deal of pride by the employees in working for the town, and it shows through the work that they do every day. The residents are truly fortunate to have a talented and passionate pool of employees working for them.

Respectfully Submitted,
/s/ Graham Waters
Town Manager

<u>Department - Project</u>	<u>Amount</u>	<u>Manager's Priority</u>
Parks & Rec - Briar Point Park: remote gate control	\$25,000	1
Public Works - Building Maintenance - Town Hall/Library Generator	\$135,000	2
Public Works - Vehicle Maintenance - RIFD fuel dispenser	\$59,960	3
Men's/Ladies Restrooms	\$50,000	4

Police - Dect.& Admin. Vehicles	\$34,000	5
Public Works - Vehicle Maintenance - Fleet Management System	\$21,945	6
Human Service - Building Addition	\$410,000	7
Parks & Rec - Roof Replacement; Foster Park; Central Coventry Park; Out Buildings Paine	\$10,000	8
Planning Department - 4 wheel drive vehicle	\$20,000	9
Police - Police Station	\$14,000,000	10
Town Manager's Priority Subtotal	\$14,765,905	
Public Works - Snow Removal - 5 cy sander	\$8,500	
Parks & Rec - Tractor/truck attachments	\$9,000	
Parks & Rec - Community Center Improvements	\$10,000	
Public Works - Snow Removal - 11 Ft. Snow Plows	\$11,710	
Public Works - Snow Removal - Brine anti-icing system	\$15,000	
Public Works - Snow Removal - Brine 2500 gallon truck	\$27,975	
Parks & Rec - Equipment Replacement	\$35,000	
Parks & Rec - Fleet replacement: refuse truck, Dump, P/U (3)	\$85,000	
Public Works - Roads & Bridges - 6 wheel dump truck	\$142,000	
FY 2017 Capital Request Total	\$15,110,090	

Full funding of the school department's FY 17 budget request of \$1,201,595, is included and justified.

Mr. Thibeault explained the \$688,000 increase for the police department, in that the contract was settled to include raises for FY 14, 15 and 16. Now we will be going into the second contract year. This is the point in time where we have to catch up and roll those increases into the upcoming budget, approximately \$688,000. President Shibley asked the percentages for the last three years, Colonel MacDonald replied 2.5%, 2.5% in the retro years, and then 3%, 3%, 3%. He went on to explain the new debt service of \$201,000 for FY 17, which is for the rest of the road bond, dam repair, remainder of automated collection and landfill remediation. The police pension annual required contribution calls for \$90,000 funding during the fiscal year. That \$90,000 is prior to the new contracts being signed.

Since Paul Sprague is basically our entire Planning Department, it is recommended to fund the associate planner position, which is critical to the town as we plan for the future and will help us to

achieve a thriving planning department. The associate will also be assigned zoning officer duties.

- The FY17 Town Manager’s Recommended Budget includes the following:
 - Fully Funds the School Department’s FY17 Budget Request: \$1,201,595
 - Police Contract Updates from FY14-FY17: \$688,000
 - New Debt Service: \$201,000
 - Increase in the Police Pension ARC/ADC: \$90,000
 - New Associate Planner Position (Salary & Fringe): \$68,000
 - Use of Fund Balance to Make Supplemental Payments into the Police & Municipal Pension Funds Capital Improvements: \$293,000

Councilman McGee asked that since we do not have an economic development person, whether the new associate will help with that. Councilman Laboissonniere thinks that an economic development position should not work in the Planning Department, but in conjunction with the department. Mr. Sprague estimated that the associate planner would spend approximately 50% of the time working on zoning issues. Manager Waters added that as far as economic development, we need to get a better idea of what each Town Council member would like to see, moving forward, and we will work toward a vision for economic development.

And again, Manager Waters recommended anything over the 10% surplus of fund balance to be disbursed as 75% toward capital projects and 25% toward pension funding.

Mr. Thibeault went on to explain the levy, where we are now and where we are heading. It has been determined by the Tax Assessor’s department that at this point that we have had growth of currently \$67,613,677. It has also been determined that this will equal approximately a 1.48% increase over last year’s levy without having to raise taxes one penny. The prime drivers in this were the new Cumberland Farms at New London Turnpike and the assessments on the mills. I think in FY 19 we go to full market value on the mills.

To support the manager’s budget, in the below chart, in column 3, the additional increase with an increase in taxes would raise an additional \$ 1.7 million and you can see tax increases below of .65 cents on residential, motor vehicle won’t change and with the commercial rate to .79 cents. In the fourth column the total levy is \$70,318,224, with recommended tax rates at this time of \$21.48 residential; Commercial rate \$25.89. Tangibles and motor vehicles don’t change. This represents a 3.15% increase.

Town of Coventry
Impact on Tax Levy & Tax Rate
For FY17

	1 FY16 Current Year	2 FY17 Add'l Levy WITHOUT a Tax Increase as of 3/15/16	3 FY17 Plus: Add'l Levy WITH a Tax Increase as of 3/15/16	4 FY17 Mgr. Recommended Levy ^(1,2)
Total Levy	67,613,677	68,615,782	70,318,244	70,318,224
Incremental Additions to Levy		1,002,105	1,702,462	2,704,547
% Increase to Levy		1.48%	2.52%	4.00%
Residential Tax Rate	20.825	0	0.655	21.480
Commercial Tax Rate	25.10	0.00	0.790	25.890
Motor Vehicle Tax rate	18.75	0	0	18.750
Tangible Property Tax Rate	20.825	0.000	0.655	21.480

⁽¹⁾ Gross Tax Levy. Projected Collection Rate for Real Estate Taxes is 99%

⁽²⁾ Motor Vehicle Exemption will remain \$500

2016 TAXES VS 2017 TAXES

2016 REAL ESTATE VALUE



FY16					
\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
\$20.825	\$20.825	\$20.825	\$20.825	\$20.825	\$20.825
\$3,123.75	\$4,165.00	\$5,206.25	\$6,247.50	\$7,288.75	\$8,330.00

2017 REAL ESTATE VALUE

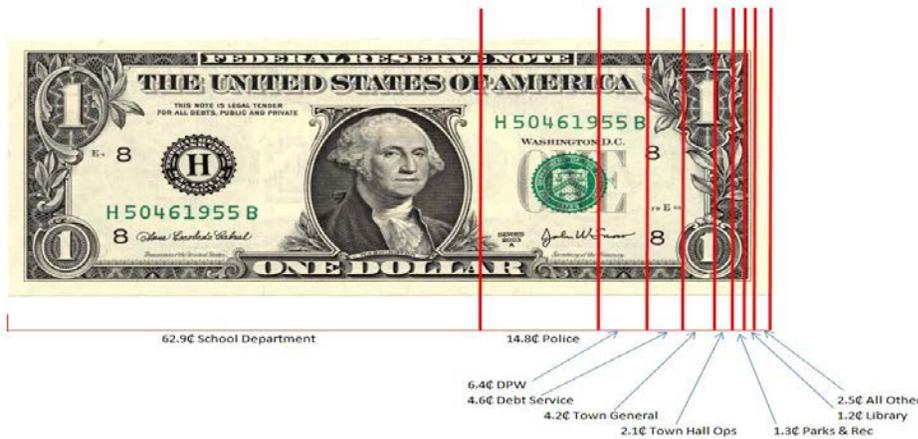


FY17					
\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
\$21.480	\$21.480	\$21.480	\$21.480	\$21.480	\$21.480
\$3,222.00	\$4,296.00	\$5,370.00	\$6,444.00	\$7,518.00	\$8,592.00
Annual Net Change	\$98.25	\$131.00	\$163.75	\$196.50	\$229.25
	3.15%	3.15%	3.15%	3.15%	3.15%

The above “real estate value house slide” was explained in detail by Finance Director Thibeault with the top half FY 16 and the bottom half FY17. If you look at the house with the assessed FY 16 value of \$150,000, if the current rate is raised to \$21.48 per thousand, which is a tax rate of 3.15%, it makes the new FY 17 tax a one year increase of \$98.25, and that plays out across the board.

Below is a depiction of your “dollar” with the distribution of the tax levy as proposed by the town manager for FY 17.

**DISTRIBUTION OF TAX LEVY
TOWN MANAGER'S PROPOSED BUDGET
FOR FY17**



FY17 New Major Items

All Day Kindergarten	750,000
School Dept Contractual Obligations	450,000
Police Contract Updates From FY14-FY17	688,000
New Debt Service	201,000
FY17 Police Pension ARC	90,000
New Associate Planner Position (Salary & Fringe)	68,000
FY16 vs FY17: Additional Budget for Electricity	63,500
Materials for additional FY17 DPW Road & Bridge Projects	63,000
Additional Lease/Purchase Pmt on Street Sweeper	42,000
Board of Canvassers (Presidential Election Year)	39,000
One additional police cruiser	36,000
Convert .5FTE Custodian to 1.0FTE Custodian	31,000
Contract Engineer for construction site inspections	29,000
Consultant for Comprehensive Plan Re-write	25,000
Proposed Part/Time EMA Director (No benefits)	20,000
Professional Services (Increases to Fire Dispatch Contract & Johnson's Pond Contract)	18,000
	<u>2,613,500</u>

The above slide shows where the new major items are in the proposed budget, totaling \$2,613,500.

Capital requests have been prioritized based on submissions by department heads. Actually since this was published, we were able to find a couple of places where we could save and one is

that our IT department will donate an SUV to the Planning Department.

By using 75% of the surplus over the 10%, which I believe makes up \$211,000, we were able to assemble funding of about \$208,000 for capital requests.

A large portion of the mandates are for pension funding, mandated by state law.

Councilwoman Duxbury likes the idea of planning ahead for capital items, rather than finance with debt and agrees that it would be a good idea to take 75% over the 10% surplus and use it for capital. Councilman McGee also agrees, we can't keep neglecting our capital needs. There was discussion about the priority list and the possibility of other funding opportunities as the year progresses, the use of impact fees rather than surplus, the need to find out the balances and utilize impact fees before we start dipping into surplus.

TOWN OF COVENTRY
TOWN MANAGER'S RECOMMENDED CAPITAL BUDGET LIST
FOR FY17

Manager's Priority	Department	Project	Amount
1	Parks & Rec	Briar Point Mechanized Remotely Controlled Gate	25,000
3	DPW	RFID Fuel Dispenser	59,960
4	Police Department	Mens/Ladies Restrooms	50,000
5	Police Department	Detective/Admin Vehicles	34,000
6	DPW	Fleet Management Solutions	30,000
8	Parks & Rec	Roof Replacement Program: Foster Park	10,000
Total Town Manager's Capital Budget Top 10 Priority List			208,960

Council reviewed individual departments and asked questions of both the Town Manager and department heads. Highlights include:

210 Town Manager's budget, decrease of 14.73%

225 Management Info Systems – Councilwoman Carlson inquired about “filming” the zoning, planning, council and school committee meetings. IT Director Warzycha indicated that there is a line item under data processing for \$30,000 for Clerkbases. He is exploring options and currently looking at about \$22,000 annually with \$8,000 for equipment. This would change the way we do the whole meeting process, beginning with the agenda packets, which would be converted to all electronics, no hard copies. There is no discount to eliminate that particular step in the process, so in order to get your moneys' worth and not defeat the purpose, you would go all electronic. Additionally the Council will receive tablets. We will continue to do what we do, only eliminate all the paper. The entire agenda packet will be made available to the public. This will eliminate the need to have packets delivered each week. Mrs. Carlson asked if he is talking about live streaming or placing video on the web within a day or two. Mr. Warzycha said that going live will require people at the meetings to do the filming.

Such a transition will take several months and the costs involved are actually better now than they were when we originally looked at this. The agenda will be cross-linked to the minutes. To use this system correctly you have to go all electronic, otherwise it is a waste of money. Mrs. Duxbury questioned if you would be able to selectively print out what you want and Mr. Warzycha replied that you can. Councilman McGee remarked that this has not been discussed by all council members yet. He is not sure that video is necessary and that money might be able to be put to better, more important use than putting meetings on-line. The IT department is showing a 5.99% decrease.

310 Town Clerk - The Town Manager explained that the largest increase in this budget is advertising, simply due to the fact that this council has been very active in passing ordinances. The more we enact, the more advertising we have to do. So that is the sole reason that line item has increased. This office reflects a 7.94% increase.

Councilwoman Duxbury agrees and said her hope is that our Charter Review Commission recommends a change to put on the ballot limiting the amount of information required to be put in the paper and instead to direct residents to see the information at Town Hall or look on the website, which could reduce this advertising number.

320 Board of Canvassers - Due to election year there is a 43% increase with the need for temporary employees, more polling locations and more poll workers in the polling stations, as mandated by the state due to the presidential election.

410 Town Solicitor - no increase. Mrs. Duxbury noted the large decrease in the budget even though there has been a lot of activity in settling lawsuits. Solicitor Gorham is confident that \$416,500 will suffice for 2017.

420 Municipal Court - 1.38% increase. Councilwoman Duxbury asked whether the issue with the Municipal Clerk's stipend had been resolved. Manager Waters replied that he understood that it was resolved and Finance Director Thibeault agreed, but advised that the court clerk would like to have the discussion reopened. Mrs. Duxbury seems to remember that there were two conflicting documents and Mr. Thibeault responded that one document is the town ordinance and the other was the fact that a stipend was voted on at the Financial Town Meeting, which was approximately \$3,000 lower. The clerk has requested back pay, Solicitor Gorham made a decision that the vote at the FTM was a higher precedent than the ordinance and his opinion is that the clerk is not entitled to back pay.

Mrs. Duxbury raised the issue of whether the court pays for itself and thought there was a requirement that this court would only exist if it paid for itself. In 2014 and 2015 the court was spending more money than bringing in. In FY 16 it was back to making money. Mr. Thibeault replied that it is a confusing issue, especially with the language on the ballot not being added to the charter. The court is projected to have revenue exceeding expectations in FY16. In addition, Solicitor Gorham indicated that the Town Council has the authority through enabling legislation to, at any time, dissolve the court and that is also the opinion that the Solicitor gave to the Charter Review Commission. Mrs. Duxbury indicated that at this point it is prudent to fund the budget as we don't know what the Town Council will do. She is fine with the court if it is covering its costs. Councilman Laboissonniere stated that the court was put together by ordinance, but it is not correct to think it is going to make money every year. There are certain departments that are not revenue makers. Councilman McGee also feels the court was not designed to be a money maker, but is a great service to the people. However, Councilwoman Duxbury's opinion is that the town is funding a convenience for people who have broken the law.

610 Finance Department showed an increase of .42% Councilwoman Duxbury asked if the overtime is mostly just for the budget time of year and Mr. Thibeault agreed. In addition, Mr. Thibeault noted that dental and medical are both going down this year: medical by 2% and dental approximately 9.5%, which will save the town over \$150,000.

620 Tax Assessor - This office shows a decrease of 5.56% as the new Tax Assessor is making less money than the previous assessor.

630 Tax Collector - .36% increase. Councilwoman Duxbury asked about the number of positions in the office. Mr. Thibeault explained that former manager Hoover eliminated one position; however a temporary employee was authorized. She asked if it makes sense to hire someone else and if the tax office was given more help whether there is such a work load in that office that collections would actually increase with more help. Mr. Thibeault agreed that it would be a good idea to hire one full time employee to split time between the collector and assessor. However, there are other priorities this year in the Planning Department, but maybe it is something we can look at next year.

710 - Police - The proposed increase is 1.13%. Col. MacDonald stated that he is asking for three vehicles this year. In previous years we were only allowed one vehicle and our front line fleet is hurting. By comparison some other communities get about three vehicles a year.

Councilman McGee asked how many miles he normally puts on before he considers the vehicle outdated and the Colonel replied that 100,000 miles is kind of a mark. It's not really about the travel time, but whether you want to be in a chase in a car with over 100,000 miles on it. For safety reasons these cars have to be ready to go. The manager stated that he is also funding two vehicles from capital, so there are a total of five in the budget. However, the two cars in capital are for detectives and administration.

Councilwoman Duxbury asked about using impact fees and the Colonel responded that he is planning to renovate the locker room and try to fund some new bathrooms with impact fees. If we can't get out of that building, we need to accomplish some things internally to improve it, specifically the bathrooms and locker rooms.

Discussion ensued that perhaps a small bond would work with the public and maybe the police could think about moving across the street, into the annex, do repair work there with the smaller bond and not have to ask for the entire \$12 million. Vice-President Carlson asked why two years ago they sought a bond for \$12 million, which was rejected by voters, yet now you are up to \$14 million, why the additional \$2 million? Colonel MacDonald thinks that we need to incorporate a new ACO building. Mrs. Carlson feels that the annex may be able to be repaired for a lot less than \$14 million.

Manager Waters thought maybe an \$8 million bond would either allow the police department to do some expansion or renovation of the building. Mrs. Duxbury agreed that the annex may be able to be retrofitted somehow. There is ample parking and it might be worthwhile to hire someone to see what the feasibility is. Overall the increase in the police department is only 1.13%.

Councilman Laboissonniere asked the reason for the increase in maintenance of computer equipment and office equipment. Col. MacDonald answered that it was for upgrades, contracts, security, etc. As far as the office equipment, just upgrades around the building, mostly desk top computers.

750 Emergency Management - shows a 103% increase. Manager Waters explained that the newest change is a part time position and he believes we can get state assistance for this. Col. MacDonald explained that the EMA is run by the police department, DPW, and the fire departments. We don't get a lot of help and there is not a lot of emphasis on the EMA. It is burdensome and we would like to hire a part time person to help and realize all that we could be doing. Manager Waters said that currently the Chief of Police is the EMA director; we need a person to coordinate if there is a disaster. We need a dedicated person and the Chief feels that 12-15 hours a week would be sufficient. There is only one other town in the state where the Chief is EMA director, and that is Jamestown.

The Colonel feels the part time employee should be versed in engineering. EMA crosses lines with zoning and planning, deals with the dams in town and the new flood ordinance. That's a lot. Our Police Department IT person, Mike Broggi, is heavily involved with EMA functions. Ideally there would be office space in the annex adjacent to the EOC.

790 - Crossing Guards come under public safety, not the school department. That is up 1.51% because minimum wage went up.

DPW Engineering - 810 – Finance Director Bob Thibeault explained that \$29,000 is being moved from professional services in budget 810 engineering and moved to department 830. That is the main change to the engineering budget.

DPW Director McGee indicated there are quite a few drain projects because of the ten million bond that the voters passed. Mrs. Duxbury asked if our town engineer is able to handle the workload and Mr. McGee replied that he can handle the day to day operations, but there are a lot of other projects going on. There just aren't enough hours in the day. Mrs. Duxbury stated that it would have been nice to know that we needed to hire someone to manage the bond projects.

Inspection and permits – 820 - Due to IRS regulations, the town inspectors had to be added in as employees rather than given 1099's, which is why you see the 15.07% increase. Councilwoman Duxbury just wanted to clarify that we are not really increasing the budget, just funding it in a different way.

Roads and Bridges, - 830 shows a 4.79% increase for additional materials that will be needed for projects such as concrete, sand, stone, gravel, manhole frames and covers and lease/purchase payments.

When asked about the recycling coordinator, Director McGee responded that she is paid from a grant with only a portion coming out of our recycling money. She has done astounding things since this program began and the grant will continue on for a few years. In this case "temporary" does not mean just one year, but a few years. The recycling coordinator has helped implement the program, helps residents to increase their recycling, and steps in if we have someone out sick by answering phones. She goes out into the field, does assessments, is helping to write the ordinances for the commercial recycling program. She is there 5 hours a day, 9-2, five days a week, 25 hours a week. Councilwoman Duxbury is just concerned that "temporary" sometimes turns into "permanent". Mr. McGee stated that it is important, as the more we reduce our tonnage, every taxpayer benefits. Mrs. Duxbury just wants to know that this position is justified.

840 - Snow Removal remains the same.

850 - Building maintenance has decreased 3.07%. There is a request to change a part time janitor to full time in order to avoid overtime expenses. The part time janitor currently takes care of the annex and DPW. As annex use continues and maintenance work needs to be done, we can better serve the building, along with DPW, with a full time janitor.

860 – Refuse shows a 2.24% increase. DPW Director McGee gave an update on the automated trash collection along with the expenses. This program started on October 26, (see reports submitted by DPW Director McGee). The recycling coordinator continued to do community outreach in order to educate residents about the process. We have reduced the trash by 12%. We are not yet

where we want to be on recycling, with a target of 30%, we have achieved 27%. Recycling has gone up 5%.

Councilwoman Duxbury suggested a mailing or a newsletter to residents with information about how to increase recycling. When asked about gasoline useage, Mr. McGee noted that although we are using more gas because we are hauling to the landfill ourselves, it is still less than what we were paying. He went on to give a breakdown of the performance energy bond and a breakdown of the expenditures for the infrastructure bond and the automated trash recycling bond. (See all reports on file).

870 - Refuse Disposal – No questions, up 1.09% for biannual license renewal

880 - Vehicle Maintenance - although there was a decrease of 5.88%, Mrs. Carlson asked why the increase in testing service. Mr. McGee responded that everything is computerized now, with an increase in costs.

910 - Parks and Recreation shows an increase of 4.92%. Mrs. Duxbury asked about the use of impact fees first for capital improvements; Mr. Primiano replied that he has about \$112,000 left. Mrs. Carlson is concerned about forcing people to participate in and pay for all the field trips during the summer program and thinks there are probably many people who can't afford it. She asked whether there is a break if a family registers more than one child. Mr. Primiano replied that they do not give breaks. With the a la carte system, there was a percentage of our staff who would stay back with 20 to 30 students in each camp who would not participate on a daily basis. The intention is to streamline the operation and pay for the fees in advance. With that said, DHS has been good about assisting people who need camperships and we have been directing people in that direction also. She asked if people are paying banking fees by signing up on line and Mr. Primiano replied that they do, there is a \$2.00 fee every time it is used. I would like to try this, see how well we do. He has begun taking registrations for the summer programs, the response has been terrific and so far has had only one complaint. Kathy Pendola from Human Services indicated that DHS will pay for approximately 50 camperships and already has applications for 15-20.

Mrs. Carlson feels that requesting \$25,000 for a security gate is a lot of money. Mr. Primiano replied that it is more than just a gate, it is a remote controlled electrically powered sliding gate. It will be a safety improvement for the neighborhood. Manager Waters asked DPW Director McGee to see if there is any in house work that can be done to save money on it.

Mrs. Carlson asked about the increase in the drug testing line and Mr. Primiano indicated that he anticipates additional testing for new employees.

925 - Human Services shows an increase of 3.30%. Ms. Pendola explained this is for a \$5,000 janitorial assistant along with one step increase in the department. DHS plans to take a part time janitor in Project Friends in a job training program in order to prepare him for the future and help our maintenance person. The increase is to fund part time.

930 – Library - Mr. Thibeault explained that in order for Mrs. Blanchette to maintain state aid, the library has to be at least level funded each year. Any increases that she feels she needs will be funded out of state aid.

940 - Planning Dept – 30.16% increase. The Council recognizes the need for the Planning Department to be fully staffed. Mrs. Duxbury wanted to acknowledge the fact that Mr. Sprague has gone above and beyond to hold things together. Mr. Sprague advised that the proposed budget also includes some funding to get the comprehensive plan rewritten.

950 - General Fund – Manager Waters noted about a 4% increase overall. Regarding capital, this is the wish list, items that are not in the budget. He recommended funding numbers 1-8 as listed in his cover letter based on \$208,000.

No further discussion. A motion was made by Councilman McGee seconded by Councilwoman Duxbury to adjourn meeting. All voted aye.

Town Clerk