

## **BOARD OF SELECTMEN MEETING MINUTES OF 11-1-04    APPROVED**

The meeting was called to order at 7:00 p.m. at the Raymond High School Media Center by Chairman Jonathan Wood. Members present: Norman Weldy, Paul Brown, Dick Wood and Jack Barnes. Also present: Town Manager Richard Bates and Finance Director Michelle Clark.

Chairman Jonathan Wood led a salute to the flag and announced there were no deaths and no new births.

### **Public Forum**

Chairman J. Wood requested anyone who would like to come forward and speak to please do so.

With no residents wishing to speak, Chairman J. Wood granted the floor to the two state representatives Norman Weldy with the House and Jack Barnes with the Senate, granting them five minutes.

Senator Jack Barnes stated that he hopes all the citizens and friends do get out and vote tomorrow. He feels that the right to vote is a very important right and there are a lot of people who die for the right to vote, we have it and we mess around with it. This is an important election, no matter which side of the line you are on, republican or democrat or other.

Representative Weldy stated that the right to vote is a privilege and everyone should use this right wisely.

With no further public comment, the public forum is now closed.

### **Public Hearing –**

Public hearing to accept grant in the amount of \$39,398 from FEMA and the US Fire Academy, Department of Homeland Security.

Town Manager Bates stated that this money is for much needed fire department gear. The gear the department uses now is quite old.

Selectman Barnes thanked Fire Chief Pratt and Deputy Fire Chief Hammond for their work on getting this grant.

Fire Chief Pratt indicated that they had help from Rich Abelli and Rich Antoine also.

Chairman J. Wood asked for comments from the public, any further comment from the Board, there being none the public hearing is now closed.

**Motion by Selectman Barnes to accept the \$39,398 grant, seconded by Selectman Weldy. Motion passed unanimously.**

## **Public Hearing on the Merrimack Regional Water District**

Town Manager Bates stated that a postcard was mailed out to all the users of Pennichuck water in Raymond informing them of the public hearing tonight, expressing the Town's interest or consideration and asking for their input. Michael Scanlon is here, he was here in front of the Board before and along with Michael Scanlon tonight is the Attorney Steven Judge, attorney for the Regional Water District.

Selectman Barnes asked Town Manager Bates how many cards went out. Town Manager Bates stated he believed it was close to 300. Selectman Barnes asked how many of the 300 Pennichuck water users are here tonight? Selectman Barnes counted hands to equal 2 that came here tonight. Selectman Barnes thanked the people for showing up tonight.

Chairman J. Wood asked for any other comments or questions from the Board. There being none, the public hearing is now open.

Anyone wishing to speak should come forward and state your name.

Linda Bronson came forward and stated that she really doesn't understand the pros and cons and what exactly this means. She came to get information. She stated she is a Pennichuck water customer.

Chairman J. Wood asked Mr. McCarthy if he would like to give a summary of where we are and what it means from the Town's perspective. Mr. McCarthy gave the background of two major community water systems in the Town that are now owned by Pennichuck, that is the Washington Drive area, which is where Ms. Bronson resides and there is the Green Hills area. Historically they have been problematic water systems. A number of years ago they were taken over by Pennichuck, emerging from the State when there was a bankruptcy from another company and Pennichuck has run them for about 7 or 8 years now and things have been pretty quiet for those 7 or 8 years. What has happened is that about 3 years ago Pennichuck offered itself up for sale and there was a concern of a number of communities within the state. There was activity from some of the communities to look at buying out Pennichuck to ensure that there is always a local voice in what is going to happen with that fairly valuable water resource and the Board delegated Mr. McCarthy to sit on the committee that drafted the By-Laws for that Regional Water District. As far as the Town's concern, Mr. McCarthy stated that since Pennichuck took it over, the system has been run very well. We have partnered with Pennichuck in doing a little bit more than a million dollars in water improvements in the Green Hills area through a CDBG grant that the Town received, actually two grants that made a lot of necessary improvements, but Pennichuck has made no bones about the fact that they are going to sell their system. We anticipate that if it is sold, it is going to be sold to, at the very least, an out-of-state entity and quite possibly a out-of-country entity, so we feel it would behoove the community and the communities of the state to look at some sort of ownership that would retain that ownership within the state so that the issues would be local issues and decisions made by local people. Nashua has stepped up to the plate and is proceeding with an eminent domain taking of the resources, which has spun

out various lawsuits that are going through the court system now. This lawsuit appears to be moving along quite successfully now. Where they are now is at the completion of the drafting of the Charter, they are ready for towns to join and 7 towns have joined so far.

Chairman J. Wood asked if Mr. Scanlon, Chairman of the Merrimack Valley Regional Water District, would like to add anything to what Mr. McCarthy just stated.

Mr. Scanlon stated Dennis did a good job explaining.

Mr. Page asked if the Town of Raymond has joined the Water District yet? Chairman J. Wood stated no. Mr. Page asked why not? Chairman J. Wood stated we have joined in the Charter document, ratified the Charter and have filed as interveners in the law suits. This meeting is to decide to join the District or not. Mr. Page stated that he feels the Town of Raymond should have some say in this matter as there are residents who receive water from Pennichuck and if you do not join, you will not have a say.

Selectman Barnes asked how many towns are involved. Mr. Scanlon answered he believes there are 26 towns that have Pennichuck in them to some degree. 7 have official joined, Bedford, Amherst, Nashua, Londonderry, Pittsfield, Litchfield and Pelham.

Selectman Weldy asked Mr. Scanlon if the Town of Raymond joined the District could you explain the legal ramifications. Mr. Scanlon deferred to Attorney Steven Judge. Attorney Steve Judge stated that there has been two lawsuits filed that are filed by Pennichuck outside of the action of the PUC. Both of them started in Superior Court, one was seeking to get an order out of the Court stopping the PUC from going forward and the other was seeking money damages from the City of Nashua and Pennichuck has lost both of those cases. The only defendants in those cases was Nashua, not any of the other members of the District, and it is aimed at the Nashua members to use the eminent domain process to take the Pennichuck Corporation's assets, as Dennis was referring to. The District does not have eminent domain authority so there isn't a lawsuit that is available for Pennichuck Corporation against the District or the members of the District just by virtue that you are members of the District. What the District has done is the same thing that Raymond has done, the District has intervened in the PUC process and is monitoring it.

Chairman J. Wood asked the Board or the public if they had any comments or questions for the attorney. A gentlemen in the back stated he still doesn't understand this. What he didn't understand is if there was a takeover, who is going to run this, who is going to be in charge, Nashua or the Merrimack Valley Water District? Attorney Judge answered that the way the Charter is set up is that there will be a Board of Directors that will be made up by representatives of each community. The day to day operations of the water system, right now Nashua is going through a process where they are soliciting bids from private companies and included in that is Pennichuck Water Works, they have applied to become the operator of this water system, so they are looking for a private contract between the Board of Directors and a private entity to run this water system, only because the PUC isn't going to turn this water system over to a private district unless they can

demonstrate that they have the expertise to run the water system. So, obviously without any history, we would need someone to come in with a 3 or 5 year contract to get this system up and running. After that point, could the District maybe take over the operations and hire its own president of the organization? They could, but to start we would need someone to run it. In the Charter there is an Office of Consumer Affairs where the average person can call with any complaints or problems and get a response and if you join the District you would have somebody sitting on the Board that could bring up a complaint. A resident spoke up and asked if we don't join the District, what would happen if there was a problem? Attorney Judge stated it would be the same as you are today, you are a customer of Pennichuck today and you could call the Office of Consumer Affairs. Town Manager Bates explained that if Pennichuck Water is owned by a company in a foreign country, you would be further removed. If we join the District and Nashua is successful in the eminent domain procedure, we will at least have a seat in the decision-making room. If we don't join the District we will not have a seat at the table in the decision-making room. You will still have service and can call with complaints, but you won't have a seat at the table when it comes to system improvements and those kinds of decisions.

Further discussion regarding the benefits to joining the Water District was held among the Board of Selectmen.

Chairman J. Wood asked for further comments from the public. Another resident asked questions and a discussion followed.

Town Manager Bates asked what would happen if Nashua is not successful, if for some reason Pennichuck maintains ownership and sells, what happens to the District? Attorney Judge stated that if Nashua fails, the District does not have eminent domain authority, then the Pennichuck Corporation would have the ability to sell and the District resolves.

Chairman J. Wood asked for any further comments from the public. Hearing none he closed the public portion of this hearing and brings it back to the Selectmen. Chairman J. Wood asked the Board what they decided to do. Selectman Weldy stated it has been a long time coming, we have been dealing with this for a couple of years due to the fact of what happened at Green Hills and from what he gathers there is a distinct possibility that Nashua is going to succeed in taking the eminent domain case and by doing so, he feels Raymond should have a seat at the table for representation for the people in town that are on the system. Selectman Brown commented that it may be that Nashua won't win, they may not take it by eminent domain. What happens if we wait until such time as a decision is made by the Courts as to what is going to happen? Selectman D. Wood stated that if it is beyond the June timeframe, then the seated Board of Directors at that point have the duty of voting to determine whether in fact we are going to be allowed to sit at the table or not. Selectman Brown stated then we don't have to make a decision until June? Chairman J. Wood stated that is correct in the technical way. Chairman J. Wood stated he believes the gentlemen are here tonight looking for support, to say to the PUC to say that there really is a growing concern of the Merrimack Valley Water District.

Selectman Brown stated that his concern is that by Raymond's vote in joining, we are also sending a signal to the Courts that we favor the eminent domain process and that is something that Selectman Brown is against. A further discussion between the Board, Michael Scanlon and Attorney Steven Judge regarding the eminent domain proceedings was held.

Chairman J. Wood stated he looks at this as an opportunity for Raymond to make a statement in terms of being part of this Merrimack Valley Regional Water District, the town has participated as far as the crafting of the Charter, we have ratified the Charter and it gives us an opportunity for representation in the event that all the cards fall in the right direction, if they don't then it doesn't mean anything and whether we postpone this vote until a later date or we do it tonight is probably of no consequence and rather than doing it in a time when we have to be rushed, we should do it tonight.

**Motion by Selectman Weldy that the Town of Raymond join the Merrimack Valley Regional Water District, seconded by Selectman D. Wood. Chairman J. Wood asked if there was any discussion. Selectman Weldy stated that the Board has always wanted to look to the future and this is something that needs to be done. Selectman Barnes stated that he has a lot of respect for what Selectman Brown is thinking and he doesn't want to step on Selectman Brown's parade, however, he has heard here tonight that joining this is not going to affect the folks that are on this water system now and Selectman Barnes feels the Board should pass this. Chairman J. Wood asked for all those in favor: Selectman Weldy – yes; Selectman Barnes – yes; Selectman D. Wood – yes; Selectman Brown – no. With no abstentions, this passed 4-1.**

Attorney Judge reminded the Board that they need to appoint a representative to the Water District. The meetings are on the third Thursday of the month.

#### **Interview of Frank Bishop – Recreation Advisory Board**

Chairman J. Wood asked Mr. Bishop to come up for his interview. Chairman J. Wood stated he received a copy of a letter to Rick Bates from Michelle Gordon recommending Mr. Bishop as a new member, along with the minutes of the meeting where he was nominated. (A copy of the documents are on file with the Town Clerk).

The Board proceeded to interview Mr. Bishop. Mr. Bishop was asked why he was interested in serving on the Recreation Advisory Board. Mr. Bishop explained that he was told they needed help on the Board and he served on that board years ago with Ted Welch.

There being no further questions, the interview was completed. The Board will vote on this at the next regular meeting.

#### **Appointment of Forest Fire Warden and Deputy Wardens**

Chairman J. Wood asked Fire Chief Kevin Pratt to come forward and explain this.

Chief Pratt explained that this is an annual thing that the State of New Hampshire does. This year they also started an evaluation process. Chief Pratt stated he has been a warden for a quite a few years now and he was deputy warden prior to that. Probably 18 years as warden and probably 10 years as deputy warden. Basically, it is paperwork that needs to be signed by the Selectmen or the Town Manager to appoint these people as deputy wardens, they would be here, but there was a structure fire at 6:45 p.m.

Chairman J. Wood stated that what is being proposed is that Kevin Pratt be appointed as Forest Fire Warden, Michol Greenwood, Charles Perkins, Paul Hammond, Warren Ducharme, Jason Grant, Wayne Larrabee, and Gerry Gallant as Deputy Forest Fire Wardens.

**Motion by Selectman Weldy to appoint Kevin Pratt as Forest Fire Warden and Michol Greenwood, Charles Perkins, Paul Hammond, Warren Ducharme, Jason Grant, Wayne Larrabee and Gerry Gallant as Deputy Forest Fire Wardens, seconded by Selectman Brown. Motion passed unanimously.**

#### **Limited Road Acceptance on Sherry Lane**

Town Manager Bates stated that all of the conditions for a limited road acceptance has been met for Sherry Lane. The form is before the Board now for their acceptance. Mr. McCarthy stated that this is Phase I of a IV Phase plan there. This road intersects with Langford Road, Westgate Estates.

**Motion by Selectman Barnes that limited road acceptance on Sherry Lane be accepted, seconded by Selectman D. Wood. Motion passed unanimously.**

#### **Capital Improvement Plan**

John Page came forward to speak about the Capital Improvement Plan. Mr. Page explained that he is presenting this Plan this year and asking the Board to look at it a little differently this year then in years past. Mr. Page is asking the Board to forego the 10-15% the Board has been doing and fund just what they have funded. Selectman D. Wood asked if Mr. Page meant fund the proposed plan? Mr. Page stated that what the Board has been doing the last two or three years has been adding 10 or 15% to what you had funded the previous year only. Mr. Page is asking that they not do that this year and fund some of the articles that haven't been funding. The Selectman discussed with Mr. Page that it is a very difficult time right now as they are struggling to keep the tax rate down. Mr. Page stated he realized that and that is why he is asking them not to fund other things the usual 10-15%. Town Manager Bates asked if he could try to clarify Mr. Page's statement. Town Manager Bates stated that instead of increasing all of the others by 10-15%, target specific ones with that increase. Mr. Page stated yes. Chairman J. Wood asked Mr. Page if what he is asking is level funding on all of the CIP buckets that the Board filled last year and then in addition to that take the increase of 15% and spread that

over the buckets that we haven't put any money in? Mr. Page stated yes. Chairman J. Wood asked if one of those was sidewalks? Mr. Page stated no. They are in Police, Fire, Town properties, buildings. Town Manager Bates stated that where we are right now is the component of adopting the CIP Plan itself, as far as the funding of the Plan, that will come up at a different meeting. Right now it is do you agree with the fundamental part of the Plan? Chairman J. Wood then asked Mr. Page if all of the buckets he wants funded are on this piece of paper, is the Plan complete? Mr. Page stated as far as he could see on long-term planning yes, it is all there. Mr. Page stated that this is all tied into charging impact fees and the law is clear that if the Town does not pay their fair share, the impact fee money goes back to the people. Chairman J. Wood stated that what the Board agrees to tonight is "does the Board agree to the placeholder names and these funds that are going to be set up". Michelle Clark stated does the Board agree with these projects, that they should be done. Discussion among the Board of Selectmen and Michelle Clark followed.

**Motion by Selectman D. Wood to adopt the 2005 Proposed CIP Plan, seconded by Selectman Weldy. Motion passed unanimously.**

Kevin Pratt stated that last year he requested that a CIP fund be set up for the small vehicles like his pick-up truck and the duty vehicle and funded wholly with the building inspection fees. Michelle Clark stated that that will come up again with the funding, but there is, in the CIP Plan. If you look, there is fire utilities. Kevin stated that he saw that, but he take it right out totally from building inspection fees and not do the CIP Plan. The Board suggested Kevin speak with Michelle further on this.

Mr. Page stated that a lot of work has gone into the CIP Plan and he would like to thank everybody, especially Michelle Clark for putting this booklet together. Town Manager Bates thanked Mr. Page for his work on this project.

**Senate Bill 70 – NH Seacoast Region Wastewater Management Study**

Senate Bill 70, which was effective on July 7, 2003 established a study commission to determine the feasibility of constructing a regional interceptor to collect the existing and future effluent from the municipal wastewater treatment facilities in the Seacoast Region and discharge this treated effluent into the Atlantic Ocean. This study encompasses 47 communities in New Hampshire. Presently there are 16 municipal wastewater treatment facilities that serve the study area. Other alternatives will be developed and compared to the regional interceptor in order to determine the most feasible long-term solution for the Seacoast Region. The Study Commission and the NH DES encourage Raymond's participation throughout the duration of this study.

Town Manager Bates stated he could take care of this, all he needed is a vote for the community representative. Chairman J. Wood stated he has attended some of the sessions and they have bid out the contract, the main component went to Metcalf & Eddy and there are a number of other contributors to it. They are not just looking at it as just a waste pipe out to the Atlantic, they are looking at it as a regional problem and there may

be other solutions rather than taking all the waste and pumping it out to sea. There may be ejection, there may be spray, there may be a number of different things. The major piece is, that even though we don't have a waste treatment plant, and many of these communities don't have a waste treatment plant, we have septage and everybody gets their tank pumped every couple of years and that has got to go somewhere. Right now a lot of it is going to Massachusetts and Haverhill, very little of it goes to Manchester. We have been shut off from South Berwick, Maine, so it is going to become more of a critical issue. It is also the responsibility of the Selectmen in each town that they make sure that they provide a place for their septage from their town to be delivered to. The Town of Raymond has not done that.

**Motion by Selectman D. Wood that the Town of Raymond, join the New Hampshire Seacoast Region Wastewater Management Study and that Jonathan Wood be appointed as the representative to that commission, seconded by Selectman Brown. Questions were then answered among the Board members and residents. Motion passed unanimously.**

## **Budget**

Town Manager Bates stated that the budget challenges facing the Town are considerable. The Town Manager's budget represents an increase in the tax rate of \$1.33 per thousand. The default budget represents an increase in the tax rate of \$1.08 per thousand. Given the overall tax rate the Town currently has, it is clear that something needs to be done to reduce the impact on property owners in Raymond. The question is what. At Friday morning's special meeting, the Board of Selectmen decided on an approach that would establish a method of calculating a target of what the tax rate should be, based on the median family income. When all the calculations were completed by Michelle and put into some coherent form over the weekend, this meant a budget decrease of \$560,000 below the default amount calculated for 2005. Town Manager Bates and Finance Director Michelle Clark worked hard to establish the target amount of the tax rate of \$8.11 cents per thousand. Keep in mind that we were already working under a default budget, so budget lines in the default we had to work with were actually reflective of 2003 numbers, which were actually only 1.2% over 2002. \$560,000 in cuts equates to roughly 8% reduction below the default. This was a huge undertaking and resulted in not only reductions in services, but lay-offs to reach the target. We were careful to refrain from making cuts in places that would hurt the most, causing the most pain, but the fact of the matter is reductions below default has to result in lay-offs as people represent our highest costs. Town Manager Bates is not representing in any shape or form that the cuts we have made are acceptable or in the best interests of Raymond, they are in an attempt to reach the budgetary target suggested at the October 29<sup>th</sup> meeting. Town Manager Bates believes they will have a damaging impact on the Town's ability to provide necessary services, improve quality of life, as well as begin to cut into how safe residents in Raymond are. The task was to demonstrate areas that cuts could be made, the work was the result of a day of brainstorming and could result in further adjustments if adopted. As an alternative, Town Manager Bates suggested the Selectmen seriously look at the issue of solid waste and its impact on the budget. Town Manager Bates suggested

the Board consider solid waste more as a utility where residents pay for the services based on the volume of service they use, rather than the value of the home they live in. Currently the disposal of trash represents 10% of our total budget. Town Manager Bates suggested the Board consider a package to get the solid waste costs under control, that would include three components: 1) follow through with the scale at the transfer facility and execute the contract with Bestway; or start collecting fees as soon as possible; 2) develop a budget which we reflect the pay as you throw program in 2005 and; 3) finally, we implement curbside collection of recyclables to correspond with the start of the pay as you throw program. This would bring the budget down close to the target amount of \$8.11 tax rate and ultimately be doing the best thing for Raymond, which is to encourage recycling as a cost avoidance measure and develop a revenue stream for the ever increasing cost of trash disposal. The critical question is when to implement the proposal, if it were to be implemented at all. In the proposal that Michelle will go over, Town Manager Bates and Michelle Clark assumed that the Board would be unwilling to implement without some form of public hearing process. In this case, the budget process. Given that all the calculations are based on a half a year implementation, the total benefit of the change would be spread out over two years. Town Manager Bates then asked Michelle to go over the cuts that were necessary to achieve the \$8.11 tax rate.

Once the tax rate is set for 2004, the tax rate would be \$7.76, estimating. Keep in mind that there are at least four warrant articles that are going to be included in the whole thing, 15% increase on CIP items, the union contract with the police department and dispatch department; the highway shed bond issue and the test well. With all those items and doing what was asked to come up with a different alternative, other than the solid waste alternative, the tax rate would go up about 35 cents.

Chairman J. Wood asked how much the impact of the default budget is over last year's rate? Michelle Clark answered \$1.08. Chairman J. Wood then stated that the default is looking at \$1.08 without the warrant articles. It would be \$1.53 with all the warrant articles on the tax rate. Michelle then went over some figures with the Board of Selectmen. Using the Town Manager's recommendation and then adding in the four warrant articles just talked about comes down to the equivalent of a \$9.56 tax rate for the Town. The Default Budget – taking into consideration the four other warrant articles would be at \$9.13 tax rate for the Town. The next one, which is called MRC/RB proposal, this proposal is that the Town seriously look at doing pay as you throw and curbside recycling definitely as of July 1<sup>st</sup>. These figures are doing it as of July 1<sup>st</sup>. Along with those four warrant articles it will be an \$8.43 tax rate for the Town. The other alternative that we were to look at would be if we didn't do the pay as you throw and curbside recycling how would we come up with the cuts to come down to the amount of money that was coming close to \$8.11. Please keep in mind that these are cuts are just brainstorming things from a meeting that lasted a day, so it is not etched in stone. In order to get down to the \$8.11, which includes those other four warrant articles, we would have to do numerous things. Executive: There would be no secretarial support for the Board of Selectmen, minutes will not be done in the time needed as required by law; Tax Collector/Town Clerk Office: One position would be eliminated, that would mean longer lines and cutting the hours open to the public. Town Office: We would eliminate

one position, that would mean cut hours open to the public and assistance to residents will be limited; also in Town Office no codification updates, that means we would have outdated information in our books and there could be potential legal issues. Cemeteries: No plowing of all cemeteries, which means the cemeteries would be closed to the public when snow is on the ground, there would be no new trees in the cemeteries, whether it be for replacement or new. The Planning Secretary position would go down to 30 hours, that means the Planning Board would meet once a month and secretarial support services would be limited. Budget Committee: the budget committee members would have to do their own minutes as a secretary would not be provided to them, which means a member of the committee would have to take the notes and do the postings. Police Department: ACO Officer would become part-time, means calls for ACO would be delayed, dog bite cases which require investigation would also be delayed; two part-time police officer positions will be removed, meaning that reduced staff means that only one officer might be on duty at all times, we would eliminate a dispatch position, which means there would be significant changes in that department; we would reduce overtime for sick, vacation, and court for police officers. Which also would mean that there might only be one officer on duty and call response, investigation, etc. would be delayed. Fire Department: elimination of a firefighter position, inspection would take longer, less help on calls during the day. In doing this, it means that there are no new positions for the Building Department, which means inspections will continue to take a few days, code enforcement issues will not be attended to and when the building inspector is on vacation or out sick, there will be no building permits or inspectional services provided. Highway Department: elimination of two positions, the jobs would take longer, routes would not be plowed as quickly as today, schools would not be plowed until last, which may cause delay or cancellations. Solid Waste: elimination of Household Hazardous Waste Day, which means that potentially we have disposal of hazardous waste that might not be disposed of properly, which could create issues. Elimination the head attendant for the Transfer Station, there would be no Monday hours. Economic Development: eliminate all but \$1.00, which means the Town would not be working to promote economic development to obtain new businesses. Welfare: elimination of the Welfare Administration position, the Town Manager would perform welfare duties or give duties to another employee. This would cause inconsistencies and potential legal issues. Library: There would be no Saturday hours, which means the residents would not be able to utilize the library on Saturdays, also their books and material budget would be cut in half, which means there would be a limited amount of new literature. Recreation: close the Town Beach, which means the residents would not be able to go to the Town Beach. There would be no newsletter, residents would not be able to receive information about programs in the Town in the mail. There would be no winter program. The kids in the community would not have any winter activities provided, an example is the Halloween party that was just recently done. Conservation Commission: elimination of the secretarial position, which means one of the committee members would have to do the minutes and adhere to time deadlines. Parks: reduce the overall operating budget, which means that fields would not be maintained and lined properly and all departments, removal of all non-public safety overtime, which means jobs will take longer and may not be completed. That is what was done in order to come down to \$8.11.

Chairman J. Wood asked if there are any questions on that. Town Manager Bates stated to please keep in mind that this is not etched in stone, there are certainly ways that this is going to get tweaked around. Chairman J. Wood stated that the Board understands that this task was given to you and Michelle on Friday and this is Monday. Town Manager Bates stated that it is both his and Michelle's hope that the Board will not go with this approach.

Selectman Brown asked if under this scenario you are proposing the pay as you throw, which is really the only difference from the default budget and really the only major difference between the budget that is proposed. Michelle Clark explained that it is the pay as you throw, curbside recycling and the transfer station being taken over by Bestway. Also, please remember that because this isn't being implemented until July 1<sup>st</sup>, we would get an additional 65 cents savings in 2006 on top of the savings of doing that.

Chairman J. Wood would just like to clarify this. There is the default budget, which is basically last year's budget, plus increases for med benefits, increases in the step rates and any contracts that the Town has, so the decrease is only with the pay as you throw and what we proposed initially as a budget. The budget that includes a part timer for the Building Inspector, pieces like that are still in the proposal that includes the pay as you throw. Michelle Clark stated yes, Richard would have help in his department and the Town would also have an IT person. Chairman J. Wood asked if that clarified things. It is not the default less, it is the original budget that was proposed less the solid waste cost.

Selectman Brown explained that what the Board tried to do on Friday was to establish a cap on the tax rate. There were two types of caps. One was tying it to average income or average per capita income and the other was setting a 2% of actual value as our cap. Going for the cap on the income, 8% is apparently just simply puts it too low. However, the number we have come up with here, with the \$8.43, the MRC/RB proposal and that is Bestway and pay as you throw, keeps it under 2% of actual value, which is \$20.00 per thousand equalized value. It is \$8.43 which is slightly lower than what Mr. Brown had projected with a 2% cap. Chairman J. Wood asked Selectman Brown if he liked that? Selectman Brown stated yes, he did. Selectman D. Wood stated that with any luck Bestway would be taking over the transfer station, but it is only shown on the MRC/RB proposal. Selectman D. Wood asked why it was not in all four columns to reduce taxes. Michelle Clark answered that the question becomes "is Bestway going to take it over?" We are still in the whole process of everything. Selectman D. Wood stated if Bestway is going to take it over in the scenario of MRC/RB, then they would take it over under any of the other three scenarios. Town Manager Bates answered that the reason it is under the MRC/RB proposal is what they are doing is saying let's tie all of the solid waste issues together and have a single, broad picture of how we are going to solve the solid waste issue and also how we are going to meet or come close to Paul's target. Chairman J. Wood stated that one of the problems the Town has with the solid waste and included Bestway is that if we don't have what it would cost us to run the transfer station, no matter how much money we take in at the transfer station over the scale, if Bestway doesn't do it and we do have a scale, we still have to have in the budget the amount of money, otherwise we can't expend it. That is the reason that it is there. Michelle Clark

stated it could be taken out and it would be 46 cents less on the original TM recommendation, which would be \$9.10 and the default, which would still be higher than MRC/RB proposal. Further discussions regarding the amount of pay as you throw and the costs involved.

With recycling, the amount of bags put out to be picked up would be less, therefore costing the taxpayer less. It will totally be up to the taxpayer to recycle and lower their trash costs.

Michelle Clark wants everyone to realize that the rates she used are the 2005 rates and she estimated the 2006 rates. The cost for trash pickup will just keep going up and up in the future.

The Board of Selectmen can put through the pay as you throw without the voters voting on it. Chairman J. Wood stated that it has been put before the voters in the past because that has been the way it was. This is an opportunity for the Board to actually implement pay as you throw, curbside recycling, all in one go and reduce the budget.

The mechanics of this pay as you throw program can be worked out after the concept is accepted. It would probably be more of a pay for a sticker type of thing, but we don't have to work that part out yet. Chairman J. Wood stated that conceptually this is one way to drive the budget lower.

Chairman J. Wood stated that the logistics of what type of bag or barrel, etc. can be worked out later. We also know that there are quite a number of towns that have successfully implemented this, so we know that it is not an impossible hill to climb. The point that is before us, is do we want to reduce the budget via solid waste. Chairman J. Wood then opened this up to the public for comments.

John Page came forward and stated that the voters of this Town have voted down pay as you throw at least twice. Mr. Page was upset with the fact that the Board could override what the voters said. Mr. Page stated he would like to see recycling put on the ballot again this year, stand alone, without pay per bag. Michelle Clark stated that it was stand-alone last year. Mr. Page feels it will pass this year, it almost passed last year. He feels if it is tied to pay as you throw, it will not pass. Mr. Page stated that what he hears is that if the trash is in his taxes, it can be deducted on the federal income taxes, if it is in pay as you throw it can't be deducted. Michelle Clark stated that the problem is that there is not really much of a savings you gain having it for a tax write-off. Michelle Clark just wanted to let the people know that the tax write-off savings does not amount to much. Chairman J. Wood thanked Mr. Page for his comments. Chairman J. Wood asked if there were any other public comments.

Bill White stated that he has the same feelings as Mr. Page. If the voters have voted this down, then it should not be implemented. Chairman J. Wood stated that one of things that the Town is facing this year as far as solid waste removal from the Town on the curbside is that we need two trucks. Chairman J. Wood stated there can be two trucks

hauling garbage at \$65 a ton up to Turnkey or one hauling garbage and one hauling recyclables. The recyclables go up to the Turnkey at \$15 a ton, versus \$65 a ton right now. Both of those rates are going to go up in the next year and that is what is facing the Town. The other part is user fees, pay as you throw type of thing is one was of reducing it, but by having both the pay as you throw and curbside recycling side-by-side, you get to chose whether you put it in the bag that costs you \$2.00 or you put it in the recycling bins, where it doesn't cost you as much. Mr. White stated he understands that but as far as bringing it up every year and having it voted down. If it is that much of a big savings, why doesn't the Board institute that part of it instead of budget cuts that were proposed as far as the budget goes on the Town side of it. With all this budget cuts proposed, are you expecting the same amount of services that you get now? Absolutely not, it is not going to happen and that is Mr. White's biggest problem. When you start cutting people, you are going to lose, the Town is going to lose. Selectman Brown wanted to ask Mr. White a question. If you have a house that is assessed at \$100,000, let's say, and you could save \$73.00 a year by getting your trash down to one bag a week, would that be worthwhile to you? Mr. White stated of course. Selectman Brown said okay, if you understood that clearly and if the public understood that clearly, that they could save money on their tax bill, do you think that that would likely to pass? Mr. White stated, if presented that way, yes, he believed it would. Mr. White feels that if this is such a great savings to the Town, the Board should just implement it as the townspeople have voted this down over the last few years. Selectman D. Wood stated that in the past there has never been a majority of the Board that felt that the Board should put it in place. The sad part of it this year is we are faced with such a tremendous increase in the tax rate because of two items, basically, increase in solid waste and increase in health insurance, that this was a method of trying to free up some money so that the impact would not be so bad on the taxpayers and I am inclined to agree that the voters have voted against this, but Selectman D. Wood felt that part of it is that they enjoy the convenience of saying they don't have time to throw the aluminum cans in a different bin, they just throw it in the trash can. Whereas, if they would just take a few minutes to separate the recyclables, they could probably cut their trash in half. Selectman D. Wood stated that he goes to the recycling center once every couple of months with a half a pickup load, and he feels he could probably increase that if he really worked at it. Mr. White had one more question. These cuts are all on the Town side basically. If we were forced to make cuts substantially like this, would the schools also have to make those type of cuts? Chairman J. Wood stated that the Board of Selectmen can only deal with the Town budget. Mr. White stated it is very important to know that if you make big cuts like that, then the Town services are going to suffer, there is no doubt about that and then we have to do something to reduce and make it easier as far as the Town goes and make more on the trash part of it. The Board thanked Mr. White for his comments.

Chairman J. Wood asked if there was anyone else from the public who would like to speak?

Further discussion regarding costs and how they came about followed.

Selectman Barnes stated that on the Town side, the side the Board of Selectmen controls, the trash pickup for the school is included in. So this Board is busting their butts to get the trash costs down, but does anyone have a price on how much it costs to haul the school trash away? Mr. McCarthy stated that a while ago when it was looked at it was in the \$20,000, maybe \$25,000 annually. Selectman Barnes stated it would be nice if the school board had to wrestle with the \$25,000 figure instead of the Town side. Town Manager Bates stated what the school board wrestles with is we are here tonight at no cost and they wrestle with this as well. All of the things that go on in the building, the committees that meet, etc. and they don't pass that cost to the Town. It all comes out of the same pocket. Selectman Barnes stated he understood the same pocket theory, but he was just stating it would be nice to have the \$25,000 taken off the Town side. Selectman D. Wood stated that that would be nice, but if that was the case we would be sitting here trying to pay the attendant that is going to be here to clean up after we leave.

Chairman J. Wood stated that the Board of Selectmen has been working diligently with the School Board to come up with ways that we can have efficiencies in our costs and if the School had to go out and buy their own contracts to pick up the garbage, it would cost them more and therefore, the townspeople would be paying more, so the way we are doing it right now is probably the most efficient and cost effective for the taxpayers.

Chairman J. Wood again asked for any further comments from the public. There being none, the public end of this is closed and he asked the Board what they would like.

Selectman Weldy stated he needed more information and he would like to see what it would be just for the curbside recycling. Michelle Clark stated she believed it was \$200,000, maybe a little bit more because that was last year's figure. But you have to keep in mind that we need two trucks to pick up the trash now.

Chairman J. Wood stated that what is before the Board right now is the Board is voting on this budget and here is what the options are. The Board could go with the original Town Manager recommendation which looks like \$9.56 of the tax rate. We don't have to vote on it, but the default is going to \$9.13. We have an option to go to \$8.43 with the curbside recycling and pay as you throw and we have the draconian cuts in services of \$8.11. Further discussions were held regarding costs. Chairman J. Wood stated that this needs to be kept on a level field. If you are going to be quoting just the increase on the tax rate, the increase on the tax rate with the Town Manager recommendations is \$1.33, the increase on the tax rate for the default is \$1.08, the increase with the pay as you throw and curbside recycling and solid waste management is 22 cents and the alternative using the draconian methods (cuts in people and services) would be a reduction of 10 cents on the proposed 2004 tax rate, but there would be a tremendous amount of cuts in services and people. Selectman Barnes asked that if the recycling and solid waste budget gets approved \$1.11 comes off the tax rate? Chairman J. Wood stated yes. Selectman Barnes then stated, "How the heck can we not vote for it?" Chairman J. Wood stated that is what the Board has been trying to say. Selectman Barnes stated that the bottom line is that dollars are important to the people that are listening out there, \$1.11 is one heck of a savings. Town Manager Bates stated that the fundamental difference is the way it is now

it is part of the tax rate and it is based on the value of your home. What the proposal is, is to switch the burden of that and it is based on the volume of material that you get rid of, which you have control of. If you chose to recycle and are vigilant about it, as some people are, then they can get it down. If they chose to fill up five or six bags, then they are going to pay. Selectman Barnes asked when this has to be approved. Chairman J. Wood stated that it needs to be approved today.

Chairman J. Wood asked the Board what they would like to do.

Selectman Brown asked Town Manager Bates if the default budget included the removal of trash. Town Manager Bates stated yes. Selectman Brown then stated if the people vote for the default budget and get their trash taken away. Town Manager Bates interrupted, stating that people do not vote for the default budget, they vote for the budget presented, if they reject that budget, it automatically goes to the default budget. Selectman Brown stated that the proposed budget will have pay as you throw and the proposed budget will be lower than the default budget. Town Manager Bates stated yes. Selectman Brown stated it is a “no brainer” and everyone agreed.

**Motion by Selectman Brown to accept the budget modified with the solid waste removed and the Board in effect has endorsed pay as you throw and curbside recycling, seconded by Selectman D. Wood. Selectman Brown stated that the taxpayers of Raymond have a choice, vote the budget down, you get the default budget which is higher and you get your trash taken away. Motion is withdrawn by Selectman Brown for further discussion. Selectman D. Wood withdraws his second.**

Selectman Barnes wanted to discuss the budget that had cuts in services and people. A discussion was held over what cuts would be done and how it would affect the Town. The Board of Selectmen asked that the Town Manager report to the Board of Selectmen on all overtime. They would like an explanation for all overtime. Selectman Barnes would like a monthly report in non-public session of all overtime. The report should entail a sheet just like Michelle put together for tonight’s meeting. Public safety departments can be left out, police, fire, highway guys as far as plowing, but there are other departments that are having overtime. This will start at the end of November.

**Motion by Selectman Brown to accept the budget without the solid waste and endorsing curbside recycling, pay as you throw, as of July 1<sup>st</sup>. To send a budget to the Budget Committee in the amount of \$7,775,073, seconded by Selectman D. Wood. Discussion: Selectman Barnes wanted to state that this budget is going to go to the Budget Committee and the Budget Committee will be having public hearings and this is where the citizens of this town can come in and speak their mind. Motion passed unanimously.**

### **Committee Updates**

Selectman Brown – Had no meetings.

Selectman Weldy – Attended a Land-use Board hearing in Newmarket that was attended by the Zoning Board and Planning Board members and the Planner.

Selectman D. Wood – Attended the Economic Development Forum that the entire Board attended last week, which was great.

Selectman Barnes – No committee meetings.

Chairman J. Wood – Attended the Planning Board meeting and they were working on zoning ordinances. Also attended the Office of Energy & Planning annual fall meeting. He also participated in a planning board roles and responsibilities and then finally in a section that was titled Soil Based Lot Sizing.

### **Town Manager Report**

Town Manager Bates stated that what he has been doing mostly is working on this budget and the Economic Development Forum.

Selectman D. Wood wanted to thank Rick and Craig for their work in pulling the Economic Development Forum together.

Chairman J. Wood wanted to thank John Page for his efforts in getting the CIP Plan done and hunting down the issues.

**Motion by Selectman D. Wood to adjourn, seconded by Selectman Weldy. Motion passed unanimously.**

Meeting adjourned at approximately 10:00 p.m.

Respectfully submitted,

Kathy L. Cramer  
Executive Secretary