

**SELECTMEN'S WORKSHOP**  
**Minutes of 7/16/07**  
**4:00 p.m.**

*Selectmen:*

*(Absent with Notice)*

*Frank S. Michel, Chairman*  
*Peter F. Brothers, Vice Chairman*  
*Robert C. Flanders*  
*Miller C. Lovett*  
*Colette Worsman*

*Town Manager:*  
*Recording Clerk:*

*Carol M. Granfield*  
*Karin Landry*

The Workshop was opened by Chairman Frank Michel at 4:00 p.m. He identified the primary goal of the workshop as a discussion of the water ban. The Board will caucus among themselves, and took public comment afterwards. He introduced the Board and invited guest, Ray Korber of KV Partners.

**W 07-10      Water Restriction/Capacity Discussion**

Chair Michel opened with a background on the water ban. He met with Ray Korber, John Edgar, Brenda Vittner, and Carol Granfield at the Town Hall Annex last Friday to review the data on daily usage and production that is now available to the Board. The numbers that were previously reported to the Board were based on raw water drawn from the Lake versus finished water that was pumped to meet demand. The workshop's focus is capacity. The philosophy of how the Town will deal with developers or those wishing to build will take place at a later time

Town Manager Carol Granfield recommended that the ban be modified to a two-day restriction based on street address.

Ray Korber, of KV Partners, presented the Board with water production data detailing the gallons of raw water pumped, gallons of finished water pumped, and storage tank level on a day-to-day basis. The raw water pumped hit a high on June 28 when it reached 792,000 gallons per day. Monitoring of the system over the last few months has shown an increase in the average daily demand from previous years, and it was suspected that the meters were not reading correctly. As of June 23<sup>rd</sup>, the tank was dropping and the water level was not recovering. Water & Sewer Superintendent Bob Hill conservatively reported the 792,000 gallon number as the amount of finished water pumped into the system, instead of the amount of raw water drawn from the Lake.

Mr. Korber used a flow diagram to explain how the Meredith water supply works.

There has been a variability in the amount of water drawn from the Lake and the amount of finished water that is pumped into the distribution system. Bob Hill and Ray Korber had conversations with the instrumentation and control consultant to determine why this occurs. The

flush cycle and back wash sequence might be happening more often than in the past, because the turnover in the Lake has increased turbidity in the water. The finished water pumps were not keeping up with the distribution system. The situation was due, in large part, to dry weather, heat, turnover in the lake, and excessive demand. It was thought that excessive demand was the cause more than turnover, but it is now believed that operational issues in the treatment plant are the cause.

Selectman Brothers spoke about conservation, water restrictions and other incentives or disincentives that will have an effect on capacity going forward. There must be control of the demand for more extensive landscaping and outside watering

Selectman Worsman asked if anything can be done in the plant to increase finished water production without changing the existing facility. Ray Korber believes there are steps that can be taken and is investigating possible changes. He recommends that Bob Hill meet with New England Instruments and the Colorado consultant that was involved in the start up of the treatment plant to take a look at the plant. He recommends installing flow meters on the treatment units that will allow the backwash process to take place based on flow, as opposed to every 24 hours. Reducing the frequency of the occurrence will increase production. The strategy is to maximize the investment in the current facility, and if there is unmet need, look at investments going forward.

Dialogue ensued regarding maximum capacity. The last time the Town bumped up against the threshold was 2001 and 2002. The crisis is the tank falling and not being able to keep up with demand. An investigation of the operations of the treatment plant is taking place to determine why the tank was dropping from June 23 to June 28. Ray Korber made a recommendation for a dedicated computer (operator interface terminal) for the treatment facility that will trend, log data, and keep track of all the information that needs to be generated. He expects to come back to the Board with specific recommendations for upgrading the treatment plant in order to optimize operations.

Mr. Korber presented the Board with a chart setting forth consumption analysis. The number of accounts has increased from 977 for the first two quarters of 2006, to 1,018 for the first two quarters of 2007. As a result of conservation measures, consumption has gone down as the number of accounts has increased. The operation staff needs to better be able to anticipate when events will occur so they can make changes that will optimize water production. They must plan for optimum usage in August.

Mr. Korber presented the Board with an analysis of total water production. While the demand on the production side is going up, the consumption equation is going down. The meters are reading correctly. The possibility of a leak in the system must be eliminated.

Dialogue ensued regarding conservation measures and Mr. Korber suggested the possibility of an ordinance requiring all new construction to have low flow fixtures as well as banning outdoor automatic sprinklers. He addressed concerns that activities related to the bundled project attributed to leakage in the system, telling the Board that he does not believe it contributed to the current issues with any great significance.

Selectman Lovett addressed the larger matter of upgrading the facility, suggesting that a committee be appointed to make sure that recommendations are presented to the Capital Improvement Committee. Chair Michel asked that dialogue be restricted to the water prohibition.

Resident Peter Miller asked the Board to be mindful that they don't have all the information when considering relaxing the restrictions. The mystery is why the level of the tank dropped.

Ray Korber responded to questions from the public regarding the operations of the plant, including the size of the pumps, metering on the distribution system, and the purpose of "T" in the line to the storage tank. He answered questions about utilizing a computer at the plant.

The addition of a computer at the plant will be taken care of administratively.

An update will be presented to the Board at the July 23 workshop. They would like an assurance that all data is accurate before moving onto policy. The meeting with the consultants will not take place until August 1.

Ray Korber made his final recommendations: recheck the meters, reevaluate the set points in the water treatment facility, make changes in monitoring protocol (computer), and evaluate and implement operational changes to increase net water production at the treatment plant (ongoing process). He made his recommendation for relaxing the prohibition to a two-day restriction.

*Selectman Worsman moved that the Board change the water restriction to a two-day allowance as follows, as this is a more cautious option: two-day by street number, Monday and Wednesday for odd numbers; Tuesday and Thursday for even numbers, from 5-8 a.m. and 6-9 p.m. No watering on Friday, Saturday or Sunday. Seconded by Miller Lovett. 4-0-0. Motion passed.*

## **07-11 Budget Philosophy**

Town Manager Carol Granfield and Director of Administrative Services Brenda Vittner are seeking the Board's guidance on the budget process. They are proposing a modified version of a zero-based budget that starts with a percentage of the current budget based on maintenance and justifies anything above that. They are looking for guidance in setting the percentage for maintaining the current level of services. The goal this year is to have all departments provide the same types of information during the budget review process. It was recommended that ongoing projects are finished without adding new projects.

Dialogue took place regarding how the budget drives policy, goals, and the level of service. The Board was asked for guidance on the four pieces of the budget: personnel and benefits, operating expenditures (non-controllable expenses such as electric and fuel), items not included in those two categories, and capital expenditures.

Selectman Lovett set forth four categories that should be tied together: the operating budget and how to constrain its growth, how to handle capital budgeting, how to make allocations for

population growth, and the use of fund balance. At the present time \$1.8 million goes into capital expenditures every year, including schools, debt service and principal. The danger is in spending more on the operating side and not making the capital investments that should be made. He suggested allocating tax revenue from new construction and remodeling of existing property towards the kinds of things that result from population increase. He proposes constraining the operating budget to the cost of living index and limiting use of the fund balance to large one time events such as the revaluation, and the overlay. The fund balance should not be used for the operating budget. He proposes looking at the revenue side of the budget first and building the budget based on that. He supports a maintenance budget with strong defense for any increases.

Chair Michel reminded the Board that the fund balance must meet 10% of the gross budget to be in compliance with DRA requirements. He does not disagree that the Town needs to do something substantially different than before, but expressed concerns with keeping the tax rate level.

Selectman Brothers sees a consistent level of costs to the taxpayers as a major consideration. There are significant projects identified and on the horizon, and new expansion of programming should not be added in 2008. He is in support of the departments providing detailed backup. The administrative team should do a fair amount of the leg work and come back to the Board with their recommendations. He is a firm believer that capital expenditures have to be viewed in terms of the overall project and debt service can have a significant impact on that. The Town took advantage of refinancing and should continue to do things that transfer to less expense or more revenue. The Town needs to look at the level of services it provides, who is going to pay for it and how.

Brenda Vittner told the Board that the departments will be asked to use a purchase order for large items or items that need to go out for bid in order to manage the budget once it is passed.

Selectman Worsman's philosophy is that there must be a good reason for any money taken from the taxpayer. Last year's budget was too high. She is in support of the modified zero-based budget, with the goal being a zero dollar increase. An analysis of what a service is costing vs. the benefit is critical. With the addition of the community center, police station, proposed fire station, and the Town garage needing attention, the Town must find economies.

Selectman Lovett asked Brenda Vittner to do an analysis for several years back as to what the capital improvement committee suggested and what the Town Meeting approved in order to see how close we are to \$1.8 million. The Town must decide what kind of money has to go into capital improvement each year. Chair Michel agreed that it is prudent business to improve capital items as you go instead of having spikes in the tax rate. Collette Worsman requested a revenue report to aid in the decision making process.

The Board embraced a modified zero-based budget and agreed that there are many things that need to be answered and considered. Dialogue ensued regarding upcoming workshop agendas and meeting with the capital improvement committee. The Chair and Vice Chair will meet with the Town Manager to set the agendas.

**W 07-12 Community Center Fees**

Parks & Recreation Director Vint Choiniere presented a statistics report showing the groups that utilized the Community Center from 1/1/07 to 6/30/07 and the number of times they booked the facility. There were approximately 250 bookings in the six-month time period. Non-profits use the facility 55% of the time.

The issues surrounding the use of the Community Center are:

- Should the Community Center be operated more like a business with the largest share of operating costs being covered by user fees, or should it be operated more as a community resource with the largest share of operating costs being covered by the annual municipal budget appropriation.
- What is a realistic cost recovery percentage goal that will allow for affordable rates, continued strong participation, and still provide access for the many civic and non-profit groups that have benefited greatly from meeting at the Community Center.
- Which user groups should pay a fee to use the Community Center.
- Will increased rentals fees necessarily generate increased revenues.

He made the following recommendations:

- Adopt two new impact fees - \$15 per hour per staff member to all private groups that rent space outside the Community Center's normal operating hours; private groups of 20 or more people who serve food at their event be assessed a cleaning fee of \$50.
- Provide set up service of tables/chairs/sound/etc. for only those groups paying rental fees.
- Acknowledge that the current fee structure and scheduling priorities do not leave much opportunity for increasing revenues.
- Increase rental fees.

Selectman Brothers suggested charging the average cost of \$45 per hour to a private party wishing to use the facility. He questioned what basic level of services we should be providing and at what cost.

Dialogue ensued regarding the ability of non-profits to pay fees, rates charged by private establishments for similar uses, operational costs, program fees, and revenues. The Board was in agreement that those groups that have not been charged should have a threshold fee. Vint Choiniere suggested a formalized process for non-profits claiming hardship.

Selectman Worsman recommended charging the average of \$45 per hour after normal operating hours. She questioned why school related groups are utilizing the Community Center instead of the school. The proposed fees are modest and are less than elsewhere. It should be mandatory for all non-profits to provide help with setup and breakdown.

Community Center Fees will be brought as an agenda item at a Board meeting so the public can speak to the matter. The Board asked the Parks & Recreation Director to come back with a recommendation for a fee for non-profits. Selectman Lovett suggested presenting the Board's recommendation to Vint within two weeks.

Resident Richard Roman spoke in favor of charging a fee to non-profits utilizing the facility in order to help cover operating costs.

Selectman Worsman asked the Town Manager for a report of revenue vs. expenses for Motorcycle Week.

The Board took a short break at 7:15 p.m. before moving into a non-public meeting.

Respectfully submitted:

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Carol M. Granfield, Town Manager

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Frank S. Michel, Chairman

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Karin Landry, Recording Clerk

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Peter F. Brothers, Vice Chairman

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Miller C. Lovett

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Colette Worsman