

Advisory Budget Committee

Meeting Minutes

Friday, January 8, 2016

The following members were present: Barb Dutile, Christopher Luurtsema, Dan Brady, Darwin Clogston and Howard Hatch. Jon Hobbs was excused.

Selectboard members Wayne Fortier and Tom Friel

Town Manager Glenn English

Finance Officer Jo Lacaillade

Chris Luurtsema called the meeting to order at 7:00 pm. He asked everyone to introduce themselves.

Barb Dutile questioned why the committee did not know how many members had gotten done this year and how short the committee is of members. There was a brief discussion about the lack of members; committee members said that they had not been contacted by the Moderator to see if they wanted to stay on. Several members from previous years have resigned and members present did not know until they arrived at the meeting and it was felt they should have known. FO Lacaillade and TM English said that they were advised by the Moderator that the committee was the same except that Laraine King and Andy Maffei had resigned. Peter Conrad and Dick Fabrizio advised the office after emailing members of when the first meeting was to be held. Jon Hobbs is still on the committee just unable to make tonight's meeting. Dick McDanolds had not contacted the office but was recovering from surgery. Howard said that he would take him a budget packet. Howard questioned the date of Town Meeting and whether it was going to be moved to Saturday. Town Manager said that Town Meeting has to approve the move to a Saturday meeting, the School is not limited to the same day. There was discussion as to whether the moderator could convene the meeting on Tuesday and then reconvene on a Saturday. Howard Hatch said he will be anxious to see how it works with the school. TM English said that the Town Meeting ballot question would ask if the voters will authorize the Selectboard to pick the date of the meeting, not actually set the date of the meeting. There is discussion that the school budget will be voted on by ballots at the school meeting. The date for the school meeting is March 19<sup>th</sup>.

Barb Dutile made a motion to elect Chris Luurtsema as Chairman, seconded by Howard Hatch; with no further discussion Howard moved the vote which carried unanimously.

The schedule was set for the remainder of the meetings as follows:

1/13/16 6:00 Airport, Recreation, and Information Technology (Barb Dutile excused)

1/21/16 6:00 Highway, Police

1/27/16 6:00 Fire Department, Libraries

1/28/16 6:00 Agencies

Howard Hatch wanted more information from the outside agencies this year. FO Lacaillade reported that the Selectboard had adopted a new form that asked for much more information than previously received including monies received from other towns, how much they pay their CEO, funding sources etc. TM English stated if he did not get their responses he did not fund them. He stated packets with that information would be put together for committee members. Several members asked about Alumni Hall specifically because it has been stated for many years that they were working on being self-sufficient and yet there was still a request this year. Their information will be in the packet.

2/03/16 6:00 Any other needed

TM English said that he has done 20 budgets but this is the one he is most proud of because even though spending is up considerably, the tax rate will be down because most of the spending increases are offset money from capital reserves or grants. For example: \$120,000 from reserve for a Haverhill Corner Fire truck; \$300,000 from the Road Capital Reserve; \$42,000 in grant money for Stonecrest culvert to partially fund that project and \$25,000 of grant money to take a look at the sewer line that is giving us problems. That goes on the bottom line of the budget but it is not tax money. If this budget is approved as presented and revenues come in as projected, the tax rate will go down 7 cents. There was further discussion about the road money; Howard asked if it would be a warrant article again to which FO Lacaillade said that it would be for the \$150,000 that goes into the capitol reserve. TM English said the \$300,000 out will be part of the highway budget.

Howard said that before the discussion of revenues began, he wanted to know if the Selectboard have any questions or concerns with the budget. Selectboard Chair Wayne Fortier stated that he has not had a chance to really delve into it but both he and Tom Friel said that they did have questions. Dan Brady stated that he was of the opinion that the Selectboard was at these meetings just to observe; and he did not feel that he needed feedback from the Selectmen. He would rather keep his thoughts independent from the people who work with this on a regular basis. He understood that it is their role to look at everything from a fresh point of view so if the board is going to have that kind of conversation with Howard Hatch, he does not have any appetite for it and he thinks they should do it somewhere else, so he doesn't pick up any biases. Howard said that they would not have any influence in those decisions then.

Dan Brady said he is not running for office and they clearly have different approaches. He is here to look at the process and if he detects something, to make alternate suggestions. Wayne said that his understanding of the Selectboards role at these meetings is to listen and get a feel of how the committee feels and take that into account when the Selectboard decides on their final budget that goes to the town. Dan Brady said that the Board gets complete copies of the minutes so they have clear information of concerns. Tom Friel said that if he is asked a question, he will answer it and the Selectboard has involved the audience. Dan Brady stated he wants it in the record that he would rather not know, that is his opinion.

Howard said that he spends time on two committees and the Selectboard has asked very little about one of them; the road committee. It is in the budget to spend \$300,000 and the Selectboard has not said what roads they want and they have not consulted the committee. The other is the fire truck committee; and he has taken a lot of grief about the way he voted on that truck. Haverhill Corner did a lot of work to select the truck they wanted and he made a motion to except their study and go with it because he is now told that the truck is too large, too heavy, the pump is too large, more than we can use, so the decision of that committee has already been approved and that won't be covered the night of the fire department budget review; it is a done deal. Wayne Fortier said that he did not think anything was a "done deal". What he does know is that the information the Selectboard received was that the package and the methodology of choosing the truck was well done. The dispute about the size of the truck is something that Howard has since voiced. Howard said that if it isn't a done deal, and it goes through the budget process but is voted on at Town Meeting and it doesn't pass, they would have to wait a year to ask for another truck. TM English said Town Meeting will not be voting on the fire truck; the Haverhill Corner Precinct annual meeting will approve that truck. The Town voters will vote on the appropriation from the capital reserve to buy that truck. The decision on whether to actually buy the truck is a Precinct decision.

Howard said that his daughter pulled out a slip the other day that was in the 2003-2004 tax bills. The breakdown of tax rates showed the municipal rate at \$3.59 per thousand; and the school was \$13.17; his question is "how can this be when the school budget has gone up this much and the school budget has gone up a lot. The Town rate has actually doubled. TM English said there has been a revaluation between then and now; another thing that accounts for a big part of that is fire departments being brought into the Town budget which represent over a dollar of that rate. The rest is an increase in spending that went through this committee and every town meeting. Chris said that he did not think Howard was questioning the Town rate but rather why the tax rate for the school is still the same, per mil. TM English said it is not the same; it can't be.

Chairman Luurtsema asked that they look at the revenues. Chris asked about the aero fund reimbursement and why it was increasing so much. FO Lacaillade said that they are projecting receiving a grant and that money will initially go into their AERO fund; at the end of the year they transfer from that account, any funds needed to make the airport spending neutral. Chris clarified that it is a wash for the Airport so that there is not tax impact. Dan Brady said that he would like to hear more about that when the airport comes into the budget committee. He wanted to know if they were still looking at paving projects like what was discussed at the so many Selectboard meetings? TM English said that the Airport Commission could address that question when they come in to meet with them. Chris asked about the airport fees; Darwin said that the salary is that. Darwin asked about the Fire Department Life Safety fees is projected to be at \$6500 but the budget on the expense side is for a lot more than that; he thought it was supposed to pay for itself. TM English said that if you look at 2015, the Town made more than it paid out by quite a bit. FO Lacaillade clarified that what she thought Darwin was asking was why we budgeted to expend more than we were taking in; some inspections are free. Darwin thought that it is supposed to be self-sufficient. TM English said that he had just put the same amount as last year in the expense side; he does not think they are going to use it. The Selectmen may want to reduce it; he does not know that the 3 fire chiefs could do that much in inspections this year. That number is our number and it is based on experience but we haven't had a full year of experience yet. It does not look like there will be a 3<sup>rd</sup> party inspector. Dan Brady wanted confirmation that the position is not going to be staffed to which TM English stated they have not been able to fill it so the fire chiefs are doing the inspections. The revenue has been coming in well as the chiefs do inspections. Chris asked about the sale of property line increase and the Sale of Tax Deeded Property line. FO Lacaillade stated that the sale of property line includes proceeds from the timber cut that was done on the lot that has been under discussion with Mountain Lakes. The Town has been paid for some of the timber and is due another payment from Mountain Lakes from their Trust Funds. The Sale of Tax Deeded Property line shows a number that was entered pending the sale of the lot off Tewksbury Road that is out for bid with a minimum bid of \$120,000 and if the lot will sell for the minimum bid amount that can be number can be adjusted at tax rate setting time or, if known before the budget hearing, it can be adjusted then. Howard Hatch asked if the ownership issue with an abutter has been resolved. TM English said his lawyer has given up the challenge; his attorney and our attorney have been talking and it was decided he has nothing there to work with. Howard went on to say that if he was to push it, he hopes that the Town will push back some. There was a brief discussion about this issue. Chris asked about the \$42,000 from the Watershed Commission. TM English said it is a grant to do the Stonecrest grant. FO Lacaillade said that if the committee refers to the transfers and carry over sheet they will see that the Page Road project was carried over. Chris asked about the status of that project. TM English said the first round of bids came in too high and it is going back out with revisions to the project

and hopefully there will be a bid that will work. They hope to do the project this summer. Chris asked what the \$60,000 for 2015 was out of the vehicle capital reserve to which FO Lacaillade responded it was used for the new highway truck. TM English said that there was an old revaluation capital reserve and we are bringing that money into the budget in 2016. FO Lacaillade said 2016 is a full revaluation year.

Chairman Luurtsema asked if there were any further questions before they moved on. Darwin asked about the Clifford Building revenue going up 40-50% and wondered if there were more people using the building; FO Lacaillade said that she had budget for 4 auctions; 5 wedding; another organization that uses the building once a year; and the food bank. The building is getting more use. Howard Hatch asked about the the current use penalty line; FO Lacaillade gave him an overview of the process. He said he knows some people have never been billed for penalties. FO Officer said that she cannot say that it has never happened in the past but it is unlikely it could in today's time because the assessing program we use gives all sorts of warnings if a parcel is in current use when we try to amend the record. Can it still happen: Yes. It is not a perfect system. She said she has worked with the deed transfers for many years and tries to be very diligent about the penalties but could they have been missed in years past? Absolutely. Howard said again that he knows this has happened. FO Lacaillade said that the statute gives a deadline of when you can charge a penalty and if is missed and the timeline to assess the penalty has past, the Town cannot go back now and assess one.

Dan Brady departed the meeting to go to another commitment.

**Board of Selectmen:** FO Lacaillade stated that the internet service has been moved out of the Selectboard Professional Services to the Information Technology budget where it really belongs. Chris asked what was in professional service because it didn't drop. FO Lacaillade said that line includes \$2000 to hire a Town forester to review timber cuts. The Town, for many years, has been using the average of the values given by the DRA to assess timber tax. This year a taxpayer challenged the process. Howard asked if the policy is going to be to check every cut or just the challenged ones. The Statute does say that you "shall" review each cut on it's own merits and the forester would be the one to review the cuts. The Town would not use them for every cut, but any of size of location issues, they could go and review them. FO Lacaillade felt the forester would need to visit the site when the cut was being done; Howard felt it could be done after the cut by reviewing the stumps left behind. Chris said that the State is basically bureaucratically pushing more costs on us. Darwin asked if the County Forester could provide the service to the Town; it was felt that he would not act as the Town Agent. Chris mentioned that the advertising budget was down and FO Lacaillade thought the new number was based on

needs and fine. Barb Dutile made a motion to approve the budget as presented; seconded by Darwin Clogston and carried unanimously.

**Town Administration:** This budget includes the current Town Manager, his separation money due, and a replacement Town Manager at the same salary. Darwin asked if the Selectboard is leaning towards a Town Manager form of government. Wayne Fortier stated that they had had one work session already regarding the issue and there would be another on Monday and he thought they would have a better idea of which way they want to go. Darwin asked if they foresaw a lapse in Town Manager, Wayne said possibly. Chris asked about the health insurance going up; FO Lacaillade said that she had to budget the replacement Town Manager with a family plan because it was an unknown at the present time. Darwin said that the work session he attended he got the impression that the current Town Manager salary was low compared to what they would be able to find a replacement for. Barb asked how come the retirement and other benefits were so much higher. FO Lacaillade said that the buyback of Glenn's accrued leave is subject to those benefits. Howard spoke (not legible) about the cost of the Town Manger for 2016. He did talk about the time required to hire an new Town Manager. TM English said there are people out there but it is going to take some time to get someone good. Chris said that the school is facing that with trying to replace their budget manager. TM English said there is always a pool of people out there to draw from; he said it is not as hard as hiring a cop. They talked about the hiring bonuses for cops being offered and the inability to still fill positions. Nobody wants to be a cop these days. Barb Dutile made a motion to approve the budget as presented. Howard Hatch did not feel that they could vote on this budget until they knew more about the Selectboard's intention of Town Manager vs. Town Administrator form of government. Barb withdrew her motion and the budget was tabled until a later date.

There was more discussion about the lack of members.

**Town Meeting** – There are four elections this year; the moderator is paid \$100 for each election.

Darwin asked who was up for election and for how many years. Wayne stated that he and Rick Ladd were both up for 3 year terms; the open seats are Robert Roudebush for a 3 year term (?) and Lynn Wheeler for the balance of her term (2) years. ***Just a clarification of terms after review: There will be 2 3 year terms that Wayne and Rick currently fill; 1 2 year term replacing Lynn Wheeler; and 1 one year term replacing Robert Roudebush.*** There was also a brief discussion about who is up on the school board.

Motion to approve by Barb Dutile, seconded by Howard Hatch and all approved.

**Trustees & Trust Funds** – Chairman Luurtsema asked about the reduction in trust fees. FO Lacaillade said that Howard could address this also as a Trustee of Trust funds but that last year at the annual meeting there was a warrant article that gave permission to the Trustees to change the way fees are paid and that they now come out of the trust accounts and not paid by the taxpayers. There was discussion as to who was up and FO Lacaillade thought it was Marie. **(Clarification-Scott Horne is the one up for election)** Motion to approve by Barb Dutile, seconded by Chris Luurtsema and all approved.

**Town Clerk** – Darwin asked how long there has been a deputy town clerk to which was answered years and it has always been a part time position. Howard said that there used to be 2 full time people that shared the duties; the tax collector and the Town Clerk. TM English said that now there is a full time Town Clerk, a part time tax collector and a part time Town Clerk. Motion to approve by Barb Dutile, seconded by Darwin Clogston and all approved.

**Voter Registration/Elections** – The budget for Voter Registration is up due to the fact that there are four elections this year plus the supervisors have to attend the precinct annual meetings. Voters are now able to register at the precinct meetings. Barb Dutile made a motion to approve, seconded by Chris Luurtsema and all approved.

**Accounting and Auditing** – FO Lacaillade said that this budget is Karen, herself and a replacement for Karen who is retiring in September. Chris asked if there was any end of service payment for Karen. FO Lacaillade said it is small but there is one, approximately \$1100 is budgeted but the actual amount is unknown because it will depend on how much leave she uses before then. She budgeted the full possible amount because it is an unknown. Chris asked if we were going to back fill that position. Jo said that that position does all the accounts payable and payroll so yes. It was asked if it was a full-time position to which Jo responded no, she works 34 hours or less a week which keeps the position out of the retirement system or health benefits. Darwin asked if the position hours were going to stay the same with the replacement. Jo said that is how it is currently budgeted. Chris asked if we thought we would get someone who is willing to work, and have the skill set to do so, without giving them a benefitted position. TM English said there are people out there that will do it, it may take some time. It was clarified that it is an hourly position. Barb asked about the auditing service and the difference between department request and the Town Manager number. Jo said that she had budgeted the number that the auditors had estimated and the Town Manager felt it was too high and had decreased it. There was some discussion as to why the Accounting and Auditing budget does not reflect the salaries for employees on 2 different lines. Glenn said that it is one salary category and that is why they are given the payroll sheet separately. Barb Dutile made a motion to approve. Darwin wanted to know if there is an overlap for the new person to train

with Karen. Jo said she believes she budgeted a month overlap which is 2 payrolls and 2 account payables, not a lot of training. She said for herself to train somebody, when she only does it a couple of times a year would not be as efficient as having Karen do it who does it all the time. Darwin asked why the replacement is budgeted for more than Karen is making? Jo said that she is hoping to fill the position with someone who has more accounting and budgeting skills; financial aptitude. It was asked how long she has been with the town; it was thought 3-4 years. Darwin said he is having a hard time replacing someone with a higher salary but he understands that the skills wanted are changing. Jo said that Karen is very good at payroll and accounts payable, there are no complaints, but we are hoping to fill the position with someone that has more financial background to fill some gaps, especially with Glenn leaving. Darwin reiterated that the position is changing a little. Chris Luurtsema seconded the motion to move the budget. Howard Hatch said that he was not ready to vote on this budget. He asked Jo if she is a salaried position based on 45 hours per week to which she said yes. Darwin asked what she thought she actually worked, but it was way over 45. Jo said yes. Wayne said that she is in the office from 7-5; not including meetings. Howard asked how many hours it takes to do payroll. Jo estimated that it was 4 hours per payroll. AP is the same or more. Jo said that there is no way that she could do payroll, AP and her other duties. He said he was not asking her to do it, he was just asking about the time. He asked how many people are on the payroll...she said it was about 16 full time, the part time and then in the summer the numbers go up. Howard asked if he could give a little input, he felt, and they have done it at the farm, that the Town could save money by farming out payroll. Jo felt that the holiday payrolls with the police department are very time consuming and she is not sure that it would save money. The other issue is the turnaround time required. Our pay periods end on Saturday, payroll is produced Monday, approved Monday night and checks issued Tuesday. The Town cannot even offer direct deposit because there is not enough time to do so. She said even if they could farm out the payroll, she would still need a second person in the office. Howard said he isn't talking about eliminating a position it would be about changing the duties. He said that it was probably getting into more micro-management than he had intended. He spoke of an payroll audit he is going through. Jo said that she has seen a lot of discussion on the GFOA listserv from Towns that have gone to payroll companies and some that have pulled back and she does hear him. He said that in the past 20 years he has seen this office go from one employee to two, to three, then rec, then welfare. There was more discussion about the history of the number of employees over the years. The only added position that used to be part of the Selectboard office is the welfare administrator who is part time. We have gone from 2 full time positions in the Town Clerk/Tax Collector offices to one full time and 2 part time unbenefited position. Chris felt that we may find more efficiency with new staff. Jo referred to an audit that the Town has been undergoing with New Hampshire Retirement. It has been a long process but maybe some changes will come out of it to simplify payroll. Barb asked why we did not do direct deposit. Jo

said there is not enough turnaround time from the time payroll is produced, approved and paid. Howard requested that the motion be tabled until there is more information regarding the Town Manager decision.

A motion was made to adjourn by Barb Dutile, seconded by Chris Luurtsema and carried unanimously. The meeting was adjourned at 8:53 pm.

Minutes transcribed by Jo Lacaillade