

Advisory Budget Committee

Meeting Minutes

January 6, 2014

The following members were present: Dick McDanolds, Barb Dutile, Jon Hobbs, Andrew Maffei, Christopher Luurtsema, Peter Conrad, Laraine King and Howard Hatch. Also present: Selectboard members Wayne Fortier, Rick Ladd, Robert Roudebush and Lynn Wheeler; Town Manager Glenn English; Admin. Asst./Finance Officer Jo Lacaillade; and Clerk Karen Hyde.

Members Absent: Dick Fabrizio

Dick McDanolds called the meeting to order at 7:00 pm.

Mr. McDanolds stated that there were new members of the Advisory Budget Committee and everyone, including all at the table and in the audience, introduced themselves. Barb Dutile nominated Dick McDanolds as chairman; seconded by Jon Hobbs. There were no other nominations. Dick McDanolds accepted the nomination.

TM English was asked by Chairman McDanolds to go over his 2014 Budget Highlights. TM English stated that the Town budget was divided into two sections: the operating budget and Warrant Articles. This year, the operating budget is up about 3% from the previous year. However, \$60,000 was moved out of the operating budget and is now a warrant article for a reserve account for fire department equipment. This change is budget neutral. This money used to always be in the operating budget; there was \$20,000 for each fire department to purchase rolling stock. The Board of Selectmen, the Fire Departments and the Precincts agreed that that money now be centralized into one account and voted on separately each year. In terms of the Warrant Articles, a lot of the articles are the same with the exception of two. One has already been mentioned and the second one is an opportunity to do a culvert replacement on Page Road; it involves some grant funds. Most of the funding is grant money.

The biggest issue this year is revenues. In the past, there has been a healthy surplus to help offset taxes. Last year, that amount was \$200,000; but because the Town has a revenue surplus retention policy to retain a certain percentage, they can only dedicate \$100,000 from unreserved fund balance for surplus to offset the budget. That is \$100,000 revenue loss right off the top, which will tend to drive up taxes.

For the past 5-7 years, the Town has, basically, only given cost-of-living raises to employees, which is anywhere from 2-3%. This year, TM English has suggested 2% again, but there were a couple of exceptions to that. Last year and the year before, there were problems with losing police officers to other communities. A plan had been worked out to give larger increases to the police officers to keep them with us. It is very costly to replace employees. An additional \$1/hr.

was dedicated last year (2013) and an additional \$1/hr. is budgeted for 2014 as well. In addition, the Airport Commission has for the past 4 years asked for an increase above the 2% for the Airport Manager and this year, TM English has brought this forward. This would be tax neutral as the Airport is self-funded. Both TM English and AA Lacaillade are recommending a little more for the Welfare Administrator as she has been working hard to keep costs as reasonable as possible. She has also done a lot of work on the revenue side. The most controversial raise might be for the Recreation Director. It is a sizeable increase, but not what she had requested. The Rec Director has increased responsibilities with not only the Rec Program, which is expanding, but she has also been tasked to schedule the use of the JRM and RECM Buildings for outside groups. She also has the responsibility of managing Railroad Park, which is a well-used facility. There would also be a title change to Parks and Recreation Director. TM English has information that he shared with the Selectboard and would be happy to share with the Advisory Budget Committee, a comparison to Towns that have Recreation programs like ours, it is about median. The Highway Department is, in addition to maintenance, doing construction. The past two years, they have done major reconstruction of a section of County Road and this year, a section of Briar Hill Road and would like to do a section of Lime Kiln Road next year. \$5,400 has been added to the Highway Budget for part-time help during the summer. The stipend for the Health Officer has been increased to account for training in groundwater monitoring.

Health Insurance premiums will rise by 9% effective July 1, 2014. This will be partially offset by another year's credit of \$7,600, ordered by the State, from LGC. Another new item in the budget has to do with the fire departments. There has been a concerted effort to look at Life Safety and Fire Code enforcement and to improve it, particularly in areas where there is substandard housing that does not meet those codes. The Fire Chiefs have made the case, over the years, that they have tried to do it, but there isn't enough time to follow up on these cases. In some instances, an initial inspection identifying the problems can lead to many more follow-up inspections. It is a time issue. There is money in the Fire Department budget for part of this (\$5,000 for Woodsville, \$1,000 for Haverhill Corner and North Haverhill) to do inspections. The Fire Chiefs all felt, that in addition to that, they would like to have the ability to hire an outside, contracted person to help them with inspections.

TM English then explained more about the Page Road culvert replacement project. The Page Road culvert is basically two large, metal pipes that sit on ledge and are covered by dirt and it gives two lanes of passage over that road. It was a good fix at the time, but over the years, the material between the two pipes has eroded and water is now getting through the pipes and through the areas between them. The pipes are not in horrible condition, but they do sit directly on ledge and the ledge has deformed the pipes in some places. Trout Unlimited and Connecticut River Mitigation groups are very concerned about fish passage and have done an

analysis of all the streams and culverts in the Town. They wanted, wherever possible, to make fish passage possible upstream for breeding. In this case, there is some state law that mandates when a culvert is replaced, they must provide for fish passage. The proposal is to grant-fund \$100,000 of the \$150,000 potential project cost with the Town putting up \$55,000. The replacement would be permanent and would be a concrete box culvert. The box culvert would be fastened to the ledge and then a concrete span going over that giving a long life.

The non-profit agencies requesting money from the Town have been level funded at last year's levels. Some of them have asked for more money, but TM English has level funded them. He has also level funded the four Libraries. The JRM Building parking lot has been a concern for a number of years and the Town plans to do a reconstruction of it out of this year's budget. The cost is about \$32,000; however, the money is already in a reserve so it won't affect taxes.

Chairman McDanolds asked if anyone had any questions. Chris Luurtsema asked about the fire department inspections and whether the owners of the buildings would be paying a fee. TM English stated that the Selectboard had just adopted a Resolution enabling all of this to happen. Part of that Resolution is a change to the Fee Schedule for Building Permits. A Fee Schedule has been set up in cooperation with Fire Chiefs and it is a substantial piece for people who are doing renovation.

Peter Conrad asked if a \$1/hr. was enough to keep the Police Officers. TM English stated that there were 3 officers last year who were ready to move to different jurisdictions and the Town was able to keep them by giving them more money. TM English stated that this was a two-year projection; the Town would give them a \$1/hr. the first year and then revisit it. Robert Roudebush stated that they would check throughout the year to see if this has made a difference and they found that it had.

Howard Hatch wondered what the protocol was to address the different departments. Chairman McDanolds stated that they would be discussing dates and which departments would be brought in to which meetings. TM English stated that, traditionally, the first meeting was an overview of the budget and the opportunity for the Committee to ask questions. They then set the schedule for the meetings and he would have the appropriate department heads or person there so the Committee could talk to them directly. Mr. Hatch stated that some of these things seem cut-and-dried, but he would like to add something. He stated that the money was already here for the parking lot; he wished the Town would look at the strip of asphalt in the front of the building and do that at the same time as the repair job to add more parking spaces, especially at Town Meeting time. TM English said this was a good idea.

The tentative date for the Budget Hearing is February 12th, 2014.

Chris Luurtsema asked about the proposed Police Special Duty line item. The Town Manager recommendation was \$0 and he wanted to know what that was. TM English explained that

Special Duty is work in excess of normal scheduling; for instance, the high school wants a couple of officers for a basketball game. Special Duty is paid for; what the Town charges is a little higher than the cost. It has always been put into the regular budget and the problem with that is it is hard to predict. TM English also stated that AA Lacaillade researched the statutes and they could set up a special revenue fund outside of the budget that takes in the revenue and also handles the expenditures and it doesn't become a burden on the total Town budget. Mr. Luurtsema also had questions about the fringe rate, which is all of the insurance, Social Security and supplemental, etc. The Town is averaging close to 48%. It seemed pretty high to him. TM English stated that retirement was high and state mandated. Laraine King asked what percentages the employees paid for health insurance. AA Lacaillade stated that it was 10% for single, 15% for 2-person and 20% for family. TM English stated the health insurance policy was not a bad one. Mr. Luurtsema asked if the health insurance policy was considered a "cadillac" plan and AA Lacaillade stated she has been advised by Healthtrust that Matthew Thornton Blue was not considered a "cadillac" plan. She will get written verification for the next meeting.

Howard Hatch stated that he was asking for input from the Selectboard regarding the Highway Department. He would like to bring some things up about the Highway Department. He stated that he has told TM English that the Selectboard doesn't want to micromanage any departments, but when it comes time and it is two people in Town making decisions with this amount of money; there is expertise available in Town. He would like to be able to hash over things with the Selectboard before the Advisory Budget Committee gets to the Highway budget. He stated that he doesn't have an axe to grind; he wants the dollars to go farther and be well spent.

The Committee decided on the following dates for further meetings:

Thursday, January 9th – Recreation

Tuesday, January 14th – Highway or Police (depending on weather)

Thursday, January 16th – Police or Highway (depending on weather)

Thursday, January 23rd – Fire Department and Health Officer Steve Robbins

Tuesday, January 28th – Warrant Articles and Miscellaneous

All meetings begin at 7:00 pm at the JRM Building.

Next meeting will be Thursday, January 9th at 7:00 pm.

The meeting was adjourned at 8:00 pm.

Minutes transcribed by Karen Hyde.