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**Town of Henniker
Board of Selectmen Budget Review Meeting
Saturday, November 5, 2016
Henniker Town Hall**

Members Present: Kris Blomback, Chairman; Tia Maria Hooper, Vice Chairman; Scott Osgood, Selectman; Ben Fortner, Selectman;

Budget Advisory Committee: David Woolpert, Christopher Robert, Cheryl Morse, Bruce Trivellini, Peter Flynn, Mike St. Cyr

Town Administrator: Christine Trovato

Guests: Russ Roy, Steve Burritt, Matt French, Mick Costello, Tom French, Ann Gould, Michele McMurphy, Marc McMurphy, Lynn Piotrowicz, Patti Osgood, Deb Kreutzer, Emily O'Rourke, Jamie Ramsey, Ron Taylor, Tom Weston, Sue McKinnon, Brenda Slongwhite

Recording Secretary: Karen Rose

Vice Chair Hooper opened the meeting at 8:30 a.m. with the Pledge of Allegiance.

Russ Roy stated that unfortunately there is an error in the tops of the budget sheets. The comparison that state 2016 vs 2015 should read 2017 vs 2016. He continued by providing some background for the new members of the Select Board and Budget Advisory Committee meeting. He reviewed Tabs 1-5 in the binder. He stated that the budget did not go as far back as 2013 to keep everything simplified but the information is available. Bruce Trivellini asked for a 10-year graph which Russ said he could provide.

Selectman Fortner asked for some background on the purpose of the joint meetings between the Select board and the Budget Advisory Committee. Vice Chair Hooper stated in the past the two entities would review the budget separately, each committee would discuss and the Budget Advisory Committee would provide recommendations to the Select board. The combined meeting always for the presentation to be done more efficiently to both town entities and to remember that the meeting is a presentation only by the departments and not a negotiation. The Budget Advisory Committee will meet separately and make their recommendations to the Select Board who has the final say.

Introductions were made around the room and Peter Flynn complimented Russ Roy for the work he has done on compiling the data in an organized way for the group to review.

Russ referred the members to Tab 1 for a quick overview of the 2017 budget changes in the areas of Wages, Retirement, Health Insurance, Heating Fuel/Propane and Electricity.

Tab 2 is the tax rate breakdown for Henniker.

Tab 3 he input the estimated revenues and the application of the fund balance. The year's fund balance closed at a little over \$800,000 and the auditors adjusted it for accounting concepts to \$675,000. At town meeting, it was estimated we would use \$281,000 to bring the tax rate where it is now. We had a slowdown in some of the revenue. I put revenue in as conservative as I could to use the fund balance to meet the projection from town meeting. The last quarter should replenish our unreserved fund balance.

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We lost revenue from interest through the Select board's efforts to get people to pay their bills on time. We lose \$25, 000 to \$30,000 in interest from the late paying fees. He forecasted a \$.48 increase to the tax rate and it ended up at \$.50.

The Dept. of Revenue's recommendation of a retention amount for the fund balance is higher than we are. They recommend 5% and we are about 2.4%. Russ stated that his threshold was \$500,000 plus any unspent monies that can't be encumbered. When we get to projecting tax rates, he will suggest being lenient and using the fund balance.

Selectman Osgood asked about the PSNH case. Russ stated that the attorney has to issue an opinion to the auditor and it is unlikely that PSNH will be successful. It is currently on appeal.

Tab 4 is the wage summary and comparison to 2016 along with the NH retirement rate sheet and Cost of Living rates

Tab 5 is the Capital Improvement report for 2016. Christopher Rogers asked about the Capital Reserves Budget and Mr. Roy stated that this is a warrant article which is passed through the Select board. He did not include it. He encouraged all the members to feel free to email him with any questions.

Tax Maps – Tab 6

There is an increase in the 2017 budget by \$600. This is due to the contract with Cartographic Associates as a result in a change in the software. Note; the numbers are reversed between the Cartographer and the Digital Mapping Updates on the chart and the memo. The memo is correct.

Legal – Tab 7

Russ stated that the legal expenses is a discussion by the Select Board. He has provided a summary of the larger cases dating back to 2014. The second page breaks down the expenses on each case. Some of the legal costs encompass clarification of laws, research and other legal matters. The water commission approves their own legal bills which does not come out of the town tax rate. Except for 2015 with Cogswell Spring, the budget has been fair consistent. Selectman Osgood asked if the negotiations with Comcast have been completed. Russ told him that the attorney is handling it and no it was not completed. Selectman Fortner suggested getting this budget a little tighter however Russ stated that in this category legal history is not a predictor of the future and it is difficult to forecast this budget each year.

Insurance – Tab 8

Russ Roy stated that Primex holds the workmen's comp. insurance. In previous years, they have returned significant savings to the town such as \$15,000 and \$22,000. No distributions from Primex are expected this year as their revenue is down. Therefore, there is a 9.1% increase or \$6,300 approximately. We were disappointed with this result. With regard to general liability insurance. The increase by 25% is due to the fire at the highway garage. Because the renewal runs July to July each year, Russ had not received the invoice at the time of this presentation, for the 2017 renewal. He also stated that due to the loss from the highway garage, it may be several years before any other company would entertain a quote. With regard to unemployment insurance, there was a small decrease. The insurance is with Primex and has a \$1,000 deductible.

Debt Service – Tab 9

Russ stated that this budget is pretty consistent. At the end of the audit, it was determined that another \$208,427 was needed which was the excess cost on rebuilding the highway garage. We will be looking for this loan in 2017 and it will not appear until FY 2018. (see note at bottom of memo page). Russ referred the members to the third page which itemized the three departments. The debt service budget is for just the town's portion. Bruce Trivellini asked if he thought the town should consider using an alternative budget year. Russ stated that due to the anticipated funds from the tax years that assist in cash

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flow, it we changed he wouldn't have the funding needed until the next tax runs. Mr. Trivellini suggested a budget for 18 months.

Municipal Dues – Tab 10

There is an increase to the annual dues of NH Municipal Association which the town has been a member for a long time. They are a valuable resource to the town.

Police – Tab 11

Chief Matt French presented the Police budget. He began his presentation by stating all the efforts he has put forth in resolving issues in the department such as:

- Building problems, air conditioning not working, \$3,000 to repair. He was able to squeeze money to get it done. The old system put in in 1996 needs to be completely replaced.
- Problems with the cruisers and radios which is only means of communication. Was able to find \$2500 to get it fixed.
- Fire alarm panel was sending false alarms and had to be replaced along with the camera in the lobby. Was able to get this resolved. Still need an interview room camera and are using digital recorders in the meantime.
- In terms of staffing, his department is down one officer. He hired a part-timer to be promoted to full time but he failed the policy academy and was let go. He has one viable candidate going through background testing now. He had to pull a detective out of that role and put on patrol. The part-time 30-hour position is a thing of the past.
- He pursued 8-9 grants for various items such as better radar and radios as they were failing. He acquired grants for two laptops in the cruisers or Mobile Data Terminals (MDT). This allows for quicker processing for stopping vehicles and generates a ticket and running log for the office. He pursued grants for two radars, two MDT's and software to support.
- He is pursuing a grant for an Emergency Notification System at the town hall, college and middle schools.
- A rough estimate of the grants is \$50,000 and the cost to the town if \$7,800. The software package was \$13,000 but the cost to the town is \$300.

Mr. Trivellini asked about an increase to the maintenance of the software and upgrades. Chief French stated they were upgrading to a bigger package which will reduce the maintenance. Mr. Trivellini asked about the age of the building and needing an addition. Chief French stated the building was refurbished in 2007 and worked for a while but there is no storage, they are using the garage. The staff should be able to have dry cleaning and change at the station but the locker rooms aren't big enough. He expressed concern on how the evidence is being handled. With the opioid crisis in NH, the staff have to use masks and gloves but if any amount of the drug gets onto clothing or skin and is inhaled or absorbed, it risks the safety of the staff and those in the area. Dave Woolpert asked for an overview of how the police are doing with the community. Chief French thought things were going well, the officers are energetic and doing more in the community. They are seeing an increase of mailbox thefts, burglary and drugs. When asked if the staff were under armed, Chief French stated that they all have brand new Ruger weapons courtesy of Ruger.

Chair Blomback asked if we are using Merrimack County Dispatch any less. Chief French stated that they work about 11% of the call and that if what we pick up in their budget. Selectman Fortner asked about the growth rate over 10 years which was 1.8%. Chief French stated they have been underfunded and understaffed for 10 years. Selectman Fortner asked about the 1.4% decrease from 2015 to 2016 and Chief French stated if you add back in a vehicle it is closer to 2.2%. He did not

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purchase a new cruiser this year. Mr. Woolpert suggested if we weren't spending for a cruiser this year then we should allocate for one so we don't have the drop.

Vice Chair Hooper asked if there was a way to project a capital reserve plan for building issues? Russ Roy said that the account hasn't been funded for some time. The Select board would have to authorize adding to this fund.

Peter Flynn asked about a revolving fund for detail income.

Animal Control – Tab 12

Chief French stated the town has not had an animal control officer for years. He doesn't see the need for a permanent part-time animal control officer and would like to spend some time evaluating the needs. He has some applications on file from his predecessor and would like to find a person who would do the work on a per diem basis with a minimum pay of two hours vs. a weekly pay. Russ stated there are two sources of revenue from fines administered by the officer which resulted in no more than \$300-\$400 and through registration which nets \$2.00 per dog. All the money goes to the general fund.

Chief French would like to ask the Select board to use the Cops Grant for another officer. The federal government picks up 75% of the 1st year, then 50% the next year and then 25% of out of pocket expenses and wages. Vice Chair Hooper asked for a draft of an estimate for a budget for this. Christopher Rogers asked if there were ways to reduce workloads other than software and equipment. Vice Chair Hooper pointed out that overtime has risen because there isn't enough staff.

Fire – Tab 23

Chief Burritt and Chief French presented the budget for the Fire and Rescue. They pointed out these are two separate departments but the 4214, 4215 and 4220 budgets are combined as they share resources.

Account 4214 has an increase to the budget. The goal is to provide service with a combination of full and part-time staff 24/7. Volunteer crews are long gone. We have 50 people to choose from. We staff at the paramedic and EMT level first. Monday through Friday, 10 hour shifts with full time and one more staff member. Weekend staff is 48 hours. Evening hours are 14 hours shifts. I've budgeted for vacation time and holidays. The part time position has never had a step increase which has led to retention and new hire problems. One 30-year part timer has only had COLA increases and no step increase. We have one full time employee who has been there 15 years and it would be difficult to replace him. Vice Chair Hooper stated she would like to discuss the full time position's current rate of pay.

Selectman Fortner asked about 4214-111 step increases and if the Chief expected to fully spend this year's budget. Chief French stated that he was underspent as he didn't have staffing 100% of the time. Vice Chair Hooper asked about using another town's paramedic and where that money is reflected. Chief French stated that is in the Rescue budget under 4215-887 interceptor fees. Selectman Osgood asked how is the second ambulance staffed if needed. Chief French stated he uses call-back and is able to man the second ambulance 75% of the time.

Bruce Trivellini asked about 4215-888. Chief French stated that is rescue billing fees which is a company that handles the revenue billable. Their fee is 5%.

Peter Flynn asked about the interceptor fees and does it work both ways? Russ Roy stated that you can find the information under Tab 3 page 2 under Rescue Billing. The revenue anticipated gross is \$140,000 and have collected at the end of September \$99,000. Chief French identified three ways that the department brings in revenue (1) transporting to a hospital, billing fees to insurance, (2) interceptor fees providing paramedic services to neighboring towns (expect \$12,700) and (3) standby fees.

Chief Burritt addressed an increase to the building maintenance line item. This increase is \$9,800 and relates to moving a generator to the back corner of the building. The generator is too close to the building

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and doesn't meet code and gets damaged by falling ice. It is the original equipment from 1994 and has about 600 hours of use on it.

Chief Burrirt addressed the vehicle maintenance and repair 4220-660 and has new budget numbers. The new budget total should be \$34,638 which represents \$19,880 to repair the aluminum on Engine 1 and \$4,758 for tires that still have tread on them but are 20 years old and have safety concerns.

Christopher Roberts asked about the line item for revenue from other governments and why it shows zero. Chief French indicated he has not billed Bradford yet for the annual fee which is based on a formula. He has received positive feedback from the town and their only concern is that Henniker will not provide service any longer. Selectman Osgood asked about the percentage of drug calls. Chief French indicated it is roughly 5%.

Selectman Fortner indicated that the department was under performing on their budget and asked why. Chief French explained that many items are held to be purchased until later in the year in the event an unexpected expense occurs. For example, items in 4215-111 will be purchased in December; training and licensures will happen shortly; vehicle fuel is down due to lower cost of fuel and less calls; a new ambulance is coming in shortly so maintenance costs are down. The increase to the building maintenance for 4214-430 is to replace personnel doors.

Chief Burditt stated the same reasons in the fire budget for underperforming as above. For example, gear purchases have not been billed yet; work on compressed air, and air packs has not been done or billed yet; fuel is down for the same reason above.

Mr. Trivellini asked about the capital reserves and the 2008 tank which was not listed for replacement. Chief Burditt indicated it has a replacement age of 25 years. The ambulance replacement schedule is 2021 and 2025.

Peter Flynn asked if Chief French had adequate money for the new ambulance. Chief French stated that this year he had enough but going forward he would be putting \$55,000 in the capital reserve budget. He stated that his department is still a deficit department and that five years ago he submitted a warrant article that would put 25% revenue in the capital reserve for ambulances.

Selectman Fortner asked Chief French if he was satisfied with the compound growth of 7.5%. Chief French stated that he thought the growth was in line. Chief Burrirt stated that at some point the department will have to think about hiring a full time chief as the work that he does as a part time chief will become intolerable for the next chief. Chief Burrirt stated that his wages are increased by 12% due to the fact that the staff had not had a raise since 2006 and he would like his fire officers to move from \$12 to \$14 per hour. He is trying to balance the rates between the staff that work for fire and then for rescue.

Mr. Trivellini asked Chief French if he had any computer needs on the horizon for ambulances. Chief French stated that the telephone costs have increased as the data plans and wireless capabilities have increased which allow the staff to communicate with Concord Hospital. This capability has greatly reduced the morbidity rate of those who are brought to the hospital. Chief Burditt stated he is also working on some MDT's through grants.

Vice Chair asked for additional information beyond Labor Grade 22 from Russ Roy.

Code – Tab 24

Tabled until the next meeting

Patriotic – Tab 25

Russ reported no increase to the Patriotic budget which represents the Memorial Day Parade.

Human Services - Tab 15

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Brenda Slongwhite and Town Administrator Trovato spoke on behalf of the Human Services budget. Ms. Trovato stated that we are looking at combining the efforts into one position which would be 10 hours per week at \$20 per hour. Also providing a \$5,000 stipend to the welfare director. There have been communication issues with the caseworker and their differing schedules which we have tried to minimize through the new software program, NH GAP. The office hours would be 1-6 Friday and 9-12 Saturday and emergency as needed. Ms. Slongwhite talked about how the new software program has greatly enhanced their processes and historical recordkeeping on applicants. Another idea is to have a wood bank housed in a storage facility. They are working with the Henniker Rotary on this. Some costs decreased like electricity and heat as we had a mild winter; food expenses went down as the applicants on specialty diets moved out of the area and there are four rentals that are close to acquiring Society Security which will decrease that expense. And the department has reached out to other towns and is in the process of rewriting their guidelines. Russ Roy stated that the welfare budget can over expend its bottom line by statute with the Dept. of Revenue Administration. We cannot say no. Dave Woolpert asked why not put in a larger budget amount vs. overspending each year. Bruce Trivellini asked for a memo on what the software program does. Carol (last name?) talked about the case management system handled by the caseworker who works during the week. As a result of the caseworker's time, every item in the budget went down significantly. She agreed that the software program does help but there is some information that cannot legally be entered. Mr. Woolpert asked to find out what other towns are doing on a per capita basis with caseworkers or with a single employee.

Elections – Tab 16

Ann Gould asked if there were any questions. Member Woolpert asked if there were any changes from the previous elections by changing the hours to vote. Ms. Gould stated that the public appreciated the earlier time.

Tucker Free Library – Tab 17

Representing the library was Jamie Ramsey, Patti Osgood, and Lynn Piotrowicz. The increase to the budget of \$3,024 represents staff development, Sunday afternoon programming and special projects such as replacing windows ensuring energy efficiency. They stated the library is need of a new roof which they will submit a warrant article for. Library revenue comes from the endowment. When asked about how many library cards are issued, they stated they have 3,700 cards issued. They have a vibrant collection over close to 18,000 books and for every one book that is requested they are lending three through the interlibrary loan program. They estimated approximately 600 guests visit the library weekly particularly after school and during story time they have 100 books checked out. Selectman Fortner asked about a marketing plan and if they need a budget for marketing. The staff indicated they handle their own marketing and website and feel they do a good job at it.

Planning Board – Tab 18

Ron Taylor reported that there were no increases or decreases from the previous year. The Planning board was quite busy with many items on the agenda such as Dollar General, Dunkin Donuts, parking lots, subdivisions, a gas station on Old Concord Road, and many other matters. Dave Woolpert asked about the consulting fees which represent Mark Fougere's services and the Wages line item which represent a minute taker. Selectman Fortner asked if we are getting the value out of Mr. Fougere's services as he is here one or two days a week vs. having someone here full-time. Mr. Taylor stated that we are paying for experience. He assists on technical code issues and also with the ZBA. He is a one stop shopping resources. Selectman Osgood asked about the master plan progress and Mr. Taylor said that it had to be pushed off due to other priorities. Bruce Trivellini asked about using Central NH Regional Planning Commission and Mr. Taylor stated they had used them before and were not pleased with the continuity nor the service.

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Zoning Board – Tab 19

Town Administrator Trovato stated there were no increases or decreases to this budget. It is level-funded.

Highway Department – Tab 20

Tom Weston presented the highway department budget. There is a decrease of approximately \$25,000 since last year's budget. He commented that wages decreased due to a greater amount of newer staff who are starting at a lower salary. Part time salary was increased to \$17 per hour and is largely seasonal. Electricity increased due to the new building construction. Mr. Weston stated he was going to look into contracting out the sidewalk snow removal but it has been hard to find someone with a tractor. He has called Holden for pricing on a sidewalk tractor and snow blower attachment. Vice Chair Hooper suggested he ask them for a discounted rate if all the pieces were purchased as a package. Chery Morse asked if a V plow truck would work better than the snow blower system. Mr. Weston stated it might except the downtown area would be difficult as it would push snow into the business sidewalks. Dave Woolpert asked if we could get a separate warrant article for all the pieces of a good system and is it possible for this year.

Highway Streets – Tab 21

Selectman Fortner asked about Tom Weston's feeling about a ten-year growth average being below zero. Mr. Weston stated that he didn't feel good about it but since he is relatively new in his position, he hasn't had the time to address it. Russ Roy stated that the three road agents prior all had different budgeting philosophies and that it is possible the town isn't funding the department enough.

Mr. Weston stated that the Road Management committee will have a separate warrant article in the future. Our road infrastructure costs are between \$12 - \$13 million. There should have been a capital reserve on this going way back.

Bruce Trivellini asked if the department has enough personnel. Mr. Weston stated he has a crew of 6. The town has 90 miles of roads and does not have paving equipment or a reclaimer. Some of the work is contracted out. Russ Roy stated that the highway block grant money is spent after the budget money is spent. The block money can roll year to year and are looking at \$450,000 in highway block money for FY 2017. Questions were raised about the work on Flanders Road and Western Avenue. Mr. Weston talked about the guardrails. There is \$230,000 worth of work to be done on guardrails in town which should have been done years ago. See the narrative at the end of page 5. The town does not have the means to install guardrails.

Streetlights – Tab 22

Tom Weston presented the Streetlights budget with no increase or decrease from the previous year. This budget pays for repairs and light bulbs. We don't know the cost to go to a more efficient light. Each one is about \$300 to repair. Tom stated we are at 29 years of a 25-year-old warranty. The newer antique lamps have a bigger base for more stability and they are \$2,770 to replace. Selectman Fortner thought it would be a good idea to come up with figures for solar power at the new garage.

Adjournment

A motion was made to adjourn the meeting at 1:30 pm by Chair Blomback and seconded by Vice Chair Hooper. Motion passed 5-1 (Osgood).