

**BOARD OF SELECTMEN BUDGET WORKSHOP**  
**Minutes of 11-29-10**  
**5:10 p.m.**

*Selectmen:*

*Charles G. Palm, Chairman*  
*Colette Worsman, Vice Chairman*  
*Peter F. Brothers*  
*Miller C. Lovett*  
*Nathan J. Torr*

*Town Manager:*

*Phillip L. Warren*

*Recording Clerk:*

*Karin Landry*

Call to Order: Chair Chuck Palm called the meeting to order at 5:10 p.m. He introduced the Board, Town Manager, and Director of Administrative Services Brenda Vittner.

Director of Administrative Services Brenda Vittner highlighted the proposed 2011 budget:

- The bottom line of the 2011 budget is slightly less than \$4,000 below the current year budget.
- The Town Manager negotiated a new workers' compensation policy at a savings of \$7,000 from the original estimate, which reflected a 90% increase over the current year policy.
- The Parks & Recreation budget that was originally submitted had to be reduced by \$12,000 due to an error in calculations.
- There is an approximate \$20,000 difference between the budget presented at this meeting and the previous draft.

Selectman Brothers verbalized the overall and broad based budget goals:

- No increase in this year's total amount to be raised by taxation for the Town's portion of the tax bills.
- Maintain 2010 service levels (which are reductions in the 2008 levels).
- No new positions or reclassifications without Town Manager consideration.
- No expansion of or added programs or services.
- Hold on equipment purchases unless critical to the operation.
- Look ahead to 2012 to assess deferred capital projects such as roads.
- Maintain capital improvement budget to maximum extent that can be allowed.

The Town Manager highlighted the underlying policies and goals being implemented at this time:

- Milfoil/invasive weed program. Funds are included in the 2011 budget for this long term goal of Board.
- Will look toward the future to establish a more robust capital improvement program.
- Non-recurring funds will be used for one time capital purchases (item vs. service).
- The cost of living has increased 1.5% from last year.
- While the consumer price index may have remained flat, the cost of goods and services did not. There was a wide fluctuation in the cost of fuel and road surface materials.

- The 2011 budget is not a level service budget - there have been significant physical cutbacks in some areas.
- The total amount raised by local taxation has remained level (slightly less than the 2008 amount).
- No new positions or higher level reclassifications. All open positions evaluated for full/part time staffing.
- Services have been merged.

Selectman Worsman gave credit to Ms. Vittner for renegotiating capital debt service at shorter terms and lower rates, which will allow for a reinvestment in capital as the debt comes off line. Selectman Torr thanked the employees, who carried the burden of performing their jobs with no salary increase.

Ms. Vittner highlighted global items that affect every budget:

- Retirement changes. There are approximately \$37,750 in additional revenue contributions for the second six months of 2011. There is no increase in the 5% employee match.
- Water and Sewer budgets were increased as a result of increased rates.
- Entered into a cooperative heating oil contract with surrounding towns and school districts from September 1, 2010 to April 30, 2011, at \$2.57.5 per gallon. The heating oil for each of the budgets is based on a six year analysis of actual usage.
- Propane: Will continue with laid in price (price off tanker plus one to two cent markup), which has been at a lower rate than the fixed price offered at this time.
- Entered into an agreement with the towns of Moultonborough and Center Harbor for road striping at a lower rate.
- The Town Manager negotiated a health insurance policy with an overall increase of 5.1% as of January 1. The new policy results in a combined \$30,000 savings to the municipality and employees. In addition, when the policy comes up for renewal on January 1, 2012, increases will be based on the 5.1% increase as opposed to a possible 18+% increase.
- Property and general liability insurance: 6% overall increase as of renewal date of July 1, 2011.
- Dental: 4.5% increase absorbed within each department budget.
- The CIP plan is based on the recommendations of the committee. A transfer is made to the trust funds based on those recommendations.
- \$60,000 was transferred into the Department of Public Works for road projects, as recommended by the CIP plan.
- Ms. Vittner refinanced debt service for the fire station, Page Pond, and police station for a savings of \$52,000 in 2010 and \$60,000 in 2011. The bundled project was not refinanced because there was no significant savings in doing so. The savings on debt service has been moved to capital projects.
- Ambulance Service decreased \$2,200 from last year's budget as a result of decreased call volume.
- Ms. Vittner explained the math calculations used for retirement contributions for the police department.
- The Town Manager is exploring replacing the telephone system in the Town Hall and Annex with an updated, less expensive model that can later be expanded to other department.
- Electricity for street lighting is \$4,000 over what was budgeted for 2010. The Town Manager will explore energy efficient alternatives.

- The Town is responsible for dam repairs for the Waukevan Highlands, which was the water supply at one time. The inspection program for dams will become much more rigorous in the next five years.
- Based on a six-year average, the budget for fuel oil has been dropped \$500 for both the Town Hall and Annex. The installation of a new boiler in both buildings has lowered fuel consumption.

### **Executive**

No Comments

### **Water/Sewer**

- The line for Community Park is for irrigation and bathrooms. Water and Sewer Superintendant Dan Leonard will explore drafting water from the lake for irrigation purposes.
- The fuel budget in both departments was decreased by \$6,000.
- Non-system hydrant maintenance (dry hydrants) were reduced from \$500 to \$0 because a match for rural development grants must be appropriated from a contingency or transferred, as opposed to supplanting the budget.
- The dry hydrant at the boat ramp is being reoriented using in-house staff, equipment, and supplies on hand.

### **Personnel Administration**

- FICA, MEDI, and retirement are no longer categorized under Personnel Administration (change made 4-5 years ago).
- Meetings and training are controlled by the Town Manager as opposed to being listed in individual department budgets. The Town Manager does not know if the total amount budgeted for meetings and trainings will be spent.
- Changes in dental insurance, life insurance, and background checks cannot be tied directly to a department, so they are listed under Personnel Administration. If these expenditures were transferred to Municipal Administration, the history of the expenditures would not be transferred with them.
- Although this budget is overspent, some of the costs were absorbed under Municipal Administration and other departments under expenditures.

### **Town Clerk**

- The Town Clerk's office will be staffed with one full time person and one part time person as of January 1.
- An employee in the Town Clerk's office and Tax Collector's office must be trained and certified by the state. Employees undergo three trainings a year for four years to become certified.
- It is anticipated that the Deputy Tax Collector will retire sometime after 2011.
- A job duties manual will be created during the upcoming calendar year.

### **Revenue**

- The Board is appreciative of the accuracy of the projections in revenue through December 31.
- Ms. Vittner explained how the estimates were made.

- The timing of the mailing of tax bills is deliberate (late in the year), to allow for better accuracy in estimating year end revenues. Doing so helps to meet the goal of keeping the amount to be raised by local taxation level.
- \$5,000 was encumbered in 2009 for that year's audit.
- \$3,500 is encumbered for the 2010 audit, and \$1,200 is encumbered for GASB 45 compliance, which is a new provision requiring that liabilities associated with post-employment benefits are reported.
- There is an increase in the 2011 budget is for GASB 45 compliance for the second half of 2010.
- Overall, there has been no increase in auditing costs in four years.

### **General Assistance**

- General Assistance was budgeted at \$120,000 for 2010, and is projected at \$122,000 with five weeks remaining.
- Having considered budget cuts at the state level, and changes in the fuel assistance program, there was an agreement among the Board to fund General Assistance at \$130,000 for 2011.

### **Assessor's Office**

- The new assessed valuation in 2010 increased a little over \$1 million.
- Assessor Commerford continues to be thorough and informative in reporting to the Board.

### **Tax Collector**

- Boat taxes are recorded in the revenue stream of the tax collector because the tax collector is responsible for collecting the tax.
- The tax collector is slated to retire in 2011, and the deputy tax collector will handle the next budget season.
- There are a number of tax payers that wait until just before tax lien to pay their bills, which makes it difficult to project interest for late payments.

### **Community Development**

- It took 3-4 months to fill the GIS technician position that became vacant in 2010. The position was filled at the same labor grade, with a one step decrease.
- The health insurance line decreased as a result of an opt out and a plan change.
- Lakes Region Planning Commission was moved to the Outside Agency category.
- Community Development has a revenue offset of approximately \$74,000 for building permit fees. Ms. Vittner estimates that an additional \$6,000 will be collected by year end.
- There are three pieces of equipment that are being monitored because they are nearing the end of their intended useful life: The code enforcement truck, big plotter, and Tremble GPS unit.
- There is a reserve for septic replacement in the event a system failure creates an emergency. Expenditures are recorded at year end, when a general journal entry is made to reduce the reserve.

Dialogue ensued regarding the difference between a reserve and encumbered funds. A reserve is a liability against a future event and generally for specific limited purpose such as a program. An encumbrance is for a non-specific item, and is a direct liability against a budget. Encumbrances are significantly less in 2010. If there is a septic failure in 2011, additional funds may have to be appropriated in 2012. There were no funds encumbered in the 2010 budget that will affect the 2011 budget. Encumbrances will be reviewed with individual departments on December 15, and anything that is not a valid service or product will be closed at year end.

A Trust Fund presentation will be made by the Town Manager. The Trust Funds do not tie into the budget because they are non recurring funds.

### **Police Department**

- The 1960's boat used by law enforcement cannot be repaired.
- The boat used by the fire department for rescues is stationed at another end of town and is not the type of watercraft used for law enforcement purposes or light rescue. It is a bigger boat that requires special handling.
- Funds have been targeted from the Trust Fund for the purchase of a newer model boat.
- Marine Patrol cannot be relied on to respond to law enforcement calls.
- The boat is also utilized by Code Enforcement and the Assessor.
- As of 2012, the Ford Motor Company will no longer manufacture the Crown Victoria. The cost of the new model will increase from approximately \$27,500 to \$35,000 because it will require a total refit.
- One Crown Victoria is budgeted for 2011. The Town Manager strongly recommends budgeting for two Crown Victorias in 2011.
- One officer left the department in 2010, and was replaced by a previous officer at a higher rate.
- There is an increase in the health insurance line because the replacement officer is married, and the officer who left was single.
- The increase in health insurance was absorbed in the retirement line.
- Overtime is funded at a bare minimum. Additional cuts would result in unsafe staffing levels.
- If police coverage is eliminated for a certain time period to reduce costs, the state police can only be relied on in the event of a catastrophe.
- The Board does not wish to put any employee in a dangerous situation as a result of unsafe staffing levels.
- There are no options for reducing coverage at this time. The police chief goes on the road when people call in sick, or the SRO officer comes in early.
- A full assessment of the SRO officer will be made and a request for reimbursement of those costs will be considered.
- There are 18 full time officers, including the chief, lieutenant, SRO officer, and 4 dispatchers.
- There are 9 part time officers including parking, patrol, and cadets.
- The snowmobiles are still available for the department's use.
- More information will be available regarding regional dispatch next week. If regional dispatch is implemented, Meredith will lose coverage at the station by four bodies.
- Administrative duties are currently performed by dispatch.
- The detail hourly rate includes all costs including overtime and retirement. The rate is adjusted for increases in retirement and medical insurance.

- Center Harbor uses the facility to process arrests. The arrests are handled by their own patrolmen. There is no incremental increase to the operating costs of the facility by such use. Dialogue ensued regarding exploring the recovery of costs associated with using the facility.
- There is a seamless mutual aid agreement with the Town of Center Harbor.

### **Fire Department**

- A request was made to increase the number of interns and hire a part time fire inspector (It was noted that requests are not granted when they conflict with global visions and goals).
- Ms. Vittner will correct the department narrative and department mission and objective statement, which are the same at this time.
- The intern program provides additional daytime coverage.
- The Town Manager is not aware of any direct moral issues related to interns responding to calls, and is not aware of any behavioral issues.
- The department has benefited from the intern's knowledge of code issues. In addition, they perform administrative work, take care of the facility, and are helpful in dealing with the public.
- There is the opportunity for interns to share their knowledge with call fire fighters.
- For liability reasons, the narrative for the intern program should be reworded to reflect that the interns supplement the daytime shift.
- The chief included a rescue van in his 2012 budget. The purchase requires additional consideration.
- The old engine stored at Public Works is used as a water truck for dirt roads.
- The Town Manager will investigate why there is no line for forestry fire fighter salaries. In the past, there was always \$1,900 dedicated to the line. When a fire occurs, documentation is submitted to the state and the Town is reimbursed.

### **Miscellaneous**

- An outside agency request was made by the Fish Cove neighborhood group for funding for exotic weed control. The request was denied because in order to get matching funds, the Town must receive the donation and perform the services.
- Selectman Palm suggested establishing a code of conduct for all employees and departments. The Town Manager will explore the matter.

*Selectman Brothers motioned to adjourn the meeting at 8:30 p.m. Seconded by Selectman Worsman. 5-0. All in favor. Motion passed unanimously.*

Respectfully submitted,

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Phillip L. Warren, Town Manager

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Charles G. Palm, Chairman

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Colette Worsman, Vice Chairman

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Peter F. Brothers

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Miller C. Lovett

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Nathan J. Torr