

Gilford Budget Committee Minutes
November 7th, 2013
6:30 pm
Town of Gilford

Members Present: Phyllis Corrigan, Gus Benavides, Paul Blandford, Fred Butler, Richard Grenier, Robert Henderson, Dave Horvath, Kevin Leandro, Kevin Roy, Allen Voivod

Members Absent: Jeffrey Beane, Susan Greene

Phyllis Corrigan started the meeting at 6:30pm with the Pledge of Allegiance. This evening's agenda will be the review of the Police and Fire Department's budgets. Phyllis turned the meeting over to Richard Grenier to review the Police Budget.

Police:

Richard Grenier stated included with the Sub-Committee minutes are Police statistics supporting the need for an 18th officer.

- Overall budget is \$2,435,320, \$78,973 lower than last year due to staff turnover.
- OT reduced by \$11,996 reflecting reduced need due to the 18th officer.
 - o Sub-Committee was given a full presentation, telling statistic is the calls for service
 - o Last new officer was in 2003 with the school resource officer
- Professional development up due to training new employee's and ammo
- Communications – maint. of last year's upgrades require higher cost.
- Police Vehicles increase over last year trying to get back on schedule includes 2 new mobile radios.
- PD unable to get grant for 18th officer amount reflects entire cost.
- Sub-Committee recommends budget in the amount of \$2,434,969
 - o Discussion ensued regarding 2003 being the last year a new office was added, when Chief Markland retired they did not want to maintain the number of officers but did not add an officer.
 - o Discussion ensued regarding the need for over time in both the PD and Fire.
 - o Discussion ensued regarding the cost for Ike, Agbar should be zero. Ike had the same surgery that Agbar had to prevent the same issue.
 - o Discussion ensued regarding the budget amount being \$2,434,959 not \$2,434,969 using the new insurance numbers.

Phyllis Corrigan asked if there were any further questions. Richard Henderson moved to approve the amount of \$2,434,959 Gus Benavides seconded motion passed by a vote of 9 yes and 1 abstention.

Fire:

Dave Horvath reviewed the Fire budget in the amount of \$1,682,083, EMS budget in the amount of \$3,545 and Fire Protection in the amount of \$123,162.

Total Fire Budget request is \$1,682,083 up 1.3% or \$21,491 over last year.

- There are 14 full time, 1 part time and 34 on call employees.
 - o There was a discussion with Chief Carrier regarding the accrual payout. Chief Carrier broke down OT, vacation, sick as it relates to the accrual. Most OT is during the summer to ensure all shifts have appropriate coverage. Holding off on voting to approve the \$5,743 for accrual payout is a mute-point.
- Fire Dept. retirement costs seems high seems out of proportion wanted to highlight that.
- Health Insurance is 6.2% increase however budget book shows 6.3 Scott Dunn or Geoff Ruggles will have accurate numbers.
- No issue with operating budget.
 - o Protective clothing has a 7 year cycle.
 - o Do not have a crystal ball for fuel pricing.
 - o Telephone is up due to more accurate accounting.
 - o There are two Warrant Articles 1 Ambulance, 1 Rehab E2.
 - o Change in Mutual Aid should discuss more.
 - o Roof repair has some potential items that need to be watched.

Discussion ensued regarding certification for DPW mechanic to repair Fire apparatus. Chief Carrier and Sheldon Morgan will look into this.

Discussion ensued regarding merit pay being over expended in 2013 due to promotions and employees coming off probation merit wages are budget at 3% coming off probation gives an employee potential for 8% increase nobody else gets that. Scott Dunn stated that that has changed in 2013 with the elimination of the increase at 6 months. .

Discussion ensued regarding Chief Carriers leased vehicle having a non-appropriation clause.

Phyllis Corrigan asked if there were any further questions. Dave Horvath moved to recommend the Fire Budget in the amount of \$1,682,083 pending updated insurance numbers Kevin Leandro seconded motion passed with all in favor.

Kevin Leandro asked Chief Carrier to speak regarding the two Warrant Articles while he was here.

Chief Carrier stated the first Warrant Article is the replacement of Ambulance 2 which is the oldest, 2001 International goal is to replace them every 10 years. 5 years as a front line and 5 years as reserve will go out to bid.

- Discussion ensued regarding the specs of the new ambulance and having Jack Lyman is a great asset.

Chief Carrier stated the second Warrant Article is the rehabilitation of Engine 2, not a complete overhaul mostly cosmetic. It is structurally sound and runs well needs to be repainted, there are issues with the radiator fins, front springs just had an alignment and new front tires this will extend the life and make it more dependable.

- Discussion ensued regarding the estimate of the paint job.
- Discussion ensued regarding the repairs to the Fire Station, need to revamp office area, 3 overhead doors, 3 shower units. Most significant will be the window replacement.
- Discussion ensued regarding fuel savings with the new roof.

Emergency Management:

Dave Horvath moved onto Emergency Management.

- Total budget is \$3,545 with \$2,400 being stipend for Chief and Assistant Chief with associated payroll costs as well as costs for general equipment.

Dave Horvath moved to approve the Emergency Management budget in the amount of \$3,545 Kevin Roy seconded. Phyllis Corrigan asked if there were any further questions and called for a vote, motion passed with all in favor.

Fire Protection:

Dave Horvath stated in 2014 there is a shift of \$78,000 from the county budget to the Town budget and asked Chief Carrier to explain.

Chief Carrier explained that the Lakes Region Mutual Fire Aid Association Board of Directors is made up of Fire Chiefs or Selectmen from member communities. In the past there has been some tension between the Board of Directors and County Commissioners that has made it difficult to develop a budget. LRMFA is not a County organization the County simply billed for LRMFA through the county tax, bill is based on assessed valuation for only Belknap County Communities. Mutual Aid has a formula based on population, valuation and then a fixed rate and they bill for example Franklin directly. In our case we make out better taking our direct assessment the problem was we would like to see the county tax bill lowered by the same amount. Selectmen penned letter to the county making that request and they received a response saying they cannot promise anything. We receive a tremendous value we could not do it cheaper by ourselves.

Discussion ensued regarding LRMFA being a government entity recognized as a Mutual Aid Association. There is a request that the Board of Directors be made up of elected members that are responsible to the taxpayers.

Dave Horvath stated the next line item is the hydrants Laconia Water works will hold the rates there was an adjustment due to a miscalculation. Sub Committee has no questions and Dave Horvath moved to recommend \$123,162 Allen Voivod seconded motion passed with all in favor.

Forestry:

Phyllis Corrigan reviewed this budget.

- Part Time wages paid for fire suppression. Wages are cost shared with the State of NH at 50% on the state pay scale.
- No professional training.
- \$600 for vehicle maint.
- \$1,000 for protective clothing, hose, hand tools, foam etc.

Phyllis Corrigan moved to approve the amount of \$2,266 Dave Horvath seconded.

Discussion ensued regarding the Forestry vehicle and the amount that has been expended year to date. Wel Fab replaced a piece of pipe for \$800, saving a lot of money by not having to replace the entire pipe on Engine 2.

Phyllis Corrigan called for a vote on the motion to approve the Forestry budget in the amount of \$2,266 motion passed with all in favor.

Phyllis Corrigan stated they will wait to choose School Sub-Committees, School budget books will be available Wednesday November 27th. SAU Presentation will be held on December 5th. Will need people to sit on the Middle School, High School, Elementary School, Technology and Special Education budgets, Special Education is broken down to each school. They will have January 2nd to look at Default Budget and Warrant Articles. Town and School final budget will be the 9th of January, Public Hearings are 4th and 16th and there is no date for the deliberative session yet and Town Meeting is March 12th.

Phyllis Corrigan asked Dave Horvath if he would like to discuss the previously approved minutes from the 17th.

Dave Horvath stated there were some things that he stated during that meeting that he would like to have noted in the minutes. The Discussion centered around RSA's that were not in the minutes RSA 32:5 items 2 and 4 were not complied with in 2013. There was past history of the buy outs specifically the Hayes Mooney buy outs that were not in the notes. When he asked the question about the Hayes Mooney buy outs he thought he was told they were not doing that anymore and now he finds out that is still being done. Gus Benavides clarified that previously there was no limit to the amount of hours they could collect or save up to, they put a cap on that, they still have a buy-out however it is capped none of the general public knew that they carried this debt. Dave Horvath stated there is an accrual buy out and an end of the trail benefit Gus Benavides stated they are talking about the same pool of hours. Dave Horvath wanted to put in the notes that there are 2080 work hours in the year anything beyond that is over time or some sort of benefit. Dave did want to reference RSA 32:5 II disclosure of all purposes and amounts, RSA 32:5 IV all appropriations listed on the proposed budget, RSA 32:8 no spending without appropriation was discussed. One question that was not in the notes was the request to know the payouts that are being made this year what accounts are those amounts being paid out of because there was no line item last year.

Paul Blandford made a point of order that they will need to revote on the previously approved minutes once they have been changed. Discussion ensued.

Dave Horvath stated that they are in agreement that the accrual payout is a benefit now with a line item in 2014 and asked Gus Benavides if the end of trail benefits are included in this line item in 2014.

Scott Dunn stated that they would come out of the salary line item but would show as an expenditure in the accrual line item and as he stated at the last meeting those line items will be over expended. Dave Horvath asked if it would make more sense to separate out that particular item as this is a benefit not a wage. Discussion ensued regarding disclosing this item separately to comply with the RSA as this is a benefit not a wage, Gus Benavides stated it is disclosed. Gus Benavides clarified that Dave Horvath is requesting a separate line item and asked how they would budget for that. Dave Horvath stated that an employee can accrue up to 192 hours of sick time at that point they could buy back 100 hours at a percentage for the accrual within the structure of the Town and Board of Selectmen they chose to use two days to budget and he is ok with what they put into 2014 but if someone decides to quit tomorrow they can buy back 192 hours at 100%. Scott Dunn stated that is not correct some are and some are not. Dave Horvath asked what the conditions were, Scott Dunn stated there are all kinds of scenarios if they were to budget for the maximum liability and they have a fund for that if you added that fund and budgeted the shortfall they would be adding \$200,000 to \$300,000 why would they want to do. Scott Dunn stated that in the end it is going to come out of someone's pay. When someone leaves and they cash in accrued leave time there is a period of time without that person then they hire a new person at a lower wage that shows in the budget. Dave Horvath asked if it was possible for someone to buy back 192 hours? Scott Dunn stated some can. Allen Voivod asked if there was a way to make a line item with \$1 so if there is an expenditure related to a cash out it can be shown in the budget, not asking for additional funds to be budgeted but a way to track the expenditure. Scott Dunn stated that is possible. Dave Horvath stated that he was looking for clarification on the accrual they took an assumption of two days, they know some people will leave Dave feels that Allen's proposal is reasonable however feels that they could use a number from past experience something more than \$1. The RSA says that they have the right to see the transfer between line items.

Paul Blandford stated that when someone leaves at the higher pay rate one year that year might be high, then next year no one might leave and the year after a mid-level pay rate employee might leave it is a moving target. You might be adding an extra tax burden that might not be expended.

Discussion ensued regarding this issue. Scott Dunn stated that they have the Board of Selectmen's budget, the Budget Committee can add a line item with \$1 but as they stand here today it is not in the Selectmen's budget.

Discussion ensued regarding the Selectmen not having a budget this is the Budget Committee's budget, this is the Selectmen's recommendation to the Budget Committee once it is approved the Selectmen have the authority to expend the budget. Discussion ensued regarding the MS2 budget, they are charts of accounts not a line item. Discussion ensued regarding the Capital Reserve Fund for accrual payouts.

Allen Voivod clarified that the accrual payout line item also includes the end of employment buy out and asked that they be separated for clarity purposes. Scott Dunn stated they can make that request. Geoff Ruggles stated that the reason they have not created a line item in the past is because when someone leaves and takes their buy out this position is left vacant for a while which covers this dollar amount they do not want to overinflate the budget they know in most cases they will have the money in another line item, in order to not over tax the tax payers they only budget the extra buy outs during the year and used the two day scenario as a starting point.

Dave Horvath wanted to clarify the zero dollar vs one dollar, on page 44 of his budget book line item voting, voters at the Town, Village, School District meeting may vote on specific line items in the budget but those are advisory only and do not affect the governing body's power to make transfer unless the line item is deleted or reduced to zero that is why you need one dollar, town meeting can add money back in and vote for it they have the ability as the Budget Committee to add money back in or delete it to zero. There is no spending without appropriation, if there is a zero dollar in a line item they cannot spend out of it. Only looking for more clarity he agrees with the proposal to have a line item with a dollar in it.

Scott Dunn stated there is another layer there is a Capital Reserve Fund for accrual payouts, voted by the voters the Selectmen are the agents to expend.

Kevin Leandro asked when this Capital Reserve Fund was established, when was the last time a deposit was made into it and what the balance is and have they considered closing it. Geoff Ruggles stated somewhere between 2003 and 2008. Scott Dunn stated it is in the annual report. Geoff Ruggles stated there is between \$35,000 to \$40,000. Kevin Leandro moved to respectfully request the Selectmen to close out the account and transfer the money into the general fund.

Discussion ensued regarding the Gadsby Standard to show the unfunded liability.

Fred Butler seconded Kevin Leandro's motion for discussion purposes.

Discussion ensued regarding what right they have to hold onto money they do not intent to use. Gus Benavides stated the right of the people who voted it in. Discussion ensued regarding fully funding it instead of having it come out of the wages that they would have to fully budget for.

Kevin Leandro withdrew his motion, Fred Butler withdrew his second.

Discussion ensued regarding the ability to zero out the dollar line item.

Allen Voivod moved to add an account to the chart of accounts to separate out the accrual payout from end of employment payouts other than that he does not have a recommendation to fund it with one dollar. Phyllis Corrigan seconded for discussion purposes. Kevin Leandro moved to amend the motion by adding a dollar as you cannot expend without an appropriation. Dave Horvath seconded motion to amend the original motion by adding one dollar, motion to amend the original motion passed with a vote of 7 yes and 3 no.

Allen Voivod moved to add one dollar to an account in the chart of accounts to each budget for the end of employment buy out, Dave Horvath seconded motion passed with a vote of 7 yes 3 no.

Kevin Leandro made a point of clarification that this is added to each department that has payroll.

Dave Horvath moved to reduce the accrual payout account by \$1 in each department that has an accrual account. Kevin Leandro seconded motion passed by a vote of 7 yes 3 no.

Phyllis Corrigan asked if all reviewed the minutes from the October 29th and asked if there were any changes. Discussion ensued regarding the minutes from the 24th. Gus Benavides moved to approve the minutes from October 24 as amended, Kevin Leandro seconded motion passed by a vote of 9 yes and 1 abstention.

Fred Butler made a clarification on the minutes from October 29th it was noted on his question about the road maintenance budget his point on the \$39,000 in gravel vs the selectmen \$31,000, he knew it was completely separate from the road maintenance budget but was it vital enough in gravel if the request was \$39,000 since \$750,000 was a much bigger line item could it more easily spare \$8,000 and put it back into gravel if he felt he needed it. The correction will be made.

Allen Voivod moved to approve the minutes as corrected. Gus Benavides seconded motion passed with a vote of 8 yes and 2 abstentions.

Phyllis Corrigan stated next week Erica Johnson will be here at 6:30 and will do Welfare and CIP. Kevin Roy asked if they would be able to reopen things Phyllis Corrigan stated yes.

Gus Benavides moved to adjourn, Paul Blandford seconded motion to adjourn passed with all in favor.

Meeting adjourned at 8:50 pm.

Respectfully Submitted,



Mia Gagliardi
Recording Secretary

