

BOARD OF SELECTMEN

DEEP RIVER TOWN HALL

Regular Meeting of March 23, 2010

Attendance:

Selectmen Dick Smith, Art Thompson, Dave Oliveria.

Dave Berardis, Jim Budney, Rich Kollmer, Sr., Bob Raymond, Bill Spitzchuh, Peter Woodcock (*D. R. F. D.*), Richard Daniels (*D. R. V. N. A.*), Rich Forristall, Lori Guerette, Jayne Mather (*Fountain Hill Cemetery*), Margo Hilfinger & Joyce Metz, (*video recording*), Tom Griffin, Bob & Cathy Jenkins, Jonathan Kastner, Rich Strukus, Scott Bassett (*McGladrey & Pullen, Town Auditors*), Charles Stannard (*Local Online News*).

Call to Order:

- 1] This meeting was called to order at 6:42 pm by Dick Smith.

Minutes:

- 2] Regular Meeting – March 9, 2010

Motion by Art Thompson, 2nd by Dave Oliveria, to approve the minutes of the previous meeting.

APPROVED 3-0

NOTE: The Board of Selectmen remained in session during the Board of Finance meeting so that both boards could hear and discuss the Fountain Hill Cemetery & proposed Firehouse Expansion. Scott Bassett of McGladrey & Pullen, the Town's Auditor, also addressed both boards regarding the VNA.

- 3] Highway Department Appropriation:

Smith requested an additional appropriation of \$26,480 to be added to the Highway Department Maintenance line (10130—53044). Smith advised both boards that the appropriation was partly to cover the costs of this year's heavy snows, but largely because of major truck repairs, such as replacement of a rear end, a new transmission and a rebuilt engine. Motion by Thompson, 2nd by Oliveria, to approve the request.

4] Elementary School Water Damage Appropriation:

Smith asked that we add discussion and action on an additional appropriation to pay for cleanup and repairs regarding water damage at the D. R. E. S. to the agenda. The damage occurred following the rupture of heat exchange piping in the school's HVAC system. Motion by Oliveria, 2nd by Thompson, to approve the request.

APPROVED 3—0

Smith advised the Board that he had forwarded to Apex Insurance, the Town's insurance carrier for the school, bills totaling \$23,694.60 as follows:

a) Service Master – clean up	\$ 20,791.83
b) Emcor – assess damage to HVAC coil	318.00
c) Amano – Alarm system service	356.00
d) Custodial Personnel – labor cost	644.00
e) <u>New England Energy Controls – repair piping</u>	<u>1,584.77</u>

TOTAL \$23,694.60

The insurance will cover the entire cost, less the policy's \$1,000 deductible. Smith requested an appropriation of for \$22,694.60, which would be reimbursed by Apex, plus the balance of \$1,000 to be drawn from the insurance line. Motion by Oliveria, 2nd by Thompson, the appropriation be approved.

APPROVED 3—0

5] Special Meeting Regarding Nursing Service:

Discussion of setting a date for a special meeting at which representatives of the Visiting Nurses of the Lower Valley could provide information concerning a contract with the Town to provide nursing services. The Board agreed that, if the date is acceptable to the VNLV, we would schedule the meeting for April 1, 2010, at 6:30 pm, in the Town Hall conference room.

The Board also discussed scheduling a public hearing at which all information and options concerning the Town's nursing service would be presented to residents. The date was set for April 8, 2010, at 7 pm, in the Town Hall auditorium.

6] Visiting Nurses Finances:

Discussion among the Board of Selectmen & Board of Finance, Scott Bassett, auditor, Rick Daniels, President, VNA Board, and the audience of citizens concerning the financial condition of the VNA over the past four years, as well as projections for the upcoming fiscal year 2010-11. After much discussion there

appeared to be agreement that the report provided by Bassett reflected a true picture of the VNA's financial condition.

Daniels expressed his disagreement with the accrued liability. The auditor explained that the numbers he presented were the true cost, and included all compensated absences (earned sick, vacation and personal days). Daniels' argument was that those liabilities were present for all employees, and that VNA employees should not be singled out. Smith explained the difference—the Town reimburses former employees for their compensated absences by continuing to issue weekly payroll checks until the balance due has been paid. The positions are left unfilled until the Town's liability has been satisfied. Their positions are covered temporarily by other employees. This policy prevents the salary and related budget lines from being overdrawn.

The only exceptions during the past 20 years have been the Accounts Manager, VNA nurses, the VNA Administrative Assistant's position, Transfer Station attendant and the Town Clerk. It was not done for other assistants in the Selectman's Office, the Assessor's Clerical Assistant, the Building Department Secretary and Highway Department employees. By delaying the hiring of replacements the Town saw no additional salary expense. Smith also noted that VNA nurses start with four weeks of vacation, whereas other employees are entitled to just two weeks, and do not receive four weeks until 15 years service. Because of the disparity in vacation time the VNA would always be likely to incur a greater compensated absence liability than would other departments.

Daniels continued to disagree with the auditor's findings. After considerable discussion Thompson asked Daniels what this line of discussion had to do with the topic of the discussion, the VNA. Daniels responded by saying that as a taxpayer he had the right to question the auditor. To move the meeting along and resolve the disagreement, Smith asked Scott Bassett if he could show the accrued time of \$40,979 as a footnote and separate it from the VNA regular operating budget. By expressing the liability in that manner the budget for FY 2010-11, now projected to be approximately \$229,000, would appear as \$189,000. Bassett agreed that would be acceptable, but he reiterated that regardless of where it appears in the budget, it is, in fact, a liability. Both boards agreed.

Smith asked Bassett about the \$1,600 that the state had sent to the VNA based on fuel assistance applications the VNA had processed. Bassett stated that VNA employees, who are on the Town's payroll, processed the applications, and that therefore the \$1,600 should have been deposited in the Town's General Fund, rather than in the VNA Memorial Fund. Bassett will send a letter directing Daniels to turn the \$1,600 over to the Accounts Manager for deposit into the General Fund.

Attached to these minutes are two spreadsheets with financial information concerning the VNA prepared by the auditors.

- 6] Any Other Business to Come Before the Board – Audience of Citizens
The audience was asked whether anyone had questions or comments concerning this evening's meeting or other town business. None responded.
- 7] Adjournment
Motion by Thompson, 2nd by Oliveria, to adjourn at 9:20 pm.

APPROVED 3 – 0

Att:
RHS/jk

**Town of Deep River Visiting Nurses
Costs Analysis**

Year-ended	Tab 09.10 Projected 2010	Tab 08.09 June 30 2009	Tab 07.08 June 30 2008	Tab 06.07 June 30 2007
Actual Revenue	373,264	375,929	345,035	308,794
Actual Budgeted Expense	404,247	425,384	394,578	357,290
Subtotal	(30,983)	(49,455)	(49,543)	(48,496)
Additional Costs(Out of Pocket)				
Crystal Rock	219	255	212	171
CL&P	2,724	3,554	1,844	3,003
CWC	66	104	49	46
Pager Svc	0	96	113	0
AT&T	2,119	2,241	2,203	0
ADP	1,556	1,732	1,684	1,647
Unum Life Ins	369	461	441	482
Anthem	50,770	56,070	50,871 x	56,120
Sewer Tax	180	180	180	175
Env,Paper	364	364	364	364
Accts Manager	2,100	2,100	2,029	1,742
Custodial @10hrs/month	2,186	2,186	2,112	2,040
Pension	29,000	29,501 x	28,986	32,186
General Liability & Personal Prop.	2,100	2,100	2,100	2,100
Worker's Comp.	4,300	4,300	4,300	4,300
FICA Tax	15,992	18,669 x	19,811	18,148
Compensated Absences	40,654	29,307 x	21,037	28,437
Subtotal Out of Pocket Costs	154,699	153,220	138,335	150,962
Total Net Costs	(185,682)	(202,675)	(187,878)	(199,458)

The direct primary variance between fiscal years 08/09 and 09/10 is due to the secretarial/administrative assistant position. The position was filled temporarily with an outside agency at present earning \$18.50 an hour with no benefits. If this union position had been filled as required by Union contract, then the Town would be responsible for the following benefit costs; Anthem BCBS medical insurance, Unum Life Insurance, Pension, FICA, Sick, Vacation and Personal time accruals. These costs will be included in the 2010-2011 Fiscal Year budget estimates.

Town of Deep River Costs Analysis		Tab 10.11 Projected 2011	Explanation of changes for 2011 Projection	Tab 09.10 Projected 2010	Tab 08.09 June 30 2009	Tab 07.08 June 30 2008	Tab 06.07 June 30 2007
Year-ended							
Actual Revenue	377,328			373,264	375,929	345,035	308,794
Actual Budgeted Expense	426,827			404,247	425,384	394,578	357,290
Subtotal	(49,499)			(30,983)	(49,455)	(49,543)	(48,496)
Additional Costs(Out of Pocket)							
Crystal Rock	220		no variance added from 09/10 to 10/11	219	255	212	171
CL&P	2,700		no variance added from 09/10 to 10/11	2,724	3,554	1,844	3,003
CWC	114		no variance added from 09/10 to 10/11	66	104	49	46
Pager Svc	0		no variance added from 09/10 to 10/11	0	96	113	0
AT&T	2,120		no variance added from 09/10 to 10/11	2,119	2,241	2,203	0
ADP	1,847		Added cost of 52 additional pays for secretary on p/r	1,556	1,732	1,684	1,647
	461		Added secretary based on hire date 7/1/10, 9 months expenses due to probationary period	369	461	441	482
Unum Life Ins	68,430		Added secretary based on hire date 7/1/10, 9 months expenses due to probationary period	50,770	56,070	50,871	56,120
Anthem	180		no variance added from 09/10 to 10/11	180	180	180	175
Sewer Tax	364		no variance added from 09/10 to 10/11	364	364	364	364
Env, Paper	2,142		Only variance noted is 2% wage increase	2,100	2,100	2,029	1,742
Accts Manager	2,230		Only variance noted is 2% wage increase	2,186	2,186	2,112	2,040
Custodial @10hrs/month	33,000		Pension earning secretary to be added	29,000	29,501	28,986	32,186
Pension	2,100		no variance added from 09/10 to 10/11	2,100	2,100	2,100	2,100
General Liability & Personal Prop.	4,300		no variance added from 09/10 to 10/11	4,300	4,300	4,300	4,300
Worker's Comp.							
FICA Tax	18,822		Variance is based on 2% wage increase for salaries, secretary on payroll, and extended hrs are based on 2 completed fiscal years average	15,992	18,669	19,811	18,148
Compensated Absences	40,979		Only variance noted is 2% wage increase - no additional accrued time added to carryover	40,654	29,307	21,037	28,437
Subtotal Out of Pocket Costs	180,010			154,699	153,220	138,335	150,962
Total Net Costs	(229,509)			(185,682)	(202,675)	(187,878)	(199,458)