

# ENFIELD BUDGET COMMITTEE (EBC) MINUTES (Approved)

THURSDAY, JANUARY 5, 2011

DPW BUILDING 6:00PM

**Members Present:** Doug Pettibone (Chair), Sam Eaton, Annabelle Bamforth, Shirley Green, Gail Hulva, Lori Saladino, Gail Malz, Fred Cummings (Ex-Officio)

**Others:** Steve Schneider (Town Manager)

**Excused:** Janet Shepard, Paul Mirski

**Administrative:** A motion to approve the December 10, 2011 minutes was made by Shirley Green and seconded by Lori Saladino. There were no corrections and the minutes were approved with Gail Hulva abstaining since she was not present at the meeting.

## **New Business:**

**4197: Regional Associations (RAs)** (requested amount \$50,709). As the Chair of the subcommittee for the RAs, Sam Eaton reported that they recommend to fund all the requests made except for Tri-County Cap. It was explained that Tri-County Cap mainly provides fuel assistance by administering and distributing funds from other agencies. All of the funding we provide to them goes to salaries and administration. Diane Heed, Director of Human Services, suggested that she could complete the same function as provided by Tri-County Cap: however, upon further consideration it was decided that Tri-County Cap should be funded and that the function is best administered by Tri-County. Last year they processed 320 applications and distributed \$220,000. Their request from last year was considerably larger than they were funded. A motion was made by Lori Saladino to fund all of the RAs requests at last year's level up to a 1% of the General Fund budget. It was seconded by Shirley Green and the motion was unanimously approved. This level of funding is in agreement with the policy put into place last year on the funding of RAs.

**General Discussion about next year's budget:** Over the last five years, there have been erratic yearly changes in the tax rate with most of the increase accounted for in a single year, 2009, when we had an 8% increase. The increase in tax rate has averaged out to 2.4% per year which amounts to

about \$30 for a \$200,000 home. Therefore, the Budget Committee has an initial target of a 2.5% increase in the 2012 tax rate. A 2.5% increase in the rate would generate about \$90,000. At the next meeting we plan to have a detailed discussion towards finalizing the proposed budget after Steve Schneider meets with all his department heads to identify cuts to meet this target. Overall, the Budget Committee and the Board of Selectmen want to maintain services to the Town consistent with revenue and to keep any increases in the rate minimal.

Steve Schneider explained the two major factors that are increasing the cost of the proposed budget. One is the cost of fuel for heating and vehicles, and the second is the funding of employee benefits. This year, there are increases of 16.4% for employee health insurance premiums. Overall, there is an increase of \$175,000-\$180,000 over last year's budget for personnel costs including health care, retirement and a proposed 2% salary merit increase. Two years ago, there was a change in the health insurance plan incorporating a higher deductible that helped keep the cost and the level of coverage in line. This coming year is tough and challenging to provide the personnel with benefits without placing an undue burden on the taxpayer. Steve has had discussions with the department heads to identify the concerns of the employees and a big one is the cost of prescriptions. He is investigating a higher co-pay plan for prescriptions and generally trying to find ways to address these concerns and keep the cost as low as possible. 2012 is the last year for the current contract so next year the health plan will go out to bid to various carriers again.

There is generally a 10% turnover in personnel each year which usually translates to reduced employee costs during the time it takes to find replacements. The proposed budget has always taken into consideration a worst case scenario of a full roster of employees throughout the year. Steve will look at some of the personnel numbers and reduce some to a more appropriate level taking into account employee turnover.

**Ambulance Proposal:** The Board of Selectmen is planning to make the Enfield FAST squad a stand-alone, 24/7 operation completely under the control of the Town. The plan would eliminate the contracted service by Lebanon except in cases of mutual aid. They came to this proposal by looking at the needs of the town that the ambulance service may not be currently providing. They believe the plan will improve the timeliness of service although there was discussion whether there were serious enough deficiencies in the current service to warrant immediate adoption of the proposal of this magnitude. Looking at the ambulance call data, about 1/3 of the calls for service were responded to by Enfield and 2/3 of the calls were

responded to by Lebanon. It is a policy decision by the Board of Selectmen to hire two new full-time employees and implement soft billing. They also plan on paying two people to be on call during the off hours. It is currently anticipated that the new FAST squad organization will have a tax impact of \$35,000 after the offset of no longer paying Lebanon for the contracted mutual aid and billing revenue. However, there are still some details about the billing revenue projections that need to be clarified by Steve before a solid estimate of revenue can be made. Although this is a decision by the Board of Selectmen there are some that recommend that this proposal should be a warrant article to go before the voters at Town Meeting because it is such a big new commitment. Fred Cummings indicated that he would discuss the idea of a warrant article with the Selectboard.

The meeting was adjourned at 7:38PM. The next meeting is January 19, 6:00pm@DPW.