

ENFIELD BUDGET COMMITTEE (EBC) MINUTES (Approved)

**Thursday, November 13, 2014
DPW BUILDING 6:00PM**

Members Present: Annabelle Bamforth, Fred Cummings (Ex-Officio), Sam Eaton (Vice Chair), Dan Kiley, Mike Lorrey, Doug Pettibone (Chair), Janet Shepard

Others Present: Steve Schneider (Town Manager)

Excused: Shirley Green, Lori Saladino, Dave Stewart

The meeting opened at 6:05PM

Administrative:

A motion to approve the November 5, 2014 minutes was made by Sam Eaton and seconded by Janet Shepard. The minutes were approved with 2 abstentions and a typo corrected.

New Business:

Tax Rate Status: Steve Schneider noted that the municipal tax rate won't be officially set until clarification with the auditor of a discrepancy in the undesignated fund balance. However, it is anticipated that the tax rate for the Town will be as projected at Town Meeting last March (\$6.24/\$1000 valuation). He also noted that County and State and Local School taxes will go up about 16 cents, 1 cent and \$1.50 respectively for a total tax of about \$23/\$1000. This would represent about a 9% increase in the overall tax rate over last year and does not include the increase expected for the high school renovation project which will kick in next year.

Departmental Spending Plans Review

Schneider reviewed in detail for the committee the various administration budget requests for Administration and Health and Human Services. These requests are preliminary and will undoubtedly be reduced after the review process is completed over the next 6 weeks.

Administration (4100s)

4130 Executive Office (2014 Budgeted, \$201,154; 2015 Request, \$231,723, up 15.2%). Much of the increase over last year is due to a requested (up to a) 2% merit increase for employees, and longevity payments to employees of 10 years and longer. There will be only 1 election in 2015 (vs 3 in 2014) requiring lower spending for the moderators' salaries. One relatively large request, designated 'Miscellaneous'(4130-690), for \$27,000 is for support of the local Channel 8 cable channel. This request is offset completely by revenue received from Comcast as a franchise fee. The printing costs for the calendar and the annual report is relatively large (requested, \$15,000).

4131 Technology (2014 Budgeted, \$30,500; 2015 Request, \$36,000, up 2.9%). The increase is largely due to computer hardware needs for several departments. It was noted that the Town had received several email 'blast' attacks in 2013 that temporarily shut down all computer activities and so an additional server

for Whitney Hall was purchased for email only in order to isolate these attacks. It is anticipated that a new replacement file server will be needed in 2015 accounting for most of the request for hardware (Line 4131-001, \$15,000). 2014 spending for Repairs and Service was higher than expected due to more hours spent by the IT contractor in setting up the new exchange server and new telephone system (to date, \$11,400 vs \$5000 requested). The Repairs and Service request for 2015 is \$8,500.

4140 Election and Registration (2014 Budgeted, \$77,839; 2014 Request, \$78,001, up 0.2%). The slight overall increase is due mostly to the (up to) 2% merit raises requested for the Town Clerk and Assistant Town Clerk. This is largely offset by a reduction in 2015 ballot clerk salaries because only 1 election is scheduled for 2015.

4150 Financial Administration (2014 Budgeted, \$215,907; 2015 Request, \$219,979, up 1.9%). The slight increase in this request is largely due to salary increases of financial personnel and the tax collector of about 2%. Other significant costs included tax mapping costs, postage, software licenses and the Town audit. The 2015 request for the audit is \$18,000. This will be the 3rd year using the current auditor. Action Point: Schneider will look into the breakdown of the unanticipated costs associated with bank fees to date for 2014 (\$4710).

4152 Revaluation (2014 Budgeted, \$42,000; 2015 Request, \$30,000, down 29%). The reason for the rather large reduction in this request vs. 2014 is because of the higher cost for the town-wide revaluation conducted this year. In 2015, there will be the usual valuation monitoring conducted to keep track of new development and property renovations for application to the tax base.

4153 Legal (2014 Budgeted, \$8,000; 2015 Request, \$15,000, up 88%). It is anticipated that more legal advice may be needed in 2015 for costs associated with the FairPoint litigation regarding the taxation of utility poles. The actual request may be reduced if the legal situation clarifies toward the end of the year.

4155 Personnel Administration (2014 Budgeted, \$928,215; 2015 Request, \$1,129,837, up 22%). This department deals with employee benefits and is one of the largest cost centers for the Town. The large increase is a worst case scenario and will almost certainly be reduced significantly as the situation is clarified during the rest of the year. Virtually all areas are seeing projected increases including health insurance, FICA and medicare payments, retirement payments and workers' compensation. Most of this increase (\$201,000) is due to projected rising costs of health insurance premiums (up 15%), worker's compensation (up 22%), and retirement (up 57%). New bids for employee medical insurance premiums are due on Nov 14 from 5 companies, so greater competition may hold down these costs. Schneider is exploring higher deductible plans as well. The actual costs of the health insurance and workers comp are complicated by ongoing litigation regarding over-retention of town and employee contributions to these funds by HealthTrust (formerly LGC), the current provider of the employee benefit plans. In recent past years, the Town and employees have received rebates from HealthTrust as a result of the litigation and more rebates may still come to offset the increased costs. Action Point: Schneider will investigate the higher than expected 2014 spending for workers' comp to date (\$95K vs \$65K budgeted) but suspects it is due to a longer billing cycle (18 mos vs 12 mos) recently put in place.

4191 Planning (2014 Budgeted, \$48,944; 2015 Request, \$60,048, up 23%). The bulk of the requested increase is due to anticipated greater costs for contracted services (up \$7500), and smaller increases in Planner's salary and dues payments to Lake Sunapee Regional Planning Board.

4192 Zoning (2014 Budgeted, \$15,941; 2015 Request, \$18,108, up 14%). The increase in this request is due almost entirely to an increase in the Zoning Administrator's salary.

4194 Gov't Buildings: This cost center's budget request will be discussed at a later date.

4195 Cemeteries: This cost center's budget request will be discussed at a later date.

4196 Insurance (2014 Budgeted, \$72,000; 2015 Request, \$75,000, up 4.2%). The increased request for liability insurance is due to expected increases in premiums.

Health and Human Services (HHS, 4400s) Schneider reviewed the budget requests for HHS.

4411 Health Department (2014 Budgeted, \$210; 2015 Request, \$255, up 21%). The increase in funds requested reflects increases in office and administrative costs.

4414 Animal Control (2014 Budgeted, \$2000; 2015 Requested, \$2500, up 25%). The requested increase is due to larger than expected costs to the Town to deal with stray animals experienced in 2014 and projected to continue in 2015.

4441 Human Services Administration (2014 Budgeted, \$11,515; 2015 Request, \$11,829, up 2.7%). The increase is due to a projected salary merit increase of the administrator and telecommunication costs.

4442 Human Services Direct (2014 Budgeted, \$20,850; 2015 Request, \$23,850, up 14%). There has been a greater need for rental assistance in 2014 because of rising rental rates, and this is projected to continue in 2015. Rental assistance accounts for all of the requested increase in this cost center. A regional shortage of rental units and affordable housing in general is thought to be behind rising rents.

Miscellaneous: Fred Cummings brought the committee up to date on the request by the Fire Department for a new replacement fire truck. The truck scheduled for replacement is 26 years old and the pump and chassis are in danger of failing. Bids for the new truck from 7 manufacturers are due by November 14 and are expected to be in the \$400K range. This capital request is currently being reviewed by the CIP committee and is scheduled to be presented to the Budget Committee on December 17 with the overall CIP proposal.

Old Business: None

Public Comment: None

The meeting was adjourned at 7:28pm. The next meeting is on Wednesday, November 19, 2014 (6:00 PM at the DPW building). The following departments' draft spending plans will be reviewed: 4500s: Parks, Library, etc; 4210: Police.