

**OFFICE OF SELECTMEN
6 HOLLAND STREET
PO BOX 139
MOULTONBOROUGH, NH 03254**

**BoS & ABC Budget Meeting
November 18, 2011**

MINUTES

Selectmen: Selectmen: Joel R. Mudgett, Chairman; Edward J. Charest, James F. Gray, Betsey L. Patten, Russell C. Wakefield; Carter Terenzini, Town Administrator.

ABC: Jean Beadle, Chairman; Barbara Sheppard, Ed Marudzinski, Russ Wakefield, Absent
With Prior Notification: Alan Ballard, Kathy Garry, Tom Randall.

CALL TO ORDER: Joel called the meeting to Order at 10:05 A.M.

FY 2011 3rd QUARTER FINANCIALS:

Jean Beadle presented the ABC review of the 3rd Quarter Report 2011 with no substantive questions outstanding.

Constitutional Amendment: In a follow-up to the discussion of last evening, Carter reported that the special committee was meeting on Tuesday the 22nd at 10 a.m. He suggested that Pat Remick would certainly appreciate some support in testifying on the behalf of a proposed amendment allowing targeted aid. Betsey reiterated the idea that supporting an amendment was important but that trying to get too deeply in what the correct wording was might not prove useful to the cause given the divide between the several proponents (House, Senate & Governor). The consensus was for Carter to write a broadly worded letter of support along the lines Betsey suggested.

FY 2012 BUDGET PRESENTATION:

Carter reported that it was prepared under the Selectmen's guidance to deliver a, "Responsible level services budget."

The proposed Operating and Capital tax levy budget is up some \$50,000 or .6% on an unadjusted basis. After adjusting for a reduction in the COBRA insurance account and moving of certain tax levy expenses to the Recreation Revolving Fund the budget is up 1.8%. The bottom line is a recommended FY 2012 tax levy budget of \$9,286,936.

The major cost drivers are: (a) Health insurance up 16% (+\$120,000); (b) Step increases for those eligible (+\$10,000); and a reserve for a proposed 2.5% COLA (+\$70,000). The major offsets are: (a) A lack of inflationary pressures upon many of our contracts; (b) Converting one Transfer Station full time position to part time (-\$28,500); and (c) A reduction in NH Retirement System Assessments (-\$85,000).

Carter touched upon the major initiatives within each department such as noting how much had been allotted to each and how they related to work in progress. For instance he had recommended a budgeted increase of \$40,000 to substantially fulfill the principles outlined in the Town Fellow's Report on an appropriate reserve fund policy.

He also outlined the legislative and administrative actions that would be needed to implement the budget including an amendment to the Recreation Revolving Fund (RRF) to reflect statute, amendments to the name and purposes of certain reserve funds in keeping with the Town Fellow's report, a recommendation to finalize the response to certain property owners who responded to the Request for Letters of Interest issued by the Blue Ribbon Commission, and finally the recommendation of the Fire Chief to terminate the Red Hill Fire Tower lease.

Carter pointed out that the text had a section highlighting the requests of departments that had not been recommended, reviewed prior recommendations that had now been implemented or not adopted such as the savings of \$15k from providing the Code Officer to Holderness, the closure of the discussion of the merger of the SAU Athletic and elements of the Town Recreation, and the movement on changing the health insurance contribution ratios.

Looking forward Carter suggested that the Selectmen yet needed to address the totality of the fire and police dispatch budget to address staff turnover and budget pressures, (estimated savings of \$100k), discontinue the K-9 program upon retirement of the dog if not sooner (estimated savings of \$25k and the 200+/- hrs of required annual training), re-organize the Police command structure and prosecutor services (estimated savings \$50k), substitute a lower cost – yet still high quality – health insurance program (estimated savings of \$12.5k, explore accounting for our COBRA'd retirees, police grants and police details through a revolving or off-budget account to address the fact that; (a) Fluctuations in these create artificial views of what is happening within the budget; (b) Once the monies are budgeted they can be expended whether or not the income is ever received; and (c) We have to cut other operating line items within the budget to cover any unanticipated retirements or COBRA expenses during the course of the year.

Carter closed by saying he saw no major safety valves for added revenues or short term savings. Additional savings would require cuts in maintenance and capital investments which he cautioned against as short term solutions generally tend to have long term and negative consequences. He also noted that "Responsible" can mean so many things to so many people and he had struggled with what it meant to him as a management professional. In the end Carter left the budget further untouched although he did believe it could withstand further trimming of roughly \$80,000 without a major loss in service to the community if it were the community's will to do so. Individual presentations were then begun by the Departments.

Human Services: Rae Marie Davis gave an overview of her current case load and experience and how that been used to calculate her requested budget. There was discussion of whether or not we "guaranteed" rent to landlords (we don't), how we handle out-of-town placements if a client cannot find a rental in Town, and whether or not we were able to recover security deposits (generally not). Ed Marudzinski said he dealt with people who wondered if they might donate a property to the Town for housing and wondered how the Board might react to that. There was a discussion as to whether or not the Town wanted to be in the "Landlord" business. Carter suggested that the staff could work to connect these folks with a non-profit (Habitat for Humanity, Salvation Army, Bridge House, etc.) if the Board wanted.

VNS: Debbie Peaslee said that her per-diem staff was up by one and overtime was down a tad as a result. She said that the count on flu-vaccines is down in reaction to the current trend in which vaccine is available almost everywhere (drug stores, grocery stores, etc.). She said we may need to re-visit whether or not we offer a public clinic. A question was raised as to who Brad Borridge, CPA, was and why we used him. Debbie explained that he was a specialist in Medicare reporting and Carter added that the reduction of \$7,500 to \$4,500 reflected the fact we would not be converting the fiscal year in 2012. Debbie closed by introducing her new per diem nurse, Nicole Hoyt.

Capital Improvements: Carter said that Mike Branley had been tasked with developing a financing plan for the CIPC and his Reserve Fund report. Mike walked through the constraints he had been given; funding all CIPC's 1, 2, and 3 priorities (except the energy improvements, which would be dealt with in a different manner and more than one cruiser in a year), making progress on the recommended Annual Required Contributions (ARCs), using the Reserve Funds as "wash accounts" and not exceeding an annual increase in the tax levy dedicated to capital of 5% (ideally below 4.5%).

Recreation: Carter reviewed a memorandum worked out by him, Donna and Jean Beadle on a proposed policy for the Recreation Revolving Fund (RRF). He noted that this year they had moved about \$90k of expense from the tax levy budget to the RRF with a deficit of about \$15k in the RRF. There was another \$40k+/- in tax levy that would be moved over the next five years to allow revenues to come up to the level needed to cover "variable expenses" with those items which were "fixed" (year round staff, benefits and supplies incurred irrespective of attendance at programs for which a fee was charged). Russ asked Donna if she was comfortable with the approach and she said she was. Carter noted that the Selectmen needed to vote to discontinue the transfer of a portion of the facility sticker fee to the RRF and suggested the 12/15 meeting as a target date. Carter distributed the latest cost estimates for Playground Drive and the Lions Club with discussion as to how to word the article for Town Meeting, with him suggesting it should be to limit any further spending under the prior appropriation to Playground Drive in keeping with the BRC's recommendation.

The discussion then moved to items in the request that the TA had not recommended such as: (a) Dredging plan for States Landing for \$11,500 (the TA felt it should not be undertaken until we had a clear handle on exactly what was causing the siltation problem which he hoped might come from the Moultonborough Inlet study); (b) Sunscreen lotion to be provided to the lifeguards as a safety measure for \$125 (with the TA noting we did not provide this to any other employee and thus it became a policy issue not a cost item); and (c) Monies to reinstitute the band concerts in the amount of \$4,000 (to which Donna and the TA agreed there was need for a more certain plan before asking the taxpayers for the money).

Jean Beadle said she hated to prolong an item, but she felt we needed to revisit the matter of the staff and expense for the After School Program. Joel said the people had expressed their opinion and they did not want any changes in the program. Donna said there had been 1,000 children who had been through the program since 2004. Carter said that since there had only been about 1,100 kids in the school system over this time frame this claim stretched the imagination. There was a discussion of a need for better records as to costs and an ability to identify "unique users". In any event the consensus of the Board was this was settled matter. With that Carter redistributed the revisions to the Recreation Assistant's job description noting that it needed to be adopted in order to advertise the position. He suggested the 12/15 meeting as a target date.

There being no further business the Chair adjourned the meeting at 1:00 p.m.

Approved

Date

Respectfully Submitted

Carter Terenzini, Town Administrator