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**Town of Henniker
Budget Advisory Committee Meeting
Tuesday, January 13, 2011
Henniker Community Center**

Members Present: Doug Paul, Jim Crane, Tania Craig, Peter Robichaud, Jim McElroy, Caleb Dobbins, Jeff Connor, Dan DaCosta, Lance Moulton, Ron Taylor, Danny Aucoin

Town Administrator: Peter Flynn

Guests: Ken Levesque, Kim Johnson, Carl Knapp, Scott Davison, Martha Sunderland, Doreen Connor, Terry Stamps, Martha Taylor, Tom Dunn and Ruth Zax.

Recording Secretary: Cherry Palmisano

Caleb Dobbins called the meeting to order at 6:30 p.m.

Mr. Flynn told the members of the Budget Advisory Committee that there isn't really a decline \$1,000,000 in revenue; some revenue has not yet been recorded. Some of the differences in the revenue come from Capital Reserves that were offset, the energy grant not being approved, the roof repair money came from a trust fund, other Capital revenues including the ambulance purchase in which money came out of the Capital Reserve, and land sales projected for \$200,000 but not closed on. Mr. Flynn said that they may be short approximately \$200,000 when the books are closed for the year.

Mr. Flynn said that there is no cash exchange between the Highway Department and Fire Department for vehicle maintenance, there is a credit for labor that is accounted for. The Highway Department charges the Fire Department for their labor. Caleb Dobbins commented that he would prefer to see it as revenue income in the Highway Department budget.

Waste Water – Ken Levesque, Superintendent of the Waste Water Treatment Plant, said that there are not a lot of changes to the budget. The equipment repair line is up \$7,000 due to one of their two waste water grinders needing to be rebuilt in 2011. Their debt service has gone down.

Jim McElroy moved, Doug Paul seconded to accept the Waste Water budget of \$506,304 as presented.

Caleb Dobbins asked about the revenue from the State of NH going down. Mr. Levesque said that he tried to figure out what they are scheduled to receive for 2011, depends on the state. Caleb Dobbins said that the bottom line revenue is down by \$24,000. Mr. Levesque said for their upgrade they are scheduled to receive a little over \$11,000 and he thinks that they are scheduled to receive a little over \$5,000 on another bond.

Mr. Flynn said that this total budget is funded through the user fees.

Mr. Levesque said that flows were down by 8.5 million gallons for the year, which reduced all associated waste water treatment costs. He said that it is a mystery as to why the flows were down so low; it could be associated with the lack of rain and a dry summer. Mr. Levesque said that he has to budget based on what they did the previous year; they always end up with some surplus in their budget. Mr. Dobbins asked what happens to the remaining funds. The Waste Water Department has their own Capital Reserve Fund. Mr. Flynn said that by law they can not tap into the money in reserve. Mr. Levesque said that they have a very healthy reserve fund, and have a twenty year Capital Reserve Fund. They will be replacing an \$80,000 generator from that fund. There is approximately \$260,000 in that fund. Mr. Levesque said that they still have a lot of very old equipment.

The Selectmen are commissioners of the Waste Water Treatment Plant. Mr. Flynn said this department follows the same town benefit package.

All were in favor.

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Highway Department – Mr. Flynn introduced Mr. Carl Knapp, Highway Superintendent, to the Budget Advisory Committee and explained that Scott Davison, who was the interim director, actually prepared the budget. Mr. Knapp said that the building repair line has been increased for a furnace at the Highway Garage.

Mr. Flynn said that they now have an insurance buy out plan, which is a savings to the town of \$18,710 for the family plan, a savings of \$16,822 for the two person plan, and a savings of \$8,411 for the single plan. They have an employee who is utilizing the family plan buyout.

Jim McElroy moved, Jim Crane seconded to accept the Highway Department budget of \$616,121 as presented.

Mr. Flynn said that they will see a \$15,000 item for the loader rental, which is in place as a precaution if the thirty year old loader were to break down and they need to rent one during the winter season. There was a proposal on the table for \$160,000 to purchase a new loader, which will certainly be needed if the old one breaks down. If the winter goes by and the rental money is not used it will go back to the general fund. The front loader that they are currently using is a 1995, the other one is thirty-three years old and used to load salt. Mr. Dobbins asked if there is a way to put it in the budget so that if the money is not used to rent a loader it can be documented to go back to the general fund. He thinks that the Selectmen could find \$15,000 in the budget to rent a loader if needed. Mr. Parker said that what was discussed when Tom Watman made the motion to deal with many items was that the Highway Depart budget is so tight they want to give them a cushion to rent a loader or be able to buy parts to repair the loader. Mr. McElroy does not think they can flag that \$15,000 for a certain usage only. Mr. Dobbins said that he is concerned that if the money does not go for that use it will be used for something else. Mr. Knapp said that he has no intention of renting a loader unless that loader is blown to pieces. Mr. Dobbins said if the money was not there then no one could spend it, he understands it is an insurance placeholder. Danny Aucoin asked if the town ever intended to have two loaders, or did they intend to get rid of the old loader back in 1995. Mr. Parker said there may have been mistakes made in the past but they are trying to keep the current conditions alive.

Caleb Dobbins commented on the Transfer Station losing an employee and the head guy gets less money and than the Transfer Station gets more money. Mr. Flynn said that the overtime line for the Highway Department has gone down because Mr. Knapp is a salaried employee and will not be eligible for overtime. Mr. Dobbins asked if the Highway Superintendent has anything to do with the Transfer Station. Mr. Flynn responded no. Mr. Dobbins commented on the Transfer Station losing out and the Highway Department got a more qualified higher paid employee. Mr. Parker said that they interviewed several candidates and could not find anyone willing to take the position for the salary that was being offered. Mr. Knapp said that if you look at the health insurance number it is down by \$20,000.

Dan DaCosta asked Mr. Knapp if they are budgeting enough money for fuel costs. Mr. Knapp said probably not due to the recent increase in fuel costs. Diesel fuel is purchased through a contract. Mr. Flynn said that they only contract a price for propane and oil; they just have a service contract for diesel fuel. Mr. Flynn said that on February 1st the Selectmen can ask for more money for fuel and then again at Town Meeting.

Jim Crane mentioned the \$15,000 for the loader rental and the rising price of diesel fuel being unpredictable and the fact that they are dealing with aging equipment. He encouraged the committee not to take the \$15,000 out of the budget and to leave it there as a precaution.

Mr. Dobbins mentioned the construction project on Old Concord Road and asked about reimbursement. Mr. Parker said it goes back to the fund balance; they have recovered money from end of year 2010 to pay for the repair. Mr. Parker said at least \$70,000 will be used from the fund balance.

Mr. Dobbins asked about the status of the construction down by the police station. Mr. Flynn said that the culvert is done except for the guardrail on the side of the police station and it is being held out by the contractor. It was decided to do sidewalk as well and they had to go back to DES and DES came back with a plan that will cost double because of the need for a stone wall. The bid was retracted and has not been put back out to bid.

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Danny Aucoin is opposed to renting equipment. Mr. Knapp said that he is not in favor of renting equipment either, but it is not cost effective to buy a screener. Tania Craig mentioned lease purchase. Mr. Flynn said that they did that with the loader originally. Mr. Flynn said that at the rate the town is putting money into the Capital Reserve Fund that may be the only way to purchase new equipment. Mr. Dobbins said that the town needs to realize that lease purchase is costing the town a lot more money. Mr. Flynn said there are other people that do not agree with fronting money into the Capital Reserve Program. Mr. Knapp said that the Capital Improvement Plan program also helps to keep the tax bill stable.

All were in favor; Jeff Connor abstained.

Highway Streets

Jim McElroy moved, Doug Paul seconded to accept the Highway Streets budget of \$296,602 as presented.

Tania Craig mentioned the Block Grant from the State of NH. It was discussed that the block grant is not part of the operating budget, it is an 'in and out' warrant article with no impact on taxes. There is \$22,000 in this budget to have someone come in to crush the gravel and screen the sand.

All were in favor; Jeff Connor abstained.

Special Warrant Article 7

To see if the Town will vote to raise and appropriate the sum of \$200,000 to be added to the already established Bridge Capital Reserve Fund with the funds coming from the sale of Lot 98. No money to be raised by taxation.

Mr. Parker said that this article started out as a \$200,000 Capital Reserve Item. In addition to the money that has already been spent on engineering, they need to have \$400,000-\$500,000 to get what they need next year for the design process. Mr. Parker said that they could have moved to put off putting anything in this year and leaving it all to be a big hit in another year, but they decided to put \$200,000 in to tell the townspeople they are looking at big expenses. Jim McElroy asked what they will do if the sale does not go through and said that he feels this is not a good way to govern the town. Caleb Dobbins said that the town needs to decide if the bridge needs to be addressed. Mr. Parker said that there is virtually no chance that the Lot 98 sale will not go through and it will yield \$250,000.

Mr. Dobbins mentioned the citizens of the western side of town and commented on fire trucks not being able to get to that part of town. Dan DaCosta said that they have lived without the bridge and asked if it has been a disadvantage to anyone other than those on the other side of the bridge. Mr. Parker said that the Patterson Hill intersection is very dangerous and they will most likely have to deal with a serious accident there eventually.

Jim McElroy said that they are using up that other little bridge at a dangerous rate and questioned the load on the small bridge.

Mr. Parker said that if the sale went through in March they would have the funds for when they set the tax rate in October or November. Mr. Parker said that the way it is worded now if they don't sell the land then they don't raise and appropriate the \$200,000.

Jim McElroy moved, that the Budget Advisory not support Warrant Article 7 as presented specifically because of the reference to the sale of Lot 98.

Caleb Dobbins moved, Jim McElroy seconded to amend Warrant Article 7 to: "To see if the Town will vote to raise and appropriate the sum of \$200,000 to be added to the already established Bridge Capital Reserve Fund."

Mr. Dobbins told the members of the Budget Advisory Committee that if they vote yes they are advising the Selectmen to word Warrant Article 7 that way. He said that they have an issue with the bridge, but it should not be tied in with the sale of Lot 98.

All were in favor.

Mr. Dobbins recused himself for Warrant Article 13.

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Special Warrant Article 13

To see if the Town will vote to raise and appropriate the sum of up to \$175,702.79 for road improvements, which reflects the estimated amount of the Town's share of the State of New Hampshire's Highway Block Grant. If no revenue is received from the State of NH this amount will not be spent.

Jim McElroy moved, Dan DaCosta seconded to support Article 13.

Mr. Dobbins said that he knows this is what the state estimated, but feels they should always make the number higher because if the state gives a higher number the town cannot accept it because of the wording "up to".

Mr. Parker said they will take that under advisement.

All were in favor; Caleb Dobbins abstained.

Highway Streetlights

Jim McElroy moved, Dan DaCosta seconded to accept the Highway Streetlights budget of \$20,225 as presented.

Ron Taylor said that they did receive a letter stating the rates will be going up.

Mr. Flynn said that the college pays for some of the lights. Mr. Parker mentioned that the college will be contributing to purchasing banners for poles and maintenance of the light posts.

All were in favor.

Town Clerk/Tax Collector

Jim McElroy moved, Dan DaCosta seconded to accept the Town Clerk budget of \$63,097 as presented.

Ms. Johnson said that the budget decreased in one place, but they increased the training a little so they could attend the workshops that were cut last year. Insurance went down and salaries stayed the same. The office assistants were able to get their step increase, along with the COLA last year. \$1,000 increase total for two employees. Their salaries get split between the two budgets.

All were in favor.

Jim McElroy moved, Dan DaCosta seconded to accept the Tax Collector budget of \$63,637. All were in favor.

Cemeteries

Ron Taylor recused himself.

Jim McElroy moved, Dan DaCosta seconded to approve the Cemeteries budget of \$7,250 as presented.

Mrs. Martha Taylor said the maintenance line is a set contract, but it could be a little less. Mrs. Taylor said that they were not able to repair any stones in 2010 because the money was taken away from them for stone repair.

All were in favor; Ron Taylor abstained.

Community Concerts

Jim McElroy moved, Tania Craig seconded to accept the Community Concerts budget of \$5,850.

Ms. Ruth Zax said that this budget went down because they will be having one less concert that they will be paying for; the same number of concerts at less costs. They continue to ask performers to accept less money than they did two years ago. There may be some groups that the residents enjoy that they will not be able to have. She said the acts that they have had in the past have increased the attendance for each concert because of interest.

Peter Robichaud asked about having a donation pot. It was discussed that the town can accept donations under \$5,000 without a public hearing. Mr. Flynn said that this discussion did come up at the Selectmen level.

All were in favor.

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Planning Board – Terry Stamps said that there is a decrease on the salary of the minute taker and the fees associated with the wages. Membership dues are a set dollar amount. The consulting fee is now an independent consultant that supports the town.

Jim McElroy moved, Dan DaCosta seconded to accept the Planning Board budget of \$46,011 as presented.

It was discussed that it is hard to estimate revenue. Impact fees do not come through the Planning Board budget.

All were in favor.

Zoning Board – Doreen Connor, Chair of Zoning, said that they only had three hearings this year.

Jim McElroy moved, Dan DaCosta seconded to accept the Zoning Board budget of \$6,537 as presented.

All were in favor; Jeff Connor abstained.

Conservation – Martha Sunderland said that the budget is the same as last year. They did shift money around and took the minute taker salary funds out of public awareness.

Jim McElroy moved, Dan DaCosta seconded to accept the Conservation budget of \$3,338 as presented.

All were in favor.

Town Offices – Mr. Flynn said that this budget was pretty flat. At the 11th hour the Selectmen added \$10,000 to be spent to adjust seven to eight employee positions. Next year this increase will be in those employees' budgets.

Mr. Parker said that the \$10,000 was part of Tom Watman's motion.

Jim McElroy moved, Dan DaCosta seconded to accept the Town Office budget of \$516,140. All were in favor.

Special Warrant Article 12

To see if the Town will vote to raise and appropriate \$22,000 for the purpose of repairing the roof and cupola of the Henniker Grange Building.

Jim McElroy moved, Ron Taylor seconded to support Warrant Article 12 for \$22,000 for the purpose of repairing the roof and cupola of the Henniker Grange Building.

Mr. Flynn said that town employees did a temporary repair. He is using this amount as an estimate.

All were in favor.

Mr. Flynn will have definite amount before Town Meeting.

Executive – Mr. Flynn said this budget went down \$100.

Jim McElroy moved, Dan DaCosta seconded to accept the Executive budget of \$21,244.

Jim McElroy asked about the savings of \$6,000 for drug and alcohol testing. Mr. Flynn said that the Selectmen changed the policy to start December 1, 2011. He will be asking for the whole amount in 2012. The new policy would add thirty to forty people for testing.

Ron Taylor commented on line 133 for Trustees of Trust Funds. Mr. Flynn said that they don't have a Trustee of the Trust Fund. Mr. Flynn said that the RSA allows them to tap into the fund for the stipend.

Dan DaCosta asked why Trustees and Selectmen get paid. Mr. Flynn said that five years ago the group of Trustees asked to get paid, up until then they did not, and the Selectmen approved it. Mr. Flynn said that in every town he has worked for all Selectmen have received a stipend. Mr. McElroy said anyone that puts together a budget receives a stipend.

Jim McElroy moved, Dan DaCosta seconded to amend the motion to reflect \$20,944. All were in favor.

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Code – Mr. Flynn said that the Code Enforcement budget went down \$8,629 due to the fact that the present inspector works by the hour. When the schedule is more active they will request additional funds.

Jim McElroy moved, Dan DaCosta seconded to accept the Code Enforcement budget of \$8,496 as presented.

All were in favor.

Welfare – Mr. Flynn said that this budget has been the same for the past several years. Mr. Flynn said that the director does a wonderful job and serves well with maintaining criteria. Surrounding towns have a budget almost double. Most of this budget goes towards emergency assistance for heat and rent. Mr. Flynn said they have to provide this service by law. CAP is the actual distributor of fuel assistance in town; the town is the safety net. The only offsetting revenue is a lien on properties and if the property was to be sold the town does receive revenue. Most of the clients are not property owners.

Conservation Commission will be reviewing properties that the town owns.

Mr. Parker said that recent agreements have been made on past due taxes.

Jim McElroy moved, Dan DaCosta seconded to accept the Welfare budget of \$80,000 as presented.

All were in favor.

Ron Taylor stated that he would like to revisit the Legal budget.

All were in favor or reopening the Legal budget.

Ron Taylor said that the supporting detail shows that they spent \$27,000. Mr. Parker said that the bills processed thus far are \$25,000. Mr. Flynn said that they will be close to \$30,000 for 2010.

Jim McElroy moved, to increase the amount of legal fees from \$15,000 to \$30,000. There was no second.

Ron Taylor moved, Jim McElroy seconded to increase the Legal budget to \$25,000.

The money will come from taxation.

Mr. Parker said there has been a conservative effort to keep legal expenses down, but they have had a number of issues.

All were in favor of amendment; Caleb Dobbins was opposed.

Tania Craig commented on the state pension. Mr. Flynn said that there has been a lot of discussion. The town has two different retirement plans; group 2 is the Fire and Police, group 1 is town employees and teachers. Group 2 is far more expensive to fund. The state makes the decision, not the town. Fire and police are not subject to Social Security and they do get Medicare.

Caleb Dobbins moved, Dan DaCosta seconded to recess until 6:30 p.m. on Wednesday, January 19, 2011.

All were in favor.