FINAL

Town of Henniker
Budget Advisory Committee Meeting
Tuesday, January 24, 2012
Henniker Community Center

Members Present:	Jim Crane-Chairman, Jim McElroy-Vice Chairman, Tania Craig, Pat Fisher, Dave Woolpert, Doug Paul, Peter Robichaud, Dan DaCosta
Town Administrator:	Chuck Connell
Finance Administrator:	Russ Roy
Guests:	Keith Gilbert, Tom French, Kimberly Johnson, Ron Taylor, Carl Knapp, Bill McGirr, Robert French Jr., Martha Sunderland
Recording Secretary:	Cherry Palmisano

Chairman Jim Crane called the meeting to order at 6:30 p.m.

Pat Fisher moved, Jim Crane seconded to reconvene the Budget Advisory Committee meeting. All were in favor.

Fire / Rescue (w/ Warrant Article) – The call volume has increased by 12%, but the budget is not up the corresponding amount. Chief Tom French said that they anticipate the revenues being $20,000 more than what was reported. Chief French believes that line item 4215 740 for equipment purchases should be $8,460, which is for $1,000 license agreement, backboard straps, defibrillator batteries, hi angle rescue equipment, two sets of turnout gear, uniforms, belts, gloves, and helmets. The line was cut by $3,500 and Chief French explained that the line will be overspent just by obligations that they may have. Fire and Rescue are two separate entities housed in the same building and share two employees. There is one full time EMT intermittent firefighter and two permanent part time employees who cover M-F during the day with no benefits. They have per diem employees that work nights so they have station coverage. The call men get paid $10.00 an hour when they come out on call; they do not get paid for training or meetings, only the time worked. It was discussed that the Selectmen cut $7,500 from their budget. Chief Gilbert said that they can only spend the bottom line, regardless of the revenues.

Pat Fisher moved, Jim McElroy seconded to approve the Fire/Rescue total budget of $512,061 as presented.

The total amount of net revenues is $365,061; which is a $5,000 reduction from what was approved last year.

Mr. Woolpert asked about discretionary equipment to cut. Chief French responded that there is nothing he can cut; he has two people without turnout gear or safety equipment. There is nothing that can be cut and he will have to find ways throughout the total budget to make up for the cut. Mr. Woolpert asked if anything could be delayed in the Fire Department. Chief Gilbert said that the town gets to choose their level of service and they have chosen a level that is not what he thinks is enough. He will have to look at deferring some expenditures and hope it is a low maintenance year. Chief Gilbert said that their calls have increased by 11.9% combined. Rescue had a 19% increase over last year with 564 EMS only calls which is 18% over 2010 for just ambulance calls. There were 802 service calls in 2011, which was 11% over 2010 combined calls. Mr. McElroy asked about the model they use for delivering services and indicated getting close to a pivoting point. He asked if this cut in the budget makes it worse. Chief Gilbert explained that they pay $10.00 per hour for call outs, but a large part of the department chooses to not take that pay. They budget $45,000 for on call members wages, but have not reached a tipping point yet. A lot of these people consider themselves volunteers and do not take the wages.

Mr. Crane asked about the staffing level and need for training. Chief French said that back in 2000 they found the need because they were over the call threshold. At that time they added two full time EMT firefighters at 50 hours a week each. In 2008 or 2009 one of the full time employees left the town, they tried to refill the position with a firefighter paramedic and had a hard time staffing that position. They had another gap in coverage in Rescue overnight and decided to change one of the full time to two permanent part time positions, which freed up $100,000 of benefit pay. Sunday through Thursday they have a paramedic overnight at the station; they have a list of twelve paramedics that cover at night. The tipping point will be that at some point this model will not be sustainable because they are seeing a decline in the people who are able to signup to make the commitment. When the call department breaks down they will have to look at full time staff, which will be an increase of $300,000-$400,000 in their budget. If they had to go to 24-hour service it will add a minimum of five new employees. Chief Gilbert said that they have 35 people in the call department, they are not hurting, but are looking for staff. He budgeted for training three new people. The average retention of call volunteers is not as long as it used to be, it is a huge commitment of time, most of which is not compensated.

Ms. Craig commented on the combination of the two departments being under spent by $46,000 and asked if they could have used it at the end of the year. Chief Gilbert responded that they could have, but were committed to not doing some things in order to purchase a command vehicle. They have the authority to spend the bottom line budget.

All were in favor.

Chief Gilbert said that they received word that the town did not receive the grant for a new ladder truck, so the article will not be on the warrant.

Chief French said that the Bound Tree Corporation will be closing this year, therefore medical supplies will be increased due to shipping costs. He noted that approximately 70%, which is a significant portion of their consumables, are replaced by Concord Hospital at no cost to the town.

Mr. McElroy asked if the Selectmen will restore the money taken from the fire/rescue budget since the warrant article for the ladder truck will not go forward. Mr. Connell said that he cannot speak for the Board, but the Board's intent is to have a level funded budget and they are currently $.26 over.

Highway Department (w/2 Warrant Articles) – Carl Knapp, Road Agent, said that there is a little under a 1% decrease in his budget and there are a lot of pluses and minuses within the budget as well as one time expenditures for certain items. Mr. Knapp noted that fuel expenses have increased considerably.

Tania Craig moved, Dave Woolpert seconded to approve the Highway Department budget of $620,993 as presented.

Mr. Crane asked about the drop in building repair and maintenance. Mr. Knapp said that they did not expend the entire amount in the line due to the Jordan Institute study. The significant fuel increases are reflected in the amount and type of work that is being done. Mr. Knapp noted that they were reimbursed for the majority of the expenses related to the Craney Hill project. He said that there is a lot of general road maintenance that needs to be done. There are 42 miles of unpaved road maintained by the town and there has not been anything on the radar for work on unpaved roads and they need to put forth effort. The town has their own gravel pit and can screen and crush material; pavement is an item that they cannot control the price of. The fuel is purchased from Ayer and Goss and the town does not pay any road tax on the fuel. Mr. Knapp said that at one time it was less expensive to maintain an unpaved road due to the high cost of petroleum products. With a paved road they can apply a little salt to keep it from icing, but with dirt roads they need to keep putting sand on them. Mr. Knapp said that with an unpaved road they can grade it and add gravel.

It was noted that there is an error with the FICA calculations that will be reviewed.

The majority were in favor. Pat Fisher was opposed.

Highway Streets

Pat Fisher moved, Jim McElroy seconded to approve the Highway Streets budget of $252,500 as presented.

Mr. Knapp said that the budget is down 15% and was reduced while working with the Selectmen to lessen the tax impact. The salt was based on the mild winter of 2010 and the price has increased directly related to fuel costs. Mr. Knapp said their salt supply currently is pretty much where they should be. Mr. McElroy questioned side walk repairs being down and asked what they are not going to fix. Mr. Knapp explained that the $42,000 in last year's budget was for a large specified project. There is one section of sidewalk on Main Street that is in bad repair. It was noted that the Highway Block Grant was reduced by $30,000. Mr. Knapp plans to do a portion of Old Concord Road and the Western Ave portion from The Oaks to Liberty Hill and is working with the Water Department. Mr. Woolpert asked if there is a long term road plan. Mr. Knapp said that there are projects planned and he would like to see an increase of funds for road reconstruction. He has been reworking the plan to include all Henniker's roads; paved and unpaved. He explained that the largest expense with the plow truck is the new body. He will purchase the better body now and in the future pull that body off and put it on the new chassis.

All were in favor.

Highway Streetlights – Carl Knapp, Road Agent

Jim McElroy moved, Pat Fisher seconded to approve the Highway Streetlights budget of $22,800 as presented.

Mr. Knapp said that the budget was increased to reflect additional lighting repairs, which was over expended in 2011. It was discussed that most of the bulbs were replaced with more energy efficient bulbs. Mr. DaCosta commented on NEC assuming some responsibility for some of the light posts. Mr. Knapp said that NEC does take care of some of the light posts; any lights they pay for are billed directly to them. Mr. DaCosta asked about the light posts that NEC has signs on and in return NEC was to maintain those light posts. It was noted that the college is meeting their responsibility. Ron Taylor said that the agreement was that NEC would take care of the light posts in front of their buildings; the Selectmen allowed them to put signs on every other light post. There are specific lights that are hardwired to NEC and NEC pays the bill.

All were in favor.

Article 10: "To see if the Town will vote to raise and appropriate the sum of One Hundred Forty Five Thousand Dollars ($145,000) to purchase by sealed bid a new Front End Loader as specified by the Town's Road Agent and authorize the withdrawal of Sixty Thousand Dollars ($60,000) from the already established Capital Reserve Fund for this purpose. The proceeds of the trade in or sale of the 1978 Dresser loader for at least Five Thousand Dollars ($5,000) and the sealed-bid sale of the 1996 Caterpillar loader for least Twenty Thousand Dollars ($20,000) will be applied to the purchase to reduce the amount to be raised from taxation to an amount not to exceed Sixty Thousand Dollars ($60,000). This is a non-lapsing article per RSA 32:7 and will not lapse before two (2) years or upon completion of purchase, whichever comes first.

Jim McElroy moved, Pat Fisher seconded to recommend that Article 10 be advanced by the Selectmen to the Town Warrant.

It was discussed that this leaves the reserve fund pretty much empty with nothing being put in this year.

Mr. McElroy commented on the town purchasing one loader and currently they have two. Mr. Knapp said that they will be moving sand with the backhoe and there is $4,000 in the budget to make it feasible to replace the bucket. Ms. Craig commented on refurbishing or buying used. Mr. Knapp has been searching the market for a used loader and has been unsuccessful.

All were in favor.

Article 18: "To see if the Town will vote to raise and appropriate the sum of Thirty Three Thousand Dollars ($33,000) to refurbish the 2000 Freightliner 6-wheel dump/plow truck.

Jim McElroy moved, Tania Craig seconded to recommend that Article 18 be advanced by the Selectmen to the Town Warrant.

Mr. Knapp said that a chassis costs $140,000 to purchase.

All were in favor.

Town Clerk– Kim Johnson

Dave Woolpert moved, Jim McElroy seconded to approve the Town Clerk budget of $63,717 as presented.

Mr. Woolpert questioned the slight drop in revenue between 2010 and 2011 and the larger drop between 2011 and 2012. Mr. Roy said that each year it is a number they follow very closely, revenues are estimates, and they have forecasted a $35,000 decrease from 2011 to 2012. Mr. Crane commented that the wages for the Town Clerk and the Tax Collector being significantly low compared to surrounding communities. He encouraged the Selectmen and Town Administrator to review this area that needs attention. Mr. Connell said that they have an annual wage and benefit review. Mr. Crane feels that the Henniker office is busier than surrounding towns, but the wages are significantly lower.

The majority were in favor. Pat Fisher was opposed and Tania Craig abstained.

Ms. Craig does not agree with the office assistant making more than the deputy tax collector.

Tax Collector

Tania Craig moved, Jim McElroy seconded to approve the Tax Collector budget of $64,256 as presented.

Mr. Woolpert asked about the actual amount for the Land Use Change Tax change over the last two years. Ms. Johnson said that the Land Use Change Tax is a projection. The current use tax is generated by the fee that people pay when they take their land out of current use. Development is down due to the economy. Mr. Roy said that when they set the tax rate they have to report their revenues to the state as of September 1 and they try to be conservative in projecting revenues.

The majority were in favor. Pat Fisher was opposed.

Dave Woolpert moved, Jim McElroy seconded to move the Conservation Commission up in the order of presentation. All were in favor.

Conservation Commission – Martha Sunderland said that they lowered the minute taker budget to what was actually spent.

Dave Woolpert recused himself at 8:18 p.m.

Jim McElroy moved, Peter Robichaud seconded to approve the Conservation Commission budget of $2,790 as presented. All voting were in favor.

Article 9: "To see if the town will vote to authorize the conveyance of two conservation easements to established Conservation Trusts; one on three adjacent properties on Warner Road, identified in the town's tax records as Map 1, Lots 47, 48 (Preston Memorial Forest) and 50, and the second one on property off Colby Hill Road, identified in the town's tax records as Map 1, Lot 86, subject to the conditions that the Conservation Commission approve the conveyance, and underwrite all costs from the Conservation Commission, including, but not limited to surveying, legal, purchase of the easements from the town and monitoring fees.

Ms. Sunderland explained that the Conservation Commission is proposing conservation easements on Lots, 47, 48, and 50 as well as another easement on Lot 86. Their proposal is to negotiate with land trusts, they do have land trusts lined up for each, pay for transaction costs out of the conservation fund, to negotiate a price for the conservation easement with the Selectmen and that amount of money will be donated to the land trust, the land

trust will use that money to purchase the land from the town, and then that money will be transferred into the general fund. The Conservation Commission cannot by law transfer the conservation fund to the town, but can use it to protect land. There is benefit and value to the town in conserving these lots. Five Rivers Land Trust will hold the conservation easement on Lots 47, 48, and 50 and the Piscataquog Land Conservancy will hold the conservation easement on Lot 86. The money will be funneled through the land trusts into the general fund. Ms. Sunderland explained that they don't actually know the cost of the survey or final transaction costs. There is also clean up to be done and they need to negotiate the price of the conservation easements. The CC has voted to spend the balance of the fund and up to $150,000 which will be available to transfer to the general fund. They are not asking the voters to spend the money, but are asking the voters to put a conservation easement on the land.

Jim McElroy moved, Pat Fisher seconded to recommend that Article 9 be advanced by the Selectmen to the Town Warrant.

Lot 86 was heavily cut and lost to back taxes. All of the lots will be continued to be owned by the town and the forestry revenue will go to the general fund. The Preston Memorial Fund forestry revenue goes towards sidewalks per the will.

All voting were in favor.

Dave Woolpert returned to the meeting at 8:32 p.m.

Cemeteries – Mr. Connell said that this budget provides funding to maintain the cemeteries and is the same as last year. Ground Maintenance is subbed out.

Jim McElroy moved, Dave Woolpert seconded to approve the Cemeteries budget of $7,250 as presented. All were in favor.

Solid Waste – Bill McGirr said that he is asking for an 8.4% decrease in his budget, which is $42,000 less than last year. The bulk of the decrease is coming from trash tipping fee, because a more realistic number is being projected this year.

Dave Woolpert moved, Jim McElroy seconded to approve the Solid Waste budget of $453,272 as presented.

Mr. Woolpert asked about the substantial decrease in the alarm line. Mr. McGirr explained that he is relatively new to the position and did not do anything with the line last year; some of it is service, but the bulk is a contingency fund for emergencies. The monitoring fund is down and Mr. McGirr said that the reason is because they have done such a good job since the land fill has been filled, with mowing and keeping the area in good shape. Their equipment is holding up. They have one three year old trailer and the other is still a 1989. With the yard truck that was purchased last year they are sending heavier loads, but have cut their trips in half. Mr. McGirr bumped the trailer replacement out three years in the CIP. Recycling revenue in 2011 was $69,000 and in the prior year was $46,000. They added a program to collect more exotic metals and separated them from the scrap steel reflecting a $10,000 increase in recycling revenue. Glass is crushed and used for the roads. There are associated transportation costs with recyclables. The construction debris is currently down due to the economy.

The majority were in favor. Pat Fisher was opposed.

Dave Woolpert left the meeting at 8:50 p.m.

Planning Board – Mr. Connell said that the largest component of this budget is the consultant fees. The town uses the consultant as a town planner and this pays for all of his expenses; he is also involved in Code and strategic planning.

Jim McElroy moved, Pat Fisher seconded to approve the Planning Board of $45,943 as presented.

It was discussed that the consultant utilizes the services of the Regional Planning Commission.

All were in favor.

Jim McElroy noted that Henniker is eligible for two commissioners on the Regional Planning Commission.

Zoning Board

Jim McElroy moved, Pat Fisher seconded to approve the Zoning Board budget of $5,021 as presented.

Mr. Connell said that there is a reduction in consultant fees as a result of the volume of work at this time.

All were in favor.

Town Offices – Mr. Connell noted that the major changes are due to personnel and personnel costs. There was $10,000 in the budget last year allocated for adjustments to give to several employees that deserved rate adjustments, but it was unable to be agreed upon.

Jim McElroy moved, Pat Fisher seconded to approve the Town Offices budget of $477,426 as presented.

Ms. Craig commented on the Finance Director getting $2,500 from the water department and $2,500 from the sewer department and the balance by taxation. She asked if the revenue exceeded expenses overall. Mr. Roy said yes, the appropriation sets the expenditure and he estimates revenues. It was discussed that the 2011 books are not closed yet. Mr. Roy said that the surplus remains in the Unreserved Fund Balance and at the end of the year is available to lower the tax rate and is also a safety buffer and applied by the Selectmen at the time of rate setting. Last year $250,000 from the sale of Lot 98 was used to lower the tax rate. In 2012 $150,000 is anticipated from the conservation fund for sale of town owned land and if executed in 2012 it will be used this year to reduce the tax rate.

The town portion of the tax rate is $7.24. The Merrimack County tax rate is based on equalized evaluation.

The majority were in favor. Pat Fisher was opposed.

Executive – Mr. Connell noted that FICA was increased and a minute taker was added for the Economic Development Committee.

Jim McElroy moved, Doug Paul seconded to approve the Executive budget of $21,710 as presented. All were in favor.

Code – There are no significant changes.

Jim McElroy moved, Doug Paul seconded to approve the Code budget of $6,296 as presented. All were in favor.

Welfare – There are no changes to the budget.

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

Mr. Roy noted that the largest concern in speaking with the Welfare Director is the CAP program, because it could trickle down to the welfare budget. Mr. Connell said that the approach by the town is to budget $80,000. Legally the town has to spend what is needed. The over expenditure in 2011 was due to rent. The Welfare Director does track the number of people served. She services other towns.

All were in favor.

Patriotic Purposes – There are no changes to the budget.

Pat Fisher moved, Tania Craig seconded to approve the Patriotic Purposes budget of $2,150 as presented.

This budget is for the Memorial Day celebration.

Ms. Craig commented on the Veteran's Tax Credit. Mr. Connell explained that the Overlay and Veterans' Tax Credit line on the budget worksheet represents allowances for approved tax abatements and approved credit given certain veterans. These figures apply at the tax rate setting; neither is raised nor appropriated.

All were in favor.

Tax Maps

Jim McElroy moved, Dan DaCosta seconded to approve the Tax Map budget of $3,550 as presented.

Mr. Roy said that they have converted to GIS, which is software that is online and is updated once a month. This represents a tremendous savings in personnel cost. An assessor can access appraisal information online and they don't come in looking for assistance.

All were in favor.

Legal

Jim McElroy moved, Pat Fisher seconded to approve the Legal budget of $20,000 as presented.

The budget was overspent last year; the largest expense due to the efforts to unionize the Police Department.

All were in favor.

Insurance

Pat Fisher moved, Dan DaCosta seconded to approve the Insurance budget of $109,860 as presented.

Mr. Connell said that this budget is based on actual premiums. The property liability deductible is $1,000 per occurrence.

All were in favor.

Debt Service

Jim McElroy moved, Dan DaCosta seconded to approve the Debt Service budget of $90,140 as presented. All were in favor.

Municipal Dues

Peter Robichaud, moved, Doug Paul seconded to approve the Municipal Dues budget of $3,317 as presented.

This budget represents the town's membership in the Municipal Association, a voice in the Legislature, and access to free legal advice.

All were in favor.

Cogswell Springs Water Works – Cogswell Springs Water Works has no impact on the tax rate and 100% user funded.

Mr. Connell explained that Articles 6, 7, and 8 are bond articles. Cogswell Springs Water Works needs to do some emergency work and some work that makes good sense. They cannot borrow money so the town must borrow for them. If Article 6 passes then Articles 7 and 8 pass. The town has two tanks to store water, one is busted and work needs to be done to deal with the leaking tank, the other piece is to replace the water main under Western Ave. If Article 6 fails then the tank will be addressed under Article 7 and the water line will be addressed under Article 8. There is no cost to the town.

Article 6: "To see if the Town will vote to raise and appropriate the sum of up to Three Hundred Fifth Thousand Dollars ($350,000) for the Cogswell Spring Water Works. This is for the repair and sealing of the in-ground water storage tank located on Depot Hill, Lot 433A, the cost of which is $220,000 and for replacing the

existing 2,000 feet of 6 inch water main on Western Avenue with an 8 inch water main. The new 8 inch main will be installed from the Police Station to Liberty Hill Road. The cost is $130,000. Furthermore, to authorize the issuance of not more than $350,000 in bond or notes in accordance with the provisions of the Municipal Finance Act RSA Chapter 22 and; to authorize the Selectmen and Water Commissioners to issue and negotiate such bonds or notes and determine the rate of interest thereon, Revenues from the water department fees will offset the costs of both projects. Cost of the bond is approximately $28 per unit, per year for both projects. (2/3 vote required for passage)

Article 7: "To see if the Town will vote to raise and appropriate the sum of Two Hundred Twenty Thousand Dollars ($220,000) for the repair and sealing of the Cogswell Spring Water Works in-ground water storage tank, Lot 433A located on Depot Hill. The cost is $220,000 in bonds or notes in accordance with the provisions of the Municipal Finance Act RSA Chapter 33 and; to authorize the Selectmen and Water Commissions to issue and negotiate such bonds or notes and determine the rate of interest thereon. Revenues from the water department fees will offset costs of said project. Cost of the bond is approximately $18 per unit, per year. (2/3 vote required for passage) (Note: If Article 6 is passed, this article will be withdrawn).

Article 8: "To see if the Town will vote to raise and appropriate the sum of up to One Hundred Thirty Thousand Dollars ($130,000) to replace the existing 2,000 feet of 6 inch water main on Western Avenue with an 8 inch water main. The new 8 inch main will be installed from the Police Station to Liberty Hill Road. Furthermore, to authorize the issuance of not more than $130,000 in bond or notes in accordance with the provisions of the Municipal Finance Act RSA Chapter 33 and; to authorize the Selectmen and Water Commissioners to issue and negotiate such bonds or notes and determine the rate of interest thereon. Revenues from the water department fees will offset costs of said project. Cost of the bond is approximately $1- per unit, per year. (2/3 vote required for passage) (Note: If Article 6 is passed, this article will be withdrawn.)

Peter Robichaud moved, Dan DaCosta seconded to recommend that Articles 6, 7, and 8 be advanced by the Selectmen to the Town Warrant.

Mr. Connell explained to the members of the committee that there was a fatal flaw in the warrant article for the Recreation Director that they discussed at the last meeting and he brought forth a revision.

"To see if the Town will vote to establish the position of Recreation Director to oversee, coordinate, and administer all of the Town's sports activities now currently totally organized by volunteers; and to raise and appropriate the sum of Fifteen Thousand Dollars ($15,000)." The source of funding is "private donations and funds in the Recreation Revolving Fund, created by the Town Meeting vote on Article 32 in 2009."

Jim Crane moved, Peter Robichaud seconded to accept the revision to the Recreation Director warrant article as recommended by the Town Administrator. All were in favor.

Dan DaCosta moved, Peter Robichaud seconded to approve the minutes of January 19, 2012 as amended. All were in favor.

Jim Crane moved, Pat Fisher seconded to recess at 9:40 p.m. until 6:30 p.m. on Tuesday, January 31, 2012 at the Town Hall. All were in favor.