

MINUTES

Sanbornton Budget Committee

Meeting Date and Time: Tuesday, February 6th, 2018 at 6:00 PM

Meeting Place: Old Town Hall, Sanbornton, N.H.

Present: Budget Committee Chair Ralph Rathjen, Selectmen Karen Ober, Earl Leighton, Craig Weisman, Craig Davis, John Vorel, Justin Barriault

Minutes: Chair Rathjen made a motion to approve the minutes of 1/24. Earl Leighton seconded the motion and the motion passed, with Justin Barriault abstaining.

Chair Rathjen explained that the Board of Selectmen voted to include Police Officer 3 and 4 at \$1 each in the budget and that that change is reflected in the new materials that will be distributed at the Public Hearing tonight. Also reflected in the updated budget is a Highway Department pay matrix adjustment; the BOS voted to increase line 4312.110 by \$1,623, line 4312.220 by \$101 and line 4312.225 by \$24. This was to adjust for a correction to grading for the Operations Manager position which will be placed at Grade 16 Step 1. Earl Leighton made a motion to accept the new total for Highway of \$888,435. John Vorel seconded the motion and the motion passed unanimously (Selectman Ober arrived late, did not vote).

Craig Davis stated that he feels leaving \$1 in the budget line for Officers 3 and 4 shows that the Budget Committee agrees with possibly funding these positions in the future. Earl Leighton said funding at \$0 would show that the BC is not agreeing, and that if it is carried long enough it could be removed from the budget eventually. Justin Barriault stated that he thinks only Officer 3 should be placed at \$1 because that has been an actual filled position in the past whereas Officer 4 has not. Craig Davis made a motion to reduce the BOS recommended line items of \$1 to \$0 for Officer 3 and 4. Craig Weisman seconded the motion and the motion passed, with Weisman/Davis/Rathjen/Leighton voting Yes and Ober/Barriault/Vorel voting No.

Chair Rathjen stated that the Committee should discuss and vote on the warrant articles before the public hearing begins.

Article 01: Bond for Reconstruction of Lower Bay Road – Selectman Ober noted that this is for the engineering and road work combined. Craig Davis made a motion to recommend Article 01. Earl Leighton seconded the motion and the motion passed unanimously.

Article 02: Operating Budget-Town – Chair Rathjen made a motion to recommend \$3,920,134 for the operating budget, which will match the budget distributed tonight. Craig Davis seconded the motion and the motion passed, with Selectman Ober voting No.

Article 03/04: Discontinue Fire Dept Rescue Vehicle CRF/Move to Fire Truck CRF – Chair Rathjen asked Fire Chief Paul Dexter if this fund needs to be moved right now. Chief Dexter responded that the CIP voted to recommend moving the funding into the Fire Truck CRF and that this is part of an ongoing replacement plan, and that the next fire truck will include rescue apparatus. Craig Davis made a motion to recommend Article 03 and 04. Earl Leighton seconded the motion and the motion passed unanimously.

Article 05: Capital Outlay – Craig Weisman made a motion to recommend Article 04. John Vorel seconded the motion and the motion passed unanimously.

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Article 06: Police Cruiser – Earl Leighton noted that the wording of this article in the past has been “replacement at Police Chief’s discretion”. Police Chief Steve Hankard stated that there have been times in the past when cruisers did not have to be replaced but the current cruiser with 110,000 miles must be replaced. Craig Davis made a motion to recommend Article 06. Justin Barriault seconded the motion and the motion passed unanimously.

Article 07: Amend OHRV Ordinance - Chair Rathjen stated that this article has no financial impact.

Article 08: Transfers to Capital Reserve Funds – Chair Rathjen made a motion to recommend Article 08. Craig Weisman seconded the motion and the motion passed unanimously.

Article 09: Transfer of CRF for Road Construction – Craig Davis made a motion to recommend Article 09. Earl Leighton seconded the motion and the motion passed unanimously.

Article 10: Highway Truck Lease/Purchase – Earl Leighton made a motion to recommend Article 10. Justin Barriault seconded the motion and the motion passed unanimously.

Article 11: Highway Truck Lease/Purchase – Earl Leighton made a motion to recommend Article 10. Justin Barriault seconded the motion and the motion passed unanimously.

Article 12: Town Building Concept and Design – Earl Leighton stated that he feels that it’s premature to vote on a concept when it isn’t known what the concept is; this could be for a multi million-dollar complex or just improvements and maintenance for existing buildings. Chief Dexter noted that he and the Chief Hankard as well as the Town Administrator met with an architect today who stated that \$50,000 is an appropriate number for a concept and design. Craig Davis made a motion to recommend Article 12. Justin Barriault seconded the motion and the motion passed unanimously.

Regular meeting recessed.

PUBLIC HEARING

Craig Davis explained to the public that the Budget Committee votes on the bottom line budget and does look at individual items, but the Selectmen are the expending agents in the Town and can spend where they see fit.

Melanie Van Tassel and Chief Dexter stated that there are no department head provided budgets listed on the budget spreadsheets and that this information would be useful to voters. Chair Rathjen responded that this document was created by the Budget Committee. Chair Rathjen noted that there are only several differences between the Selectmen’s recommended budgets and the Budget Committee’s, including fuel and medical insurance. He explained that the Budget Committee made reductions based on underspending every year as can be seen in the budget spreadsheet. Melanie Van Tassel stated that the Budget Committee does not have the authority to weigh in on day-to-day employee tasks which is demonstrated in their voting for reduced headcount in the Highway Department. Craig Davis stated that the Committee looked at unexpended funds for the past year for an employee, and that was the reason for voting not to fund it. He noted that underspending budgeted amounts year after year is unfair to taxpayers and that \$150,000 is generally unspent every year. Chair Rathjen stated that the Highway Department had budgeted \$8,000 for hired snow removal in FY14 and that the same line is now budgeted at \$44,000, so it appears that this is almost the same as a salary as a full-time employee.

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Chief Hankard noted that he had already lowered his budgeted amount for fuel from \$20,000 to \$16,000, and that \$16,000 is based on a 5-year average. He stated that he is averaging \$1,100 per month on fuel and that \$8,000, as voted on by the Budget Committee, will not be sufficient. Chair Rathjen stated that the Committee looked at expenditures provided by the Finance Officer and that there may be discrepancies in those figures compared with the Chief's, possibly due to timing. Chief Hankard also stated that department heads are asked to develop a budget that the department can work within.

Chair Rathjen noted that this is \$8,000 out of a \$4 million budget. Selectman Ober stated that the Selectmen cannot just take from the fund balance and move monies to a particular department if a department runs out, funds would need to be moved within the existing budgets. Melanie Van Tassel stated that it's hard to know what to expect for the next several years for crime, snow, and fires so fuel expenditures can greatly differ from what was budgeted. Marla Davis stated that department heads were asked to budget using existing business needs, so the budgets are already lean. She also asked to see the figures used to decide what to reduce fuel by in each budget. Chair Rathjen responded that that information is in the minutes from the last meeting and that the Committee looked at the combined fuel lines from Police, Fire and Highway. Chief Dexter asked if the Budget Committee knows the unspent Operating Budget from last fiscal year. Craig Davis responded that it was around \$350,000. Chair Rathjen stated that he believes that the Budget Committee's recommendations for reduced fuel lines are reasonable, after looking at those lines be underspent for the past several years.

Lynn Chong asked if the hired contracts for snow removal are Sanbornton residents, and Selectman Ober responded that they happen to be. Lynn Chong also asked what other changes were made to budgets. Craig Davis responded that salt and sand was reduced by \$10,000 in the Highway budget. Chair Rathjen stated that the Budget Committee also voted to reduce the medical insurance line in the Personnel/Administration budget, from the BOS recommended \$419,000 to \$350,000. Selectman Ober noted that the Selectman went back to a different insurance company since the \$419,000 figure was voted on by the BOS, and the newer figure is around \$439,000. She stated that the BOS didn't change the requested figure because they thought the extra \$20,000 could be absorbed. Chair Rathjen said that this was never communicated to the Budget Committee. Marla Davis noted that the insurance went up \$100,000 in premiums from the prior year. Craig Davis asked Marla Davis would she thinks an appropriate budget would be and she recommended level-funding it. Chair Rathjen noted that premiums did go down in FY15 and FY16. He also explained that the Budget Committee was told the insurance budget request was based on 10 new employees taking the absolute maximum of their insurance which is highly unusual, and noted that this line has been underspent the past several years.

Chief Dexter stated that the Budget Committee keeps mentioning that they use history to factor in to their reductions, and noted that the Committee voted to reduce his request for Overtime from \$15,000 to \$12,000. He explained that he has only started tracking Overtime this past year and before it was in the budget for per-diem employees, so the history isn't showing accurately on the Fire Department budget. He asked the Budget Committee to reconsider his request for Overtime.

Melanie Van Tassel stated that when department heads go over on their budgets, it reflects poorly on them. She also thanked the Budget Committee for their work. Marla Davis mentioned that once auditors finish their work with the books, they will also make changes to the numbers which may affect historical data, which has been confusing in the Town Report.

Public Hearing closed at 8:17pm.

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Regular meeting continued at 8:30 (John Vorel left the meeting).

Chair Rathjen asked if there are any areas the Budget Committee wants to reconsider after hearing the public's input. Craig Davis asked if the original BOS recommended insurance figure should be considered. Chair Rathjen responded that, given the new information, the Committee could consider increasing their recommended figure from \$350,000 to \$370,000. Craig Davis asked what would happen if the insurance premiums do increase next year. Chair Rathjen stated that the Committee has no way of knowing what will happen with insurance but they can use history to base their recommendations. Craig Davis made a motion to increase the recommended insurance figure from \$350,000 to \$380,000. Justin Barriault seconded the motion and the motion passed, with Selectman Ober voting No.

Just Barriault recommended increasing the fuel line for the Police Department from \$8,000 to \$12,000, based on the Chief's comments. Chair Rathjen seconded the motion and the motion passed, with Selectman Ober voting No.

Chair Rathjen stated that with these changes, \$34,000 will be added back to the total operating budget and he will communicate these changes to Town Administrator Katie Ambrose. He will let members know when the MS 737 document is available at the Town Offices; at least 4 members need to sign it. Another meeting will be called only if absolutely necessary.

Meeting adjourned at 9:00pm.

Respectfully Submitted,

Audry Barriault