



Selectmen's Meeting

Town Office

Wednesday, December 19, 2012

Present: Jed Brummer, Chair; Roberta Oeser, Selectman; Samuel Seppala, Selectman; Carlotta Lilback Pini, Town Administrator; Linda Stonehill, Administrative Assistant

### **DRAFT MINUTES**

6:00pm Call to Order / Pledge of Allegiance

#### CITIZEN'S FORUM

Chair Jed Brummer called for a moment of silence in memory of the children killed in Newtown, CT.

John Kauer: How are we going to bill or pay for the 18-month budget? Jed: We're trying to make it as affordable as possible for everyone. Carlotta: The Town's warrant article authorized billing twice a year. The state statute is very specific about billing. We can't just decide that we want to bill three or four times a year. The December bill will be the final bill because that's the way it's set up in every town in this state. John: The implied vote was for 18 months. Carlotta: I think you're portraying it as a mistake and it's not. This isn't coming as any surprise to the Board.

Roberta: With our January to December 1<sup>st</sup> fiscal year, we're spending money that we haven't received yet. So changing the fiscal year puts us in a much better situation, and financially, it makes sense. Bonding probably has the least impact in a lot of ways, including real estate transfers. We have to pay the interest but it's not going to increase people's monthly payments a lot. Double-billing in December is probably not a good idea. Jed: The interest rate is as low now as we'll find for some time for the least impact to taxpayers.

Sam: We'd rather not impact people's mortgage escrow amounts—but we're only talking about the town portion of the total tax bill. Even if you had to pay an extra 50% of the town portion alone, for most people it wouldn't be too much. John: it's \$500 on a \$200,000 house, payable in December, and that's a lot. Sam: It's not like we thought there would be no impact. John: Any thought to consider changing the voting date to July? Roberta: That could be on the warrant. Jed: I wouldn't mind moving it out of March; sometimes there's a low turnout due to weather and it's always been a tough time to get people to meet. It's something we should consider but we've got to get through this part first.

#### GENERAL BUSINESS

Fire Dept.: Acceptance of unanticipated revenue:

- 1 \$2,892.46 overtime
- 2 \$310.65 overtime
- 3 \$606.72 call training
- 4 \$481.81 call training
- 5 \$1,677.41 call training

Fire Chief Rick Donovan: FEMA is holding trainings for special situations, like mass casualty incidents, and has offered to pay for our call members to fill in for the person being trained plus overtime. Carlotta: These monies have to be expended in his budget so it's showing he's overextended in those areas and these funds will reimburse that.

MOTION: Roberta motioned to accept the unanticipated revenue from firefighter grants, Sam seconded, and all were in favor.

Police Chief Frank Morrill: Regarding \$1,087 in unanticipated revenue for the Police Department: In May, three officers had to be measured for vests. We ordered three ballistic vests for a total of under \$2,200. In August, I submitted for half reimbursement from the federal government and they awarded it to us. We bought a vest for Tom Horne and Chris Martin and replaced a vest for Rachel Derosier. There's still money allocated for us to purchase two more vests next year. They weigh 15 pounds and the trauma plate weighs three more pounds. If someone doesn't want to wear a vest, we just would not purchase one and they would not be liable to wear one.

MOTION: Roberta motioned to accept the \$1,087 in unanticipated revenue for the ballistic vests, Sam seconded, and all were in favor.

Craig Fraley, Recreation Director: With more than 200 people at the Senior Holiday Dinner, including volunteers, it was the biggest turnout yet. We need a vote on whether to accept \$815 from the Rindge Chamber for this Dinner.

MOTION: Jed motioned to accept the \$815 from the Chamber of Commerce, Roberta seconded, and all were in favor.

Sharon Rasku explained that the Woman's Club secured approval from the judge and Attorney General's office to transfer \$100,000 in scholarship funds to be managed by the Rindge Trustees of the Trust Funds in a separate account. Carlotta: The Board had previously approved this transfer conditioned on whether a certain warrant article was passed but it didn't seem to have been. The legislature made it so that the Town could adopt legislation to accept funds indefinitely, and Terry Knowles suggested we create a warrant article to do so and another article to accept these funds in Trust. If the vote goes through at Town Meeting, we'll need an okay from the DRA and then it must be accepted at the next Selectmen's meeting.

MOTION: Roberta motioned to accept the accounts payable and payroll manifests, Sam seconded, and all were in favor.

MOTION: Roberta motioned to accept the November 3, 2012 minutes, Sam seconded, and all were in favor.

Carlotta passed around the first draft of the Warrant that needs to be finalized by the end of January. The public hearing for the bond and the budget will take place on January 9<sup>th</sup> with another meeting to follow. The Board needs to decide what will be presented at that hearing, and Carlotta distributed a revised draft operating budget with a summary sheet, the wages and operating detail, and a column for the 18-month default budget which showed the 2012 budget multiplied by 1.5. Carlotta: On the wage and benefits side, we used actual wages for current personnel and the health insurance rate increase that's due in July. We made the 18-month adjustment based on what our auditor and Barbara Reed at the LGC told us. Then we incorporated the Dept. Heads' requests and added a column where adjustments were made called "TA recommendation." And then there's the column called Revised Request on the summary page. So the gist of this budget is that the revised request is \$5.5M, and comparing that to 1.5 times the 2012 budget we're looking at a \$100,000 increase over 18 months, which is 2%. So tonight the Board needs to decide if this is the budget you want to present at the budget hearing on the 9<sup>th</sup> or if you want to present something different.

Initially there was discussion about whether you want the 2% decrease recommended by the BAC or what the Dept Heads need to maintain their departments. The Selectmen had said the Dept. Heads should go ahead and present their budgets. There are some new items such as the Southwest Region Planning Commission dues--should we leave them in this budget, take them out altogether, or put them in a warrant article? There is a benefit to joining SWRPC. In the past, those dues were in the Planning Board's budget but they didn't want it there and other towns have put it in a line item by itself. This could be in a warrant article because it hasn't been in the budget for years, but since it will be an ongoing expense maybe it should be in the budget. Roberta: I don't think it will fly as a warrant article.

Pat Martin: SWRPC did the structural evaluation for us before we did the energy audit. They're working on a regional energy plan and, if we want to be part of that, we have to be members. Out of the 26 towns, there are only two little towns in this region who aren't members. Jed: We were members for years but elected not to go with them, but we still take advantage of some of their services. Roberta: Richard Mellor said that they've gotten a grant of millions. Membership would be ongoing; once we join it would become an obligation.

Jed announced that the Planning Director of Rindge has tendered his resignation – he's giving us a month's notice but will be leaving Rindge in 30 days. Roberta: Jaffrey really doesn't have a Planning Director; they send everything up to SWRPC but pay for their services. Pat: Especially if he's resigning we should put SWRPC in the operating budget. If the next Planning Director is used to having regional planning and now it's gone, that's tough. If they decide they don't want it, you can always drop it from the budget. And I wouldn't drop it because how do you explain that adequately? Charlie Eicher: I asked Matt what services we'd get from them and what they would cost. As it turns out, if we had to contract out for things it still wouldn't cost us \$6-7,000. Carlotta: I'm a member of the SW Regional Planning Commission's broadband group and they're developing a regional and state planning effort for broadband that will benefit us. Pat: The value of having that structural evaluation would have easily come to around \$1,000. I get the idea that the Board is inclined to leave it in the budget so let's move on.

Fire Chief Rick Donovan had advised using the Code Red reverse 911 telephone message system to notify residents in emergencies. It would cost \$8,240 and he's willing to seek grant funding for it. Rick: We're also trying other means of communication—we put the horns back on the roof of the Fire Station this week and I'm seeking a grant to tie them all together. Code Red would notify all parents by landline, cell phone, or whatever numbers they sign up for. Jaffrey and the School already have Code Red to alert people of closings, etc. Carlotta: \$8,200 was removed from the budget.

Carlotta: There are other additions in several depts. in terms of wages, overtime, and part-time wages. We talked about the Accountant's position that at this time is included in the Town Office budget. We deducted \$5,852 by removing the Accountant's proposed full-time status for January, February, and half of March; the position would be increased to full-time after the Town Meeting. We did take \$10,000 out of assessing re: the revaluation contract since we won't need a separate contract for the "pickups." Fire Chief Rick Donovan had proposed an initial increase in the volunteer training line of \$8,000 but we dropped it down to about \$6,000. Rick: That's not just a training line; it's an activity line—we cover events, fill the tanks at the sprinkler system, help Craig out with the skating rink, etc. There are different levels of training as well for EMTs and they need hours of continuing education to keep their certification.

Carlotta: Recreation Director Craig Fraley had requested \$3,000 more per year for part-time wages: \$2,000 per year to cover events and increasing part-time help from 15 to 20 hours. We have more programs now and more people using the Recreation Department, so he needs more staffing and there's more administrative work to be done. Jed: The afterschool program has grown tenfold. It's up to 60 or 70 kids. Roberta: Yes, I think the Recreation Department has grown.

Carlotta: The Police Department budget shows a significant adjustment that reflects some recent staffing decisions, including part-time help and overtime. In 2012, the overtime was budgeted at \$52,000 but the actual to date is \$69,000. The board realized that would happen because we're down two officers. The request is for \$90,000 for 1.5 years which is up \$12,000 over 1.5 times 2012. If we're at full staffing, will we need to maintain the overtime we had before? Police Chief Frank Morrill: We agreed to go with the \$52,000 rather than \$60,000. Carlotta: So you'll be level year-to-year on overtime? Frank: Yes, because I'm anticipating that the next officer will be certified so we won't have to cover their shifts in overtime while they're at training. I'm hoping to level the part-time wages as well.

Charlie Eicher: Overall, this is a \$102,000 budget increase spread over 18 months and about \$71,000 of that is mandated state budget. So you are only presenting a \$31,000 increase which is basically a flat budget.

Sam: You're seeing a \$260,000 increase in wages and benefits which is through the roof. You're taking out the highway block grants. This budget will be up by 8-10%. And then you add on top of that the cost of going to an 18-month budget. Carlotta: The wages are up \$150,000 based on the wage adjustments given by the Board in March. And Charlie's right—there's another \$70,000 increase by the state passing down to us its obligation for retirement costs. Plus we have a 15% increase in the health insurance. Sam: Then you add the school budget increases and people will see a 15-20% increase in their tax bill. Charlie: Right now it's at 2.58%. Last year it was a hair below default, pretty flat, but we had unforecasted revenue that decreased the tax rate. Sam: But next year the tax bills will be going up.

Jed: In your packets is a compilation of where the Rindge budget and wages sit among other towns of similar population: Jaffrey, Peterborough, Hillsborough, Swanzey, and New Ipswich. This is to put things in perspective. Rindge has gone through five default budgets with the latest budget below the default. I compliment the Dept. Heads for putting together the budget so responsibly. The owner of our auditing firm said Rindge is doing very well in the service we provide the citizens. Our taxes are the second lowest of all the towns mentioned: the only one lower is New Ipswich. But New Ipswich just hired a new patrolman at around \$55,000, and we pay far less. We have to be aware of where Rindge is in the competitive labor market.

Fire Chief Rick: This Department is budgeting \$100,000 less than the next town of equal population yet we have to address the additional calls from Franklin Pierce. Jed: And our valuation is high, \$547M of assets, while Peterborough's total valuation is \$601M and Jaffrey's is \$451M. Rick: Some of these residential houses being built are worth over \$1M and that raises our valuation. Jed: And that hurts us in the school valuation. Carlotta: What's also notable is that our county taxes are high. We're in an expensive county – Cheshire; we pay more county taxes than Peterborough does. Rick: The county and the school are squeezing the town, but the town is the one providing the services.

Carlotta: The state is passing its costs down to the town while at the same time taking away the revenues it used to give us (\$60,000). This year they also passed the retirement cost down to us. We are seeing a large increase like Sam said that will impact folks but we still need to recruit and retain qualified personnel to work for us. Tom Coneys, chair of the Budget Advisory Committee, gave the board a memo proposing a number of cuts to employee benefits and it has hurt morale; people want to know whether their health insurance and dental premiums are up for discussion. And the memo had misinformation: The town does not pay 100% of employees' dental premium; it pays 82%. And it pays 90% of employees' health premium. If the Town were to decrease from 90% to 80% it would save \$20,000. Plus the employees are already picking up more of the cost of their retirement—they share in the increase every time it goes up. Also, the employees are not looking at any increases in income for the next 18 months other than the \$16,800 that will probably be eaten up by two contract renewals.

Jed: The BAC should meet with the Town employees whom they've never met. This board hasn't met with all of them and that should be a priority for the Budget Committee and for the Selectmen. We don't

mind looking into the benefits but I think it would be irresponsible to do that before we have an independent study look at the whole package of how we pay our employees so our employees can be competitive. We have to be able to gain and retain employees in this town. For the most part, we've been very frugal and that's cost us turnover and the cost of retraining. I don't think that's a prudent way of running the town. And I don't think it's right of the BAC to drop a bomb proposing cuts to personnel and their benefits and scare employees who now wonder what's going to happen.

Charlie Eicher: I think that saying the town is squeezed by the school is probably not the best way to say it because the voters have voted for the school and town budgets. The town is very pressed by the costs and unfunded mandates. The school is very labor intensive with our teachers and we got hit by the state's retirement pass-down like the town. Jed: What I haven't liked in the past six years as Selectman is that the Dept. Heads are almost scared to put forth a request for new initiatives or personnel, so a lot of the fiscal questions have been put off and we run this Town in a crisis mode. An example is the adjustments in pay that were made because nothing had been done for years. It's got to be done more consistently, not just every once in awhile.

Public Works Director Mike Cloutier: I have to agree with you. My guys are afraid for their jobs now and notice certain members of the BAC sneaking around and trying to find fault with the way things are done. I've trained a guy who's been with me for three years and he's interviewing in Jaffrey for \$3.00/hour more. Losing that one person will affect my department immensely. New Ipswich truck drivers make \$4.00 more an hour than we do. I give the Board full support, but with everything going on and these rumblings about cuts to people and benefits, my guys are scared, and they can make \$3.00 or \$4.00 more an hour to drive a truck in the next town.

Jed: One of the reasons we've retained employees is the good Dept. Heads that we have. Without them, I think you'd see more defections. Rick: We're frugal and applied for grant money after Hurricane Sandy—there are lots of things we do above and beyond our normal job descriptions to save money. We run with three guys on every call, but we're supposed to have seven. The potential for a tragedy here is real. For three years in a row, the BAC has not sat down with us and instead chooses to throw out all these accusations and distrust messages. Let's work together. Jed: And let's build some pride in Rindge. Sam: If everyone can accept the 10% increase in their tax bill, though I know it's the result of all these mandates. Jed: Look at the state government. Sam: But the reality is that we have to pay the bill. This past year was good because the school budget went down a little. But next year your tax bill could go up 8-10%. Jed: What can we do about the things that are mandated over which we have no control? Roberta: If the town portion goes up 10% it wouldn't be that big a deal. It's when the school and county and town go up all at once. Jed: But I think the school's \$24M budget and the county's \$40M budget are large compared to the Town's \$3.5M annual budget.

Ellen: The Dept. Heads have done everything they can with the budget they're given; they're keeping costs down and trying to keep their staff and are looking to you—we're at the point where we need you to tell us how you want to address these costs. If the three of you decide we're going to push forward with this budget because it's reasonable to do so, then fine, but if you think we should look at alternative health plans and passing more on to the employees, then tell us.

Sam: There's only one solution: fewer people. Work with less people. Ellen: So tell us where those heads will come from. We need direction. Mike: I've heard this personnel bombshell, but from the Public Works standpoint, we hear the grumblings while we're out there building new town roads: why do you need more employees? Jaffrey hires out for people to do that but we do it all in-house. We're accepting new roads and I don't have the people to maintain them. I can't even plow what we have now. And if we do lose an employee, what roads do we stop plowing?

Ellen: So what services should we pull? Sam: That is the net result—cut people, personnel. Maybe we can't have 24/7 services. Maybe we can't have police and fire respond to every call. Roberta: Fitchburg

does not respond to every car accident now unless there are injuries. Rick: The county has already cut back. Jed: As selectmen, we make the decisions and we should meet with the employees. If the BAC is doing their job, they should meet with the Dept. Heads and see what their needs are so that we as Selectmen can present to the townspeople a budget that's as reasonable as possible to provide the services they have said that they want.

Sam: Well, we did last year. Jed: Last year, things were different, particularly if the state sends \$71,000 more in costs down to us. Can we stop that? No. Because of that, do we have to consider taxes for people on fixed incomes? Yes, if we want to grow this town and provide the services so our sales of real estate will go up. If the services are cut, the real estate values will go down.

Carlotta: The Energy Commission's efforts have really saved the town money. Pat: And it has to do with how Mike's dept. implements everything. Maybe the Energy Commission planted the seed but Mike's team nurtures it. These guys are doing everything they can to bring the operating costs down. Bruce Hall: The \$51,900 that we're paying for mutual aid, did we get a reduction? Carlotta: Yes. We did see a decrease in the county budget which was pretty good. Bruce: It would be nice if the taxpayers knew that. Roberta: The county rate went down more than ours went up for the mutual aid.

John Kauer: I'm somewhat disconcerted that we spent five hours in this room for a budget meeting on Saturday, November 3<sup>rd</sup>, but we got through almost to the Administrative budget. November 3<sup>rd</sup> was a waste of time. Carlotta: We learned that our default needed to be 18 months and the methodology was to take 1.5 times the operating costs and the actual wages and benefits for the 18 months. So nothing that happened that Saturday was in vain. Roberta: We know that certain things are paid at certain times of the year, so we're calculating it exactly the way things are actually going to get paid. Ellen: we've just started to develop the 18-month default budget. If you would like us to use a different method or calculate differently, then give us that directive. What we presented was a starting point. Carlotta: The default budget has to be disclosed at the budget meeting so it had to be done. Sam made a point about Rindge wages and labor costs, so Linda pulled the wages and salaries for similar towns. The full-time payroll in Rindge is \$1,177,502 and you can compare that with some of these other towns: Peterborough's full-time payroll is \$3,849,893 and Jaffrey's is \$2,615,239. So judge for yourself, but I think that this indicates that labor costs in Rindge are fairly low compared to other towns of similar size. The Dept. Heads are trying to do more with less and find creative ways to get the job done. We can continue this conversation next time but we do have a number of warrant articles that I'd like to touch on.

Any warrant article that talks about money will be discussed at the January 9<sup>th</sup> meeting. Article 5 proposes the second lease payment on the fire truck. Article 6 is for the Meeting House maintenance fund. Painting the Meeting House was estimated at \$68,000 which included painting the windows. Mike: My plan is to try to paint one side a year. Article 7 would put \$15,000 into capital reserve fund and Article 8 would appropriate \$30,000 for the revaluation's measuring and listing phase. Maybe we could combine these and make it non-lapsing

Article 9: Rick's white truck (2003) is in rough shape, so he wants to replace it and there are monies in the capital reserve fund that could be used for that. Mike: In Rick's defense, he has to have something to drive. Article 10 is for the municipal energy projects and we might want to describe them more fully.

Article 11 is for the replacement of Mike's one-ton truck that was on the warrant last year but didn't pass. Mike: that number will go down to \$55,500. Rick has put in for a grant on the SCBAs, which are mentioned in Article 12.

Article 13: The CIP recommended adding \$90,000 to the Highway Dept's capital reserve fund because Mike will need to replace a dump truck next year. A six-wheeler will cost \$160,000. Carlotta: The other option is financing. Article 14 is for an exhaust system for the Highway garage. Mike is hoping to have a number on Jan. 9<sup>th</sup> depending on what OSHA requires us.

Article 15 is for \$5,000 to purchase a punch card machine so people can buy punch cards right at the transfer station. We have been investigating alternative ways to dispense the punch cards. People go to the transfer station and are upset that they have to go to the Town Office to get a punch card then go back to the transfer station. The towns of Lee and Sunapee have a machine right at the transfer station; the machine is emptied regularly and no person has to be involved in the sale of that punch card. Mike spoke with the folks in Lee and it's working well there.

Articles 16, 17, and 18 involve the Capital Reserve Fund, and Article 18 mentions adding \$100,000 to the Library Facilities Capital Reserve Fund to help finance its expansion.

Article 19 would require \$23,800 to purchase three digital video cameras for the police cruisers. Frank: The resolution is topnotch; it accurately depicts what's taken place and you can burn the video to a disc. It's cheap insurance that could save us from litigation. If our officer is accused of something, the video will accurately show what happened. Article 20 is for \$10,000 to recondition Pump #1.

Article 21 concerns making Ingalls Road a highway to summer cottages. Mike: After two years, I don't want to go through this again. It's a Class V road, and to make it passable and maintain it properly I'd have to pay \$50,000-\$60,000. And there's potential for a development in Jaffrey that might use it as a shortcut. The proposal was to keep it the way it was. Mr. Goundry was indeed notified, but not officially.

Article 22 and 23 are the two warrant articles about managing trust monies, including the Woman's Club scholarship funds.

Discussion ensued about changing the Town Meeting to from March to July.

#### TOWN ADMINISTRATOR'S REPORT

Carlotta gave an update on the FastRoads. The work crews are in town stringing the fiber. FastRoads wants to approach ISP providers with the connection agreements and show that there's interest. Enfield has 50% of its agreements in, but Rindge has way less so spread the word. John: Explain that they won't get the service if they don't fill an agreement out, but it's not binding.

Litigation: the Hunt/Sunridge matter. The pretrial hearing is scheduled for March 11<sup>th</sup> and the bench trial is scheduled for March 20<sup>th</sup>. The suit against the town is unfortunately moving forward.

Roberta motioned to go into nonpublic session for personnel, Jed seconded, and all were in favor.

Jed motioned to leave nonpublic session, enter public session, and adjourn, Sam seconded, and all were in favor. The minutes were not sealed.

The meeting adjourned at 9:45pm.

*Minutes respectfully submitted by Linda Stonehill, Administrative Assistant*