

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
November 29, 2018 at 6:30 PM**

Karen Yeaton, Chairman, called the meeting to order at 6:30 pm

I. Attendance:

Present: Michael Connor, Tom Serafin, Connie Soucy, Ann Bond, Gerry Fleury, Karen Yeaton, Tina Courtemanche, Marie Chouinard, Brian Seaworth, David Doherty, Daniel Crean

Staff: Recording Secretary Jillian McNeil, Town Administrator David Jodoin

Absent: Kim Landry, Ann Bond

II. Approval of Minutes:

Gerry Fleury moved to approve the minutes of November 15, 2018. Marie Chouinard seconded the motion. Motion approved 9-0 with David Doherty abstaining.

III. Presentation of the 2019 Fire Budget

Chief Harold Paulsen and Deputy Chief Paul Gagnon presented the Fire Department's 2019 Budget. The overall budget is up \$22,157 over the previous year and the bulk of that is payroll and healthcare related items. The training line was reduced due to not using outside training sources as much as anticipated. The testing line is \$2,356 over from the previous year. Testing is conducted yearly on self-contained breathing apparatus, compressors, air bottles, pumps, and ladders. These are required tests and are done by an outside company. Safety Equipment Purchases is related to personnel safety items. This year that line was not expended however, there are two expected new hires to the Department next year. New equipment line is decreasing but replacement equipment is increasing. The large ticket item to be replaced is a thermal imaging camera for \$6,500.

The Computer and Software expenses are up a little this year. This program is used by the Fire Department for incident reporting, payroll, and communication. The Chief then reviewed the department's CIP requests. The major equipment CRF of \$140,000 is for the replacement of all portable radios. There is a small equipment CRF request of \$10,000 and a pumper tanker request of \$600-700,000. The pumper tanker will go on a warrant article.

Gerry Fleury asked when discussing small equipment purchases when is it a withdrawal from the Small Equipment Capital Reserve and when are they a budget item that may affect the tax rate. The Chief explained that a single radio would come

out of the budget line but replacing all the radios would come out of the capital reserve. Similarly, a single fire fighter's personal safety gear would be taken out of the budget line but if something catastrophic happened and every firefighter's personal safety gear had to be replaced, that would come out of the capital reserve. The Selectmen are agents to expend the capital reserves. Dan Crean asked the Chief if the Budget Committee asked him to reduce the 6.88% overall budget increase to 3% or 4%, where would the decrease come from. The Chief said the first thing he would look at is the new equipment line and would rather cut out the thermal imaging camera rather than nickel and dime the budget. Tom Serafin stated that he feels the budget is already pretty lean and would not like to ask the Fire Department to make any reductions at this time.

Emergency Management

The Chief then covered the Emergency Management 2019 Budget. The largest increase of \$14,875 is for training and education. This is to fund the joint effort between the Fire Department, Police Department, and Emergency Management for an active shooter live training exercise.

The Assistant Director of Emergency Management, Larry Young, retired this year. He performed the bulk of the work for the department. The Chief stated that there is no need to replace him in this position.

The Chief explained that the \$1,600 under Department Supplies is for a gauge in the Suncook River that Allenstown and Pembroke share the cost of. The gauge predicts water levels and if there is a possibility of Riverside Terrace flooding again.

IV. Presentation of the 2019 Police Budget

Chief Dwayne Gilman and Lieutenant Gary Gaskell presented the Police Departments 2019 Budget. There are 12 full-time officers with one current vacancy. There are no current prospects to fill that position as there is a shortage of people going into the law enforcement field in the State of New Hampshire.

The Chief highlighted parts of the budget that he has no control over. The first being dispatch. The Department goes through Merrimack County dispatch in Boscawen. The activity dispatch sees sets the pace of how much is billed. The Department would like to have a full-time Detective as Investigations are up in town. The second item is Prosecution. There was a change in the County Attorney's office and the expectation is that the Town will see an increase in prosecutions. The Chief built in a 3-5% increase over last year because this is still relatively unknown. The County Attorney may honor the current contract with the Town or they may change it. The Chief would like to be prepared for whatever might happen when the change in leadership happens in January. The third item is cruisers. Cruisers are getting consistently more expensive. With a lot of unknowns about actual cost, the 2019 cruiser CIP request is

for \$55,000 as a worst-case scenario. The last item is training. In order to retain people long term, the department is sending them to training classes. When the department is able to host trainings, the officers are attending for free but when they are unable or the training is something such as accident reconstruction, they are going throughout New England to get the necessary training.

The Chief explained that the uniform budget is under for last year because they did not hire anyone to fill the vacancy. It costs around \$3,000 to outfit an officer head to toe. There is an expectation to hire someone this year so those funds will be expended.

Criminal Investigation has a small increase. Crimes are changing to more electronic crimes and a lot of money in the investigations line are electronic related items such as hard drives to store the data.

Gas and Fuel is an uncontrollable expense. The Officers are going to Irving versus Mobile to save the few cents on the dollar. The Department does not pay the advertised pump price. They pay the pump price minus the gas tax.

Gerry Fleury asked if the guidance provided by the Municipal Resources Inc. pay study is a step in the right direction towards retaining officers. The Chief stated that whether or not he got a raise, he would stay with the Town of Pembroke but he cannot speak to what the other officers would do. This pay increase was a substantial step in retention. Pembroke has been the lowest paying department in the area for a while now. The Chief is concerned that if the Town does not adopt the pay study's recommendations, that the members of the Department will leave and leave soon. Daniel Crean asked about the increase on workers compensation and Unemployment compensation. David Jodoin explained that those are Town's budget numbers and not specific to the Police Department. Primex increased their rates making unemployment increase by \$126 and workers comp increase by \$7,205. These numbers are for the Town, Tri-Town Ambulance, and the Sewer Department and each entity gets billed separately. These figures are the town's portion and the other two entities budgets have their portions in them. Brian Seaworth asked about the increase to computer software. Chief explained that IMC software is their reporting system software that is on all computers and all department information is entered into this system. Merrimack County is transitioning to a live version of IMC. Currently, all information from different departments around the state is uploaded and it is able to be viewed within 24 hours. This new version allows for instant uploads and instant availability of reports. This information is uploaded and stored by Merrimack County eliminating the need for servers to be hosted and maintained in Town. The benefit to the live version is that it allows the Departments to tie directly into each other's databases to get information rather than waiting for it to be uploaded. Connie Soucy asked if the Department was fully staffed, would the use of overtime decrease. The Chief says the Department would still use overtime but it would be significantly less. Connie then asked if by filling the open position we would be saving money in the long term by using less overtime. The Chief said even

with the raises, unless that position is filled, the department will still use that overtime. Connie asked if the Town provides mutual aid to other towns. The Chief says there is mutual aid with surrounding towns and if they need our help, we will jump the line and help them as they will for us. There has to be contracts and legal parameters in place before that happens. Pembroke officers would not work a shift for another department and another department would not send anyone to work a shift in Pembroke. Connie asked if the Department is able to do fundraising. The Chief said they are an entity that cannot fundraise. Gerry Fleury asked if there are grants available to the Police Department. The Chief said they are beginning to apply for the grant for the active shooter drill, there are grants for radars, and some very specific grants for training. Tom Serafin asked about the federal money for the Opioid Crisis. The Chief said they would not see any money from that. That money would go to the Drug Task Force or the DEA. The Department is unable to do the investigations and any money given to them would be given to the agency conducting the investigation. The money would not likely go to drug enforcement strictly in Pembroke. Investigations tend to have a wide scope that encompasses many communities. Karen Yeaton asked what live shooter training entails. The Chief explained the training starts with a table top exercise of Police, Fire, Public Works, and the School on December 18th. They will be presented with a scenario and they have to explain what each entity would do and how they would collaborate. Professionals will be in the room to listen and evaluate their responses. After that, they will be set up with homework. This would involve running drills and to practice what was discussed during the table top exercise. The following summer, will be a live drill. There will be actors and it will be treated like there is an actual live shooter in the school. Gerry Fleury asked what the status of communications are. The Chief said the communications have recently been upgraded and there is a low band channel that everyone in the different departments have access to that enables them to each other. The live drill will test the communications between all the different entities. Tom Serafin asked if there were considerations for doing the live action drill during the school year. The Chief was hopeful it would happen during a school day but scheduling conflicts pushed it back to June 20, 2019.

Tom Serafin and Gerry Fleury discussed the benefit/problems with the current cruiser replacement schedule and the benefit or lack thereof of putting the money into a capital reserve and then turning around and authorizing a withdrawal of the same amount versus adding the expected expense to the operating budget. Connie Soucy asked what is done with old cruisers after they are replaced. The Chief stated 99% of the time a different department within the town takes them. This year is different in that a spare car is needed and they would like to hold onto the one being replaced. Some cruisers are sent to auction as well.

V. Overview of the 2019 Town Budget

David Jodoin provided an overview of the 2019 Town Budget. At the last Board of Selectmen meeting, the Board voted to change health insurance plans. The change

affects everyone but the Public Works Department. The town is currently negotiating with their Union. These new rates will cause a decrease in what is currently presented. The budget will be updated with those rates as soon as they come in. Tom Serafin asked about the new insurance plan and how that compares to the School District's plan. David explained that he has spoken with Amber Wheeler, the school Business Administrator about the Town's plan. The new plan is an HMO Plan with a \$20 co-pay and no deductible.

Elections Budget fluctuates year to year dependent on the number of elections in that year but remains level funded.

Town Clerk staffing is one full-time employee and one part-time employee at 20 hours a week. This is the largest revenue generating department within the town due to motor vehicle registrations. The department supplies budget line increase is to purchase a POD storage container to keep at DPW. Karen Yeaton asked if there have been any firm decisions made about the current building used for storage that is falling into disrepair. David stated that at this time, they have not made any decisions except that items should not be stored inside the building any longer. Gerry Fleury asked what is going to be stored in the pod. David said they will keep the stanchions used for elections, the election box, and anything that is related to elections minus the main computer which is stored at Town Hall. Gerry asked if anything that could be subject to degradation with fluctuating temperatures would be kept in the POD. David said there would not be but the POD will have vents for air flow.

The Town Administration Budget covers town functions, operations, and staff at the Town Hall except the Town Clerk. There is also money in the budget for a part-time person to work as needed. The Town has not had to use a part-time person but it is good to have in the budget should the need arise. Karen Yeaton asked about the decrease in the wages line. David answered that last year the Town budgeted \$30,000 for the part-time employee but he reduced the line this year. The Town has been focusing on making sure all employees at Town Hall are cross-trained. Gerry Fleury asked if the auditors had any comments on inadequate segregation of duties. David said there are always checks and balances throughout the Town Hall's daily operations. Tom Serafin asked if it was noted in the Town audit. David answered that it would only be noted if there was an issue. David stated that this year is an RFP year for audit services. There also may be a need for an actuary service to come in and assist the Town with the new GASB Pronouncement, GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions or OPEB.

Assessing Services budget is up from last year because 2019 is a revaluation year. Connie Soucy asked what the time frame for the revaluation is. David answered that every 5 years the Town is required by law to do a revaluation. Last year, a re-certification was done. Department of Revenue Administration looks at the equalized ratio for the town to make sure it is within the limits of 90-110%. The equalized ratio is the difference between what a property sold for versus what it is assessed at. The Town was well into the lower 80's and this led to the recertification. Assessment

Services also includes the utility assessments. The town is still in litigation with Eversource and Fairpoint (now Consolidated Communications), over their assessed values. Utility revaluation money will come out of the capital reserve. Many New Hampshire communities are in the same fight with the utility companies. The Selectmen accepted an anonymous donation of \$20,000 for legal fees related to the Northern Pass.

Legal Services has a large decrease of \$50,000 even though there is still a legal case with Signs for Jesus that is currently at the 1st Circuit Court in Boston, Massachusetts.

Planning and Zoning computer software has a \$14,160 increase. Vision Appraisal Software is changing their entire platform which requires a change to our server and training on the new software. The server was purchased with money donated from Comcast. The \$14,160 will cover the software and the training. If there is money left over at the end of the current fiscal year, the Selectmen will expend that to pay for the software and training. The \$14,160 will be removed and the \$6,000 left in the line is for yearly tech support contract. Gerry Fleury asked if Vision Appraisal is a monopoly or is there competition. David answered there are others but those that have been tried didn't work well.

Contracted Services has an \$8,000 increase. The Town lost a Planner and the Town had to bring in Capital Region Planning Commission and they are paid out of that budget line.

Any planning and zoning increases are due to the case load. There is money that comes in from applications but the Town has to pay to post notices and certifications and the application money is recorded as revenue.

The Police Department Budget health insurance budget lines will see reductions after the new health insurance rates are calculated. With the pay study is already built into this budget, there will not be further increases. Karen Yeaton asked if the pay study increase brings them to the same level as the surrounding towns or are we still below. David stated it gives them pay increases and also gives them room to grow. Support staff for the Department were in line with surrounding towns so their max numbers did not change.

Health Administration is the Health Officer's Pay. Karen Yeaton asked who our Health Officer is and David answered Selectman Vincent Greco. He has been the Health Officer for over 50 years.

Welfare Administration has a part-time employee. This is an extremely difficult position to fill and the Town is grateful for the current Administrator. CAP (Community Action Program) is an annual appropriation that assists with fuel assistance. Direct Assistance has an annual budget of \$55,000. Last year's total

expense was \$3,700. If residents qualify, the Town is obligated to pay so there needs to be some money in that line available to be utilized.

Patriotic Purposes is the annual appropriation to replace the flags in the community. Marie Chouinard asked if this covers the flags in the Park. David answered that it is the flags on Rt. 3 attached to the telephone poles. The Women's Club in Town handles the buying and maintenance of the flags and the Fire Department puts them up.

Conservation Commission has an over expenditure on the professional services line of \$424. The professional services are being used to try and purchase the Poirier property at the top of Center Road. The Commission currently has a Purchase and Sale to purchase some of the land. At the end of the year, any money unspent will be transferred to their current use fund and the money will be taken from there to replenish the Town's expense. When all is said and done, it will not be level funded. Gerry Fleury asked where conservations funds are being held. David answered that it is in the custody of the Treasurer. Any time someone takes property out of current use there is a 10% land use change tax, that money gets put into the Conservation Fund. Gerry Fleury asked if that is included in the calculations of the reserves for the town. David said no, it is a separate fund and designated for special purposes. Karen Yeaton asked what the process is for them to expend that money. David answered they go before the Board of Selectmen and then the Board of Selectmen has to approve the purchase through a public hearing and accept it. Connie Soucy asked why they purchase the land. David answered they purchase the land to preserve it from future development. Daniel Crean also answered that the land is used for recreational purposes and years ago the town voted to continue giving 100% of that tax for the purpose of conservation. The Commission has a rating system that they use to look at land before they come to the Selectmen to determine if this land is good land to keep as open space and save from development for residential use.

There is currently no Economic Development team but there is money budgeted for it. Daniel Crean asked if there is any active marketing for the TIF property. David said the developer has it up for sale online.

Tom Serafin asked if the budget pages could be changed to budget to actual with the percentage changes rather than comparing budget to budget. Gerry Fleury answered that because the year is not closed out before budget season begins, the actual numbers are not available yet. Tom suggested looking at previous years actual to be able to see if there are any over appropriating of certain funds. Gerry agreed that could give trends and an idea if the Town is over or under appropriating in certain areas. David explained that the budget does not include any encumbered funds, the auditors make that entry at the end of the year and that could be a half a million-dollar difference. David added that the current revenues that were budget forecasted are coming in \$95,000 higher than expected. Gerry Fleury said he would like to suspend use of the tax rate impact sheet because it is looking mainly at expenditures and doesn't take into account the revenues. Daniel Crean said it might be helpful to look

at previous tax rate impact sheets and compare them to the actual to see if doing this is helpful. Gerry said it may be helpful to also be presented with the estimated revenues. David said that his process is to key in all the expenditures and then key in the estimated revenues and he compares them before handing the budget to the Board of Selectmen. He finds the Tax Rate Impact Sheet helpful when preparing the budget. Tom Serafin said that there aren't notes for historical variances as to why the tax rate went up or down in a certain year. This would be helpful for future budget committees. David says he keeps a history of the tax rates, the increase/decrease by town/school/county, when there were revaluations, and the amount of fund balance used to offset the tax rate.

David said when he prepares the budget, he takes a very conservative approach on the estimated revenues and he never changes the assessed valuation from the previous year. He looks at what's current until the tax rate is set and then he goes back and keys in the actuals.

VI. Other Business

Next Budget Committee Meeting will be held December 6, 2018 at the Town Hall to hear the Recreation and Public Works Budgets.

VII. Adjourn

Daniel Crean made a motion to adjourn at 8:40 PM. Brian Seaworth seconded the motion and it was approved unanimously.

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Karen Yeaton, Chairman

For more detailed information, the meetings are now taped and can be seen on www.townhallstreams.com click on Pembroke NH and look for the day of the meeting under the month.