

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
NOVEMBER 17, 2022 at 6:30 PM**

DRAFT

Mark LePage, Chairman, called the meeting to order at 6:30 pm.

I. Attendance:

Budget Committee Present:

Clint Hanson, Dave Doherty, Sue Whitbeck, Gene Gauss, Mark LePage, Gerry Fleury, Brian Seaworth, Peter Gagy, Jenn Johnson, Louis Caron, Matt Miller

Absent: Andy Camidge

Staff: David Jodoin, Town Administrator

II. Approval of Minutes – November 10, 2022:

Gerry Fleury moved to approve the minutes of November 10, 2022 as amended. Dave Doherty seconded the motion. Motion passed 10-0.

III. 2023 Pembroke Fire Budget Presentation:

Paul Gagnon, Fire Chief, and Erik Paulsen, Assistant Fire Chief, Pembroke Fire Department presented the Pembroke Fire 2023 Budget. The proposed amounts equate to a 1.25% total increase in the budget.

- For the last several years, they have been unable to fill the open full-time position. Thinking it will sit empty for another year, they kept the wages in the budget but removed all the corresponding items such as health, social security, Medicare, etc. Louis Caron asked how many hours are considered part time. Chief Gagnon explained they are call and per diem Fire Department so there are no set shifts outside of the full-time M-Thr 8a-4p position. They are paid to respond to the station.
- Dispatch services are up 9.52%. This rate is set by Capital Area Dispatch. Dave Doherty asked how the costs to each community are determined. Erik Paulsen explained there is formula based on use, population, and assessed valuation.
- The Testing line has a 51.78% increase. All of the testing in this line is mandatory. It includes turn out gear, SCBA, hydro, compressors, extinguishers, pumps, “hear”, and ladders. The company that was testing the turn out gear was sold to a company located in New York. Originally, they quoted \$9,000 to come from NY to do the testing that we were previously paying \$4,000 for. Pembroke has a fire fighter trained on the basics of inspecting but he is missing a piece of his certification that would allow him to do the testing. The company recently contacted Pembroke and they have a

regional office that will do it \$4,800. Turn out gear needs to be inspected and tested yearly. Ladder testing has increased by \$1,200.

- Gas and Fuel is up 75% or \$3,000. Right now, they are \$1,800 over budget for fuel.
- Safety Equipment is up 95.82% or \$16,118. The increase is largely driven by the increased costs of turn out gear and purchasing extrication gloves.
- New Equipment is up 43.17% or \$1,431. They need to purchase a portable 1,000-gallon tank for forestry.
- Replacement Equipment is down 40.81% or \$4,525.
- Vehicle Maintenance and Repair is up 48.91% or \$7,906. Vehicle maintenance and repairs have gotten more expensive across the board for all services and parts. The Board asked for a listing off all vehicles at the department for next year's budget cycle.
- Computer/Software Maintenance is down 46.51% or \$4,000 because the Department switched vendors. The State is also funding part of it.

Chief Gagnon discussed the 2023 Emergency Management budget. Emergency Management has no increase and a total annual budget of \$5,880. Emergency Management is used when there is an incident that requires multiple town departments to come together such as a flood, tornado, school incidents, or a major snowstorm. The command center is located on the 2nd floor of the Safety Center. In the event the Town needs to activate an emergency management response, all of the Department Heads can essentially run the Town out of the Safety Center. The EMS Director (Chief Gagnon) would coordinate with the people in the field. The command center is able to communicate with the State command center.

Mark LePage asked the Chief what issues in the Town keep him up at night. Chief Gagnon explained it is the unknowns. There are people running businesses out of their garages that can and have caused structural fires and they don't know until it is too late. A big concern right now is electric vehicles. If the batteries catch on fire they do not extinguish due to lack of oxygen. The fire will go dormant and start again. They can burn for hours and no town in the state is currently equipped to fully deal with it.

IV. 2023 Tri-Town EMS Budget Presentation:

Chris Gamache, Director Tri-Town Ambulance, presented the 2023 Tri-Town Ambulance Budget. The service is a 24/7 full paramedic ambulance. There are currently two ambulance vehicles. They are staffed with 4 fulltime paramedics (2 administrative and 2 non-administrative). There are 3 part-time employees who work weekends and 22 per diems. This year, the staff will receive a 1% across the board raise to keep them on target with other services, a 1.5% merit increase, and the 5.9% cost of living adjustment. This year they had 1,500 calls and were able to handle 90% of those runs. They transported 875 people. The current Ambulance response time is 45seconds to the truck and at a residence within 5 minutes. Tri-Town is run with its own Board of Directors who approved a budget of \$1,110,234. Each Town's

appropriations are determined by subtracting anticipated expenditures and anticipated revenue to get total anticipated fiscal responsibility. Figure out each Town's percentage of call volume and multiply the fiscal responsibility by that number.

The 2023 revised budget takes into consideration the dissolution of the Inter-municipal agreement. In the next two years, they will use up consumable supplies purchased by Tri-Town, and they have removed CIP items from the budget. The Unspecified fund balance surplus was infused into the budget so neither Town saw an increase in appropriation over FY22. The plan will be to do the same in 2024. Pembroke's appropriation is \$149,358 which is a decrease of \$111,251.

Jenn Johnson asked if, after the split with Allentown, will they still need two ambulances? Chris explained they will still need a second truck for backup, but they won't deploy a second ambulance for regular use. The service and call volume has been built over the last ten years to a scale of needing to run two ambulances, but they will now need to shift focus and scale back.

Gerry Fleury discussed Allentown's proposed plan and specifically their transport revenue projections based on 200 calls and \$53,900 in collections from Hillsbrook. Revenue comes from transports and not calls. Only 65% of the calls are transports. Chris explained that Hillsbrook originally estimated an expected 8 calls a week. Looking at other communities, Town of Bow has Whiterock Senior Living and the City of Concord has Havenwood. When reviewing a whole year of call volume, Havenwood had 220 calls and they are 3 times the size of Hillsbrook. For comparison, Whiterock and Havenwood equal out to .78 calls per unit per year. If you take that number and apply it to the number of rooms at Hillsbrook, you get 93 calls with 54 transports. That equates to approximately \$27,000 in revenues.

David Jodoin explained the Selectman voted to petition the State of NH Department of Revenue Administration with the Budget Committee's approval, to overspend the budget and take money out of the surplus fund balance so they can order and outfit an ambulance. Current approximate order time is 18-24 months. All current Tri-Town vehicles are registered and insured to the Town of Pembroke but according to the IMA the assets are to be split 50/50. This would allow the Town to have an ambulance delivered and ready to go on the dissolution date that the Town owns outright so they are able to continue operations as is.

Mark LePage asked that since the tax rate has not been set for the year and we don't know when tax bills are going out, is the Town setting itself up to need a TAN if we move too quickly. David explained getting a TAN is not a quick process and there are costs associated. It would take 3-4 weeks to get it finalized and approved. He is comfortable the Town will not need one. The auditors have not finished their audit yet, but the Town has approximately \$7.9m in the reserve fund balance. There is a fund balance policy that the Town has to retain 25% of the operating budget which is right around \$5.9.2m. At year end, there will likely be funds added to the surplus and

at dissolution, there will be at least \$250,000 that will come back to the Town. That will cover almost half of the new ambulance.

Matt Miller asked if the concern is the current ambulances owned by Tri-Town could be stuck in a probate situation where no one can use them. David answered that is a concern. David explained that right now Allenstown feels that the dissolution process should be easy, but he is not so sure that will be the case. Finding someone to handle the process will be difficult. David stated that each year he provides the auditors with all the fixed assets in Town that have a value over \$10,000, but he is not sure that Allenstown will agree to his numbers.

David Doherty asked how long they have to make this request from DRA. David answered they would like to see this acted on as soon as possible because the lead time for delivery is unknown. The manufacturers say 18-24 months but that could change to 18-36 months. There is no way of knowing right now.

Clint Hanson asked if DRA has any reluctance on setting the state school tax rate due to current litigation. David stated he hasn't heard or seen anything regarding that and in fact they are setting rates currently.

Sue Whitbeck asked if there is anything in the existing agreement that would complicate Pembroke purchasing its own ambulance. David answered no because it will not be purchased by the service. Chris explained that the Town is putting procedures in place so any supplies purchased by the Town of Pembroke has its own space so it will not be confused with Tri-Town Ambulances supplies and assets. All invoices of items purchased by Pembroke will be retained with the equipment and supplies.

Gene Gauss asked if the plan for Allenstown is feasible. Chris explained they are overestimating their staffing and abilities. Chris' big concern is that Allenstown will have an EMT level ambulance and Pembroke will have a Paramedic level ambulance. If they need the paramedic level ambulance, then both ambulances are going to be at one scene and now they need to call for mutual aid if any calls come in to either town. Allenstown is also going to be a fire-based service so if there is a fire call, their ambulance must go with that truck. That will leave Pembroke covering both towns. Tri-Town is not a fire-based ambulance and is frequently left as the only ambulance for mutual aid. David explained it may get to point where they need to see if they can legally charge a community for responding to calls. Some Towns consider mutual aid to be the catch all but in fact some communities are pulling resources from others at a much higher rate and its now becoming dependent aid. Chris is very concerned for the level of care dropping in both communities. He also explained that by 2025, each community will be paying \$1.2m more for the same level of service.

Gerry Fleury is also concerned that Allenstown will be pulling our ambulance into their community at Pembroke taxpayers' expense.

Clint Hanson asked if Allenstown has to put this on the town meeting warrant. David answered they do not and that their board will be putting it in the budget and most voters won't have any idea that it's there.

Matt Miller shared discomfort that Pembroke may not be able to cover Pembroke if they are in Allenstown. David explained right now, there is no guarantee who will show up at any given point if someone calls 911. Even with the current structure, we rely on backup coverage from other communities but we do not over burden them.

Louis Caron asked if they think Allenstown will come to its senses about this dissolution. David shared that the Selectman discussed the possibility and his suggestion was, if that happens, they remove the EMS Board of Directors and they bill Allenstown for services used.

Clint Hanson made a motion to approve the Chair to sign the letter to DRA to request the use of reserve funds for the purchase of an ambulance. David Doherty seconded the motion. Motion passed 11-0.

V. School Budget Update:

Without taking the teachers' contract into consideration, there is 3.75% increase.

VI. Other Business:

The next meeting will be December 1st at Town Hall with Water and Police.

VII. Adjourn:

Dave Doherty made a motion to adjourn at 8:44 PM. Louis Caron seconded the motion and it was approved unanimously.

Mark LePage, Chairman