

**2017 Municipal Budget Process – Town of Lincoln
Budget Committee Meeting Minutes – January 9, 2018
Lincoln Town Hall, Lincoln, NH**

Attending: Beverly Hall, Larry Sweeney, Jack Daly, Cindy Lloyd, Dennis Ducharme, Chairman
Mike Simons, Selectperson Jayne Ludwig, Secretary Susan Chenard, Lutz Wallem, Paul
Beaudin

Excused: Herb Gardner, Patricia McTeague, Cindy Rineer

Staff: Town Manager Butch Burbank, Public Works Director Nate Hadaway

Audience: Mary Conn, Fire Chief Ron Beard, Selectman OJ Robinson, Police Chief Ted Smith

Call to Order: Chairman Simons called the meeting to order at 5:35pm.

He noted that Patricia McTeague may be resigning from the committee. She will be sending a letter when her plans are definite.

Motion: To accept the meeting minutes of November 14, 2017 as distributed.

Motion: Jack Daly Second: Dennis Ducharme Motion passes with 1 abstaining

Motion: To accept the meeting minutes of December 5, 2017 as amended.

Motion: Jack Daly Second: Larry Sweeney Motion passes unanimously

Public Works – #13 – Butch and Nate presented. Nate put together basically a flat budget, technically down 0.83%. Wages are slightly less, due to a new employee at a lesser cost; while the rest saw a 3% COLA increase. Certified Computers shows as a new line under contracted services, due to a new 5-year contract, which includes software maintenance, and hardware replacement, including laptops, servers, etc. The Salt & Sand line is flat, but was underspent last year by \$10,000. Nate explained that he filled the shed last year, but has room for 100 ton more. It's always hard to guess how much will be needed. There was a discussion regarding if we could purchase more now, to put to last year's budget, if that were done before the year closes next week (1/15). Jayne said some companies have closed their year and might wait to bill, while Paul would rather see budgeted amounts spent rather than kept as unexpended funds or for General Repairs & Equipment. Paul thought he had been told at the seminar that we could have a contingency fund after all, so we'll look into that. Butch and Mike like that the repairs lines are spread throughout various departments, as that keeps clear what the maintenance was for. Cindy Lloyd read the statute, which says yes you can have a contingency fund, but there are restrictions. There is commingling, and Jack likes the breakdown by department too. Mary Conn, from the audience, said that one would have had to place the order for salt before the end of year. OJ agreed with this, and said that it would be a net zero for the budget and tax rate anyhow. Mary asked if Public Works has offsetting income, as that department does labor at the Kanc Rec area, and that should be billed to Woodstock for 50%. (We only split the operating budget there, not capital.) Jayne thanked Mary for bringing it up, and it seemed that everyone felt that this was a reasonable approach, Nate said that he could keep track of the hours. Larry reminded everyone that we had talked about the cost of water usage, and we'll talk about that in the water department budget. Butch said that we do not share

revenues at the Kanc, only costs, and wondered if this could lead to Woodstock asking for a portion of revenues in exchange. We could charge the employee hours to the Rec Department, suggested Mary, which was also well received. The labor does seem like an operational cost, and we can look at what the amount is and if it's worth opening that subject. The discussion continued a little longer, but concluded with the decision to look at the figures before the joint Lincoln-Woodstock meeting.

Water – #17 – This budget is up 9.04%. Wages still show a 3% increase for most employees, the difference being Dave's replacement's income is less. Cleaning the storage tanks, which costs \$13,500, happens once every 5 years. Paul wondered if that couldn't be in the CIP (Capital Improvement Plan), when combined with something else to bring it to the \$15,000 minimum limit. OJ, from the audience, explained that keeping something in the CIP allows us to hold off on spending it as needed, while cleaning the tanks is DES mandated. Electricity was budgeted at less than what's been expended so far, though higher than last year's budget. The Hach calibration budget is a third more, as we added a 3rd filter and the accompanying equipment. Heating fuel cost has been increasing, and we're budgeting higher here. Mike asked about water meters. They're still in the CIP for now. The Town Manager felt it's better to do the whole town at once. We'd still plan to fund the utility through taxation initially and use the meters more for study on where the water is going. However, to conserve water, at some point we may start charging. Jayne said that we must plan to conserve, as the town continues to grow and new hotels are being built, etc. Dennis can speak from experience that new developments use very little water. Larry noted the stress on the system. Infrastructure on the east side of town is getting very old, as evidenced in the flooding and broken pipes at his development. Jack asked about an estimate to bring in new meters. Currently that's about \$1.5 million.

Sewer – #16 – Helen had provided a comparison between if Utility Partners (UP) continues to manage the sewer department or the town were to manage it. There could potentially be a \$32,000 savings if the town ran it in-house. However, UP also manages replacements. Our current staff was polled and has no interest in working in the sewer department, so finding two employees, with the appropriate licenses, would be difficult to guarantee. Butch would recommend not going away from contracted services, as it is too much of a gamble. If we went from 2nd to tertiary level of treatment, which would be without lagoons, etc., then we'd need a department and it might make sense. Paul can't believe the younger staff is unwilling to learn new things, and be available to other departments. The electric amount shown does not seem correct, so that would add almost \$80,000 of savings, he thought. Currently, the \$7,000 budgeted pays for the sewer lift station behind riverbank, etc. The \$80,500 is the utilities that Utility Partners would pay; \$73,000 for the sewer lagoons alone. Butch was a sewer class 1 operator as his first job, at Waterville Valley, then became cop, rather than continue in the sewer department. Nate said that UP also sends in techs to replace pumps at lift stations if needed. Mike wondered if water usage is increasing, wouldn't sewer as well? Butch explained that lagoons are a dying breed, and we're lucky to still have one. Regulations like DES etc. will be the cause for change, rather than us wanting to. Licensing requirements would change along with the type of treatment. Paul thanked everyone involved for the comparison being put together and felt there was a good discussion.

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90 Welfare – #20 – Butch presented. Jane spent only half of the budget, while still making sure
91 people get the help that they need. Butch would prefer that we not cut this any further. The
92 computerized program has been invaluable to save “double-dipping”, when people look for the
93 same funds from multiple sources. He felt it was amazing to have this low level budget at
94 \$7520, in light of the fact that it was at \$30,000 in 2015. This is a minimal amount of money for
95 the amount of transients, said Paul, but why don't we ask Jane to decrease this budget like the
96 cemetery. Jack said that we level funded cemetery, just like we'd level fund this.
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98 Personnel – #5 – The total budget here shows a 7.11% increase. Health insurance, showing a
99 roughly 20% increase, is growing at unsustainable amounts, said Paul. Dennis agrees that the
100 insurance costs keep growing and there isn't really anything that one can do about it. Paul felt
101 that employees could pay more of their share. Dennis said that it would just continue to grow.
102 Paul said that insurance went up \$250,000 in the past few years. Jayne explained that this
103 figure only includes single people, not the family. Butch said that we are in a July renewal pool,
104 with a rate not to exceed 11.37%, and we'll be searching for higher deductible plans, possibly
105 with an FSA, where the town pays the 2nd half of the deductible, and find ways to reduce the
106 premiums. The union now down 5% from 100% coverage. Good insurance keeps employees
107 working for the town of Lincoln, said Butch, while Paul thought that the town offers too good a
108 wage/benefit package when compared to the public. Paul said townspeople don't get the same
109 benefits as the people they support with their tax dollars. Jack said that Butch is shopping
110 around, which is an avenue to research. But wages will go up, costs go up, and the service
111 providers in this town are part of what you pay for, like fire, water, and public works. Beverly is
112 on a fixed income, but she understood the reality of insurance, which is a political issue. Paul
113 was looking at 2015 expended health insurance compared to 2018 budgeted, to get the
114 \$250,000 figure mentioned above. The whole budget is not up nearly as much, but still up
115 \$70,000 or almost 20% this year. Mike said that the past 2 years it only went up less than 3%.
116 Ron Beard said that grandfathered employees are getting closer to retiring. He pays almost
117 \$200/week to insure his wife. A family plan would be almost unaffordable for him. Lutz would
118 like to know how our competition, like other towns, manage this. Butch says pooled insurance
119 works better for towns, as private is not cost effective. The January pool has better rates than
120 July, as there are more people, which distributes costs. Are the managers getting more benefits
121 than employees? No, the same plans are for all employees. Paul was glad to hear that the town
122 is looking at other avenues. Mary asked how many companies Butch could get quotes on for
123 insurance. Butch said there were three that he's reaching out to; Primex Health Trust, New
124 England Interlocal and School Care.
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126 Town Hall – #7 – This budget is up 1.1%. Rug cleaning costs are half, as we don't need to do
127 the meeting room every year, and are skipping it this year. Paper is for the whole town and we
128 do still use more. Duct work includes balancing and repair to the heating system, which has/had
129 missing or not correctly sealed ducts, venting into the attic, etc. The next step is to look at the
130 heating and A/C system. The Police Department furnaces have also had some issues.
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133 **Motion:** To adjourn at 7:30pm.

134 Motion: Jack Daly Second: Cindy Lloyd

Motion carries unanimously

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Chairman Mike Simons

Date


7/16/16