

**2017 Municipal Budget Process – Town of Lincoln
Budget Committee Meeting Minutes – January 25, 2018
Lincoln Town Hall, Lincoln, NH**

Attending: Paul Beaudin, Cindy Rineer, Lutz Wallem, Secretary Susan Chenard, Selectperson Tammy Ham (in for Jayne), Chairman Mike Simons, Cindy Lloyd, Jack Daly, Bev Hall
Excused: Dennis Ducharme, Herb Gardner, Patricia Mcteague, Larry Sweeney
Staff: Town Manager Butch Burbank, Finance Officer Helen Jones
Audience: Ken Chapman, Robert Wetherell, Paula Strickon, Ivan Strickon, Joel Bourassa, Steve Tower, Meg Haas, Francine Hilliard, Faith Desjardin and Ron Beard

Call to order: Chairman Simons called the meeting to order at 5:33pm.

Motion: To accept the meeting minutes of January 16, 2018, as distributed.

Motion: Jack Daly Second: Cindy Lloyd

Motion passes unanimously

Budget Review - Ambulance continued

Due to the audience consisting mainly of ambulance staff and board members, the committee decided to start with the Health Agencies budget first. The only line item requiring discussion was the ambulance request, which had been approved by the Lincoln Board of Selectmen at \$40,000, before hearing of their new request for an additional \$35,000. Jack asked about income. Ken Chapman said he billed \$750,000, which, less uncollectibles, came to \$400,000. Bad debt write off is \$137,000, plus medicare write-off of \$134,000. Next year, their net income should be \$340,000, meaning more bad debt write off, and less money coming in. They did 700 runs this past year vs 624 in 2016. More people do have health insurance, but more runs mean more supplies and more payroll. The billing company made more money because they make money on collected funds. They bought a new ambulance as they had paid \$13,000 on vehicle maintenance in 2016 to keep the old one running. Supplies are getting more difficult to replace, but they try to replace as much as possible at the hospital. Staffing for 2 people, 24 hours per day, a paramedic and an EMT, comes to \$75,000. Ken is proposing to his board to double the stand-by pay. \$100 for a 12-hour shift would come to \$118,300 for that. \$250,000 on payroll next year, vs. \$175,000 this past year. 3 defibrillators are \$90,000, which they're hoping to buy in a few years. 5 people have started the EMT course. Ken said we hadn't done that in past years, and it's come back to bite us. Cindy L asked for breakdown of the \$75,000 requested. Ken said that it should all go to personnel costs, making it comparable to what Lincoln and Woodstock pay their firemen, at about \$15/hour. They didn't realize they had such a gap. (Beverly arrived at this point.) Ivan stepped forward to explain that they changed how the funds would be used. The money from the towns would be for payroll and training, and they'd cover buying the ambulance and supplies from income. He estimated \$270,000 over 3 years for the vans. A \$165,000 van was more likely to last 15 years, while the \$90,000 vans last 5 years.

Mike mentioned that we're working without operating figures, but Ken said that Lincoln has his tax returns here at town hall, and they're available online too. Once town meetings approve these funds, the plan is to start increased pay then, if not retroactive. Mike asked Ken to provide

a listing of things he talked about; a breakdown of the money. Ken asked if that was for just the extra \$35,000, or the whole \$75,000. Lutz asked for a budget that we had talked about at the past meeting. We had talked about this at the meeting after the one with them, so they were unaware. Jack said he had reviewed the 990, but felt that Lutz was asking for a simple P&L, so that we can explain at town meeting. Ken said that since we don't request the same for each health agency, it would be inappropriate. He's happy to give information on employment figures. The ambulance payroll will be \$250,000, and we're asking for \$75,000, plus you'll see a new ambulance in 4 years. (He noted that pretty much the whole ambulance board was here, in part because they heard Paul wanted to build them an ambulance for \$90,000 and they have a 69 page document to explain how.) Paul said he'd be willing to help build a new van, but wanted to address some things brought up at the past meeting. Volunteers are becoming less available; so will you have full-time staff and will charges increase? Yes. Base rate plus loaded miles, and ALS 1, and ALS 3 are 3 different rates, explained Robert. Is there a long-range plan, and what is it? How will you work with less income, year over year, as is happening now? Ken said he would need 300 more patients. What would a private ambulance do? Ken said that Littleton ambulance would be doubling their rates, and keeps one ambulance in the fire station. Tammy said we talked about bringing in an ambulance service just into Lincoln, and that would be significantly more than \$20,000/year. It would have been \$265,000 for 1 rig in town. We've had 35 years of this ambulance service. Bev expressed concern about where they are now and where they'd be in 10 years. Do they have a business model or plan? Ken replied that the medical center only houses vans. Woodstock houses another ambulance. They got land donated, built the barn, used the crew to paint and finish bathrooms, etc. Ivan said, "We are a private organization, even though we have a closer relationship, and we don't have contract. We're just asking for donations and being as forthcoming as we can, based on constraints for Hipaa laws, etc." Robert is working on a second fundraising effort, Clark's bears 5k, besides the tennis tournament. If they went to contract, this level of service would cost over \$500,000, with one ambulance per town. We'd need to get 10 people together to make an EMT course in Lincoln, but they have 5 attending in Ashland now. Mike and Joel talked about getting a crib sheet of numbers to have available at public hearing. Then Ivan handed them a draft budget expense sheet, which the ambulance board members in attendance were comfortable giving to the budget committee. The document was to be available for the committee, but not general population. This was not meant to be a financial analysis, but a very rough estimate of future information. Cindy L returned to the comment that we don't require this of other agencies. That's true, but the request is being doubled, and started out at 10 times the other agencies. Ken asked that we actually move it to a public safety budget. Tammy said that we can't put the ambulance service into our regular budget, as we don't own the ambulance service. The only way we can donate is via health agencies.

Motion: To approve the increase of \$35,000 to the Linwood Ambulance Service for the 2018 budget.

Motion: Tammy Ham

Second: Cindy Lloyd

Motion passes with 1 abstaining.

This led to a discussion, led by Paul and Cindy R, about why we were voting on this one line item now, since the Board of Selectemen has already voted on their entire budget. Why does it

look like the Selectmen's budget matches our figures on everything else, they wondered. Mainly, this was due to errors being found and corrected. This one item, the Board of Selectmen agreed with, but couldn't vote on, as they had already completed their review, so they sent the ambulance crew to the budget committee. We haven't set a guideline specifically on that. We can vote on line items, or anything at any time, but we had planned to vote on budgets at the end of the season, after public hearing. Paul would like to know if the Board of Selectmen supports this increase. Butch said that this was an 11th hour presentation to the budget committee. The Selectmen did not have a chance to discuss it, as it was a last minute addition to the budget committee. Tammy said that the Board of Selectment has always come in line with the budget committee at the end of the budget season, just before town meeting. The Board of Selectmen can vote on the budget from the budget committee before and/or after public hearing and when the budget committee votes on it. Paul said he just wanted to make sure the Board of Selectmen would discuss this ambulance line. Yes, they plan to discuss this at their next meeting. Prior to the adjournment of public hearing, any budget can be adjusted up or down. After public hearing, we can vote and use recommended amount, or lower. If we go higher, we'd need another public hearing.

Budget Review - Totals

- 1 - Executive - Total \$431,948. Highlights: Change to Certified Computers 5-year all maintenance plan, down \$4,000 since last meeting, and accounting software changed name.
- 2 - Tax Collector/Town Clerk - \$68,721.
- 3 - Elections & Registration- \$5,260
- 4 - Legal - \$135,000 - Lutz wondered why we are not increasing this. Butch explained that it's an educated guess. Tammy felt that, based on what we have on the books at the moment, it looks to be more than enough. Yes, we had someone threaten to sue, but that doesn't mean they will. We have the right to overspend it, if needed. Jack would like to see an expense line for settlements, but gross budgeting laws would prevent this, said Tammy. Our attorney said that we have to show all settlements in legal. DRA explained how to handle this. Is there a padding for settlements in the general fund balance? We are in the middle of range for DRA at about 10%, and that's where it would come from, but it can only be used for things we didn't know would happen. Finished settlements will show in legal, said Lutz. The union contract is done, but the lawyer still did some work on it this year.
- 5 - Personnel Administration - \$904,570
- 6 - Planning & Zoning - \$103,747 - Paul is looking forward to video minutes reducing hours.
- 7 - Town Hall - \$45,950
- 8 - Cemetery - \$21,200
- 9 - Insurance - \$105,291
- 10 - Police - \$1,065,975
- 11 - Fire - \$130,687
- 12 - EMS- \$9,000
- 13 - Public Works - \$325,996
- 14 - Street Lights - \$47,000

15 - Solid Waste - \$292,982 - Paul asked about some of the increases. Revenue for household hazardous waste day grant, should be about \$4,000 and Helen will add that on.

16 - Sewage Disposal - \$250,250 - Paul asked if we were looking further at privatizing. So far, subcontracting is the better deal, per the Board of Selectmen. Electric is a big driver, as the subcontractor pays currently. We are covered by their insurance if there is operator error. (The town owns the machines.)

17 - Water Treatment - \$368,185 - Bev asked where meter costs would go. Butch explained it would be a warrant article or bond. Tammy added that those would double this budget.

18 - Community Building - \$188,069. Fee increases were passed 3 years ago, and there's a yearly increase in the contract for the child care center. Paul said that he's heard from several people that some programs sell out. Tammy said she had heard of just 2 people. Staffing is an issue, but raising prices too much makes it difficult for those that need it most. Tara had raised the after school program rates significantly, and increased # of students and staff for that. She increased revenue by 30%. Jack confirmed that \$50,000 was for the roof. Yes, and Woodstock will pay half.

19 - Health Appropriations - currently \$67,629, will be \$102,629. Lutz and Mike asked that the second request come as a separate line. Jack said he would like to see Linwood Medical Center as who funds go to, as the ambulance is a subsidiary (dba), and it is all under one tax ID.

Should we ask for same info from other health agencies as we did from ambulance, asked Paul.

20 - Welfare - \$7,520 -

Motion: To reduce the Welfare budget to a \$5,500 total.

Motion: Cindy Rineer Second: Paul Beaudin

Discussion: In 2016, we only spent \$2000, and in 2017 we spent about \$3700. We've increased health appropriations by \$1000 by adding another local agency. We can over expend this, but it must come out of someone else's budget, not fund balance.

Vote: Carries, with 2 opposed.

21 - Recreation - \$265,193 - Cindy R feels that costs to make snow with treated water should be included here. Paul asked if we're charging for Nate's time? Not yet, as we just started tracking it by department. We'll know gallons of water by end of year, and it's more than what we thought using the old equipment, now that we have new meter. Tammy says that the Bpard of Selectmen would be the ones to decide if they'd charge for water, and to whom, as it's a policy decision. Half of total operation, plus employee benefits, is what Woodstock refunds.

22 - Library - \$117,952

23 - Patriotic Purposes - \$10,575

24 - TAN and Long Term Debt- - \$903,371

CRF/Trust Funds and Warrant Articles - \$958,000 and \$1,299,580 respectively. One of the levee repair options will be removed, and we hope to have a number from FEMA to show how much to reduce the other.

Difference for Public Hearing - We made a \$2,020 reduction in welfare and saw a request for \$35,000 additional in health agencies. We'll discuss income. On the detailed statement of payments, the town finished the year over budget by only \$137,000, not the \$400,000 we had to

pay for the settlement. Tammy said that we asked departments to tighten their belts to keep that as small as possible, and they worked hard on that.

Motion: To adjourn at 8:29pm.

Motion: Lutz Wallem

Second: Cindy Rineer

Motion carries unanimously



Chairman Mike Simons



Date