

**2017 Municipal Budget Process 2016 – Town of Lincoln
Budget Committee Meeting Minutes – February 10, 2017
Lincoln Town Hall, Lincoln, NH**

Attending: Larry Sweeney, Cindy Lloyd, Dennis Ducharme, Patricia McTeague, Chairman Mike Simons, Selectperson Jayne Ludwig, Deanna Huot, Secretary Susan Chenard, Lutz Wallem, Cindy Rineer

Excused: Vice-Chair Herbert Gardner and Mary Nastasia

Staff: Town Manager Butch Burbank and Finance Officer Helen Jones

Audience: Selectperson OJ Robinson

Call to Order: Chairman Mike Simons called the meeting to order at 5:05pm.

Helen gave us a copy of the draft budgets that will go into Town Meeting. Most of 2016 information is correct, except she was waiting to hear from DRA on a clarification regarding the bond expenditures. If we approved everything tonight, we could sign the signature page tonight, or we could come back and sign that at a later meeting date.

Review of meeting minutes of January 31, 2017

Motion: To accept the January 31, 2017 meeting minutes, as amended.

Mike led a discussion regarding that Butch only needs to have the budgets to the Selectboard in January. As we'll be meeting throughout the year, we can track budget items, etc. and continue work on procedures during that time.

Motion: Cindy Rineer

Second: Jayne Ludwig

Motion carries unanimously

Beverly Hall arrived at 5:29pm.

David Beaudin and Mary Conn arrived in the audience, joining OJ.

Chairman Mike Simons opened the Public Hearing on Proposed Budget and Petitioned Warrant Articles at 5:34pm.

Mike reviewed our typical procedures regarding public participation, but with just a few people in the audience, felt we could be more fluid. Ideally, each person could speak in the order of signing into the meeting, allowing 3 minutes per person for each, and then we could go around the audience again. Questions should be directed to the chairman. The Budget Committee has made decisions already. We will listen to the public, and can choose to vote again, if there is significant new information or such desire for change. This would involve rescinding the prior vote, and voting again.

Mary Conn asked if the budget committee had made any decisions to change any of the existing budgets. Mike thought we did, but asked that she ask in each budget to be reviewed.

1. The **Executive Budget** was recommended with total expenses of \$366,276 and with offsetting revenue of \$1,000. This represents an expense increase of 2.82%.

Public Discussion: In response to Mary's question about changes to this budget by the budget committee, the only change was wages, reflecting \$6673 of Wendy Tanner's pay, which had not been added in correctly. Mary said that the budget committee is made of elected officials, and if we were comfortable, she could live with this.

2. The **Tax Collector/Town Clerk Budget** was recommended with total expenses of \$66,181 and with offsetting revenue of \$290,000. This represents an expense increase of 27.93%.

Public Discussion: The Budget Committee made no change. The salary increase was a big overall change. It was more than 3%, to bring it into line with other towns nearby. Mary said that the new employee's experience wasn't the same as the previous one who had been there for many years. She agreed that the new person was doing a great job though. The town had brought this person's wages into line with the lower third of wages for this position in the MRI wage comparison report, done in 2013. Mary said it was an unfair increase compared to other employees who only got 3% because they had been there many years. OJ confirmed the this employee was hired with the intent to bring her into the lower 3rd of the comparable range, if she worked out well and was up to speed. Cindy R asked if all positions are now at this lower 1/3 pay range. Jayne said no. Cindy R asked if this employee did well, might she have a larger increase next year too. Jayne said that is a question for next year. Cindy L and Jayne mentioned that we would be looking at wages and benefits throughout the upcoming longer budget season. Mary reiterated that she was happy with the employee, but that it was not good for employee morale to have this wide range of increases. OJ said that most of our town employees are at the lower range. Cindy R asked when we would do study again. Butch said that we could hire MRI or another company to redo the survey, since things may have changed since 2013. OJ said that when one employee starts, they have lesser pay and experience than another who had been there for 10 years. But after a few years, both are doing the same level of work, and should be paid the same. Mike and others felt that this is a Town Manager and Selectboard decision regarding personnel, and not the purview of the Budget Committee.

(Bob Durfee arrived at 5:54pm, sitting in audience. He would speak about levee bond later.)

3. The **Elections Budget** was recommended with total expenses of \$1,725 and no offsetting revenue. This represents an expense decrease of 46.09%. The decrease was due to the number of elections and the number of clerks needed now that we have a ballot counting machine. There was no public input.

4. The **Legal Budget** was recommended with total expenses of \$135,000 and with no offsetting revenue. This represents an expense decrease of 10.00%. There was no public input.

5. The **Personnel Administration Budget** was recommended with total expenses of \$877,084 and with no offsetting revenue. This represents an expense increase of 11.03%.

Public Discussion: OJ noted that the Budget Committee voted on this amount after a reduction of about \$6000 in worker's compensation costs, based on more accurate data. Mary asked if Helen did computations regarding her earlier suggestion of the 85/15 health insurance split. This research will be done this year in more depth. Larry said that it was a 6 month process at his company. Jayne wanted to give employees time to prepare for the potential change. Mary said that a library position was just advertised at \$11/hour, with an included 1-

person plan. Offering this split insurance option was also discussed in the MRI report, that Lincoln should offer an 85/15 split, whether for one person or a family plan. She asked why we would use only one part of the study, but not the other. Helen said that the difference for a family plan on the current system is \$150-180/week, which Mary said would be more than the library employee could earn. Jayne noted that we don't set salary for the library. Mary again asked why the town would only use one part of the MRI report. OJ said that it would cost the town a fortune. Most employees take the single plan anyhow. Mary said that new employees should be offered the new (split) insurance plan, and we should leave the old employees at their current plan until they depart the town's employ. Cindy L said that she thought it requires more current data and time to research; look at current rates and the impact to the town. We need to commit to the study though. Mary said that she is told the same every year. She knows that Plymouth and Thornton offer the 85/15 split option, and they are comparable to Lincoln. Jayne said that if we increase spending, we need to increase revenues. Beverly, Cindy L and Deanna said that the budget committee should be looking at the dollars spent, not make payroll decisions. OJ said that the Selectboard has looked at and addressed this. By increasing wages, we are working towards making the current plan more affordable. The town fights local businesses for employees, not just local towns. We don't have a high turnover, which speaks volumes towards that employees are happy working for the town of Lincoln.

6. The **Planning & Zoning Budget** was recommended with total expenses of \$94,765 and with \$2,500 offsetting revenue. This represents an expense decrease of 5.10%. There was no public input.

7. The **Town Hall Budget** was recommended with total expenses of \$45,450 and with no offsetting revenue. This represents an expense decrease of 20.61%. There was no public input.

8. The **Cemetery Budget** was recommended with total expenses of \$21,200 and with \$7,000 offsetting revenue. This represents an expense increase of 1.44%. There was no public input.

9. The **Insurance Budget** was recommended with total expenses of \$113,187 and with no offsetting revenue. This represents an expense increase of 119.02%, due to the increase in property liability insurance. There was no public input.

10. The **Police Budget** was recommended with total expenses of \$1,050,060 and with \$57,500 offsetting revenue. This represents an expense increase of 4.17%. This budget is based in part on the default wages from last year. There was no public input.

11. The **Fire Budget** was recommended with total expenses of \$138,352 and with no offsetting revenue. This represents an expense increase of 21.55%. There was no public input.

12. The **Emergency Management Budget** was recommended with total expenses of \$9,000 and with no offsetting revenue. This represents an expense increase of 9.76% (or \$800). There was no public input.

13. The **Public Works Budget** was recommended with total expenses of \$334,872 and with no offsetting revenue. This represents an expense increase of 3.98%. There was no public input.

14. The **Street Lights Budget** was recommended with total expenses of \$47,000 and with no offsetting revenue. This represents an expense increase of 0%. There was no public input.

15. The **Solid Waste Budget** was recommended with total expenses of \$276,669 and with \$188,123 offsetting revenue. This represents an expense decrease of 2.01%. There was no public input.

16. The **Sewage Disposal Budget** was recommended with total expenses of \$250,250 and with no offsetting revenue. This represents an expense increase of 1.01%. Mary wondered if it would be cheaper for us to run that plant ourselves. Jayne said that Butch looked into it and found that it was not less expensive. OJ said that we didn't have exact numbers, but rather the issue is more risk. Additionally, he was worried that we'd train employees that then go to work for Utility Partners, after we've paid for licenses, training, etc.

17. The **Water Treatment Budget** was recommended with total expenses of \$337,699 and with \$4,000 offsetting revenue. This represents an expense decrease of 2.82%. There was no public input. Mary asked what was expended last year, and was told \$290,223. Loon Mtn pays \$4000 for the gaging station. David asked about ice castle money, and Helen said that goes into tap fees. Mike congratulated David on his level 3 certification.

18. The **Community Building Budget** was recommended with total expenses of \$165,405 and with 135,024 offsetting revenue. This represents an expense increase of 20.03% and an off-setting revenue increase of 33.61%. Expenditures were over 14%, due to replacing the boilers and ceiling insulation over the baby area, etc. Helen said you can see the savings in the bills already.

19. The **Health Appropriations Budget** was recommended with total expenses of \$66,609 and with no offsetting revenue. This represents an expense increase of 11.84%, due to the ambulance and Tri County Transit. There was no public input.

20. The **Welfare Budget** was recommended with total expenses of \$7,520 and with no offsetting revenue. This represents an expense decrease of 39.84%. There was no public input.

21. The **Recreation Budget** was recommended with total expenses of \$248,530 and with \$181,855 offsetting revenue. This represents an expense increase of 5.19% and an offsetting revenue increase of 15%. Cindy R asked if we could track the cost of water for snowmaking, etc. to get revenue from Woodstock for their portion of that. This was a good question, and OJ agreed that we should look at it. Butch said he had discussed that with Bill Willey and Nate. We would need to upgrade the metering system. Butch and Jayne agreed we should research this. We charged the Ice Castles around \$1/gallon, but there are mechanical issues at the Kanc, so it would be more difficult to calculate at the moment. David said last year when the community center building was rebuilt, Woodstock was happy to pay their half, so since this would be an operating cost, he thought that Woodstock would also be receptive to they would be receptive to paying their part or snowmaking. We could use Woodstock's cost per gallon of water, or look at both sides.

22. The **Library Budget** was recommended with total expenses of \$113,320 and with \$500 offsetting revenue. This represents an expense increase of 1.40%. This includes the Board of Selectmen's reduction of \$379, as they did not agree with the wage increase of more than 3%. Mary said that this illustrated her point.

23. The **Patriotic Purposes Budget** was recommended with total expenses of \$6,375 and with no offsetting revenue. This represents an expense increase of 0%. There was no public input.

24. The **Long Term Debt Budget** was recommended with total expenses of \$882,231 and with \$60,000 offsetting revenue. This represents an expense increase of 46.65%, as a result of the Beechwood, Pollard Road sidewalk, and Levee repair bonds, and increase in interest rates. There was no public input.

The Operating Total shows currently as \$5,654,760, an increase of 10.47%. \$4,825,348 was expended in 2016.

The Capital Reserve and Trust Fund warrant articles show as total expenses of \$1,062,000, a 12.77% decrease.

The Special Warrant Articles show as total expenses of \$1,231,800, a 61.89% decrease.

The Grand Total shows as \$7,948,560.42, a 16.93% decrease.

Edmond Gionet arrived at 6:39pm.

OJ Robinson addressed the \$500,000 increase in the operating budget. He handed out a 2-page summary detailing the following:

- On the front page, he removed all items that were appropriated but didn't have expenses.
- On the second page, he showed where increases came in operating. In personnel, the sworn LEO (law enforcement officers) costs increased 38% or \$51,000.
- Workers' compensation went up, because last year we had a refund, and this year the balance of that refund meant we didn't have as big an effect. The worker's compensation cost was \$35,000 each of last and this year, but last year's amount was erased by this credit.
- Insurance went up \$61,000, more than doubling. We had a death, lawsuit payment, etc.
- The Police budget only went up 2% after revenue.
- The Community and Recreation budgets had offsetting revenues, which meant an actual 15% decrease.
- Long term debt saw reduced capital spending of \$155,500. With offsetting revenue from Loon Mountain, net long term debt only had a \$65,000 increase.
- Total adjusted increased spending was then \$405,054, less increased departmental revenues, and less revenue special articles, like asset management, matching grants, and engineering loon reimbursement. So, per these calculations, the real net increase to the current assessment was \$161,365 or 3.2%.
- After estimated property taxes from new construction (\$20 million in assessed value @ \$5.94, or \$118,800), the net increase in property taxes would only be \$42,565. This would be less than 1%, or a \$0.05 tax rate increase.

Motion: At 6:56pm, to step into recess for the duration of the Public Hearing on the bond by the Board of Selectmen.

Motion: Jayne Ludwig

Second: Larry Sweeney

Motion passes unanimously

Public Hearing on a Bond Minutes – February 10, 2017
Lincoln Board of Selectmen
Lincoln Town Hall, Lincoln, NH

Board of Selectmen Present: Chairman OJ Robinson and Selectperson Jayne Ludwig
Staff Present: Town Manager Butch Burbank and Finance Officer Helen Jones
Budget Committee Present: Larry Sweeney, Cindy Lloyd, Dennis Ducharme, Patricia McTeague, Chairman Mike Simons, Deanna Huot, Secretary Susan Chenard, Lutz Wallem, Cindy Rineer
Public Present: Mary Conn, David Beaudin, Edmond Gionet and Bob Durfee

Call to Order: Chairman OJ Robinson called the Bond Hearing in the matter of the issuance of a bond in the amount of \$500,000, as an additional amount needed to rebuild the East Branch Pemigewasset River Granite, to order at 7:04 pm.

Bob Durfee, of Dubois and King, presented information regarding the levee project and the increase in costs. Since the fall of 2013, more damage has occurred; a 40% increase in the damaged area, at the east end especially. The DES dam bureau has required more work at the western end. We're out to bid at this time. 19 bidders attended the pre-bid meeting this morning, which is a huge number, and we had expected 7 or 8. Bidders came from Maine to Connecticut. Patricia asked why, and was told good advertising and the size of the project, at \$1.5-1.7 million for construction. The time of year also helps, as there are almost no other big projects advertised at this time. (One other big one is a bridge in Hooksett, which also has many bidders.) The large number of bidders means that we should get the best figure possible. Cindy R asked how long the work should take and Bob said about 7 months. Lutz asked OJ to confirm that we are to build and maintain to the 1960's standards. OJ explained that Army Corps of Engineers (ACOE) was who we worked with first, then DES added 250 feet beyond, when it got involved with the dam bureau. Both agencies consider condos encroachments to the levee, so now the town needs to put in hatches at the Fairways condos along the levee, so we can report to DES that there is not a danger. We'd need to inspect basement foundations, look for cracks and leaks, and seal them. They are timber decks, and the town needs access to the underside for biannual inspections. Butch said that NH DES did not sign off on this until last November. They could have requested that the condos be removed. Both agencies felt those should never have been allowed to be built. Congratulations to Bob, the attorney, who worked with and received great cooperation from the owners there. Butch said that the ACOE was extremely worried that we get this repaired before the next big storm. Lutz asked if the ACOE would guarantee repairs once we fixed it. Butch said, yes, but... If the ACOE certifies the levee, and it then suffers "catastrophic damage", by their decision, then they will bring it back to a safe condition within 11 months. Jayne said we need to record how we maintain the levee. The agreement we signed in 1960 says that we are supposed to maintain it, and how, said OJ. We do not own the land though. We have until December 2017 to fix the levee, or the state can come in, do so, and bill us for it, or take our tax money.

Each condo owner at the Fairways, on their deed, has a copy of the agreement attached, that says that the town will maintain the levee and check on the homes foundations, in perpetuity.

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Second: Jayne Ludwig

Motion passes unanimously

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Second: Deanna Huot

Motion passes with Cindy Rineer

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Second: Jayne Ludwig

Motion passes unanimously

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Second: Patricia McTeague

Motion passes unanimously

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Second: Cindy Lloyd

Motion passes with Cindy Rineer

Chairman Simons thanked everyone for attending, saying that nobody's comments fall on deaf ears. We do hear them and sometimes things take a while. Some ideas play out as good, while some are not feasible. We do take all of this very seriously and take the audience feedback into consideration, including comments by Budget Committee members, the Board of Selectmen, employees, etc.

Helen had us sign the budget, and will email a copy of the new one to all members. The final version figures will be on yellow paper this year, for our binders.

The audience left at 7:48pm.

Dennis thanked Mike for doing a good job as chairman. We felt that we made a lot of strides. We were recommended to attend town meeting.

Motion: To approve to recommend the Estimated Revenues and Credits at \$2,221,491.

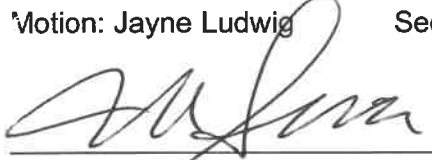
Motion: Deanna Huot Second: Lutz Wallem Motion passes unanimously

Motion: To approve to recommend the Amount of Taxes to be Raised at \$5,727,069.

Motion: Patricia McTeague Second: Lutz Wallem Motion passes unanimously

Motion: To adjourn at 7:55pm.

Motion: Jayne Ludwig Second: Patricia McTeague Motion passes unanimously



Chairman Mike Simons

4-11-17
Date