

**Budget Committee Workshop**  
**Wednesday, January 15, 2014**

Chairman Donna Sargent called the meeting to order at 6:35 PM. Present were Donna Sargent, Jane ter Kuile, Joe Goss, Dave Babson, Tom Kondrat, West Ossipee Fire Rep, Jim Fitzpatrick, Matt Trahan, Marie McConarty, Ctr. Ossipee Fire Rep, Lynne Parker, Ossipee Corner Fire Rep, Richard Morgan, Selectmen's Rep, and Ellen White who recorded the minutes.

Goss made a motion to approve the minutes from the 1/8/2014 budget workshop. ter Kuile seconded. A unanimous vote was taken.

Sargent announced the handouts provided including: 2013 warrant articles, revenue report, 2013 budget status, 2014 budget status, and correspondence from Attorney Sager regarding Budget Committee recommendations.

**Old Business:**

Fitzpatrick stated he called and left messages with Bob Houle regarding the Dam Authority and his calls had been returned but they had not actually connected yet.

Fitzpatrick asked the status of the ambulance contract. Selectman Morgan answered that the Board and Fire Chiefs have met with CarePlus to review the contract and also that an agreement has been made with Effingham. He further stated that Effingham's Town Meeting takes place after Ossipee's so they are accounting for the total contract in case Effingham turns down their portion. McConarty asked what would happen if Effingham does not approve the contract. Morgan answered that they would not have an ambulance service.

Kondrat asked how many bids were received. Morgan answered with two; American Ambulance and CarePlus.

Babson stated he had received some information from Mellisa Seamans and questioned why Ossipee is so different from Wakefield. Morgan answered that Wakefield has their own ambulance service and has been successful in collecting fees for the service.

Babson asked if the ambulance provider collects fees in addition to the contract. Morgan confirmed.

McConarty asked if the amount of the contract was for the two years or just one. Morgan replied that it is for one year. McConarty further questioned whether it would be in the Town's best interest to have its own service. Morgan replied that this option has been discussed with the Fire Chiefs and it is an option, just not now. It would be a process that would take some time to research costs of purchasing ambulances and staff for.

Morgan stated that Ossipee in comparison to Wakefield is very similar in demographics and that Wakefield has been successful in collecting a higher percentage than any of the current contracts. He was unsure if it was due to different insurance coverage or collection method.

Kondrat asked if Wakefield provides service to other towns. Morgan replied that he thought they covered Brookfield as well but as far as to other towns only through mutual aid.

Kondrat asked if Ossipee could partner with other towns to provide service. McConarty further stated Ossipee could then collect fees from the other towns. Morgan responded that the need is for service in Town and you would not want to over extend. He further discussed the most income production for an ambulance service comes from transport service to a hospital.

Selectman Freeman stated that they had figured \$227,000 in payroll at \$10/hour, 24-hour coverage, 365 days per year excluding the cost of an ambulance, worker's compensation and insurance. Morgan further stated that there are a lot of factors that need to be looked at to be ready.

Parker asked what level was requested in the contract proposals. Morgan stated ALS with no paramedic. He further stated that to staff with a paramedic added an additional \$165,000 to the cost of the primary ambulance. Goss discussed paramedic intercept. Freeman stated that the three precincts and others in the area have staff available to fulfill. Morgan stated that intermediate EMT's can do more now than in years' past.

Fitzpatrick asked if the Selectmen had looked at bringing the overall budget in line taking into consideration the cost of the ambulance contract. Morgan stated that the townspeople have come to expect a certain level of service. The highway department for example, is being required to do more work but not add any staff. He further stated that the insurance increase is inevitable and that in order to recruit and retain good employees a wage and benefit package is essential. The Town has lost police officers to Wolfeboro for more money and the wages are not out of line in comparison to surrounding communities.

Fitzpatrick stated that the townspeople cannot be agreeable to a 10-15% increase in tax. Morgan stated that the Budget Committee should not target an area that can't be changed. The Town has been operating for three months by the time of Town Meeting. It does not make sense to make the cuts in wages and benefits. He further stated that he hopes to avoid a fight on the floor and constant battle between the Budget Committee and Board of Selectmen.

Parker discussed the benefit package and stated that the Selectmen should allow a representative from the Budget Committee to sit in on the negotiations. She further stated that budget cuts are requested each year but the 3% increase in wages continues.

Further discussion ensued on the burden on the taxpayers and the service provided through the Town's budget.

Goss stated that \$300,000 needs to be cut from the budget to make it work. He asked if the Budget Committee should just cut the bottom line and have the Board of Selectmen figure it out. Kondrat stated that the Board will spend as needed and it is for Town Meeting to decide what is acceptable.

McConarty asked if the December open enrollment period could decide how the insurance plan is paid. Morgan replied no; the employee contribution is part of the benefit package and the percentage paid is based on the employee's date of hire.

Kondrat asked if an employee could get coverage through the Affordable Care Act for less money. White stated that if sufficient coverage is available through the employer, they can't go through the ACA without the employer being fined.

McConarty asked if the percentage paid by the employee could be negotiated. Morgan answered that only if the union contract article is not passed.

Fitzpatrick stated that nationwide, the contribution toward health insurance is 20% with higher deductibles. He further questioned the eligibility of Medicare to eligible employees receiving full insurance benefits through the town. Morgan stated that the Town is required to offer the same benefit package to all full-time eligible employees. He also stated that the town cannot make hiring decisions based on family status and what that particular person may require for insurance coverage.

Discussion ensued on the health insurance pool and how the insurance rating process works.

Sargent asked if an employee requested the town to pay only supplement or prescription benefits, if that was an option. Morgan stated that there is only an opt-out option available if they choose not to be covered under the available plan. Babson asked if there was a bonus paid to those who opt out. Morgan confirmed and further stated that it used to be 20% of the eligible plan but has been revised to a maximum of \$1000 with \$500 being paid semi-annually. Fitzpatrick stated this to be a good idea and is implemented in private industry.

Parker stated the increase in the Police Department request was a result of increase in retirement. Parker made a motion to recommend the amount of \$993,094. Goss stated the same formula should be used to continue budget cuts. Morgan asked if the department heads could not absorb the cuts, if it was to be reevaluated. Goss and Fitzpatrick both stated that they will reevaluate when they come to a bottom line. Fitzpatrick stated that the cuts are being used as a starting point. Further discussion took place about the inability to cut the benefit package.

Fitzpatrick stated that the ambulance service and union contracts are warrant articles. The stance of the Board of Selectmen versus the Budget Committee would be left for the taxpayer's decision at Town Meeting.

Morgan stated that they should be cutting from the bottom line. Kondrat agreed leaving the decision to the department heads as to where the difference would be made up instead of disagreeing over the insurance benefit. Trahan stated that the goal is the same which is to provide the same level of service but not for more money and to focus on other areas not just the insurance.

Goss stated that assuming the same warrant articles as last year, they are looking at a budget of \$6.3 million. Fitzpatrick stated they are looking at achieving a budget similar to last years' using the Goss' insurance formula to arrive at a number. Kellie Skehan, Town Clerk/Tax Collector, stated that the petition warrant articles are not due until 2/4/14. Parker stated the 2013 base budget to be \$5.6 million without warrant articles. Doug Sargent added that the Water & Sewer budget has no effect. Goss replied that it still has to be figured or their revenue would have to be removed from consideration.

Goss asked how many employees in the police department are on the health insurance. White responded with 9 employees; 8 on the insurance and 1 opt-out.

Sargent made a statement that the decisions made are not personal. The Budget Committee was elected to help come up with a reasonable figure. The insurance is a symbol and they may not end up cutting anything, they're just trying to do their job. Morgan stated that it is incumbent upon all to clarify.

Goss made a motion to recommend the amount of \$897,094 for the Police Department's budget. Morgan questioned this amount being less than last year. Fitzpatrick seconded. A tied vote was taken (4-4). Parker recommended balancing the budget. White added that the requested figure is increased by the Resource Officer who was added by warrant article last year. Parker made a motion to recommend the amount of \$923,702 using last year's expenditures plus the resource officer. McConarty seconded. Majority vote carried. (Recommended by the budget committee 7-1).

The Special Duty budget was discussed and more information was requested after review of expenses and revenues.

A question from the floor was asked from Julie Rosiak. She questioned why there was more Sheriff coverage on details along Route 16. Fitzpatrick stated that Ossipee covers town roads where the Sheriff's Department has been covering state roads.

Fitzpatrick made a motion to recommend the Dog Officer's budget in the amount of \$12,553. ter Kuile seconded. Majority vote carried. (Recommended by the Budget Committee 7-1).

Goss made a motion to recommend the Fire Warden's budget in the amount of \$20,400. Kondrat seconded. Fitzpatrick stated that there were substantial expenses entered from mid-December to year-end. Freeman stated that the pay is distributed at the end of the year for permits issued. Morgan further stated that the expenses are finalized by year-end. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Fitzpatrick requested the letter stating Medicare eligible employees must be given coverage through the Town's health insurance plan. White stated she will look into it.

Goss made a motion to recommend the amount of \$83,500 for the Zoning Enforcement Officer's budget. Fitzpatrick seconded. Babson questioned whether the Zoning Officer and Public Work's Director were receiving comp time. Morgan confirmed. Kondrat stated that in his research in comparison to other towns, this budget is less. Other towns also contract the position as a part-time. Brad Harriman spoke from the floor that the Public Works Director and ZEO budgets do not have the line items available to absorb the suggested 12% cut and that it would result in a cut in pay. Kathleen Maloney added that for the years of experience in both positions it would be a sin to cut. McConarty asked if the Zoning Officer inspected buildings. Parker confirmed and further stated his involvement and assistance with the Fire Department's issuing gas permits. Majority vote carried. (Recommended by the Budget Committee 7-1).

Goss asked how many employees are in the Highway Department. Harriman stated nine. Sargent asked Harriman if there were any major equipment expenses upcoming. Harriman answered yes, one plow truck. Morgan stated that the warrant article will be for \$160,000 with \$85,000 coming from capital reserve. Harriman added that \$75,000 will be raised through taxation. Goss made a motion to recommend the amount of \$1,118,000. There was no second. Fitzpatrick made a motion to recommend the amount of \$1,164,616 (last year's expenses). ter Kuile seconded. Kondrat asked if the retirement increase was a result of the percentage increase. Harriman confirmed. Harriman further stated that he does not spend for the sake of spending, only as necessary. Morgan stated that all departments were requested to limit spending in the fall and all complied. Kondrat asked Harriman at what time highway begins plowing and sanding. Harriman reported that there is normally a complete pass of plowing with salt/sand applied around 4 AM or at least prior to the bus route. McConarty added that the roads have been in the best shape this

year especially in comparison to state roads. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Goss asked how many employees are at the Transfer Station. White responded with four. Goss made a motion to recommend the amount of \$441,685. There was no second. Sargent asked how much was received in income. A member answered \$113,000. Harriman added that there is a load of aluminum cans that are ready to be recycled; they are just waiting for the market to go up. He estimates revenue from that to be around \$20,000. He further stated that there is also a load of plastic and tin to be recycled. Fitzpatrick made a motion to recommend the amount of \$445,637 (last year's expenses). Babson seconded. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Goss made a motion to pass over the outside agency requests. Fitzpatrick seconded. A unanimous vote was taken.

Babson made a motion to recommend the amount of \$3,000 for the Emergency Management budget. Goss seconded. The motion failed (2-6). Goss questioned why it was not put into an expendable trust fund since it was appropriated once and not spent. Morgan stated that would then require a request to the Trustee of Trust Funds to expend. Fitzpatrick made a motion to recommend the amount of \$4,706 (last year's expenses). Parker seconded. Majority vote carried. (Recommended by the Budget Committee 7-1).

Sargent announced the Welfare year-to-date expenses to be \$15,682. Goss made a motion to recommend the Welfare budget in the amount of \$40,434. ter Kuile seconded. Babson asked where the increase in expenses came from. Morgan reported that they have met with the Director and corrections in the Director's attitude and general requirements have been made. Babson stated he hopes the guidelines work this time as it has been a failed promise in the past. Morgan stated that he has seen an increase in voucher processing on a weekly basis. McConarty asked who sets the guidelines. Morgan responded that the guidelines are similar to surrounding towns with some that are legally bound that they have to include. McConarty further asked if the guidelines should be changed. Morgan answered that they are in the progress with the review. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Goss made a motion to recommend the Recreation Department budget in the amount of \$145,000. There was no second. Fitzpatrick made a motion to recommend the amount of \$150,038 (last year's expenses). McConarty seconded. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Goss made a motion to recommend the Library budget in the amount of \$200,000. Fitzpatrick seconded. Majority vote carried. (Recommended by the Budget Committee 6-2). Babson voiced his opinion of the importance of the Library and responded that he was against the amount as he thought it should go back to last year's expenditures.

Fitzpatrick made a motion to recommend the amount of \$1,785 for the Patriotic Purposes budget. ter Kuile seconded. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Fitzpatrick made a motion to recommend the amount of \$5,290 for the Conservation Commission budget. ter Kuile seconded. Babson asked if the Commission received a portion of the current use fees. Skehan answered no; the money goes to the town. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Kondrat stated that if they approved what was spent last year, it would have \$223,000 less than last year's budget. Morgan added that the budget is merely an educated guess.

Goss made a motion to recommend the amount of \$268,185 for the Town Clerk's budget. Babson seconded. Fitzpatrick asked how realistic her request was. Skehan responded that she would have to cut hours to compensate for a cut in budget. McConarty asked about the wages. Skehan reported that she is on salary and the overtime is hours that Trish works during elections. Babson asked why the overtime did not come out of the election budget. Skehan stated that it is because Trish is an employee of hers and she is responsible for her. A unanimous vote was taken. (Recommended by the Budget Committee 8-0).

Sargent asked if there was going to be a warrant article to bring the Water and Sewer Department back to the Town. Morgan stated that it had been discussed but not by the Selectmen; he had heard by rumor that it might come through in a petition. Goss made a motion to recommend the amount of \$207,303 for the Sewer budget. Fitzpatrick seconded. Morgan questioned whether the Committee was going to make that recommendation contrary to the Attorney's guidance. Sargent and Goss responded that they can do as they see necessary. A unanimous vote was taken. (Recommended by Budget Committee 8-0). Goss made a motion to recommend the Water budget in the amount of \$231,435. Fitzpatrick seconded. A unanimous vote was taken. (Recommended by Budget Committee 8-0).

Goss made a motion to adjourn at 9:05 PM. Fitzpatrick seconded. A unanimous vote was taken.