

**TOWN OF ALLENSTOWN
Budget Committee
16 School Street
Allenstown, New Hampshire 03275**

Minutes of Regular Meeting

November 17, 2011

Present at the Meeting: David Coolidge, Richard Caruso, Carol Merrill, Jerry McKenney, Jon Richardson, Fern Bissonnette, Larry Anderson, Don Chaput, Penny Touchette, Carl Caporale, and Mike Frascinella

Excused: Lisa Komm, Thomas Irzyk

Others Present: Jeff Gryval, Select Board Ex officio; Paul Apple, Town Administrator; Chief Mulholland; Gary Calligandes & Adam Morris of Tri-Town Ambulance, George Thompson, Pembroke Sewer Commission , Dana Clement and James Rodger

Ms. Touchette opened the meeting at 6:16 p.m.

Minutes.

Ms. Touchette began with approval of the Minutes from the October 13, 2011 Budget Committee meeting. Before seeking a Motion to approve, however, she informed the Committee of an addition to the minutes, and noted it's location in the text. Added at Mrs. Merrill's request was a record of her opinion about that evening's meeting, which was that the Budget Committee should have waited to vote on the majority of the town budgets until the November 17, 2011 meeting. Instead, they had heard Mr. Apple recount the fruits of his labors with each of the Department Heads over the previous two weeks, when they went to work chiseling away at their budgets in an effort to meet the Budget Committee's challenge to level fund the budget for 2012. It was also stated that the committee had also agreed that if Mr. Apple and the Department Heads were able to bring a budget that was below default there would be no further cuts.

Mrs. Merrill explained her feelings on the matter to her fellow committee members, saying that they had heard presentations from the Fire Department and Parks & Recreation even though we did not vote on the bottem line and did not hear from the other departments. She felt that this was not fair to the residents of the town, who deserve to know the specifics.

Mr. Anderson made a Motion to accept the Minutes of October 13, 2011 as written and amended. Mr. Caporale seconded the Motion. All were in favor, with the exception of Mr. Gryval, Mr. McKenny, Mr. Frascinella who abstained, and the Motion passed.

Following up on some business from their previous meeting, Ms. Touchette also had the Amended Minutes from the Committee's September 29, 2011 meeting. She briefly recounted how Mr. Richardson had first pointed out the location in the transcribed text where he had been credited with seconding a Motion; then pointed out the Roll Call section, where he was [correctly] listed as absent from the meeting. Ms. Touchette had reviewed the audio and determined that it was Mr. Chaput who had actually seconded, and then corrected the erroneous text.

Mr. Anderson made a Motion to accept the Minutes of September 29, 2011 as written and amended. Mr. Caporale seconded the Motion. All were in favor, with the exception of Mr. Gryval, who abstained, and the Motion passed.

Review and Consider Approval of Proposed 2012 Budgets.

Ms. Touchette turned the floor over to Mr. Apple, who moved on to the next Agenda item with an update on spending. Referring to a circulating copy of the most recent Expenditure Report, he reported that approximately 20% of the Bottom Line remained, however recent deductions for Maintenance and Accounts Payable Payroll were not reflected therein. Still, he said, things were running pretty well, albeit rather tight, at this point in the year.

--Personnel:

Mr. Apple distributed copies of the Personnel budget to Budget Committee members so they could follow along with his presentation. He briefly reviewed the details of the Health Insurance line, first reminding everyone about last year's rate reduction as a result of joining the Suncook Valley Regional Towns Association. Unfortunately, this year's rate was up by 10%, resulting in the largest alteration to the Personnel budget for 2012. The Group Dental and Group Life Insurance rates, however, would remain the same as in 2011.

Due to changes in Employment, the Social Security line reflected a \$6,000.00 increase, and the Medicare line was up by \$700.00. Changes passed by the Legislature resulted in changes in contribution to all three of the Retirement lines. The Employee (Group 1) Retirement line saw a decrease of nearly \$10,000.00, while both the Police Department and Fire Department Retirement lines increased, by \$21,500.00 and \$4,000.00, respectively. The last change was to the Worker's Compensation line, which decreased by \$1,000.00. This summed up to a Bottom Line Budget of \$602,200.00.

Mr. Anderson made a Motion to accept the 2012 Proposed Personnel budget

in the amount of \$602,200.00. Carl Caporale seconded the Motion. All were in favor, and the Motion passed.

--Insurance:

The Property Insurance budget had stayed the same as in 2011, despite the addition of the trailer at the Highway Department garage. The Budget Committee was satisfied with that, and had no questions for Mr. Apple with regard to the budget.

Ms. Touchette made a Motion to accept the 2012 Proposed Property Insurance

budget in the amount of \$53,500.00. Larry Anderson seconded the Motion. All were in favor, motion passed.

Before moving on to the next budget presentation, Mr. Apple distributed copies of an updated Overview sheet. This reflected the most recent numbers for the Personnel, Insurance, Ambulance, and Sewer lines, which, he pointed out, were draft amounts, as they were not yet approved by the Budget

Committee.

--Tri-Town Ambulance:

George Calligandes and Adam Morris were in attendance from Tri-Town

Ambulance to present the proposed ambulance budget. Mr. Calligandes began by thanking the committee for allowing Tri-Town to continue to be Allenstown's ambulance provider for so many years. After distributing copies of Tri-Town's proposed budget, he went over some preliminary information, most notably, changes the company had gone through in recent years. He mentioned their termination of service to Hooksett, and explained that when they had presented their budget for 2011, they hadn't really had a grasp on what that was going to do to their operation. This year, however, they had a much better understanding of this.

He explained how their income is broken down by town (Allenstown and Pembroke), plus a line for "Intercept Income", which is for when Tri-Town's services are requested for an outside community. Those services are billable, resulting in this third income line. He said they were counting on a decrease in their overall income amount due not only to their not serving Hooksett any more, but also the changes in the Medicare and Medicaid rates. He told of their Board's current discussions about using tougher collection practices for out-of-town service recipients in an attempt to collect more of the income they are owed. In the past, they have been very soft on collecting service fees, especially from uninsured patients; however they hoped to move into offering this soft approach only for those people residing in the two towns they serve. With regard to their billing practices, Mr. Calligandes said they use a third party billing service which goes by the name "Certified Ambulance Group". The total income listed from all sources was \$277,332.00.

The next several lines of the budget were dedicated to Expenses, which was broken down into three subcategories. These subcategories were Personnel, Operations, and Business Expenses. The Personnel line covered salaries and health care for their three full-time Paramedics, as well as several per diem employees' salaries, and totalled \$414,101.00. The Operations line encompassed all medical equipment required to operate as an ambulance service, and accounted for the largest chunk of the budget. It included items such as oxygen and other expendable supplies, IV fluids, IV catheters, bandages, etc. Also included in the Operations line was durable medical equipment, such as life support machines, as well as their fleet of vehicles and their associated fuel costs, which had increased by \$9,000.00 for 2012. Lastly, facilities costs were included in the Operations portion of the ambulance budget. Mr. Calligandes spoke about the benefits of basing their operations at the Pembroke Safety Center, namely that they shared the costs of keeping the facility up and running. This lent to low facility costs for Tri-Town.

Under the Business Expenses subcategory were General Liability Insurance and Worker's Comp as well as other office expenses. He pointed out that the Board had elected to not fund the IT line for 2012 as they had in the past. He said their computer system was fairly antiquated, but they hoped to hold off on replacing it for another year or two. Accounting and Legal Services, totalling \$21,000.00, was another part of Business Expenses, and included fees paid to their billing company.

Finally, Mr. Calligandes came to the total of all subcategories of Expenses, which was \$571,967.00. After taking into account the total income amount of \$277,332.00, a margin of \$294,635.00 resulted. Allentown's portion of that is 42%, or \$123,746.00.

Discussion ensued, in large part regarding billing costs and practices, with all in agreement that more stringent collection practices would make a big difference, especially after learning that there was approximately \$25,000.00 in uncollected debt from last year. Also discussed were personnel and staffing numbers as well as retiring the #3 rig, which is the oldest ambulance still in service. Mr. Calligandes explained that they did hope to discontinue its use at the end of 2011.

Talk turned to the savings to be expected with the new Intermunicipal Agreement with Pembroke. Mr. Gryval pointed out several areas of major savings resulting from the switch from a nonprofit company to one run by a municipality. He said healthcare costs would be greatly decreased, as well as payouts for Worker's Comp, Retirement, and Liability Insurance. Fuel rates would also likely be decreased for a municipality. Mr. Gryval said the towns had in fact already entered into the Intermunicipal Agreement, but the transactions involved would take some time to take effect, such as the dissolution of a nonprofit company.

Mr. Anderson made a Motion to accept the 2012 Proposed Tri-Town Ambulance budget in the amount of \$123,746.00. Seconded by Jerry McKenney Motion. All were in favor with the exception of Jon Richardson and Carl Caporale, the Motion passed.

--Sewer:

Dana Clement and Jim Rodger were in attendance to present the Sewer Department's proposed budget. Mr. Clement began by distributing copies to each committee member, and then advised them of the Sewer Department's success at coming in with a Bottom Line that was lower than that of 2011.

Mr. Clement then noted that many of the increases seen in the budget were related to the new processor being online and the cost of some services. He said they had postponed doing some of the projects that would require equitable funding between the three funding sources that they have, which would have brought the Allenstown portion of the budget up.

He then talked about the permitting requirements imposed upon them by the EPA and the DES as well as other state agencies. He felt it important to mention these permits as the costs are substantial, and they had already used up most of the extensions for which they were allowed to apply. That meant that these costs were going to come into play soon, and he just wanted to make the committee aware of this now. One committee member asked Mr. Clement if it would be possible for him to draft a summary of these permits and the costs involved in order to fully disclose these upcoming expenses, and he said he could indeed do so.

Rather than go through the very lengthy budget line-by-line, Mr. Clement opened up to questions from the Budget Committee. The first question was regarding the way revenues were reflected on the budget. After a lengthy discussion, the answer boiled down to the listings having to be accounted for in three separate revenue streams, with the breakdown of those three streams sometimes not reflecting the actual amounts of the moment.

Next, Mr. Clement was asked about what appeared to be pay increases

showing under their Payroll Expenses heading. In fact, this was due to their replacing one part-time employee (their chief mechanic) with a full-time employee in 2012. Additionally, they had replaced one employee with another who made more per hour, and had also hired a part-time custodian, which was a new position there.

In answer to the most commonly asked question, Mr. Clement said he didn't foresee any changes to the rate in the coming year. Mr. Anderson spoke about his fears with regard to upcoming expenses that the town could get hit with later on in the year, after being happy to see the lower Bottom Line and no rate increase for 2012. He worried that such an occurrence would result in a sudden declaration from the Sewer Department that the rate would be increasing to cover it. Mr. Clement answered that he didn't have a crystal ball, but that the plan was that their Capital Reserve fund would cover such unexpected things. Further, he explained that most of the higher-dollar items, such as the permits he'd spoken of earlier, wouldn't come into play until 2013. This led to a discussion of where that money would come from for 2013, which seemed to remain in question.

Mr. Richardson made a Motion to accept the 2012 Proposed Sewer Department budget in the amount of \$1,994,023.00. Fern Bissonette seconded the Motion.

Discussion: Mr. Caporale asked for what purpose two new trucks were being bought, at a substantial increase to the budget. Mr. Clement explained that one was to plow and sand their yard with, to replace the current truck, which was valued at \$2,200.00 but in need of over \$4,000.00 worth of repairs to make it inspectable. He then asked about the \$360,000.00 allotted for the replacement of the receiving station, to ensure that he knew which building this referred to. The money for this, as it turns out, was to come from the haulers, due to the fact that it benefits them.

Although some committee members were still dissatisfied with some of the expenses listed, Ms. Touchette said they needed to move on the motion. The last question, then, was from Ms. Touchette, who asked what could be done to increase revenue, aside from increasing the rate. Several committee members asked if increasing the septage received was possible, to which Mr. Clement replied that it would, but he didn't see that as feasible. His reasons were that there was only so much of that type of traffic that the townspeople wanted to see, and also that there was already a backlog of trucks lined up to dump, so there was only so much septage that could be accepted on a given day, even with their two dumping stations.

Ms. Touchette then reminded the committee that there was a Motion on the table to accept the 2012 Proposed Sewer Department budget in the amount of \$1,994,023.00. All were in favor, with the exception of Carl Caporale and Larry Anderson were opposed and Jeff Gryval abated, and the Motion passed.

Upcoming Budget Committee Meetings/Other Business.

Ms. Touchette turned the floor over to Mr. Gryval, who had some items to discuss with the Budget Committee before they adjourned for the evening. First, he talked about how for the Board of Selectmen, the budget process is a yearlong process. He said they wanted to work more closely with the Budget Committee throughout the year in the future, not only after they have given their direction to the Department Heads. One way they hoped to make that possible was to get several members of the Budget Committee to volunteer on some of the other boards in town, such as the CIP Committee and the Economic Development Committee.

Mr. Gryval then spoke about what happens after the budget is completed. He mentioned the Public Hearing on the budget that they would hold, and the Deliberative Session held by the Board of Selectmen. He wanted to propose that rather than the Budget Committee holding one and the Board of Selectmen holding the other, that they get together and host both hearings jointly. They would remain two separate meetings; the only difference would be that the Board of Selectmen and the Budget Committee would sit united at the front to answer questions from the townspeople. After a brief discussion, committee members were in agreement that these were good ideas, and were happy to hear more about the particulars and when each of those committees meet, which Mr. Gryval said he would provide in the near future.

Ms. Touchette then explained that although Tom Irzyk was not in attendance that evening, he had told her that the School Budget would be complete and that they wanted to present it to the Budget Committee in the first week of December. Unfortunately, though, Mr. Irzyk was not available that

Thursday evening, so he hoped they would arrange to meet another night that week so that he could present his budget. After hearing from the committee, it seemed that there was not another evening that week that would work out for most members. They decided to check with him regarding either December 1 or December 15, to see if either date was workable.

Adjournment.

Mr. Anderson made a Motion to adjourn the meeting. Mr. Jon Richardson seconded the Motion. All were in favor, and the meeting adjourned at 8:37 p.m.

Date approved:

Penny Touchette, Chair

Allenstown Municipal Budget Committee