

Tilton-Northfield Fire & EMS Commissioners' Budget Work Session

Meeting Called By:	Commissioners	Date, Time:	November 2, 2009 at 18:05
Transcribed By:	Kathy Tobine	Place:	Tilton School, new Academic Building, School Street, 1 st Floor 9 th Grade Classroom, Tilton

Commissioner Waldron called the meeting to order at 6:05 PM.

Present: Commissioner Paul Auger, Commissioner Tom Gallant, Commissioner Kevin Waldron and Chief Stephen Carrier.

Local Government Center

Tammy Croft, Account Representative, and Pam Fecteau, Property & Liability Representative, from the Local Government Center were introduced. Tammy stated we have all three programs with them. She brought some alternative options to discuss. The rates were released for the medical plans recently. There was a high increase this year. Tammy then gave a brief history of the LGC. Tammy passed out a packet of information. She reviewed the Matthew Thornton Blue health care plan the District currently has and then offered several alternatives explaining the differences between each plan.

Commissioner Waldron stated the monthly rates are based on a minimum 75% participation. Does less mean higher rates? Tammy replied that less means you wouldn't be eligible for coverage. The 75% is of eligible employees who do not have coverage elsewhere. If you have employees who have coverage through a spouse, that is fine.

Commissioner Gallant stated that if you increase the deductibles you get marginal savings. If you change the prescription plan all you are doing is shifting the cost to the employee. Tammy replied that there is no doubt about it that as you start to look at lower cost plans that is exactly what you are doing.

Commissioner Waldron wanted to know what the effective date would be for any changes. Tammy replied that typically in this situation it would be January as January is our open enrollment month but they can make the changes at any time during the year. If the District did it at any other time they would hold an open enrollment at that time.

Commissioner Waldron wanted to know if the rates were the increased rate. He also asked if they had information on how many of which plan the District has. Tammy replied that the rates are effective January. She told them that as of August of 2009 they had nine singles, three 2-person and one family. Commissioner Waldron asked Chief Carrier if that had changed. Chief Carrier stated we have one family, two 2-person and nine singles. One 2-person is a retiree.

Tammy explained to Chief Carrier that the LGC does not get involved with the buy-out. There was no further discussion on the health insurance.

Pam asked if there were any questions on the Property & Liability or Workers Comp insurance. Commissioner Waldron asked if the Property & Liability was vehicle coverage. Pam explained that it is vehicles, the buildings, the liability. Commissioner Waldron asked if our current vehicle deductible was \$1,000. Pam responded it was. Commissioner Waldron asked if we would save any money with a higher deductible. Pam responded they will only offer a higher deductible on the property. It wouldn't save any money on the equipment. Right now we have two ambulances that have replacement coverage and five fire trucks that have replacement coverage. If we opted to change that it's not that

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much of a savings. The total bill for 2009 was \$17,593. Discussion ensued regarding the deductibles and premiums.

Pam brought up Workers Comp and stated when we first went on with them we had a 1.39 experience factor. That claim has gone away and our experience has been pretty good. Our experience mod has gone down to .96. That mod alone saves \$15,000 off our contribution. Our mod for January has gone down a little bit more. It is down to .94. It's going in the right direction which is a good thing. You get a credit off our Workers Comp contribution for having all three lines with them. There is a credit that is given for having a mod under 1 which we didn't get when it was 1.39. This has taken a big chunk off our Workers Comp contribution.

Commissioner Waldron asked what it is planned to be for 2010. Chief Carrier replied he was told to use \$30,000. Pam stated this should fluctuate a little bit with the mod and the increase in the rates.

The Commissioners thanked Tammy and Pam for coming to the meeting.

210 Budget

Chief Carrier gave the Commissioners the quote from Melanson & Heath for a review.

Account 210: Group Health

Commissioner Gallant stated that the overall savings doesn't seem to change. Chief Carrier stated that there is nobody for sure who will jump on board for the buy out. Commissioner Gallant stated that Tammy's statement was correct. In order to opt-out, an employee must have insurance elsewhere. Discussion ensued regarding the different options that were offered by LGC. It was decided it was not in their best interest to change the health plan. Commissioner Waldron brought up that both Towns require employees to contribute toward their health insurance. Commissioner Gallant stated that may be the case but it is not the policy. A change in policy can certainly be discussed.

Commissioner Gallant made a motion to set the line at \$139,416 at the new rates which was seconded by Commissioner Auger.

Discussion: Commissioner Auger felt that since there was no pay increase he was willing to pay for the insurance this year. Next year look at other options. It may come to that they have to pay a portion of it. Commissioner Waldron asked Commissioner Auger if he had health insurance at work and if he paid a portion of it. Commissioner Auger responded that he does have health insurance at work and he pays a percentage of it. Commissioner Waldron asked him if he felt it was up to the employer to provide 100% coverage to him. Commissioner Auger responded that he did at one time.

Commissioner Waldron stated that at one time he worked for a multi-billion dollar company for 11 years called UPS and described the coverage he had. He believes that it is past time for a deductible and/or employee contribution. Commissioner Gallant stated he was not in favor of it for the year 2010. He is willing to discuss it and change policy. Commissioner Waldron asked if they have to change policy to change the plan at all. Commissioner Gallant responded yes.

Commissioner Gallant and Commissioner Auger were in favor of setting the line at \$139,416.

Commissioner Waldron was opposed.

Account #260: Workers Compensation

Chief Carrier stated that we just heard from Pam Fecteau regarding the Workers Comp.

Commissioner Gallant made a motion to set Account #260 at \$30,000. Commissioner Auger seconded the motion.

Discussion: Chief Carrier stated he gave her the updated wages.

All were in favor of setting the line at \$30,000.

Account #301: Auditing

Commissioner Gallant stated that we received an email with the quote for a 2009 review. Commissioner Gallant made a motion to set the line for Auditing at \$6,500. Commissioner Auger seconded the motion.

Discussion: Commissioner Waldron asked if it would cost \$13,000 to do 2009 and 2010 in 2011.

Commissioner Gallant replied he wouldn't even consider not having something done. It will cost more than that to do two years at once.

All were in favor of setting the line at \$6,500.

Commissioner Gallant stated he feels it is important to have a current ongoing review especially where Northfield is studying the feasibility of ceding from the District.

Account #480: Property & Liability Insurance

This was held open hoping that by increasing deductibles the rates would drop in some formidable way. She reassured us that, number one, they do not do that right now and, number two, she feels that any savings would be negligible. We are looking at a 6% rate increase in 2010.

Commissioner Gallant made a motion to set Account #480 at \$19,065. Commissioner Waldron seconded the motion. There being no discussion the vote was taken.

All were in favor of setting the line at \$19,065.

Commissioner Gallant asked Chief Carrier where he would find the budgeted amount for the supplies. Chief Carrier replied Apparatus & Equipment. The only thing we would have to do is at that stage in the Apparatus & Equipment Fund is come back to Account #634: EMS Equipment. He explained that it is in both places right now. This was severely under budgeted based on what Captain Bousquet provided to us. Commissioner Gallant asked if they wanted him to address that as he had done the research on the apparatus and equipment fund. Commissioner Waldron replied, please.

Commissioner Gallant stated that back on March 7, 2005, warrant article 11 is where the apparatus replacement and equipment fund was established under State RSA31:95-C. He then read from the article. *The Apparatus Replacement and Equipment Fund would be separate from the General Fund. Any surplus in said fund shall not be deemed part of the General Fund accumulated surplus and shall be expended only after a vote by the Fire District at a District Meeting to appropriate a specific amount from said fund for a specific purpose related to the purpose of the fund or source of revenues.* By virtue of that or source of revenue that's how it allows for proper accounting, offsetting expense to revenue. In other words, the expense that we incur with Comstar is charged against that fund. Just as that is charged against that fund then associated cost with providing that service is deductible, meaning the supplies. By virtue of that we can offset the apparatus and equipment fund with a line item for EMS equipment. Discussion ensued.

Apparatus & Equipment Fund

Account #3409.6: Ambulance Charges

Commissioner Gallant stated it is proposed at \$250,000. He asked Chief Carrier where we stand on that now. Chief Carrier replied \$215,273. Commissioner Gallant felt that \$250,000 was a reasonable amount.

Commissioner Gallant made a motion to set the Ambulance Charges for 2010 at \$250,000.

Commissioner Waldron seconded the motion.

Discussion: Commissioner Waldron asked if there was a downside to budgeting too much revenue.

Chief Carrier replied that is how all the states, our own included, get into trouble when the revenues don't come in as anticipated. Commissioner Gallant stated that in this particular case we are trying to create an obtainable number both on the revenue side, carefully expending those dollars for the purpose that was intended and always keeping an eye on the accumulated surplus in that particular account. He wouldn't have any problem budgeting \$260,000. It would be reasonable to expect that the \$250,000 might be a bit conservative considering we have recently changed the means by which we go

about collecting which we feel will result in more of the dollars being billed collected. We haven't yet experienced that so we don't know how it is going to work. It is something we hope is going to produce increased revenues. There being no further discussion the vote was taken.

All were in favor of setting the line at \$250,000.

Account #3503: Interest

Commissioner Gallant stated in 2008 we had \$803. In 2009 we have \$1,572. Commissioner Waldron asked if the interest stayed in that account. Commissioner Gallant responded yes.

Commissioner Gallant made a motion to set Account #3503 at \$1,800. Commissioner Waldron seconded the motion. There being no discussion the vote was taken.

All were in favor of setting the line at \$1,800.

Account #331: Ambulance Billing Services

Commissioner Gallant explained that this account is a by-product of Revenue based on a percentage. Commissioner Gallant made a motion to set the account at \$17,500. Commissioner Waldron seconded the motion.

Discussion: Commissioner Waldron asked if the Chief if it was 6%. Chief Carrier responded that it is 6.5% of every bill collected. Commissioner Waldron asked if the \$17,500 was 6.5% of the \$250,000. Commissioner Gallant explained that the District is currently paying 6.5% of every bill collected with a 60% collection rate. Discussion ensued regarding the collection rate. Chief Carrier explained that like the General Fund you cannot over spend what was approved.

All were in favor of setting the line at \$17,500.

Account #760: Vehicles

Commissioner Gallant made a motion to set the account at \$0. Commissioner Waldron seconded the motion.

Discussion ensued regarding setting the line at \$0 vs. \$1. Commissioner Waldron asked if there were no vehicles scheduled to be replaced in 2010. Chief Carrier stated that an ambulance was slated to be replaced in 2010 but he is recommending that it be pushed out to 2011.

All were in favor of setting the line at \$0.

Account #740: Fire Equipment

Commissioner Gallant made a motion to set the account at \$35,564. Commissioner Auger seconded the motion.

Discussion: Commissioner Gallant stated that he is pleased to see the itemization. To the best of everyone's ability at this point it appears that this is where the money will be spent. However this could change as circumstances change. Commissioner Waldron asked if this was new equipment or replacement. Chief Carrier replied that it is a combination and provided the details for each item. Commissioner Waldron asked what was decided for a policy on hose. Commissioner Gallant stated the policy. Commissioner Waldron asked if the hose was repaired or disposed of. Chief Carrier replied that typically 4" hose is repaired depending on where the break is and how bad it is. The other hose isn't typically. Commissioner Waldron's only caution of spending money out of this account is that we are going to be buying vehicles down the road. He won't support anything but a cash purchase. In his opinion it is wrong to borrow money when you have a revenue account. We just keep spending money out of this every year. Further discussion ensued. Commissioner Auger was concerned about the CO Detectors. Discussion ensued about this. Commissioner Auger was also concerned about the bunker gear and helmets. He wanted to know how many sets of gear the career people and the call company has. Chief Carrier explained that the career people have two sets and the call company has one set. Commissioner Auger does not feel that we should purchase a second set of gear and a helmet for the call company. Further discussion ensued regarding the life span of the gear being three to five years and our replacing them every seven years. Commissioner Waldron asked if the SCBA brackets were

replacing brackets that are already there. Chief Carrier replied yes and went on to explain. Chief Carrier stated that we have only spent half of what was approved. They are not spending \$35,000 each year. They are just spending what they need.
All were in favor of setting the line at \$35,564.

Account #960.5: Rescue Equipment

Commissioner Gallant made a motion to budget Account #960.5 at \$3,600. Commissioner Waldron seconded the motion.

Discussion: Commissioner Waldron asked Chief Carrier if this was for new or replacement equipment. Chief Carrier replied that it is for new. It is for the Hurst tool. They came out with a quick disconnect that you can disconnect under pressure. It is for four sets; the one on the Rescue, the portable unit on the Rescue and the two portable units.

All were in favor of setting the line at \$3,600.

Account #741: EMS Equipment

Commissioner Gallant made a motion to set the account at \$45,704. Commissioner Waldron seconded the motion.

Discussion: Commissioner Waldron asked if we can charge all ambulance related expensed to this account why are we not charging the insurance, fuel and maintenance to this account as well.

Commissioner Gallant replied that those are normal expenses that go against the General Fund. The expenses that are charged against this account are not strictly costs to provide ambulance services.

The only source of revenue is ambulance services. All your equipment purchases and vehicle purchases are coming through this. It's not offsetting one against the other. Again in the same form of thought, why wouldn't you take the cost of the men and all their overhead and charge it to this. It's just not the way the RSA is set up. The RSA is pretty specific. Commissioner Waldron asked Chief Carrier to go through the itemization of this line. Chief Carrier complied by reviewing each item. Discussion ensued on the power cot and Broselow bag.

All were in favor of setting the line at \$45,704.

Commissioner Gallant made a motion to go back and review Account #634: EMS Equipment in the General Fund. The account had been budgeted at \$9,000. He made a motion to reconsider that. He then made a motion to set the account at \$1. Commissioner Auger seconded the motion

Discussion: Commissioner Waldron asked why we are doing this. Commissioner Gallant replied It is now being carried in Account #741. Chief Carrier stated we would set up a sub account for this under Account #741.

All were in favor of changing Account #634: EMS Equipment from \$9,000 to \$1.

Commissioner Gallant asked if we could make it durable and non durable. Commissioner Waldron responded he liked the term disposable. It was easier for laymen to understand. Chief Carrier agreed.

Commissioner Gallant stated he would like to take a look at the completed budget to discuss where those numbers come in, to go back and revisit anything in light of those numbers. They haven't approved the minutes to any of these meetings. He would like to set aside an hour. Discussion ensued. It was decided they would meet at 5:00 PM before the Facilities Review meeting on the 16th.

Commissioner Gallant made a motion to adjourn at 8:20 PM. Commissioner Auger seconded the motion. Vote was taken and all were in favor. Meeting adjourned at 8:20 PM.

Next Meeting Date, Time, Place: November 16, 2009 at 17:00. Meeting to be held at Tilton School, new Academic Building, School Street, Second Floor, Room 213