

Tilton-Northfield Fire & EMS Commissioners' Budget Work Session

Meeting Called By:	Commissioners	Date, Time:	November 1, 2011 at 17:30
Transcribed By:	Kathy Tobine	Place:	Tilton Town Hall, 257 Main Street, Tilton

Commissioner Auger called the meeting to order at 17:37.

Present: Commissioner Paul Auger, Commissioner Patrick Clark, Commissioner Tom Gallant, Chief Brad Ober and Administrative Assistant Kathy Tobine.

Minutes

October 18, 2011

Commissioner Gallant made a motion to accept the minutes as printed. Commissioner Clark seconded the motion. There being no discussion vote was taken. Motion passed unanimously as printed.

October 26, 2011

Commissioner Gallant made a motion to accept the minutes as printed. Commissioner Clark seconded the motion. Discussion: Commissioner Clark stated that on page two he would like to amend the minutes to reflect the breakdown of each plan plus the opt out in the minutes to reflect the Chief's narrative. There being no further discussion vote was taken. Motion passed unanimously to accept minutes as amended.

42 Hour Work Week

Chief Ober passed out an updated budget that includes actuals through October. He passed out a memo on the proposed 42 hour work week.

42 Hour Work Week

The memo was reviewed. Commissioner Clark stated if he was reading this correctly on the back page it states that 1 per the increase for a single person is up 0.7%. Chief Ober replied this on the Dental Insurance. Commissioner Clark stated on the two person it's up 3.8% and asked what the family was up. Chief Ober replied 8.1%.

Commissioner Clark stated he did not remember any exit interview talk about people leaving because of the difference between the 42 and 48 hour work week. He remembered they were talking about the step & grade and the medical insurance. Chief Ober stated there were several others before Commissioner Clark got on the Board. In all honesty, their priority was the medical benefits, wage and step scale. Commissioner Clark stated Chief Ober mentioned the next piece of the puzzle. He wanted to know how many pieces there were. Chief Ober replied as far as being on the same playing field there really isn't anything else after that. This is the last biggest piece of the puzzle to compare apples to apples.

Chief Ober stated this is an attempt to show you that this has been done before in the department, in the reverse way. In the earlier meetings when he talked about it, it really is going to become a wash when you look at it on an annual basis.

Vacation Time

Commissioner Auger questioned the minor reduction in vacation costs. Chief Ober explained they get the same number of weeks off but you have to break it down into hours. Vacation time is by the week. When you change to a 42 hour work week, their one week of vacation will be 42 hours rather than the current 48. He will only have to cover the 42 hours. That is where the savings will come in.

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Sick Time

Chief Ober explained sick time is hour to hour. He can't predict what the cost savings will be. Commissioner Clark asked about the current sick time. It is 12 hours per month. The current maximum sick time a career employee may carry is 288 hours. He wanted to know about the reduction. Chief Ober explained that with the 48 hour work week the maximum they can carry is 288 hours which is equivalent to six weeks. With 42 hour work week, the proposed maximum is 252 hours which is equivalent to six weeks. Discussion ensued.

Budget

Commissioner Clark asked if the changes made reflected what was talked about at the last meeting. Chief Ober stated he didn't make any changes that they had talked about. Commissioner Gallant stated he changed the fire equipment to \$25,000.

Account 211 Health Insurance Deductible

Chief Ober reported Kathy had received information from the Auditors on how to set the balance aside that was left in the health insurance deductible account. Kathy reported the Commissioners vote to set the balance aside using a new fund balance account. Discussion ensued about moving the balance to the new account under the equity section.

Commissioner Gallant recommended they leave \$1 in this account. Move the balance of this account to the new equity account. Charge 2012 expenses against the new account then decide how to fund this account after the 2012 experience. He went into detail on how this would work. Discussion ensued.

There being no questions on other items in the budget, wages were discussed.

Account 110 Career Salaries & Wages

Chief Ober stated does reflect a step increase for the Fire Prevention Captain, Chief and Administrative Assistant. For all shift personnel, it does not reflect a step increase. It does reflect one additional person starting the first week in July for the purpose of changing from a 48 hour work week to 42 hour work week. Chief Ober explained that his current salary does not reflect a step on the scale. The 2012 does reflect him getting on the scale.

Commissioner Auger stated Chief Ober has been on for almost a year as Chief and he feels Chief Ober has done a great job. You have proved yourself very well. You are very easy to get along with, very easy to work with. You and Kathy do a great job. You have done a great job on the budget. At this point he would like to see the shift come down to 42 hours a week but not this year. Look at it again next year. Hopefully they can do it next year. Chief Ober stated next years budget will not show such a reduction as this year and include that person. He thinks it will be more of a hit.

Commissioner Gallant stated that they had talked about utilizing the Apparatus & Equipment fund next year to help offset the Operating Budget. That needs to be reckoned with. They need to put a warrant article in on that if the Commissioner feel so led. That warrant article will be acted upon by the body. He doesn't agree with Chief Ober on the hit. The hit can show a decrease if they use the Apparatus & Equipment Fund in the manner they had discussed. In his opinion you use in with a \$20,000 amount. Obviously that amount might change year to year. The \$20,000 might be a little low based on what the overall numbers do with the CIP.

Commissioner Clark asked when the presentation would be made about getting together with Belmont and Sanbornton. Chief Ober replied he is not sure yet. It will probably be next year. Discussion ensued about staffing. Chief Ober stated they would be Belmont employees. Commissioner Gallant stated he is totally against this. It is way too expensive. He doesn't feel it would fly.

Commissioner Clark asked Commissioner Gallant his thoughts. Commissioner Gallant feels this is the time to change to a 42 hour shift. He feels the overall impact on the budget is not significant. It is also the time to put the warrant article in to utilize some of the monies in the Apparatus & Equipment Fund to help offset the Operating Budget in the manner in which the Chief has proposed. He would like to

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confer with DRA for suggestions on the wording of the warrant article. See what their recommendations are for a fixed amount, variable amount, discretionary amount or whatever.

Commissioner Clark is looking at what Chief Ober said. Right now is the time to do it. You are dropping \$10,000 off the overtime. The group health insurance is dropping from \$169 to \$155. The retirement is dropping from \$190 to \$142. He wanted to know how that worked out. Is it because we hired younger employees and their pay is less. Chief Ober explained that is a minor part of it but the large part is that the new State retirement rates are lower. We have the new rates which have been certified for two years. Discussion ensued about the retirement. Commissioner Clark stated as he runs down the numbers there is about \$6,000 for health insurance, \$48,000 for retirement, overtime is down \$10,000 and no increase in pay for the sift people. That is 2½% across all those. That is a tremendous amount of savings that we have there right now to be able to come in at a close to level funded budget.

Commissioner Gallant stated we are coming in under budget. Discussion ensued about using the Apparatus & Equipment Fund to help offset the Operating Budget. Commissioner Gallant stated it would not take effect in 2012. If it were voted on in March 2012, it wouldn't go into until 2013.

Commissioner Clark, at this time, wholeheartedly agrees with Commissioner Auger. He doesn't feel we should make any change and add any employees on at this time. He thinks it's great number crunching the Chief has done. If they wanted to they could take the savings and instead of coming down 3% we might be able to come down 15%. He doesn't know if they want to do that.

Chief Ober admitted this is a progressive proposal. When he first started working on the budget the end of August and started running the numbers and saw what was happening with the bottom line, he felt now was time to do it. First drafts had only a \$5,000 to \$6,000 increase. He said this was the time to do something like this with such a small impact. It is \$26,000 reduction from last year. This solidifies his whole thought process so he can come to them with such a progressive plan. He can come in good faith with aggressive plan.

Commissioner Clark stated a lot of that is artificial. The health insurance is certainly an artificial number. Holding back the pay increase for the shift is an artificial number that is going to come back next year. He doesn't know how he got \$10,000 off the overtime. Chief Ober stated he disagrees that these are artificial numbers. Those were accurate numbers for 2011. Commissioner Clark stated they looked at what they have. They budgeted for five family plans last year and they are down to 2½ this year. That's a huge savings. Commissioner Gallant stated that is not artificial. Commissioner Clark stated we put five in there but did we actually use five. Chief Ober stated three people had family plans. We had two people leave and we didn't know what the new hires would need for insurance so we budgeted for the family plan for each. The fact of the matter is we made a big change. We put a family plan in as we had no idea. We were able to hire employees that needed single plans. Chief Ober stated don't call them artificial. They were accurate to what the needs were. Discussion ensued.

Chief Ober stated the cost of the new person in 2012 totals to \$33,000. A half year salary, retirement and potential family plan medical.

Chief Ober stated that a step of 2½% would be roughly \$16,000. Commissioner Clark repeated that if we were to give the men their step it would be approximately \$16,000. Chief Ober stated yes. Discussion ensued.

Commissioner Auger stated that going from a 48 hour work week to a 42 hour work week is a huge pay increase. Chief Ober stated the annual salary remains the same. Commissioner Gallant stated they are not going to be taking home any more in their pay checks weekly. He doesn't believe it is an increase. Chief Ober stated they are not going to get a monetary increase. Commissioner Gallant stated they are not going to be able to spend any more money next year than they did this year. They are not going to take home any more money next year than they did this year. Chief Ober stated that they are taking a hit; an average of 12½% on their health insurance, an average of 4.3% on their dental insurance. They are going to end up with a lot less in their take home weekly. If you are comparing hours worked, yes. That is why I couldn't even think of a step increase on top of this. Basically he is proposing that in lieu of a step increase to their annual salary that they freeze them at the 2011 rate

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through 2012. This is why he feels comfortable putting this proposal on the table. He can't argue that this is a reduction in work hours because it is. The benefits of it not only benefit the individual but the individual and department equally. He doesn't know if he could present a budget as attractive in 2013.

Commissioner Gallant stated they asked him to project what it would be in 2013. He did that. Chief Ober stated without any ambulance revenues it was a \$51,000 increase. Using \$20,000 in ambulance revenues brings it down to a \$31,000 increase. Discussion ensued.

Commissioner Gallant stated he feels this proposal is very innovative. It works. The benefits in a reduced work week are amazing. Commissioner Clark asked where he got his information. Commissioner Gallant stated he googled it.

Chief Ober stated if something is to get delayed he would rather delay the implantation of the career deputy chief position. He would rather get the staff down to a work week that is manageable to the amount of activity they are doing. That is a priority. Commissioner Gallant stated he doesn't feel the deputy chief will ever come to pass. Commissioner Clark feels this is not the time to add any more employees.

Commissioner Clark made a motion to stay with the 48 hour work week and add no other staff people on for this budget season. Come back with your best proposal, saving as much money as you can under those circumstances. Commissioner Auger seconded the motion. Discussion: Chief Ober stated he will not ever be able to make it as attractive as this year. If you don't do it this year he doesn't see it happening. One of his concerns is that he looks at this and at the bottom line and say okay you are going to reduce it by \$26,000 and accomplish all these other things. Sounds like a good plan to me. It's going to cost me less and the department is going to get to where it needs to be staffing wise. The next projected 2013 looks like a livable number. If we do what was just suggested it will add approximately \$15,000 to the current reduction. Call is \$35,000 for round numbers. If we reduce the budget by that amount going into 2012, I now need to increase the budget by \$35,000 going into 2013 rather than \$26,000 reduction like this year. Commissioner Clark stated he hasn't taken the numbers and run them out over a long period of time. All he knows is when you add another person on it's a liability. It's a huge expense. It's an expense right now with the economy being the way it is that we can afford. Chief Ober said basically delaying it a year, by doing it next year you are going to be looking at a \$35,000 increase rather than a \$26,000 reduction this year. On today's numbers that is a 2% increase rather than a 1% decrease. Commissioner Gallant stated he doesn't think if you talk 1% to 2% it makes any difference to the public. He thinks they are going to say that is a \$31,000 savings or \$105,000 savings or that's a \$50,000 increase. If he sees an increase in this economy he's going to say what can we do to get this back? The percent doesn't mean much to a taxpayer. It's dollars and cents. It's the almighty dollar that the individual gets to spend from week to week. Paul stated lot of people out there. They are not stupid. They are going to say how did you hire another guy and save that amount of money? They are going to say why did you hire a guy? Why didn't you just reduce it? Chief Ober stated he can answer that question. The Department really needs to move to a 42 hour work week. Our activity supports it. The call back time, the time off between shifts, etc. This is where the Department needs to be whether it's in 2012 or 2013. We are the second busiest department in the Lakes Region. Commissioner Gallant asked how many departments around us are 48 hours. Chief Ober said Bristol. The department operationally really needs to move in this direction. He has proposed a six month deal. Maybe we should think about doing the last quarter in 2012 to bring it down more. That just puts off inevitable. By waiting a year it will be a bigger jump. For all reasons you said not to it do this year will be valid a year from now. The impact on tax rate would be worse. If he were given a choice, he would put off the deputy chief's position. Both positions are where the department needs to be at some point. Commissioner Gallant stated when looking at the bottom line it makes a difference. People look at the bottom line. Commissioner Auger stated in this day and age people are asked to do more for less. Commissioner Clark stated he doesn't feel we can afford to put another person on. We can't afford the future liability. Chief Ober stated doing this in the manner in front of them will have the least amount of impact. Commissioner Gallant called for a vote.

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Commissioner Clark revised his motion. Commissioner Clark made a motion to remain at a 48 hour work week and not hire any more staff and to incorporate any cost savings in a revised budget to present to the Budget Committee. Commissioner Auger seconded the motion. There being no discussion, vote was taken. Commissioner Auger and Commissioner Clark for, Commissioner Gallant vehemently opposed. He finds this absolutely short sighted and not in the best interest of the Department and/or the taxpayers.

Kathy asked for permission to speak. She reminded the Commissioners that last year Chief Ober had recalculated her labor grade as a five. The Commissioners had increased it to a four and stated they would revisit it this year.

Chief Ober asked the Board for direction as to step increases on their revised budget. Commissioner Clark stated he use the step of 2½%. Commissioner Gallant asked how the 2½% step was established. Discussion ensued. It was decided they would come back in a week to deal with Career Salaries & Wages.

Commissioner Gallant made a motion to adopt the budget as presented by the Chief on his November 1, 2011 Budget Proposal. That covers all accounts from Account 301 through Capitol Outlay Account 960, everything from the top of page 3 through page 5. Commissioner Auger seconded the motion. Discussion: Commissioner Clark asked about Account 211. Commissioner Gallant said they will deal with it separately under Benefits. There being no further discussion, vote was taken. Motion passed unanimously.

Account 211 Health Insurance Deductible

Discussion ensued about what to fund Account 211 at in 2012.

Commissioner Gallant made a motion that Account 211 Health Insurance Deductible be reduced to \$100. Commissioner Auger seconded the motion. Discussion: Commissioner Gallant stated that we have checked with our accountants and have been advised that we can encumber an amount unexpended to a reserve account to be used in the future. We have been informed by our accountants we can do so. The account will reflect what it is for and would be reflected in our balance sheet in the retained earnings section. We have had a discussion this evening and decided to take every dollar there. Otherwise it will just fall to unexpended revenues. He will make sure they have a memo on that to pass out to the Budget Committee when they get to that point of discussion.

Commissioner Gallant revised his motion to read Account 211 Health Insurance Deductible be reduced to \$1 and any unexpended funds be transferred to Account 3910. Commissioner Auger seconded the revision. Discussion: Commissioner Gallant requested they reclassify the \$6,500 and move it from Account 210 to Account 211 in 2011 for ease of understanding. There being no further discussion, vote was taken. Motion passed unanimously.

Commissioner Gallant addressed Commissioner Clark's idea of going away and coming back in a week to deal with Career Salaries & Wages. He feels this is too important an area to just abandon. He thinks it is a good idea. Discussion ensued. It was decided they would meet again to deal with Career Salaries & Wages.

Chief Ober stated he will be out the office Thursday and Friday. He and Captain Michaud are going to New Jersey to get the new ambulance. He will need to have until at least Wednesday of next week to revise their Budget numbers. Commissioner Gallant stated he will caution the Budget Committee at their meeting on November 7th that there are going to be changes in the Career Salaries & Wages and Benefits lines. They are to deal with everything beyond that. It's not extremely important to meet before that. Discussion ensued about when to meet. It was decided to meet on November 9th.

New Ambulance

Chief Ober requested the Commissioners vote to approve him to sign any paperwork needed to be signed in order to pick up the new ambulance. Commissioner Gallant made a motion to authorize Chief Ober to give formal acceptance for the new ambulance when he goes down to pick it up on the 4th of

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November. Commissioner Auger seconded the motion. There being no discussion, vote was taken. Motion passed unanimously.

Underground Storage Tank

Chief Ober passed out the latest draft with changes of the Underground Storage Tank Memorandum of Understanding. He recommended they read it and bring it up at the next monthly meeting in November. Commissioner Clark asked if the biggest hold up was the liability. He asked if that was addressed. Commissioner Gallant stated Chief Ober had briefed them on the Tilton Selectmen's concerns. Chief Ober replied there is a better definition of users vs. owners in this latest draft.

Pressurized Hydrants

Commissioner Gallant stated that on the budget itself it is either or. In the 2011 Budget Pressurized Hydrants are in. It is not in the projected 2012 Budget as it is a warrant article. When you compare the numbers it is inappropriate as they are not comparing apples to apples. Either we take it out of the 2011 Budget and put it underneath the total which will bring you to the same grand total. Then put it under the 2012 and indicate clearly that it is a warrant article. He believes this is the way it should be done. It is not a fair presentation. This is how we should present it. It needs to be below the line. We will have a sub operating and a final. Discussion ensued.

Commissioner Gallant stated he firmly believes the Chief's proposal is the proper way to go. The excuse that this is not the right time is that there is never a right time. He gave many examples. There never is a good time for it. He agrees that it may not be good time to do that. He believes this is means to do that with the least effect on the taxpayer. These numbers are not manifestations of someone's mind. They are using real numbers. That's all he has to say.

Adjournment

Commissioner Gallant made a motion to adjourn. Commissioner Auger seconded the motion. There being no discussion, vote was taken. Vote to adjourn was unanimous.

The meeting adjourned at 19:40.

Respectfully submitted,

Kathy Tobine
Administrative Assistant

Next Meeting Date, Time, Place: November 1, 2011 at 17:30. Meeting to be held at Tilton Town Hall, 257 Main Street, Tilton.