

SUNAPEE BOARD OF SELECTMEN
5:30PM Safety Services Building
Monday, November 27, 2017

Present: Suzanne Gottling, Vice Chairman, John Augustine,
and Donna Nashawaty, Town Manager.

Absent: Fred Gallup and Shane Hastings

Chairman Trow opened the meeting at 5:30PM

Chairman Trow, BOS (Board of Selectmen) turned the meeting over at 5:45PM to Chairman Kulpa, ABC (Advisory Budget Committee).

•Review Any Updates from Town

Chairman Kulpa, asked to hear from Donna Nashawaty who went over the updated budget worksheet pages, which included the October CPI-U of 1.5%. All the salary tables have been updated to 1.5%. The deadline has come for the employees to choose their health insurance selection for 2018, which now the budget has actual numbers. There is also an updated warrant article worksheet, which will be discussed by the Board of Selectmen at the Monday, December 11th BOS meeting.

•Preservation Update

Betty Ramspott has regrouped and would like to keep the warrant article for the records preservation in the amount of \$10,000, and use the money to purchase a filing shelving system for the downstairs vault. This will enable the Town to get all the records that are stored in the backroom closet of the Town Clerk's office into the vault. If there is any money left over Betty Ramspott would pick one of the books to preserve. Also in 2018, Betty Ramspott intends to apply for a grant from the Moose Plate Grant Fund, which she would use to obtain a records assessment with a cost of roughly \$5,000. The assessment will give the town recommendations on how to proceed with the preservation project. Betty Ramspott will also contact the State's Archivist, Brian Burford, who may have some records at the archives, which may be on microfilm. Betty Ramspott will go down and check out what they have. Betty Ramspott will also be checking out other funding sources. Veronica Hastings wondered if Betty Ramspott found out how much it would cost each year to preserve the records. Betty Ramspott replied no. The first step should be preserving what the town has and then try for the grant for the assessment. After some discussion on adding a yearly amount to the budget to preserve the town records Donna Nashawaty recommended getting the shelving for the backroom records the first year and then whatever the number is, based on the assessment, going in on the warrant with a notation that this shall become part of the operating budget.

•LED Lights

Scott Hazelton gave the committee the numbers he received to change the Town Office and Highway Garage to LED lights. To retrofit the Town Office with LED lights, the product, materials and installation costs would be \$12,076.39. There is a Eversource utility incentive that is available and is estimated to be \$6,050, which would mean the total investment cost for the Town Office is \$6,026.39. The annual energy saving is approximately \$1,651.52. The total annual maintenance savings is \$165.15, for a total annual cost savings of \$1,816.68. The payback period would be approximately 3.3 years and the return on investment would be approximately 30.13%.

To retrofit the Highway Department with LED lights, the product, material and installation costs would be \$18,199. The utility incentive is approximately \$6,550, which would mean the total investment cost would be \$11,649. The annual energy savings is approximately \$4,032.18. The total annual maintenance savings is \$806.44, for a total annual cost savings of \$4,838.61. The payback period would be approximately 2.41 years and the return on investment would be approximately 41.53%. To retrofit the Safety Service Building with LED lights, the product, material and installation costs would be \$39,272. The utility incentive is approximately \$13,415, which would mean the total investment cost would be \$25,857. The annual energy savings is approximately \$5,221.99. The total annual maintenance savings is \$1,044.40, for a total annual cost savings of \$6,266.39. The payback period would be approximately 4.13 years, because there's a lot more office space in the building. The return on investment would be approximately 20.19%. Financing is available for all 3 projects. The total cost for all 3 buildings, with incentives is \$65,547.39. The total cost with the \$22,015.39 of incentives is \$43,532, which doesn't include the savings. One way to do this is to put on a warrant article for the total amount of \$65,547.39 or go with a financing plan that would come out of each individual department's electric budget. Scott Hazelton's recommendation would be to go with the Smart Start financing plan, which is similar to what was done with the streetlights. Donna Nashawaty said this would require a BOS vote to enter into a multi-year contract. The Board will look at this warrant article at the next BOS meeting on Monday, December 11th.

•Outside Mowing Contractors

Scott Hazelton said at the first budget meeting in the Building and Grounds Budget Chief Cahill asked how much it would cost to have an outside contractor mow the town's grounds. The Town got a proposal from Pleasant Acres to mow and trim all the town properties, which is roughly 19 acres. The cost for Pleasant Acres to do this on an annual basis is \$36,000 to \$39,000.

•Advisory Budget Report

Chairman Kulpa handed out the 2017 ABC budget recommendations that Donna Nashawaty updated with the 2018 numbers. Chairman Kulpa would like to recommend that the committee uses this as a starting template for this year's report. The committee reviewed the recommendation numbers and asked for the top ten-line items that increased and decreased in personnel and the top ten items that increased and decreased excluding personnel, in the rest of the budget. Donna Nashawaty will email the ABC report to the committee in a word document.

REVIEW OF ITEMS FOR SIGNATURE:

MOTION TO APPROVE THE FOLLOWING DRIVEWAY PERMIT

Parcel ID: 0129-0008-0000 37 Lower Main Street, Gregory Young by Selectman Gottling, Seconded by Chairman Trow. Unanimous.

MOTION TO APPROVE THE FOLLOWING INTENT TO CUT

Parcel ID: 0104-0051-0000 Springfield Road, Penny & Mitchell Latva

Parcel ID: 0104-0052-0000 Springfield Road, Penny & Mitchell Latva

By Selectman Gottling, seconded by Chairman Trow. Unanimous.

Donna Nashawaty wanted the Board to know that she had put a building permits because of concerns that she had with the permit. This was an FYI in case the Board receive any phone calls regarding the Building permit.

APPOINTMENTS

7:00PM- Derek Ferland, Sullivan County Manager

Derek Ferland, Sullivan County Manager and Jeff Barrette, Chairman of the Sullivan County Commissioners were asked to come and talk to the Board of Selectmen (BOS) about a couple of topics; health insurance, CPI-U, wage study, contracts and fund balance policy. Derek Ferland asked if that covered the topics the Board wanted to discuss. Selectman Augustine replied he wanted to discuss in general, how the budget was broken down, 50% for the nursing home and 20% for corrections. Jeff Barrette said Selectman Augustine wasn't real far off. Selectman Augustine's understanding is the Sunapee taxpayers contribute roughly 30% of the total overall county budget. So, given that, it would be very useful for the Sunapee taxpayers to understand where their money is going. Derek Ferland started with the details of their health insurance plan. The health insurance is through Healthtrust, with Anthem as the coverage. Based on the feedback from the staff, the health coverage is good. Derek Ferland feels it's a pretty generous benefits package in terms of the breakdown of the County's share of the premiums versus employee share. There is a two-tier structure for bargaining unit and non-bargaining unit. For the non-bargaining unit, the single plan breakout is that the County pays 90%, the employee pays 10%. For the two-person plan it's 83 ½% and 16 ½% and for the family plan it's 80% and 20%. For all the bargaining unit, the breakout is 75% and 25%. As far as the premiums the last two years the costs have gone up over 32%. This year the County has been told that the guaranteed maximum rate is going to decrease by 1.9%. The County will get their final rate in April. Jeff Barrette asked if the Town was going to see a decrease this year. Donna Nashawaty replied the Town had a plan that they were offering, which the employee can keep, but will have to pay the difference in the premium., but have replace with a "Site of Service" (SOS) plan. The Town will be funding 50% of the deductible. Jeff Barrette replied that the County also paid 50% of the deductible during the transition from a traditional plan to the SOS plan. The County set-up an Health Reimbursement Account (HRA) to fund some of the difference. It's typically a high deductible plan with \$3000, \$6000 and \$9000 for the single, two-person and family. The County pays most of that deductible through the HRA. The "out of pocket" deductibles are \$50, \$1000 and \$1500 per plan. Donna Nashawaty stated that the Town couldn't do that because they made the change at Healthtrust that you can only fund up to 50% of the deductible if you're switching now. Every three years the County reviews the insurance market to see what's out there. Selectman Augustine had some questions regarding the premium percentages that non-bargaining and bargaining employees. Selectman Augustine said that the Town for 2018 is planning on having the employees contribute 0% and asked if the County ever considered having the employees pay 0%. Donna Nashawaty stated that the County picked up the whole deductible, so that made the difference.

Selectman Augustine asked of the \$3000 single deductible, the County will pick up \$2,950. Derek Ferland replied no, \$2,500. Jeff Barrette stated that the County went from a \$500 deductible plan to a \$3,000 deductible plan, the County funded the difference. Jeff Barrette stated the County was able to make a significant change that saved the County \$1,000,000 and put money into the paychecks of our employees, who didn't get hurt in the process. It was truly a win for everybody. Selectman Augustine said the employees pick up more of the monthly premium that the Town is considering doing, but the County contributes \$2,500 of the \$3,000 deductible.

Jeff Barrette replied that was correct, but the plan is to taper that off the contribution of the deductible over time. By the County funding of the HRA, it counts towards the payment of insurance for the employees. The healthcare budget is \$2,500,000 across the county out of a \$31,500,000 budget. So, a little less than 2% goes towards the premiums. Regarding the dental insurance, the County is self-insured. Pending any questions, the next item is the CPI. The County goes with the December Northeast region tables from the Department of Labor. Selectman Augustine asked if that was what the County used for the “cost of living” part of the compensation. Jeff Barrette replied it was. Selectman Augustine asked if a step program was used as well for the non-union. Jeff Barrette said it was merit pay, which could range up to 1 ½%, which is in addition to the cost of living part. Selectman Augustine said that once it is agreed upon everybody gets their cost of living raise based on December Northeast CPI, Jeff Barrette replied that is correct. Selectman Augustine asked if each person is evaluated individually as to whether they get a merit increase. Donna Nashawaty replied that the County has a pay table similar to the Town’s pay table. Selectman Augustine asked if it was truly a step program. Jeff Barrette replied the merit raise must be earned, it’s not an automatic thing. It’s up to the Supervisor to determine which of their performers earned a raise. Selectman Augustine asked if someone could get a 1.5% increase or .5% increase based upon the assessment of the Supervisor. Jeff Barrette replied yes, and some people could get 0%. Typically, these are employees who have had disciplinary action taken during the year who don’t get a merit increase, but do get the cost of living increase. Donna Nashawaty stated that she thought she has seen a pay table. Jeff Barrette replied that the County has pay grades, which is done by job classification ranging from #1 through #30. There could be multiple job titles in one classification. Donna Nashawaty said the State does something similar to the County. Jeff Barrette stated that the wage study was brought on for a couple of reasons; the County is in the healthcare field; the marketplace is changing rapidly, and it had been about 12 years since a wage study was done. The wage study went through all the grades, which are based on a scoring system. The scoring is based on job responsibility, if you supervise people and requirements of the job. The comparative information came from municipal governments and similar facilities in the private sector, because of the nursing home and prison. The County uses a competitive bidding process on contracts over \$5,000, unless it’s waived by the Commissioners, which must be voted on and recorded at the Commissioners meeting. As far as awarding the bid, the County has a clause with their proposal, which gives them the right to choose the bid takes gives the best value to the taxpayer and sometimes that is not the lowest bidder. Jeff Barrette stated that most of the bids are based on references. The County adopted their Fund Balance policy on April 6, 2015, which basically sets a limit on the undesignated fund balance levels. The guidance references some well-established, best practices from the accounting world and talks about having a buffer of 8% to 16% of your operating expenditures. So, the County has targeted that 16% to serve as the floor, which equates to about \$2,500,000 to have as the undesignated fund balance reserve. Selectman Augustine asked how the County gets the money for fixing the roads, bridges and buying new equipment. Anything must be in the budget. For the County to expend money there must be an appropriation to do so. The County budget season starts in February with the Department Heads and County Manager, then to the Commissioners who work through the budget and make adjustments and then moves on to the Executive Finance Committee. Nothing happens until all 13 municipality members of the delegation sign off on the budget in it’s entirety.

Any expenditures that fall outside of the what was in the budget need to go back to the delegation for approval. Any capital repairs; roofs, equipment or vehicles are all budget items. Derek Ferland had 2 things he wanted to discuss with the BOS. There is a Regional Economic Profile initiative that the County is working on in conjunction with UNH Cooperative Extension. The discussion is what this region's economy need to look like in the future, what does it look like today, and then how can we map out the strengths and weaknesses to get where we want to go. There have been 5 core themes that have emerged from the group discussions, workforce development, diverse economy, quality of life, human capital and a robust economic infrastructure. In addition, next year Sullivan County is hosting the New Hampshire Association of Counties Annual Conference. The conference will be held at the Mt. Sunapee Resort in September of 2018.

PUBLIC COMMENTS:

- Mary Hillier commented that the Board was doing a wonderful job.

SELECTMEN ACTION

- Mary Hillier-Advisory Budget Appointment

Selectman Augustine doesn't have any issue with Mary Hillier as an individual and appreciates her coming to the last 2 BOS meetings, but is concerned that the committee would not have any representatives of the taxpayers with higher priced properties. There was a time, just 2 years ago, when all 5 members had properties that were a million plus assessed value. Now there is a situation where all 5 members assessed property value, in Selectman Augustine's opinion, are similar and thinks it would be best if the committee had a mix of taxpayer liability, if you will. Selectman Augustine would prefer that the position be filled with someone who would be representing taxpayers not represented on the committee. Selectman Augustine understands that no one has stepped up from that group of people, but thinks it's worth mentioning. After some discussion, Chief Cahill said the Selectman Augustine makes a good point, but the problem is those people have not come forward to volunteer, so we're living with what we got, so let's move forward. Chief Cahill enjoys the fact that people are volunteering to come and do this when we can't get someone else to come in here. Chairman Trow said everyone here is grateful to the volunteers, but in the future, it makes sense to get a cross-section of the community, but if what we have is what we have here, that is way better that where we were. **Motion to appoint Mary Hillier to the Advisory Budget Committee by Selectman Gottling, Seconded by Chairman Trow. 2 in Favor. Selectman Augustine Opposed.**

CHAIRMAN'S REPORT

- Selectman Gottling wanted to see if the Board was amenable to authorizing the Town Manager to reiterate the Board's statement in the past, that the Board was supportive of Newbury's concerns regarding the Wild Goose Project.

Selectman Gottling stated that there was going to be a public meeting on Friday at the Newbury Town Hall. Selectman Augustine asked what Newbury's concerns were regarding the project. Selectman Gottling replied the traffic and the 50 miles per hour speed zone. As proposed, it would be open 24 hours and Newbury would be responsible for responding to all emergency calls. Selectman Gottling said it could be a very simple statement.

Donna Nashawaty read the letter of support that was sent in January 2009 from the BOS. **Motion to authorize the Town Manager to send letter of support by Selectman Gottling, seconded by Chairman Trow. Unanimous.**

- Selectman Augustine said he has a couple of things regarding the minutes; The minutes do not reflect that Josh was at the meeting. On page 2 it says Selectman Cooney and on the boat contracts Selectman Augustine also added the Fentons could find cost savings, not everything has to be passed on to the customer, they could simply adjust their operating costs to absorb that 1.9%. Another missing comment was that the taxpayers have no choice and have to pay whatever's asked of them in terms of an increase each year. At least the Fentons have the opportunity to come in and plead their case. The word glitz should have been glitch. By the Harbor House Livery Clock Capital Reserve section, the recording time was left on the minutes and the word replace should be repair. Donna Nashawaty updated the Board and said there is no money left in the Harbor House Livery Capital Reserve Fund.
- Selectman Augustine asked if the Board was going to see a copy of the final version of the boat contracts. Chairman Trow replied that Donna Nashawaty signs the contract, so the Board doesn't necessary see them. Donna Nashawaty said she could put a copy in the reading file.

TOWN MANAGER REPORTS

- Donna Nashawaty reported that there is an issue with the Bartlett-Tyler trail. There was some damage reported by a resident this morning. Barb Vaughn got ahold of the Conservation Commission, who assessed the damage and recommended that the trail be closed to the public until the trail hazards have been cleared. Van Webb, Chairman of the Conservation Commission emailed Donna Nashawaty regarding how to close the trail. Donna Nashawaty has never had to close a trail, but thinks it just has to be posted that the trail is closed due to safety hazards. Just wanted to mention to the Board.
- Discussion on Budget Public Hearing and Deliberative Session Dates
Donna Nashawaty went over the dates for the Budget Public Hearing and the Deliberative Session. The Budget Public Hearing will be on Tuesday, January 9th, which is the same day that petition warrant articles are due to the Board of Selectmen. Donna Nashawaty asked the Board if they wanted to start the public hearing at 7:00pm and that there is a regularly scheduled BOS meeting on Monday, January 8th, do they want to meet both days. Chairman Trow replied that he didn't see a need to have both meetings. Donna Nashawaty asked if they wanted to start the Tuesday, January 9th meeting at 6:30PM to do building permits and cancel the meeting on the 8th. The Board replied yes. The BOS are meeting on Monday, January 22nd, but the default budget and warrant must be posted by Monday, January 29th. Donna Nashawaty can try to have everything ready by the 22nd, so she would like the Board to pencil in the 29th in case there is a problem. The Deliberative Session is Monday, February 5th for the school and Tuesday, February 6th for the town, with Wednesday, February 7th as the snow day for both meetings. Selectman Augustine asked if the meeting would be streamed. Donna Nashawaty said that the Deliberative Session is in the gym and their audio equipment is where the School Board meetings are held. If the Board wants to contract the school to record the meeting on disks that is the only way it could be done. Selectman Augustine asked if there would be a recording, Donna Nashawaty replied that the Town Clerk takes the minutes of this meeting, not Barb Vaughn. Selectman Augustine would like the Board to think about it between now and February to see if there's a way to get the meeting recorded.

The Budget Public Hearing will be held in the Town Meeting Room and the Deliberative Session will be held at the SMHS Gym. Selectman Augustine asked about the last BOS meeting in December, is the Board meeting on the 26th. Donna Nashawaty replied yes.

•Updated October Financial Report

The Board received an updated October financial report because Selectman Augustine noticed that the October numbers did not equal the comparative statement numbers.

•Holiday Celebration for Employees

The Employee Christmas luncheon will be on Wednesday, December 20th at the Safety Services Building. Selectman Augustine stated that there is no line item in the budget, that he has seen for employee events, why is that and where does the money come from. Donna Nashawaty replied the money comes from the manager's contingency line item. Selectman Augustine would ask and suggest that in the future the budget has a line item for employee events. Selectman Augustine is not opposed to the events, but supports them, he just thinks it's the right thing to do and puts it right out there in the open.

Meeting adjourned at 8:55PM

Respectfully Submitted by,

Barbara Vaughn

Administrative Assistant