

Orford Budget Advisory Committee

Minutes

December 7, 2022

Members: Ruth Hook, Lawrence Hibbard, Bob Palifka, Bill Paxton, Tom Thomson, Ken Wiren

Meeting called to order 5:50

Approval 11/07/2022 Minutes – Bob P felt the minutes needed to be brief and not 8 pages long. Tom T made a motion to accept, Lawrence H 2nd Motion. Motion passed.

Proposed 2023 Draft Budget Worksheet

Employee Wages & Benefits

- 2022 Employee raises – 8.7%
- 2021 Employee raises – 6%
- **Discussion** – *Do not know of anyone who has received a 14.7% raise in the past two years. The 14.7% represents \$12,700 in employee wage increases.*

Employee Health Ins.

- Policies cover: 1-single, 2-family, and 1 two plus one.
- 11/14/2022 Esther – **Employee contribute 11% for health and dental coverage**
- 11/16/2022 SB Min. – Health Insurance Plan options – HealthTrust needs to be notified of the 2023 renewal plan options. No other quotes were received for this coverage. We are allowed to offer up to 3 plans to our employees to select from, however, the base plan (the renewal plan) would be used to generate the contribution from employees, and if they select the higher premium plan, employees are responsible to contribute the difference. The Selectboard agreed to renew the expiring plan, and add a second option for employees to access should they want.
- **Contacted Rivendell School District Contributions for comparison**
 - *License Employees (Teachers & RSA staff) Contribution 80/20%*
 - *Non-Support Staff (Blended Rate 1%) Contribution 80/20%. Currently blended contribution rate 16.67%, Increases each year by 1%*
- **Question:** *Why are the Orford Town Employees contributions not being increased?*

Fire Department

4220.10-120 – Wages

- Chief Straight proposed a wage increase of \$16 to \$20 hour and an increase of \$4,000 for officer stipends, Chief \$3,500 to \$5,000 Deputy Chief \$3000 to \$4000, Captain \$2,000 to \$2,500 and Lieutenant(s) \$1,500 to \$2,000.
- Stipend Raises equal: Chief – 42.83% increase, Deputy Chief – 33.33% increase, Captain – 25% increase, and Lieutenant(s) – 33.33% increase.
 - **Ruth H wondered** *why the Selectboard seemed more concerned over the rent increase of \$2,400 a year and did not seem to have a problem with \$4,000 increase for the Fire Dept. Officers stipends.*
- **11/15/2022 Questions not answered:**
 - *What are the guide lines that the Selectboard set to qualify for a stipend?*
 - *The number of Officers the Selectboard set for a Volunteer Fire Dept.?*
 - *What do other town's equivalent to Orford pay for their Officers?*

- **Question:** What “personnel policies” has the SB adopted?
 - March 11, 2014 Warrant Article 13. RSA 154.1 paragraph 1 (a) . . . the fire chief shall be appointed by the SB, with remaining firefighters appointed by the fire chief in accord with such personnel policies as may be adopted by the Selectboard”

***Fire Dept. Bottom Line proposed request \$85,049**

- **Budget has been inflated over the past 5 years by \$10,000 and up**
 - 2017 Budget \$84146 Actual \$68210 Variance under \$15,935
 - 2018 Budget \$83,896 Actual \$65,984 Variance under \$17911
 - 2019 Budget \$85750 Actual \$75,209 Variance under \$10,540
 - 2020 Budget \$79,078 Actual \$62,168 Variance under \$16,909
 - 2021 Budget \$73,878 Actual \$61,125 Variance under \$12,752
 - 2022 Budget \$74,680 Actual \$45,465 Variance under \$29,215 as of 12/01/2022
 - 2023 Budget \$81,249 PROPOSED REVISED
- **Question:** Is the Selectboard going to be willing to review the Fire Department’s Revised Request \$81,249, an increase of \$6,569, knowing that the budget has been increased by at least \$10,000 plus for the past 5 years (2017-2022)?

Highway Department

4312.20-445 Contracted Services – Up by \$7,000, from \$8,000 to \$15,000.

- **Question:** Has there been a count of how many culverts need to be contracted out for 2023 to justify the \$7,000 increase?

4312.20-636 Diesel – * Waiting for Selectboard – they have waiting for the State of NH to set the price.

- 11/15/22 SB Min. – currently we are purchasing from the State garage, but their fixed price contract ended in November 2022. Once a new contract is entered into, this line item may be adjusted
- **Question:** They are waiting the State of NH set the price.

4312.20-862 Gravel – Up \$30,000. From 2022/\$30,000 to 2023/\$60,000.

- 2022 spent 245,685.98 for rebuilding the roads after mud season,,
- **Question:** What does the rebuilding consist of? And what does rebuilding mean?

4312.20-864 Road Salt – Up \$2,000 –Past history:

- 2020 budget \$22,500 spent \$11,514.83 variance under \$10,985.17
- 2021 budget \$18,000 spent \$ 6,483.20 variance under \$11,516.80
- 2022 budget \$18,000 spent \$ 5,520.70 with \$12,479 left with another load of salt due in at approximately \$6,000, which would leave approximately \$6,000 not spent in 2022.
- As of 12/01/2022 budget \$18,000 Actual \$5,520
 - **12/7/2022 Esther Email: The department ordered 90.85 tons of salt for a total cost of \$8,971.43 - this will be paid in 2022 (leaving a balance of \$3,507.87 available).**

*** ** Total ** Road Maintenance** increase of \$92,845, up from 2022 \$435,985 to proposed 2023 \$528,830,

- Total proposed budget for Highway – 21.3% increase.
- 12/01/2022 – 2023 Budget worksheet **** Total **** for Road Maintenance
 - Proposed 2023 budget an increase of \$92,845, up from 2022 budget.
 - SB revised 2023 request of \$528,830 to \$513388 a Reduction of only \$15,442, results with an increase of \$77,403, up from 2022 budget.

Parks & Recreation

4520.10- 361 Community Field

- 11/16/2022 SB Min – Rivendell Community Fields Lease – the Selectboard reviewed the current lease - a few changes will be made (lease from 08/1 to 11/15 and 03/15 to 06/15).
- 12/2/2022 Esther email – Bob Palifka is working on his spreadsheet to estimate funding for purchases - the amounts on the warrant article may change once Bob has completed his analysis.
- Question: Has the Selectboard signed the lease with Rivendell?
- 12/09/2022 Esther email: Not yet - we've submitted to them for review
- **Question: What will the new Lease increase be for RISD?**

**** Total ** Bottom Line of Proposed 2023 Budget**

- Up \$173,944 2022 Budget \$1,203,037 vs 2023 proposed Budget \$1,376,981 14.45% Increase
- 11/07/2022 Waiting for Selectboard recommendation
- 11/2/2022 SB Min. The budget discussed included the cost of living increase of 8.7% for salaries, and an 11.7% of benefit cost increases. Adams attended a NH Municipal webinar on **financial forecasting with the municipal cost index at 9.1%**. – Currently the total draft budget is at \$1,380,712 which is an overall increase of 14.77%, **so reductions will be needed.** Kling requested reviewing the property valuations that are part of the tax rate calculation.
- 11/21/2022 SB DRAFT Min – will reduce the total 2023 proposed budget to \$1,354,813 which is a 12.6% increase over the 2022 budget. The Selectboard will take another pass at the budget at their meeting on November 30th
- 12/2/2022 Esther Email – Total budget is now REVISED FROM \$1,376,981 TO \$1,342,112 which is **an 11.56% increase**
- **Question: Will there be any more reductions as John Adams attended a NH Municipal webinar on financial forecasting with “the municipal cost index at 9.1%”, and the proposed budget is currently at 11.56%?**

Proposed 2023 Warrant Articles

12/01/22 received Selectboard's Recommendations

Article 5. Move FEMA funds received into the Road Improvement CRF \$13,181 - with said funds to come from the “unassigned fund balance”. This represents funds received from FEMA in 2022.

Article 6. NEW – Road Improvement CR funding \$54,379 - funds to come from the “unassigned fund balance”. This represents funds received from the NH Highway Block Grant in 2022 for additional road projects.

Article? 11/30/2022 “NEW” – add to Road Improvement CR funding \$200,396 - funds to come from the “unassigned fund balance”. This represents repayment of funds used from the Road Improvement CRF for unanticipated road reconstruction expenses, following mud season.

- 12/2/2022 Esther email – The board will be reducing the 2022 gravel expense by \$200,396 which will be charged to the Road Improvement CRF - they then added the warrant article that will reimburse the Road Improvement CRF by the same amount using the Unassigned Fund balance funds

- **Question:** Was it legal to expend \$247,318.97 from the Highway Gravel Budget line when taxpayers approved only \$30,000?

Article? Replace 2019 F-550 – Update – 11/30/2022 Draft - \$145,000 –

- 11/9/2022 SB Min – F550 needs to be replaced? It's possible it can be extended, but the condition may determine if it needs to be replaced.
- 12/5/2022 Esther email CRF – The Town paid the invoice for the truck purchase in late December 2018. Paid Pike Communication on May 20th, 2019 to install the radio and paid Charlie Pearce on 5/28/19 to inspect the truck. The title lists the purchase date as 03/27/2019 and the title was issued in 05/10/2019. The radio was installed on May 10th. The truck was up-fitted by HP Fairfield and the upfitting was done in late April-early May 2019.
- **Question:** Why do we need to purchase another 10 ft. plow & radio as the current truck, 3 years old, has that equipment?
- **Question:** Rather than purchase a new truck, why can't the dump body on the current truck be replaced with a stainless steel dump body? The Fire Department last year asked the town to raise \$15,000 to upgraded the electrical system on Fire Engine #3 and extend the life of the truck by approximately 10 years.
- **Question:** Why replace a truck that was purchased and put into service May 2019 (3 years ago) when replacement schedule is 5 years, the truck has under \$34,000 miles, and it has a 7 year warranty (4 years to go)?
- **Question:** If you changed the big dump trucks, #2 and #3, back to the original 10 year replacement schedule, why wouldn't change the F550 -1.5 ton back to 7 years from 5 years?
- **Question:** Why not correct the date for the F550 on the Capital Reserve Worksheet from 2018 to 2019? Per the Selectboard Office, the invoice was paid late December 2018 – most likely due to being a 1-year warrant article. The title lists the purchase date of 03/27/2019. Bill for up-fitting truck was done in late April-early May 2019, radio installed May 10, 2019 and inspected May 28, 2016.

Draft Handouts Presented by Bob P

- **DRAFT:** Capital Reserve Worksheet for 2023 Budget
- **DRAFT:** Preliminary Draft Vehicle and Equipment Replacement Schedule for 2023
 - **Noted:** Highway Dept. Trucks #2 and Truck #3 replacement changed from 7 years to 10 years
 - **Notes:** 1.5 Ton Truck stays at 5 year replacement
- **DRAFT:** Comparison of 2023 Proposed to prior Budgets since 2010 – 2023 Department Costs Chart
- **DRAFT:** 2022 Tax for each Major Categories Pie Chart for each \$1,000 of Property Valuation

Article? Paving \$250,000

- \$75,000 from Road Improvement CRF
- \$75,000 from Unassigned Fund Balance
- \$200,000 to be raised by taxes
- 11/15/22 SB Min. – The roads discussed to pave in 2023 include Grimes Hill road, Indian Pond road and a section of Archertown road. Steve Williams, Road Foreman, has asked R&D Paving for an estimate for this work.
- 12/02/22 Esther email – The board is researching the cost analysis to reconstruct and pave part of the Archertown road hill - if the cost is too high, they will use the paving funds to pave other roads in town

- **Question? Discussion:** Roads to be paved is not identified but if passed, the warrant article states paving “to be determined by the Selectboard”.
 - **Question:** Why does the article not list which road(s) to be paved? Why not list some of the roads you were considering with as far as the money will cover?
 - **Question:** wordage - “as approved by the Selectboard”? In the past, monies that were to lapse for the Archertown Hill Road Project ended up being spent on a “NEW PROJECT” – Road Aprons.
 - **Question:** wordage – “3-year non-lapsing”? Last year’s warrant article was 2-year non-lapsing.

Article? Generator – Update – 11/30/2022 Draft - \$22,000 – 21 KW stand-by generator

- **Question:** What is the make of the generator currently being looked at? Along with a breakdown of cost for items to be included and labor cost.
- **Question:** Who are the suppliers, what makes, and pricing?
- **Question:** If the warrant article to modify the purchasing policy to \$25,000 passes, how would that effect the purchase of a generator?
- **Question:** Is it not a “conflict of interest” if the board member is getting a quote from a family member?
- **Question:** What is the current size of the propane tank already at the highway garage? If it 500-gallon, would it make more sense to purchase a 1,000 gallon tank to combine all propane equipment to? Who owns the current tank?

Article? Highway equipment (\$14,000)? – Update – 11/30/2022 Draft - \$20,000

- 11/30/2022 Draft - \$20,000 – Leaf Blower & a grader cutting edge
- 12/02/2022 Esther email – Highway Equipment WA - this has changed to purchase only the leaf blower and the cutting edge. Per the road foreman, the equipment requested relating to culvert installation can wait until 2024
- **Question:** What is the breakdown cost of these 2 items?
- **Question:** Should the Cutting edge for the grader come out of the highway budget as it is a repair/maintenance item?
- **Question:** What is the leaf blower? Would the driver of the town be able to shut down the blower when a car is passing to avoid the passing car from being hit with debris that might cost the town monies for damage?

Article #? Amend Police Cruiser to Police “Vehicle” • Amending the Police Cruiser CRF to a Police Vehicle CRF – 11/30/2022 Draft – Has been revised

Article? Amend the PD Major Equipment & Database Update CRF to Police Vehicle PPV and Computer Maintenance - 11/30/2022 Draft – no changes?

- Concern: Ruth felt the town should discontinue both of the current CRFs accounts and create new CRFs accounts as the amendments change the original intent that they were created for.

Due to the lack of information, we are unable to make any recommendations at this time.

Ruth H Motion to adjourn, Tom T 2nd. Motion Passed

Adjourned 6:59

Respectfully Submitted