

Approved

SANBORTON BOARD OF SELECTMEN'S MINUTES

February 7, 2019

Town Offices

The Board of Selectmen convened a joint session with the Budget Committee on Thursday, February 7, 2019 at 5:30 p.m. at the Town Offices. In attendance were Selectman Tom Salatiello, Selectman Katy North and Selectman John Olmstead. Budget Committee Members that were present; Ralph Rathjen, Bob Presby, Kate Osgood and Bob Lambert. Town Administrator, Katie Ambrose and Audry Barriault, Recording Secretary for the Budget Committee were also present.

1.0 Pledge of Allegiance - Those in attendance recited the Pledge of Allegiance.

2.0 Joint Meeting to Discuss the 2020 Budget - Chair North called the meeting to order at 5:34 p.m. without a quorum of the Budget Committee. The Budget Committee provided a joint meeting agenda that reflected the differences in the operating budget between their and the Select Board's recommendation so far. Ralph stated he would like to rectify those differences and the committee has taken a vote on the action but not the actual figure. TA Ambrose reviewed the Budget Committee differences for the Planning Clerk/Zoning Clerk (-\$200), reduction of the 6th Officer to \$1 dollar and subsequent reduction to Medicare, the reductions to hired equipment & trucking plus training for highway (BC \$908K vs. BOS \$933K). TA Ambrose informed the committee that the Transfer Station budget was slightly increased last night, making the total Sanitation budget \$262,198 dollars. Ralph stated they can vote now that a quorum is present. TA Ambrose stated the Budget Committee reduced (4155) Personnel Administration's Medical Insurance line by \$74K which is half of what's budgeted for the HRA and referred to the committee's meeting minutes. TA Ambrose clarified that she confirmed with the Broker that the HRAs have never been a limiting factor in what carriers & rates are available to the Town, unlike a HSA that needs a high deductible plan but the HRA has had no bearing on what the Town is being offered and the insurance gets paid the same premium regardless. TA Ambrose explained that the only limiting factor was when a new carrier to New Hampshire wouldn't allow retirees on the plan, which the Municipality has to offer. TA Ambrose stated the HRA Policy is set by the Select Board at the time of open enrollment, so if that was reduced (calendar vs. fiscal year) the Town would have a policy that is essentially not funded for six months. Ralph asked why the Town is not soliciting insurance from a municipal pool. TA Ambrose replied she would have to check on that but feels it is because the Town uses a Broker (NEEBCo.) and the Town had switched to that method for a savings. Selectman Salatiello asked if the reasoning is to have the employees pick up most of the insurance costs. Ralph replied no, the reason is that the costs themselves are escalating quickly over the last two to three year period, it is just not sustainable. Chair North replied the Town was severely understaffed the year before so the numbers from that year don't reflect actual insurance costs at full staff. Ralph stated the cost of one employee to be covered by the insurance is around \$20K, which is more than some of their compensation. Selectman Salatiello replied it costs \$30K for the state's

coverage and if he was to have one major medical issue then his life savings would be gone because health care is not what it used to be. Selectman Salatiello stated he is reluctant to cut the benefits to the employees because then more is coming out of their pockets. Selectman Salatiello added that the Town's Library is the lowest paid in the County and he feels their services are important, the Town's employees are our infrastructure, the Town has no control over the insurance rates but we try to get the best value for the dollar. Chair North stated the Town could barely keep its employees with the increases given and now the committee is suggesting to take their benefits. Ralph replied their salaries are getting closer. Chair North replied no they are not, the salaries are below the 25th percentile of the market and are not even close to what they should be according to the study that was paid for. Ralph replied this is a burden on the taxpayers and there should be some cost sharing but the committee did support the COLA/step increases. Chair North stated it is out of the Town's hands but understands Ralph's point and the health insurance is part of the employee's compensation package. Ralph asked if the Board has discussed how to get this under control. Selectman Olmstead replied yes with no viable answer. Selectman Olmstead noted that the Town lost a substantial amount of its employees in 2017 and the most frequent answer given was that they could go somewhere else and do the same job for more money but the insurance did play a factor. Chair North stated they have no control over the insurance rates but they do have control over the most beneficial policy that is decided upon. Ralph replied the employees have no skin in the game, the HRA is flawed and once the deductible has been met there is no restraint on the part of the participant not to utilize the insurance, which was done away with in the HRA. Selectman Salatiello replied an employee would need a referral from their primary care to see a specialist and most procedures need to be approved by the carrier, so he feels, to say there is no incentive is a stretch. TA Ambrose stated the employees have financial incentives to shop around for the best price with the current plan. Chair North suggested the Health Insurance Study Committee look at this next year with a recommendation to the BOS, which Ralph is part of and not now before the budget goes to Town Meeting because it's the 11th hour. Ralph stated the committee only reviews the commercial coverage. Ralph replied he would like to discuss this further and vote when there is a full committee present because the problem is not with the commercial coverage but with the HRA, which is a sacred cow. Chair North replied this is not the way to approach the taxpayers and it would not be fiscally responsible. Ralph stated it is time to study this because it has always been an accepted figure by the committee provided to them by the Health Insurance Study Committee, the Insurance Broker provides the options. To be discussed further after Town Meeting.

Ralph stated the other point he would like to speak to, is that the committee voted not to support the funding of the 6th officer position and were blindsided at last Town Meeting by a motion on the floor. The Budget Committee never had the option to weigh in on the matter because the committee was told it would not be on the warrant. Ralph stated if the Town Meeting votes to fund the officer then it is a done deal. Chief Hankard replied they voted in favor last year. Ralph stated yes, but no vote at any one Town Meeting is permanent and could be voted this year. Chair North stated the funding for the department was reorganized / shifted to keep retain employees and not burn them out, now we are going to take that away? Chief Hankard explained that this was not a random thing and was discussed at the Selectmen's table right out in the open with a decision to take it to the

floor. Chief Hankard noted the vote was overwhelming in the department's favor. Ralph replied Town Meeting was overwhelming and within the first fifteen minutes all of the votes were against the Budget Committee. Chair North replied it is up to the Legislative Body and we work for them, they vote for what they want, which was the 6th officer. Ralph stated the position was vacant for over a year and if the department was running well without it, does it really need to be filled? Chair North replied the Town wasn't being served the way it should be. Ralph stated the hired snow removal went from \$4K to \$44K and we should have seen some relief when the positions were filled, so there are redundant services. Chief Hankard explained he has been actively working to fill the officer's position for over a year but they have an extensive hiring process and had someone ready to go but there were unable to be hired for personal reasons, the other candidate failed the psychological test. The current officers are running overtime and requesting extensions for their annual leave because they can't take the time off, they are doing good but are not nearly close to where they should be. Chief Hankard reported that they are the lowest paid officers in Belknap County, we are getting there but it still not close and now you are trying to cut something the Town expressly wanted, to try and save a few bucks. Chief Hankard noted that he had met with the committee two weeks before this and provided an explanation of why that position was not filled. Ralph stated if there was an issue with pay levels, it should have been addressed directly by the Selectmen instead of shifting funds. Chief Hankard replied they did not want to do that but we lost three officers in one year, so we had to do something and we worked with the BOS to have a comprehensive plan to help out a little. Chief Hankard explained it takes five years to get one guy to be effective in the community, six months to hire, four months at the academy and four months in the field. Ralph stated he hears what everyone is saying, so this should fly through at Town Meeting. Selectman Olmstead noted that the State Police do not have the officers to provide coverage either. Kate Osgood stated she was not at the meeting where this was voted on but would've voted to keep the funding for the 6th officer. Ralph stated the committee will discuss things further on Monday, February 11th. TA Ambrose stated the Public Hearing for the bond is scheduled for Wednesday, February 13th and announced that the highway garage will be paid off in 2021 and the transition bond was completed in 2019, which would help offset a new bond. Audry Barriault asked what the new bond would mean per thousand? TA Ambrose offered to provide that figure before the Budget Committee's hearing.

TA Ambrose stated the Budget Committee provided the handout that was provided at Town Meeting last year for this year's Annual Report but there are statements in the handout that are not necessarily factual or legal, so the Board has concerns. Ralph offered to redact some of the document's statements with the committee's Chair and resubmit for inclusion in the Annual Report.

Kate Osgood made a **motion** to increase budget 4324, Transfer Station by \$446 dollars with a total budget of \$196,177 dollars. Ralph Rathjen **seconded** the motion and the **motion passed unanimously**. Ralph Rathjen made a **motion** to approve budget 4155, Personnel Administration at \$681,585 dollars. Kate Osgood **seconded** the motion and the **motion passed unanimously**. Ralph Rathjen made a **motion** to approve budget 4210, Police at \$442,015 dollars. Kate Osgood **seconded** the motion and the **motion passed unanimously**.

3.0 ADJOURNMENT – Chair North made a **motion** to adjourn the meeting at 7:02 p.m.
Olmstead **seconded** the motion and the **motion passed unanimously**.

4.0 NEXT MEETING(S) – The Board of Selectmen's next regularly scheduled meeting will be held on **Wednesday, February 13, 2019 @ 4:30 p.m.** at the **Sanbornton Town Offices**.

Respectfully submitted,
April Rollins, Administrative Specialist

Approved on 2/13/19 _____
Selectmen's Clerk