

Tilton-Northfield Fire & EMS Special Commissioners' Meeting 2008 Budget

Meeting called by:	Commissioners	Date, Time:	December 18, 2007 at 17:45 to 19:58
Note taker:	Janine Vary	Place:	Center Street Station

Attendees: Comm. Tom Gallant, Comm. Bob Watson, Comm. Kevin Waldron, and Clerk Janine Vary. Absent: Treasurer Roland Seymour. Chief Steve Carrier Deputy Mike Robinson were involved with a fire call at start of meeting.

Comm. Gallant called meeting to order at 5:45. tom called the special meeting of fire comm. To deal with budget to order. Three commissioners are present, Chief nor Deputy Chief present. Tom motioned to go into non public section. Kevin seconded. Roll call vote taken: bob aye, Kevin aye and tom aye. Non public session.

At 6:05 regular meeting continued. Tom motioned to seal the minutes of the special nonpublic session that just took place. Under rsa dealing with a personnel matter. Kevin seconded. Discussion none. Each comm. Voted keep minutes sealed.

Looking at page 12 of 11/29/07 dated budget narrative. In 07 were budgeted for 145,000. during year adjustment made. The 110,000 was predicated by an estimate rec'd by water co. Kevin contacted several area dept in the region who have two things, a pressurized hydrant system and is owned by a public entity. We pay more than everyone else even combined. Low is zero in Franklin and Laconia. Owned by taxpayers not the town in Franklin. Tom thought Kevin had said privately owned, Kevin meant public entities. Franklin and Laconia are public owned and under umbrella of the tax payer. In Laconia if you are not hooked to their pipes, you don't pay. Tom didn't agree. At the LFD, all overhead is not in their budget it is in the cities budget. Kevin said that there is no line item for the water dept. no payment from the city to Laconia water works,, no portion of his tax bill paid to the water dept. tom said so in Laconia the users cover the cost of operating the water co. in t and n, the users of the water co pay the cost of the water co. what's the diff. Kevin said his portion of the tax bill when he lives in n. tom said that is because the fire dist has a line. In Laconia the fire dept is part of the city. So part of the taxes paid in Laconia went to support the hydrants. Scott Davis said the water dept are city workers and are paid by the city. So if we are in Franklin, we pay a fee to pay for the domestic water system. Dept of pub works are all city employees. So they are paying less for water because we are not supporting the budget in total, it is just the water, not the building. Tom said whole issue of the district being an independently owned company is important. Not comparing apples to apples. Can't abstract a little piece of Franklin and compare to tn. Can't do it to the fire dept. Kevin said but we do it all the time. Tom said we are talking about water, though, nothing else. Kevin said there used to be a payment to the water dept but now there isn't. tom said the cost though is wages and benefits are coming from the cities budget. Same in Franklin and same in Meredith. He has a problem with that. Kevin understands what is being said, but he doesn't care what you are buying, when you are paying more for a part item than anyone else, there is something wrong. Tom said his point is maybe you are not. He doesn't agree or disagree with 110,000. but Kevin can't tell him the comparison of this water district to Laconia and Franklin. Can't abstract some info and compare to tn. It could be done if you knew all the ins and outs of every line item and took city of Laconia pieces that match all the pieces of tn then get total cost of operation. Someone has to pay for that. Wages, taxes, retirement, employee benefits, health ins. If you took all of it and put on top of the water com in Laconia then you would get a total cost of operation. These are being carried in city of Laconia's budget, so taxpayer is still paying for it. Scott said there is no where in lakes region to find the same situation as with tn. Kevin felt good for the water dist but not the taxpayer. Scott said you would like to have precincts where you have a hydrant area and non hydrant area. The taxpayers in hydrant system pay all. But if people who live outside the district rec'd services, you would be billed for that water to be delivered. Kevin said no, there is value in hydrant system but not 110,000. Scott said the debt load is there and we are operating on 2000 rates from PUC. Only reduction in our billing is to tnfd as a good faith effort. Speaking for himself, we have a debt to pay back, reduced by 24%, 2.52 percent reduction. No more reduction. If an argument, then will be in the court system. If tnfd is not willing to pay and go to court, at such time whatever court rules, it will be the full rate, not good faith. Kevin asked if the taxpayers are obligated to buy something if we don't want it. Scott said you don't want to pay the bill. Fee for a service. If you don't pay cable, then they close it down. Otherwise, it is a theft of services. Tom said his feeling is our budget is set based on expenses, not on profit or loss. If we spend less than raised, goes to surplus. Water dist is municipal. Subject to municipal accounting, an independent co. Unlike Mr. Money, he could charge as much as he wanted. Could front end load and if puc approved, he was all set. Now, argument is whatever it costs to pay the debt service and overhead, 3 people will be 4, water dist has the right to come up with a so called profit. That profit would be monies used for further expansion and maintenance. And improvements. So if 110,000 allows water dist when added with all other users and leaves a layer to do improvements, etc., he agrees with water dist. Just because they have doesn't mean we have to buy it, insurance rates will go up, but he doesn't know how much. Kevin asked what ISO rating is based on. Water flow and proximity to fire station Scott added.

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That to Tom was the clout, but he doesn't know how much they would change. It would adversely effect the commercial base. If we say "no" and don't pay the 110,000 then we in effect have no right to use the water from the hydrants. However, under RSA's in the event of a fire where we need water, we can tap into the hydrants (Scott said if they were there), but if we pull out how is the water company going to survive? Kevin felt that wasn't our problem. Tom said what do you think will happen. Everyone using the system will get socked with a huge increase. Kevin said he thought 902 users, it is 166 a year. So it's 30 on a home in Northfield. Kevin said he looked at the aggregate. Kevin asked about the max water he would get for his house on Peverly road. Chief said 4000 gallons. They would get from Sandogardy Pond or somewhere. He is not going to get his monies worth. Kevin feels unfair to him. People who should pay are the ones who are hooked up. Scott asked if he would be comfortable receiving a bill from the fire district for every gal of water hauled to your house. 600 or 700 dollars worth that is 20 or 30 years of 30 a year. Kevin, said what about charging he 900 to the users and charging us less. Why, Scott asked, if we didn't have the hydrants on the system we would need to have 16 inch lines or 12 or 10. that is the reason we paid over 9mil for the infrastructure. Water dist has to pay that bill back. If it doesn't survive, it will go to a private company can put on the backs of the users only so much. When given permission by puc to buy, the current rate structure that was approved by puc rate structure had to carry the debt load of the purchase price. There had to be a rate structure in place to not increase. Right now Verizon is in front of them, Fairpoint will never be able to fund the takeover. Kevin said puc is no longer involved. Scott said no longer involved but still oversee. Tom said puc was in control when Ken Money owned it. And Ken couldn't sell company to a district unless puc approved the transaction. Puc approved transaction after water district showed that it would not adversely affect the users of the district. Puc could have squashed the whole deal right then, which is what is happening with the Verizon deal. The water dist only exists because puc allowed them to exist. Scott said he didn't change rate structure because puc ruled that rate structure. Rates are same as 2000, no anticipation of raising. We have a lower bill than in 2000. Kevin said shouldn't it, and Scott said no. still putting out a lot of money. 2200+ a hydrant charge Hampton water works. The examples Kevin used wasn't the same. Scott said the reduction that would happen in this district, if this was privately owned, no discussion. 550,000 interest on debt load, that is when you will see the benefit will go down. This is a 29 year loan. Scott said they are looking at a project on W Main at 1.1 mil. It will come from the users. The fire dist is a user. With the hydrants on the system we have a bigger infrastructure. Scott said to ask puc about the rate structure. Scott asked where Kevin was when Ken Money was bringing the bills forward. Kevin said the very first fire district meeting he has complained about the water district cost since the beginning. Tom thinks it is a major portion of the budget percentage wise and doesn't remotely think that we could in good conscience zero fund it or say we feel it's worth 50,000. Kevin asked if we can use for training. Scott said yes, they already have an agreement with Chief. J Jill has boosters on their pumps. Pumped 30000 gallons for this test. It is a 2000 gal pump, new tech wanted to over-rev the pump. If we were in fire mode, all water is available. But when testing equipment they try to maintain water quality to users. When they did that test, they basically pumped a half million gallons of water to clean out the system. In a fire situation, that would have been fine, but not in a testing situation. Pumped at 3000 gpm. We were pulling water from everywhere within the system. Took 2 days to clean up. Now was that fair to domestic water users? They just want to know so they can be prepared in the system. Tom said they are available for training but with a working relationship between both districts. Just need communications going back and forth. Tom said we fill the tanker on Park Street. Bob, said years ago we tried to get the flow rates and Ken Money would not allow it. Scott said he wants the working relationship it is vital for fire district and water dist. System wasn't put in all at the same time. Old pipes. Flow rates were two fold to give info to chief and men to know which hydrant is best to draft. Strive to provide info both back and forth. If we used a hydrant at Eptam plastics, water district will be notified and they will go out and clean out and keep open. Money enters into that equation and that is what bothers people. Tom felt it was interesting, our bill was 145,000 for 81 hydrants. So 1790, the nova hydrant knocked it back down to 80. the nova hydrant was a requirement by fire dist for him to go in that area. He knew that there was 456.38 per quarter per hydrant. 18__52 for each hydrant for a year. Tom said 538 hydrants in Laconia at zero cost. Scott said if Kevin did a little research on Laconia water dist, it was a pub comp and then taken over by city. There was a fee to take it over. Fee was removed once debt load was paid off. Laconia was going to extend to Gilford to cover the old Lemays property. They had to go to puc again.

At 6:56 chief and deputy came in from a fire at Eptam plastics. Tom reviewed discussion already held with them and Scott Davis. Mike asked if any of the fire depts. Carry the hydrants in the fire dept budget. Kevin said no, not sure of Gilford. 36,000 for 52 hydrants. Kevin just feels it is a horrendous amount of money and the value isn't there. Tom said it is a big nut to crack and will continue to go on, but at least we have been able to discuss. Tom would vote to go with the 110,000. Mike said we finally have gotten them to cooperate, Scott said and even the ones that flow enough, are still available to the fire district. Chief asked if private hydrants were all flowed. Scott said not everyone gave them permission. Still not fixed the problem to Tilton school running the hydrants from their booster pumps, they need to rectify that. Scott said private ones will be color coded. Bob said he would hate to see the good working relationship to go the other way. He would pay the 110,000. Tom said he can't see any numbers that lead him to believe that it should be less. We don't have any other districts to compare

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it to. We are a fire district as well as having a water district. This is a unique situation in the entire state. Scott said, plus they serve both the same times. Kevin asked chief how many times we actually hooked to these hydrants. Chief said not sure, but usually says 10 or 12. some aren't fires, used to put off a propane tank fire, also. We were topping off the engines with the hydrants. When you consider how many working fires we have had in 2007. 109555 is the actual number given by water district. Tom asked if the b/c discussed this. Kevin said no. bob said they feel they are avoiding. Tom recommends that we stay at 109555 and bob recommends the same. It is a very large percentage of budget but tom doesn't believe we can look at it in same way as Metrocast internet used at home. If used 4 x a year, then drop it. But this isn't the same. There if needed and purchase was there only at the blessing of PUC.

7:05 moved to salaries line. They have added the 14th of January for budget committee. Tom will try to attend that meeting. Tom was approached by Mr. Fogg that it was his feeling and a number of other members of b/c, that he thinks the salaries stand and we should be working on benefits so we are not just a training ground. He is a school teacher in the school district but he thought that was interesting observation. He said whole area of health insurance should be broadened and prudent to shop it and be sure source is the best deal. We have already done that in discussion in recent past and Kevin said we should price things out in upcoming year. Tom asked other commissioners if b/c have discussed. Bob said they have discussed but not made any decisions. Tom does believe he theory of 110,000 for water district, but doesn't like the figure of 110,000. if b/c hasn't come with decisions, let's us discuss. These are strictly merit wages, no COLA. Average raise is 3.35% per employee. Some receive more or less. One receives none. Kevin asked how that happens. Chief said it is based on merit. Tom said only discussion he was privy to with the chair of the b/c, he believes that someone wants to give no increase. Kevin said yes. Tom said that then we discussed how that would equal a decrease in pay. Mike said on news it was reported just food is up 6/6%. Kevin said first inclination is to level fund, not sure if past the voters and knows not by anywhere at this table. Between level funding and 5. so tom said the increase falls within the range Kevin is speaking of. Kevin suggested to take an amount of money and let it be distributed as Chief sees fit. Tom said you can only arrive at that sum of money, can't fictitiously sum of money, if you know what current costs are. So if you said 3%, then equally distribute it. The towns will take 3.55% of the total payroll and did away with cola last year and put that in. They also have step. But it takes existing costs and says this line item can only increase this much. Discussion of line 110.01 per individuals. So the pool 19,215 to get to the proposed 2008 from the 2007. that is what is being distributed on a merit basis to 13 people (not including Chief who is contractual obligation). Take \$2600 out from that, not a lot of money. Tom said that is strictly the base salary. We know that that affects other items such as retirement, but we can't control that percentage. He doesn't see where the discussion exists. If we had cola or steps plus the merit increase, he would be fighting it. He feels if a person's effort is fair, it will most probably cover the cost of increase in living. Kevin understands the explanation. His problem is you can make an argument with real numbers but the bottom line is it doesn't change the amount of money we are asking of the people. So then are there line items within that 14 lines that are earning more than they should be. Tom said when you talk increases it is never a number it is a percentage. Disposable income is not benefits by the employee. Kevin is saying either someone is making too much or there are too many people. Kevin said he can't afford it so tom asked him what he recommends to do about it. Kevin said hold the line, instead of max five, make it different. Tom said it still adds up to 3.35%, not everyone is getting 5%. Kevin understands that but if you allow the 592,802 you also have to allow the amount of proposed overtime. We're going to spend 100,000 in OT in 2008. chief stated he needs to do whatever he can to draw numbers on paper and what we give as a level of service. If level funded, no doubt in his mind that we would lose some. To draw new ones in at 14.00, our It tops out at the base of other It pays. He hears the comments that there are not jobs out there. But there are, we get the faxes about every week. We are paying for a service not just the salary, the makeup of the dept and how it is run. Rather than starting with the numbers looking at the service. Tom said in doing the calc we are getting a great deal for our money. Kevin, if we are buying the service, where is the choice for that service coming from the public. Could we be giving them good service for less money? Tom said he couldn't see how. That is the whole essence of budgetary process. How can we provide equal service for equal money? We could get rid of some full time people, there are some who feel we shouldn't be a full time department but we have long since outgrown that. Tom asked how can we cut cost and provide service. Kevin said someone decided we needed a level of service. Who decided that? Tom: why do we need as many people as we have? Kevin said if we offer all these services, who decided we needed to offer them? Tom said the taxpayers voted for us to go into the ambulance services. Mike said after 4 attempts with 4 different level of services. Tom said so who watches over that, that is the chief's job, not his. Commercial growth in the communities also dictated a level of service. Does either town come up with a impact fee? Tom agrees with impact fees but Northfield has them but towns hadn't done that. Chief said a number of times he has answered to was why we hire full time people, at his interview he was told they were 5 years behind being a full time department. The commissioners gave him a vision and has supported his direction. He remembers Kevin asking when it is going to stop, when is enough enough? He is not sure, what level are we trying to provide services at. Someday it would be beneficial to have 4 people on at all times. Especially if decentralize and man two stations. But those that think he is trying to develop a kingdom, etc. he has hired more

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call people since he has been in office. Fire service is changing and he hopes he has brought the tnfd up in value in doing their job. Training is essential, look at that line. Tom says he looks forward to being present to hearing the b/c discussion as to wages. Kevin sees b/c that they failed last year miserably, now he sees it as 2 municipal employees who always want more, he doesn't know Vicy at all. Whatever they say is good with me, he knows Gretchen and he doesn't really know Chip. Tom said the b/c is committee and appointment of those who have an interest. We can disagree with our point of view based on background.

bob said his cousin Chip told them last year to hire the person it would cost this much and he had it all figured out. But the b/c didn't accept that . Tom said chief doesn't give unrealistic requests before the commissioners. Bob said chief knows everyday operation of the fire district better than he. It's not Bob's job to micromanage. If there was something he disagreed with, then that is different. The other two commissioners don't rubber stamp. They discuss all the items. Tom feels we don't have any other choice than to pay the 110,000 for the hydrants. He doesn't find 30 added to his tax bill for his safety should be seen as unreasonable. But he has a problem with paying what he does for the school district. He doesn't have a choice because it is contractually required.

Kevin said you guys will sign off of this and it will go to the voters this way. Kevin's tax bill was over 700 more than last time. Where does it come from? Tom asked How much was the fire district? Tom does take exception to the fact that Kevin feels they rubber stamp everything chief brings to the table. It is not the case. He will not tell him how many men he needs, you hire people you can have confidence in and he hasn't done anything in the 4 plus years to change that.

Tom made a motion to adjourn. Bob seconded. Discussion. No comments. Nothing for record. Discussion ensued re meeting of 12/20/07, resolved that no major issues to be dealt with so will cancel regular monthly meeting on 12/20/07 and will meet at regularly scheduled session on January 17, 2008 at 6:00pm. All commissioners agreed.

All commissioners adjourned at 7:58pm. Meeting adjourned.

Next Meeting Date, Time, Place:

January 17, 2008 at 18:00 at Center Street Station