

# June 20, 2005

Chairman Michael Jackson called the meeting to order at 5:00 p.m.

**Present:** Board Members: Jack Boyer, Jack Field, Michael Jackson, Mark Lyon, Craig Schoon and Rex Swain

Alternates: Liddy Adams and John Allen

Selectmen: Richard Sears

Treasurer: Linda McGarr

Guests: Valerie Andersen, Valerie Friedman

Minutes: Minutes of the May 5 budget hearing, May 5 budget meeting and May 19th regular meeting were tabled until the LKJuly 18th meeting.

**Treasurer's Report:** Linda will be transferring funds from the Capital and Town Aid Investment accounts at FNBL to the STIF account for a higher interest rate. She will maintain the FNBL General Fund Investment account as the tax collector deposits funds on a regular basis to this account. Treasurer's Report approved.

**Tax Collector's Report:** Jack Boyer noted taxes receivable look lower than in prior years. Tax Collector was commended on this.

**Financials:** May 31, 2005 and anticipated year-end income and expense reports were reviewed. It is anticipated that expenses may exceed budget by \$200,000 due mainly to Winter Maintenance, Building Inspection fees and legal fees. Income may exceed budget by \$900,000 due to tax collections, Region #12 fund balance return, penalty fee of \$30,000 due to premature sale of property in forest/farm land, etc.

**Housing Trust:** Jack Field reported he had spoken with Matt Murgio, chairman of the Housing Trust, regarding the preparation of forecasts for the Trust. Once complete, the Finance Board will review to determine what the financial impact would be and what type of assistance could be offered in lieu of tax abatements. Michael will contact Matt to have information for the next meeting.

**Selectman's Report:**

**Employees Health Insurance:** Dick Sears reported health insurance costs would increase by 18.14% to continue the current coverage. In an attempt to lower costs, higher co-pays will be instituted. In addition, he asked the Board to consider three options:

Option #1: Employees would contribute at a specific rate toward their coverage, which would result in an 8.57% increase; Option #2: Employees would contribute at a slightly lower rate, which would result in an 11.62% increase; and

Option #3: An HMO program with the addition of a hospital and out-patient surgical deductible of \$1,500/individual or \$3,000 max/ family. This would result in a decrease -8.84%. Dick asked the Board to consider that the Town would provide coverage on an as-used basis for this deductible. If an employee were to use the hospital or out-patient services, they would receive invoices for the \$1,500 deductible. These would be forwarded through the Town to the agent for a review of the hospital charges. Once

approved, they would be returned to the Selectmen's office for payment from the Town insurance line item. It was suggested this would assist in determining the Town's actual use of the insurance, which is currently not available due to HIPPA regulations. The Town's agent did not feel the Town would exceed the budgeted line item and could end up with a surplus to be used to offset future costs.

Dick reported higher co-pays and a switch to an HMO have been instituted over the past two years in an attempt to reduce costs; however, they continue to rise. Lengthy discussion followed and it was agreed to approve Option #3 with certain provisos: That data on plan members be provided, that the town's plan be compared with those of other towns and that a five-year plan be developed over the next few months. Michael Jackson moved the Board approve Option #3, including the provisos. Jack Boyer seconded the motion. Motion unanimously passed.

**Assessor's Report:** Rex Swain reported the Assessor had provided sales comparisons to assessments for the past year. The comparisons were divided into three sections: sales higher than \$1.5 million, sales between \$500,000 and \$1.5 million, and sales under \$500,000. When compared to the 70% assessment value used by the Town for taxation purposes, the report showed the highest properties were assessed at 57% of their sales price, the middle properties were assessed at 60% of their sales price, and the lower properties were assessed at 70% of their sales price. The Assessor will be asked to provide this report on an ongoing basis.

**Primary Schools:** An analysis of the present situation regarding the Region 12 primary schools and recommended plans for "Where to go from here" was prepared by Jack Field, Molly Stratton and Ed Tierney, vice chair and chairs of the Boards of Finance of the three towns. (A copy of this analysis will be filed with these minutes.) Jack felt strongly that a joint effort and discussion between all three towns must take place on the future of these buildings, as well as on the continued membership in the Region. The analysis suggested each town take on the responsibility for its own school as to what will be built and how it will be operated. Dick Sears felt a Task Force should be established to discuss consolidation, separation, and the mechanics for possible changes. He has invited the Chairman of the Board of Education, the First Selectmen and the Finance Chairmen from the three towns to meet on Thursday, June 23rd to discuss the issues. Jack noted the importance of giving the public the opportunity to vote on these issues and felt the discussions and a proposal should be complete before the November election in order to realize the greatest voter turnout. De-regionalization of the primary schools was also discussed. The mechanics would be that all three towns would have to vote to agree de-regionalize by majority vote. Valerie Andersen noted she is very pleased with the direction the Boards from the three towns, as well as the Board of Education, are taking in working with one another. The renewal of the leases on the three buildings must also be investigated. Washington's runs out in October of 2007. Liddy Adams voiced her concern that Washington voters had the lowest voter turnout. It was also recommended was that the 4th and 5th grade option be put back on the table. Michael also noted a review of the middle/high school building should also be done.

The meeting was adjourned at 6:45 p.m.

Respectfully submitted,

Kathy Gollow, Secretary