

APPROVED

Budget Committee
Meeting Minutes
December 16, 2013

Present:

Kerrin Rounds-Chair, Ron Preble, Dave Carr, Paul Manganiello, Tom Keegan, Ernie Richards, Carol Huber, Betsy Schneider, Mark Chevalier, Kevin MacCaffrie, William Cote, Ashley Dolloff, and Barbara Greenwood.

Absent:

Others Present:

Michael Capone- Town Administrator, Select Board members: Don Milbrand, Shaun Lagueux, and Janet Cote.

Call to Order:

Committee Chair Kerrin Rounds called the meeting to order at 7:02pm.

Review of Minutes:

Kerrin Rounds asked the members to review the minutes from December 9, 2013. Carol Huber made a motion to accept the minutes as written, seconded by Paul Manganiello. Motion passed with two abstentions by Barbara Greenwood and Ashley Dolloff.

Correspondence:

Old Business:

New Business:

Don Milbrand, Chair of the Select Board, presented the Select Board's 2014 operating budget recommendations:

- The 2014 proposed budget from department heads increased \$288,953 over 2013 operating budget minus the water and sewer departments.
- The Select Board worked to reduce the increase. The reduction totals \$159,500. The increase is now \$126,500 over 2013. This is slightly over a 2.7% increase.
- Unavoidable increases include \$25,000 in retirement expenses and \$92,000 in the Legal budget line. An additional \$50,000 has been added to paving, as the roads need more attention. These additional amounts total \$167,000.

The reductions to the proposed Department Budget were:

- The initial Cost of Living wage increase for all employees is 3.5%. The Select Board is recommending a \$0.50 per hour increase to all employees. This totals \$17,780 less than the 3.5% increase.
- There will be a reduction in our yearly copier lease due to a new agreement being signed. We can lower the budget line by \$500.

- Rearrangement of maintenance duties eliminates the need for an outside cleaning service which saves \$6,000.
- Contributions to non-profit agencies total were reduced by \$12,700.
- Police and Fire Department heads were asked to find some additional reductions. Chief Lewis reduced the police Overtime line \$13,000 and the Fuel Cost line \$4,000 and new equipment by \$5,000. Chief Yannuzzi reduced his budget by \$25,000 in non-payroll related reductions.
- Paving was reduced to \$250,000 which is still \$50,000 over the amount allocated last year.
- \$30,000 was requested for the Kelley Park Master Plan. This has been reduced to \$5,000. A warrant article is being proposed for the additional \$25,000.
- Health Insurance is changing in July which creates an annual reduction in premium of \$13,000. \$6,000 in reductions is included in the 2014 budget for half the year. Employee contributions have increased from 7% to 10 % in the new plan. This totals \$12,000 more in employee contributions.

Budget Committee members questions for the Select Board:

- Dave Carr asked for clarification on the \$1,500 New Equipment expenses for computers. This expense includes costs for hardware, software, and installation on the network.
- Mark Chevalier asked if the \$17,000 payroll savings includes FICA and related payroll expenses. The savings filters through all related payroll lines.
- William Cote asked what the overall percent increase of the \$0.50 per hour increase is. This payroll increase falls just below 2.5% overall.
- Paul Manganiello raised a question at the same time that Mark asked if the \$0.50 per hr. increase covered employees with contracts, suggesting that a lump sum payment be considered for employees. The objective was to eliminate the increased expenditure by the town to the retirement contribution.
- Paul Manganiello asked if the Custodian Services is line 640 and if it is a contracted service. The current rate is for a subcontracted service. The town will now do the custodial services using the maintenance position hours. The library is looking into this option also, but the Trustees need more details to make a decision.
- Kevin MacCaffrie asked about the significant change to the police gas line and this doesn't seem to be where the money should be cut as road miles have gone up. The Select Board will be going back to Chief Lewis to look at this reduction again. Administrator Capone clarified that the \$9,000 reduction consists of \$4,000 from the gas line and \$5,000 in New Equipment.
- Ernie Richards asked what the justification is for reducing the Police Overtime line \$13,000. Chief Lewis made this cut to his operating budget. The Select Board will be discussing this with Chief Lewis again.
- Carol Huber asked about Line 810 New Equipment in the police budget. The \$5,000 was cut by Chief Lewis. This \$5,000 reduction means there will be no video surveillance unit in one of the cruisers.
- Mark Chevalier asked for the Select Board's thoughts on the Social Services line items as there were significant cuts made. The Board level funded to previous amounts except for the Grafton County Senior Services. The Board looked at the benefits to the town and the dollars given to them. The Boards looked at which organization's services directly benefits the town.
- Mark Chevalier asked what Warrant articles are expected for 2014. The Select Board briefly discussed potential warrant articles. The Board cannot speak to petitioned warrant articles. A potential list includes Kelley Park Playground equipment and CIP scheduled projects which total \$360,000. The Planning Board master plan has been a warrant article for the past few years. The

Board still has to decide on prioritizing warrant articles.

- Kerrin Rounds asked about Fire Department line 565 Public Education-Fire Prevention and if Chief Yannuzzi has enough supplies for this program or if the cuts were made for the Board's request. The Chief has not clarified this cut. The Board will follow up with Chief Yannuzzi.
- Paul Manganiello asked about the New Equipment line 812 in the Fire Department. The stretcher will be presented as a warrant article.
- Tom Keegan asked the Select Board's opinion on Capital Reserve Funds. The Board feels that in certain areas of the budget Reserve Funds are appropriate.
- Kerrin Rounds commented that the Water/Sewer Departments should have just as much scrutiny as other departments, even though the Water/Sewer is an Enterprise Fund.
- The Select Board is looking at process changes to improve things next year. This will include working with departments early in the budget process which will help with making less drastic changes to department budgets. Water and Sewer will be looked at closely next year.
- Mark Chevalier asked who is in control of Enterprise Funds. The Select Board is the Water/Sewer Commissioners and has total oversight over the Water/Sewer Department.
- Mark Chevalier asked if the \$0.50 per hour increase will cover the raises for employees with contracts who receive a guaranteed percent increase. Chief Lewis is the only town employee with a guaranteed salary increase in his contract. The \$0.50 per hour increase does not cover the contracted salary increase for the Police Chief.
- Kerrin Rounds asked about estimated revenues. A sheet was distributed to the committee and there are some trends that need to be revisited. The flood reimbursement money is in the budget and a reminder has been sent. The Rooms and Meals revenue shows up late in the year.
- Tom Keegan asked if the \$0.50 increase is for part-time employees also. Part-time employees will also receive this increase.
- Kevin MacCaffrie asked if increasing fees to increase revenues has been looked at. The fees have been increased in the past and will be looked at again.
- William Cote asked if the accounting for the Downtown and Library projects have been finalized. The library project has been finalized. Administrator Capone is in the middle of conversations with state counterparts to reconcile the Downtown project accounting.
- William Cote asked how the tax rate has been set. The tax rate is set by DRA. The town can apply funds in the unreserved fund balance to lower the town portion of the tax rate. The Select Board approved using \$300,000 from the Unreserved Fund Balance to keep the town tax rate flat. The \$0.28 increase in the tax rate represents the principal and interest on the Library and Downtown projects. There is the potential for a surplus of \$138,000 in expenses and an excess of \$40-\$50,000 in estimated revenues, with an overall surplus of \$150,000 barring any unforeseen expenditures. The Fund Balance is in line with DRA requirements, which totals just under \$600,000.
- Dave Carr commented that there was no TAN used this year and congratulated the town administration for keeping cash flow under control.
- Kevin MacCaffrie commented on the importance of using Capital Reserve accounts to help with controlling expenses for capital items.
- Dave Carr asked about the Ambulance and using a Revolving Fund using ambulance revenues. The Board may consider a warrant article to start a fund for a new ambulance.
- Tom Keegan asked about the Old Town Hall and Old Fire Station repairs and funds are needed for these projects. Board needs to look at these projects. The \$85,000 approved at Town Meeting in March will be encumbered. This money was to be used for a new roof, but many more repairs are needed for these two buildings.

Kerrin Rounds asked the Select Board to possibly attend the next meeting if there are major changes that the Board makes to the 2014 budget.

Member Comments:

Dave Carr submitted a handout to the budget committee detailing the impacts of wage increases.

Administrator's Report:

None

Adjournment:

Ernie Richards made a motion to adjourn, seconded by Mark Chevalier, passed with all in favor. The meeting was adjourned at 8:28 pm.

Respectfully submitted,
Wendy Costigan, Secretary