

APPROVED
TOWN OF PELHAM
BOARD OF SELECTMEN MEETING
MINUTES
August 12, 2014
APPROVED – September 2, 2014

CALL TO ORDER - approximately 6:30PM

PRESENT: Mr. Edmund Gleason, Mr. Doug Viger, Mr. Robert Haverty, Mr. Hal Lynde, Town Administrator Brian McCarthy

ABSENT: Mr. William McDevitt

PLEDGE OF ALLEGIANCE

MINUTES REVIEW

MOTION: (Lynde/Viger) To approve the July 29, 2014 meeting minutes as amended.

VOTE: (3-0-1) The motion carried. Mr. Haverty abstained (he was not in attendance at the meeting being reviewed)

ANNOUNCEMENTS

Mr. Gleason commented that during the previous meeting he announced that the Town Clerk's office was in receipt of a grant from the New Hampshire State Library for a conservation project called Restoration of Town Records – Phase I, 1816-1891. He read aloud the project purpose. (*see Attached) The Board commended the Town Clerk's office for their pursuit and success in being awarded the grant.

OPEN FORUM

None.

2015 BUDGET REVIEW

Finance Director Cindy Kelley came forward to assist with the budget review.

Library (courtesy review) – presented by Library Board of Trustees Chair Lori Adams, Interim Library Director Carol Roberts, Library Board members Cindy McGhee and Darlene Michaud.
2015 Budget request: \$272,643, constituting a 10.67% increase over last year.
2014 Operating Budget: \$246,351.

Ms. Adams noted for the second year in a row the only area increased within the budget were the salary lines. During last year's budget the Library Board came to realize they had fallen behind on their salaries. They conducted an area survey of small towns with small budgets that were similar to Pelham. Through that process they learned Pelham was significantly near the bottom of the list. The Library then drafted a four-year pay matrix (with step level pay) for every position to bring employees up to entry level salaries. Ms. Adams said last year they were able to bring all the

employees up to the 85% pay scale. She noted that the Library Director had left Pelham to take a position nearer to her home, which also gave her a 45% pay increase after the raise given her during the previous budget cycle. The adult services librarian has also left. Ms. Adams said in an effort to not lose the entire Library staff, the Board increased the Children's Librarian salary to the entry level and put her under contract. They promoted the Young Adult librarian to be the Adult Services Librarian and put her under contract. The Library has begun searching for a new Director with an advertised salary at 90% of entry level, but were unable to find an applicant who would be a good fit. They've since engaged an outside agency to assist in getting a larger pool of applicants. Because of the fear of losing the entire staff, the Library has increased everyone's salaries to the entry level scale.

Mr. Viger questioned if the staff was supported under a union, or if they had individual contracts. Ms. Adams replied they had three individual contracts, the other positions were non-union.

Ms. Adams provided the Board with comparison information of Pelham to towns with similar populations. The chart showed the town, population, total budget and salary/wage expenditure. There was also a list of services available to residents.

Mr. Gleason asked if the employee contracts included provisions for New Hampshire Retirement, compensated absence, sick time etc. Specifically he wanted to know if the contracts had costs that would be associated with the Town. Ms. Adams said the Library had a sick policy for employees to earn and/or bank their time. The full-time employees are under the retirement program. Ms. Kelley noted that the employees were listed in the Town's retirement budget. Mr. Gleason asked what unfunded liability, such as compensated absence was carried in the Town's budget. Ms. Kelley said the Town carried FICA and taxes. Ms. Adams said she would research to determine what employees could accrue. Mr. Gleason suggested having those figures and justification when the Budget Committee reviews the budget.

Mr. Lynde asked if any earned time was paid out to people that left the library. Ms. Adams answered no. Mr. Lynde felt the Library hadn't been aggressive enough in the past. He said they lost an excellent director because of low salaries. He commented that the Town got a great value from the Library. He supported what they were trying to do. Ms. Adams told the Board they were in the process of preparing an information booklet for the Budget Committee's review.

Mr. Lynde asked if the Library had a liaison with the school. Ms. Adams said they worked with the schools in cooperation with their various programs to ensure the librarians were in sync with each other.

Mr. Gleason thanked the Library representatives for the opportunity to review their budget and wished them the best of luck going forward.

Transfer Station – presented by Transfer Station Director Stan Walczak.
2015 Budget request: \$576,819, constituting a 1.3% increase over last year.
2014 Operating Budget: \$569,258.

Salaries – Contractual increase and normalizing last year's increase for union operators.

Expenses - Contractual increase (in October, 2014 & 2015) to single stream recycling/hauling. Contractual increases to Trash Disposal Haul and Trash Disposal Tip (tons). The tip tons is budgeted based on present year's actual numbers. Mr. Walczak expected the number of tip tons to be approximately the same going forward.

95 There was a brief discussion regarding the department's revenues. Mr. Walczak explained the
96 fluctuation in revenues were based on the present market prices.

97
98 Mr. Viger asked for an explanation of the projects needed at the Transfer Station. Mr. Walczak said
99 they had identified three items as priorities for discussion and possible addition to the proposed
100 budget. Backup information was provided to the Board for review.

- 101 1) Replace floor in trailer #474 - \$7,500.
- 102 2) Rebuild suspension on both transfer trailers - \$5,200.
- 103 3) Purchase yard tractor (for the purpose of swapping trailers on busy days)- \$4,950.

104
105 Mr. Viger asked if there was any money in the current budget to purchase the tractor. Mr. Walczak
106 replied they were running under budget by approximately \$6,400 through the end of July. Mr. Viger
107 questioned if the maintenance line would need to increase in the 2015 budget. Mr. Walczak said it
108 would be minimal.

109
110 Mr. Gleason questioned if any of the repair costs in the proposed budget were attributable to the
111 proposed trailers. Mr. Walczak answered yes; the proposed repairs included work to be done to the
112 trailer.

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114 Mr. Lynde noted that the Transfer Station had an item in the Capital Improvement Plan ('CIP') to
115 replace the 40 yard roll off trailers with 75 yard trailers. They were proposed for replacement in
116 2016. Mr. Walczak noted there would be an annual savings of \$30,000-\$33,000 by reducing the
117 single stream hauls. By installing a compactor and trailer the facility could reduce the number of
118 hauls. There was a possibility to generate revenue from single stream of approximately \$10,000-
119 \$20,000 per year.

120
121 Mr. Gleason asked how the proposed items were rated. Mr. Walczak said all three were huge safety
122 and critical risks. He suggested if the floor replacement and suspension repair could be included in
123 the proposed budget, he would approach the Board in November, if they were still running under
124 budget, to request the authorization to purchase the yard tractor this year. Mr. Viger had the same
125 thought. Mr. Lynde agreed. If there was a potential for cost savings, he would be in favor of it
126 starting sooner rather than later. Mr. Walczak said he would need time to fine tune the costs; and was
127 still awaiting estimates for three-phase electrical work. Mr. Gleason agreed that the two trailers
128 should be put into the budget for repair and defer any action on the tractor until they review the
129 current budget at the end of 2014.

130
131 Mr. Viger asked if the proposed tractor would still be available at the end of 2014. Mr. Walczak
132 believed it would still be available.

133
134 The Board authorized Mr. Walczak to include the \$7,500 for floor replacement and \$5,200 for
135 rebuilding the trailer suspensions in the proposed budget for 2015. A Board 'radar' item will be
136 added to make a decision regarding the tractor by the end of the year, 2014.

137
138 The Board thanked Mr. Walczak for the budget presentation.

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140 **Human Services** – presented by the Human Services Director Dawn Holdsworth.
141 Budget level funded - \$86,480.

142
143 Ms. Holdsworth discussed the nature of the budget and the fluctuation of hours based on the season
144 and the needs of residents.

Mr. Gleason commended Ms. Holdsworth for a job well done. He said the department had become more professional in terms of the manner situations were handled. Mr. McCarthy added that Ms. Holdsworth was very structured and found her manner of interacting with citizens very comforting.

Cemetery (courtesy review)

2015 Budget request: \$142,826, constituting a -0.5% decrease below last year.

2014 Operating Budget: \$143,480.

Mr. Gleason commended the Cemetery Trustees for their diligence and concern with holding the line with their budget.

Selectmen – presented by Town Administrator Brian McCarthy and Finance Director Cindy Kelley.

2015 Budget request: \$458,980, constituting a -0.1% decrease below last year.

2014 Operating Budget: \$459,213.

Salaries - Overall budget showed a decrease. With a new Town Administrator, the department has been reorganized. Mr. McCarthy explained in general that the Board tasked him with evaluating the operational efficiency of the Town offices. With regard to the Selectmen's office, he found things in the budget that seemed to be 'catch all' lines, that he believed could be better specified by breaking the data down further. Mr. McCarthy began by explaining that the Executive Secretary's job was restructured to undertake additional duties and therefore has become Administrative Assistant to the Board of Selectmen/Director Special Projects. However the assistant was now performing all of their previous duties along with the new assignments. Mr. McCarthy said the problem being experienced is that the staffing levels within the Selectmen's office hadn't changed in twenty years and yet the resident needs had increased significantly. The assistant was not only doing their job, but had experienced an increase in assisting the Human Services department. He said the idea was to have an office that provided the best assistance to the residents as possible. With the addition of handling special projects, the assistant was still tasked with performing all previous duties. This lead Mr. McCarthy to include additional office help to handle day-to-day items while the assistant worked on special projects. His goal was to evaluate the office help position after one year and determine what exactly was needed.

Mr. Viger saw that the new Administrative Assistant position included overtime hours. He wanted to know how the overtime was justified given there would also be additional administrative office coverage. Mr. McCarthy said the overtime was included as a precautionary measure, since there were uncertainties with the plan of having the additional office coverage. He noted if the overtime was not expended, the money would remain. His goal was to keep overtime to a minimum, but didn't want put the department in a position of cutting itself short. Mr. Viger asked if the Finance Director had an overtime line item. Mr. McCarthy answered no; the Finance Director is a salary position.

Mr. Lynde thought when the Executive Secretary received the raise it was for a salary position. He was surprised to see that the new position had overtime. He wanted to know why there was a need for 800 hours of additional office help. Mr. McCarthy said the assistant was having difficulty focusing on special projects because of handling day to day things such as phone calls and walk-ins. The additional office help was simply an estimate.

Mr. Gleason understood that the department currently had office help. He asked how many hours they were currently assisting. Ms. Kelley didn't have the exact hours in front of her. Mr. Gleason believed a portion of the requested \$12,000 for office help already existed for office coverage when regular employees took vacation or had sick days. Mr. McCarthy said the offices had people that floated in different offices; some of the budget line was inclusive of those people. He offered to

review the budget and provide additional information. Mr. Gleason said during the transition of town administrators in February, they did a critical analysis of the office and identified some shortcomings. He said for transparency, they were looking to structure the budget to be representative of what was occurring to be able to better monitor the situation. He said the assistant had taken over the task of the Town website, RFP for the phone system and helped with the RFP for the roof. He said when the assistant was pulled to do other functions, it created a discontinuance of basic duties. Mr. McCarthy reiterated if he found he was able to turn the number back he would do so. He simply didn't want to be in a position of not having enough to cover the office. In his opinion the Selectmen's office was the most important office within the Town's government. He said it was imperative to be as efficient as possible.

Mr. Lynde questioned how the assistant helped with Human Services. Mr. McCarthy said when people call the office or come in person, the assistant screens those people and provides them with paperwork to start their case so when the Human Services Director comes in a file has already been created. This process allows the Human Services Director to be more efficient in their role. Mr. Lynde asked when the assistant started helping the director. Ms. Kelley said the assistant had always done that function, but there had been an increase in the number of those needing help, which was taking the assistant away from her normal duties.

Telephones - Decrease by removing a cell phone and hot spot and by changing the service provider received better rates. The new Town Administrator uses a personal phone and receives a stipend.

Equipment Repairs - Increase based on contractual obligations.

Expenses – Increase to MuniSmart support contract.

Compensated Absence - Two employees eligible for retirement. Mr. Gleason asked the Town's possible exposure. Ms. Kelley said the exposure for those two employees was approximately \$210,000. Mr. Gleason believed there was a trust fund for compensated absence that contained \$161,000. He said if anyone else retired, the Town would have no other coverage. Ms. Kelley noted of the \$75,000 budgeted this year, they had spent \$61,000. She said there was an additional \$6,000 coming next week. Mr. Gleason asked what the yearly history had been. Ms. Kelley said she would get that figure.

Mr. Viger suggested adding \$50,000 to make up the difference between the trust fund and the exposure. He said if neither retired, the figure would be returned to the general fund at the end of the year. After a brief discussion, the Selectmen decided to have the compensated absence line total \$125,000; as well as having a warrant article requesting \$30,000 to the trust fund.

Town Buildings– presented by Town Administrator Brian McCarthy and Finance Director Cindy Kelley.

2015 Budget request: \$570,088, constituting a -4.4% decrease below last year.

2014 Operating Budget: \$596,463.

Salaries - Increase to include maintenance ('handyman') position. Mr. McCarthy said he would track the position and re-evaluate at the end of the year.

Utilities - No increase. Mr. McCarthy will review the figures.

Facility/Equipment Repairs - Budget lines were reorganized and broken out for better clarity and accountability. Mr. McCarthy explained historically Town Buildings had run over by approximately

\$30,000 each year. It was found that Rockport had been taken out of the (repair) account instead of being taken out from the proper budget line. He noted that the proposed categories and numbers could change next year.

Expenses - Budget lines were reorganized and broken out for better clarity and accountability. Ms. Kelley explained that the Landscaping/Snow Removal line had its own category in the general ledger. She said landscaping and snow removal for the roundabouts was added. Mr. McCarthy told the Board he tasked Boyden Landscaping with providing an itemized list of cost and specific work they were performing.

Mr. McCarthy discussed items he would like the Selectmen to consider adding into the budget. 1) Sherburne Hall roof in 2015- \$40,000 (Police roof to be scheduled for 2016; 2) Municipal complex trim painting/repair & soffit – estimate figure to be provided; 3) Library roof is still leaking and causing wood to rot – estimate figure to be provided; 4) paving Senior Center parking lot – suggested as a capital improvement project; and 5) paint Senior Center building- estimate figure to be provided.

Mr. Viger said the thought was to create a line for projects and maintain a specific number for consistency and back projects in for that amount of money.

Mr. Haverty suggested defining the specific projects versus assigning a dollar value without knowing what it was for. Mr. Gleason felt for this budget year the Board should add a projects line since there were specific projects identified (Sherburne roof, municipal building fascia board and Library roof). He felt it would be easier to identify items as they move forward.

There was a brief discussion regarding what figure to designate the projects line. It was agreed to budget \$60,000 in the proposed budget. The total budget for facility/equipment repairs will be increased from \$60,000 to \$120,000. Backup information for the additional \$60,000 will be provided.

Debt Service Interest– presented by Finance Director Cindy Kelley.

2015 Budget request: \$127,491, constituting a -24.8% decrease below last year.

2014 Operating Budget: \$169,428.

Ms. Kelley explained that the leases/debt interest decreased each year. She said the Spring Street Bond would be paid off in 2014. The entire payment for the three new leases (plow truck, 7 Police cruisers & Police dispatch console) during the first year went entirely toward principal. She noted by consolidating the leases (in 2014) for the fire truck and Planning Department Ford Focus, there was a savings of approximately \$12,000 in interest. She stated there was a cost savings of \$46,890 in interest (over three years) for the proposed leases in the 2015 budget.

Debt Service Principal – presented by Finance Director Cindy Kelley.

2015 Budget request: \$687,180, constituting a 27.6% increase over last year.

2014 Operating Budget: \$538,341.

Backup information was provided to the Board for review. Mr. Viger suggested providing the Budget Committee with the reason for consolidating leases and the savings that was achieved by doing so.

TOWN ADMINISTRATOR / SELECTMEN REPORTS

Mr. McCarthy informed that Fire Station project with Triton will be completed by Wednesday. He discussed the status of the Bowley Road project. He said Patrick Colburn of Keach Nordstrom was awaiting the wetland permits from the Department of Environment Services. The site plans are being reviewed. Mr. Colburn was optimistic the permits would arrive shortly. The estimated completion date for the project was September 5, 2014.

Mr. Lynde reported that the Capital Improvement Plan committee met to review the department worksheets/requests. He said in discussing lease/purchases, the Town may be reaching a point where they think of purchasing based on replacement schedules. Further thought and discussion will be given to this topic.

Mr. Gleason noted a flood study meeting would be conducted on Wednesday.

ADJOURNMENT

MOTION: (Haverty/Lynde) To adjourn the meeting.

VOTE: (4-0-0) The motion carried.

The meeting was adjourned at approximately 8:35pm.

Respectfully submitted,
Charity A. Landry
Recording Secretary