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NOT APPROVED
TOWN OF PELHAM
BUDGET COMMITTEE - MEETING MINUTES
Thursday, October 2, 2014

CALL TO ORDER – at approximately 7:30pm

PRESENT: Mr. Daniel Guimond, Mr. David Cate, Mr. Bob Sherman, Mr. Dave Cronin,
Mr. Greg Smith, Ms. Daryle Hillsgrove, Ms. Amy Spencer, Selectmen
Representative Doug Viger, School Board Representative Brian Carton

ABSENT: Mr. Leo Rush (not excused)

Also present: Town Administrator Brian McCarthy, Finance Director Cindy Kelley, Transfer Station Director Stan Walczak and Transfer Station
Foreman Larry Neskey.

PLEDGE OF ALLEGIANCE

MEETING MINUTES

September 29, 2014

MOTION: (Cronin/Sherman) To approved the September 29, 2014 meeting minutes as
written.

VOTE: (8-0-1) The motion carried. Mr. Carton abstained (he was not present during the
meeting being reviewed.

MEMBER APPOINTMENT

The Board received a resume from a resident interested in filling the vacant position on the Board. The Board reviewed the resume. Mr. Guimond suggested if the applicant was appointed that they abstain from the Town budget vote. Mr. Smith confirmed that the Board had the ability to appoint a member given that they had a vacant position. Mr. Guimond informed he spoke with the Town Clerk who advised the Board had the ability to make an appointment. The Board made the following motion to fill the vacant position.

MOTION: (Sherman/Cate) To appoint Mr. Michael Bilby as a member of the Budget Committee until Town Meeting, 2015.

VOTE: (9-0-0) The motion carried.

2015 BUDGET PRESENTATION

Finance Director Cindy Kelley came forward for budget presentation/review.

Transfer Station - \$589,319 requested – an increase of \$20,061 over 2014 budget.

Transfer Station Director Stan Walczak along with Transfer Station Foreman Larry Neskey came forward to present the budget.

Salaries – Contractual increases. Reduction for part-time employees; they aren't being used as often.

Equipment Repairs - Mr. Walczak provided the Board with back up information. He said the compactor trailers were roughly thirteen years old. He discussed the problems occurring with rusting. They've tried to patch portions of the floor; however, they need replacement. Mr. Cate questioned the expected life of the floor after repair. Mr. Walczak said they usually got 10-12 years. He called attention to the photographs included with the backup information, which showed the problems with the compactors rusting out. The last issue is the rear suspension on the trailers wearing out. Mr. Cate noted if the trailers weren't fixed the replacement cost was approximately \$55,000. Mr. Walczak cautioned if the repairs weren't made, there was a risk for needing new equipment. Mr. Cate asked if there were any additional repairs anticipated. Mr. Walczak answered no.

Mr. Sherman questioned if there was a line for the purchase of the yard tractor. Mr. Walczak explained through discussion with the Selectmen he was told to evaluate the present year's budget in late November and determine if the expense would be approved this year.

Cemetery - \$142,826 requested – a decrease of \$654 from the 2014 budget.

Mr. Viger noted that they could speak to the budget; however, the Selectmen didn't have purview over the budget as it was submitted by the Cemetery Trustees. Finance Director Cindy Kelley and Town Administrator Brian McCarthy came forward for budget discussion.

The Board requested information regarding:

- 1) Is there enough open space within the cemetery for expansion?
- 2) Amount due from last phone bill to understand the cost associated with the telephone line.
- 3) Depending upon the cost for internet, they may want to consider using a hot spot.
- 4) Amount spent year to date on truck repair (2014 budget).
- 5) Money available in Trust Fund.

Mr. Guimond asked what advertising was done. Mr. Viger believed the budget line for advertising related to signage within the cemetery.

Insurance - \$2,240,341 requested – level funded from the 2014 budget (placeholder).

Ms. Kelley noted that the health insurance and property insurance numbers would come later in the month for review during budget reconsideration.

Mr. Cronin asked for the total number of Town employees that were covered under the insurance. Mr. Smith asked that the numbers be broken out by the number of employees enrolled in each insurance plan. Mr. Guimond wanted to know the number of people enrolled in dental insurance.

With regard to the New Hampshire Municipal Association, Mr. Sherman questioned what remained in reserve. He understood the State recommended a certain amount to be held. Ms. Kelley will get the figure to the Board. Mr. Viger spoke about the Fund Balance and believed Pelham was below the required amount. He said they tried to hold close, but the Town had expenditures and unfunded liabilities. Ms. Spencer questioned if there was a penalty for being under the State's required amount. Mr. Viger said it wasn't a penalty; it was more of a guideline. Ms. Kelley believed the town of Windham turned their entire balance back to the tax rate.

Selectmen - \$504,432 requested – an increase of \$45,219 over 2014 budget.

Finance Director Cindy Kelley and Town Administrator Brian McCarthy presented the budget.

Salaries – Overall showed a decrease. Salary adjustment for new Town Administrator. Executive Secretary position was restructured to Administrative Assistant, Director of Special Projects; budget line adjusted to reflect salary adjustment. Mr. McCarthy summarized the special projects delegated to the Administrative Asst. position. Mr. Cate noticed the previous position (Executive Secretary) had an overtime salary line and questioned if the restructured position would receive overtime pay. Mr. McCarthy said the overtime line was removed when the position was restructured and had a salary increase. Technically the position wasn't slated to have overtime. Mr. Guimond asked how the new rate was determined. Mr. McCarthy said they researched other communities and determined the average salary to remain competitive. Mr. Guimond

suggested leaving a \$1 placeholder for the overtime line. Mr. Sherman warned that hourly positions received time and a half if they worked over 40 hours. Ms. Kelley commented that the line was a salary line; if the person worked overtime, they would be paid. Additional pay could come from another line, such as Additional Administrative Coverage or the Non-Union Wage Increase lines. She said they had money in the budget to cover additional hours. She said if the person puts in overtime they will either receive pay or comp time.

Mr. Guimond asked why there was a new line for Additional Administrative Coverage. Mr. McCarthy explained when the Administrative Assistant is working on special projects it's difficult for them to handle the everyday office duties. He said he added the budget line for Additional Administrative Coverage to assist during times of special projects to allow the Administrative Assistant to complete tasks uninterrupted. The additional office help is a part-time, non-union position. Mr. Viger said the Selectmen were trying to put the Administrative Assistant in a position of not having to work overtime by bringing in office assistance.

Ms. Spencer asked if the Administrative Assistant was someone in-house, or if someone would be brought in from outside. Mr. McCarthy considered the person in-house; they work well with the public and have assisted in various Town departments. Ms. Kelley said they had worked for the Town for seven years. Mr. McCarthy said the coming year would be used as a test. The budget may increase/decrease depending upon what help was needed.

Mr. Guimond asked how much was used from the Non-Union Wage Increase line in the past year. Mr. Viger believed they used a good portion of the budget because they paid out healthy bonuses for unexpected coverages. Mr. Sherman confirmed that the bonuses were considered a one-time bonus and not included in the salary going forward. Mr. Viger stated it was a one-time bonus.

Telephone – Decrease in budget line; Mr. McCarthy uses his personal phone and receives a stipend. The budget line is comprised of phones and hot spots. Ms. Kelley will update the telephone budget.

Mr. Guimond asked for a list of all Town employees who received a stipend for telephone.

Equipment Repairs – Increase for copier service contract.

Expenses – MuniSmart support contract increase.

Compensated Absence – Mr. McCarthy said they were running on the low end for compensated absence, so the budget line was increased to build a better buffer. It was noted if the money isn't spent it goes back into the general fund.

121 Mr. Guimond asked what the Town's unfunded liability currently was. Ms. Kelley said it was approximately \$600,000. She said there was a
122 compensated absence trust fund that contained approximately \$161,000. The budget line request was \$125,000. There are two employees that
123 could possibly retire, which combined would be over \$220,000.

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125 The Board concluded their budget review.

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127 Mr. Guimond asked if the Fire union contract had begun. Mr. McCarthy said negotiations had not commenced, but was hopeful it would begin
128 soon.

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130 **ADJOURNMENT**

131 **MOTION:** (Sherman/Cate) To adjourn the meeting.

VOTE: (9-0-0) The motion carried.

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133 The meeting was adjourned at approximately 8:30 pm.

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135 Respectfully submitted,
136 Charity A. Landry
137 Recording Secretary