

APPROVED

**TOWN OF PELHAM
BUDGET COMMITTEE – MEETING MINUTES
Thursday, November 3, 2022**

CALL TO ORDER – Ms. Bressette opened the meeting at approximately 6:33 PM.

PLEDGE OF ALLEGIANCE

PRESENT: Meg Bressette
Eduardo Martony
Garret Abare
Debbie Ryan
Megan Larson
Paul Grant
Bob Sherman
Ellen Cormier
Jason Croteau
Philip Haberlen
Greg Smith

ABSENT: None

MINUTES REVIEW

Regarding the 10/27/2022 meeting minutes, Ms. Bressette said on line 285 to change the money symbol to read as \$8,500.00.

MOTION: (Mr. Sherman/Ms. Larson) To place the October 27, 2022, meeting minutes on file.

VOTE: (10-0-1) Motion passes. Mr. Haberlen abstained.

REVIEW OF SCHOOL BUDGETS

Ms. Bressette wanted to read off some of the answers to questions that were asked last week. One of the questions was regarding the calculations of how a teacher's perfect attendance was calculated? The answer is found on the bottom of page 13 of the CBA. They can get 2 days in a half-year period; they do not use sick or personal leave and get a fifth day if they go the full year without the use of any sick or personal time. The CBA was attached to that email.

The next question was about providing more information on the Unified Talent software, including the benefits to the district and would any software be eliminated by implementing this software. Ms. Mahoney said that Unified Talent is a HR management tool that will streamline the hiring, training and contracting process for our employees. It will allow us to generate and issue forms at the time of hire, such as a new hire contract and all related forms such as a contract forms through

an electronic system. New hires can make benefit elections and pay decisions electronically. Digital files will be generated and create a workflow system with employees. Unlike non-public employers, school districts provide annual contract to their employees. The amount of HR paperwork is extensive and moving to an electronic system workflow will allow the HR department to become more efficient and effective and eliminate paper processes. There will be electronic storage and that will reduce the paper storage. This will help reduce paper in other areas as well. This program will integrate with the current HR and payroll module within the E-Finance program. References have been checked and they have all been good for this product. Currently there are no software budgets that could be eliminated but could eventually resolve in a cost savings for us.

Ms. Bressette welcomed Ms. Mahoney, Dr. McGee and Dr. Marandos.

Ms. Bressette mentioned the district considering negotiating with bulk-pricing for the PowerSchool product. She said the answer was that many other programs are owned by PowerSchool they're separate products required due to the success and functions adjacent to the PowerSchool's, that being said, most are billed from separate departments, use account representatives from their specific area and generally operate independently. The value of using these products with the PowerSchool title comes from their integration with each other as well as support we can get for functions that cross platforms. It is always our practice to make sure we are being given the best price possible on these and all other resources.

Another question was, can we consider using the police live scanner for fingerprinting, rather than purchasing the live scan system. Dr. McGee said this involves coordination with the town side. He had excellent conversations with Chief Perriello on this last week. He said do about 200 of these scans per year. About 100 of them last year were in July and August. These include parents that wish to go on field trips during the year. He said they do this in house now with ink as part of the scheduled appointment when a new employee comes on board. That would have to be scheduled at the police station and the chief and everyone he spoke to on the town side were open with this is were open to accommodating this. He said is concern is that the number of appointments and this has to be done by the officer on patrol. His concern is taking away a patrolman off the street when these appointments are needed. He said the goal is to become a great employer and this would add a layer of complexity for new staff and for parents. He recognizes this committee is looking at numbers and if they do not get approved for the live scan, they would not make their employee use the live scan at the police department. He said they would continue to do it using ink they way they have been. They said they would continue to do this inhouse.

Mr. Smith said the downside with using ink is there is a high rate of failure, and the live scan is cleaner and faster? Dr. McGee said yes and that means they will have more prints returned and have to have people come back in. Dr. McGee said the district currently pays for volunteers scanning. He would want to work that out in a fair way as that is not a negligible amount of money for doing all of those scans.

Mr. Smith asked how much it was for the live scanner? Ms. Mahoney said it is \$5,849.00 on page 37 of the district wide budget. She said that includes the scanner, hardware, software, support and the 1st year of annual maintenance and a service fee of \$949.00. The \$949.00 would be the annual fee after the initial purchase.

Ms. Bressette said the next question was related to a response about networking replacement for tech plan. That replacement would include equipment throughout the district including some at Memorial school (will cover the additional equipment required due to the expansion of the Memorial school).

Mr. Smith said a goal when you invest in IT and automate things is to save on labor. He asked if it would be possible if they invest in the software module and reduce the labor costs? Dr. McGee said he follows the logic and said no he wouldn't be able to reduce labor costs. He said they would be able to maintain their employee records without having to outsource the storage of those records. That staff would remain fully occupied.

Ms. Bressette asked how many employees the school district has? Dr. Marandos said 312.

Ms. Bressette said she forwarded an email today at 3:32 pm with additional questions. She said there were 44 questions and answers.

Ms. Bressette thanked them for getting all of these answers for this committee.

Ms. Bressette asked about number 9, she asked if that trainer was for all sports? Dr. McGee said for all sports. Ms. Bressette asked them to speak to number 10. Dr. McGee said he keeps track of this, and this is regarding the cost per pupil. He said his team uses a DOE25 for financial reporting. This helps compare budgets and with the 12 districts in the state average and there are 9 years of cost history there. He said red is for lower numbers, green is for higher numbers. He said the most recent year is 2021 and Pelham had a cost per pupil of \$16,211.00. That is compared to the state average of \$18,434.00. On the higher end is at \$23,000.00 and the lower end is \$13,801.00. He said his experience, funding isn't the only way to get an excellent school district, there is a threshold, and we want to make sure we have enough money to offer what the community expects and most importantly to retain high quality staff.

Mr. Smith asked if that included special education? Dr. McGee said it does include that and there is a formal definition quoted by DOE in the answer that was given. He said it doesn't include those out of district placements but includes in district and transportation costs too. He said food service revenue is deducted. Capital and debt service are not included.

Ms. Cormier asked if Auburn has about 1/3 of the students that we have and does that correlate? Dr. McGee said no and one thing that is difficult for smaller school districts is the fixed costs of operating a building. He said it tends to be driven by the teacher's contract.

Mr. Abare said he divided the number of students into the budget and asked if there was any debt service changing the number here? Ms. Mahoney said yes. Mr. Abare asked about adding debt service back in to compare? Dr. McGee said it's important to know where the figures come from, and this comes from the DOE25, and he can look at those numbers. Ms. Mahoney said this is also posted on the website so anyone can see every year's DOE25. This document shows every detail, and it calculates the rate per student.

Ms. Abare asked about adding debt services back in, are there any significant payments that would that change the DOE data? Dr. McGee said when the DOE calculates it, they say capital and debt services are not current expenditures and are not included.

Mr. Sherman said if you were going to add that, any other school district you would have to add in their debt services and capital.

Mr. Abare asked about number 14, why do we need a new platform swing annually? Mr. Abare asked what that is? Dr. McGee said it is for special education. Ms. Mahoney said it's in the occupational therapy department. Ms. Larson said he can google it. Dr. McGee said it is required for children by the occupational therapist. Ms. Larson said it's used indoors for special education. Mr. Abare asked about the printer agreement, are we charged additionally if we go over a certain number of pages? Ms. Mahoney said yes, there is an overage fee in the contract. She also said that they implemented a new papercut system and that is being rolled out. As that continues, the costs will go down.

Ms. Bressette asked if these questions and answers could be attached to the meeting minutes.

Ms. Bressette said number 37, regarding the police detail for school games and the police charges for that? Dr. McGee said yes, the officers get paid for that and that is the same in every district. The schools get a benefit of having 2 school resource officers and those personnel expenses are paid on the town side.

Ms. Bressette asked about number 38, athletic supplies and the actuals are around \$25,000.00.

Ms. Larson said the school board discussed and this is something they are researching to provide more information for reconsideration.

Ms. Bressette asked about the cheer mats? Dr. McGee said they aim for 8-10 years, and these are at 13 years now. These would be a one-time purchase and wrestling mats are different pieces of equipment for the need of two sports and for cleanliness.

Ms. Larson said the Parks and Recreation runs programs in the schools and they use these mats, and she believed the Parks and Recreation contributed money towards these mats. Ms. Mahoney said yes, that was at the Memorial school. Ms. Bressette asked if these mats were at the Memorial school or at the High school also? Ms. Mahoney said at both buildings.

Ms. Bressette said multiple parents brought up to her about being happy with having FACTS for the 6th graders. They love the real-world applications in this program.

Mr. Abare asked about question 32 and how many picnic tables are there? Ms. Mahoney said six and six umbrellas. Ms. Larson said they are very sturdy tables, not wooden ones. They are by the high school. Mr. Abare asked if they were replacements? Ms. Larson said no, they are additional.

Ms. Bressette asked about question 41, athletic bus trips and what is the cost, and do we own the bus? Ms. Mahoney said we don't own the bus, and this is contracted through the new agreement. The daily rate for the bus is \$375.97, this year they budgeted \$453.87, which results in a savings. She said this includes the daily rate, the new buses, fuel and the driver per day.

Ms. Bressette said if we offer a program, is it our obligation to get the students to and from sport events? Dr. McGee said technically it is an option to provide High school transportation, but once we are providing the service, we have the obligation to transport certain students. Once that is triggered, we have to provide this.

Ms. Bressette said question 42, can we subcontract out the psychiatrist positions, what is in the CBA? Dr. McGee said school psychologists are not in the collective bargaining agreement. Except for nurses, no allied health professionals are in the collective bargaining agreement. He said we are contracting out all of these now this year because of the tight labor market in this area. Roughly said that costs us about 160% all in more to contract this out than it would be to have these employees. These positions are required by law, and we would prefer them to be employees. Ms. Larson said also for continuity of services because contracted people can be different, and children make progress when they make connections with certain people. She said we try to keep those in house so they can progress.

Mr. Smith asked about number 12, and he said he doesn't understand the reference to Appendix B? Dr. McGee said those lines have been negotiated after several rounds and those are the results of the agreements made. Ms. Mahoney said it's what the positions pay. Ms. Larson said those are taken care of through negotiations.

Ms. Ryan said enrollment may play a factor in these numbers too.

Ms. Abare asked about the custodian position and where does the plan for the facilities and maintenance come from? Ms. Mahoney said the district has a plan that documents how we maintain our facilities. This is the staffing section of the document, and it is on our website. This has been approved by the school board and supports our level of acceptable cleaning and details out how many custodians it takes to maintain that against standards. On page 2 of this packet, it

talks about the number of custodians. It talks about the square footage and the number of custodians to maintain that. She said with the new addition of one position, this will eliminate the current custodians to maintain 5,000 more square feet each. She said with the new building we want to maintain and keep a high level of cleanliness in it. She said that additional custodian is needed to keep up with that level.

Mr. Abare asked if they didn't have this additional position, would it be an additional responsibility of the 5,000 s/f each? Ms. Mahoney said yes. Mr. Abare asked if they had any input on that or did the school board decide? Ms. Mahoney said they applied a formula and decided to add the position to reach that goal. Ms. Larson said the facility director. Ms. Mahoney said yes.

Mr. Grant thanked them for all their work and efforts. He said looking at the data and numbers, almost every metric we are flatlining or decreasing, except for the budget, which always increases. He asked why should we vote to approve a larger budget, when all the metrics outputs are down, but we're putting in more inputs?

Dr. McGee said after being in Pelham for almost 3 years, he is very connected and has great pride in this district. He said the work that our staff do with our students is exemplary work.

He noted on page 19, question 44, with metrics having to do with the SAT's. He measures our performance, even with the pandemic, and nationally and in NH. He said there are indicators of success. He said we are not trying to produce more points on tests, but we are trying to produce healthy, successful resilient citizens when they leave our schools. Our budget is up 2.99%. He asked everyone to look around and see how the inflation is affecting them. He asked how any of them are staying less than 3% annually? He said we are staying the same size. He said we took some tough hits with removing some positions because we know how serious it is to use taxpayers' money to run a school system. He thinks a less than 3% increase in the general fund represents a good use of funds. He said at the board meeting last night, they put out specific goals for performance, specifically in math and we need to make that progress. Mr. Grant wanted that information because he wanted to make sure of all the citizens were aware.

Mr. Sherman reminded the budget we're talking about doesn't start until July 1 of 2022 and goes until June 30 of 2023. Ms. Bressette said 2023 to 2024.

Ms. Larson said the total budget was up \$1.1 million, but \$1.3 million increase was energy and waste, health insurance and salaries and those are things we have no control over. She said the school's leadership team did a good job looking at other places to move/cut positions to make the district better to meet the goals. She said they took a thoughtful approach to this.

Mr. Smith asked when the CBA was done for the main teacher's side? Ms. Larson said next year is year 5. Ms. Mahoney said March of 2020. Mr. Smith said he is thinking a lot of people are falling behind and they will be expecting a significant COLA in next year's contract. Dr. McGee asked if he meant teachers? Mr. Smith said yes, the bulk of the labor. Mr. Smith said there is a retention issue as well. He said those agreements will be challenging next year across the board. Dr. McGee said that is a fair statement.

Mr. Habermen talked about how Mr. Grant talked about the SAT scores and talked about creating healthy resilient citizens. He asked what the metrics were in determining healthy, resilient citizens? Dr. McGee said the metric in math is 530 on the SAT. The college board indicated that is college/career ready. Dr. McGee said the goal is to increase that by 5%. Dr. McGee said measuring healthy and resilient students is difficult to do. He said Dr. Marandos has some high-quality indicators, one is the BIMAS survey. He said that is an indicator and they are hoping to expand that through the 8th grade. He said there is also a youth risk behavior survey that is used nationally at the high school level. He said these both require parent permission. Ms. Marandos

said the BIMAS is the behavior intervention monitoring assessment system. This is being implemented at the elementary school at a rate of about 93% participation.

Mr. Abare asked about surrounding towns and SAT scores, and what their averages were? Dr. McGee said he can get that for him. Mr. Abare asked if over the past 6 years what the scores were? Dr. McGee said he can get that for him.

Ms. Bressette said we will vote on the budget next week. She asked about the PMS custodian going to full-time, the maintenance for the district and the receptionist. She asked them to rank the most important one to add to the district. Dr. McGee did not give an answer.

Ms. Larson wanted to make a point that there were a lot more positions that were requested and did not make it to this point. And those three were fully vetted and prioritized.

WARRANT ARTICLES

Ms. Mahoney provided a draft warrant with three articles. The first one is the officer election; it indicates the positions that will have in our school district officer group. On article 2 is the operating budget and article 3 is the PESBA agreement that was voted and supported by the school board.

Ms. Bressette asked if the default operating budget amount was \$39,877,406.00? Ms. Mahoney said yes.

Ms. Mahoney said because they are voting on the recommended budget next week, she said she will have the warrant articles at the same time so they can be read then with the modified number. She said she would review the default number at reconsideration should there be any changes if will be reflected in the warrant article.

Ms. Mahoney said for the PESBA agreement they have a summary, accosting and a redlined agreement for all to reference.

Dr. McGee said this speaks to what Mr. Smith was talking about and he expressed gratitude to the leadership of PESBA for all their work and negotiations. These staff members work directly with students, and they do very important work. There is a wage contract included and this is a 3-year contract, in the first year a 4.5% increase to the top line, in the second year a 4%, and the third year a 3.5% for the wage increases. They targeted the higher increase to the lower paid portion of the contract. So, the Title I and academic tutors are getting a 3% increase instead. He said they equalized the steps on the schedule. They increased the pay differential for IA's that work in the specialized programs. Health insurance went from a 3 tier to a 6-tier prescription program which reduces costs for employer and employees. They created a cost driver system and so an employer would contribute up to \$7,500.00 towards any plan. They are offering 3 plans. PESBA already voted to approve this contract. Last night the school board voted to approve this. We changed language related to mentoring to retain high quality IA's. we also added definitions to titles to avoid confusion. They adjusted the sick leave pay out at separation. They also changed the bereavement language, which was a zero-cost impact, so that matched what's in the teacher's association.

Ms. Mahoney has provided a document showing the cost analysis that indicates the salary costs and the benefit costs. In the first year that reflects the 4.85% change, which is about \$75,702.00. then there is the special's stipend, moved from .45 per hour to .60 per hour, that cost was an additional \$4,179.00. they increased those that are certified from .40 to .45 per hour, so that is \$1,796.00. Below that shows the benefits associated with those changes. That also shows the health impact to that change with the \$7,500.00 cost that the district pays toward the elected plan that cost is \$13,281.00. In year 1 of the proposed agreement, the cost is \$101,576.00. In the

following two years that is a similar calculation. In the salaries section there is an additional cost for accumulated sick. There is a separation payment for those that work for at least 15 years. They receive their sick payment up to either a \$2,000.00 or a \$2,500.00 amount. Based on the experience of the staff during this term, there is an additional person that might be eligible for this, so there is an additional \$500.00 on that line for years 2 and 3 of this agreement. At the bottom proposed agreement for the cost of the 2nd year at \$93,072.00. In the third year, the cost at \$88,091.00.

Mr. Sherman said the NHRS stands for the New Hampshire Retirement System and that is not a benefit? Ms. Mahoney said yes it does and the requirement is 35 hours or more and we don't have any positions that reach that and we don't pay as a district towards retirement for this population. Ms. Bressette asked the number of positions this is affecting? Ms. Mahoney said we have 80 FTE in this group. The average service is 9 years for our IA positions and 10 years for the tutor positions. The longest employee in this IA group is 30 years and the current starting rate is \$14.85. this change will bring us into a starting rate of more than our high school students get paid at a local fast-food restaurant. She said we really need to make this change to be competitive for our employees. Ms. Bressette asked what the starting rate would be after this agreement? Dr. McGee said \$15.44 the first year and \$15.95 for the second year, \$16.51 for the third year and that's for an IA that's not certified, with no special assignment and no previous experience.

REVIEW OF TOWN BUDGET

Ms. Bressette said the Board of Selectmen had made some additional changes that we'll be reviewing.

Mr. Roark said most of the changes were to format the budget and delineate warrant articles from items that were in the budget. Ms. Bressette asked him to go over those.

Mr. Roark said in the highway department, they added \$128,000.00 to the budget for a replacement of a failing culvert on Bush Hill Road, line 175. He said they subtracted \$32,000.00 from the highway department budget for the contractual price on the catch basin cleaning service. He said we won't need them, as we are purchasing a truck for this. That was subtracted from line 190.

He said Tammy got the actual numbers for health insurance. That increased by \$157,784 for the annual premium changes. They added \$975.00 to dental to bring it to \$65,975.00, which is a 1.5% increase (line 121).

He said they added \$10,591.00 to the property and liability coverage to bring that total to \$161,887.00, which is a 7% increase (line 123).

He said on line 124, increased by \$19,125.00, which is a 5.4% increase.

He said on line 125, added \$228.00 to the unemployment, which is a 4.4% increase.

He said on line 126, added \$126,865.00 to the health insurance to bring the total to \$2,476,215.00, which is a 5.4% increase.

The next area was parks and recreation: There was \$4,150.00 added to line 184, this reflects the new trash disposal contract. That is up from \$9,100.00 to \$13,450.00.

The next area was the planning department: That was reduced, section 625, by \$3,500.00 in order to enter into a 5-year contract with CivicGov, which is a permitting, planning and code enforcement software. The need was \$29,500.00 plus \$5,000.00 contingency for the 2023, year one. Not the original \$38,000.00 that was originally cited.

Ms. Bressette said line 192 should reflect \$34,500.00.

Ms. Larson asked if Mr. Roark has a summary of all the changes that were made? Mr. Roark said yes, and he has a memo and can send it out to the committee.

Mr. Roark said for the police department, they added \$1.00 for the police firearms instructor training, as a placeholder under section 130.

He said they had a motion to reduce section 625 by \$511,588.00, that project will be funded by the American Recovery Plan funding and it's been taking out of the operating budget. He said Chief Perriello was also able to obtain better pricing on that.

He said for technology they added \$14,067.00, section 560, in order to purchase the licensing and hardware for the new town wide telephone system for 5-years.

Ms. Bressette asked if that was the initial cost for the phone system or is that for every year? Mr. Demers said that was the one-time cost for the 5-years.

For town buildings: They added 52,254.00 to section 251, line 46 and that it to reflect at 25% increase in the cost of electricity. \$261,270.00 is the total for that line item.

He said they added \$5,130.00 for the oil budget under section 255, line 86. The rates anticipated now at \$4.11 per gallon, that line total is now \$12,330.00

Ms. Bressette asked if we were in a locked in rate for a half a year for electricity? Mr. Roark said we are locked in for natural gas, but not electricity. Mr. Roark said everyday there is a threat of more of an increase.

Mr. Smith asked what temperature the buildings are kept at during the winter? Mr. Roark said Mr. Demers handles the HVAC controls and asked him what that number is? Mr. Demers said they try to keep it between 72-73 and it's normally on the lower end. Mr. Roark said this was a retrofitted building and some rooms are not well controlled. He said Mr. Demers takes a lot of complaints on HVAC issues. Mr. Roark said this building was constructed without changing air ducts when offices and rooms were made, so it fluctuates and is irregular and is not a great system. Mr. Sherman asked about the oil, gas and electricity and has the cemetery, library, transfer station, highway and so forth been adjusted in those areas? Mr. Roark said if we pay those electric bills, then they are. He said he knows we pay the transfer stations but wasn't sure about the cemetery and he will look into that.

Mr. Roark said there was a motion to add \$52,720.00 to town building's natural gas budget under section 255. The anticipated rate of \$2.19 per gallon and brings line 87 to \$116,622.00.

He said there was an increase of \$7,350.00 to town budgets section 625, landscaping. This is line 193 and reflected our contract with Boyden's because we have more grass and property to take care of. Grass was added at the senior center and t-ball fields at Muldoon and the normal increases every year.

The next is the transfer station and they made a motion to add \$83,000.00, equipment tech plan, section 560, for the replacement purchase of a new mixed solid waste compactor. That is a key piece of equipment, is a replacement, as it is over 20 years old and is the linchpin of that operation. If that failed, we would have a problem. That was line 149.

Ms. Bressette asked if that was on the budget in the beginning?

Mr. Roark said it was discussed whether to be a warrant article or not and was decided to be included in the operating budget.

Mr. Roark said there was a motion to set a town wide minimum wage rate of \$15.00 commencing on January 1, 2023. Ms. Penny said this change would impact 4 budget areas: cable, conservation, senior center and retirement because retirement budget houses Social Security and Medicare tax. This should be a \$9,743.00 increase. She said she made an error of \$152.00 and the board voted \$9,591.00. She said she will clear this up in the memo that is sent out. Mr. Roark said we don't have the number, but he said one budget doesn't have the number of employees. Ms. Bressette said she didn't realize there was an hourly rate for conservation. Ms. Penny said the recording

secretary and clerical assistant are identified. For the senior center is for the travel assistant. Ms. Bressette asked what they were at before? Mr. Roark said it varied from department and this was to get it more consistent when hiring the part time and seasonal help. Ms. Penny thought they were around \$14.00, but they were varying.

Mr. Roark said the changes resulted in a \$333,000.00 decrease from the original BOS budget that was presented. Ms. Bressette asked if that was mainly from the federal funds allowed in the highway and transfer station and larger ticket items? Mr. Roark said and the utility costs. Ms. Bressette said the retirement and insurance and she was glad to hear about these now and not at reconsideration.

Ms. Larson said the overall budget increase is 4.17%? Ms. Penny said yes.

Ms. Bressette said BOS approved is \$21,239,477.00? Ms. Penny said they voted on 475, but due to rounding that's the way it fell on the spreadsheet because they're whole numbers. Ms. Bressette said the increase from last year would be \$849,483,00.00? Ms. Penny said yes.

Ms. Bressette said we will be voting on these next week and they can bring any motions for any recommendations to areas to cut.

Mr. Roark said they have two warrant articles, and the Selectmen are scheduled at their next meeting to discuss warrant articles. He said these are two that would be of interest to this committee and the rest are procedural, other than the warrant to approve the total budget.

Mr. Roark said the smaller one is proposed: Shall the town vote to raise and appropriate the sum of \$101,380.00 for the purpose of purchasing a new fully-equipped Ford F550 rack body truck including electric hoist, lift gates, snowplow and other necessary equipment for use at the Pelham transfer station/recycling center. The truck will replace an end of useful life 2001 Chevy pickup truck that was previously deployed as an animal control truck until being reallocated for use at the transfer station in approximately 2010. The truck will be used for general maintenance and some hauling of recyclables. Mr. Roark said the superintendent, Mr. Bob Long, would like to bring some light iron, that are lower in weight, he would like to bring these to recycling facilities, thus cutting the hauling costs on this. It would also assist them as they clean the recycling. He said it's reasonable that the older truck is at the end of its useful life.

Mr. Sherman said he is running the risk if the voters vote no, and the present truck breaks down, he said he has concerns about this on a warrant article. He said it should be in the budget. Mr. Roark said it is an important need, it's not urgent and they can use a different highway truck if the old Chevy were to fail. Mr. Roark said the board felt that this would be left up to the citizens. Mr. Sherman said this raises the question is, is the truck good enough for another year and should the warrant article be withdrawn incase at the end of this year you can find an extra surplus and it can be bought then? Mr. Roark said that's a good point, but this is what the Selectmen determined.

Mr. Croteau said their thought was that it wasn't a direct replacement, it was more of a wish list item at that time. He said they will take the retracting of the warrant article into consideration.

Mr. Haberlen asked if the last line was referring to the Chevy pickup truck? Mr. Roark said the new truck will be used for general maintenance. Mr. Haberlen said they should reword it and emphasis, the F550 truck will be used, to make it clear. Mr. Roark said okay.

Mr. Roark said the second article is very important for a new five-year agreement with the police union. This union includes the civilian dispatchers and all of the officers from sergeants to patrolmen and corporals. The lieutenants, captains and chiefs are all salaried employees. This contract would be for the sergeants, corporals, patrolmen and the full-time civilian dispatchers. It reads: Shall the town vote to approve cost items included in the 5-year collective bargaining agreement ratified by the board of selectmen and the Pelham Police Local 3657 of the American

Federation of State and County and municipal employees which calls for the following increases in salaries and benefits and to further raise and appropriate the sum of \$114,110.00 to fund the first year of the agreement. Such some representing the additional costs attributed to the increase in salaries and benefits required by the new agreement over those that would be paid at the current staffing levels. This is a special warrant article.

So, the costs below, the first-year cost is \$114,000.00, second year cost \$141,763.00, third year cost \$117,339.00, fourth year cost \$112,514.00, fifth year cost \$145,585.00. He said some of the negotiations were over language. He said the goal was to come to a good medium between the two parties. He said the costs talked about are on the 2nd page, the first year is a 4% raise. The health insurance share is 5%, the goal of this is that the police union has a fixed number for their health insurance costs, meaning every year it goes up, they pay the exact same thing on this contract. He said they had to find a way to get them from a fixed number to a percentage so they would reflect as the increases increase, they would pay a little more. He said they were reluctant to get out of this, but knew it had to be done that way. He said they agreed to an insurance cost share of 5% and what they are paying now as a flat rate, would equal to about 6%. So, they will save a little the first two years. Then at the third year they are at 6%, 7% the fourth year and 7% the fifth year. He wanted to emphasize it sounds like a long time, but during the first contract, the first five years you have to flip them over to that percentage. The next contract will be to gain a larger percentage and start taking a bigger role in the health care costs. This has to be done in steps, but that's how these things get changed. As far as the COLA's go, it's 4%, 4%, 3.5%, 3.5%, 3.5% and the way they came to those number is they took an average on the pay for similar positions and they compared them to the Goffstown police, the Hudson police and the Londonderry police. The reason those were chosen was because all three of those are accredited agencies and they all have comparable statistics like Pelham. They took the averages, and the patrolmen were 3% behind those, the corporals were 4% behind, the sergeants were 3% behind and the dispatchers were up 3% from those towns. He said if we could get those percentages, pay our employees a percentage point more than that (because all of these other positions are being renegotiated and are going up). That was the number they came up with to get the COLA number that you see. He said this is a negotiation, so they came in higher than this, but we were able to compromise and come to this conclusion. The other important thing is we got caps on earned time in the contract, which several of those employees did not have caps. Meaning they can collect unlimited earned time and when they retire, we pay out at their retirement pay, which is more than when they're working. We were able to negotiate as part of this, an 800-hour cap for everybody in the police department. One of the big goals was to prevent those down the road costs.

Mr. Sherman asked if the selectmen have approved this contract? Mr. Roark said yes, it is tentatively agreed upon by the board and the union.

Mr. Smith said it hasn't been voted on, but it's been approved by both sides? Mr. Roark said yes and now it's just the vote in March. Mr. Smith said the union is ratified? Mr. Roark said yes, and the board of selectmen are ratified.

Mr. Sherman said and whether we go along with it. Mr. Roark said preferably with the recommendation of the selectmen and the budget committee, but it will go forward either way.

Mr. Smith said according to his math, he is coming up a five year, just under 20% overall cost of living over 5 years, he got 19.9%? Mr. Roark said if you added them up, they compound, and it would be over that.

Mr. Sherman said that we have a national certified department, doesn't that mean our officers are better qualified? Mr. Roark said all three of the departments he stated are also certified, which was why they were selected.

Ms. Bressette asked how many employees this covered? Mr. Roark said he believes there are 25 full-time police officers, 4 full-time civilian dispatchers, 1 records clerk and 1 full-time animal control. So, there are 31.

Ms. Bressette asked what happens if this didn't pass? Mr. Roark said they would revert back to their old contract, and no one would get their built-in raises. He said the difficulty if this fails, is they are that much further behind when they negotiate the COLA's because they are falling back another year. He thinks the union was generous to enter into a 5-year agreement with us with understanding what may be ahead in the next 5 years and the security of this is valuable.

Ms. Bressette reminded anyone if they have any questions, to please email her and she will forward those. She said they will be voting next week.

Mr. Sherman asked about the water commission wanting a study done and he is worried about the financing for that. He said they talked about a warrant article and if that failed then what?

Mr. Roark didn't want to speak for the water commission, but what he understood if the board of selectmen has agreed to fund through the American Recovery Plan funds a feasibility study through an engineering company. Then that opens the door to seek some funding for some infrastructure. He doesn't anticipate any municipal warrant water article this year.

Mr. Croteau said they approved the \$17,000.00 to start the study and there is a grant for \$50,000.00 and that we hired a firm. He said they are not looking to bring anything to warrant.

Mr. Sherman said it may be at reconsideration if the grant does not go through because he knows they want to sign a contract with this company and that's what he is worried about where the financing is coming from. Ms. Penny said at the board the way the motion was presented was that, if the funding didn't come through with the second \$50,000.00 grant, then ARPA funds could be used. Mr. Roark said that is correct.

Ms. Bressette said we are waiting on the tax rate to be set? Ms. Penny said she is pushing for that, and it just needs confirmation. Ms. Bressette asked what the outlook is? Ms. Penny said the 'draft' is \$17.42 with the municipal rate of \$5.44, county .85, local education is \$10.10, which is lower than a few days ago and state education \$1.03 for a total of \$17.42.

Ms. Bressette said next week we will vote on the budgets and the proposed warrant articles.

ADJOURN

MOTION: (Mr. Sherman/Mr. Martony) To adjourn the meeting.

VOTE: (11-0-0) The motion passes.

The meeting was adjourned at approximately 8:32 PM.

Respectfully submitted,
Jennifer Castles
Recording Secretary