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**APPROVED**  
TOWN OF PELHAM  
BUDGET COMMITTEE - MEETING MINUTES  
Monday, September 15, 2014  
APPROVED – September 22, 2014

**CALL TO ORDER** – at approximately 7:30pm

PRESENT: Mr. Dan Guimond, Mr. David Cate, Mr. Bob Sherman, Mr. Dave Cronin,  
Mr. Greg Smith, Ms. Daryle Hillsgrove, Ms. Amy Spencer, Mr. Leo Rush,  
Mr. Everett Gibbons, School Board Representative Megan Larson, Selectmen  
Representative Doug Viger

ABSENT: None.

Also present: Town Administrator Brian McCarthy and Finance Director Cindy Kelley.

**PLEDGE OF ALLEGIANCE**

The Board introduced themselves to the public.

**MEETING MINUTES**

**April 21, 2014**

**MOTION:** (Sherman/Cate) To approve the April 21, 2014 meeting minutes as written.

**VOTE:** (10-0-1) The motion carried. Ms. Larson abstained.

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26 **COMMITTEE REPORT(S)**  
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28 School Liaison David Cronin reported that he and Mr. Cate attended the School Board's preliminary budget meeting. The three schools proposed  
29 their budgets and included 'wish list' items. Highlights from the meeting were: 1) 10% increase in teacher retirement; 2) assumption there will be  
30 transportation increases; 3) reviewing trends over the next three-year cycle; 4) enrollment in Pelham elementary has increased by 69 new students  
31 for a total of 771, also as of 9/9/14 there are 845 names enrolled at Memorial School; 5) there have been line item shifts within the budgets; 6)  
32 elementary school began with a zero budget this year with a focus on curriculum development assessment; 7) memorial school is focusing on  
33 equalizing technology; and 8) high school budget contains certain items that may disappear due to the inclusion of these items in the  
34 building/refurbishing project.  
35

36 Ms. Larson explained to the Board that the actual enrollment figures would be reviewed after October 1<sup>st</sup>. She noted that the additional 69  
37 students was the increase of new students at the elementary school only.  
38

39 Mr. Rush questioned if the School had determined the final figure for the underspent budget. Ms. Larson said they would discuss the figures  
40 during budget review. Mr. Guimond noted the School would present their budget in mid-October. He believed that the amount returned was  
41 approximately \$1.1 – \$1.2 million dollars. Ms. Larson said the return figure was projected for over one million dollars; however, the final audit  
42 had not yet been completed.  
43

44 Mr. Smith asked if the new enrollment (69 students at elementary school) was typical. Ms. Larson said it was a lot. The new enrollment was  
45 grades K-5 and was attributed to children changing schools and moving into Town. She'll have a break down after October 1<sup>st</sup>.  
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48 **2015 BUDGET PRESENTATION**  
49

50 Town Administrator Brian McCarthy and Finance Director Cindy Kelley introduced themselves.  
51

52 ***Budget Committee - \$4,180 requested - level funded from 2014 budget.***  
53

54 Mr. Cronin recalled the Board proposing a salary increase for the Recording Secretary. Ms. Kelley replied that the Recording Secretary had  
55 received an increase, which was reflected/adjusted within the Selectmen's budget. Mr. Sherman would like the figure contained with the Budget  
56 Committee budget. Mr. Viger said a motion could be offered when the Selectmen's budget was reviewed.  
57

Mr. Guimond asked that the Board be informed of what salary increase was given.

***Debt Service Interest - \$127,491 requested – a decrease of \$41,937 from 2014 budget.***

Decrease due to the Town paying more principal than interest in 2015. A breakdown of bonds was provided for backup information.

Mr. Guimond confirmed that the Town hadn't borrowed and TAN for a few years. Ms. Kelley replied the Town had a TAN, but hadn't borrowed from it.

***Debt Service Principal - \$687,180 requested – and increase of \$148,839 over 2014 budget.***

Expenses were broken out to show the increases/decreases from the previous year.

There was a brief discussion regarding the Planning Department vehicle (Ford Focus) approved at 2014 Town meeting. The new vehicle is running well and achieving good gas mileage. The old vehicle will be going out to bid prior to the end of the year.

Mr. Cronin asked for an explanation of the savings generated by combining leases. Mr. McCarthy said when they reviewed getting the fire truck, Planning vehicle and Police vehicles, they negotiated the vehicle group with Municipal Leasing, who specialized in municipal leases. They received an unbelievable rate and were able to save \$46,890 over the life of the lease. Mr. McCarthy noted when the Police cruisers came in next year the first year payment would be interest free.

***Health Services - \$59,175 requested – an increase of \$4,550 over 2014 budget.***

Ms. Kelley noted that Health Services were the local services that provided care for the Town's residents needing assistance.

Ms. Spencer questioned why the line for Salvation Army had been removed. Ms. Kelley explained after doing research with the Town's Welfare Director, it was found that they weren't providing the services they specified. Mr. McCarthy added once the evaluation was done the donation amount was moved to the Pelham Food Pantry line.

Mr. Cate asked the reason for the \$5,000 donation increase to Home Health & Hospice Care. Ms. Kelley said their request was based on the number of visits increasing from 909 to 1105 (approximately \$22 per visit). Mr. Smith believed the numbers were consistent with an aging population. Breakdown of provided services included in backup information.

***Health Officer - \$43,766 requested – level funded from 2014 budget.***

Mr. Guimond confirmed that the Health Officer was Dr. Srilatha Kodali. Ms. Kelley answered yes.

Mr. Cate understood a large portion of the budget went toward mosquito control. He asked if services were done through a bid process. Mr. McCarthy answered it was through a contract with Swamp Incorporated. Mr. Viger said the Town had an aggressive bid policy so they tried to send the service out to bid. It was learned there were two certified State agencies who conduct mosquito testing; one is located in southern New Hampshire and the other is in the north country area. The two companies don't compete with each other. Mr. Viger said they went through the bid process to the best of their ability. Bids were initially sent out to two or three agencies, but only one bid was received back. This was consistent with other municipalities in the area. Mr. Cate saw that the budget numbers appeared to remain consistent. There was no budget increase.

Mr. Rush asked what amount was actually being spent for mosquito control based on the figure spent through the end of May, 2014. Mr. Viger explained that the budget figure was based on the contract amount (not to exceed number) in the event every service was utilized as mosquitos were tested. Pelham has been very lucky that no cases of Eastern Equine Encephalitis ('EEE') had been found. Mr. Viger said a breakdown of expenditures could be provided. Mr. Rush asked if the dollar amount spent would be close to the proposed budget figure. Mr. Guimond reviewed the amount spent over the last few years and pointed out that the proposed budget was in line with those figures.

***Human Services - \$86,480 requested – level funded from 2014 budget.***

Mr. McCarthy told the Board that Dawn Holdsworth handled Human Services and did a phenomenal job. He said she was very good at meeting with people and getting them through whatever situation they had. He noted that welfare fraud was a professional business for some people. He said Ms. Holdsworth was excellent at determining those who were truly in need of service and assistance.

Mr. Guimond recalled in the past there was some questions as to whether the position was being paid for all the hours worked. He confirmed that Ms. Holdsworth was being paid for all her hours. Ms. Kelley answered yes; she was being paid for all her hours.

For the third year in a row, Mr. Cronin asked if the department adequately funded. He reviewed the budget history of the department from 2006 to present and saw there had been fluctuations up and down. He noted that the department had spent approximately 31% of their budget in the first five months of this year. Mr. Cronin asked if the salary and expense figures were enough to provide the services to the Town. Ms. Kelley sat with the director to closely review the proposed budget. The director thought the proposal (including salary) was fine.

***Legal - \$100,000 requested – an increase of \$15,000 over 2014 budget.***

Mr. McCarthy told the Board that they reviewed the budget for the past nine years and found it was on average overspent by approximately \$20,000. He said the Selectmen tasked him with evaluating the departments. He found legal was being contacted for things that may possibly be answered using another avenue. He noted that the New Hampshire Municipal Association ('NHMA') offered free legal advice, which he hoped to take more advantage of. As to the budget, Mr. McCarthy said they added additional funding into the budget (based on past expenses), but has also tasked departments to utilize NHMA as their first call. He was hopeful that the budget figure could decrease going forward. It was noted that the legal budget was not just for court cases, but encompassed other things such as legal opinions and contract negotiations.

Mr. Sherman questioned which departments were contacting counsel for legal advice. Mr. McCarthy said department heads primarily contacted legal; it wasn't one particular department. He found NHMA to be a good service and hoped to reduce the budget going forward.

It was noted that the Fire contract and Support contract would be entering into negotiations shortly. The Board will receive copies of the contracts as soon as possible after they are finalized/signed.

Mr. Rush wanted to know if there had been any progress regarding the current lawsuit with the developers and if there was a status update regarding the Lynch lawsuit on the fire station. Mr. McCarthy replied the Town had not received any notices of decision.

***Town Celebrations - \$9,452 requested – level funded from 2014 budget.***

There were no questions or comments at this time.

***Treasurer - \$10,982 requested – an increase of \$41 over 2014 budget.***

Increase in postage line.

Mr. Cate asked if the bank fees were actual numbers. Ms. Kelley answered yes; the figure was a culmination of fees from fourteen banks.

Mr. Sherman questioned if postage rates would increase during the coming year. Ms. Kelley said they had only heard a rumor that postage would increase from \$.48 to \$.51. She noted that the postage line in the Treasurer budget was for the Town mailing out their vendor checks. Mr. Sherman suggested taking into account (throughout the budget) that postage may increase.

***Trust Funds - \$70 requested – level funded from 2014 budget.***

There were no questions or comments at this time. A listing of the trust funds can be reviewed using the on-line Town Report – MS9 and MS10.

Mr. McCarthy discussed the procedure used to compose the budgets and summarized some of the tasks assigned to him by the Selectmen.

When the Board conducted the Town building walk through, Mr. Rush said he asked if the roof was bonded. He said the supply house gives the roofer a bond that the roof won't leak for a specific amount of time (i.e. 10 or 20 years). Mr. Viger said he looked into the timeframe of when the roof was done and learned it was the same roof that existed when the building was E.G. Sherburne School; a time period prior that any bond would still exist on that material. The roof was not updated when the municipal building was done. Mr. Rush asked if the bond on the library roof was good. Mr. Viger said that would be with the contractor; a manufacturer wouldn't give the Town replacement product without a plan for installation. Mr. McCarthy believed the roof was slated to be done when the building was being converted into the Police Department; however,

that item was cut and the roof was not touched. Mr. Rush asked what was done to the building when it was rebuilt. Mr. Viger replied the entire building was fashioned as a school/classrooms. He said they converted and remodeled the sections of the building now occupied by the Police Department, Town Offices and Planning Department. At the time (2003) they were told that the roof still had twenty five years of life.

**ADJOURNMENT**

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

**VOTE:** (11-0-0) The motion carried.

The meeting was adjourned at approximately 8:15pm.

Respectfully submitted,  
Charity A. Landry  
Recording Secretary