

APPROVED

TOWN OF PELHAM
BUDGET COMMITTEE – MEETING MINUTES
Thursday, December 16, 2021

CALL TO ORDER – Amber Capone opened the meeting at approximately 7:00 pm.

PLEDGE OF ALLEGIANCE

PRESENT: Amber Capone (Chair)
Meg Bressette (Vice Chair)
Megan Larson
Bob Sherman
Eduardo Martony
Philip Haberlen
Jason Croteau
Kannan Sasi
Bob Haverty
Jennifer Castles
Brian McCarthy

ABSENT: Paul Grant (unexcused)

MINUTES REVIEW:

MOTION: (Mr. Sherman/Mr. Haverty) To place the November 18, 2021, meeting minutes on file. No one had any corrections to be made.

ROLL CALL VOTE: Megan Larson – yes
Eduardo Martony – yes
Bob Sherman - yes
Meg Bressette – yes
Philip Haberlen - yes
Jason Croteau – yes
Kannan Sasi – abstain
Bob Haverty – yes
Amber Capone - yes

(8-0-1) Motion passes.

OLD BUSINESS:

Ms. Capone said they are continuing to work through the by-laws update.

Warrant Article Review – Mr. McCarthy

Mr. McCarthy said there was a question on Article 11 (Conservation). Mr. Gagnon discovered that the language needed to be adjusted and they did that with Attorney Ratigan and he underlined and bolded the

new language and read it into the record. This article has been updated and approved by town counsel. Mr. Sherman asked if this had been approved by the selectman and Mr. Haverty said yes, it had.

MOTION: (Mr. Sherman/Mr. Croteau) To approve Article 11 as written.

VOTE: Megan Larson – yes
Eduardo Martony – yes
Bob Sherman - yes
Meg Bressette – yes
Philip Haberlen - yes
Jason Croteau – yes
Kannan Sasi – yes
Bob Haverty – yes
Amber Capone - yes

(9-0-0) Motion passes.

Mr. McCarthy spoke of Article 14, (Elderly exemption limits). He said Mr. Sherman had asked where the numbers had come from and that he saw some discrepancies. Mr. McCarthy said in 2020 there was an article on the ballot after a study committee was formed in 2018 or 2019 to review this process. The numbers on this current article are based off of the 2020 town warrant and not from the 2016 numbers. Mr. McCarthy said these numbers now are accurate and complete. Ms. Capone read Article 14 into the record. Ms. Bressette asked how many people now qualify for this exemption. Ms. Snide said there are 38 people under the current standards. She said if they went by the census data, there should be about 300 people in the program. Ms. Capone reiterated that these numbers are off of net income, after taxes.

MOTION: (Mr. Sherman/Mr. Haverty) To approve Article 14 as written.

VOTE: Megan Larson – yes
Eduardo Martony – no
Bob Sherman - yes
Meg Bressette – no
Philip Haberlen - yes
Jason Croteau – yes
Kannan Sasi – yes
Bob Haverty – yes
Amber Capone - yes

(7-2-0) Motion passes.

Police New Hire and TCT discussion

Ms. Capone wanted to make mention for the record that the TCT reflected in the by-laws includes the inflation factor, which she does not believe is documented in the by-laws now. Ms. Capone said that in Mr. Sherman's data there was a basis data and implantation example given and one of them was assuming benefits costs of \$26,000.00 maximum per year across the board. Which would mean a base pay, plus the town's portion of retirement would need to be below \$59,000.00 in order for the addition of new staff or transition from part-time to full-time to be done without a warrant. This would equate to the example base pay threshold by category by year shown below. Anything exceeding these levels would require a warrant by default. She thought that was a good starting point. Mr. Sherman said going back to 2006, it was any part-time position going to full-time, had to be on a warrant. The chair at that time wanted to make it easy

for part-timers go to full-timer. The chair came up with a figure called TCT, which stands for total compensation threshold. Mr. Sherman said they took that number and used their projection data to move forward and there was an inflation factor put in. He said this was based on a full person's yearly salary at 52-weeks and not just 39-weeks. He said there is a dilemma now with the board and they are facing the discrepancy of a 39 versus 52-week year and our bylaws. Ms. Larson said at that time she was a school board representative and that the 39-weeks was never discussed or mentioned. She said that TCT was brought into play because every position was put under a warrant article. She said that people always voted no on those, and they couldn't get positions on and none of the teachers were ever getting raises. At that time the chair proposed TCT, and she asked the committee if this is the way they want to proceed or do they want to look at this differently. She said it is per the discretion of the budget committee and at any time they can say no to a position. She said the town should be making progress and felt that this was holding us back. Ms. Capone said she looked at other town's bylaws regarding TCT and said most don't even address positions and/or pay in their bylaws. She asked if it should be included in our bylaws. Mr. Haverty said this board has the right to decide if a position falls under a TCT or decide to put something in the budget. He said by the TCT, they allowed themselves to give the town the benefit of improving quality of service. He said this board has done that in the past with positions and basing them off of a 39-week model. He asked the board support that approach going forward and especially regarding the two new officers to the police department's budget. Ms. Larson agreed with him and asked if the bylaws read the way they want them to and how they would deal with the police positions. She said back when she was on the board before, when this was implemented, there was no distinction between 39 and 52 weeks. It had always been under the assumption that was always done and always approved, so why would they not. That is how the schools work also, and they base their budgets on what this board does. Mr. Haverty said in the bylaws there is no distinction between the 39 and 52 weeks. He goes back to historical practice and an example was the building inspector got passed at a 39-week year through this board. Ms. Capone is asking the board if they are going to dissolve that part of the bylaws or are they going to explore other options to replace that. She said how it is written now is not working. Mr. Haverty said they are not voting on this tonight, and they are just having a conversation. Ms. Larson asked that if they change the bylaws that they are changed before the next cycle, so the town and schools know what they are working with. Mr. Martony said that it says total compensation, so he said that a full year to him is 52 weeks. Ms. Bressette agreed that TCT is for 52 weeks, but historically they haven't done that so it will be hard to enforce it. She said that if they make any bylaw changes it would need to be posted. Mr. Sherman said they could establish a sub-committee to look at the bylaws and then review them at this committee before reconsideration. Before that, they would have to vote on any recommendations from that committee. Mr. Haverty commented on Mr. Martony's point, that the TCT number is fictitious, and our bylaws are flawed because they can't tie it to anything. He said they are voting on a number that is presented to them for 2022. He said 2023 is the first full year, but he said there's no telling where that salary will go depending on how insurance or retirements go. He said they can only vote on the number being presented to them and it happens to be for 39 weeks. Ms. Capone wanted to clarify that the number isn't fictitious, but it is based off a salary and a formula from 2018. Mr. Haverty said the number assumes the position will require a family health plan and more than likely they won't. He said they won't know what the TCT number will really be. Ms. Bressette said that they base it off of the family plan, so they don't discriminate, and they do this for legal reasons. Mr. Sherman said in April when this committee meets, they can change the TCT number. He thinks the way out of this is to have a sub-committee meet and then vote on it at reconsideration. He said back when he was on the committee, it was a 12-month timeframe and not 39 weeks. He said the committee can determine if they keep that index at all or modify it. Ms. Larson asked if they could reduce the budget number for the two positions for the TCT and then manage it within their budget. She thought the TCT was a good steppingstone because the town was falling behind and now, we should look forward to revamping this. She said the town budgeted it the way it was handled in the past. She said if the school knew this was how the budget committee was thinking, they would have budgeted differently. Ms. Capone said that if this went to warrant article, it would be written as the 39-weeks. Mr. McCarthy agreed to that and said that is an important distinction. He understands the TCT argument and what they were trying to

accomplish. He thought that after much review, everyone could agree the process isn't what it should be. He said the matter is now a public safety issue regarding the need for these police officers. He said they need to clarify what the expectation is going forward and need to adjust it accordingly. Ms. Bressette said for budgeting purposes to use the 39 weeks but should ask for the full picture of 52 weeks, so the taxpayers know it isn't just the salary they are voting on. That it includes health and retirement and that amount really is going to be more. Mr. McCarthy said there is a need to educate the voters by meetings, discussions and voter's guides. Mr. McCarthy said per Chief Roark, they are down 10 police officers right now. This has made it more challenging to continue the level of service that our town has come to expect. He said consideration should be given to this issue right now. Mr. Croteau agreed with Mr. McCarthy and Ms. Bressette as far as going with the 39 weeks, as they have done before. Next year at budget, he said to have everything spelled out for the board. Mr. Haverty said that they do have everything spelled out and this will require a bylaw change. He said the TCT thing works but do that with a multiplier to give the 39-week picture. Ms. Larson said she doesn't want to cut positions, she would rather see them in there at the TCT level and then manage it. Mr. Haverty agreed that can be an approach. Ms. Capone said that this came about from the police budget, but said that someone needs to make a motion to document that they are not going to follow the bylaws. Ms. Bressette asked if they can suspend the bylaws. Mr. Haberlen asked the same thing. Ms. Bressette also mentioned that counsel sent an email a few months ago stating that it was overreaching when the bylaws say it must go to warrant article. She said that nothing must go to warrant articles. She said they do need to revise them. Ms. Capone asked if the committee needs to address the bylaws if they aren't changed. Mr. Sherman said they have to follow language as written; it says 'it shall be set forth in a warrant article if the salary level is exceeded'. He suggested to form a sub-committee to correct that language before reconsideration. Mr. Haverty said the budget committee can not say 'you shall create a warrant article' and he said they can't. He said it is up to the Board of Selectmen to decide if there can be a warrant article. Mr. Sherman said there's another backup at the deliberative session. Mr. Martony asked why it is so difficult to ask for a warrant article and he said if the voters vote zero, then that's what they want. Mr. Haverty said the Board of Selectmen can write a warrant article for the two positions, but the point Ms. Larson made was the town has often been challenged with voting no and not staffing important positions (safety, teachers, etc.). He said this board was given the latitude to put these critical positions into the budget. He said that if this committee says no, then the Board of Selectmen can review that and make a decision. Mr. McCarthy asked if the TCT now is \$95,000.00. Mr. Haverty said it is \$95,729.36. Mr. McCarthy said under the previous process, under the 39-week calculation is \$89,780.00 so if they follow the practices with the 39-week, these positions are under the TCT. He said afterwards if they want to change the TCT, then that is fine. Ms. Larson agreed with him and said that when the school plans their budget and warrant articles, they deliberately look at them as a whole because of the costs to the town. She said that there are so many articles that people get confused by the end of voting. She said that this is a safety issue and hopes that these positions are not cut out because of what they think the bylaws say, but they were not following. She said they need to move forward now and then change the bylaws. Mr. Haverty said they shouldn't need to suspend the bylaws. He said that as they are written, they are sufficiently ambiguous to allow this vote, as it has in other years. Ms. Capone asked if there is a need to have them rewritten before reconsideration. Mr. Haverty said you can't rewrite bylaws before reconsideration, you can only do that once a year at the organizational meeting. Ms. Sherman said that you can. Ms. Capone said that's how it is written, and they can only change them once a year. Mr. Haverty said they are established at the beginning and that is what you have to work with. His opinion is the TCT definition is fine, but maybe to get to the 39 versus the 52-week, they could modify their bylaws to say the TCT, as calculated, multiplied by .75 cannot exceed that number. Mr. Sherman read the bylaws in Section 8A (page 10) into the record. And by that, it meant any changes to the bylaws can be made at any regular or special meeting and voted on. He said he would like this issue taken care of and clarified so these officers can be added into the budget without being challenged. Mr. McCarthy asked what they would change the bylaws to in regard to the full-year salary. Ms. Bressette said they would have a sub-committee to discuss how they want the bylaws to have clarity. Mr. Sherman said it would be to clarify the budgetary year, 39 versus 52-weeks or not to have TCT in there at all. Mr. Haberlen asked if whether the concept is valid and what

assumptions are used to compute the number based on the positions. He asked if they want to keep that concept and how do they generate the math formula and what time interval would they use. Ms. Larson said she didn't think there was time before reconsideration to rewrite the bylaws in a thoughtful manner. Ms. Larson said it could take more than one meeting with additional clean up of the bylaws. Mr. McCarthy asked if the goal is to rewrite the bylaws and then address the request. Mr. Sherman said yes. Mr. McCarthy said if that happens, they are knocked out of the discussion. Ms. Bressette said it depended on how they are revised and or if they go by historical practice of the 39-weeks based on the TCT to get to \$89,000.00. Mr. McCarthy said yes, that's for one officer. Mr. McCarthy asked if they are not making a decision on this, then they are going to change their bylaws then are they going to come back and address this. Ms. Capone said they are discussing that possibility and they don't know what the outcome would be. Ms. Capone asked what the number would be for a full year position. Mr. McCarthy said it would be \$115,000.00 at 52-weeks. Ms. Larson said these need to be done by January and the Selectmen would have until then decide what they wanted to do and it's not feasible and it's putting them in a bad position. She said it should stay as-is and they should address the bylaws moving forward for next year, so they are clear. Ms. Bressette asked if they should base it on historical practice of the 39-weeks. She said they also don't have to approve these positions, but can bring it up for a vote, as it's under the TCT. Mr. Sasi said that is a better idea, considering timing, to use precedence as the reason and make the changes later. Ms. Capone said the amount currently over TCT is \$19,737.96. Mr. Croteau asked if every other position in the town had always been done on the 39-week basis except for this one. Ms. Capone said that's correct. Mr. McCarthy said they need to consider when making this decision, the impact this will be on the police department, if they decide to do this, which would disqualify these positions. Especially seeing they've used this calculation for years and he doesn't think this will send a very good message to the community and the police department. He doesn't think the police department should wait for this until the committee decides what to do, he thinks it should be decided and moved on. Mr. Haverty agree that this is about positions in general and that a modification to the bylaws at this point in the season is not a good idea. He said he believes the bylaws as written allow for the hiring of these officers because historically they've hired town employees using the 39-week model and they can use historical precedent is all they have to fall back on. Mr. Sherman takes issue with Mr. McCarthy's assumption that the positions will be disqualified and he is worried about this going on a warrant and it gets voted down. He would like to see either both or one officer to be hired this year or next year. He suggested that this committee use 39-weeks for these bylaws. Mr. Haverty asked if what he means is the bylaws state a year means a year. Mr. Sherman said yes. Mr. Haverty said the bylaws do not state that in any place. Mr. Martony said it is total compensation and he feels that everybody should understand that it is for a full year. Mr. Haverty said total compensation for the budget they're looking at and he said that they can only vote on one number and the number they are voting on is the 39-week equivalent. Mr. Martony said it is clear. Mr. Haberlen said if you look at the bylaws, they seem to imply fiscal year, as it used that word. He said his assumption was it was based on a year, but it doesn't explicitly state that. Ms. Capone said they got legal counsel on this, and they said the way they're written now is overreaching and is based on previous practice. Ms. Larson said it is open for interpretation and it falls on past practice. She said the town's been budgeting on what has been approved in the past and if they knew that, it might have been looked at differently. She said it is unfair now, because it's so late in the game. Ms. Capone agreed that it would be unfeasible to have this done before reconsideration. Mr. Sherman said that if they don't want to make a committee then he suggested a motion to go by past practices.

MOTION: (Mr. Haverty/Ms. Larson) To use past practice when calculating the TCT for this year's budget.

Mr. McCarthy said he didn't have the numbers for the adjustments but he would at reconsideration. Mr. Haverty clarified that we are only voting now on the mechanism being used to vote on these positions, not voting on positions. Mr. Sherman said he will go along with the majority vote. Mr. Croteau asked if they vote on these at reconsideration and it gets a no, and they don't have time to put it on the ballot would that

work. Mr. Sherman said they would have time and Mr. Haverty agreed.

VOTE:
Megan Larson – yes
Eduardo Martony – no
Bob Sherman - no
Meg Bressette – yes
Philip Haberlen - yes
Jason Croteau – yes
Kannan Sasi – yes
Bob Haverty – yes
Amber Capone - yes

(7-2-0) Motion passes.

Mr. McCarthy asked about preparing for voting at reconsideration with regards to the two police officer positions. He asked if consideration could be given to make a motion to add these positions into the budget now. He said they just approved using the TCT. Mr. Sherman said they just approved two warrant articles, so yes. Ms. Capone said she doesn't have the new police department numbers. Mr. McCarthy said the voting would be on adding \$179,560.32 to the police budget for those two positions. He said he can have Ms. Padykula plug those numbers in, so that at reconsideration it will be done. Ms. Capone made a motion to temporarily include those numbers into the budget for a final vote at reconsideration. She wanted to see the numbers before they vote on it. Ms. Bressette asked if they are asking to add them in. Ms. Capone said to add them into the spreadsheet temporarily, so when they are reviewed next week, they're in there. Ms. Bressette said she thought they were voting tonight. Ms. Capone said they can vote on them tonight. She asked about the overtime and wanted to know the amount and if they were correctly adjusted. Mr. McCarthy asked if their intentions were to vote on these positions based on their previous vote into the police budget. Ms. Bressette said not necessarily. Mr. McCarthy asked about their recommendation to temporarily add these numbers into the police budget, because there are adjustments that need to be made. Mr. Sherman asked if the police budget under wish, is the new patrolman's salary, the holiday, education, there's figures there and at the end there are uniforms for the two new officers. He said the \$11,000.00 would have to be reduced, but all the figures are already there. Mr. Haverty said the overtime number would need to be reduced by \$22,000.00, being \$11,000.00 per year, per officer. Ms. Capone said there was only \$11,000.00 deducted.

MOTION: (Mr. Haverty/Ms. Larson) To add \$208,934.64 to the salary line in the police budget. That equates to \$115,467.32 times 2, minus \$22,000.00.

Ms. Larson asked why he is putting (\$115) times 2 and not (\$89) times 2. Mr. Haverty said she was correct. Mr. McCarthy said \$179,560.32 is for the salaries. Mr. Haverty said \$157,560.32. Mr. Haverty amended his motion to read: To add \$157,560.32 to the salary line for the cost of 2 patrolmen. That is \$89,781.16, April to December, for a patrolman times 2, minus \$22,000.00 in overtime. Mr. Sherman said they still have to add the new patrolman, equipment, uniforms and expenses. Mr. McCarthy said that is all in the \$89,000.00. He said that consists of salary, holiday pay, education, equipment, uniforms, hiring expenses, Medicare, retirement, health, dental and life insurance. He said there is just the overtime adjustment. Mr. Sherman said that even if the figures are off, they can come in at reconsideration with any corrections. Ms. Bressette asked if this motion is to add two officers in. Mr. Haverty said yes, and he would like to amend his motion. He said based on information from the chief, it's a subtraction of \$11,000.00 next year (2022) for overtime because these officers won't actually be working next year. By the time they are recruited, hired and sent to the academy, it will be 2023. There will be another reduction of \$11,000.00 in 2023. Mr. Haverty amended his motion to add \$168,560.32 to the salary line. Ms. Bressette wanted to voice opposition to the motion. She said in the past few years the police have added many items to their budget

and said there will be significant increases to the town. She didn't think it was prudent to add two officers this year. She said it would be a couple hundred thousand dollars and suggested they only add one officer this year.

MOTION: (Mr. Haverty/Mr. Croteau) To add \$168,560.32 to the salary line for the cost of 2 patrolmen to the police department budget.

VOTE: Mr. Sherman – no
Meg Bressette – no
Philip Haberlen - yes
Jason Croteau – yes
Bob Haverty - yes
Megan Larson – yes
Eduardo Martony - no
Kannan Sasi – yes
Amber Capone - yes

(6-3-0) Motion passes.

Mr. Haverty said thank you on behalf of the Board of Selectmen for their support. Mr. Sherman asked about the renovation to the Planning department. He said that is over the bylaw amounts and there is a warrant article saying any item with useful life over three years and meets or exceeds the dollar value of the current state bid price of a cruiser and it's no more than an replacement capital expenditure that exceeds the lowest current state bid price for a cruiser, by no more than twice may be inserted into the operational budget by a vote of the budget committee, and the renovations are over that limit. Ms. Bressette said the cruiser might be \$90,000.00. She asked how was it allowed with the planning department with how they put the renovations in, which is about \$300,000.00. Mr. McCarthy said it is \$320,000.00. Ms. Bressette said by the bylaws, she doesn't think they can put that amount in. Ms. Larson said they already voted on the town budget and reconsideration has special rules. She said they are unprepared, as it wasn't on the agenda. Mr. McCarthy said he wasn't prepared to discuss that. Mr. Sherman said it needs to be brought up at reconsideration, as it seems to be a violation. Ms. Capone said she will note that for reconsideration. Ms. Larson asked where they can find information about reconsideration, such as rules and law. She remembered that only certain things could be brought up in the past. Mr. McCarthy said they've already started some of the processes for these projects at this point and he respectfully agreed that it was already voted on. Mr. Sherman said that bylaw needs to be looked at as well as the secretarial position. Ms. Capone announced that she is leaving the town of Pelham and won't be able to serve on this committee. At reconsideration, January 13, that will be her last meeting as the Chair. She said that once she steps down, Ms. Bressette will assume the role as chair.

ADJOURN

MOTION: (Mr. Haverty/Ms. Larson) To adjourn the meeting.

ROLL CALL VOTE: Megan Larson – yes
Eduardo Martony – yes
Bob Sherman – yes
Meg Bressette – yes
Philip Haberlen – yes
Kannan Sasi - yes
Jason Croteau – yes
Bob Haverty - yes

BUDGET COMMITTEE MEETING/Thursday, December 16, 2021

Amber Capone – yes

(9-0-0) Motion passes.

The meeting was adjourned at approximately 8:30 PM.

Respectfully submitted,
Jennifer Castles
Recording Secretary