

1 **APPROVED**
2 TOWN OF PELHAM
3 BUDGET COMMITTEE - MEETING MINUTES
4 Thursday, January 16, 2020
5 **APPROVED Wednesday, March 11, 2020 (after School Deliberative Session)**

6
7 **CALL TO ORDER** – at approximately 7:30pm
8

PRESENT: Mr. David Cronin, Ms. Amber Capone, Mr. Bob Sherman, Mr. Dave Cate,
Ms. Daryle Hillsgrove, Ms. Meg Bressette, Mr. Eduardo Martony, Mr. Kannan Sasi,
School Board Representative Deb Ryan

ABSENT: Mr. Jas Moorjani, Selectmen Representative Heather Forde

9 **PLEDGE OF ALLEGIANCE**

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11
12 **MEETING MINUTES**

13
14 **November 21, 2019**
15

MOTION: (Sherman/Cate) To approve the November 21, 2019 meeting minutes as written.

VOTE: (8-0-1) The motion carried. Mr. Cronin abstained.

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17
18 **NEW BUSINESS / OLD BUSINESS**

19
20 There was no new or old business discussed.

21
22 Mr. Cronin turned the Chair to Ms. Capone. He did so for continuity as he wasn't present for
23 prior budget review/vote hearings.

24
25 **Reconsideration - Fiscal Year 2021 School District Operating Budget**

26
27 Mr. Sherman recommended the figure \$33,983,221 be 'placed on the table' for discussion and
28 reconsideration. There was no objection.

29
30 Presenting the School budget reconsideration items was Superintendent of Schools Bill Furbush
31 and Business Administrator Deb Mahoney.

32
33 ***Pelham Elementary School***

34 FY2021 Budget Committee approved: \$7,252,852

35 Reconsideration figure: \$7,242,852

36
37 The decrease of \$10,000 was in the Reading Program. No other changes requested.

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40 ***District***

41 FY2021 Budget Committee approved: \$11,120,289

42 Reconsideration figure: \$11,185,089

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Requested increase to regular education transportation in the amount of \$64,800. Ms. Mahoney explained the increase related to and was required by a State law that changed. Transportation is required for kindergarten through grade eight. Based on the kindergarten program offered, they would need to bus students in the middle of the day, which hadn't been done in previous years. The proposed figure is an estimate for four busses; two in and two out. It was noted the figure was the best estimate given registrations hadn't occurred at this portion of the budget process.

Mr. Cronin asked if all kindergarten students will now ride the bus to and from school each day. Ms. Mahoney replied they would offer transportation, but it didn't necessarily mean parents would participate. The State law is effective July 1, 2020.

Mr. Sherman questioned if there was any additional charge to families. Ms. Mahoney answered no.

The Board had no further questions.

MOTION: (Cate/Sherman) The total approved Budget Committee recommended School Operating Budget for fiscal year 2021 will increase from \$33,983,221 to \$34,038,021.

ROLL CALL VOTE: (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate, Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

SCHOOL DISTRICT – Warrant Article Vote

Article 1 – Election of Officers

Article 2 – Capital project Pelham Memorial School (\$30,861,000 raised through bonds/notes); first year payment of interest bond \$771,525.

Ms. Mahoney told the Committee the proposed project figure had been reduced from the original presentation in November. The reduction was related to architecture costs. She provided the Board with an estimated payment schedule for a twenty-year bond from the New Hampshire Municipal Bond Bank.

Ms. Capone read aloud the proposed warrant article. Ms. Mahoney informed the School Board voted last evening and had recommended the warrant article.

Mr. Cronin asked if the first-year payment of \$771,525 would be in addition to the bottom-line project figure. Ms. Mahoney replied that figure was to appropriate for fiscal year 2021; it was the first year's interest payment and not 'in addition to' the overall request in the article. The first bond payment would be in fiscal year 2022. When the bond is finalized the School Board will work with bond counsel to determine what the figures will look like; they are going to work with a 20-year note. Ms. Mahoney stated the article language had been vetted through several different groups and believed it was the appropriate language for a municipal bond.

The bond figure totals \$30,861,000. Ms. Ryan pointed out if the article is approved by the voters the bond would be a 'not to exceed' number.

88 Mr. Sherman noted there were two more years for the municipal building renovation bond
89 payments.
90
91 There was a brief discussion regarding the language of the article pertaining to the first-year
92 interest payment. Ms. Mahoney told the Committee the language had already been
93 reviewed/approved by two different bond counsels and the Department of Revenue Association.
94 She didn't anticipate changing the language; however, they will explain the costs during
95 Deliberative Session to make sure it's clear. Ms. Capone suggested the voter's guide also explain
96 costs. Mr. Sherman believed the major point was the proposed figure was a 'not to exceed'
97 number.
98

MOTION: (Sherman/Cate) The approve/recommend the warrant article (capital project Pelham Memorial School) as written.

ROLL CALL VOTE: (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate, Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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101 Mr. Sherman reviewed concept #4. He understood there was to be a sidewalk extending from the
102 high school to meet the existing sidewalk (at Gibson Cemetery) and believed it needed to be
103 included in the concept. He asked if the bus lane entering the school would be 'one way' traffic.
104 Mr. Furbush answered yes. Ms. Ryan noted the project had already been rendered without
105 showing the sidewalks. She said they could amend the information, but there may be other
106 posters etc. around Town that didn't show sidewalks.
107

108 Mr. Cronin inquired where students would be during construction. Mr. Furbush replied they were
109 working with the construction management firm who were skilled in that area. The project will
110 be phased over eighteen months. They will try to get as much of the project done during the
111 summer. He described how the school population would be moved to different areas of the
112 building and existing portables during the proposed phases. Student safety will be kept at the
113 forefront.
114

115 **Article 3 – Operating Budget**

116 Approved budget - \$34,038,021
117 Default budget - \$33,630,538
118

119 Ms. Capone read aloud the proposed article.
120

MOTION: (Sherman/Cronin) The approve/recommend the warrant article (Operating Budget) as written.

ROLL CALL VOTE: (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate, Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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123 **Article 4 – PESP Collective Bargaining Agreement**

124
125 Ms. Capone read aloud the proposed article. Ms. Mahoney informed the School Board voted last
126 evening and had recommended the warrant article.
127

128 Ms. Hillsgrove commented it was a group of people that did a lot of work and was glad to see the
129 proposed increases/compensations. Mr. Sasi questioned if the numbers were for everyone or a
130 single person. Ms. Mahoney replied it was for 85 positions that included instructional assistants,
131 tutors and lunch/recess monitors.

132

133 Mr. Furbush thanked the negotiation teams who took the process to a new level through a
134 collaborative process. In the years he'd done collective bargaining it was the most productive and
135 enjoyable. On behalf of the Board, Ms. Capone stated they appreciated the hard work staff had
136 put into the process for the bargaining agreement.

137

138

MOTION: (Cate/Sherman) The approve/recommend the warrant article (PESP Collective Bargaining Agreement) as written.

ROLL CALL VOTE: (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate, Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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142 **Reconsideration – Town 2020 Operating Budget**

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144 Town Administrator Brian McCarthy came forward with IT Administrator Brian Demers to
145 review the items for reconsideration.

146

147 The Budget Committee's approved figure 'on the table' for reconsideration \$17,461,162. The
148 Committee reviewed the areas in the budget with proposed changes.

149

150 **Fire Department** – approved budget \$2,430,824; request for reconsideration increase of \$5,976
151 bringing the budget to \$2,436,800.

152

153 Fire Chief James Midgley came forward and informed the Committee he received Pennichuck
154 Water's bill earlier in the afternoon. The new monthly amount has been rounded to \$7,411 per
155 month which increased the annual amount by \$5,976. He explained the increase was due to a rate
156 case that dated back to 2018; Pennichuck was just starting to catch up on rates.

157

158

159 **Highway Department** – approved budget \$1,704,518; request for reconsideration increase of
160 \$105,750 brining the budget to \$1,810,268.

161

162 Road Agent Frank Ferreira came forward to discuss the areas of the budget with proposed
163 increases. He noted everything was contractual. The plow rates were increased/updated, and he
164 was adding two trucks (plus their hours). Mr. McCarthy told the Committee the Town had been
165 struggling with having enough plow trucks to cover what needed to be done. They determined
166 the Town's rates were very low (lowest in the area); they were unable to recruit plow companies
167 to work for Pelham. He said Mr. Ferreira came to the Selectmen who agreed to raise the plow
168 rates and make them more competitive. He added once the rates were increased a vendor stepped
169 forward.

170

171 Mr. Cate asked if the Town would be okay for the remainder of the winter. Mr. Ferreira replied
172 the new vendor was putting two trucks together next week for the Town.

173

174 The remainder of the increases were within the bids for aggregates that had just come in. Each
175 year the highway supplies were put out to bid, such as rental equipment and materials used by the
176 department. With the proposed changes, the costs will be the 'actual' figures for the year; the
177 initial budget reviewed/approved by the Committee contained the 2019 figures. Mr. Ferreira
178 discussed the increases, which included additional work in relation to the new MS4 (unfunded
179 federal mandate).

180
181 Mr. Sasi asked for further explanation of the increases regarding the plow trucks. Mr. McCarthy
182 replied there were different classifications for trucks based on weight class, sanders, plow wings
183 etc. There are three categories of plow trucks. Mr. Sasi mentioned the increases were substantial.
184 Mr. Ferreira replied Pelham's rates were still below a lot of the surrounding towns; vendors
185 worked in Massachusetts (because of higher rates). He said with the new rates they were trying
186 to compete. It was noted the hours of operation varied depending on the duration of storms.

187
188 Mr. Sherman inquired about the status of the new Highway garage building. Mr. Ferreira hoped
189 to break ground in the spring. Mr. McCarthy added they had a site plan and hoped to begin
190 before winter; however, it became cold very quickly, so they opted to begin in the spring. Within
191 the next month conceptual plans will be presented to the Board of Selectmen.

192
193 **Insurance** - approved budget \$2,579,929; request for reconsideration increase of \$66,102
194 brining the budget to \$2,646,031.

195
196 Ms. Capone recalled the Committee was aware the figure would fluctuate in anticipation of final
197 figures. Mr. McCarthy noted the figure didn't increase as expected and credited it to a reduction
198 in worker's compensation cases. He believed the reduction came when the Town instituted the
199 'temporary alternative duty' policy which allowed workers to come back to light duty before they
200 are ready to return to their full job. He also noted the Human Resources administrator (Diane
201 Hurd) had done a fantastic job.

202
203 **Planning Department** - approved budget \$459,139; request for reconsideration increase of
204 \$48,000 brining the budget to \$507,131.

205
206 Planning Director Jeff Gowan came forward to speak to the requested increase. He stated he was
207 seeking to add a new full-time position which was related to the new MS4 (Storm Water project –
208 unfunded federal mandate). He noted experts in the field were grappling with how it could be
209 implemented.

210
211 Mr. Cate understood there would be heavy fines if Pelham wasn't in compliance. Mr. McCarthy
212 stated that was correct. Mr. Gowan noted Pelham was presently in compliance. He discussed the
213 position and associated responsibilities. He's attended regional meetings relating to the storm
214 water issue; many communities have consultants (similar to Pelham) and hiring full-time
215 employees to work with the consultants. He said the idea was to have the Town's employee take
216 on more of the work and decrease the consultant's role. Mr. Gowan estimated the salary at
217 \$52,000 backing out insurances and dental. He noted he forgot FICA and workman's
218 compensation. Today, working with Mr. Demers to prepare the budget for reconsideration, they
219 realized the maximum salary would be under \$48,000 to stay under the Committee's threshold to
220 not require a warrant article. The Committee was provided with a copy of the job description.
221 Mr. Cate believed in the long run it would benefit the Town to have the position. Mr. McCarthy
222 noted if they didn't have someone to do the work it would fall on Mr. Gowan, who didn't have
223 the expertise in that area of work. Mr. Gowan explained there were other components within the
224 Planning Department he needed to focus on, such as the Master Plan.

225

226 Mr. Cronin understood the mandate was evolving. Mr. Gowan answered yes; it would get worse
227 over time. With that being the case, Mr. Cronin wanted to know how much of a handicap it
228 would be to delay hiring the position for a year. Mr. Gowan replied he wouldn't be able to get to
229 a lot of planning projects and would do the best he could without the position. He noted he
230 hadn't requested the position, the Selectmen told him to create it. He believed Pelham would be
231 better off getting someone into the position now so they could begin to be trained versus having
232 him learn the process and later hand it off to someone. Mr. Cronin asked if the Town was behind
233 on any of the federal benchmarks. Mr. Gowan answered no but believed they would be if they
234 didn't keep moving forward. He noted the Town had three hundred outfalls to conduct dry
235 weather sampling on in the spring which was only one component of the MS4. He stated they
236 couldn't afford to miss a benchmark and felt it made sense to get someone on staff who could
237 become an expert. He summarized the field work that would need to be done in the spring. Mr.
238 Cronin understood the State worked on a calendar year and not a fiscal year. He asked which one
239 the salary would be based. Mr. Gowan believed they needed to base the salary on a full year.
240 Mr. Cronin confirmed the position would fall under the threshold for a separate warrant article.
241 Mr. Gowan answered yes.

242

243 Mr. McCarthy noted the retirement and insurance figures were inclusive of the proposed position.
244 If the position isn't approved, they would back those numbers out.

245

246 Ms. Ryan questioned if the 2020 budget figure should be prorated given an employee wouldn't be
247 hired for the full year. Mr. Gowan had no objection with doing so. He wanted to ensure a
248 reduction in the figure didn't affect the default or next year's budget amount. Mr. McCarthy
249 explained the proposal showed the total year cost; if approved, they could adjust the budget to
250 pro-rate the salary.

251

252 Mr. Sasi wanted to know what would happen if federal laws changed and the Town no longer had
253 to do the MS4. He asked if they had enough other environmental things to maintain the position.
254 Mr. McCarthy replied it would be a contracted position with a renewable term.

255

256 Mr. Gowan noted the request for data plan had been withdrawn. The only department request is
257 for the new full-time employee.

258

259 Mr. Sherman recalled the Town doing a buildout analysis in 2004. In light of some of the
260 proposed warrant articles he felt it should be reviewed and updated. Mr. Gowan replied it was
261 done by the Nashua Regional Planning Commission and agreed it was time to do it again. He
262 noted a buildout would be based on land not developed and the current zoning.

263

264 **Retirement** - approved budget \$1,910,350; request for reconsideration increase of \$9,034 bringing
265 the budget to \$1,919,384

266

267 Mr. McCarthy stated the increase was partly due to the new Planning Department employee and
268 partly because of the increase in retirement.

269

270 **Technology** - approved budget \$151,912; request for reconsideration increase of \$9,816 bringing
271 the budget to \$161,728.

272

273 IT Administrator Brian Demers explained the proposed increase was in connection with the
274 AccuFund Accounting software. He stated the Town's data would be diversified for security.

275 Mr. McCarthy added everyone was moving storage to the cloud to reduce the ability for
276 ransomware or any other kind of virus.

277

278 Mr. Sasi asked if it was all Town information or just finance. Mr. Demers replied the financial
279 department itself. He learned there were two other towns in the State going through the process
280 of going with them as well.

281

282 Mr. Sherman questioned if it would help protect employee data, bank accounts, passwords etc.
283 Mr. Demers answered yes.

284

285 Ms. Capone inquired if the proposed figure was a one-time cost or annual figure. Mr. Demers
286 replied it there would be an annual cost. Ms. Capone saw the proposal for email accounts. Mr.
287 McCarthy replied they still didn't have enough email accounts for all the committees.

288

289 **Town Buildings** - approved budget \$650,021; request for reconsideration increase of \$18,097
290 brining the budget to \$668,118.

291

292 In preparing for the meeting Mr. McCarthy reviewed 2019 data and found the electricity line fell
293 short. He said during budget presentation they spoke about the previous finance director
294 underfunding the account. The new figure was determined by reviewing what they paid last year
295 and what was in the proposed budget (estimated increase by Liberty Utilities). He believes the
296 new figure was a safe number and where the budget should be at.

297

298 Ms. Capone wanted to know how they were budgeting in the past. Mr. McCarthy explained he
299 and Mr. Demers reviewed the old spread sheets to understand how the numbers were determined
300 by the former finance director. They learned there were no formulas associated with the numbers
301 on the spread sheets. He was unsure how the numbers were determined. Since reviewing the old
302 information, Mr. Demers has been creating a spread sheet with quantifiable formulas. Mr.
303 McCarthy told the Committee they felt confident they were looking at solid numbers to build the
304 next budget.

305

MOTION: (Sherman/Cate) To increase the approved Town Operating budget by \$262,774.

ROLL CALL (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate,
VOTE: Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

306

307 The amended/increased Town Operating Budget figure is: \$17,723,936.

308

309

310 **TOWN – Warrant Article Vote**

311

312 Mr. McCarthy noted at the time the articles were sent to the Committee he was aware of two
313 zoning articles but had learned there would be four.

314

315 It was noted the number order of the articles will be changed for the final version based on the
316 additional zoning articles. The Committee doesn't review non-monetary articles.

317

318 *The following is a summary of language contained in the proposed warrant articles. Full*
319 *verbiage can be obtained/reviewed by contacting the Selectmen's Office.*

320

321 **Article 4 - Operating Budget**

322 Approved budget - \$17,723,936
323 Default budget - \$17,161,833
324

325 Mr. Sherman questioned if the default budget should be amended to include the new Planning
326 Department position. Mr. McCarthy stated the figures read aloud included the funding for the
327 position.
328

MOTION: (Cate/Sherman) To recommend Article 4.

ROLL CALL (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate,
VOTE: Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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330
331 **Article 5 – Purchase Fire Truck to replace Engine 1**
332 \$630,000 to be taken from the unassigned fund balance.
333

MOTION: (Cate/Cronin) To recommend Article 5.

ROLL CALL (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate,
VOTE: Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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335
336 **Article 6 – Five (5) year collective bargaining agreement ratified by the Board of Selectmen**
337 **and the Professional Firefighters of Pelham, The International Association of Fire Fighters,**
338 **Local 4546**
339

340 The language contained the words ‘special warrant article’. Mr. Cronin questioned what
341 designated an article as ‘special’. Mr. McCarthy will seek Town Counsel’s opinion and respond
342 to the Board.
343

344 Mr. Cate recalled in the past there was a grant used to hire four firefighters and recalled the Town
345 would become responsible for funding those positions after time. He asked if the proposed
346 figures included that funding. Mr. McCarthy answered yes. Mr. Cate inquired about the Town’s
347 retention of employees. Fire Chief James Midgley came forward and told the Board they were
348 losing people; in 2019 they lost three people to other jobs. He said they had done a
349 comprehensive pay and benefits analysis in relation to comparable towns in the area and found
350 Pelham had the lowest wages of everyone used in the analysis. The numbers in the agreement
351 will bring Pelham just below the middle of the list. Chief Midgley hoped it would entice their
352 current employees to stay and pull others in.
353

354 Mr. Sherman asked how many employees were in the Fire Department. Chief Midgley replied
355 they had twenty line personnel, an inspector, part-time Deputy Chief, Chief and seven call-
356 personnel. Mr. Sherman inquired how many were EMTs. Chief Midgley replied the
357 department’s minimum requirement was advanced EMT. He hoped by July they would have
358 seven paramedics and the remaining would be advanced EMTs. Currently there are five
359 paramedics.
360

361 Mr. Cate asked for an explanation of the grant. Chief Midgley described the structure of the
362 SAFER Grant through FEMA and how the new contract had been adjusted to add steps.
363

364 Mr. Cronin questioned how many personnel the article covered. Chief Midgley replied twenty-
365 one.
366

MOTION: (Cate/Hillsgrove) To recommend Article 6.

ROLL CALL (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate,
VOTE: Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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368

369 **Article 7 – Highway Department Maintenance Capital Reserve Fund \$100,000**

370

MOTION: (Cate/Cronin) To recommend Article 7.

ROLL CALL (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate,
VOTE: Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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372

373 **Article 8 – Highway Block Grant**

374 \$336,185 to be offset from the State Block Highway Grant

375

MOTION: (Cate/Martony) To recommend Article 8.

ROLL CALL (9-0-0) The motion carried. All in favor - Mr. Cronin, Ms. Capone, Mr. Cate,
VOTE: Mr. Sherman, Ms. Hillsgrove, Ms. Bressette, Mr. Martony, Ms. Ryan, Mr. Sasi

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377

378 **Article 12 – Elderly Exemption**

379

380 Mr. McCarthy explained the history of the elderly exemption and noted the language had been
381 revised a couple years ago. The current proposal was an update. The exemption amounts were
382 based on analysis of other communities. The Selectmen have recommended the article.

383

384 Mr. Cronin wanted to know the current amounts to understand the increase. Mr. Sherman
385 provided Mr. Cronin with a copy of the current amounts. Mr. Cronin read the figures aloud.

386

387 Ms. Bressette asked how many currently claimed the exemption. Mr. McCarthy replied he would
388 provide the information.

389

390 The Board didn't vote on the proposed article as it hadn't been acted on in the past.

391

392 Mr. Cronin thanked the Town and School District for their hard work putting the budgets
393 together. He thanked the Committee for their due diligence in reviewing the budgets. He was
394 personally appreciative of the outpouring and sympathy of the Committee during his family's
395 recent loss.

396

397 The Committee will meet February 5, 2020 at the conclusion of the Town and School
398 Deliberative Sessions if necessary, to review/vote regarding budget adjustments.

399

400 Anyone interested in running for Town board/committee positions should submit their intention
401 between January 22, 2020 – January 31, 2020 to the Town Clerk.

402

403 **ADJOURNMENT**

404

MOTION: (Cate/Capone) To adjourn the meeting.

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

405

406 The meeting was adjourned at approximately 9:22pm.

407

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409

410

Respectfully submitted,
Charity Landry
Recording Secretary