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APPROVED
TOWN OF PELHAM
BUDGET COMMITTEE - MEETING MINUTES
Thursday, January 14, 2016
APPROVED – January 19, 2016

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CALL TO ORDER – at approximately 7:30pm

PRESENT: Mr. Daniel Guimond, Mr. David Cate, Mr. David Cronin, Mr. Bob Sherman, Ms. Daryle Hillsgrove, Mr. Michael Bilby, Mr. Leo Rush, Ms. Donna Dube, School Board Representative Megan Larson, Selectmen Representative Doug Viger

ABSENT: None.

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Also present: School Business Administrator Deborah Mahoney, Town Administrator Brian McCarthy, Acting Finance Director Dan Ramgopaul, Town Treasurer Charlene Takesian

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PLEDGE OF ALLEGIANCE

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MEETING MINUTES

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November 16, 2015

MOTION: (Sherman/Cate) To approve the November 16, 2015 meeting minutes as written.

VOTE: (9-0-1) The motion carried. Mr. Guimond abstained.

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BUDGET RECONSIDERATION

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Town Reconsideration

Town Administrator McCarthy introduced Acting Dan Ramgopaul. He said Mr. Ramgopaul had worked as the Town's Accountant for several years. With the recent vacancy he had assimilated into the position on an interim basis and was doing an outstanding job.

Mr. Guimond stated the Town's budget currently stood at \$14,103,632. The Board received items for reconsideration as follows:

- 1) Fuel (Gas and Diesel) – Current budget is \$3.60 per gallon for gas; \$3.90 per gallon for diesel. Recommendation for reduction to \$2.50 per gallon for gas and \$2.75 per gallon for diesel. Total reduction of \$49,780. Budgets to be amended are Police, Fire, Transfer Station, Highway, Senior Center, Cemetery, Planning Department and Parks & Recreation.

MOTION: (Sherman/Cate) To reduce the appropriate fuel budgets for a total reduction of \$49,780.

VOTE: (10-0-0) The motion carried.

- 2) Selectmen Budget - Salaries/Town Administrator – Town Administrator received an increase of \$7,500 based on a good evaluation effective June, 2015 that was not budgeted

40 for the first half of 2016. In June, 2016 there may also be a salary increase of \$7,500
41 based on evaluation to be budgeted. Recommended increase to salary line item 130 from
42 \$85,000 to \$100,000.

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44 Mr. Viger explained the Town Administrator's contract went from June to June; however the
45 Selectmen didn't evaluate the contract until November, after the budget process. He further
46 explained that Mr. McCarthy brought forward a level of experience, for which the Selectmen
47 realized he was underpaid from what the position deserved.

48

MOTION: (Sherman/Cate) To increase the Salary line item by \$15,000 bring it from \$85,000
to \$100,000

VOTE: (9-0-1) The motion carried. Mr. Rush abstained.

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50 3) Selectmen Budget – Salaries – Additional Administrative Coverage – Request for \$6,500
51 to help resolve deficiency in staff. The Town does not have a human resources person to
52 deal with day-to-day HR issue and other associated tasks such as the Affordable Care Act
53 and new IRS reporting requirements. Recommended increase to salary line item 130
54 from \$8,500 to \$15,000.

55

56 Mr. McCarthy explained the critical situation of the Town not having a dedicated HR person.
57 Initially the position will be part-time and be reviewed after six months. Mr. Guimond asked if
58 the increase would include benefits. Mr. McCarthy replied anyone working over thirty hours per
59 week was eligible for benefits. He believed the increase would accommodate the position.

60

61 Mr. Cate questioned how many hours the person would work each week. Mr. McCarthy
62 estimated the person would work thirty two hours per week. He noted forty hours was considered
63 full-time. Mr. Guimond asked for clarification for when a person became eligible for benefits.
64 Mr. McCarthy replied a person was eligible at thirty hours. Ms. Dube wanted to know if it was
65 possible to keep the position at twenty-nine hours per week. Mr. McCarthy replied it might be
66 possible; initially they're going to experiment with a part-time position until they could determine
67 the Town's needs based on new Affordable Care Act and IRS requirements.

68

69 Ms. Dube asked if the Finance Director could take on the additional responsibilities and be
70 compensated for such. Mr. Ramgopaul explained he was currently working overtime to handle
71 the additional responsibilities. He said they would have to weigh having someone dedicated to
72 the position, or if they wanted to pay an employee overtime. Mr. McCarthy noted the difficulty
73 with Mr. Ramgopaul's position was he couldn't be dedicated to HR; his main purpose was the
74 finance department. Ms. Dube questioned how many hours the current person working. At
75 present, Mr. McCarthy said the time had been divided between employees.

76

77 Ms. Hillsgrove inquired if they were looking for someone with previous HR experience. She was
78 concerned the pay might be low if they were seeking an experienced person. Mr. McCarthy
79 replied he had staff with some experience; he was a proponent of developing staff from within.
80 He felt the candidate had the ability to do the job flawlessly.

81

MOTION: (Cate/Sherman) To increase the Selectmen Budget – Salaries by \$6,500 to increase
line 130 from \$8,500 to \$15,000.

VOTE: (8-2-0) The motion carried. Voting in opposition were Mr. Rush and Ms. Dube.

82

83 4) Mileage Reimbursement – Increase from \$.445 per mile to \$.54 per mile. Budgets to be
84 amended are Police, Selectmen’s Office, Town Clerk, Planning Department, Parks &
85 Recreation, Cable and Highway.

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87 Mr. Guimond stated the Board wouldn’t review the mileage reimbursement increase since there
88 was no specific dollar amount adjustment.

89

90 5) Insurance Budget – Property Liability Trust is going out of business effective June, 2016.
91 Research has been done with three companies and the Selectmen have approved Primex
92 to be the new Town insurance carrier. Also, Dental and Health insurances have increased
93 from 2015. Total insurance increase from 2015 is \$114,410 (+5.44%).

94

95 Mr. McCarthy noted Primex had already developed a strategy for Pelham to reduce the rate and
96 payment by conducting an assessment and resolving identified items. They have offered to have
97 a representative attend Pelham’s Joint Loss Safety Committee meetings.

98

99 Town Treasurer Charlene Takesian came forward to discuss unemployment payments. She stated
100 Pelham pays unemployment to Primex. Ms. Larson noted the School District used Primex and
101 also made payments to them, not to the State. School Business Administrator Deborah Mahoney
102 came forward and explained Primex managed unemployment. Funding is based on a rate derived
103 from actual experience, which goes into a pool that helps fund unemployment. Generally she
104 said unemployment was handled differently for public entities than it was for businesses. Mr.
105 Guimond asked where a person would collect unemployment. Ms. Mahoney replied they would
106 file with the State, and then Primex would represent the School (or the Town) in the claim; the
107 benefit would then be provided to that individual with Primex assisting with the administration of
108 such.

109

110 Mr. Sherman questioned if there was an opportunity to have a larger group to pool with if both
111 the School and Town used Primex. Mr. McCarthy said he and Ms. Mahoney had several
112 conversations about a lot of topics and were trying to create a plan to combine efforts in the
113 coming years.

114

115 Mr. Cronin questioned if the amount listed for unemployment was an agency fee paid to Primex
116 to represent the Town. Ms. Mahoney replied the payment was in lieu of a State unemployment
117 tax. She noted they didn’t have a tax rate; it was based on the rating that the State charged back
118 to Primex through previous experience.

119

120 Mr. Rush wanted to know the cost if the Town eliminated Primex and paid the State directly. Mr.
121 Guimond understood it was typical of municipalities to go through an insurance company, versus
122 going directly to the State as a company would. Ms. Mahoney informed it didn’t cost the Town
123 additional money because of the way the State administered the unemployment program. Primex
124 doesn’t charge additional to do the work regarding unemployment. She was unsure if the Town or
125 School would have an option to go directly to the State.

126

MOTION: (Cate/Sherman) To increase the Insurance Budget by \$114,410 the line will go
from \$2,102,981 to \$2,217,391.

VOTE: (6-4-0) The motion carried. Voting in opposition were Mr. Guimond, Mr. Cronin,
Mr. Rush and Ms. Dube.

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129 6) Town Buildings / Cleaning Service – Line overspent in 2015 by \$10,488 because of
130 under-budgeting. Recommended increase to line 625 from \$74,800 to \$85,288.

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132 Mr. McCarthy explained the proposed increase was based on actuals being underspent. Ms. Dube
133 questioned if there was a custodial department head. Mr. McCarthy answered yes; he spoke with
134 the company. Mr. Viger explained during the transition with Finance Directors, they've fine-
135 tuned the budget further and recognized that the budgeted figure fell short. He reiterated that the
136 proposed figure was based on actual expenditures.

137

MOTION: (Sherman/Cate) To increase the Town Buildings – Cleaning Service budget by
\$10,488 to increase the line from \$74,800 to \$85,288.

VOTE: (9-1-0) The motion carried. Mr. Rush voted in opposition.

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140 7) Highway Department - Winter Rentals – In reviewing the hours over the last three years
141 for the back hoe, it was realized that the schools use 123 hours per year. The machine
142 cost is \$82.36 per hour. The request is to increase the line by \$10,130 to pay for an
143 additional machine to plow the High School and help with other schools and Town
144 buildings. Request increase of \$10,130 for the winter rentals line 550 (2 pickups with
145 plows) to go from \$17,400 to \$27,530.

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147 Mr. McCarthy explained they would be reevaluating the arrangement with the School. Ms.
148 Larson stated they needed to go through one winter to evaluate what was actually needed to clear
149 the parking lots. Mr. McCarthy noted one difficulty was the elimination of the snow storage area.
150 Part of the cost was to move the snow to a field area.

151

MOTION: (Cate/Cronin) To increase the Highway Department - winter rentals budget by
\$10,130 to increase line 550 from \$17,400 to \$27,530.

VOTE: (9-1-0) The motion carried. Mr. Rush voted in opposition.

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154 8) Town Buildings – Electricity – The proposed 2016 budget didn't include the new rate
155 increase of \$5,917. It was noted that the Town was participating in the NH Saves
156 program that involved replacing lights at the Transfer Station and Highway garage. This
157 program is basically a loan rolled into the electrical bill over three months. The cost for
158 the program is \$3,590 per year. Recommended increase is \$9,507.

159

160 Mr. McCarthy explained that the Nashua Regional Planning Commission pooled towns together
161 to collectively purchase power. The negotiation occurs in October each year, after budget review;
162 therefore the final figure is presented during reconsideration.

163

164 Through involvement with the NH Saves Program, Mr. Sherman asked when a savings would be
165 realized. Mr. Viger provided an explanation of the program and the changeover to LED lighting,
166 which would show a savings.

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MOTION: (Cate/Sherman) To increase the Town Buildings – Electricity budget by \$9,507 to
increase the line from 112,000 to \$121,507.

VOTE: (10-0-0) The motion carried.

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Reconsideration items total an increase of \$116,255.

MOTION: (Sherman/Cate) To approve \$116,255 as the total Reconsideration amount, increasing the Town Budget to \$114,219,887.

VOTE: (9-1-0) The motion carried. Mr. Rush voted in opposition.

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The Town Budget to be presented at Town Meeting will be \$114,219,887.

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School Reconsideration

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School Business Administrator Deborah Mahoney came forward to discuss items for reconsideration.

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Mr. Guimond read aloud an item submitted for reconsideration. During the December 2, 2015 School Board meeting, the board approved the sabbatical request for a Memorial School teacher during the 2017 fiscal school year. The request was submitted after the budget process was completed, but prior to the PEA contract deadline. Recommended increase to Memorial School Budget is \$53,724, which would increase the Total Operating Budget from \$30,638,320 to \$30,692,044.

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Ms. Larson explained that the sabbatical leave was a contractual item after a teacher has accomplished seven years of service, they can be approved for a year of full-time graduate study. The teacher is paid benefits and half their salary. She noted that the current contract has a December 1st deadline; however, the new contract will have a deadline of October 1st to fall in line with the budget cycle.

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Ms. Dube wanted to know how many sabbaticals were granted each year. Ms. Larson replied it was the first request since she had been on the School Board.

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Mr. Cronin asked if the budget request was the salary to replace the person going on sabbatical. Ms. Larson answered no; the request was to pay benefits and half their salary.

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Ms. Dube questioned if a teacher was committed to stay with the school for a certain amount of years after they take a sabbatical. Ms. Mahoney replied the contract had conditions, one of which required them to remain at least two full years at the conclusion of the sabbatical. If they don't they will have to reimburse the full amount to the District over a specific period of time.

MOTION: (Cate/Sherman) To increase the Memorial School Budget \$53,724.

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VOTE: (9-1-0) The motion carried. Mr. Rush voted in opposition.

MOTION: (Cate/Sherman) To increase the School Budget from \$30,638,320 to \$30,692,044.

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VOTE: (9-1-0) The motion carried. Mr. Rush voted in opposition.

The School Budget to be presented at Town Meeting will be \$30,692,044.

208 Ms. Mahoney gave a Power Point presentation with regard to the Pelham Education Association
209 ('PEA') agreement that was ratified by the School Board January 11, 2016. The presentation
210 summarized the agreement highlights, salary schedule, healthcare changes and other
211 modifications. Also included was a cost analysis spreadsheet for fiscal years 2017-2019.
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213 Mr. Guimond understood that the School provided the Board with the contract as soon as it was
214 ratified; however, the Board typically preferred to have items a week in advance. He asked the
215 Board if they wanted to vote or have a separate meeting. Mr. Rush made a motion for the Board
216 to vote. Mr. Cate seconded for discussion. Mr. Bilby, Mr. Cronin and Ms. Hillsgrove preferred
217 to wait to vote.
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219 After a brief discussion regarding the posting requirements, and to allow the Board time to review
220 the agreement, the Board scheduled a special meeting to vote Tuesday, January 19, 2016 at 6pm.
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224 **ADJOURNMENT**
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MOTION: (Sherman/Cate) To adjourn the meeting.

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

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227 The meeting was adjourned at approximately 8:50pm.
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229
230 Respectfully submitted,
231 Charity A. Landry
Recording Secretary