

Unofficial

BUDGET COMMITTEE MEETING MINUTES Hooksett Town Hall - Council Chambers 35 Main Street Thursday, January 21, 2010

CALL TO ORDER

J. Pieroni called the meeting to order at 7:00 pm.

ATTENDANCE

Chairman J. Pieroni, J. Danforth, N. Comai, K. Hughes, J. Hyde, M. Miville, JR Ouellette, D. Pearl and D. Argo, School District Rep.

Absent: S. Doyon and Bill Gahara

Village Water Precinct

General Production Expense, line 1 increased 149% over actual.

D. Pearl asked why this increase? And what does that include.

M. Jache, Chairman and Joe Hebert Superintendent: We budget for more soda ash than actually used. 2010 budget \$32,901 and actual \$13,182. We had ordered ahead in 2008 and that material carried into 2009. In 2010 we will need to order again to make the shipment. This material has a 6-month shelf life.

Purchase of power is a 9% increase, which includes electric, propane and fuel costs. We are looking to increase our office space, which will demand more electricity. We are looking to renovate the building to make it handicap accessible. It has new windows, doors, siding and roof. Temporary help is budgeted for \$7000 but we spent \$2574. We have discussed hiring another person rather than going to labor ready. We hire to shovel hydrants depending on the severity of the winter. Health and Dental increased 18%. Water meters are \$4350.00. Last year we didn't purchase any because we had an inventory. We are trying to replace meters and get on replacement schedule to replace every 15 years. The State requires that all waters meter be in working condition. Each year the precinct will be replacing 10%, which is about 100 meters per year.

The proposed budget reflects an 8% decrease but is 14% above the actual. The water rates will increase .25/1000 gallons if this budget is passed.

Chairman Pieroni requested that next year's budget presentation include actual expenditures, previous year's budget and the proposed budget.

The pay increase of 8% for the office was as a result of comparisons done with other towns as well as increase in responsibilities.

***J. Danforth motioned to recommend \$474,440. Seconded by JR Ouellette.
Vote 7:2***

**Open Public Hearing for Village Water Hearing at 7:15 pm.
Village Water Precinct budget was presented by the Budget Committee at \$474,440.**

Warrant Articles

#5 Budget

To see if the Precinct will vote to raise and appropriate the Budget Committee recommended sum of \$474,440 for general district operations. The Commissioners recommend \$474,440. This article does not include appropriations contained in any other warrant articles.

#6 Tank maintenance.

To see if the Precinct will vote to raise and appropriate Thirty Thousand Dollars (\$30,000.00) to add to the Tank Maintenance Expendable Trust Fund with said funds to come from Pike Industries (Recommended by the Commissioners)

#7 Truck Expendable Trust

To see if the Precinct will vote to raise and appropriate Five Thousand Dollars (\$5,000.00) to add to the Truck Expendable Trust Fund with said funds to come from Pike Industries. Recommended by the Commissioners)

#8 New Source Development Fund

To see if the Precinct will vote to raise and appropriate Twenty Thousand Dollars (\$20,000.00) to add to the New Source Development Expendable Trust. (Recommended by the Commissioners)

#9 Repair and Replacement Expendable Trust

To see if the Precinct will vote to raise and appropriate Thirty Thousand Dollars (\$30,000) to add to the Repair and Replacement Expendable Trust Fund with said funds to come from Pike Industries. (Recommended by the Commissioners)

#10 New Source Development Fund

To see if the Precinct will vote to raise and appropriate One Hundred Fifty Thousand Dollars (\$150,000) to be added to the New Source Development Expendable Trust Fund previously established. This sum to come from Fund balance (surplus) and no amount to be raised by taxation.

A \$474,440 expected revenue, which will result in a 25 cent per thousand-rate increase.

J. Hyde: What is the average gallon age used per household.

J. Hebert: The average use is 10,000 for every three months, which is 160.00 per year.

K. Hughes: How often do you have a rate increase?

J. Hebert: There was no increase for more than 11 years. We now have had an increase for the past 4 years.

Central Water Precinct

J. Danforth motioned to recommend 763,831.00. Seconded by K. Hughes.

M. Miville: The labor line has a 5% increase and the chairman asked for documentation to support that. I read from the meetings of 2008 where the discussion was a statement made by the Superintendent without any comments from anyone. There was no discussion, simply testimony.

J. Pieroni: Our concern was that 5% is a significant increase during these difficult economic times. The teachers' are at a 0% and the town at a 2% increase. To simply now say we want a 5% increase; do you have research to support this showing personnel is underpaid?

G. Weirs presented a book from LGC, which includes a wage/benefit and salary survey from 2007.

G. Weirs: The reason is because they deserve it. I watched the salaries and the performance. I know what is given to this town by the water precinct and what is provided to the members. I think you received a packet and this is from 2008 and not a great deal has changed in the necessity to respond to alarms. We are paid for a 40 hour week, we actually work....I wouldn't want to pay the Superintendent for the work he does. Other departments are paid to come in and answer calls and get a minimum hour of pay.

B. Aloias: Three (3) years ago a survey was done throughout the town. In 2008, we did this study. We tried to keep it in line. The 5% to me is justified. They are up at 2 in the morning and they aren't paid for that. Alarms go off and they are out plowing because it has to be done.

J. Pieroni: During these economic times, we wanted to see that the increase was based on some data that the public can compare.

B. Alois stated that he believes these increases are justified based on what they do.

K. Hughes: Why didn't you gradually adjust the wages? What was the wage increase last year?

Irene: Last year we gave a 6% wage increase.

B. Aloias: All three employees are coming up to the middle of the scale.

B. Alois: We presented a budget that is lower than last year and there is no rate increase. The Town did Benton Road and we extended our water line down Benton Road and Martin's Ferry. We did it in conjunction with that construction.

N. Comai: Has the commission looked at the value of the benefit increases and costs associated with those increases.

Vote 5:4 motion passed

Close Village Water Precinct hearing at 7:35 pm

Open Public Hearing for Central Water Precinct at 7:36 pm

The proposed budget for Central Water Precinct is \$662,381. Last years 2009 budget was \$663,515 and the actual expenditures for 2009 were \$621,439.

Warrant Articles

Article #5 Water Storage

To see if the Precinct will raise and appropriate the sum of Five Thousand Dollars (\$5,000.00) for the Central Hooksett Water Precinct Capital Reserve Fund #1, entitled Water Storage Capital Reserve Fund. (Recommended by the Precinct Commissioners).

Article #6 New Construction and Capital Improvements Capital Reserve Fund

To see if the Precinct will raise and appropriate the sum of Eighteen Thousand Five Hundred Seventy Five Dollars (\$18,575.00) for the Central Hooksett Water Precinct Capital Reserve Fund #2 – New Construction and Capital Improvements Capital Reserve Fund (Recommended by the Precinct Commissioners)

Article#7 Repair and Replacement of Main Equipment Capital Reserve Fund

To see if the Precinct will raise and appropriate the sum of Five Thousand Dollars (\$5,000.00) for the Central Hooksett Water Precinct Capital Reserve Fund #3 Repair and Replacement of Main and Equipment Capital Reserve Fund. (Recommended by the Precinct Commissioners)

Article #8 Standpipe Relining Capital Reserve Fund

To see if the Precinct will raise and appropriate the sum of Eighteen Thousand Five Hundred Seventy Five Dollars (\$18,575.00) for the Central Hooksett Water Precinct Capital Reserve Fund #4 – Standpipe Relining Capital Reserve Fund. (Recommended by the Precinct Commissioners)

Article #9 Source Development and Infrastructure Preservation Capital Reserve Fund

To see if the Precinct will raise and appropriate the sum of Fifty Four Thousand Three Hundred Dollars (\$54,300.00) for the Central Hooksett Water Precinct Capital Reserve Fund #5 – Source Development and Infrastructure Preservation Capital Reserve Fund. (Recommended by the Precinct Commissioners)

Article #10 Operating budget (no rate increase)

To see if the Precinct will raise and appropriate the sum of Six Hundred Sixty Two Thousand Three Hundred Eighty One Dollars (\$662,381.00) for general Precinct operations. This article does not include appropriations from any other warrant articles. (Recommended by the Precinct Commissioners).

Sewer Department

Bruce Kudrick, Superintendent of Waste Water

Bruce Kudrick presented the Hooksett Sewer Budget, which reflects a 15.6% increase mainly due to the paying back of two (2) bonds.

Salaries increase proposed 2.5% merit increase because in November, the Commission was told that the town would be presenting a 2.5% increase

Employees - 8 employees with 6 in the office and 2 at the treatment plant.

Electrical cost - we don't have a figure with the new building. The Commissioners have signed a contract with a company and during high use we will shut off the power and use the generator. We will get money back for this promotion

Heat – use 5500 gallons per year and we have a rate of 3.00/gl.

Generator and heating source runs off the same tank

Water – the Commissioners installed a \$5400 system, which reduces our usage.

Laboratory Equipment - for testing and the associated costs. New testing will be required later this year and there is some money set aside in capital equipment. It will be added to the budget next year.

We changed from using Chlorine at .50/lb to Hyper chloride (12% chlorine), which is 1.5/lb.

Truck maintenance – No change

Page 10 – Money put aside. EPA, line 32, manholes and main, EPA would like us to do more than what we're doing. We have 52.5 miles of sewer of which 40 miles belongs to the town. We have 5 pump stations and force mains there is 4.6 miles and we own half. We are upgrading a force main this year and preparing for Exit 10.

EPA wants us to clean the entire sewer system every 5 years. That would take a quarter of the budget to do that. As part of the permit, they want to know the condition of the sewer system.

Page 17 – Projected income - Each year the amount of wastewater to the treatment plant increases. It is now decreasing due to foreclosures. We had to go up on the rates. It was 3.70/1000 and we went up \$5.60/1000.

Capital reserve fund is established.

Replacement of a section of sewer, which was lost during the Mother's Day Flood, cost \$29,000. That was done in conjunction with the culvert work done by the State to save money.

J. Pieroni: How does the health insurance compare to the town's benefits.

B. Kudrick: The health insurance is paid at 100%. This has been a decision of the Commissioners. We work in wastewater and it is a dangerous environment working with dangerous gases as well.

We use a service for uniforms so that no contamination is brought home.

There are many towns that pay 100% and some as low as 25%.

Telephone – we are always searching for better rates. We now have the same service as the town.

Close Central Water Precinct Hearing at 8:00 pm

Bonds – Six 6 years ago we took a 3.5 million dollar bond for the first phase of the Treatment Plant expansion. The voters passed the second phase last year. We received 6.2 million dollars in Stimulus money, of which 3.1 million dollars must be paid back. It is a 20-year bond. The total bonds are 6.6 million dollars to be paid back.

The Public Hearing for the Sewer Budget will be included in the Town Budget Hearing.

Final Deliberations and Recommendation of the Water Precincts' Budgets

Village Water Precinct

Operating Budget Recommended - \$474,440.

J. Danforth motioned to recommend the Village Water Precinct Operating Budget for \$474,440. Seconded by JR Ouellette.

D. Pearl stated that the Village Water Precinct did not provide any clear reasons for the salary increases proposed.

J. Pieroni stated the M. Jache did give an explanation for the increase for the Administrative Assistant's increase as a result of an increase in duties and responsibilities because M. Jache doesn't spend as much time in the office.

M. Miville motioned to amend the motion and reduce line 14 (Labor) \$3818.00. Seconded by D. Pearl.

Vote 4:5 motion failed.

N. Comai motioned to amend line 14 (Labor) \$2163.00 which would be a 2% merit increase.

Seconded by D. Pearl.

Vote 2:7 motion failed

Vote on original motion (\$474,440)

Vote 5:4 motion passed

Warrant Articles – Village Water Precinct

J. Danforth motioned to recommend Articles #6, Article #7, Article #8, Article 9, and Article #10 as presented. Seconded by K. Hughes.

Vote unanimously in favor

Central Water Precinct

Operating Budget Recommended \$662,381.

J. Danforth motioned to recommend the Central Water Precinct Operating Budget for \$662,381. Seconded K. Hughes.

D. Pearl motioned to reduce the labor line \$4065.09 which reflects a 2% increase. Seconded by J. Danforth.

Vote 4:5 motion failed

Vote on original motion – (\$662,381)

Vote 5:4 motion passed

**J. Danforth motioned to recommend Article #5, Article #6, Article #7, Article #8, and Article #9 as presented. Seconded by D. Pearl.
Vote unanimously in favor.**

School District Budget

**J. Danforth motioned to return High School Tuition line to \$5,887,266 and reduce the Insurance line as to not change the bottom line. Seconded by JR Ouellette
Vote unanimously in favor.**

Including Federal Funds 27,239,497. \$25,884,176 not including Federal funds.

**N. Comai motioned to recommend the School District Operating Budget for \$27,239,497.
Seconded by D. Pearl.
Vote 8:1 motion passed**

Warrant Article #2 Teacher Contract

Shall the District vote to approve the cost items included in the collective bargaining agreement reached between the Hooksett School Board and the Hooksett Education Association, which calls for the following increase in salaries and benefits at the current staffing levels:

<i>Year</i>	<i>Estimated Increase</i>
2010 -2011	\$0
2011-2012	\$0*
2012-2013	\$0*

and further to raise and appropriate the sum of zero dollars (\$0) for the 2010-2011 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels paid in accordance with the most recent collective bargaining agreement. Note: Pursuant to RSA 273-A:12, if approved, the terms of this collective bargaining agreement, including the pay plan, but excluding cost of living increases, will continue in force and effect until a new agreement is executed. (Recommended by the School Board)

J. Danforth motioned to recommend the Teacher's contract as presented. Seconded by D. Pearl.

G. Hyde does not support the contract.

D. Pearl does not support the contract.

M. Miville does not support the contract based on comments at the public hearing.

N. Comai supports the school district and the superintendent.

JR Ouellette stated we have an obligation to the taxpayers because there is a tax impact associated with this contract because of the Evergreen Claus and for that reason we need to vote no.

J. Pieroni: We fund education through steps. Evergreen is in place. We have locked the teachers in to a zero (0) increase for three years. The only way to get something is for the teachers to give. This will save the taxpayers for three (3) years.

JR Ouellette stated that we would lose the negotiating power.

D. Pearl: We shouldn't be giving up local control. They will be going back to negotiations next year anyway so why should we give up control because of the State.

D. Argo: The wage reopener takes away our strategy. The three (3) districts of SAU 15 will be aligned for insurance next year. We can then look at it as a group. There is currently a \$5.00 co pay and it is at 80/20. There are opportunities for the district to save money.

J. Hyde: There will be the same opportunity if the contract doesn't pass.

The Budget Committee debated the merits of the Teacher Contract considering the effect of the Evergreen Claus.

The debate centered around the right to vote on an increase.

Vote 5:4 motion passed

ADJOURNMENT

The Chair adjourned the meeting at 11:00 pm.

Respectfully submitted,

Lee Ann Moynihan
Budget Committee Secretary