

Official

BUDGET COMMITTEE MEETING MINUTES Hooksett Town Hall - Council Chambers 35 Main Street Thursday, February 11, 2010

CALL TO ORDER

J. Pieroni called the meeting to order at 6:30 pm.

ATTENDANCE

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

Sue Doyon arrived at 6:40 pm

J. Hyde arrived at 7:05 pm

Absent: Bill Gahara

Staff: C. Granfield, Town Administrator and C. Soucie, Finance Director

APPROVAL OF THE MINUTES

January 7, 2010

K. Hughes motioned to approve the minutes of January 7, 2010 as presented. Seconded by N. Comai. Vote unanimously in favor

January 14, 2010

M. Miville motioned to approve the minutes of January 14, 2010 as presented. Seconded by D. Pearl. Vote unanimously in favor

January 21, 2010

K. Hughes motioned to approve the minutes of January 21, 2010 as presented. Seconded by JR Ouellette. Vote unanimously in favor (S. Doyon abstained)

Public Input:

Michael Sorel, 5 Cross Road: Mr. Chairman is D. Pearl's wife an employee of the Hooksett school system?

D. Pearl: Yes she is.

Michael Sorel: Is a Budget Committee member required to identify themselves as such?

J. Pieroni: Members are not required to represent themselves during a budgetary or non-budgetary issue. Do you have a complaint to submit?

Michael Sorel: No, I do not. If they speak at a Police Commission meeting, do they speak as Budget Committee members? Is there any conflict with posting on the Internet?

J. Pieroni: Any citizen can speak on their own, and are not directly required to identify themselves as a member. I will look into any rules with the LGC, to confirm my understanding of speech by town officials outside of their specific committee / board obligations. I personally see no problem with speaking one's opinions / positions, and everyone has a choice to do so. There is no requirement for any town officials to remain silent.

Michael Sorel: Do you know who Rudy is and if he has a right to speak?

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J. Pieroni: I personally not in any position to make that decision or determination. Everyone has a right to speak, however, I would recommend that any town officials identify themselves.

Library Budget -- Mary Farwell, Barbara Davis, Heather Shumway – representing Hooksett Library.

M. Farwell: The Chart shows where cuts were made in Column 5 totaling \$13,130.00. Utilities sustained the biggest cut.

Library will not operate the Air Conditioning on the lower level during the summer months.

Book and materials line was cut \$5,000 by the Town Council. This is specifically for books, audio books, etc. The trustees performed a survey and found Goffstown book purchase were \$144,000 compared to Hooksett's purchase of \$64,000.

S. Doyon: I have not been to a library in some time, but I would think there is lower attendance at the library, and it should be down with the increased use of the Internet to do research.

H. Shumway: Actually, circulation has doubled since last year. Kids are still required by their teachers to do research in addition to their Internet access. We also assist the kids in their Internet research. Typically, about 60% of purchases are for fiction books. Average adult books cost \$15; kid's picture books cost \$10. and the average adult audio book costs \$80. The Library purchased 103 adult, 125 kid's picture, 19 audio- and 14 children audio books.

C. Granfield reads Town Council 1/9 meeting minutes regarding library discussions on cutting the \$5,000 from line.

N. Comai: I advocate purchasing a fresh supply of new books, to keep the library updated with contemporary materials.

D. Argo: Circulation rose as a result of the downturn in the economy. People go to the library since they can't afford to buy books. I think the library is even more important now in dealing with this bad economy.

H. Shumway: I expect that the kids' circulation has and will continue to rise this fiscal year.

Warrant Articles

Article C

To see if the Town will vote to raise and appropriate the sum of \$63,463 (Sixty-Three Thousand Four Hundred Sixty Three Dollars) for salaries and benefits to be set aside in a merit wage pool for non union full-time and part-time Town personnel.

<u>Fiscal Year</u>	<u>Salaries</u>	<u>Benefits</u>
2010-11	\$54,477	\$ 8,986

RECOMMENDED BY TOWN COUNCIL (9-0)

Note: Estimated tax increase is \$.04.

Reflect a 2% increase

C. Granfield: I surveyed other towns on pay increases and determined that 11 towns expected no pay increase, 13 towns will have a pay increases and 19 towns were undecided. That translates to 36% of towns will have increase pay warrants; 40% of towns with no pay warrants, 24% undecided. There are 61 non-union town employees. They share health insurance costs at 90% paid & 10% employee contribution. The non-union 2% wage increase warrant article passed by voters last year. The warrant article is a merit pool. Department Heads set the raises, with Town Administrator having final approval. The voter-approved wage increase takes effect in July after the May town election. Average merit raise range +/- 2%. It is not factored into a separate budget line, rather is added to the wage line, increasing it to salaries. The non-union wage increase warrant article was 2.5% increase last year.

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Article D

To see if the Town will vote to approve the cost item included in the collective bargaining agreement reached between the Hooksett Police Commission and the Hooksett Police Union which calls for the following increases in salaries, taxes, retirement and other benefits at the current staffing level:

Estimated increase over prior year

<u>Fiscal Year</u>	<u>Salaries</u>	<u>Taxes, Benefits & Retirement</u>
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and further to raise and appropriate the sum of \$_____ (Dollars) for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal year.

Scheduled for the February 18, 2010 Budget Committee Agenda.

Article E

To see if the Town will vote to raise and appropriate the sum of \$10,000 (Ten Thousand Dollars) to be placed in the Road Impact Fee Traffic Study Capital Reserve Fund already established. **RECOMMENDED BY TOWN COUNCIL (8-1)**

Note: Estimated tax increase is \$.01

This is the second phase of a three (3) phase project to study Road Impact Fees. The fund must be maintained in order to access road impact fees. The purpose of the study is to examine town road infrastructures, width of roads, status of intersections.

Article F

To see if the Town will vote to raise and appropriate the sum of \$10,000 (Ten Thousand Dollars) to be placed in the Parks and Recreation Facilities Development Capital Reserve Fund already established. **RECOMMENDED BY TOWN COUNCIL (8-1)**

Note: Estimated tax increase is \$.01

The Park and Rec Advisory Board requested this article be removed last at the Deliberative Session.

J. Pieroni: The Article is not specific enough.

C. Granfield: The fund balance is \$82,233 and the Impact fees balance is \$138,518.

J. Pieroni: I would prefer to have this money spent on proper fire equipment such as air packs rather than money on this Parks and Recreation warrant article.

The Fire Engine can be purchased with Impact Fees if it is addition to the fleet and not a replacement.

Article G

To see if the Town will vote to raise and appropriate the sum of \$20,000 (Twenty Thousand Dollars) to be placed in the Town Building Maintenance Capital Reserve Fund already established. **RECOMMENDED BY TOWN COUNCIL (9-0)**

Note: Estimated tax increase is \$.01

M. Miville: The Town Council reduced the Article from its original proposed amount of \$30,000.

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J. Pieroni: What is the total value of all the town buildings and what is the annual cost to maintain them?

C. Granfield: The value is about \$15 million.

J. Hyde: Is there a maintenance plan?

C. Granfield: We have a full time maintenance person who is going through all the buildings to determine the needs. The Old Town Hall Preservation Committee will be reporting their findings to the Town Council in the near future.

C. Granfield: The town spent \$170,000 last year on maintenance items and \$150,000 in the prior year. The Town maintenance fund is not used for building renovations.

M. Miville motioned to accept the Town Council's budget as presented. Seconded by K. Hughes. Vote unanimously in favor.

The Sewer is not in the overall town budget.

Revenues

J. Hyde: We consider anticipated losses in revenue as a tax increase.

M. Miville: If every Warrant Article passes, including the police contract, there is an 8-11 cent tax rate increase realized.

J. Hyde: The revenue shortfall is about \$400,000 less than last year, based on reduced expected revenues. We therefore need to cut out around \$400,000 out of the budget, because we can't spend what we don't have. We can't keep spending money like we have been doing, when the revenues are projected to be lower.

N. Comai: I have been looking at the little items in the budgets to cut, such as paint supplies, carpeting and furniture.

D. Pearl: Money encumbered takes away from it being returned to the fund balance, in order to reduce the tax rate. I recommend that the money be taken out of the budget, instead of appropriating it in the first place.

M. Miville: I also want to call to the committee's attention to the Revenue tab 28 on the third page, referencing the Cable Television line. If you examine the totals of the actual collected monies for Comcast cable fees from 2005 to the end of 2009, its sum is \$461,434. If we factor in this upcoming 2010-11 estimated cable fee collections, it comes out to an overall total of \$586,434 of money collected from Comcast subscribers. It is a hidden tax in my opinion, and should be addressed in next year's budget deliberations with Town Administration and Town Council. With that amount of money collected, the town could afford an entire state of the art, fully equipped public access studio.

J. Pieroni: Christine, why's the actual amount as of 12/31/09 only \$30,592? Is there a payment report schedule on that?

C. Soucie: Yes, the payments are recorded quarterly.

J. Hyde: The Comcast fees were originally approved by Town Council to have public access broadcasts, but haven't.

The Budget Committee discussed options for reducing the budget \$400,000.

The Budget Committee discussed the funding of police officers and the number of approved positions.

Police Officers wages – Average wage for newly hired officer is \$58,000 plus a family benefit is \$70,000.

D. Pearl: What is the target spending for any department budget by the end of the fiscal year?

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C. Granfield: 90% with 10% unanticipated funds returned. In 2009, the departments returned \$292,000 after encumbrances. Encumbrances totaled \$60,000.00
The town tells all departments to spend any encumbrance items within its specific account line, to try to avoid transfers.

Recommendation by Budget Committee on Warrant Articles

A – Safety Center Bond \$1.5 million

The Budget Committee discussed the option of phasing the project over several years.

J. Hyde motioned to recommend Article A, Safety Center Bond for \$1.5 million as presented. Seconded by S. Doyon.

Vote 8-1 to recommend (J. Hyde – No) Motion carries

C – Non-Union Wage increase 2%

J. Hyde motioned to recommend Article C, Non-Union Wage increase of 2% as presented. Seconded by JR Ouellette.

N. Comai stated she does not feel this should be a warrant article.

J. Pieroni: The article is driving non-union employees to unions, so that's why it is a separate article.

M. Miville: We should not be voting for any pay increases at this time. What are we telling the citizens that we represent? What will the citizens think of our deliberations here, if every town department gets raises at this time?

Vote unanimously opposed. 0-9 Motion fails

E – Road Impact Study Fund \$10,000

J. Hyde motioned to recommend Article E for \$10,000 for Road Impact Study Fund as presented. Seconded D. Pearl

Vote unanimously in favor. 9-0 Motion carries

F – Parks and Recreation Fund \$10,000

J. Hyde motioned to recommend Article F for \$10,000 for the Parks and Recreation Fund as presented. Second by S. Doyon

Vote unanimously opposed. 0-9 Motion fails

G – Town Building Maintenance Fund \$20,000

J. Hyde motioned to recommend Article G for \$20,000 for the Town Building Maintenance Fund as presented. Seconded by K.

Vote 5-4 Motion carries

ADJOURNMENT

M. Miville motioned to adjourn at 9:23 pm. Seconded by J. Hyde.

Vote unanimously in favor.

Respectfully submitted,

Lee Ann Moynihan (Notes taken on 2/11/10 by Budget Committee Member Marc Miville)
Budget Committee Secretary

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