

Official

**BUDGET COMMITTEE MEETING
WORKSHOP
Town Hall
35 Main Street
Saturday, February 5, 2011**

CALL TO ORDER

Chairman Miville called the meeting to order at 9:03 am.

ATTENDANCE

Chair M. Miville, Vice Chair T. Keach, T. Lizotte, JR Ouellette, D. Sorel, N. Comai, K. Hughes, V. Lembo Council Rep, and D. Argo School Board Rep.

D. Pearl and J. Hyde excused.

D. Sorel was excused at 10:30

Overview of 2011-2012 Budget - Carol Granfield

C. Soucie explained that when the budget in an effort to be consistent between departments, the history of the lines were moved to show a comparison with the new budget number. Currently, everything is exactly where it was budgeted for. The current budget has never actually changed. There may be a zero in the actual spent to date if no money has yet been expended.

The Warrant must be posted by March 18th, the Deliberative Session is Saturday, April 2nd and the Election is May 10th.

C. Granfield: The objective was a 1% reduction, with no increase in fees and limited warrant articles.

The Council adopted an Operating budget of \$13,868,140, which is \$15,820,217 including the sewer. This is a 1.6% reduction from the current budget. The Sewer increase is paid by the sewer users.

The challenges were:

- Increases in health insurance of 11.3%
- NH retirement increased \$69,123 contribution from the town
- Legal cost \$17,000 due to litigations initiated outside the town's control.
- Technology contract of \$27,917 which put us in great shape and we are now legal with all appropriate licensing.

Revenues:

- Decrease in Motor Vehicles registrations of \$100,000
- Decrease in Building permit fees of \$5000
- Loss in Interest

The Budget outcome and the 1.6% decrease include:

- The fire union that gave a one year concession for \$60,000.

- Heating and electric are down to efficiency efforts
- Overtime reduced
- Tipping fees reduced
- Police for part time employees reduced \$40,000

Revenue increase

- Ambulance Service

Assessing Department

The Assessing department has an \$11,000 decrease due to a decrease in contracted service and overtime.

Building Department

Building Department small decrease. Increase in health and retirement

Total Personnel

127 full time

33 part time

Total employees 160

There are 15 money warrant articles.

There will be no police union contract coming forward.

Administration Department

There is a .5% merit wage pool in the Administration budget for all non- union employees excluding sewer and including Library which will be distributed in July.

Warrant Articles

- Town Wide Computer Development fund to put money aside for software packages needed like Financial. Based on the CIP the Council primarily reduced all warrants 50% with a few exceptions. This is \$16,500 which is 50% of what was proposed.
- The Town Revaluation Fund to put money aside to do the re-val in future years.

Budget reductions

- Training
- Legal fees
- Economic Development
- Amoskeag rowing club was reduced for scholarships. They have not requested these funds in the past.
- A change was made in public official salaries which have been moved to the appropriate budget. (i.e. Police commission to police budget)
- Telephone – we went out to bid for phone service in all departments. This line includes telephone landlines, wireless and cable. Our internet Service is through Comcast. We received 5 proposals for phones and will be finalizing in the next two weeks.

We are looking to:

- reduce internet with Comcast

- Exploring voice over internet on telephone. Use the internet rather than the analog lines. You would still need a few for public safety but it appears to be cost effective to move in that direction.

Energy audits continue.

Emergency management has moved to Administrative Department as a part time function.

Questions

T. Keach: Line 43, employee testing?

C. Granfield: Pre -employment drug testing is done for all employees and is in the Human Resource budget with the exception of police.

T. Keach: Why is there a budget for Amoskeag Rowing?

C. Granfield: They pay us \$5000/year and we provide a scholarship if they request. It is effectively a wash. This was an agreement made years ago between the club and the town. This was reduced this year.

N. Comai asked if the ½ percent should be broken down into the individual departments.

J.R. Ouellette: Over the year's these budgets have been modified to reflect actual expenditures of all the departments. I agree with Nancy that this increase should be included into each budget. Have the benefit lines been increased as well?

C. Granfield stated that she can show the breakdown of the merit pool by department and a motion will be needed to move the money from Admin to the appropriate lines.

N. Comai asked about the change in IT from last year.

C. Soucie stated that the IT was moved from Administration to the respective Departments.

JR Ouellette asked why this year's actual Unemployment Compensation is already increased without the year being complete.

C. Soucie: explained that unemployment is paid at the beginning of the year as a one-time payment and was increased by the Federal Government to extend unemployment benefits.

K. Hughes asked about the \$1000 in the public relations line.

C. Granfield stated that it covers a variety of items that aren't specifically in a line item. (i.e. recognition items, flowers for sick).

V. Lembo asked if the fuel for the new generator is included in the budget.

C. Granfield stated it is not in the budget and should probably be added.

C. Granfield: The mileage is paid to the Town Administrator when using her personal vehicle for town business.

Old Home Day is a line item in the Administration budget for a managing stipend and an item in the Park and Rec. budget for supplies.

M. Miville asked if the Administrator felt that the reduction by Council to \$67,000 for legal services was sufficient to cover the costs.

C. Granfield: I requested more than that and if needed, we will have to fund it elsewhere. Based on the history, I think we will need more for the actual litigation which we have no control over. \$70,000 would be appropriate.

M. Miville: For the volunteer night and the Farmer's Market. The Council chose not to accept sponsored funds for the Volunteer Appreciation night and the Farmer's Market. If we could retain those sponsorships again, would you be receptive?

C. Granfield: There may be some sponsorship forthcoming but we would still need the funding to combine with the donations in order to put on a better event.

T. Lizotte asked if there has been an increase in tax abatements.

C. Granfield stated there has been an increase but will provide the detail at the next meeting.

C. Granfield stated that the Council voted to move forward with the Safety Center Bond.

M. Miville stated there appears to be an error in the Assessing budget (line 541) appropriation stated \$3700 and the backup states \$2700 for training and dues. The total in the back up adds up to \$2740.

C. Soucie will get clarification from the department and the Council did not reduce that line.

Finance Department

T. Keach: What is GASB and why is not funded?

C. Soucie: GASB is mandated to have this done every 3 years. We don't need it every year.

Planning and Community Development

N. Comai: Community Development, why the increase in advertising for Planning Board?

C. Granfield: Their costs are offset by fees paid by the applicant

T. Lizotte asked for the GIS maintenance to be explained.

C. Granfield: We contract the service through SNHP. It is utilized by Planning, Accessing and Building and is also available on the website. We don't have a GIS person on staff.

JR Ouellette asked if the \$700 budget was for just a new chair.

C. Soucie will research and get back with the information.

Tax Collector

M. Miville noted the increase in Town Clerk for dog tags which were mistakenly omitted in the original budget.

N. Comai: Professional Services for Tax Department line 223, what is that for?

C. Granfield: Includes Motor Vehicles subscriptions, computer updates, tax lien notification service which is what the tax clerk utilizes. This service was not in there before. We had combined tax/clerk in the past. Now with the new person verifying what is done, we found this was lacking.

C. Soucie stated that \$800 is for the replacement of four (4) replace chairs.

Cemetery Commission

This year it came to light that the commission presented a request to join a Cemetery Association which they should be involved in. We need to put a dues line. The funds were paid out of professional services this year. No additional funds are needed; they just need to split off the line. Council has not addressed that. It is only \$40.00 total.

Building (Tab 5)

Regarding the ZBA mileage, that is for mileage. Some members take the stipends and some do not. If a member doesn't use it they are returned.

Family Services (Tab 7)

The Council increased the welfare line \$5000.

Library – Tabled until February 103

Transfer & Recycling

D. Boyce –

This budget has been reduced in the disposal fees. We've been budget a little high because of the economy people aren't generating as much trash. Small increase in overtime and new employee rates due to retirement and benefit increases.

K. Hughes asked why Line 200 under administration increased from 140 requested to 3800 for part time employees.

D. Boyce: The law requires that an outside person do the booking.

T. Lizotte: Is there any movement on shop supplies and hand tools?

D. Boyce: We regroup some lines. They were previously part of supplies and recycling equipment. There is no additional money, just shifting of lines.

T. Lizotte: The actual this year is lower.

D. Boyce: That may be due to the single stream because we are doing less bailing and handling. Single Stream is being well received by community and I think we are seeing an increase. We had 50 tons for December which is an increase.

M. Miville asked about the tipping fees.

D. Boyce: The fees are actually going down. If the economy does improve, we are right on with what was budgeted. This year we will be a little lower.

Warrant Articles

Automated collection: With automated collections, we will be able to provide two services for the cost of one. We can reduce workman's comp. We can offer curbside recycling with automations. We will replace a 10 year old truck. Typically it is an 8 year replacement cycle. I think this is needed and we will eventually save money. This time of year, the collection crew is at risk on the snowy, icy steps with the danger of cars going by.

JR Ouellette: First I'd like to say I'm for the automated collection but could you hold off for another year?

D. Boyce: I don't know how much the barrels will increase in another year. The cost of plastic is going up. Residents will have an option of purchasing smaller barrels which will benefit senior citizens. The estimate is based on 65 gallon barrels.

T. Lizotte: Will there be a direct reduction in labor. I'm concerned in talking with neighbors, that there isn't enough definition. People will be paying more in taxes and the result will be limited on what will be mandated and collected. I don't know if there will

be support. I think there needs to be better communication to layout what will be worked out with larger families.

D. Boyce: Our goal is to help the residents. There will be presentations made if this moves forward on the ballot to explain the options.

T. Lizotte: I also echo what Mr. Ouellette stated regarding delaying this for one year. If we wait, we should be able to show historical data on recycling.

D. Boyce: I would like to see the guys off the back of the collection truck this year. I don't want to see this pushed off another year.

JR Ouellette: After the next budget cycle, there will be \$210,000 freed up that could be used for this program and save the burden on the taxpayer this year.

Public Works

D. Hemeon

Originally we cut \$88,000 from the budget but in the end, with the insurance increase, we cut \$26,000.

Recommended Highway budget is \$1,694,242

N. Comai asked why there is only \$8000 for signage (line 710) with little actual to date.

D. Hemeon: This is a new line created and money was moved from the construction line. All signs need to be brought into compliance by 2013. We are replacing as needed.

T. Lizotte: I requested the mileage for the trucks. What is the lifetime of the dump trucks?

D. Hemeon: It isn't based on mileage. Those trucks don't get a lot of miles. The industry standard is 7 years. We have hard miles and plowing is hard on equipment. We have 4 internationals that are 1996 and 1997. I don't know if I will get another year out of them. If the CIP goes 4 years, it will take me longer to do the routes. I have 10 bigger trucks and 2 smaller trucks out plowing.

T. Lizotte: How is the laser attachment working?

D. Hemeon: I have two trucks with lasers and it took a couple of seasons for the drivers to trust it. They can now focus on moving forward and not looking down. I would never buy another truck without a laser. Manchester is moving in this direction as well. I see less mailboxes being broken on those routes. 95% of mailboxes are broke due to the snow not from the plows hitting them. We are not required to replace the boxes but we do.

T. Lizotte: You were looking at a backhoe and you said you needed something larger. I didn't know you had a John Deer 410.

D. Hemeon: When I bought the backhoe, I bought it on State bid and if we need an excavator, we lease it.

JR Ouellette: Last year the issue of uniform rentals came up. Has that been looked into?

Jodi Pinard: It is cheaper for us to rent because they will replace and repair. If you gave an employee a stipend of \$1000 it would cost \$22000 plus boots. We budget \$14,000 for everything.

D. Hemeon: The town made the policy that employees would have uniforms. We renegotiated with the uniform company this year and got a better price.

K. Hughes: What happens if a truck dies, can you replace it?

D. Hemeon: I have to pay for the repairs. I have no money to replace the equipment in my budget.

Town Building

D. Hemeon: Cost for the fuel for the generator will be negligible.

D. Hemeon: I have a concern with rising fuel costs. There is a good chance we will over expend.

J. Pinard: We spent \$16,000 in January alone compared to \$53,000 for the entire year last year.

Warrant Articles

D. Hemeon: Originally, we developed a two-year plan with Administration. After Council's cuts, it is now a four-year plan.

Fire & Rescue

This budget represents a .72% decrease.

M. Miville expressed his public appreciation to the Fireman's Union for their concessions made the budget.

Chief Williams: We have a full time and part time secretary. The part time budget was reduced to one (1) 35 hour secretary. This will leave the office on Wednesdays. We eliminated the hazmat. Letters were sent to local businesses that rely on this support. As a result, businesses have donated 50% of the dues. Cuts were made to the Forestry division.

JR Ouellette thanked local 3264 for the concessions and thought this was a great budget.

Chief Williams: It is a one-year concession and we will go back into negotiations in July.

Questions:

V. Lembo: My concern is cutting the hazmat response team. With the river and the traffic on Route 3, should we be relying on donations for that and is it \$3500?

Chief Williams: It is a total of \$7500 including training. The actual membership cost is \$6365 and \$1135 is training. To date we have received of \$3000 in donations. We can rely on mutual aid if needed, which would increase the response time but it is a way to deal with the difficult cuts.

T. Keach: Why is the Internet cost \$4000 and everyone else is 50% of that?

C. Granfield: The Fire Department has an enhanced internet and we are looking into why it has that component and why it is more.

T. Keach asked if the Chief and Deputies are the chief and deputy receiving stipends for being on call.

Chief Williams: No, that was eliminated a few years ago.

K. Hughes: Lines 315 and 316 equipment maintenance – moved??

Chief Williams: Line 316 was for repair of cut hose for \$1000 and that was moved to Line 315 - equipment maintenance. The same is true with line 716 and line 717 for new furniture.

Warrant Articles

The SABA replacement for 10 years from now.

Tanker #3 replacement of a 21 year old tanker (1991) in the next few years. We want to get a 2500 gallon tanker to get to subdivisions without municipal water. The current tanker is 1500 gallons.

Each engine has 1000 gallons and the ladder truck has 500 gallons. The tanker's only purpose is to carry water.

Engine #2 is a 1998.

Police

J. McHugh, Police Commissioner

The budget presented has been reviewed 5 times. The directive by Council was met by coming in with a 1% reduction. The Council chose to reduce the police budget at the last meeting an additional \$40,000.

The command staff is at 25 as of today.

The following reductions were made:

- Salary from \$2,243,000 to \$2,036,630
- Overtime reduce as a result to staffing
- Overtime for recording secretary from \$13,671 to \$2278.
- Overtime for communication from 4 to 2 hours per week
- Detective, sergeants were also decreased
- Fuel and vehicle maintenance decreased with new vehicles coming on line
- Vehicle purchase reduced to \$1 with 2 new vehicles on line this year.
- Training and dues reduced from \$37,000 to \$9000
- The photography line was reduced from \$2911 to \$4200.
- Prisoner meals and food reduced substantially.
- Postage reduced to \$1000 as a result of less anticipated hiring.
- Cell phones reduced from 15 to 10.
- Police Equipment originally \$22,421 reduced to \$10,915 because items were purchased at the end of the year like batteries.
- Office Supplies originally \$28,000 was cut to \$13,175. This is for computer paper, pads, computer forms, and postage supplies.

No change in:

- Maintenance Equipment at \$3000 for the scanning systems, finger printing scanners and some for phones. T
- Selection process \$15,875 because of the potential for four retirees.

Increases

- The increase in the NH Retirement System from \$307,711 to \$330,273 which is an increase of \$22,000. The Life Insurance came in less \$472. Health Insurance increased from \$429,090 to \$476,736 which is an increase of \$46,000. The total increase is \$63,126 that the commission had to absorb and reduce to meet the objective.

N. Comai: If you have retirements pending, and you will hire new people, you would need training. The salary line would be adjusted for retiring seniors.

J. McHugh: I'll defer to the chief for the hiring.

Chief Agrafiotis: We looked at it as a wash because we don't know if anyone will retire. If someone does, the savings on the wages would transfer to training. We never know what we will get. We just have people that are eligible to retire. New hire would be at a lower salary level.

J. McHugh: We cut ammunition because we looked at the inventory.

Chief Agrafiotis: The ammo was cut this year; however that will need to be funded next year. We cut school, conferences, and seminars. Our mid and upper management are well trained. We cut membership dues and subscriptions that we can get on CD.

J. McHugh: Education is funded at \$7500 which is contractual.

Chief Agrafiotis: The union had been asking for the dollar amount in the contract to be increased. Also with the new younger members on staff, more may avail themselves of this than in the past. The town will not over expend that line even if requested. We felt this was an incentive for younger officers to complete civilian education.

K. McHugh: That is reflective of a 4 credit course for \$1500 and they get compensated at 50%.

Community Service - \$3125 and spent \$1609 and the reason is because private citizens came forward and paid for some of the material needed for neighborhood watch flyers.

Uniforms - \$21,923 which is contractual and based on the cost.

Rentals- \$13,170 for the copier and the non-computer officer equipment. There are 5 copiers.

Legal - \$25,000

Animal control – this line was added for \$701. This is the department's responsibility and must fulfill regardless if there is funding or not.

Questions

Health Insurance – with negotiations pending, since there is no current contract and if the negotiations reopen, will the cost of benefits go up and down?

Chief Agrafiotis: The Union voted on Wednesday to reject the Commissions' offer. The expired contract is frozen and so I don't think we will see any change.

J. McHugh: During negotiations, we met with the Town Administrator and she explained that there is a possibility that the town will be doing research regarding the current plan.

C. Granfield: I think the Council and Administrator will be working on that.

If there is a change, it is effective on the calendar year and Police Department is part of the town's insurance.

J. McHugh: The rates have already been established.

C. Granfield: If our insurance rates go down after July 1st, effective January, they will then go down.

V. Lembo: Why did the legal line for negotiations get zeroed out?

J. McHugh: The commission will be doing their own negotiations and just running the final contract past an attorney.

JR Ouellette: Is there a plan to increase the wages for non-union salary employees?

J. McHugh: No increase is planned.

JR Ouellette: Was the union seeking a wage increase?

J. McHugh: Yes

JR Ouellette: Are the salaries listed reflect your current salaries that are being paid at this time?

In the past there have been salary discrepancies.

Chief Agrafiotis: My page is dated January 5th; I have employee names with 24 of 25 sworn positions reflecting what is actually being paid. Only the last patrol position had a number allocated and that person has since been filled and I don't have that wage.

JR Ouellette: Can we get that salary for the last hired patrol officer? If in the past, a number of sergeants left and that position got filled by a patrol officer they wouldn't be making the same as the person that left but it would reflect the old salary.

What about the rest of the roster?

Chief Agrafiotis: The rest of the non-union positions reflect their actual salary. We decided to not fill the last dispatcher position so you don't see that salary.

JR Ouellette: Also, we would like to know the insurance for the last employee. Is it a family plan or a single plan?

You said there were a number of officers eligible for retirement, have any come forward?

Chief Agrafiotis: No

JR Ouellette: Communication maintenance – I recently read and at the meeting saw that the cruiser laptops are not connected?

Chief: That's correct. Captain Daigle put together a memo regarding the entire project. We are now projecting the project will be done by February of 2011. There have been issues with equipment that was ordered last spring and delays with hiring and we learnt in October that the State Police would not conduct the training to certify the officers. With all that, it was moved out to February. I believe all the equipment including the Air Cards have not been purchased but not installed.

J. McHugh: After the commission meeting, I discussed with Daigle what happen and we are not paying for the air cards until they are ready to go on line.

JR Ouellette: Telephone lines, last year we increased the communication line to incorporate those air cards as a safety related issue. If the budget committee were to increase the telephone line to incorporate a cell phone for the SRO's position, would you consider using those funds for that position? You have 10 cell phones and the SRO doesn't have a phone. The only way they can contact him is through the Police

Department. I have concerns for a safety reasons. If we increase the phones budget, would you use those funds for that SRO position?

Chief Agrafiotis: I would like to increase cell phones for detectives. I don't think the SRO needs a phone. If people are calling directly and not going through the department, there is mis-communication. If you put more money in that line, I would consider giving a phone to the SRO and I would ask for phones for some of the detectives as well. The cost is 35.58/phone per month. In 2010-2011 we had 15 and in the 2011-2012 budget we reduced it to 10.

M. Miville: Could you get us the information to consider reallocating funds?

JR Ouellette: What staff has phones?

J. McHugh: After the cut, it will be the Chief, both Captains, and the Prosecutor for a total of four (4).

JR Ouellette: Have the salary increases been rescinded per the Council's request or by the reduction to your current budget by the Budget Committee last year?

J. McHugh: That has been discussed but no decisions have been made.

T. Lizotte asked for clarification on communication maintenance budget regarding the OME. Is that routine maintenance for electronic in the vehicles (line 314)?

J. McHugh: A lot has to do with the service contract which that is.

T. Lizotte: Cell phones vs. radios - are all the officers issued portable radios? So everyone has the ability to communicate with the department?

Chief Agrafiotis: Yes.

Chief Agrafiotis: The advantage to the radios is it is a party line and everyone can hear what is going on. The cell phone is a private line and this is important for example for the prosecutor to communicate.

N. Comai: Employee testing is now \$1. Was that moved to another line (444)?

Chief Agrafiotis: That is not initial hiring, that is budgeted in the selection process. This is follow-up testing if there is an incident with an officer.

JR Ouellette: Over the past 11 years \$357,004. had been budgeted for legal expenses for this department as opposed to Goffstown's Police Department's legal budget of \$15,000. for the same time frame. The amount expended during this period of time for Hooksett's Police Department was \$636,182. and \$12,276. was expended for Goffstown's Police Department. Hooksett's Police Department spent \$623,906. more than Goffstown's Police

Department for legal over the same time frame. Why does this department need \$25,000 for legal expenses next year?

J. McHugh: This has been discussed by the commission and we have a rule in place that says if there is a legal question, the first line of questioning is to approach the LGC. If they cannot answer the question, we will look to the town's attorney. If you are looking for an opinion, that opinion may have already been rendered to the town. (Not to be redundant in gaining an opinion) If it is not a conflict of interest, we can use the town's attorney, but only with the permission of commission can those legal opinions be received. As to what has been spent so far, I defer to the Chief. I can't speak to past expenditures.

Chief Agrafiotis: Past expenditures relate to personnel issues which cannot be discussed publicly.

M. Miville: there was discussion earlier about the stipend line. It is currently 0. Do you have a request to increase that line?

J. McHugh (Line 110): It is \$1200. One commissioner read the RSA for two (2) police commissioners and it says there will be no compensation. We wanted to be sure we were acting appropriately. So he made a motion to rescind the commission's stipend. After further research, we found that we operate under chapter 412 and that's where the mix up was and we rescinded that motion and reinstated the stipends.

M. Miville: It is still zero so it will have to be adjusted by us.

JR Ouellette thanked the commission, in particular Joanne and Clark for all your hard work you have been doing at the commission and for making great progress, it's much appreciated.

Future Meeting Agenda - February 10th

Library
Warrants

ADJOURNMENT

The meeting was adjourned by the Chair at 2:05 pm.

Respectfully submitted,

Lee Ann Moynihan
Budget Secretary