

BUDGET COMMITTEE MEETING – January 22, 2015

Unapproved

HOOKSETT BUDGET COMMITTEE MEETING

and

PUBLIC HEARING

MINUTES

HOOKSETT MUNICIPAL OFFICES

Thursday, January 22, 2015

CALL TO ORDER

M. Miville called the meeting to order at 6:30 pm.

Pledge of Allegiance

APPROVAL OF MINUTES

January 15, 2015

A. Boilard motioned to approve the minutes of January 15, 2015. Seconded by T. Jennings.

Vote unanimously in favor

ATTENDANCE

M. Miville, F. Bizzarro, T. Jennings, P. Gosselin, T. Jennings, C. Morneau (6:40), J. Pieroni, D. Winterton, and A. Boilard

Excused: N. Haas, K. VanHorn

NEW BUSINESS

Budget Presentation and Review

Village Water Precinct – Michael Jache and David Foote

M. Jache: The budget is going up 5.88%. We work with our external auditors to put our budget into Quick Books. We realigned our books to what they wanted us to do. Some of the items have been moved around.

J. Pieroni: Line 12? Wages

M. Jache: During the past year, it was a tough year for staffing due to medical issues. We had one long-term employee working at minimum wage and he has now retired. We had to replace the Superintendent's position. At that time, our Superintendent and Assistant Superintendent left and we had no licensed personnel. We had to turn to Central Water Precinct for help. Because of that, we now get everyone licensed. One of the goals, after working with Central, is to meet with them and look at how we can better work together to back each other up. Also, if we are looking for large equipment, we may be able to share resources. We were issued the "Small Utility Award by the State of New Hampshire.

Wage increase will be 2% for staff which includes 5 employees.

The 2% is already in the wages. The wage pool is if we need to make any adjustments throughout the year.

P. Gosselin: Workman's Compensation is up?

M. Jache: We changed insurance carriers and that is based on overall wages. Not sure why that went up.

M. Jache: We are covered by the Town for insurance and we are billed by the Town. The employees pay 10% of the benefits premium.

D. Winterton: The Town includes you as a courtesy but there is not requirement within the Charter to do so.

M. Jache: Rates – There will be a 10% rate increase.
We have some major infrastructure that needs to be repaired or replaced. To replace a tank it could cost up to \$500,000.

F. Bizarro: Payroll taxes says 0. It can't be 0.

M. Jache: It may be in the labor line.

A. Boilard: How many customers?

M. Jache: We have approximately 1200.

F. Bizarro: It would have to be at least \$18,000.
How did you compensate Central Water when they helped you?

M. Jache: We compensated the Superintendent. We would like to work out a policy for coverage and payment with Central in the future.

D. Winterton: Regarding the labor, the actual is \$249,000 and the taxes are rolled into that. If you take out taxes of 18,000, it is \$231,000.

M. Jache: We had individuals out so they were not getting paid. They were out on disability.

D. Winterton: The labor for this year is \$280,681 and taxes are \$291,000. The payroll is up 16%.

F. Bizarro: What do you have for fund deficit or surplus?

M. Jache: We will probably be at \$10,983 below budget for the year and it will get added to the \$187,000 which will get us close to \$200,000 in fund balance.

Each year, whatever surplus we have is carried to the fund balance. That is a running number from year to year.

T. Jennings: The expected fund balance is \$10,983 but on the next page it says unaudited is \$45,000?

M. Jache: That will get added to fund balance as well. That is the excess revenue. That will put the fund balance at \$240,000.

M. Jache: The rate increase will start February 1st.

M. Miville: I saw no money for meters?

M. Jache: Those are in a Warrant Article.

J. Pieroni motioned to recommend the budget of \$600,030 as presented. Seconded by D. Winterton.

Vote unanimously in favor.

Central Water Precinct

Irene Beaulieu and Bill Alois

B. Alois: We have a total budget increase of 1.32% and we serve approximately 1700 customers. We purchase our water from Manchester.

I. Beaulieu: The overall pay increase is 3.4% but each individual gets a different percentage. We had a Superintendent last year and we have a new Assistant Superintendent who almost has his license.

I. Beaulieu: There is a slight increase in service contracts for office equipment; everything else is level funded. There is a 17% increase in office equipment which is \$1700. We now have to pay air fees for our meters. It is \$250 every 3 months for our meters. We have about 500 of those radio types. We have \$50,000 in the budget for meters. We have a fund balance of approximately \$250,000 and \$601,000 in Trust fund accounts.

J. Pieroni motioned to recommend \$760,080 for Central Water Precinct. Seconded by C. Morneau.

Vote unanimously in favor.

PUBLIC HEARING

M. Miville opened the Public Hearing at 7:18 pm.

M. Miville read the Village Water Precinct Warrant Articles into the record. (See attached)

M. Miville closed the Public Hearing for Village Water Precinct at 7:29 pm.

Article 5

J. Pieroni motioned to recommend Article 5 as written. Seconded by C. Morneau.

Roll Call

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville No

Vote 7:1 motion carried.

Article 6

J. Pieroni motioned to recommend Article 6 as written. Seconded by A. Boilard.

Roll Call

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Article 7

C. Morneau motioned to recommend Article 7 as written. Seconded by F. Bizzarro.

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Article 8

J. Pieroni motioned to recommend Article 8 as written. Seconded by P. Gosselin.

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Article 9

C. Morneau motioned to recommend Article 9 as written. Seconded by F. Bizzarro.

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Central Water Precinct

M. Miville read the Warrant Articles into the record. (See attached)

M. Miville closed the Public Hearing for Central Water Precinct at 7:42 pm.

Article 5

J. Pieroni motioned to recommend Article 5 as written. Seconded by D. Winterton

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville No

Vote 7:1 motion carried.

Article 6

F. Bizzarro motioned to recommend Article 6 as written. Seconded by C. Morneau

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Article 7

F. Bizzarro motioned to recommend Article 7 as written. Seconded by C. Morneau

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Article 8

D. Winterton motioned to recommend Article 8 as written. Seconded by A. Boilard.

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Article 9

P. Gosselin motioned to recommend Article 9 as written. Seconded by C. Morneau.

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Article 10

J. Pieroni motioned to recommend Article 10 as written. Seconded by A. Boilard.

A. Boilard Yes

D. Winterton Yes

C. Morneau Yes

F. Bizzarro Yes

J. Pieroni Yes

T. Jennings Yes

P. Gosselin Yes

M. Miville Yes

Vote 8:0 motion carried.

Sewer Department – Bruce Kudrick

Bruce Kudrick: We are going up on our rates this year. We are in the process of working that out with our accountant. Our costs are going up and our revenues are not matching our costs. We use to get interest on our “new rate fees” but we have lost a lot in interest. The Health Insurance went down because last year there was an error. I figured to high. Now it is the correct number

Electric rates went down because of the way we run the plant. We only run half the plant. Plant Maintenance has increased because we need new equipment. Heat has increased a little and everything else was level funded.

Wages – there was change. We have been doing 2% for the last few years and this year the wage increase is 3%.

There is an on call line. I had been on call 24 hours a day 365 days a year. Now there is another gentleman on call.

P. Gosselin: How was the 3% wage increase chosen?

B. Kudrick: The Sewer Commission makes that decision.

P. Gosselin: Why 3% vs 2%?

B. Kudrick: That is a question for the Sewer Commission.

These are not guaranteed rates; it is based on the evaluation of all employees.

B. Kudrick: On oil and gas, I kept the same rate. Vehicle fuel, I calculate how many gallons we will use per year at \$3.75.

B. Kudrick: Legal is still at \$110,000. We are going into mediation in March and April. This has been going on for 4 years.

The inventory of vehicles was provided.

D. Winterton: What percentage do employees pay for health insurance?

B. Kudrick: We pay for nothing. The Commissioners feel that we are dealing with wastewater and could be exposed to all types of items so we shouldn't have to pay for our health insurance.

A. Boilard: Does the part time employee get benefits?

B. Kudrick: That person has a higher rate of pay and works 10 hours without benefits.

T. Jennings: Do the office workers get benefits paid in full.

B. Kudrick: Yes all employees are under the same 100% benefit.

J. Pieroni: I would like to ask the Commissioner to attend a meeting.

J. Pieroni asked Mr. Kudrick to get information on what other Sewer Departments provide for health benefits.

ADJOURNMENT

*J. Pieroni motioned to adjourn. Seconded by C. Morneau.
Vote unanimously in favor*

Respectfully submitted,

Lee Ann Moynihan