

TOWN COUNCIL BUDGET WORKSHOP MEETING MINUTES
Hooksett Town Hall
(35 Main Street, 1st floor room 105 - Chambers)
Saturday, January 4, 2014

CALL TO ORDER

Chair Sullivan called the meeting to order at 9:00 am.

ROLL CALL – ATTENDANCE

Chairman James Sullivan, Nancy Comai, Donald Winterton, James Levesque, Adam Jennings, Dr. Dean E. Shankle, Jr. (Town Administrator)

Missed: David Ross, Todd Lizotte, Robert Duhaime, Susan Orr

PLEDGE OF ALLEGIANCE

BUDGET PRESENTATION

a. Library

Mary Farwell, Mac Broderick, Heather Shumway Rainier

M. Farwell: Are you voting as you go?

J. Sullivan: We have not voted so far, but it doesn't stop us from doing that. We are a quorum.

M. Farwell: Our budget is similar to last year. The big change is contractual items and the biggest change is health insurance. You approved a \$12,710 increase in wages last year. We are asking for the same this year. We are also asking for an increase in the book line. We are deferring computer purchases this year, but that will eventually catch up with us. Health insurance went up by \$20,537 which is a 17% increase – we had a person with a lifestyle change and another employee will need to be covered under the Affordable Care Act as of Jan 2015.

N. Comai: Can you go into the van service a little bit?

H. Rainier: We borrow and lend materials from other libraries. The state library reduced the services they were providing and we use a local company out of Manchester to deliver. We were looking at 2 days a week but now we use them 3 days a week. It has been fantastic. It's been worth every penny. It comes out to 4 cents an item round trip.

M. Farwell: It leverages our collection, and allows access to more items than just what is in our library.

D. Winterton: You referenced someone needing coverage under the Affordable Care Act. Why is that?

M. Farwell: This employee is currently part time and because of the ACA, anyone working over 30 hours needs to be covered. She will need to be covered as of Jan 1, 2015.

D. Winterton: What would happen if she worked 29 hours a week?

M. Farwell: We wouldn't have to cover her.

D. Winterton: What if we hired another part time employee to work 10 hours to cover the difference? Would we have to pay health insurance under the ACA for these 2 employees?

H. Rainier: She is a student right now. We are getting her expertise at a very low cost.

D. Winterton: Can we examine that?

M. Farwell: She is making \$12/hour which is less than a seasonal Parks and Rec employee. That is a lot of bang for our buck.

D. Winterton: What is she getting for coverage? How much does that cost?

M. Farwell: Single. Christine can advise on the cost.

Dr. Shankle: The other town departments are looking at cutting hours or if you are going to pay health insurance, finding a way to make them full time.

M. Broderick: I think we would prefer that. We can utilize this employee. I don't know what the perception would be to say that because of this law we are going to reduce hours. I don't know if we want to send a message that because of this we are cutting hours. I don't know if this is the right tact for the town.

D. Winterton: This discussion will cover other departments as well. It may turn out cheaper for the town to raise her hourly rate and reduce her hours. The impact of this law has a huge impact to taxpayers.

M. Broderick: We put this budget together in continuing the level of employment she is currently at.

H. Rainier: We had the discussion about the cost and decided to present it as we did and have Council discuss publicly.

M. Farwell: We have more part time employees than any other department. If we raised her to full time, we are looking at retirement, vacation, sick time; there are additional costs in doing that as well.

Dr. Shankle: Especially since you are asking for part time hours for another person. You have extra hours in there already. It doesn't make sense to have someone work 32 hours and pay healthcare for them. It seems counterproductive.

J. Sullivan: It could be a situation where we have a full time employee and they are still going to be eligible for coverage under the ACA. If an individual has insurance that doesn't meet the requirements, there is a penalty applied.

Dr. Shankle: We have no way of knowing that. It's based on household income. We can't know that until the exchanges tell us that.

J. Sullivan: To bring this up regarding this or any employee, we can bring them up to full time and the town would be paying for their insurance. In this case, she is not full time but since she is over 30 hours a week, she is eligible.

D. Winterton: The town considers 35 hours full time and Obamacare considers 30 hours full time. All we have to do under this act is provide health insurance. By the law, we have to provide it at 31 hours a week. According to town policy we don't have to pay any other benefits until 35 hours per week.

Dr. Shankle: Some of the other issues are state law, not town policy, such as retirement.

C. Soucie: The cost for insurance in 2014-2015 is \$8,737 (single), \$17,000 (2-person), \$23,000 (family) which is the town's share of the premium.

D. Winterton: So there is an additional 10% that the employee has to pay.

J. Sullivan: We need to revisit the impact of the ACA on the town.

D. Winterton: At 32 hours a week, the cost of the town providing insurance is \$5.25/hour for an employee making \$12. That's nearly 50% of her hourly rate to provide health insurance.

J. Levesque: If we drop her down to 29 or 30 hours, we are not liable for health insurance but she is still required to have health insurance.

D. Winterton: At a wage of \$12/hour for 30 hours a week, she would have to apply to the exchange and she would probably be eligible for a subsidy.

N. Comai: Raising her rate to \$14/hour would help her pay for that.

D. Winterton: But upping her to \$14/hour would reduce her subsidy perhaps.

J. Sullivan: There is a penalty for the employer if an employee needs to go to the exchange. Is that correct?

Dr. Shankle: That does not apply to part time.

D. Winterton: Is the library a separate entity?

H. Rainier: I don't think so.

M. Farwell: We have separate RSA's, but we work with the town. Are you planning on shopping our health insurance for next year? At some point, there is a provision about Cadillac plans. There would be further penalties if we continue with that.

J. Sullivan: We need to talk about ACA issues but I don't want to keep you here as you don't have all the answers to the town umbrella.

Dr. Shankle: Cadillac plan is relative to what you are paying your people. I don't see any issues for the town based on what we pay for salaries.

C. Soucie: Under the ACA, the library would be a separate entity because they have a separate tax ID number. If there was a penalty on the library side, they would receive it not the town.

Dr. Shankle: Does the ACA not apply to them at all because they don't have enough employees?

C. Soucie: Yes.

J. Sullivan: I think we need to have a separate agenda item on ACA and its impact on the town and its agencies. It could affect the library or other groups.

Dr. Shankle: Every time we ask insurance people, they don't know the answer. We don't want to give people bad information.

M. Broderick: This budget we presented assumes worst case scenario. We hope you would support the other library items. I think everything else falls in line with what we have done the last few years.

H. Rainier: We were reviewing the town survey. We ranked good and excellent among 90% of the responses, and we are very proud of that. I also want to publicly thank Diane Boyce and her employees for their trash collection on Thursday when it was so cold out.

J. Sullivan: We have the other library trustees in attendance also.

M. Farwell: Linda Kleinshmidt, Tammy Hooker and Barbara Davis are here as well. We want to offer any help we can to try to get the budget passed. Anything we can do in terms of public education, signage, whatever we can.

N. Comai: I was going to suggest to all department heads to create signs to view these meetings online for more education and information.

M. Broderick: We have a great level of support for the library in this town. They know that this budget is part of the whole. It's hard to explain how it's a vote for all or none. It's important for everyone to work together to educate people. Primarily because of staff, resources and the involvement of the town we were awarded library of the year. We count on your support to help us.

H. Rainier: Part of the application process was town and community support so thank you for that.

J. Sullivan: When is our planned date for final budget approval?

C. Soucie: January 22 – we need to turn it over to the budget committee.

J. Sullivan: If there is an issue presented at our next meeting, we will let you know.

Dr. Shankle: There is a meeting this Wednesday (January 8) and voting will be on January 22.

J. Sullivan: I have a notice from the Recycling Center: Christmas tree pickup will be on January 6 for Monday and Tuesday collection routes and January 7 for Wednesday, Thursday, Friday routes. You can also bring the trees to the facility.

b. Public Works

Leo Lessard, Director, Public Works

1. Highway Division

L. Lessard: Everything is flat lined except for what can't help but be raised.

J. Sullivan: I see the insurance, again, is kicking up the budget. There is a big jump from \$4,800 to \$25,000. Is that health cost?

Dr. Shankle: No, it's additional employees. It is a combination of increases and any life changes.

D. Winterton: The health insurance line item is 55% of salary wage line. In terms of life events, have employees added people?

Dr. Shankle: We changed personnel that have added to family plans.

L. Lessard: The former Admin was under her spouse's plan, and the new person that took her place is under our insurance as a family.

D. Winterton: It's 55% in addition to wages.

L. Lessard: It is what it is. Our new people went from single to family.

Dr. Shankle: It goes to how little we pay our highway personnel.

L. Lessard: They are only making \$13.90/hour.

Dr. Shankle: If they make \$40,000 and health insurance is \$20,000 there's your 50%.

J. Sullivan: Street lights, we are on schedule with that?

L. Lessard: Yes.

2. Parks & Recreation Division/ Building Maintenance Division

L. Lessard: This is more or less the same also. The only potential problem, similar to the library, is our seasonal part timer. We might have to adjust the hours.

D. Winterton: Your request is different for the OT road maintenance line. Your request and the Town Administrator's request is \$63,000 different.

Dr. Shankle: The 2012-2013 actual was \$68,000; I looked at the actual and increased it from there. He more than doubled it.

C. Soucie: The part time employee is a seasonal employee so we could shorten the number of weeks that position works.

J. Sullivan: Parks and Rec health insurance went from \$121,000 to \$116,000. Why is that off?

C. Soucie: It has to do with staff turnover.

J. Levesque: Under fleet maintenance, I see shop supplies and hand tools. What does that encompass?

L. Lessard: Everything from wrenches to rags to chemicals used. It's everything incidental to being a mechanic.

Dr. Shankle: The difference between the default and budget request is less than 1%. The other increases are the result of increases in health insurance and property liability, things we have no control over. In this budget the difference is \$56,000. The biggest part goes to a policy we are trying to adopt by trying to cut down on the number of warrant articles. The new equipment line has a \$39,000 truck that is put in the budget but not on a warrant article. There is only \$16,000 in additional costs for all the other things he is responsible for.

J. Sullivan: What is your suggestion? Put it in the budget or on a warrant article?

L. Lessard: The vehicle was under highway – vehicle related purchases.

Dr. Shankle: That's the truck we put in the budget. The other one I put \$1 in, if he feels there is money left, he can ask you for the money to purchase it.

N. Comai: The bottom line is up \$100,000. \$39,000 is the truck, \$56,000 is insurance and \$16,000 is ancillary?

Dr. Shankle: Yes.

D. Winterton: The construction monitoring revenue – can you explain? Are those chores we have taken over from Stantec?

L. Lessard: Yes. We started last year taking over construction monitoring that Stantec used to do to bring money back into town and be more customer friendly. This is based on \$65/hour vs. Stantec at \$115. We only do it for the time needed instead of all day.

D. Winterton: Do you anticipate the man hours will impact other jobs that person might be doing?

L. Lessard: Yes but we can cover. That's why I don't put somebody there for 8 hours. It's bringing money back to the town.

J. Sullivan: Do you have any additional information on the CIP aspect of your budget? We have drainage upgrade reserve fund, plow dump truck, Parks & Rec facilities and town building maintenance reserve fund. I see the \$34,000 in the CIP that we put in the budget.

Dr. Shankle: Changing the plow dump truck to a general equipment/vehicle fund would allow some other things to drop out and give him the ability to decide what to spend the money on.

J. Sullivan: We did that a while ago on fire apparatus.

L. Lessard: The town voted to give us \$80,000/year to replace trucks. Now I have \$160,000 but it will cost a little more than that. We talked about increasing to \$100,000/year as a reserve so there is always money in there. If a truck replacement is needed, I don't need to wait a year to replace it. It gives me flexibility to replace a truck sooner with your permission.

J. Sullivan: To create a general category, would that require 2 separate warrant articles – to change name of the line item and one to add money?

C. Soucie: You could put it in one but to change the purpose of a capital reserve fund requires 2/3 votes so there is a higher standard; to add money it's only 50% majority vote.

Dr. Shankle: We would want to do one to add money (50% of the vote) and a second article to change the purpose (2/3 vote).

c. Recycling & Transfer

Diane Boyce, Superintendent

D. Boyce: We are \$14,000 less than proposed budget last year. Our increase is in insurance and a little bit in wages. There is nothing more than last year but another \$5,000 in fleet maintenance.

J. Sullivan: Recycling & Transfer has been consistently on or under budget.

N. Comai: Could you reiterate on tipping fees and how the town is saving money with recycling?

D. Boyce: With the new automated recycling program, recycling increased 24% from the volunteer program. It is saving us \$65/ton for every item we recycle. We saved over \$100,000 over the last couple years in disposal fees which helps with fuel and maintenance.

J. Sullivan: What is the cost to transfer items?

D. Boyce: \$65/ton because we could negotiate a better contract than \$74/ton. We are paying \$10/ton for comingled which is a \$55/ton savings for trash and disposal.

D. Winterton: Is the fee we pay for recyclables variable?

D. Boyce: We don't have a contract. It has either been 0 or \$10/ton for the past year. After the holidays I think we will find in February or March the fees will go down. It typically goes up after the holidays. I would think it would hit \$20/ton, but we haven't hit that yet. It changed mid- November and I was anticipating the increase closer to December so it wasn't that far off.

J. Sullivan: CIP comments?

D. Boyce: I am requesting a smaller automated truck this year because the program is working so well that this could enhance it even more. It would be so much better to get another smaller truck.

N. Comai: A smaller truck is for areas bigger trucks cannot get into?

D. Boyce: Yes, Rosedale and Maple streets we cannot get into. The smaller trucks could go into the schools more often and remove dumpsters in favor of barrels. We wouldn't have to have trucks just for schools looking down the line.

N. Comai: Going to automated trucks would release you from higher maintenance costs as well.

D. Boyce: Eventually yes.

D. Winterton: If the CIP warrant article is approved, would you buy this year and operate right away?

D. Boyce: It is coming out of special revenue so there is no tax impact at all. We would buy it in July if approved.

c. Police

Chief Bartlett, Captain Daigle, Hooksett Police Department

Chief Bartlett: The budget proposal is about a \$200,000+ increase from last year. Crux of increase is in wages, insurance and we have a line item for \$66,235 to purchase 2 emergency vehicles. We have an increase of \$1,440 in the photography line – I'm looking to purchase digital cameras for officers on the road to gather evidence. There is also an increase in postage – with the new Tritech software, we are going to be more vigilant with ticket notices, alarm permitting and sending out notices for evidence property to be picked up or it will be destroyed. Training and dues line incorporates training, including \$1,500 for ammunition. This will get us through state required certifications with weapons and if I have to send any officers to the academy in Concord, they need to be issued ammunition for courses they go through up there. Additionally, this covers specialty training and supervisory training; dues aspect is mandatory bar dues for prosecutor. The vehicle line amount of \$66,235 for 2 fully outfitted emergency vehicles, including emergency lighting equipment and cages, but does not include the radio which will

come from Ossipee Mountain Electronics due to the lighting strike (but does include cost of installation hopefully within the next few weeks).

Dr. Shankle: The difference between the default and recommended budget is \$42,000. \$66,000 is in the 2 cars. This budget would be below last year's budget if the cars were not in there.

N. Comai: The legal line has been moved so \$25,000 needs to be added back into that. With the purchases of new vehicles over last few years, why would the maintenance line go up?

Chief Bartlett: I have 8 black & white vehicles and 7 vehicles unmarked. Some are 2001/2002 and I'm in the process of reducing the fleet size. I just transferred ownership of a plow truck to the Highway Dept. It's not productive for us to keep it. I'm looking at reducing by 4 vehicles. In that process, maintenance is going to need to keep up as they are older and out of warranty. If we purchase new vehicles for the emergency fleet and move the older vehicles into administrative roles, we can rotate them and not have them sitting.

N. Comai: Does our Public Works Department offer you a mechanic to evaluate?

Chief Bartlett: Yes, Mario helps us. We have contracts for free tows for town vehicles through the course of the year. He evaluates and suggests what we need. He orders parts and does the maintenance if he can. If not, he discusses with me and Leo. It's a system that works out well.

N. Comai: Education contractual – I was not on the contract committee. Education line was a contract agreement. How can that line go down, especially with new employees?

Chief Bartlett: The \$7,500 line is for education reimbursement if they took college classes. Not everyone takes advantage of that. We are obligated to provide up to \$7,500 should we reach that amount, but we have never reached that amount. If we had to go to a max of \$7,500 I'm sure I could find money somewhere to cover it, but the contractual amount doesn't change. The amount can be reduced since we haven't ever reached the max. We have had no money expended out of that line for the last 3 previous years. We can reduce it, but understand we would have to honor the full amount.

D. Winterton: What is the selection process?

Chief Bartlett: Background investigation process to hire a new officer – polygraph, physical, testing processes, written exams, and general expenses for the selection process to get someone hired into the department.

D. Winterton: If we had a constant force, there would be no money there.

Chief Bartlett: The more stable force we have, the less we would spend on selection process.

D. Winterton: Professional services – what would those entail?

Chief Bartlett: Expenses we pay for relative to anything we contract – data shredding, biohazard cleaning inside cell block or cruiser, registration for JP's for supervisors; we have to pay a fee to have access to state motor vehicle data and NCIC system. It also includes EZPass for non-marked units and blood specimens vs. breathalyzer. Under the statute we have to cover that cost.

D. Winterton: NH retirement – your request and the Town Administrator's request have the same salary but the requests for retirement is different. How can that be? There is a \$20,000 difference.

Chief Bartlett: On the OT line, my request is \$244,524 and the Town Administrator's is \$169,061. I would need more money in OT dollars to add to retirement. Salary lines are the same, but I was asking for more money in OT.

A. Jennings: As of Nov. 27 you spent \$3,421 for selection process. Is that for one employee?

Chief Bartlett: That was for the hiring of 3 employees this past year and there was an expense to purchase a written test so that is what that is for.

Dr. Shankle: Can you talk about OT differences?

Chief Bartlett: My request for additional money is to cover things as vacations, sick call outs, mandatory training (we have to pay OT for that) and one of the big things we can't predict is court. Every time an officer is required to go to court we have to cover that as a minimum of 4 hours OT for appearance in court and 5 hours OT minimum for anything out of town. Those OT dollars are hard to predict based on how cases are going to turn out. I'm looking at deficiencies as far as shift coverage. I'm losing an officer to retirement, 2 are injured and there are a couple vacant positions. I am looking to make sure I have enough coverage on all shifts to make sure the town is covered. If I have adequate funding for OT I would be able to make personnel adjustments if I need to pull someone in for coverage. We had a lot of cases that came to light that I had to pull detectives in and it's all OT dollars. I added that expenditure to adequately cover the town, include court expenditures and to cover absences.

N. Comai: The person retiring is at upper end of salary, I would assume. Have we taken that into consideration on top of savings? There is a \$40,000 savings there.

Chief Bartlett: I was just made aware of it yesterday and haven't put that into anything yet. Even with the retirement, if they want to maintain part time status, I'm going to have a conversation to see if that employee is interested if I can maintain them on a part time status.

d. Fire-Rescue

Chief Williams, Deputy Chief Hoisington

1. Fire Division
2. Ambulance Division
3. Forestry Division
4. Emergency Management

Chief Williams: The budget has changed – health insurance, union contract (3rd year is July 1 so there will be negotiation after July 1), most of the lines are level or reduced. We asked for a new employee but that was removed so we increased the OT line due to that. There was a warrant article request for a radio replacement but we removed the warrant article and put it in the operating budget under the new equipment line. We don't have many CIP's – ongoing apparatus replacement (\$50,000), replacement of ambulance 2 for \$200,000 (from special revenue, not taxes), SCBA replacement fund – ongoing.

D. Winterton: Under CIP for 2015-2016, there is \$50,000 for a potential fire station lease with Manchester. Has there been any discussion?

Chief Williams: There are some new numbers for leasing a portion of station 4 at Hackett Hill for 2015-2016. Besides that, really nothing else.

D. Winterton: How many additional hires would you need?

Chief Williams: 5 additional people to bring all shifts to 8. It's not reflected in this budget. Our impact fees could pay for the lease and any equipment purchase. Staffing is the only cost.

N. Comai: The surviving spouse benefit - do we know how many more years we are covering that?

Chief Williams: It was transferred into my budget last year and I really don't know anything about it. I think the town has some type of agreement.

N. Comai: Is the person still alive and do we still pay it?

C. Soucie: We do verify each spring prior to payment that she is still living. It's one individual.

N. Comai: The ambulance line revenue is 0. We used to have a line there I assume?

Chief Williams: We haven't budgeted anything.

C. Soucie: It shows up in other funds. It's under non-general fund revenues (capital reserve, special revenues, etc.). They don't run through the general fund operating budget.

Chief Williams: That's why we do quarterly transfers into the special revenue account.

D. Winterton: It's important the public realize that appropriation from 2012-2013 to this time there is only a 6% increase in salary request. If we look at the increase in health insurance, it's over 20% and NH retirement increased over 25% which clearly impacts when you come to us for a full budget and how much you can do with what you have.

Chief Williams: When the state decided to downshift retirement to communities (employee/employer), it was quite a bit and they don't pay it now. It's a growing town and we have a lot of needs and we eventually need to increase staffing.

D. Winterton: It's \$75,000 to add an employee at \$40,000.

Chief Williams : Yes, all those costs have been downshifted and health insurance keeps going up.

d. Administration

Dr. Shankle: The default is \$5,000 less than the budget. There is more in advertising; I removed fuel from assessing and community development. The biggest thing is an increase in the computer section from \$86,000 to \$99,000. I cut other places where I could. Software and programs were increased as new things, upgrades (spam filter, video on demand, request tracking system) were added in. We are putting together a warrant article with several departments that want to improve computer systems. This is the normal cost.

C. Soucie: we moved some of police computer services out of their budget and into this budget.

D. Winterton: Under benefits, there is \$3,000 to hire a consultant to bid out health insurance. Will that go out to bid since it's more than \$2,000?

C. Soucie: We wouldn't put it out to bid but we would get quotes for it.

N. Comai: In moving legal fees from police to administration I don't see an increase. Is \$92,000 enough?

Dr. Shankle: Everything we take care of for other departments we try to put in our budget.

C. Soucie: We transferred the amount budgeted from police and did not increase it even though it has been over historically. We just don't know what litigation will be and is hard to forecast.

N. Comai: Is it safe to assume that with the legal line going into administration you centralize the decision making process of what attorney services you use/need to keep it at the lowest amount possible vs. department heads having free reign to that service?

Dr. Shankle: We do that now. They had a different legal team and they are now coming through me before they call anyone. The first call is to LGC if possible. I'm hoping we start cutting down some of the legal costs.

N. Comai: Old Home Day – we should put more money in that line since we had to increase it last year. It was such a success and I would hate to not support them.

Dr. Shankle: They got as much as they could in donations and we backfilled that. That's a big event that we have in the town in terms of people that brings the town together.

D. Winterton: Liability insurance line...

Dr. Shankle: That's another thing were going to bid out. That went up 77% because they changed the way they charged. It was part of the the property liability trust. They changed the way they handled the

pool. It used to be a pool and they didn't take experience into account and last year they did. They look at the last few years and we had a bad couple of years but it should get better.

D. Winterton: That line may change if we bid it out?

C. Soucie: We selected a vendor and the problem is that insurance companies will only give us a 90-day rate. We don't have a number other than our current carrier and it was a 5 year risk. They spent 41.3M in claims and we paid in \$700,000 so we had a negative impact and hence the increase in rate.

e. Assessing

J. Sullivan: Minus the revaluation of \$126,000 compared to 2012 it's up \$16,000.

Dr. Shankle: Health insurance is \$17,000, professional services is cut down a little, as well as office supplies. I have no idea where I came up with \$2,800. I'm fine if you want to cut it down to \$1,000. Each toner cartridge for their 2 printers is \$200. I think \$1,000 will be enough.

N. Comai: As the years progress and the assessor's contract is on the table when are we revisiting that to either make a full time employee or continue with a contract?

Dr. Shankle: We have nothing to do until the contract is up. It's my intention to have a full time assessor in there. It would be a change and would have to come to you for approval.

N. Comai: So we have another year or two on the 5 year contract?

C. Soucie: I think it's up in January of 2016, 6 months after this budget.

f. Finance

Christine Soucie, Finance Director

C. Soucie: I cut the hours back to 10 per week for the part time employee and that would help rather than have no help. We used part time help to work with software conversion. We are finding some time and efficiency savings with new software and we are learning something new every day but it's still reviewing our processes so hopefully in a year or two we will be most efficient. We process 8000 invoices per year and 5000 checks so they would be working on that. The other thing is banking services for \$9,000. Those fees have not been incorporated because we keep defaulting. That is the cost to do banking – get statements, use online services, transfer between 50 or so bank accounts. It's the service fee the bank charges.

D. Winterton: I get that for free.

C. Soucie: The treasurer is diligent about looking at this. She asked banks for price proposals 2 years ago and the current bank was the best bang for the buck. I can't explain it other than we will have \$3M sitting in the account for the month and interest is \$1.65. There is nothing there for the banks to give us. We used to pay these fees out of the interest earned and when the economy nosedived that was one of the things we could no longer do.

N. Comai: Is the bank we use a local Hooksett bank?

C. Soucie: We use several banks and most have branches in Hooksett. We can only bank with state approved banks. We look at all new banks that come into town to see if they qualify.

N. Comai: What are we doing to create efficiency in that area? We should only use local banks, and somebody should be shopping that out more often.

C. Soucie: We do a lot to cut down the cost. We scan checks and that saves ½ of what it costs to take them to the bank; we are analyzing services we use and if they are worth the cost. The look up features on the bank website, we analyze that all the time. These costs are really just the cost for the one account that we run everything through at Citizens.

N. Comai: Have we considered ADP or Paychex that does payroll at a minimum cost per check that would save time? That is the majority of your check cashing I assume?

C. Soucie: It's not actually. We have 30 checks a week for payroll, and we're writing 75 a week for AP. It's the AP side driving the cost. For payroll, you could go bi-weekly.

D. Winterton: Do we require direct deposit?

C. Soucie: Under NH RSA we do not require that.

D. Winterton: Can we incentivize that?

C. Soucie: We have 30 out of 120 who do not utilize direct deposit.

N. Comai: Can you potentially drop the number of vendors by 25% and consolidate? At the end of the day, someone should be looking into more efficiency.

C. Soucie: We do bid out office supplies.

N. Comai: To me if we stick with one vendor that saves money.

C. Soucie: By bidding it out we saved money and we told all the departments to use the same vendor. We could run payroll twice a month. There are options out there.

N. Comai: Are the audit services are mandatory?

C. Soucie: Yes we have a contract. We are in the third year of our contract. The only other one is debt. There is no new debt but there is \$1 in case we have to go out for tax anticipation which I don't think we need to. The first item is fire tanker truck for \$51,000. That lease has 4 more payments and the \$1 for tax anticipation note. That says if we have to borrow money there is money to pay the interest but I don't see needing to have to use that. We did have a department head come in to ask for a revision to budget – community development. She realized she did not include the cost of the part time employee taking minutes of budget meetings. She is looking to increase wages by \$5,000 to cover those costs. Regarding the sewer department – the commission or superintendent can come in and discuss.

N. Comai: Yes please.

C. Soucie: It would be more of an advisory discussion, but there is a law that the sewer department is the governing body of that budget and they are the only ones they can make changes.

N. Comai: I would ask that the findings we get from the health insurance inquiry get passed along to them so we can share the efficiencies. It's important for transparency purposes to have them in to discuss.

Dr. Shankle: Can you also talk about non-union raises?

C. Soucie: We are working on warrant articles and we haven't decided if it's going to be a warrant article. We are going to discuss these in more detail at the January 8 meeting. For non-union, we did similar to last year. You will have to decide if you want it in a special warrant article or operating budget. Non-union includes library, police non-union and town administration (not police chief, Town Administrator or sewer) – 46 full time employees and 20 part time employees. A 2% cost is about \$63,000.

Dr. Shankle: Police non-union employees – we do not have an exact figure. Non-union is on a step chart with union but the steps move every 2-3 years. We would suggest getting rid of non-union steps and include them in the 2% increase but that is up to you folks.

ADJOURNMENT

Vice Chair Comai adjourned the meeting 11:15 am due to not having a quorum.

Respectfully submitted,

Tiffany Verney
Recording Clerk