



**MINUTES OF THE SELECT BOARD AND ADVISORY BOARD
COMMITTEE BUDGET WORKSHOP**

November 7, 2013

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Present: ABC Chairman Scott Bugbee, Selectman Cedarholm, Selectwoman Carole Dennis, Town Administrator Julie Glover, Town Bookkeeper Joanne Clancy, Cary Brown, Alice MacKinnon, Pat Barbour, Bill Henze. Chairman LaCourse and Henry Brackett were not in attendance.

1. Selectman Cedarholm calls the meeting to order at 7:02 pm.
2. Chairman Bugbee asks if there are any comments or concerns regarding the minutes from October 17th. There are none. Selectman Cedarholm moves to accept the October 17th minutes. Bill Henze seconds. All in favor. **Motion Carries.**
3. Chairman Bugbee presents outline of the meeting. Taking a look at budget presentations that have taken place thus far: Police Department, Library, Highway Department, Transfer Station and the Social Service Agencies. Extra data from police department has been submitted by TA Glover ie., activity log, calls for service, special duty pay by officer and graph of expenses for the town departments including salary survey data. Bugbee points out that the PD submitted the largest increase request by asking for an additional officer. Cary Brown asks if the Chief has been requesting this every year. Alice MacKinnon says her understanding was that he could get another officer if he received a grant. Cary Brown believes that we should have confidence in the Chief and what he says he needs. The Chief's job is to reduce crime and Mr. Brown does not want to 2nd guess his need for another officer. If the Town can afford it then the Town should accommodate the police department's need. Bill Henze mentions that the calls in Lee have decreased. Cary Brown believes that if we maintain a presence then that's a deterrent. Selectwoman Dennis believes the issue with the fire department is more critical this year then the police department. Alice MacKinnon agrees and does not believe the Town can afford both. Selectman Cedarholm, as a representative for the fire department, explains that at times there is only one firefighter responding to a call. On-call firefighters get paid \$12.35/hr. to respond to a call. They are short staffed during 6:00 am – 10:00am. Cary Brown agrees that this is an issue. There is a discussion regarding whether another police officer will reduce the overtime budget. Chairman Bugbee points out that the cost for another person is to basically double the salary. Selectwoman Dennis asks if there are any questions regarding overtime or special duty. Chairman Bugbee asks if there is a first-come first-served system or is it assigned? TA Glover states that the officers do not take a special duty assignment if it is within their regular work time. Bill Henze notices that Chief Murch seems to be the biggest transgressor. Alice MacKinnon asks if Chief Murch is doing special duty during his off hours. TA Glover says she believes he is doing it during his day time hours. The Police Department does have a directive regarding special duty assignments. Chairman Bugbee asks if there is anything else to discuss regarding the police department budget. At this point they decide to keep the chief's request in full budget form for now.

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4. Next budget is the Highway Department. Randy Stevens, Road Agent, presented A or C. A being the low and C included additional funds for paving. As far as the budget goes, Chairman Bugbee is ok with A. Chairman Bugbee questions the narrative at the top which references a salary reduction of \$1,286 for the increased age of the Road Agent. He will email Randy to ask him. Alice MacKinnon is in favor of C. Does he need \$200,000 for paving? Cary Brown says that Randy had said he could do budget A if he had flexibility with moving line items. TA Glover suggests that departments should enter the actual numbers that are needed in each budget line. This should be an entire discussion on its own. Bill Henze states that he believes that paving/plowing should be in the departments that need it such as Safety Complex and Transfer Station. TA Glover does not believe that this would be the best idea for the Town. Selectman Cedarholm agrees. This is the duty of the Road Agent. Ask Randy not to bring A, B or C budgets next year. Cary Brown thinks we should hold to A and see how it turns out. Selectman Cedarholm thinks we may be looking at a surplus in Randy's budget again this year if we rely on last year's numbers. Chairman Bugbee points out that some departments need more flexibility than others.
5. Next budget request to discuss is the Transfer Station. Chairman Bugbee asks for comment or thoughts. No comment.
6. Next budget request is Solid Waste. Chairman Bugbee asks for comment. No comment.
7. Social Service Agencies are discussed next. TA Glover points out that there are a few new requests added to the list. My Friend's Place was missed last year because they did not submit. They usually get \$500. This year they are asking for \$1000. Selectwoman Dennis believes it's very little money to pay for the services that you get in return. Chairman Bugbee states that we did not fund Homeless County Strafford County in Rochester two years ago but we did fund them last year. Selectwoman Dennis suggests getting more information on these agencies and talking about funding again next time. Selectman Cedarholm asks what the annual welfare budget is. Bookkeeper Clancy says \$26,500 and we expended \$15,000. TA Glover points out that we are obligated by law to cover these expenses if and when people qualify for assistance. Cedarholm suggests we pay as we go. Cary Brown does not know enough to pull the funding from any of these groups. Homeless County Strafford County and My Friend's Place are on hold. Chairman Bugbee suggests waiting until they receive more information from TA Glover before they decide on pulling any funding.
8. ORYA discussion is next. Bill Henze does not think we should give them \$1000 more. Selectwoman Dennis asks why they are asking for \$1000 more. TA Glover says that they do not have a surplus; the money was used to build Tibbetts field. TA Glover points out that she does not want her office to be responsible for scheduling the new field at Little River Park. ORYA has agreed to do this task. That in and of itself is worth \$1000. The baseball field gets used a lot. Another point is that Randy would rather not have to maintain the fields. TA Glover is looking to request that the Board take \$10,000 from the Recreation Commission

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budget and turn over to ORYA in exchange for maintaining our fields. ORYA is agreeable to this task as well.

9. Library is the next discussion. Selectman Cedarholm has an issue with funding the increase of hours and a new full-time position with copying and faxing revenue. They did not have the benefits including in their budget. TA Glover points out that once a position goes to 35 hours then it is required to contribute to the NH Retirement System. The Town's policy says that you have to work 40 hours a week to get health insurance benefits. The Library wants to offer health insurance benefits to a 35 hour a week person. Chairman Bugbee asks TA Glover and Bookkeeper Clancy to supply the ABC with the specific benefit costs associated with present Library employees and future employees. The Library does its own bookkeeping except for payroll which the Town Bookkeeper does. Chairman Bugbee will ask the Library Trustees to come back again on November 21st to discuss this information. Selectman Cedarholm points out that the Library budget indicates that the revenue source of \$2000 will transfer from a non-lapsing account this year and \$3000 next year. Selectman Cedarholm asks what is the non-lapsing account? No one knew the answer so Chairman Bugbee will add this to what they need to bring on November 21st.
10. There is no discussion on Conservation Commission budget of \$3500.
11. For the Heritage Commission budget, Chairman Bugbee added \$3000 to the 250th Anniversary budget which makes the total now \$6700. No comment on this budget.
12. There is no discussion on the Agriculture Commission budget of \$1500.
13. The Recreation Commission is requesting \$10,000 be deposited to the trust funds and the police department is requesting \$27,500 for a new cruiser. TA Glover points out that the \$27,500 goes in as a separate warrant article if the Board approves it. The Recreation Commission is working to produce a Master Plan and building a Pavilion next year.
14. TA Glover would like to discuss the surplus that departments turn back at the end of the year. Over the past several years the Town has rearranged the budgets and eliminated positions so the large surplus that the Town has seen in the past will unlikely continue. For example in fiscal year 2012, \$75,000 was budgeted for special details in case the Warrant Article to create the revolving fund did not pass, but it did. Bookkeeper Clancy points out that the TA has significantly underspent her budget for 2 years in a row. When asked how much was approximately saved, Bookkeeper Clancy says an estimated \$150,000 in year one and \$175,000 in year two. Further revenue discussion by Bookkeeper Clancy, TA Glover and Alice MacKinnon. Undesignated Fund Balance is at approximately \$3.1 million as of June 30th. Chairman Bugbee asks how the Town stops having such a large balance in this fund. TA Glover reports that Treasurer Ben Genes is ok with reducing the Undesignated Fund Balance by \$500,000 by reducing the tax rate or funding capital expenditures. TA Glover is intending to set the tax rate at

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the next Select Board meeting so there will be a discussion then about the Undesignated Fund Balance. Recommended fund balance is 8-17% per TA Glover. 17% is \$2,040,000. Chairman Bugbee suggests that the Board consider slowly reducing the rate in order to try to control the chance of an increase later. Selectman Cedarholm asks for Treasurer Ben Genes to be present at the next Select Board meeting on November 12th. TA Glover will contact Mr. Genes.

15. TA Glover adds that the Property Liability Trust and Health Trust rates are going up. The Health Trust's Guaranteed Maximum Rate is up by 10.8%. Worker's Comp and Property Liability are going up as well. She is getting a quote from Primex. The Town should think about looking at other health insurance as well. 8 out of 21 on the health insurance are grandfathered in (meaning that they do not contribute to the premiums). This information is spelled out in the Town's personal policy. Chairman Bugbee asks TA Glover to send this information out to everyone via email. There are 2 employees that take a buy out in place of not taking insurance. Chairman Bugbee says that the Town of Lee is liberal in terms of benefits. Cary Brown points out that changing someone's health benefits is traumatic and the Town needs to be careful and conscious of this before decisions are made. General discussion regarding the Patient Protection and Affordable Care Act. TA Glover says that she believes that the Town should consider making small changes to its insurance coverage over the next few years instead of making all the changes come January 1st calendar year 2018, when penalty provisions will apply to the Town for having a "Cadillac plan."
16. ABC presentation of the budget is scheduled for December 5th.
17. Selectman Cedarholm moves to adjourn at 9:08 pm. Bill Henze seconds. All in favor.

Minutes transcribed by:

Denise Duval, Town Secretary

Minutes accepted by:



John R LaCourse, BOS Chairman



Scott Bugbee, ABC Chairman