

**OFFICE OF SELECTMEN  
6 HOLLAND STREET  
PO BOX 139  
MOULTONBOROUGH, NH 03254**

**Selectmen's Meeting**

**September 24, 2009**

**MINUTES**

**Present:** Karel Crawford, Joel Mudgett, Ed Charest; Carter Terenzini, Town Administrator

**Absent:** Betsey Patten, Jim Gray (with prior notification)

The Chair called the meeting to order at 4:03p.m.

1. **Audit Presentation:** Representatives of the Town's audit firm, Vachon and Clukay were present to review the FY 2008 audit. He observed that there were substantially fewer audit adjustments for far fewer dollars than in previous years and said, "Great strides have been made." He gave the Town a very clean bill of financial health. He observed there was a \$2.714 million cash balance noting that his firm would recommend the Town maintain a balance of 10 to 17% of its total appropriations, including schools and county, in its fund balance.
2. **Town Hall Roof Bids:** The Chair opened bids on the Town Hall Roof project.

MC Contracting, Inc.	\$123,650
Lacewood Group, Inc.	\$ 92,103
Bauen Corporation	\$ 79,025
Bonnette, Page & Stone	\$ 94,900
Englewood Construction Co., Inc.	\$ 68,900
Conneston Inc.	\$ 77,948

The staff and Town Engineer will review and report back for the Selectmen's October 1<sup>st</sup> meeting.

3. **Report of the ABC on the Thornton Study:** The ABC had issued a set of comments on the Thornton Study. The Town Administrator said the most important set needed to be decided by the Selectmen in order for the staff and consultant to have a sense of direction and wrap-up the study. It was the ABC's recommendation that:

The committee would like to see the Town proceed with a "Pay for Performance" wage and salary structure replacing the current automatic step structure (providing the employee meets a job satisfactory performance review). The Committee believes that a performance rating of satisfactory is a minimum requirement for maintaining a job, not an entitlement to increased compensation.

The ABC recognizes the need for, and encourages the Town to develop, a robust annual appraisal process to facilitate "Pay for Performance".

The Committee would like to encourage the Town to eliminate the current COLA mindset. In its place the wage and grade ranges should be adjusted annually to reflect current changes in the Consumer Price Index. This process does not guarantee all a minimum cost of living pay raise.

The Committee also would like to encourage the Town to move away from current longevity adjustments and again stress the “Pay for Performance” concept.

Ms. Beadle, ABC Chair, noted that in the discussion of the Merit Pay Proposal the need for a “robust” evaluation tool was recognized. Ed said he’d had some experience with a large corporation’s merit pay system, but added that the Town is a small organization. He felt we need to recognize loyal service, but was concerned that favoritism can be much more prevalent in a small organization and the system can be influenced by who does the evaluation (with prejudice by some managers).

Karel thought we did not have any sort of reward in the current system and that might be a means to challenge people to step up and go the extra mile. She suggested coming up with something in the middle, some form of bonus. Joel said he was not certain he liked the flat percentage approach as 3% to someone low on the tiers did not mean the same as that percentage to someone much higher up the scale. He observed he does like the step system, but agrees it should not be a guarantee of a reward for longevity.

Ms. Beadle said the ABC was not tied to a percentage and it could be stated in whole dollars. The Town Administrator observed that he has a number of concerns. They start with the fact that he has yet to see a merit based pay system in the public sector that works well and is implemented fairly and uniformly. Also, the Town is now in the midst of the budget cycle and he needs to know where we are headed.

Ms. Beadle said it was the ABC’s goal to find a way to encourage employees to go above and beyond. There was a discussion of how the ranges would be changed once set (COLAs) and how one is moved within the ranges. The Administrator asked what information he could bring the Selectmen to try to move this discussion along. It was agreed he would work with the ABC to try to find a few models that relate to our organization in scale and complexity and get the folks who administered them in to make a presentation.

The discussion now moved to the balance of the Thornton Study using the decision grid from the last meeting. The Town Administrator picked up with Item #28. The consensus of the boards is noted as a comment below each item.

28	Job Descriptions (In General In Progress) Note: Hold; In finalization now
29	Single Consolidated Personnel Policy (in various locations now): Yes
30	Review Employee Definitions & Trigger for Benefits: Yes; full time work for full time benefits; See what schools did to transition to a pro-rata if benefits provided for less than full time work and what transition they followed.

31	Trigger Date for Step Increases (Some wait up to three years under current policy): Hold
32	Uniform Payroll Period: Discussion of how to transition especially as can often lead to thinking they are losing. It was observed that we had this problem before and had meetings with the employees. Mr. Marudzinski of the ABC commented that we can't overwork trying to get everyone to agree, keep sight of objective, but in the end someone has to bite the bullet. Karel agreed but... the transition must be handled carefully for employee acceptance. Yes... but... the TA and Heidi to develop a transition plan.
33	Review and Coordinate all Leave Benefits to Item 30 above Yes: See #30 above
34	Clarify Elected Benefits; don't extend past final day in office (i.e. Sick/Vacation): Yes
35	Revise for use for Dr's; documentation for Care for Others; Suspicion of misuse: Yes
36	Uniform Disciplinary Policy; provide DHs w/more flexibility w/appeal to Selectmen: Yes
37	Amend Denial of Vacation Leave without notice of resignation (questionable validity): Yes
38	Process of Announcing/Investigating complaints to expedite: Yes
39	Bi-Weekly Payroll: Hold; See Item \$32 above which needs to occur first.
40	Travel Policy (Overdue to Selectmen from TA): Yes
41	Temporary Alternative Duty Policy (aka Light Duty): Yes
42	Hiring Process; Flexibility for DHs on subordinates; formalize DH Search: Yes

4. **Construction Projects:** The Town Administrator discussed our requirement for performance bonding and how, this can keep our smaller local contractors who do not normally get bonds for their projects out for the bidding. He wanted to know if the Selectmen were agreeable to considering some form of larger retaining or other protection for the taxpayer while opening the bidding up to local smaller contractors. Joel thought we might be able to provide some of the materials and Ed agreed we want local people to have a shot. The consensus was to look at some revised system. The Administrator reviewed the possibilities for creating a local incentive for in-town businesses where they might be preferred if they were not the low bidder, but within certain percentages. This Board was not amenable to this.

The Town Administrator reminded the Board that the budget process had started and asked that they submit any requests or projects ASAP for pricing and including in the request that would be submitted to them on 11/19.

A motion was made by Ed, seconded by Joel to adjourn at 5:28 p.m.

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Approved

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Date  
Respectfully Submitted  
Carter Terenzini, Town Administrator

