

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

**Selectmen's Budget Work Session, 8:30 AM**

**November 15, 2013**

**MINUTES**

Selectmen: Joel R. Mudgett, Chair, Jonathan W. Tolman, Edward J. Charest, Christopher P. Shipp, Russell C. Wakefield (absent with prior notice); Town Administrator, Carter Terenzini.

Adv. Budget Com.: Jean Beadle, Chair, Barbara Sheppard, Chris Shipp, Selectmen's Rep., Alan Ballard and Kathy Garry, absent with prior notice. Ken Kasarjian – prospective ABC member.

I. **CALL TO ORDER:** Joel called the meeting to Order at 8:30 A.M.

II. **PLEDGE OF ALLEGIANCE:**

III. The Town Administrator gave an overview of the recommended budget. Overall the budget is down about 4.6% when one considers the various accounting adjustments. The tax levy would need to increase about \$15,000 or .20%. Any increases in the Library or citizen petition funding requests would add to this.

1. **Human Services:** Rae Marie Davis, Human Services Director reported that the budget is flat at \$141,148. She has about \$51,000 remaining in her current budget. The census is hard to predict with three cases popping up just yesterday. Chris asked if there is a cap on how much might be granted to someone and learned, that no, it is as the need arises. Chris questioned how she decides how much to assist someone with and if there is a board she works with. Rae replied it is based on the application submitted, the need, if it is an emergency situation, and is limited to what is needed to avert an emergency. The Human Service Director decides, but if there is question or concern, she said she will confer with the Town Administrator. Jean Beadle commented that she understands that the caseload can be a volatile number, but the actual year to date is not nearly what was anticipated. She asked if Rae saw a trend. Rae replied that she considered cutting her request, but then between the approaching heating season and reductions in hours for many of the seasonal employees, the calls started coming in again. Chris commented that an assist with electric at \$700 must be more than one month, and asked why she doesn't put 7 months down. Rae replied that heating bills can spike this, so it is hard to know just how many months an amount might translate back to. She described how she works with the electric company's "Project Care" as an additional resource for people. Discussion occurred about how many times the Town helps someone and how to make sure that we only help to the extent they need it. Carter said he had recommended that we stay the course as the economic recovery is still fragile and we need to be prepared to handle what arises. Joel added that he didn't want to run short and then have to go to the contingency account. Carter said that the overall budget is in good shape and we don't need to unnecessarily cut it to offset other increases this year. He also pointed out that the Town is losing one department (VNS) where we often get those needed dollars mid-year and will not be a resource in FY'14, reinforcing his recommendation to keep a flat budget.

2. Visiting Nurse Service: Carter gave a budget overview and pointed out there was one wild card of whether employees would take the last of their absent leave as weekly for retirement and insurance purposes or as a lump sum payout. He described the Press Release by VNMCH and said there was a letter to residents from Joel and Deb now in draft. In discussion about a Moultonborough presence on the VNMCH board of directors, Carter noted this would be reliant on being able to obtain volunteers. He expects that in the initial phases we may be able to obtain volunteers from the Town's VNS Board, but suggested we may need to discuss this with them in the future. Deb Peaslee said the transition is starting and she is shifting cases to VNMCH. She said the MVNS is seeing the patient, while it is technically a VNMCH patient, and the Town is getting paid per visit. Carter walked the Selectmen through a task plan of close-out activities noting the Annual Report needed to be added. Deb said that Medicare needs a contact person. Carter noted that it can't be Deb as she will no longer be an agent of the Town. It was decided that the Town Administrator would be the contact. The current trust needs to be reworded and by consensus the Selectmen were agreeable to becoming the agents to expend. Deb reported that the holiday shopping for children's boots and jackets has been done, but that the actual carrying out of this task in the future needs to yet be resolved. Carter said that in going to implement the RIF plan there were two ways to do it and he needed to consult with the BoS to confirm his interpretation. The first method he described as a business model where someone goes to the new grade at the step they are currently on. This can often mean a pay cut. The second model is to hold the current rate of pay as a "Personal Rate" until it is surpassed through the ordinary function of COLA's and Step increases. After a considerable discussion on the merits of each Chris made the Motion to use the business model, step for same step, when moving from grade to grade. Jon Seconded. The Motion carried Unanimously. In a follow-up to discussion on which model to implement and the concept of severance pay as opposed to the RIF process, Carter asked if the BoS might consider providing some continued health insurance and the normal splits to RIF'd employees. This might take the form of 1 month for 10 years of service, 5 years or some other form. He described this as the greatest gift the community might give to someone RIF'd out of the work force. Joel commented that even if the employee finds a job, they may need to wait 30/60/90 days before new health insurance begins. The Selectmen, by general consensus, agreed that it was worth exploring.
  
4. Recreation Department: The tax levy budget is down 4.35% driven in part by the last phase of the transition of tax levy items to the revolving fund. Director Donna Kuethe reported that they did a survey of lifeguard compensation and while it is a bit low right now they aren't having any recruitment issues and continue to have a good return rate. She said that the biggest issue is with Water Safety Instructors. Joel asked about the possibility the Town pay for that training. Donna said she has considered this, but to date does not need to do so. She went through her tax levy budget noting items which have been moved from that to the Recreation Revolving Fund. Discussion occurred about the band concerts, for which all agreed attendance was terrific, and scheduled to be budgeted at roughly \$2,000. Donna noted the assistance from a volunteer, Julie Velie, and her hopes she will return to help out next year. They have had over 100 in attendance. Discussion occurred of expanding the background checks and the costs thereof. Carter said that he has asked Chief Wetherbee to work with staff on developing a matrix of jobs and violations so we are making hiring decisions in the same manner each time. Chris asked Donna how she comes to the staffing ratios for lifeguards and deploys them, and if

they had other duties. Donna explained staffing ratios per best risk management, described the opening assessment and litter pick-up, limited raking, painting chairs, and the like that is done, but said the main focus is life guarding. Chris expressed his concern that six lifeguards on duty at once seemed to be heavy coverage for that beach at times.

Recreation Revolving Fund: The Selectmen reviewed the items moved from the tax levy budget. Donna said she's reduced the number of trips based on the history. Discussion took place on how attendance can vary on trips, our joint efforts with Belmont (when going south) and others, to ensure good attendance and minimize costs. Jean said that the RRF is "not working" as it is not losing money as planned and is therefore not eating into the backlogged surplus on hand as projected. She suggested we tap the fund for the proposed Blue Ribbon Commission gym site study (\$17.5k) and the States Landing proposal. Donna said that it had been hard for her to get her arms around the RRF as a standalone budget and it has been a learning curve for her. In fact in a contradictory effort to not lose too much money she has been raising fees annually. This year, she is taking a hiatus on fee increases. Her staff wants to know if they should cancel a trip and she ends up torn as she knows people are looking for losses. Joel said that it doesn't necessarily bother him that the fund isn't losing money. There was discussion on the contradiction in the effort now underway to transition expenses to the RRF while covering costs. Carter laid out the reasons why he felt this wasn't consistent with the guidance memo which was not meant as a reserve for capital projects other than unanticipated contingency or small on-off projects. While the phase-in may not be working spot on with projections, it is working. Carter felt that using tax levy money for the Blue Ribbon Commission proposal is the best test of people's will. If it comes from a reserve or some other source it won't necessarily be seen as spending "real" money. He added that they have 6 weeks to get closing numbers and consider how to work within the guidance document. He pointed out that there is the potential to shift some of the year-round staff to the RRF. Discussion took place of the population trends we are serving and Chris asked Carter what he saw as an appropriate balance and learned it is \$50,000. After further discussion the consensus was to wait for the year-end report on the RRF before proceeding further.

Joel called for a recess at 12:05 p.m. The meeting reconvened at 12:35.

5. Housekeeping Issues:

- a. Carter asked if someone would like to be on the screening panel for the opening in the DPW. Chris said he would represent the Selectmen.
- b. Carter brought to the Selectmen's attention that RSA 41:29 now allows for the Selectmen to sign manifests non-contemporaneously outside of a formal meeting. This could eliminate the short meeting on the 2nd Thursday of the month that lasts a few minutes. Other documents that require the Selectmen's signature will be approved and signed on meeting dates only. The Selectmen agreed by Consensus to eliminate the 2nd Thursday of the month meeting, and if needed they can revisit this if it appears to be a problem. Carter then asked if they were willing to consider eliminating the business meeting that occurs during months with a 5th Thursday. Presently there are 2 business meetings back to back (5<sup>th</sup> and 1<sup>st</sup>) and generally there is little requiring action when this happens. The Selectmen said they would discuss it at a future meeting.

- c. An Open House to honor the VNS and introduce some of the VNMCH people was set for December 19, 2013 from 2 to 4 p.m.
  - d. Chris thought that the end of the year appreciation function, should have the Town paying for the employee's spouse/partner. The Volunteer Luncheon includes the spouse/partner, as does the dinner for the Firefighters. Chris thought these events should be handled in a consistent manner. The Selectmen agreed to hold this until the next Workshop to allow the Finance & Personnel Director to attend as she had the best background on this event.
6. Pay for Performance: Carter reviewed a change to the terms used in the performance evaluation that the Department Heads had settled upon. In moving forward to try to develop a Pay for Performance system he asked if he was to start from an increase of the COLA (Market Adjustment Factor) or a baseline of zero. Chris said COLA's aren't a raise, but keeps you even with increases in the cost of living. Ed said he's worked for companies where a COLA wasn't a guarantee. Jean Beadle said that Pay for Performance doesn't mean COLA. Jon thought that whatever you call it, if there is more money in the paycheck, then it could be considered a raise, and agreed that some employees see this as a fixed benefit due them. Joel said that it is a mind-set, and there is an expectation they are due a COLA, and if they are here 2 more years they are due a step. Jean thought that it de-incentivizes employees if they automatically get a COLA. Chris thought that the incentive is in the matter of steps and doing a rigorous performance evaluation to award those is where we fall down. Carter thought that there's a disconnect between the step of every other year and 2 years of performance. He suggested we need to find a way to bring raises closer to the annual reviews. Staff considers the COLA's a raise and it is not considered fair by our top performers when even our bottom performers get the same raise as the top performers. Carter said it's difficult to create a Pay for Performance system when all get the same raise regardless of their performance. After a lengthy discussion about COLA's, it was decided to address this at a future Workshop.
7. 2014 Warrant: Carter gave a brief overview of the Draft warrant as it stood this date.
8. Ethics Ordinance: Carter described how he had been asked to put together a training on the issue of ethics. It is also being dealt with in the writing of a handbook for elected and appointed volunteers. In previous discussion the BoS had tried to address not only "quid pro quo" violations, but also instances in which it appeared there was a conflict. Under the statute the latter cannot be addressed as had been hoped. UNH Intern, Larry Berg (doing his capstone for his Master's in Public Administration) gave an overview of the statute, what he had learned from other towns, a recent legal briefing, a Draft ordinance which would have to be adopted at Town Meeting, and how this would have to become a part of our local culture reinforced with periodic training.

**VI. ADJOURNMENT**: There being no further business the Chair adjourned at 2:40 p.m.

---

Approved

---

Respectfully Submitted  
Carter Terenzini

Date