

NEW DURHAM BOARD OF SELECTMEN
Budget Meeting
New Durham Fire Department Community Room
October 31, 2014, 1:00 p.m.

DRAFT: These minutes are strictly a draft copy and are awaiting amendment or approval at a subsequent, duly noticed public meeting. Amendments to these minutes will be noted in the minutes of said meeting. The draft will be posted on the website as a draft copy for public informational use only.

Present:

Chairman David Swenson
Selectman David Bickford
Selectman Theresa Jarvis

Also Present:

Jeremy Bourgeois, Town Administrator
Corky Mork, Videographer
Judith Crouse, Finance Officer
Don Jutton, Municipal Resources, Inc.

Call to Order

Chair Swenson called the meeting to order at 1:00p.m. and stated the primary purpose of this meeting is budget review. However, there will also be a discussion of a series of appointments for the upcoming election.

New Business

Upcoming Election

Chair Swenson stated there are open appointments for inspector of elections and alternate inspector of elections. He stated there are two inspectors of elections, Fred Quimby and Richard McCormack. There are nine alternate inspectors of elections, Shirley McCormack, Stephanie Mackenzie, Cynthia Quimby, Angela Pruitt, Howard Allyn, Steve ????, Joan Swenson, David Shagoury and Carol Neyland. He stated there are appointment papers for all of them and asked if there are any comments or questions. Chair Swenson stated he would be recusing himself from the vote on the alternates as he is related to one of the individuals.

Selectman Jarvis made a motion to appoint Fred Quimby and Richard McCormack as inspector of elections with a term to expire August 1, 2016 or until a successor is appointed and qualified. Selectman Bickford seconded the motion. Selectman Jarvis noted there was a change in NH statute to two-year terms as well as a change in the time of appointments. Selectman Bickford stated the names should have been brought forward sooner to allow time for the vetting policy that is part of the appointment policy. Selectman Bickford stated that since he feels comfortable with all of them he is willing to waive the appointment policy. **Selectman Bickford made a motion to amend the motion to waive the appointment policy. Chair Swenson seconded the amendment.**

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Chair Swenson stated he agrees because of the time requirements for an upcoming election. **Amendment passed, 3-0.**

Amended Motion passed, 3-0.

Selectman Jarvis made a motion to appoint the following individuals to be alternate inspectors of elections: Stephanie Mackenzie, Shirley McCormack, Cynthia Quimby, Angela Pruitt, Howard Allyn, Steve ????, Joan Swenson, David Shagoury and Carol Neyland and to waive the vetting policy due to the essence of time.

Selectman Bickford seconded the motion. Chair Swenson recused. Motion passed, 2-0.

Account Review

Account 4130 – Executive Office

Chair Swenson stated the 2014 Budget was \$168,958. As it has been currently prepared, the 2015 Proposed Budget is \$169,566 and the 2015 Default Budget is \$168,958. He stated these would both be adjusted based on following discussions.

Chair Swenson noted lines 31 and 32 are the selectmen's' stipend. Town Administrator Bourgeois explained line 111 is clerical which covers the administrative assistant for eight hours per week and the minute taker for eight hours per week based on the hours used this year. He stated the proposed budget for this line is \$11,000 and it will be close to that this year. Selectman Jarvis clarified this also includes the increased rate for the administrative assistant. Chair Swenson stated he believes the default amount should be \$11,500 because they are committed to the increases and the hours are appropriate.

Town Administrator Bourgeois explained line 112 is used for the administrative assistant to do special projects. Line 115 is the land use administrative assistant and Town Administrator Bourgeois stated last year it was only budgeted for 24 hours at the old rate as some of the hours were spread out to assessing. He stated that based on the payroll for this year, he changed it to 28 hours per week at the increased rate.

Town Administrator Bourgeois explained line 341 is the telephone line and there are quite a few phone lines included. He stated there is a continued decrease each year in the costs. Selectman Bickford asked if the amount is the actual costs of the landlines and does it cover the other departments. It was clarified this is just the Town Hall portion of the bundled savings. Chair Swenson confirmed the amount is an estimate.

Town Administrator Bourgeois stated line 342 is for the community access television. He explained it covers the contract with Wolfeboro Community TV for recording the meetings as well as a contract with EZstream for putting the videos online and archiving. Selectman Bickford stated he has asked to have more videotaping done in the past and asked if there has been any attempt to increase it. Selectman Jarvis stated they priced it out a few years ago but the first concern was they weren't sure they could cover all the meetings listed. There was going to be an increase cost to cover all the meetings. Selectman Bickford stated he doesn't want all meetings covered but in particular he wants

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Parks and Recreation meetings covered as they affect a lot of people in Town. He asked if there was a reason they couldn't look into expanding more videotaping. Selectman Jarvis stated she would be interested in having it done for the library trustees as well but wants to prioritize the boards and committees particularly the ones that spend money.

Chair Swenson suggested that if they want Parks and Recreation, Library Trustees and Conservation Commission meetings recorded, those costs could be billed to the respective accounts. Selectman Jarvis noted they don't bill out the costs for any of the other committees and boards and stated she thinks it should be a Town cost. Selectman Bickford agreed it wouldn't be a bad thing to break it down. Chair Swenson asked Town Administrator Bourgeois to get information on what the costs would be increasing video coverage of the meetings discussed. Selectman Jarvis stated they also need to find out if there will be an increase in the streaming costs. Chair Swenson asked Town Administrator Bourgeois to have this information for the next budget meeting on November 14.

Chair Swenson summarized the 2015 Proposed Budget for line 342 is \$11,325 and the 2015 Default Budget for line 342 is \$11,325 although it could be subject to revision after additional information is received.

Town Administrator Bourgeois explained the remaining lines and reasons for increases. Selectman Jarvis stated that under the new IT policy, all chairs and the full Board of Selectmen would be having Town email addresses. She asked if there is sufficient coverage for that included. Town Administrator Bourgeois stated it is \$5 per address, above the contract amount of addresses and it is not included in the proposed budget. Selectman Bickford stated he doesn't see a need to use Metrocast for all the email addresses. Selectman Jarvis replied that some emails are subject to public disclosure and for security reasons it is better to have all the email addresses through a Town controlled system.

Town Administrator Bourgeois suggested increasing line 440 as they will be doing numerous lot mergers. Selectman Jarvis stated she has researched the process and costs, and hopes the mergers can be completed in 2014. She stated that when property is sold, there are also recording fees. It was noted there are approximately 20 properties to be merged/sold, at a minimum cost of about \$16 per application.

Selectman Jarvis asked where the costs for the IT maintenance program are. She suggested they be in account 4130 now that they have a contract for the services. The upgrades that are going to be needed were discussed and Town Administrator Bourgeois stated he didn't anticipate there being too much required at Town Hall. Selectman Bickford stated he wants it to be more specific with what the upgrades are going to be before approving an amount. Town Administrator Bourgeois stated he wouldn't know that until the company comes in and takes a look. Chair Swenson and Selectman Jarvis agreed they want to keep the default amount for this line at \$22,330. Selectman Bickford stated it should be the amount that was used in 2014. Chair Swenson noted the

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contractually obligated amounts in this line and stated the only amount that would be negotiable would be the costs for upgrades. Selectman Bickford stated he would rather not be doing the defaults at this time.

Selectman Bickford questioned why there is \$100 for the Merrymeeting Lake Association. Town Administrator Bourgeois stated the Town has traditionally paid this to be a member of the association. Selectman Bickford stated it seems odd to him for a town to belong to a private organization, he doesn't see a reason to belong, and suggested removing that.

Chair Swenson stated line 110 is the Town Administrator's contract with Municipal Resources, Inc. He stated the 2014 Budget is \$79,170, the 2015 Proposed Budget is \$79,560 and the 2015 Default Budget is \$79,560.

Don Jutton, Municipal Resources, Inc. noted Town Administrator Bourgeois is going through his second year with the Town. He stated that what was paid last year, less consulting services, the Town is in the lower end of costs compared to if the Town wanted to hire their own contract employee. Mr. Jutton stated there are a few options for the Town at this point: 1) to end the contract with Municipal Resources, Inc. and take Mr. Bourgeois with them; 2) end the contract with Municipal Resources, Inc. and Mr. Bourgeois stays with the Town; 3) continue with a contract with Municipal Resources, Inc. and Mr. Bourgeois and 4) continue a contract with Municipal Resources, Inc. with another individual coming in as Town Administrator. Mr. Jutton stated that looking at the numbers of comparable sized towns, the salaries are in the mid \$60,000 range and noted the rollup costs and benefits are about \$35,000 on top of that. He noted there is also additional consulting time included in the contract. Chair Swenson replied there have been occasions during the last 15-month period where he found the resource very helpful. However, he doesn't feel there is enough presence from Municipal Resources, Inc. and would like more systematic communications with reports about activities.

Selectman Jarvis stated the Town has been contracting out for the administrative services for four years. She noted there have been a lot of benefits but there have also been issues because the Town does not hire the Town Administrator directly. She believes they should hire their own. She stated that looking at the numbers, she expects they could hire someone with no more than five years of experience for roughly \$60,000 for full time. Selectman Jarvis also suggested seeing if the position could be done in 32 hours per week with a more experienced administrator. Mr. Jutton noted they need to be mindful of the Affordable Care Act which requires health benefits at 30 hours. Selectman Jarvis replied they are exempt from that because they do not have enough full time employees (50) and the Town continues to meet the definition of a small employer.

Chair Swenson stated if they go with a different arrangement than a contract with Municipal Resources, Inc., the salary line could be lower but other items may be higher. Selectman Bickford stated he doesn't think they can get a significantly lower bottom line.

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Selectman Jarvis noted that depending on the route they choose to go, there could be a shift in lines.

Chair Swenson noted they need to make a decision by December 1. Mr. Jutton stated a big issue is whether Mr. Bourgeois intends to stay with the Town or Municipal Resources, Inc. and suggested the sooner they know the better. Mr. Jutton stated there is also the option of going on a month-to-month basis as long as they know that is the plan.

It was agreed further discussion would be added to the next Board of Selectmen meeting. Selectman Jarvis suggested this account could be revisited to adjust the numbers after a decision has been made.

Account 4155- Personnel Administration

Chair Swenson stated this is the account from which merit raises are drawn. The 2014 Budget was \$39,798, the 2015 Proposed Budget is \$22,440 and the 2015 Default Budget is \$39,798.

Town Administrator Bourgeois explained the lines and noted the raises. Selectman Bickford asked what the cost of living increases were and stated he assumes this is not included. Selectman Jarvis replied it is approximately 1.7%. She stated there were several years where cost-of-living raises were not given.

Selectman Bickford stated they looked at market rates back in 2008 and police officers were given raises to come up to market level. Chair Swenson agreed they need to be competitive to market rates across the board. Selectman Bickford stated he doesn't agree with merit raises for hourly employees.

Selectman Jarvis stated she doesn't think they should be doing just merit raises but a combination of cost of living and merit raises. She stated employees are behind where they were in 2008 as the costs of health insurance have gone up, the cost of living has gone up and the pay is not keeping pace with that. Selectman Bickford stated he doesn't think all employees are behind.

Selectman Jarvis stated she would like to research whether the pay is competitive for the Town employees. Selectman Jarvis suggested getting a quote from Municipal Resources, Inc. for a wage analysis as well as from New Hampshire Municipal Association. Selectman Bickford stated he wants something better than New Hampshire Municipal Association. Selectman Jarvis stated they need to spell out exactly what they are looking for. Selectman Bickford stated he wants to develop steps for employees and get recommendations for that in the quotes.

Chair Swenson stated there is a general consensus that New Durham has not had a recent market analysis relative to wage rates and stated it makes sense to get updated information. He stated that there may be significant adjustments in some departments, given the fact that it has been four to five years. Chair Swenson stated there are now two

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questions to be addressed: 1) how do you get the analysis, who does it and how much will it cost and 2) how do you prejudge the results in order to put in numbers for the budget. It was noted the results of an analysis may take between 30 to 45 days.

After further discussion, it was agreed to set line 150 at \$25,000, which reflects approximately a 3% increase from 2014 defined as a market adjustment. The costs for a market study/rate analysis would be put in a separate line and are expected to be approximately \$5,000.

After discussion, it was agreed to lower line 210 of the 2015 Default Budget for unforeseen health insurance changes to \$7,000.

The requirements for criminal background checks were discussed. It was noted the cost per check is \$51.50 and it was agreed to increase line 336 \$950 to cover five background checks (police department). Selectman Jarvis suggested increasing line 338 to \$1,100 for drug testing in anticipation of new hires under the drug policy.

Selectman Bickford stated another issue they haven't discussed is the incorporation of health insurance into the benefits as part of the wage study. He questioned whether they want to continue paying 9% of the individual employee as well as spouses and dependents. Selectman Bickford stated a lot of employers do not cover all three. Chair Swenson stated he agrees there are some cases where compensation is higher because the employee is not taking the full benefits but stated they need to question whether the Town's benefit package is competitive. Selectman Jarvis noted that when studies were done in 2008 and 2010, the benefits package was found to be competitive for full time employees. She noted part time employees however do not have any benefits, although some employers offer prorated benefits.

Chair Swenson summarized that no action can be taken on this account until more information is received on the various lines and recalculations are completed.

Account 4195 – General Government Buildings

Chair Swenson stated the 2014 Budget was \$24,113, the 2015 Proposed Budget is \$23,555 and the 2015 Default Budget is \$24,115.

Town Administrator Bourgeois explained the uses for the individual lines. He noted the janitorial line, 115, is now used exclusively for the clock-winder. Selectman Jarvis suggested budgeting for having the Town Hall clock serviced annually. It was noted the 2014 Budget had a line (in CRF) for electrifying the clock to reduce the required maintenance.

Selectman Bickford questioned the annual pumping of the septic system and suggested contacting the New Hampshire Department of Environmental Services for their recommendations. It was noted the pumping has been done annually for many years.

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Selectman Jarvis made a motion to approve account 4194, General Government Buildings for the 2015 Proposed Budget in the amount of \$23,955 and the 2015 Default Budget in the amount of \$25,215. Selectman Bickford seconded the motion. Motion passed, 3-0.

Approval of Minutes

Postponed to the Board of Selectmen meeting of November 3, 2014.

Future Meetings

November 3, 2014 - Board of Selectmen, Town Hall, 7:00p.m.

Adjourn

Selectman Jarvis made a motion to adjourn. Selectman Bickford seconded the motion. Motion passed, 3-0. The meeting was adjourned at 3:57p.m.

Respectfully Submitted,

Jennifer Riel, Recording Secretary