

**Town of New Durham
Board of Selectmen
Budget Review Session
Thursday, December 9, 2010**

Present: Fred March, David Bickford, Terry Jarvis,

Also Present: Police Chief Shawn Bernier, Corporal Reggie Meaty, Town Clerk/Tax Collector Carole Ingham, Deputy TC/TC Stephanie McKenzie, Recreation Director Kellie Chase, Highway Administrative Assistant Cathy Orlowicz, Road Agent Mark Fuller, Foreman Mike Clarke, Finance Officer Vickie Blackden, Land Use Administrative Assistant David Allen, Equipment Mechanic David Valladares, Videographer Mary McHale, Administrative Consultant Alison Rendinaro

Meeting was called to order at 6:01PM by Chair Jarvis.

Agenda review: Chief Varney will be coming in this evening to update the Board on an equipment issue.

Department Heads met with the Board of Selectmen to address the fact that there are no cost-of-living increases given for the third year in a row.

The Departments Heads and some town employees that were present expressed their concerns for their Departments, and for the employees of the Town. All town departments were asked to bring their budgets in under 3%, and many came in under last year's budget. Cost of insurance has gone up over the past four years; some employees are losing money because of those increases. The employees of this are not insensitive to the economic situation, and many of them are tax payers in this community.

The Board explained that the economic environment weighed heavily as a reason the Board decided against an across the board increase for employees, as well as no cost of living increases. The Board is proud of the employees of this town, and knows they work very hard. The Board did not come to this decision lightly, they deliberated for many hours, and made their decision based on what they thought was best for the citizens and tax payers of this community.

The question was raised as to what the cost of a 1% increase across the board would cost the town. The board made their wage decision on a person by person basis. They were asked to come back to the question again, after the rest of the budget is in place, and run the numbers to see what the tax impact would be.

It was explained that the methodology used by the Board was the Wage and Classification Study by LGC, input from MRI, as well as looking at different Town's in the area to see what they pay. The Board of Selectmen has been told by LGC that New Durham pays pretty well, and gives good benefits. The Town is paying far more in insurance costs than many places pay. The citizens are sensitive to the fact that they pay a lot of taxes in this town, and the Board has to comply.

The Highway Department came in 6% under their budget from last year, and that included a slight increase to the positions by putting their employees on the LGC wage scale. They brought their budget down by 6.5 cents of the tax rate, even giving their employees a small cost of living increase. At the Transfer Station they reduced their budget by about 7 cents of the tax rate. The increase in wages is only a 1.5 cent increase on the tax rate, which they have already reduced by 6.5 cents. They made adjustments in their budget and moved things around to bring it down, and a mild winter did add to it. They did so because they were asked to bring down the budget, and they prioritized a wage increase for employees.

It seemed to some of the Department Heads that the Board's position on freezing the wages is more of a matter of principle than a matter of economics. The bottom line, according to the Board is that somebody needs to step up to the plate and stabilize the tax rate.

The issue of the school portion of the tax rate was brought up. The question of cost of living increase vs. merit raises was discussed. There should be an opportunity for merit increases. The employees felt that when the Board and the Budget Committee met, they came away with the understanding that there was a direction that would be taken as far as increases go. They want to know what changed. The department heads knew that they were to keep their budgets low, even before they were asked by the Board. The Departments did so, willingly, and reviewed what was most important. In that process they determined that increases were important for the health of their departments and for the morale of the employees.

The idea of flexible spending accounts was brought up, in lieu of an increase. The Board was asked if they would consider looking into that. The Board would certainly be interested in looking closer at the flexible spending options.

The question was asked "If there were money available that would not change the tax rate for next year, would you do it?"

There is still confusion as to how the Town employees should interpret the wage study, as it has been done twice now. Some were hoping that the Board would sit down with each department and explain how things are to them. The idea that the Board is open to offering the flexible spending is a good step.

The longevity of employees says a lot about a community. This community is versatile and hard working. We are all trying to achieve the same thing one way or another.

All the department heads left the meeting at 7:00 PM except for David Valladares.

Chief Varney came in to discuss Engine 1. The test results of the pump test came back, and it just barely passed. The pump has border-line passed for many years. It is currently being serviced at Lakes Region. The cost of a new pump would cost well-over \$25,000 (on the low side) according the Equipment Mechanic Valladares. The pump is being repaired though, and will not be replaced with a new one at this time. The Fire Department has the funds left in their budget to cover the cost of this; the Chief was just keeping the Board informed. Chief Varney will let the Board know as he gets a more firm estimate. Chief Varney left at 7:17PM

Equipment Mechanic Budget- 4319-

The clerical is for 63 hours for the year, and part-time line is for 300 hours, which is cut down from last year. All wage lines are with a one step increase. This past budget had a little more spent on Contracted Services, and the part-time position, which was not as available this year due to injury, dropped. The CIP plan has proved itself useful in budgeting for David's time.

- Overtime was increased from \$1,269 to \$1,998 to be more in line with the actual
- Contracted Services has increased by \$10,000 to \$26,000- if the Board decides to change out the Grader now that line will decrease by the same amount. David Valladeres suggests that we take any money that is left over at the end of the year and encumber it for the purchase of the grader. David is expecting around \$15,000, and the cost of the machine is approximately \$200,000.
- David would recommend that the catastrophic equipment CRF not be funded this year if we go forward with purchasing a new Grader.

- The Highway Vehicle line has decreased by \$16,200, which is credited to the CIP plan again, where our fleet has been updated, so there is less maintenance on them.
- The Police Vehicle line was increased by \$300 to reflect more accurate budgeting.
- The Solid Waste repair line was decreased by \$300 dollars. A new tire for the big loader will be purchased next year. The tire is cheap but it will have to be filled with foam, which is quite expensive.

David V. has presented a significantly decreased budget this year.

Motion to accept the Equipment Mechanic Budget-4319- by Fred March, seconded by Selectmen Jarvis. Brief discussion. 3-0

The discussion of tire work came up, and EM Valladares has requested this with a previous Board. The worn out tire casings are held onto until there is a market. They have some value. He may be able to get casing credit for the old tires. He would like to sell them, and if he gets enough, he is requesting to the Board that he purchase a used- tire balancing machine at about \$1,500 to \$2,000 and a rim changer for about the same price. Unless the grader is not bought this year, then he would like the revenue of those tires to go toward the purchase of the grader. The Board will revisit this after the Grader bids come in.

David Valladares left at 8:05PM.

Executive Office- 4130-

The Board will leave the Selectmen compensation line alone this year. The TA line has increased to reflect the cost of the MRI contract, which will remain the same next year, should the Board decide to continue with them.

- The TA line increased from \$65,256 to \$74,400
- The Community Access television line is increasing by \$1,000 up to \$16,900. Peter Pijon of Wolfeboro Community TV was present to speak to the Board about this line. The Cable Committee of Wolfeboro will advise us that we should increase our franchise fee.

This budget is an increase of \$14,000 over last year, which reflects shifting the full cost of the Administrators contract

Motion to accept the Executive Office budget-4130- in the amount of \$137,107, made by Chair Jarvis, seconded by Selectmen Bickford. 3-0

Assessing Budget-4152-

- New line created of \$5,000 for Contracted Services
- Total budget increase of \$6,034 from last year.

Motion to accept the revised assessing budget in the amount of \$45,524, made by Chair Jarvis, seconded by Selectmen Bickford. 3-0

Personnel Administration – 4155-

- Health Insurance is down \$37,948
- Dental line down \$1,211
- Disability is up \$158

- FICA is down \$4,200 dollars
- Medicare is down \$1,000
- NH Retirement is up by \$5,000

The total Personnel Administration budget is decreased from \$536,697 to \$502,043, which is a decrease of \$34,654.

Motion to accept budget 4155 at \$502,043 made by Selectmen Bickford, seconded by Selectmen March. 3-0

There is a BOS budget meeting on Monday, December 13th. There is a public hearing scheduled at 7PM for transfer of funds to the Capital Reserve Funds, and Expendable Trust Funds.

A discussion of the Capital Reserve Funds ensued.

Motion to enter non-public under RSA 91-A:3 II a- compensation and c-reputation. Made by Chair Jarvis, seconded by Selectmen Bickford. 3 ayes.

Public portion of the meeting ended at 9:30 PM.

The Board of Selectmen reconvened in non-public session at 9:35 PM.

Administrative Consultant Rendinaro was excused. The Selectmen reviewed additional information relative to a request for tax deeding. They also reviewed the current draft of the Road Agent's contract. Final edits were made and the contract will be forwarded to the incoming Road Agent.

MOTION: To return to public session. (Jarvis/March) Vote: 3-0.

The Board returned to public session at 10:04 PM. The Chair announced that during the non-public session the Board discussed a tax deeding issue. The Chair was instructed to obtain additional information. The Board finalized the Road Agent's contract. Administrative Consultant Rendinaro will see that the incoming road Agent receives a copy for his review.

MOTION: To adjourn. (March/Jarvis) Vote: 3-0

The meeting adjourned at 10:08.

Respectfully submitted;

Theresa Jarvis, Chair
Board of Selectmen

*Respectfully Submitted,
Alison Rendinaro*