

**New Durham Board of Selectmen and Budget Committee
Minutes of Meeting ~ August 27, 2012
Fire Station Community Room**

Board of Selectmen Members Present: David Bickford, Theresa Jarvis, Jeff Kratovil

Budget Committee Members Present: David Curry, David Shagoury, Dean Stimpson, Adam Buehne, J. R. Jones, David Swenson

Also Present: Town Administrator (TA) Alison Webb, Police Chief Shawn Bernier, Fire Chief Peter Varney, Road Agent Michael Clarke, Town Clerk Carole Ingham, Financial Assistant Vickie Blackden, Deputy Fire Chief K. G. Lockwood, Cathy Orlowicz, Don Vachon, videographer Jim Ladd, recorder Cathy Allyn

1. Call to Order – Budget Committee Chairperson David Curry called the meeting to order at 7:02 p.m. Board of Selectman Chairperson David Bickford called the meeting to order at 7:02 p.m.

Members introduced themselves. Chair Curry clarified that the Budget Committee heard the financial aspects of the requirements and objectives of the Town departments. He said department heads are to present those desires and requirements to the committee, which then presents them to the taxpayers as the budget.

2. Approval of Minutes – Motion by Selectman Terry Jarvis to approve the Budget Committee minutes of the meeting of July 11, 2012, as written; second by David Shagoury. Dean Stimpson and David Swenson abstained. The motion carried unanimously.

3. New Business

2013 Budget Schedule – Committee members reviewed the schedule Chair Curry put together and made no modifications.

Projects - Chair Curry explained the tools used to help funding plans, citing the CIP and road surface management plan as driving forces. Town Administration (TA) Alison Webb said the CIP will be finalized at the last meeting of that committee on October 8, 2012. Selectman Jarvis said the CIP is adopted by the Planning Board.

Chair Curry said the CIP outlines expenses for the Budget Committee and the BC either supports it or not. He said he wanted to ensure the CIP was on time for department discussions. TA Webb said department heads are aware of what needs to be replaced. Selectman Jarvis said the CIP would go before the Planning Board on October 16, 2012.

TA Webb updated the BC on Town Hall repairs. She said the basement project is completed and there is much less water evident. She said the other projects are on hold as she is soliciting quotes and is planning to apply for an LCHIP grant. She said regrading would be done in October.

Selectman Jarvis said she reduced the energy audit report and the Town Hall HSR to a few pages. She suggested finishing all recommended projects, excluding two expensive ones. Chair Bickford said the basement windows needed to be replaced. David Swenson asked if the money budgeted for Town Hall repairs this year had to be used this year. Selectman Jarvis said Town Hall repairs were figured into the operational budget, but monies could also be taken from the building maintenance CRF. Chair Curry said the money was budgeted, but not obligated.

Other projects discussed included the highway department's planned addition and garage roof, an LCHIP grant application for the 1772 Meetinghouse, space needs at the library, and the need for a training/work-out room for the police station. Police Chief Shawn Bernier said new regulations require

PT testing every three years for officers. Fire Chief Peter Varney said the fire department has PT needs also. He said donated equipment is being stored at the fire station. Chief Bernier said the police garage interior needs to be finished. Chair Curry said that might come from the building maintenance fund.

Chief Varney reported that coverage in the Second Division by Wolfeboro is getting thin. He said plans to provide a fire station in that area might therefore be accelerated. He said there was interest in serving on the department by people in Copple Crown. He said the ambulance and truck #1 are due to be replaced, and they could go to that station. He said he was looking at a steel, two-bay building. Chair Curry told him to commit that plan to a detailed proposal for the BC.

Selectman Jarvis mentioned overcrowding at the library. Chair Curry stated department heads should define requirements and then the BC would work on it.

Employee Salaries and Wages – Chair Curry mentioned the two per cent increase across the board last year and said the Town was supposed to have a performance assessment. TA Webb said an evaluation process was being developed. She said employee evaluations are due the end of September. She said she discouraged the Board from moving to a merit based system. She said she did not want to tie performance to money the Board essentially had no control over. She said the department heads know who is deserving of a raise or if it is time for an increase, so they can recommend to the Board by putting it in their budgets. The Board can then approve the recommendations or not.

Mr. Stimpson said if an employee is not performing well, there should be no raise. TA Webb said a Cost of Living Adjustment is a different discussion. She noted that some employees are below where they should be, and the department heads could justify increases to the Board.

Selectman Jarvis said MRI has been reviewing the Town's step program and the Board met with its CEO. She said evaluations are evolving into a tool based on job descriptions, and it is taking more time and effort than anticipated. Chair Bickford said he proposed putting aside two per cent for a pool available for raises and the Consumer Price Index increase, which is at 1.85 from 2011. Chair Curry asked when the Board would make its decision.

Selectman Jarvis said the Town is still behind in keeping pace with the CPI. She cited a lag of 4.79 from 2009. In response to Mr. Swenson's question regarding comparable towns, she said salary scale studies were done in 2008 and 2010. Road Agent Mike Clarke said he was concerned about the health insurance increases. He said last year's increase practically made a wash of the raise and this year it is projected to jump 14 per cent. TA Webb said the figure was a projection, as the Town currently has no idea of what it will be.

Chair Curry said the BC does not want pseudo-math on wages. He explained that over the years, the BC has started earlier to decide planning parameters. He said benchmarking was important regarding salaries, but the BC was interested in financial impact. He said comparison studies have a shelf life. TA Webb said town positions were all over the place in those comparisons. Chair Curry said there are all sorts of ways to pay and COLA is not mandatory.

Selectman Jeff Kratovil said his personal belief was that the cost of health care was increasing and Town government would be unable to keep up. Regarding comparable towns, he said comparing positions wasn't comparing performance. His proposal was to figure every three or four employees evaluated by a department head who deserve a raise. He said that he would leave the decision to the department head.

RA Clarke said not all employees were on the 2008 study pay scale. Selectman Kratovil said once an employee leaves, adjustments could be determined.

Chair Curry said the Board needed to decide on a performance or awards system. He said the BC was looking for a planning figure. Adam Buehne said the Board told the BC three years ago that it would move on a process, but that has not happened. He said the Board is voicing the same comments and views, and still talking. He suggested the Board tap into other sources, such as businesses, and come up with a functional program. Chair Curry brought up a study committee of volunteers to give the Board models to consider.

Selectman Jarvis wondered if DRA would allow holding a certain percentage of the total in an account from which raises could be pulled, so department budgets could be figured. She said raises would come from that separate account. Chair Curry said an award, rather than a base pay bump, would not affect retirement, etc. Cathy Orlowicz said something needs to be in place so people know.

Chief Varney said the 4.75 lag in the CPI needs to be made up before discussing anything else. Chair Curry said the middle class is losing ground. He said the BC's job is to determine what the town can afford. Mr. Swenson said a fixed revenue is to be made equitable to services and employees. Chair Curry advised that a budget is just an intent.

The Board and BC reviewed TA Webb's projected total compensation for wages and benefits compared to last year's budgeted amounts. The projected 2013 figures were based on the highest possible health insurance increase, the same 10 per cent increase in dental insurance that the Town saw last year, a two per cent increase in unemployment compensation, and not-to-exceed rates for Property and Liability and Worker's Compensation. That reflected a change of \$56,125 in total compensation, including adjustments to retirement, etc, and \$4,460 in a two per cent increase cost.

4. Adjournment

Motion by Mr. Shagoury at 8:18 p.m. to adjourn; second by Mr. Buehne. The motion carried unanimously.

Motion by Selectman Jarvis at 8:18 p.m. to adjourn; second by Chair Bickford. The motion carried unanimously.

Respectfully submitted,

Cathy L. Allyn

A video recording of this meeting is on file with the Office of Town Clerk, is available for public viewing during normal business hours, and will be retained in accordance with the New Hampshire Municipal Records Board rules established under RSA 33-A:4, or for a minimum of 24 months.