

**Minutes
Nottingham Selectmen's Workshop
October 30, 2014**

8:00 AM Chair Carpenter opened the workshop.

Members Present: Mark Carpenter, Mary Bonser and Donna Danis

Others: Chris Sterndale – Town Administrator, Dawn Wirkkala – Secretary,

1ST DRAFT BUDGET REVIEW:

Mr. Sterndale reviewed his proposal for salary increases, which changes from an annual standard COLA increase for staff to a merit based/job performance method. He is proposing a small COLA for 2015 with additional merit increases on the employee anniversary hire date based on their performance review. There will be a grouped merit pool for annual raises, split between departments and employees.

Employees will be provided a list of goals and expectations during their annual review, the merit amount will be based on a rating of completing those goals and job performance. The change, based on request of the Selectmen, will reward employees who meet and exceed job expectations.

The Selectmen agree the merit must be based on a non-arbitrary basis, rewarding positive and successful job performance.

Mr. Sterndale reviewed his proposal for employees paying a higher share of insurance premium while increasing salary; the Town is currently low on wages but high on insurance benefits. The Selectmen were presented the option of implementing the changes in a gradual method or implementing them all in one year. There are additional tax and retirement expenses that will come with this type of change possibly dictating when the change should be applied.

The Selectmen agreed it might be better to complete the change in payment of insurance premiums process in one year with thorough explanations, documenting the change so employees realize they are not losing money on the change. Ms. Danis recommended supplying the Budget Committee with an example of how the changes will be implemented with an imaginary employee example.

Mr. Sterndale stated insurance premium may drop this year based on initial input. A possible reason is increased competition and more people joining insurance pools.

Chair Carpenter suggested putting the COLA amount into the merit pool, with the adjustment for the insurance premium and the COLA. Ms. Danis suggested keeping the COLA because it makes sense for this year. Chair Carpenter stated this method will include three changes regarding salary; COLA, merit and insurance premiums.

The Selectmen agree removing the COLA and using a merit pool is a much better option to establish better work performance.

Chair Carpenter asked if the Town needed to worry that our plan would be exposed to the Cadillac plan provisions. Mr. Sterndale stated it is not likely.

Mr. Sterndale reminded the Selectmen the budget is a draft and some amounts are expected to change. The current budget includes salary amounts with a 1% COLA and the proposed changes in merit increases and benefits; all other amounts from the larger departments include the amounts proposed by the Department Head. The draft does not include warrant article amounts. The Selectmen will meet with Department Heads over two meetings on November 5th and 10th.

Chair Carpenter suggested capping the amount of money being included in the Cable Franchise Fund to \$25,000.00 and using the remaining funds for the Marston property project. Ms. Danis and Bonser supported the idea. General discussion took place about the Marston plan, including the location of ball fields and additional funding options. Ms. Danis wanted to make sure the Town has

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the ability to try and more accurately estimate the amount needed for improvements at the Marston Property.

Ms. Bonser wanted to make sure a plan is developed that will ensure that there are funds available for repair and replacement for cisterns; working with both the Fire Chief and the Planning office to determine the specific information. Mr. Sterndale stated the 1st draft does not include a strong effort to include the warrant articles, because of the unknowns for what else might come in. Liability insurance premiums will go up because the "payment holidays" are over. 2015 is the Town revaluation year with a capital reserve fund of \$60,000.00 as of 2014 and an additional \$20,000.00 needed for funding.

Legal has been reduced, but it will include an amount with the consideration of sale of Town property.

The only significant change in Personnel will be the change in part-time hours for the Police Department from 400 hours to 1000 hours, increasing the department to 24 hour a day seven days a week coverage.

Record archive storage has been built into the budget, across a couple different accounts, with an estimated amount of \$9,500.00.

There is only one election taking place in 2015; however their current amount includes the new election equipment purchases. Additional information about the required number of booths versus voters will be coming; what is required by law versus what will be enforced.

Heating oil is locked in at a lower rate; diesel is not; electricity will remain the same rate until March 2015 when we will go back to PSNH for the supplier side. It is more difficult to establish exact changes in the amount because it isn't only the usage cost, especially with the smaller facilities and a three year average was used.

Chair Carpenter asked to review all the buildings the Town is maintaining. Ms. Danis stated the review should include a breakdown of each building, the cost to maintain the building and the uses and users of the building to determine future actions for the building.

Mr. Sterndale stated the workers compensation insurance has been increasing, 2015 significantly, especially with the reduction of the payment holidays. The claims history isn't hurting the Town, but workers comp, along with PLT is taking advantage of the standard increase of 10% agreed upon in the last contract. The Town Administrator will put these insurances out to bid early next year for possible better options in 2016.

Ms. Bonser suggested recognizing departments and employees that don't have any injuries with some type of additional benefit.

The budget includes additional amount for computer software and equipment upgrades, making it more current, for the Police Department, Town Offices and Fire Department.

There are some vehicle payments being completed in 2014, reducing the total debt. Additional information will be coming on Fire Department vehicles, and 2015 includes a warrant article amount for a small truck and then possibly a ladder fire truck in 2016. Chair Carpenter stated a lot more discussion is needed.

The Highway Department amounts have been changed to reflect what is actually being spent in each category, hopefully meaning less movement between account amounts. Chair Carpenter stated he is concerned about trying to keep the budget line steady and decreasing the number of roads being maintained. Despite reassurance from the Road Agent a more detailed picture is needed for what needs is taking place and what needs to be completed for road maintenance. Mr. Sterndale

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stated work is continuing with the Road Agent to try and provide a better picture of what has been taking place.

Chair Carpenter stated he has requested a vehicle maintenance history to justify vehicle replacement and it should be applied to all departments, including highway.

Recycling Center includes the amounts for a new baler, from the CIP proposal, additional work hours for building maintenance and building improvements and moving the overhead door.

Chair Carpenter stated the Planning Board should plan to justify all the amounts they are requesting, for example, to ensure we are not double counting funds for Strafford Regional Planning. The Selectmen requested detailed explanations of all their expenditures.

Mr. Sterndale reviewed some of the shifting amounts between the Recreation Department account and the Recreation Revolving Account, including salary and beach lifeguards. These changes apply expenses to the Recreation Revolving Account for staff and activities that are used for specific activities and that collect fees. This method is making some of the transition cleaner and easier to understand. Additional data will be coming regarding program participation and expenses.

The Library amounts have been received, but still need to be reviewed by the Library Trustees. Landscaping of the Library still remains an unknown at this time. It was stated the Selectmen have budget approval over the amount being requested to the Library. However, despite no control over how the amount is spent by the Library, changes in the accounting system will provide more information about their actual expenditures; with the Library Fund.

Ms. Danis asked if there are any significant things causing concern. Mr. Sterndale stated he is not overly concerned, but will be reviewing the utility amounts for heating and other fuels. Additional items for additional consideration later in the budget cycle include a new roof for the Town Offices, replacing the 5-year old Town computer server, Library invasive species/landscaping and the back area of the Town Offices.

Health Officer Appointment:

Motion: by Ms. Bonser, second by Ms. Danis to appoint Paul Colby as the Nottingham Health Officer.

Vote: 3 – 0 in favor.

ADJOURNMENT: Having no further business,

9:15 AM Motion: by Ms. Bonser, second by Ms. Danis to adjourn.

Vote: 3 – 0 in favor.

Respectfully Submitted,

Dawn Wirkkala