

1 **DRAFT**
2 **Minutes**
3 **Budget Committee**
4 **Town of Sandown, NH**
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7 Meeting Date: Wednesday, December 7, 2016
8 Type of Meeting: Regular Public Meeting
9 Method of Notification: Public Posting – Two locations at Town Hall
10 Meeting Location: Sandown Town Hall, Upper Hall
11 Present: Stephen Brown-Chairman, Michael Costanzo – Vice-chair, Lee
12 Dube, Sue Reynolds, Fran Rosenau, Lorna Walker, Tom
13 Tombarello (Selectmen’s Representative)
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15 Recording Secretary: Cheryl Eastman
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18 Steve called the meeting to order at 7:00. The pledge of allegiance was said.
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20 The Committee reviewed the minutes of November 30 and November 16. **Lorna made a**
21 **motion** to accept the minutes of November 16 and November 30, 2016. **Motion seconded** by
22 Sue. All voted in favor. **Motion carried.**
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24 **Health & Human Services # 4415**

25 Lynne Blaisdell presented the budget. Lorna asked why some lines weren’t funded for 2016 or
26 2017. Lynne explained that some years some agencies had not asked for funds. She added that
27 for 2017 Lamprey Health Care had requested \$2,781 but the Board of Selectmen reduced that
28 amount to the same \$1,200 that we had been funding for them over recent years. Community
29 Health Services of Derry has so far not requested funding from Sandown and Lynne contacted
30 them because they do provide a lot of services for Sandown that helps to reduce the
31 Community Assistance budget. She is hoping they will make a request before the public
32 hearing. **Tom made a motion** to accept the Health & Human Services budget with gross
33 expenses of \$17,893, revenue of zero, and net expenses of \$17,893, pending further review.
34 **Fran seconded** the motion. All voted in favor. **Motion carried.**
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36 **Community Assistance #4445**

37 Lynne Blaisdell presented this budget. The request for 2017 is the same as 2016. Actual
38 expenses have increased over the last three weeks because of a homeless case, but Lynne
39 doesn’t foresee needing any additional funds. She also doesn’t want to cut the budget at all.
40 Lee commented that there seems to be a lot of money in some of the lines such as electricity,
41 propane, mortgage, and rent that doesn’t get spent. Lynne said that those lines are the

42 majority of the usual expenses and a single case could easily be \$700-800 at a time. This
43 budget is a total guess because there is no way to anticipate how many cases will be coming in.
44 She currently has a case pending that may end up spending \$1,000 on a mortgage. Usually by
45 the time people come in for help with their mortgages it is already too late because they are
46 too far behind. **Michael made a motion** to accept the Community Assistance budget with gross
47 expenses of \$9,251, revenue of zero, and net expenses of \$9,251, pending further review.
48 **Motion seconded** by Sue. All voted in favor. **Motion carried.**

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50 **Police #4210 Revisited**

51 Chief Joe Gordon presented a revised Police budget. He said he has a plan for re-organization
52 of the department. When he started doing some research for this plan, he realized that non-
53 union members of the department are tremendously under paid. He looked at 21 other
54 agencies in the local area and determined that Sandown has the lowest paid employees out of
55 all 21. He presented a spreadsheet to the Committee showing the results of the survey. He
56 brought this information to the Board of Selectmen on Monday night and outlined a plan to
57 bring 4 positions up into the "average" pay range. The total cost for these increases is
58 \$54,462.40. This covers the salaries of the Chief, Lieutenant, Max Sgt, Min Sgt, and overtime,
59 taxes, and NHRS costs. The Board of Selectmen have accepted this plan and the proposed
60 increases will be effective 1/1/2017. This plan will move one member out of the union to go
61 into the Leiut position, so the resulting cost savings out of union benefits will help offset the
62 added costs. Joe said that he has been here for 13 years and has been underpaid for all 13, as
63 well as the position under him. Joe said the Board of Selectmen felt it was time to make a step
64 to make things better for all the employees in Sandown and have hired a consultant to perform
65 a salary study for the whole town. Joe is asking the Budget Committee for their approval on the
66 revised budget. Steve commented that this discussion with the Board of Selectmen on
67 Monday was done in a non-public session. No one got to hear the discussion and he doesn't
68 know why. Tom said that the discussion involved names of particular employees and because
69 part of the conversation was about hiring a potential new patrolman. After the Board of
70 Selectmen came back into public session, they announced what had been decided. Tom said
71 that a wage study was supposed to be done a while ago but it never happened, so the Board
72 hired someone Monday night to do the job. The Selectmen found the \$2,900 in the budget to
73 pay for the wage study. Tom said he would have been in favor of doing half the increases at a
74 time, but it would have cost the employee more money than they would be receiving to come
75 out of the union to take these positions. Steve had said at a prior Budget Committee meeting
76 that salary levels were the purview of the Board of Selectmen, and the Budget Committee has
77 the ability to fund the amounts or not. Tom said that he is nervous about the prospect of a
78 default budget because the raises are effective Jan 1 and if the budget fails where is the money
79 coming from? Steve agrees that something needs to be done, but that there are other
80 employees that feel they are underpaid as well. If one person asks for a raise it will open the
81 door to everyone coming in to ask for a raise. Steve said he cannot support a raise for a few
82 employees and would like to see the results of the town-wide survey before changes are made.

83 Chief Gordon said that the Board hired someone to do the entire survey after he had already
84 done his research. He agrees that it cannot be all fixed with a lump sum but we need to start
85 picking away at the problem a little bit at a time. Steve said again that an increase in the
86 budget of \$54,000 for only 4 people is incredibly unfair to the other employees. Steve asked
87 Joe why all the other employees should get nothing this year. Joe said they should have done a
88 study and presented it like he did. Michael said he doesn't agree with the average calculation.
89 If he looks at 5 similarly populated towns and calculates the mean of those, the result is lower
90 than the average number that Joe has quoted. He added that you can't compare Sandown to
91 Salem, Exeter, Portsmouth, because they are totally different demographics. Michael said it is
92 hard to justify it to the taxpayer. He doesn't disapprove of pay raises, but maybe step them in
93 over a time period and the numbers need to be revised. Joe said he could provide information
94 from any town in New Hampshire and he would get the same results. Lee said that the Chief
95 definitely brings value to the town and it weighs on him that we are that far behind in wages.
96 He feels that to do a proper salary study you need to look at job titles, what is required for the
97 job, and demographics. He agrees that a Patrolman's duties may be the same anywhere, but
98 the variable is the level of risk and the amount of calls, dispatches, and the severity level. Using
99 Seabrook, Salem, and Portsmouth skew the averages. Joe's low wages drag down the averages
100 as well. Lee would like to compare towns of similar size and location. He wants to look at the
101 median, not the averages. The Chief said the increases don't have to be the numbers he is
102 suggesting. Joe is trying to start the ball rolling and welcomes someone throwing out another
103 number. Sue said she agrees that the Police Department is grossly underpaid, but she cannot
104 support a \$54,000 increase for 4 employees. She feels it is unfair. Steve asked Joe why we
105 have to fix it all at once. Why can't we wait to see what the salary study shows? Joe said that
106 could be three years out. Lorna said she would like to see the results from the salary study and
107 come up with an incremental plan. Michael asked if the Chief had any ideas to help offset the
108 cost increases. Joe said he has \$71,000 left in his budget with 2 weeks left to go. He has been
109 crunching to save money. Lee questioned the validity of the results of the salary study that will
110 be done. Will they be looking into town budgets info as well? Tom said that this man has been
111 doing this work for 29 years and has said that the results should be back in about 4 to 6 weeks.
112 Joe commented that the results will not be back in time to make adjustments in the 2017
113 budget, so no changes will take place until 2018. Lee said he is concerned because having
114 employees that feel they are underpaid leads to frustration, resentment, and finally attrition.
115 Lee feels he is not ready to make any decision tonight. He would like the Chief to concentrate
116 his comparisons with Auburn, Chester, Danville, Epping, Fremont, Hampstead, and Plaistow. He
117 wants to see median salaries across the pay scales. Joe said he is fighting for his four
118 employees. Lee said that the Committee is fighting for the whole town and all the other
119 employees as well. Fran said that she did not want to see comparisons to places like
120 Portsmouth or Manchester. She would like to see only comparables with similar demographics
121 and population. Joe said he is looking to support the three people that are looking to retire
122 soon. After they leave, the Board can fill the positions at whatever pay the Board wants. He
123 added that the Union negotiations will be taking place next September and he is not sure where

124 that will lead either. Steve asked Joe if this is all based on the fact that Joe's retirement
125 benefits are based on his three highest earning years. Joe said yes, and that he realizes now
126 that he should have been paid at least \$1.00 more per hour over the last 10 years. Joe added
127 that the Board of Selectmen made a decision to grant the increases effective 1/1/17. Steve said
128 if the Budget Committee doesn't fund the increases, it is up to Joe to find the money
129 elsewhere. Lee asked if he wanted to forgo the cruiser to cover the costs, if necessary. Lee
130 said this is the second time something like this has happened. The Board can adjust salaries,
131 but he is disappointed in the Board of Selectmen to not look into the issue further before
132 deciding. Fran thanked the Chief for putting in the research and wished that others had done
133 it too. Lynne commented that as a Department Head, she has put figures like these together
134 many times, sometimes for individual Board members, sometimes for the full Board. In 2015
135 the Board said a study would be done and to wait for the results. The employees waited, and
136 waited, but there was no more action. During the summer of 2016 we looked for other
137 options. We were promised something and we waited, and waited. She wishes now that she
138 had done the same thing that Joe did, but she waited like she was told to do. Michael stated
139 that the Committee should look at re-opening some of the budgets to look for some savings.
140 Joe suggested that he buy the new cruisers this year so that those funds can be taken out of the
141 2017 budget. Lorna said that since the Board of Selectmen voted to grant the increases as of
142 Jan 1, can the funds needed come from the Selectmen's budget? Tom said no. Sue questioned
143 Michael that he wants other Departments to come back and look for savings to fund this?
144 Steve said he is not ready to vote on this budget tonight. Lee said the raises are already
145 approved, it is going to happen. **Lee made a motion** to change the payroll line to \$517,255.
146 **Tom seconded** the motion. Michael said he could support adding \$27,000 but not the full
147 amount. Voting in favor of the motion was Lee, Tom, and Fran. Voting no was Lorna, Michael,
148 Steve, and Sue. **Motion failed.** **Lee made a motion** to increase the OT line to \$33,125. **Motion**
149 **seconded** by Tom. Voting in favor was Lee, Tom, and Fran. Voting no was Lorna, Michael,
150 Steve, and Sue. **Motion failed.** **Lee made a motion** to reduce the Grievance line to \$249.
151 **Motion seconded** by Tom. Lorna questioned what the reduction was for. Joe explained it was
152 the reduction to lines that are driven by Union payroll, including Grievance, Incremental Sick
153 Days, and Educational Incentive. The reduction is a result of removing an employee from the
154 union. **Lee withdrew his motion.** **Lee made a motion** to table the budget until the public
155 hearing. **Lorna seconded** the motion. Sue asked if the Committee is going to have another
156 meeting to go over warrant articles, can we add the Police budget onto that meeting? **Lee**
157 **withdrew the motion.** **Lee made a motion** to table this budget until the warrant article review
158 meeting, or the public hearing, whichever comes first. **Lorna seconded** the motion. All voted in
159 favor. **Motion carried.**

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161 Benefits #4155

162 Cheryl presented the budget. This budget includes increases based on the increases granted to
163 the Police employees as voted by the Selectmen. The entire budget consists of payroll taxes and
164 NH Retirement benefits that are calculated off payroll, and the health insurance benefit. The

165 Board of Selectmen has chosen a new health plan since the company we were dealing with no
166 longer does business in NH. The increase was 55% over last year's rates, but the Board of
167 Selectmen discontinued the Health Reimbursement Account (a savings of around \$34,000) to
168 help cover the cost increase. **Tom made a motion** to accept the Benefits budget with gross
169 expenses of \$552,654, revenue of zero, and net expenses of \$552,654, pending further review.
170 **Lee seconded** the motion. All voted in favor with the exception of Sue. **Motion carried.**

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172 Lee cautioned the Committee that the total cost impact of the Police increases with payroll and
173 benefits costs is \$69,000. That is the amount that needs to be found elsewhere. Lynne added
174 that when we get closer to the end of the year, if there are surplus funds left in the budget we
175 may be able to encumber some funds for some projects so we can pull those funds out of the
176 proposed 2017 budget. We won't know until we get closer because it depends a lot on the
177 weather.

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179 Steve called a meeting on Wednesday, Jan 4 at 7:00 p.m. to review the warrant articles and
180 revisit the Police budget.

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182 At 8:47 Steve adjourned the meeting.

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Respectfully Submitted,

Cheryl Eastman