

DRAFT MINUTES

BUDGET RECOMMENDATIONS COMMITTEE MINUTES

October 26, 2011

Chairman Don Brabant convened the Budget Recommendations Committee at 8:30am in the Nowak Room of the Town Office. The members of the Committee and Board of Selectmen present are: Carol Aten, Mark Leighton, Bob Kelly, Corey Stevens, Harry Thayer, Don Woodward, Allen Corey, Dan Chartrand, Board of Selectmen Chairman Bobby Aldrich, Vice Chairman Matt Quandt, Selectwoman Julie Gilman, Selectman Don Clement, Clerk Frank Ferraro, Finance Director Doreen Ravell, Staff Accountant Laura Hill and Town Manager Russell Dean.

Mr. Brabant began by saying that the goal of this committee is to achieve a budget for 2012 that will be able to cover the town's debt service and approved warrant articles. Mr. Thayer reminded the committee that the water sewer budget combined with the general fund budget number is the reason that the town voted for the default budget last year, but that some residents do not understand that the water sewer budget is paid for by the ratepayers. Mr. Dean said that last year the town of Milford separated their water, sewer and general fund budgets for the warrant but that there was no RSA to support the separation so they have to change back this year. Mr. Brabant asked if the water sewer budget could be an enterprise fund and whether that would require a legislative change. Mr. Dean said it was possible and there are models for separate village districts and then only rate payers would vote on water sewer issues. Mr. Chartrand said that he would be in favor of separating these budgets, especially when it comes to items like the recent water sewer requests from the town of Stratham.

Mr. Kelly said that the DPW subcommittee has met twice and has gone through the budget and CIP items, but they need one more meeting to finish up. Ms. Aten said that the Human Services subcommittee has reviewed the requests and a summary has been prepared. Mr. Thayer said that the Police and Fire subcommittee will be meeting on Monday. Mr. Brabant said that his goal for the Budget Committee this year is to reach a budget of \$16,528,606.

Ms. Ravell said that the latest budget reflects \$109,000 less since the final numbers for health and dental insurance have been received for 2012. They were projected at 12% but the numbers came in significantly lower. Mr. Brabant noted that the budget that was distributed to the committee is \$500,000 more than last year and that he would like to see it get down to last year's number. Mr. Ferraro asked if the Budget Committee should wait to get a target budget number from the Board of Selectmen before they set a goal. Mr. Brabant thought they would have that number on Monday. Mr. Clement noted that the assessor is reporting that \$17 million has been added to the tax base. Mr. Thayer said that just because the tax base went up, it does not mean that spending should go up. Mr. Clement said that wages are up by 1.75% (\$121,529) and that is still less than a COLA increase. Mr. Kelly said that a 3% increase in wages represents a good job by the staff.

Mr. Brabant said that he is still waiting for some direction from the Board of Selectmen, Mr. Aldrich said that the Board is all here and willing to discuss the goal. He admits that it is hard to reduce the budget by \$500,000 but the Board is willing to listen. Mr. Thayer said that the goal is a good one. He is not sure it is possible, but is willing to try. Mr. Dean asked if there is a percentage goal that he can use to have the departments review their budgets for more possible reductions. Mr. Ferraro thinks the goal should be set at \$16,528,606 and we should ask the departments to find cuts. Mr. Clement said his goal is \$16,800,000 after looking at the 2011 budget and considering the paving budget. Mr. Stevens notes that there are \$300,000 in DPW vehicles that have been added to 2012. Mr. Dean said that DPW replacement vehicles were not approved in past years while police and fire vehicles have been approved. DPW is in need of the new dump truck and sidewalk tractor this year.

DRAFT MINUTES

Human Resources

Human Resource Director Donna Cisewski appeared to talk about her department over the last year. She worked on the new Safety Handbook with a committee of town employees and selectmen. It is now approved and distributed. She is currently working on the Personnel Plan. It has been reviewed for compliance with Federal, State and Local mandates, and she hopes it will be completed soon. She has attended a series of Leadership workshops at Local Government Center and will be taking HR certification classes to belong to a Public Employee HR group in 2012. In the coming year she will be updating job descriptions and a classification study will help going forward. Many of the positions have changed over the years and have changed responsibilities and duties. This project will last most of 2012. She will also look to update the employee badge program. The current system is old and failing and using a company that will print the badges for us means that we do not have to purchase any large equipment.

Mr. Thayer asked why a new merit program and employee relations are separate. It seems to be employee recognition in 2 places. Ms. Cisewski said that the employee relations account covers administrative costs for the flexible spending accounts, years of service recognition, benefits fair and badges. Mr. Ferraro asked what the merit program is. Mr. Dean said that this is his initiative and it is designed to give one time payments to non union personnel of up to \$500 for work performance. Mr. Brabant does not believe that this item should go to the Budget Committee before it is heard by the Board of Selectmen.

Mr. Brabant moved to remove the merit program from the budget. Mr. Woodward seconded. Vote: Unanimous.

Mr. Stevens asked when the last classification study was done and how extensive it was. Ms. Cisewski said that it was last done in 2009 and was specific to a few positions. This study would cost \$13,000 for the classification study and position updates. Mr. Brabant asked if this will change pay grades. Ms. Cisewski said that it is possible, but not likely. Mr. Thayer said that the cost of this study breaks down to about \$100 per employee and wonders why it cannot be done in house with HR and Department Heads. Ms. Cisewski said that the people at LGC are trained to do these reviews and that the cost is less than a private company doing the work since the town is a member at LGC. Mr. Dean notes that the last full classification study was done in 2001. Ms. Gilman added that many of the job descriptions are similar but offer different pay in prior reviews. Mr. Chartrand said that it makes sense to get caught up and stay current with classification. He thinks it sounds like a good management plan. Mr., Thayer asked why not budget for half this year and half next. Ms. Cisewski said that she knows the project will be lengthy and the they may not get halfway completed this year, so she is willing to adjust the request of it makes sense.

On the subject of the 6 requested AED units, Ms. Cisewski said this is a Safety Committee initiative. Training will be by the Fire Department and she thinks maintenance will also, but has to check. Ms. Gilman asked if there is a benefit to the Town in liability insurance. Ms. Cisewski will check into that. Mr. Kelly is not sure all 6 are necessary. Mr. Stevens asked if the Safety Committee will have requests every year. Ms. Cisewski said that they will likely have other requests, but they will probably be smaller than this one. Mr. Brabant asked why a new line item is being put into the budget when the individual departments could add them to their budgets as needed. Mr. Thayer thinks life saving equipment should come from the ambulance account.

DRAFT MINUTES

Mr. Thayer moved to remove the AED units from the Human Resource budget. Mr. Corey seconded. Vote: Unanimous.

Mr. Thayer moved to approve a Human Resource budget of \$83,002. Mr. Stevens seconded. Vote: Unanimous.

Building Department

Mr. Eastman said that in the past year, the Building Department compared their fees with other communities and they have proposed an update to their fee schedule. He handed out a list of revenues for the department. Mr. Thayer asked how the department can absorb the higher cost of fuel. Mr. Eastman said that not all driving is for inspections so they have to be more conscientious and remember to ride with others. He says he can sympathize with homeowners who are not pleased with the fee increases. Mr. Dean said that since the fee increases do not cover the actual Building Department expenses, raising the rates are acceptable business. Ms. Aten said that a homeowner's investment in their property is their choice and that the fees are part of that investment.

Mr. Thayer moved to support increase in fees for the Building Department. Mr. Woodward seconded. Vote: Unanimous.

Mr. Ferraro asked if the town uses one provider who offers discounts to us for cell phones. Mr. Dean said that they are revising the policy and that most departments use Verizon and that all together the town spends about \$13,000 per year on cell phones. Mr. Brabant noted that it is good to look at common categories between departments and try to get good deals.

Mr. Thayer moved to accept a Building Department budget of \$221,178. Mr. Chartrand seconded. Vote: Unanimous.

Assessing

Assessor John DeVittori is not available so Town Manager Russell Dean will present the Assessing Budget. Mr. Dean gave an overview of the department's budget. Mr. Ferraro noted that the Conference line item was funded but not used. Mr. Dean said that if regulations change, these would be needed, so he suggested that they continue to be funded. Mr. Chartrand asked if the items were not funded, but then needed, could the money be spent. Mr. Dean said that the item would have to be charged to some account. Mr. Ferraro suggested cutting these line items in half, still leaving money in them just in case.

Mr. Woodward moved to change lines 205-5810 and 205-5820 to \$150. Mr. Corey seconded. Vote: 7-1. Motion carries.

Mr. Kelly asked why not level fund Assessing at 2010 budget and the assessor can work out the details.

Mr. Thayer moved to fund the Assessing Department at \$210,628. Mr. Kelly seconded. Vote: Unanimous.

Board of Selectmen

Mr. Thayer moved to reduce 100-5810 to \$250. Mr. Woodward seconded. Vote: 4-3. Motion carries.

DRAFT MINUTES

Mr. Thayer moved to recommend a total Board of Selectmen budget of \$20,775. Mr. Stevens seconded. Vote: 6-1. Motion carries. Mr. Chartrand is opposed.

Town Manager

Town Manager Russell Dean gave an overview of his budget. Ms. Ravell mentioned that Mr. Dean had declined to take the raise that is in his contract this year, and that his cell phone reimbursement is taxable.

Mr. Chartrand moved to accept the Town Manager budget as presented. Mr. Thayer seconded. Vote: Unanimous.

Town Office

Mr. Dean gave an overview of the Town Office budget. He mentioned that the Town Report will have a reduced number of printed copies next year due to the surplus of printed copies in recent years. Since the Town Report is available online, many people view it that way. There was some discussion regarding the secretarial position in this budget and Mr. Brabant suggested leaving the Town Office budget open until the end of the budget process in order for the details to be worked out for recommendations.

Mr. Woodward moved to leave the Town Office budget open until a later date. Mr. Leighton seconded. Vote: Unanimous.

The Budget Recommendations Committee stopped for a lunch break at 12:15pm.

The Budget Recommendations Committee reconvened at 1:00pm.

Planning Department

Town Planner Sylvia Von Aulock gave an overview of her department. Mr. Thayer said that it appears that the vacation replacement account is not being used.

Mr. Thayer moved to remove the Vacation Replacement line item for \$1,150. Mr. Corey seconded. Vote: 7-1 with Mr. Woodward opposed.

Mr. Stevens noted that historically the Part time account is not fully spent and Mr. Thayer said the printing budget is also under spent and should be lowered. Ms. Von Aulock asked that the printing budget not be decreased because there is a lot of printing to be done. Mr. Brabant saw that the postage account is also under spent each year. Ms. Von Aulock said that December is a busy month for postage. Mr. Leighton asked how the Adobe software will help if it is approved for the budget. Ms. Von Aulock said that Barb and Chris will be able to do more publishing for reports and that she and Natural Resource Planner Kristen Murphy will have PDF capabilities that they do not have now. Ms. Aten asked if the software is being purchased at a discount and Mr. Dean said it is a government discount. Mr. Brabant asked if this purchase will lead to requests for computer upgrades, and Mr. Kelly suggested that one of each kind of software instead of 2 may be a good start.

Mr. Kelly moved to buy one of each software program, reducing 301-5680 to \$1648. Mr. Thayer seconded. Vote: 6-2. Motion carries.

DRAFT MINUTES

On the subject of the GIS software request, Mr. Stevens asked how this would affect the department. Ms. Von Aulock said that having the correct data at all times is essential to their jobs. Mr. Thayer asked if data is shared between departments and Mr. Dean answered that each department focuses on different aspects of the data. IT Director Andy Swanson said that GIS is presented with a list of changes from departments each year and that we are charged per change. Some areas have been more problematic than others, and there are mistakes in the software that needs to be corrected. Mr. Kelly said that the town already spends money from other departments on GIS, so why not try to make changes using those budgets. Ms. Aten suggested adding older errors in with newer changes for a year and seeing how that works. Mr. Thayer suggests eliminating the \$5,000 request in this budget and have the department try to resolve some of the issues with current resources.

Mr. Chartrand moved to zero out line 301-5681. Mr. Kelly seconded. Vote: Unanimous.

Mr. Thayer notes that the conference budget is historically lower than budgeted. Ms. Von Aulock thinks the numbers are wrong and asks Ms. Ravell to review it. Mr. Stevens asked why the Studies budget is increasing when it was not spent in 2011. Ms. Von Aulock said there were no grant applications this year whereas there were a lot last year. This is for the matching grant funds in order to qualify. This will help with an energy chapter in the Master Plan.

Mr. Kelly moved to reduce 301-5010 and 301-5500 to a combined \$3,000. No second.

Mr. Stevens noted that postage is never more than \$2,000

Mr. Woodward moved to change 301-5010 to \$2,200. Mr. Thayer seconded. Vote: 6-1, Ms Aten opposed.

Mr. Woodward moved to change 301-5500 to \$1,600. No second. Mr. Stevens said he would go lower.

Mr. Woodward moved to change 301-5500 to \$1,700. Mr. Thayer seconded. Vote: 5-2, Ms. Aten and Mr. Kelly opposed.

Mr. Thayer moves a Planning Department budget of \$205,024. Mr. Woodward seconded. Vote: 6-1, Ms. Aten opposed.

Historic District Commission

HDC Chair Julie Gilman said she would prefer to keep the conference line at the higher amount, but she accepts the decrease.

Mr. Thayer moved to approve \$1,480 for HDC. Mr. Woodward seconded. Vote: Unanimous.

Heritage Commission

Ms. Aten moved to approved \$800 for Heritage Commission. Mr. Woodward seconded. Vote: Unanimous.

Conservation Commission

Natural Resource Planner Kristen Murphy gave an overview of the Conservation Commission. She noted that some of the bills that have been received have not been paid yet, so the budget is actually

DRAFT MINUTES

more spent than it appears. She also presented a new budget that is funded at the same level as last year. Ms. Aten asked about the mowing budget and asked if Ms. Murphy had discussed it with the Recreation Department to pool resources. Ms. Murphy said that she had and that the cost is similar either way because of the equipment that must be rented to complete the mowing for this item. Mr. Clement said that he had received communications from residents that feel there is too much money spent on trail maintenance. Ms. Murphy said that a lot of the trail maintenance is done by volunteers, so a decrease would not be reflected in the budget.

Mr. Thayer moved to reduce 305-5585 to \$2,000. Mr. Kelly seconded. Vote: 6-1, Mr. Stevens opposed.

Mr. Thayer moved to accept a total of \$9,605. Mr. Woodward seconded. Vote: Unanimous.

Zoning Board of Adjustment

Mr. Thayer said that the legal notice budget is not being spent.

Mr. Thayer moved to reduce 303-5560 to \$1,800. Mr. Woodward seconded. Vote: Unanimous.

Mr. Thayer moved to approve a total of \$4,200. Mr. Woodward seconded. Vote: Unanimous.

Moderator

Mr. Thayer moved to approve a total of \$969. Mr. Woodward seconded. Vote: Unanimous.

Town Clerk

Ms. Aten asked Town clerk Linda Hartson if the town's archives are available digitally. Ms. Hartson said that they are not available in that format at this time.

Mr. Thayer moved to accept a Town Clerk total of \$316,598. Mr. Woodward seconded. Vote: Unanimous.

Elections

Ms. Hartson said that there are 4 elections this years, which creates a lot of added expenses but she is hoping to cut some overtime costs.

Mr. Thayer moved to accept an Elections total of \$38,490. Mr. Woodward seconded. Vote: Unanimous.

Information Technology

IT Director Andy Swanson appeared. Mr. Corey asked Mr. Swanson to explain who used GIS. Mr. Swanson said that GIS was a big deal in the 1990's and that it works to improve maps online. The departments in town need to agree on the work that needs to be done. Mr. Swanson noted that many of his line items are not fully spent because many of his expenses are due at the end of the year. Mr. Brabant asked him to explain his computer replacement policy. Mr. Swanson said that the policy is not really sustainable on a 5 year plan, and that he currently has 63 computers on his replacement schedule. He will replace 12 or 13 per year and then get additional requests for 1-2 more. Mr. Kelly thinks a 5 year plan is adequate.

DRAFT MINUTES

Mr. Kelly moved to reduce 125-7000 to \$8,000. Ms. Aten seconded. Vote: 6-1, Mr. Corey opposed.

Mr. Thayer moved to approve a total IT budget of \$136,225. Ms. Aten seconded. Vote: Unanimous.

Finance

Finance Director Doreen Ravell provided a brief overview of the Finance staff and operations and discussed to length of time that has been spent on 91-A requests over the past year. Ms. Aten asked Mr. Dean if he could calculate the cost of the 91-A requests as well as the added costs of the special election. Mr. Dean said that although it will take some research, each 91-A request takes about 15-20 hours of staff time, and there have been about 40-50 requests this year so far. Mr. Thayer suggested that the Right to Know law goes both ways, so why is the 91-A request log not being publicized? Mr. Brabant asked why the overtime is higher since hiring a Staff Accountant, and Ms. Ravell said that the Accounting Clerk is helping out other functions like Tax and Water Collection, reception and 91-A requests. Mr. Thayer suggested that the 91-A requests are contributing to overtime and should be calculated into the 91-A request expenses.

Mr. Corey was pleased to see the audit fees were low, and Ms. Ravell said that this is partially paid by Water/Sewer fees. Mr. Dean pointed out that the audit feedback notes that Exeter is above average.

Mr. Stevens asked why the conference budget is not being spent. Ms. Ravell said that she has signed up for conferences and then had to cancel due to commitments in the office. Mr. Chartrand said that professional development is important and that many of the conference budgets are being under spent and he thinks this is a real problem. Mr. Dean said that there is a need to reallocate resources in the Town Office. He notes that the Town Clerk has 188 hours per week of resources but that Accounting has much less. He suggests a Clerk/Collector model may be a good option in the future.

Mr. Woodward moved to approve a total Finance budget of \$258,739. Mr. Thayer seconded. Vote: Unanimous.

Tax Collection

Mr. Dean said that the Tax Department needs more help than they have now. Mr. Brabant said that the receptionist position must be used to help in this area. Mr. Dean said that there are logistical issues of supervision and coverage in the current location and that some changes would have to be made. Ms. Aten suggested that this was an opportunity to automate the receptionist position. Mr. Thayer believes that the Budget Committee would support automating the telephone in favor of giving more help to the Tax Collection area. Mr. Corey asked how many lien letters are generated each year, how many accounts were collected for tax and water accounts and how often, and overall how many transactions are processed each year? Ms. Ravell said that there are over 300 lien letters, which are very laborious, water accounts are billed and collected four times per year for each rate payer, tax twice per year for each home, as well as the many requests for payment plans and researching accounts.

Mr. Brabant asked why the payments that are brought to the Town Office are not mailed to the lockbox location. Ms. Ravell said that certain times of the year, received dates and interest are important and misapplied payments in these times may create more problems than just doing the work in house, but that it is a good idea to try. Mr. Dean noted that the one person in the tax office is handling about \$40,000,000 in transactions alone. Ms. Aten said that it appears that the Clerk and the Collection are out

DRAFT MINUTES

of balance and wonders if the Budget Committee would make a recommendation to change the structure. Mr. Brabant thinks the Town Manager and Board of Selectmen should make this change. Mr. Thayer noted that the receptionist's compensation is already in the budget but not being used to the fullest. Mr. Kelly does not like the Vacation Replacement and Overtime that are in this budget, and perhaps they can be eliminated. Ms. Ravell is scared she may need those funds to make ends meet. Mr. Chartrand says that he trusts Ms. Ravell will try to fix this problem.

Mr. Chartrand moved to accept a Tax Collection budget of \$59,317. Mr. Woodward seconded. Vote: Unanimous.

Mr. Brabant said that the next meeting of the Budget Recommendations Committee will be November 1, 2011 at 6:00pm and will end at 10:00pm at the latest.

At 4:45 PM, Ms. Aten moved to adjourn. Seconded by Mr. Woodward. VOTE: Unanimous.

Respectfully submitted,

Kelly Geis
Recording Secretary