

BUDGET COMMITTEE MEETING
November 04, 2014

The meeting was called to order at 6:50 p.m.

ROLL CALL

Martha Sumner, *Chair*,
Kristin Lewis-Savage, *Vice Chair*, arrived 6:51 p.m.
Tricia Holt
W. David Gerns
Darrell Britton, arrived 7:20 p.m.
Dennis Heffernan
Jack Paone
Charles Fowler
Dean Nifakos, *Excused*
John Sherman, *Selectmen Ex-Officio*

Also present: Sean Fitzgerald, Town Manager

The Pledge of Allegiance was led by Plaistow Health Officer, Dennise Horrocks

K. Lewis Savage arrived at 6:51 p.m.

APPROVAL OF MINUTES

D. Heffernan moved, second by C. Fowler, to approve the minutes of the October 21, 2014 meeting. There was no discussion on the motion. The vote was 5-0-4 (Sumner, Holt, Gerns and Nifakos abstaining).

BUDGET REVIEWS

Health Department – Dennise Horrocks, Health Officer

D. Horrocks explained the Health Department Budget proposed line items for the 2015 budget:

Level Funded Budget Line Items:

• Permanent Positions	\$ 34,752.00
• Telephone	\$ 1,250.00
• Training	\$ 400.00
• Office Supplies	\$ 75.00
• Postage	\$ 150.00
• Mileage	\$ 1,665.00
• Medical Supplies	\$ 500.00
• Water Testing	\$ 400.00
• Mosquito Control	\$ 40,000.00

Increased Budget Line Items

• Materials	\$ 35,000.00
• Continuing Education	\$ 2,500.00
• Public Activities/Programs	\$ 6,000.00
• Telephone	\$ 1,500.00
• Capital Equipment	\$ 0.00
• Professional Dues	\$ 750.00
• Return To Town	\$ 0.00
• Technical Services	\$ 6,000.00
• Repairs/Maintenance	\$ 17,000.00
• Building Insurance	\$ 2,233.00
• Janitor	\$ 21,426.00
• Bookkeeping	\$ 4,120.00
• Legal Fees	\$ 15,500.00
• Encumbered Funds	\$ 0.00
• Liability	\$ 2,000.00

Increased Budget Line Items

• Salaries (+\$19,827)	\$ 249,811.00
• Social Security/Medicare (+\$1,517)	\$ 19,111.00
• Supplies (+\$500)	\$ 10,500.00
• Postage (+\$100)	\$ 400.00
• Gas (+\$625)	\$ 13,125.00
• Electricity (+\$10,600)	\$ 40,500.00
• Landscaping (+\$314)	\$ 6,270.00

Decreased Budget Line Items

• Retirement (-\$621)	\$ 11,898.00
• Online Resources (-\$1,500)	\$ 8,000.00

J. Peck offered that the bottom line budget request for the Library 2015 budget is \$542,643 (increase of \$31,361).

Discussion:

J. Peck noted that as of the coming week the Library would be a full staffing. He noted that many of the changes in the budget were related to changes in staffing census.

There was discussion on insurance benefits and what percentage of the premium was being paid by the employees. It was noted that it depended on date of hire; some were at 90/10, some 80/20 and some 60/40. There was also discussion regarding new positions and how that affected the budget.

There was discussion about the possibility of going in with the Town on the new telephone system, which would mean a one-time investment.

There was discussion about utility bills, which are reported to be going up.

There was discussion about the legal line, which was not spent as anticipated it would be, but it was thought to be prudent to keep the line funded at the current level.

There was a discussion about landscaping. It was noted that the Library privately contracts for landscaping services. It was questioned whether or not it would be better to have the highway Department take care of it as well as the rest of the Town properties. It was noted that the private contractor had given them a good deal.

The Committee reviewed that backup documentation provided to them with the Library Budget.

It was noted that the Library pays employees bi-weekly and has accounted for an extra payroll in 2015.

K. Lewis Savage questioned if all department budgets with salary lines in them would have to be reviewed for an additional payroll week.

S. Fitzgerald responded that he had been working with the Finance Department on an accounting system that made that unnecessary as it was accounted for by reconciling journal entries.

J. Peck noted that he has been an accountant for 35 years and uses the cash accounting system and must account for the extra payroll week.

There was discussion on how frequently the extra payroll week occurs and whether or not department budgets would need to be adjusted for it.

D. Britton arrived at 7:20 p.m.

There was additional discussion about new positions and salaries. J. Peck noted that it was felt that the programming advantages were well worth the additional salary costs. It was also noted that some monies are spent from the Library Funds.

J. Sherman noted that there was a rounding error and the Board of Selectmen (BOS) voted on the \$542,643.00 number, which was off by \$1.00 and should be \$542,644.00. He noted that the BOS would be re-voting to correct that situation.

There was discussion of the Library's programming.

K. Lewis Savage moved, second by D. Gerns to accept for consideration the Library Budget in the amount of \$542,644.00. There was no discussion on the motion. The vote was 10-0-0 U/A.

It was noted that the BOS approved a number that was \$1.00 less than this number, due to a rounding error. That will be corrected at a future BOS meeting.

Executive Department – Sean Fitzgerald, Town Manager

S. Fitzgerald explained the Executive Department Budget proposed line items for the 2015 budget:

Level Funded Budget Line Items:

• Town Office Salary Of Selectmen	\$ 15,000.00
• Contract Consulting Service	\$ 20,000.00
• Professional Mapping Services	\$ 4,500.00
• Telephone Expenses	\$ 4,510.00
• Data Processing	\$ 26,500.00
• Labor Relations Consultant	\$ 14,500.00
• Training/Conference	\$ 600.00
• General Supplies	\$ 1,500.00
• Salary, Town Manager	\$ 89,760.00
• Overtime	\$ 4,000.00
• Mileage & Expense Reimbursement	\$ 2,400.00
• Recycling Committee	\$ 200.00

Increased Budget Line Items

• Rental & Leases (+\$2,500)	\$ 7,500.00
• Office Supplies (+\$740)	\$ 5,000.00
• Postage (+\$200)	\$ 4,000.00
• Office Equipment/Maintenance (+\$1,500)	\$ 5,500.00
• Unanticipated (+\$500)	\$ 2,500.00
• Events & Activities (+\$500)	\$ 3,000.00
• Perm Positions (+\$1,929)	\$ 73,778.00

Decreased Budget Line Items

• Part Time Positions (-\$6,000)	\$ 0 .00
• Dues (-\$475)	\$ 1,000.00
• RSA Supplies (-\$1,000)	\$ 1,000.00
• Technical Supplies/Equipment (-\$60)	\$ 6,000.00
• Employment Expenses (-\$80)	\$ 400.00

S. Fitzgerald offered that the bottom line budget request for the Executive Department 2015 budget is \$293,148.00 (increase of \$254).

It was noted in the handout that this amount has been approved by the Board of Selectmen (BOS).

Discussion:

S. Fitzgerald offered that following in support of the Executive Budget Request:

- He was looking into whether or not having an in-house IT person would be more efficient
- The consulting fees were for special projects such as “Safe Routes To Schools”
- There would be more GIS mapping in the future
- The Town will be migrating to a VOIP telephone system in mid-late December
- The Public Safety Complex will still have copper phone lines for public safety
- He was still gathering the telephone analysis that K. Lewis Savage requested
- The Town recently acquired new multifunction printers, which are all networked and accessible
- The increase in postage was due to larger events and more invitations mailed out as well as 200-300 citations being issued monthly

It was questioned as to why the postage request was so high. There was discussion regarding the kinds of events, such as the Women in Leadership luncheon, which S. Fitzgerald was referring to as increasing this postage line. He offered to provide the Committee with a better breakdown.

- They were looking into purchasing a trifolder machine for mailings. This machine could be useful to more than one department that does large mailings

There was discussion as to what was and was not covered under the copier lease. It was noted that there are older printers and copiers in the building still in use and not covered by a lease agreement or service contract.

There was a discussion regarding the RSA hardcover books. S. Fitzgerald noted that all the RSAs were now available online. Some members suggested that it was still important to keep the hardcover books up-to-date.

There was discussion as to whether or not credit checks were done on perspective employees.

There was discussion regarding the salary line for the Executive support staff. It was noted that one employee had recently left and that position would be posted. There were questions about the increase in this line and the justification for it. K. Lewis Savage requested a salary analysis of all employees, their date of hire and current hourly rate.

D. Britton suggested that the Town look into bulk buying of office supplies.

S. Fitzgerald noted that some supplies can be looked into as a bulk purchase but there so many department-specific needs that still require office supply lines within Department budgets. He noted that they do try to take advantage of State purchasing rates whenever possible. He added that was another reason he hoped the Library would join in the telephone system, which would provide additional leverage when crafting the purchase.

There was additional discussion of potential ways to save money when purchasing supplies and such things as copier/printer machines. It was suggested that if all these items are purchased/leased as a package there could be significant savings. S. Fitzgerald added he was also participating in discussions regarding regionalizing some of these purchases.

K. Lewis Savage reiterated her request for a salary breakdown. She noted that she was shocked at some of the discrepancies she was noticing in some of the pay rates of long-term employees.

D. Gerns moved, second by T. Holt to accept for consideration the Executive Department Budget in the amount of \$293,148.00. There was no discussion on the motion. The vote was 9-1-0 (Lewis Savage dissenting).

Personnel Administration – Sean Fitzgerald, Town Manager

S. Fitzgerald explained the Personnel Administration Budget proposed line items for the 2015 budget:

Level Funded Budget Line Items:

• Performance Management	\$ 30,000.00
• Employee Tuition Reimbursement	\$ 10,000.00
• Caf. Plan Pre-Tax	\$ 500.00
• Medical Services	\$ 1,000.00
• Pre-Employment Screening	\$ 1,500.00
• Town Manager Search	\$ 0.00
• Notices & Publications	\$ 1,000.00
• Employee Relations	\$ 500.00
• Sick Leave Buy Back	\$ 20,000.00

Increased Budget Line Items

• Work/Health Insurance (+\$122,139)	\$1,082,617.00
• FICA (+\$11,442)	\$ 105,409.00
• Medicare (+\$2,940)	\$ 44,369.00
• New Hampshire Retirement (+\$35,854)	\$ 498,098.00
• Unemployment Compensation (+\$526)	\$ 5,059.00
• NH Municipal Worker's Compensation (+\$2)	\$ 82,674.00

S. Fitzgerald offered that the bottom line budget request for the Personnel Administration Department 2015 budget is \$1,882,726.00 (increase of \$172,903).

It was noted in the handout that this amount has been approved by the Board of Selectmen (BOS).

Discussion:

S. Fitzgerald noted that many of the increases that were noted in this budget were because of employee census changes. He added that these were the soft costs associated with personnel management.

There was a discussion of the employee contribution rates for insurance premiums. It was noted that there were some differences based on date of hire and whether or not the employee was governed by a union contract. S. Fitzgerald noted that he was looking into comparable insurance

plans to see if there were savings to be had with a different provider. He noted that FICA/Medicare are set by the State and some other costs were increased under a Collective Bargaining Agreement (CBA). S. Fitzgerald also noted that many costs of the New Hampshire Retirement System had been shifted to the town level.

There was discussion regarding unemployment benefits, which are based on class and loss ratio.

It was noted that pre-employment screening was in both the Executive and Personnel Administration budgets.

S. Fitzgerald noted that the description on one of the lines was incorrect and should note that the line is for CDL License testing and random drug testing.

J. Sherman noted that the Town Manager Search line was at \$0.00 and could be removed.

There was discussion regarding incentives for employees who have other insurance options to opt out of the Town plan.

There was additional discussion regarding an additional payroll week in 2015. K. Lewis Savage recalled that the adjustment used to be called out as its own line in the budget instead of in individual department budgets. S. Fitzgerald stated that he would provide the Committee with an analysis based on the accounting adjustment entry system.

K. Lewis Savage noted that the Committee does not see the "Performance Management" line and where those monies are spent or how they impact individual department budgets.

There was a discussion regarding how the monies are distributed.

K. Lewis Savage requested a breakdown of where that money has been spent over the past three (3) years.

S. Fitzgerald noted that changes in individual salary lines are usually done in November and based on annual reviews. He noted that some of the money is used to provide small holiday bonuses to staff.

D. Gerns moved, second by D. Britton to accept for consideration the Personnel Administration Budget in the amount of \$1,882,726.00. There was no discussion on the motion. The vote was 8-2-0 (Lewis Savage and Nifakos dissenting).

Advertising/Associations – Sean Fitzgerald, Town Manager

S. Fitzgerald explained the Advertising/Associations Budget proposed line items for the 2015 budget:

Level Funded Budget Line Items:

- | | |
|--------------------------|--------------|
| • Notices & Publications | \$ 500.00 |
| • Town Report Expenses | \$ 12,000.00 |
| • Dues | \$ 13,271.00 |

S. Fitzgerald offered that the bottom line budget request for the Advertising/Associations 2015 budget is \$25,771.00 (level funded).

It was noted in the handout that this amount has been approved by the Board of Selectmen (BOS).

Discussion:

There was discussion regarding the content of the Town Report and the size of the document. It was suggested some of the information was redundant each year and perhaps could be included on an every three (3) year basis. It was noted that a big piece of the increase in size was the inclusion of the annual audit.

J. Sherman asked that examples of what is redundant in the Report be sent to his attention to be reviewed by the Town Report Committee.

K. Lewis Savage suggested that the audit be printed on cheaper paper and be included as an insert.

S. Fitzgerald noted that the Town was meeting its Stormwater Management reporting goals by inclusion in the Town Report.

There was discussion of the number of issues in the last Town Report and the efforts that were being made to eliminate those problems.

T. Holt moved, second by D. Gerns to accept for consideration the Advertising/Associations Budget in the amount of \$25,771.00. There was no discussion on the motion. The vote was 10-0-0 U/A.

M. Sumner noted that the Committee had now seen all the budgets. She added that they would be reviewed once more and on the third time through the Committee would be voting to approve the individual budgets.

Committee Reports

D. Heffernan noted that the Public Safety Complex Building Committee would be meeting the coming Friday.

New Business

It was noted that there would be no meeting on November 11, 2014, which is Veteran's Day.

M. Sumner noted that she would not be at the November 18, 2014 meeting.

Copies of the draft Warrant Articles were distributed to the Committee to be reviewed for the next meeting

S. Fitzgerald noted that he would like to put Doerr and Whittier, architects for the proposed Public Safety Complex, on an upcoming agenda to give a presentation to the Committee.

It was noted that all utility lines, including gas and electric, would be reviewed in December.

Members were asked to forward any questions they may have about any budget to S. Fitzgerald and M. Sumner and if needed that Department Head would be brought back in to explain and answer questions.

J. Sherman explained and discussed with the Board the State Aid program referred to as “Adequacy Funding” and how it affected Plaistow, the Town’s tax billing and other towns participating in the Timberlane Regional School District.

S. Fitzgerald noted that the tax rate had been set at \$23.13. He added that the Town portion of the tax bills had dropped \$0.11/\$1,000, marking the 5th year that Plaistow has not had an increase (in the Town portion of the tax bill). He attributed this to conservative budgets and estimates of revenues.

Old Business

There was no old business before the Committee at this meeting.

The meeting was adjourned at 8:51 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary