

GILFORD BUDGET COMMITTEE MINUTES

October 8, 2009

6:30 p.m.

Town Hall

Members Present: John O'Brien, Sue Greene, Dick Hickok, Margo Weeks, Dale Dormody, Terry Stewart, Kevin Roy, Phyllis Corrigan, Doug Lambert, Fred Butler, Mark Corry and Skip Murphy

Members Absent: None

Also in attendance were Town Administrator Scott Dunn, Finance Director Geoff Ruggles, Town Clerk/Tax Collector Denise Morrissette and Executive Secretary Sandra Bailey.

The Budget Committee recited the Pledge of Allegiance.

Chairman Hickok welcomed the Committee to this evening's meeting. He acknowledged that the first week of budget review can be difficult because of the limited time available from the time that the budget figures were distributed to the Committee. He further pointed out that the Budget Sub-Committee for the Town Clerk/Tax Collector's budget, consisting of Terry Stewart, Skip Murphy and Fred Butler met this afternoon with TC/TC Morrissette.

Before starting a review of Town Clerk/Tax Collector's budget, Terry Stewart asked Town Administrator Dunn if the NH Retirement System contributions have increased. Town Administrator Dunn replied yes, that Police and Fire contributions have increased due to changes in the amount of the State's contribution. Brief discussion also ensued regarding the fact that Dues and Professional Development have been better defined within the Administration budget.

Terry Stewart reviewed the notes he created for the TC/TC budget review, beginning with the fact that the amount of the merit increases is determined by the Town Administrator. He also pointed out that most of the Professional Development and Dues in this budget are mandated by State law. The postage line is quite large since the Department generates a tremendous amount of outgoing mail. The last item noted was that the TC/TC copier service contract has been moved to this budget.

Terry Stewart stated that the Sub-Committee had no issues with this budget, with the exception of the merit pay increase by a few members, due to the current state of the economy.

Terry Stewart moved to approve \$370,168 for the Town Clerk/Tax Collector's budget. Phyllis Corrigan seconded. Brief discussion ensued following an explanation by Finance Director Ruggles regarding the rationale for the increase in the Dental Insurance line item. He stated that the Board of Selectmen amended the Personnel Policy to include prorated dental coverage for part-time employees. He also pointed out that the cost of dental insurance is being offset by a phased-in employee contribution, beginning with 1%. This contribution will increase 1% each year until a 10% contribution is in place.

General discussion followed regarding wages of both union and non-union employees. Town Administrator Dunn pointed out that although a 3% merit increase is budgeted, this amount is not always paid. Terry Stewart has concern with employees receiving merit increases, given the state of the economy. Town Administrator Dunn further explained that the Board chose to

keep the merit pay raises in the budget, but had to look at the possibility of reducing staff or reducing hours worked. They chose to maintain the merit pay increases because they were able to produce a level funded budget. If they were not able to level fund, one of the choices would have had to been made.

Margo Weeks asked about the term of the union contracts. Town Administrator Dunn replied that the DPW contract is for one year and the Police contract is for a two-year period and includes a COLA.

Selectman O'Brien advised the Committee that the Department Managers had to prepare a report regarding how they would be affected by possible staff reductions. Unfortunately, during a bad economy, the level of services required from the Town become greater. Skip Murphy asked if the Board ranked the importance of the various departments. He feels that when the economy is bad, citizens understand a lower level of service.

Selectman O'Brien stated that it is difficult to rank the departments but the Department of Public Works is probably the most visible department. Brief discussion ensued regarding the differences between municipal government budgets and private sector budgets.

Terry Stewart questioned why the Board is providing merit wage increases. Skip Murphy thinks that the Selectmen should think of the taxpayers before the employees. The DPW employees should be kept, but other departments could make staff cuts. Margo Weeks stated that merit increases are generally given to keep employees and in this economy, it is not necessary because of the state of the job market.

Dale Dormody does not believe that demand for services decreases with the government during a poor economy, rather, it increases. Doug Lambert does not feel that services are bare-boned, although he feels that the increased employee contribution to dental insurance is a positive trend. A vote on the motion showed that it carried by unanimous voice vote. (12-0)

The next section of the budget to be reviewed was TC/TC Elections. Terry Stewart moved to approve \$17,433. Margo Weeks seconded. Discussion ensued regarding the compensation for the Supervisors of the Checklist. Several Committee members have a philosophical problem with the requested compensation of the Supervisors. A vote on the motion showed 10-yes and 2-no. Motion carried.

Skip Murphy then began the review of the Administration budget. He stated that he and Phyllis Corrigan met with Town Administrator Dunn yesterday and then met with Finance Director Ruggles. It was noted that the Supervisors of the Checklist's stipend appears in this budget for \$1,800, or \$600 per Supervisor. Discussion ensued again regarding the New Hampshire Retirement System. Town Administrator Dunn explained that two increases occurred in 2009, due to the shifting of state contributions to local governments. The request for \$7,500 for a new phone system for the Town Hall was briefly discussed. It was noted that 2010 budget request for Boards and Committees has been reduced by 61%.

Moving onto Finance and Appraisal, Finance Director Ruggles explained how the \$25,000 figure was arrived at for the 2010 budget. Skip Murphy pointed out how the GIS program is not being funded for 2010. Doug Lambert stated that he is happy to see budget items cut out for a year. Under Legal Expenses, some of the funding has shifted as some legal issues have shifted from general matters to litigation.

The Committee then reviewed the Insurance and Benefits portion of the budget. Town Administrator Dunn reported that a Health Insurance contingency fund has been proposed to be established to cover the unanticipated expense that would occur if up to two (2) positions were to change their health insurance requirements from single coverage to family coverage. Chairman Hickok asked if this should be a capital reserve fund. Further discussion ensued, where it was pointed out that as a capital reserve fund the money could only be used this way and could not be transferred.

Town Administrator Dunn stated that health insurance costs decreased as a result of a very attractive buyout option for employees who are covered on their spouse's health insurance. Continuing with his Administrative review, Skip Murphy stated that the Welfare budget is down 2% due to lower heating costs.

Brief discussion ensued on the funding of Outside Agencies. It was pointed out that \$37K was reflected in the 2009 budget for funding of Outside Agencies. All requests for the funding of Outside Agencies for 2010 must be submitted by petition. When the Debt portion of the budget was reviewed, brief discussion ensued regarding the Lakes Business Park.

The report of the Sub-Committee for the Technology budget will be presented next week. At that time, voting will also take place on all of the Administrative aspects of the budget that were discussed tonight.

Terry Stewart moved to approve the minutes of the October 1, 2009 Budget Committee meeting. Phyllis Corrigan seconded. Motion carried with all in favor.

Margo Weeks moved to adjourn at 8:22 p.m. Terry Stewart seconded. Motion carried with all in favor.

Respectfully submitted,

Sandra Bailey
Executive Secretary