

**GILFORD BUDGET COMMITTEE MINUTES**  
**October 22, 2009**  
**6:30 p.m.**  
**Town Hall**

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

Members Absent: Terry Stewart

Also in attendance were Town Administrator Scott Dunn, Library Director Katherine Dormody, Recreation Director Herb Greene and Executive Secretary Sandra Bailey.

The Budget Committee recited the Pledge of Allegiance.

Chairman Hickok welcomed the Committee to this evening's meeting and stated that they will resume their discussion on the Finance & Appraisal budget, focusing on the Technology portion. Following that review, the Committee will review the budgets of the Library and Parks and Recreation Departments.

Chairman Hickok also advised the Committee that the Cemetery Trustees will be making a presentation to them at their November 5, 2009 meeting. At this time, Town Administrator Dunn stated that the 2010 health insurance rates have been received from the Health Trust, resulting in a 28.3% increase. Since the Selectmen only budgeted 7.5%, it will be necessary for the budget to be reduced by \$103,000 to accommodate this increase. A slight increase in the rate for dental insurance also contributes to this amount. He informed the Board that this shortfall will be taken out of employee wages/benefits and will have a serious impact on each employee's benefit package. A dialogue has begun with all employees regarding the budget shortfall.

Town Administrator Dunn further stated that the unions will be requested to voluntarily agree to the same reductions that the non-union employees will have to make. Selectman O'Brien thanked Town Administrator Dunn for his immediate response in dealing with this matter. Town Administrator Dunn has met with Department Managers to discuss this matter and will meet with them again next week. He has also scheduled a meeting with representatives from Health Trust and the School District next week, in order to obtain further information on the rate increase.

A general discussion ensued on employee health insurance. School Board Representative Margo Weeks informed the Committee that since the School District is part of the same group as the Town, that they have a shortfall of \$800,000 and are in the process of reworking their budget, as well. Margo Weeks also advised the Budget Committee members that since last week's meeting, she has learned that the School District does pay for two (2) cell phones. One phone is for Superintendent Dr. DeMinico and the other is for Building and Grounds Superintendent Tim Bartlett.

Skip Murphy began his presentation on the Technology Sub-committee's report. He pointed out that \$44,685 is budgeted for technical support from Mainstay, which is substantially less than having an IT person on staff with salary and benefits. The Sub-committee primarily focused their review on software and hardware purchases. The cuts they are recommending are to eliminate \$5,000 for the development of a new website and reduce the number of new

PC's from 10 to 5, resulting in a savings of \$2,915. Skip Murphy feels that the website development could be done by volunteers or delayed to a different year. Doug Lambert thinks that the website is doing its job and is updated frequently and doesn't need updating. He utilizes the website's notification system. Skip Murphy also brought up the matter of revamping the Town's accounting system. A budget request in the amount of \$18,000 has been submitted for the replacement of one accounting/billing module in 2010. Extensive discussion ensued on whether or not this would be done with stand alone pieces or an integrated system. It was also pointed out that Finance Director Ruggles, with his computer expertise, can handle data conversions, eliminating the need to hire outside labor for this purpose.

Further discussion ensued regarding the policy for replacement of PC's. Various options were reviewed if the existing replacement plan is altered, including whether to reduce the amount and then try to play "catch-up" with the additional units.

The Committee then discussed how manpower intensive the current accounting software is. Town Administrator Dunn pointed out that Finance Director Ruggles is required to perform extensive conversions with the existing software and he has reduced one staff member from full-time to part-time. Phyllis Corrigan reported that Finance Director Ruggles would like to use a 3-year phase plan to replace the Town's software, starting with the accounting/billing module. At this time, Finance Director Ruggles is still evaluating the best method for this proposed purchase. Skip Murphy also stated that any software company would have to have a product that is specific to State of NH regulations. More discussion focused on allowing Finance Director Ruggles the flexibility to have the money earmarked for this purpose and being able to make a final determination on the actual purchase at a later date.

Selectman O'Brien asked Skip Murphy if he would be interested in volunteering to host the Town's website. Skip Murphy replied that he might be willing to help create it, but not host it. Brief discussion then ensued regarding the Town's switch to Metrocast for Internet services, resulting in less cost and more speed.

Phyllis Corrigan moved to approve \$563,612 for the Finance Budget. Doug Lambert seconded. Motion carried with all in favor 11-0.

Phyllis Corrigan then briefly discussed Debt Principal and Interest. She then moved to approve \$533,882 under Debt Principal and Interest. Doug Lambert seconded. Motion carried with all in favor 11-0.

Phyllis Corrigan moved to approve \$35,000 for the Lakes Business Park II Capital Replacement Trust. Motion carried by a vote of 10-1.

Doug Lambert then began a review of the Parks and Recreation Department budget. He stated that Terry Stewart and Fred Butler were also part of this Sub-committee. He reported an increase of \$15,772 from the 2009 budget, but \$8,000 of this amount is for a contribution to the Capital Reserve Fund. The Department has the same number of employees as last year, although one additional lifeguard will be on duty during swimming lessons, due to safety and liability concerns and being able to meet "current standards of care". This coverage will result in an additional \$2,800 for seasonal wages.

Brief discussion ensued regarding the Capital Reserve Fund. Proposed expenditures include a new raft and new fencing at the Town beach. Director Greene indicated that the fence that

runs along Varney Point Road suffers significant damage from snow plowing. A discussion on Parks and Recreation programs covered the use of the revolving fund for self-funded activities. Director Greene stated that they are constantly evaluating programs for usage and feasibility. He also provided an explanation on the Professional Development line item. Kevin Roy complimented Director Greene for the detailed breakdown he provided the Committee, as well as a very good overall presentation. When discussion again focused on the Capital Reserve Fund, Town Administrator Dunn pointed out that the \$8,000 proposed contribution was trimmed by the Board of Selectmen from \$71,000.

Doug Lambert moved to approve \$257,742 for the Parks and Recreation budget. Kevin Roy seconded. At this time, Doug Lambert stated that during his review of the Parks and Recreation budget, he learned that there is no cost associated with many of the programs and they generally run by one of the part-time assistants. Skip Murphy inquired about liability issues with the use of the Community Center. Town Administrator Dunn replied that this would be a situation very similar to when the Town uses one of the schools for programs – they are listed as an additional insured on the property liability policy.

Fred Butler pointed out that having a certified Parks and Recreation Director, who oversees all programming, is beneficial to the Town from a liability standpoint. A vote on the motion indicated that it carried with all in favor 11-0.

The Committee moved onto the budget for the Ice Rink. Doug Lambert reported that the Sub-committee did not spend a great deal of time reviewing this portion of the budget since it is less than last year. Phyllis Corrigan moved to approve \$8,960 for the Ice Rink. Doug Lambert seconded. Motion carried by a vote of 10-1.

Doug Lambert moved to approve \$125 for Patriotic Purposes. Margo Weeks seconded. Motion carried with all in favor 11-0.

Next, Doug Lambert began a review of the Library budget. This Sub-committee consisted of Doug Lambert, Sue Greene and Fred Butler. The Library's 2010 budget has increased by \$21,984, or approximately 5.8%. Of this amount, \$14,788 is wage and benefit related. Doug Lambert questioned why part-time employees are receiving health and dental insurance. Director Dormody replied that it is available on a pro-rated basis, per the Town of Gilford Personnel Policy that was adopted on January 1, 2009. Doug Lambert then asked why this benefit was added when it was never discussed with the Budget Committee. He feels that it is a driver of the cost increase in benefits. Town Administrator Dunn replied that the benefit was added in order to retain good, part-time employees.

The review of the Library's budget continued with Continuing Education, Programs and Meetings and Dues. Town Administrator Dunn read aloud the Town's policy of reimbursement of continuing education. Doug Lambert pointed out that the \$1,700 requested under programs covers activities such as hiring a magician. Most programs are run by staff members who are already working at the library at the time of the activity. Brief discussion ensued on "virtual library". Library equipment and maintenance were the next sections of the Library budget to be reviewed.

Doug Lambert then pointed out that the Library's budget has basically been level funded and most of the cuts that were made for the 2009 budget have been kept in place. Fred Butler moved to approve \$403,856 for the Library budget. Kevin Roy seconded. Motion carried with all in favor 11-0.

Mark Corry asked that the e-mails that have been sent by Budget Committee members this week be entered into the minutes of the meeting. Skip Murphy will see that these are forwarded for inclusion in the minutes.

Margo Weeks moved to approve the minutes of the October 15, 2009 meeting. Dale Dormody seconded. Motion carried with all in favor.

Margo Weeks moved to adjourn at 8:32 p.m. John O'Brien seconded. Motion carried with all in favor.

Respectfully submitted,

Sandra Bailey  
Executive Secretary