

GILFORD BUDGET COMMITTEE MINUTES

October 7, 2010

6:30 p.m.

Town Hall

Members Present: Gus Benavides, Sue Greene, Dick Hickok, Dale Dormody, Terry Stewart, Kevin Roy, Phyllis Corrigan and David Horvath

Members Absent: Fred Butler, Paul Blandford, Skip Murphy and Pat Labonte

Also in attendance were Selectman John O'Brien, Town Administrator Scott Dunn, Finance Director Geoff Ruggles and Executive Secretary Sandra Bailey.

The Budget Committee recited the Pledge of Allegiance.

Chairman Hickok welcomed the Committee to this evening's meeting. He stated that the purpose of tonight's meeting is to review the Town's 2011 Administration budget, which also includes Boards and Committees, Legal, Finance/Appraisal, Technology and Debt. He also encouraged any Budget Committee members that might have any "generic issues" with the budget to bring them up at tonight's meeting.

Terry Stewart, representing the Administration Sub-committee, provided members with a summary of their findings from their meeting on October 4th. He began by making a motion to recommend \$6,461 under Elected Officials, concurring with the recommendations of the Selectmen. Selectman Benavides seconded. Motion carried by a vote of 8-0.

Moving onto the Administration budget, general discussion ensued regarding line items that have been moved from the Administration budget to each department's budget. Finance Director Ruggles stated that this will be the final year for these adjustments and that during next year's budget review, Committee members will see a true reflection of each department's budget. This portion of the budget represents approximately an 8% decrease from the 2010 budget.

Terry Stewart moved to recommend \$247,991 for the Administration Budget. Selectman Benavides seconded. Dave Horvath inquired about the Employee/Volunteer Recognition line item. Town Administrator Dunn replied that this is primarily for long-standing volunteers who resign and cited this past year when Moderator Peter Millham resigned and was presented with a plaque from the Board of Selectmen. He also advised the Committee of the Town's "Caught In the Act" program, which recognizes employees who show exceptional kindness, with a gift card.

Phyllis Corrigan inquired about the part-time wages under the Administration budget. Town Administrator Dunn responded that it is for the high school student who operates the video recorder for Selectmen's meetings, at a rate of \$10 per hour. Phyllis Corrigan further asked why this line item only has \$1 appropriated. Following

discussion, she moved to amend the Administration budget by \$199, to cover the cost for part-time wages, making the new figure \$248,190. Dale Dormody seconded. Motion failed by a vote of 4-4.

Kevin Roy inquired about line items containing professional development, membership dues, meetings and travel expenses. He suggested that not funding these items for one year would save the Town approximately \$25,000. Town Administrator Dunn cited examples of where valuable information is gained by belonging to various associations and attending conferences and workshops. Sue Greene questioned the matter of the dues to the ICMA – she does not see the value in having membership to an international association. Town Administrator Dunn reiterated that valuable information is gained through the membership.

Selectman Benavides emphasized the importance of having training available for employees, so that they can grow and learn about changes in rules and regulations. He also added that Town Administrator Dunn's contract does not contain a stipend for mileage, as was the previous practice.

Town Administrator Dunn pointed out that he attends an annual workshop on labor relations and as a result, has been able to significantly reduce legal expenses that pertain to union negotiations. Dave Horvath inquired about the reduction in life and disability insurance. Town Administrator Dunn replied that it is the result of Finance Director Ruggles shopping for the best value in insurance.

Terry Stewart commented on the practice of breaking out these costs to each department and thinks it is the correct thing to do. Selectman Benavides pointed out that various trainings are mandatory for some employees. Terry Stewart encouraged Board members to question each Department on their line items for professional development, membership dues, meetings and travel expenses.

Selectman Benavides pointed out that one Department Manager, who had an opportunity to stay in Boston for a conference, chose to commute daily and not incur that expense.

A vote on the motion showed 6-2 in favor. Motion carried.

Terry Stewart asked Town Administrator Dunn to provide an explanation of the Joint Loss Management Committee, to which he replied that this Committee is required by State statute and includes representation from management, labor unions and employees. The three aspects of this Committee are to review worker's compensation claims, inspect the workplace and promote wellness.

Terry Stewart moved to recommend \$820 under Boards and Committees. Selectman Benavides seconded. Motion carried by a vote of 8-0.

Moving onto Legal Expenses, Dave Horvath questioned if the \$2,300 per month for

general legal expense is for a retainer. Selectman Benavides replied no and explained what service is provided to the Town for the monthly fee. Brief discussion ensued regarding the tenure of Attorney Mitchell the pros and cons of securing new legal counsel. Selectman Benavides added that frequently the Town utilizes the services of specialized attorneys. Town Administrator Dunn also explained that the Town contributes to the legal fund established by the LGC for NH communities who are opposed to unfunded mandates by the State.

Terry Stewart moved to recommend \$68,600 for Legal Expenses. Selectman Benavides seconded. Motion carried by a vote of 8-0.

The next section of the budget to be reviewed was that of Finance, Appraisal and Technology, in the amount of \$554,737. Wages are for three full-time employees, including Finance Director Ruggles, and two part-time employees. Terry Stewart highlighted some of the reductions made for Contracted Services – Appraisal and Computer Hardware. Brief discussion ensued regarding the possible risks of not funding computer hardware at a higher amount.

Terry Stewart moved to recommend \$554,737 for Finance, Appraisal and Technology. Selectman Benavides seconded. Motion carried by a vote of 8-0.

Under Town Insurance, Dave Horvath questioned the amount shown under worker's compensation insurance, since the 2.5% increase stated does not equal the Selectmen recommendation of \$93,275. Finance Director Ruggles stated that this amount does need to be re-calculated. Following brief discussion on the correct amount, Terry Stewart moved to recommend \$216,968 for Town Insurances. Selectman Benavides seconded. Phyllis Corrigan inquired about the line item for Employee Health/Wellness Reimbursement. Selectman Benavides stated that this was a one-time appropriation and has been removed from the budget. Motion carried by a vote of 8-0.

Terry Stewart stated that the Selectmen have recommended \$511,363 under Debt Service. He pointed out that the annual payment for the Lakes Business Park will end in 2014. Finance Director Ruggles provided an explanation on the Tax Anticipation Note line item, which has been reduced to \$1 because of the decision to not move forward with the Police Station Expansion and Town Hall Energy Improvement projects. Finance Director Ruggles also provided an explanation of the conditions of utilizing the Municipal Bond Bank, including the inability to re-finance or pay the note off in advance.

Terry Stewart moved to recommend \$511,363 under Debt Service. Selectman Benavides seconded. Motion carried by a vote of 8-0.

Terry Stewart moved to recommend \$59,500 under Capital Trust Funds and Other Governments. Selectman Benavides seconded. Motion carried with all in favor.

At this time, Town Administrator Dunn pointed out that Page 19 of the budget spreadsheet includes three specific warrant articles totaling an additional \$40,000.

Terry Stewart asked for the balances of these three Capital Reserve Funds. Chairman Hickok asked for this information for next week's meeting and deferred voting until that time.

Terry Stewart then brought forward the Cemeteries budget. Extensive discussion ensued regarding the two major components of this budget – Old Cemetery Maintenance, under the authority of the Gilford Cemetery Trustees and Cemetery Expenses, under the authority of the Pine Grove Cemetery Board of Directors. It was the consensus of the Committee to ask for further information on how the dollar amount was arrived at for the Pine Grove Cemetery.

Finance Director Ruggles pointed out that he scheduled the Cemetery Trustees' budget to be reviewed at the October 28th meeting and the Trustees had planned to attend that meeting.

Dale Dormody moved to request an explanation of the \$30,000 that has been requested by the Pine Grove Cemetery Board of Directors. Kevin Roy seconded. Motion carried by a vote of 8-0. No vote was taken and Cemeteries will be discussed again at the October 28th meeting.

Phyllis Corrigan moved to approve the minutes of the September 30th meeting. Kevin Roy seconded. Motion carried by a vote of 8-0.

Terry Stewart moved to adjourn at 8:28 p.m. Gus Benavides seconded. Motion carried with all in favor.

Respectfully submitted,

Sandra Bailey
Executive Secretary