

## **GILFORD BUDGET COMMITTEE MINUTES**

**January 6, 2011**

**6:30 p.m.**

**Gilford Town Hall**

Members Present: Dick Hickok, Dale Dormody, Kevin Roy, Fred Butler, Dave Horvath, Sue Greene, Paul Blandford, Skip Murphy, Pat Labonte, Gus Benavides, Phyllis Corrigan and Terry Stewart

Members Absent: None

Also in attendance were Town Administrator Scott Dunn; Board of Selectmen Chair Kevin Hayes; Finance Director Geoff Ruggles; Superintendent Paul DeMinico; Asst. Superintendent for Business Scott Isabelle; School Board members Rae Mello-Andrews and Sue Allen; Gilford Elementary School Principal Jack Billings; Gilford Middle School Principal Marcia Ross; Director of Student Services Esther Kennedy; Building and Grounds Supervisor Tim Bartlett; Gilford High School Principal Ken Wiswell; and Technology Director Brenda McGee. Also in attendance was Executive Secretary Sandra Bailey.

The Budget Committee recited the Pledge of Allegiance.

Chairman Hickok welcomed Committee members and the public to tonight's meeting. He announced that they will begin tonight's review with the Town Budget. Town Administrator Dunn stated that he has prepared a first rough draft of the 2011 Warrant for Committee members. He pointed out that Article #6 will need one vote from the Budget Committee, since that total budget figure was the result of numerous votes with different outcomes. He further stated that the Board of Selectmen will meet on January 12, 2011, at which time they may make further budget reconciliations.

Town Administrator Dunn continued with his overview of the 2011 warrant, citing that Article #7 pertains to the collective bargaining agreement between the Town and AFSCME Local 534, on behalf of some employees of the Department of Public Works. This agreement still needs to be ratified by the AFSCME members. Articles #8-13 pertain to Capital Reserve Funds, while Articles #14-19 are the result of citizen petitions. In addition, Article #20 would authorize the Selectmen to accept the real estate previously owned by the Pine Grove – McCoy Cemetery Association, but a recommendation by the Budget Committee is not required.

Town Administrator Dunn also indicated that \$1,584 was erroneously omitted from the Town Clerk/Tax Collector's budget, which will need to be added to the total budget. Paul Blandford moved to recommend \$11,208,404 in Article #6, which represents the Town's operating budget. Selectman Benavides seconded. Skip Murphy moved to amend this motion by decreasing the operating budget by \$66,944, the total amount of all proposed 2011 merit pay increases, expressing a concern for this type in increase in a poor economy. Dave Horvath seconded. Selectman Benavides stated that while he shares Skip's concern, the Board of Selectmen took this matter to heart and gave up their own stipends for 2011. He also pointed out that employees have made many sacrifices over the past two years. The salaries of the Town Administrator and Department Managers have been frozen for 2011.

Board of Selectmen Chairman Kevin Hayes added that the Board of Selectmen feels that they stripped everything that they could. He does not think it is fair to provide pay increases for union employees and not do so for non-union employees. Skip Murphy responded by saying

that this way of thinking unionizes all employees. Chairman Hayes stated that employees are contributing more to health insurance costs, some employees have had their hours cut and part-time employees have lost their benefits. He praised Town employees and emphasized the need for the Board to take care of them. Kevin Roy added that eliminating these merit increases could result in more Town employees unionizing, which he thinks would be a tragedy for the Town.

Pat Labonte expressed concern with the growth in government within the Department of Public Works and Gilford Fire Rescue. Phyllis Corrigan stated that during the course of the Town Budget review, members of the Budget Committee praised DPW Director Sheldon Morgan for how well he does his job with stretching his budget. Committee members also reminded representatives from the School District of how well the Town did making cuts to their budget. The proposed amendment would take away what the Town was praised for at earlier meetings.

A vote on the amendment indicated a vote of Yes-3 and No-9. Motion did not prevail.

Skip Murphy moved to amend the main motion by \$174,221, eliminating over-time from all Town Departments. Terry Stewart seconded. Shortly after making his motion, Skip Murphy realized that he omitted the over-time from the Fire Department, which totals another \$123,190. Selectman Benavides expressed his concern for making any reductions in over-time for public safety employees, which includes Public Works, Police and Fire-Rescue. He pointed out that when staff reductions were made in the Department of Planning and Land Use that the Department Manager stated that he would have to be the one to step in and work additional hours. This is not possible where public safety is concerned and over-time is required.

Board of Selectmen Chairman Kevin Hayes stated that with DPW, it is not possible to function without over-time because snowstorms occur at night and during the weekend. In the case of the Police and Fire-Rescue Departments, over-time is necessary to cover shifts when a vacancy occurs due to sickness, vacation, etc. Dale Dormody stated that this Committee has already discussed all of this and passed the budget. He does not want to review it again at a global level. Terry Stewart added that the Town did a good job keeping costs down and does not agree with making these huge cuts. The over-time in other departments has already been cut. A vote on the amendment indicated a vote of Yes-3 and No-9. Motion did not prevail.

Skip Murphy moved to amend the main motion by \$182,500, which is the cost of the new loader being proposed for the Public Works Department. Following brief discussion, no one seconded the motion. Skip Murphy then moved to amend the main motion by \$12,640, eliminating travel expenses for all Town departments. Dave Horvath seconded. A vote on the motion indicated a vote of Yes-3 and No-9. Motion did not prevail.

Skip Murphy moved to amend the main motion by \$11,049, eliminating Membership & Dues from all Town Departments. He reminded Committee members that the Department Managers were not willing to pay for this on their own if the Town did not pay. Dave Horvath seconded. Dale Dormody clarified that Department Managers stated that they were not willing to pay for membership & dues because they could not afford to. Terry Stewart stated that he thinks Fire Chief Beland answered this inquiry best when he explained why he would not pay for it. A vote on the motion indicated a vote of Yes-2 and No-10. Motion did not prevail.

Returning to the main motion of \$11,208,404, a vote on the motion indicated a vote of Yes-10 and No-2. Motion carried.

Selectman Benavides moved to recommend Article #8, to raise and appropriate the sum of \$10,000 to be added to the Glendale Boat and Launch Ramp Facilities Maintenance Capital Reserve Fund previously established. Pat Labonte seconded. Motion carried by a vote of Yes-10 and No-2.

Selectman Benavides moved to recommend Article #9, to raise and appropriate the sum of \$10,000 to be added to the Water Supply Maintenance Capital Reserve Fund previously established. Phyllis Corrigan seconded. Motion carried by a vote of Yes-12 and No-0. Brief discussion ensued on the purpose of this fund and the possibility of having it taken out of the operating budget next year.

Selectman Benavides moved to recommend Article #10, to raise and appropriate the sum of \$20,000 to be added to the Building Repair Capital Reserve Fund previously established. Dale Dormody seconded. Town Administrator Dunn reminded Committee members that this amount was recommended by the Board of Selectmen after removing over \$100,000 in building maintenance projects that were proposed by various departments for 2011. Motion carried by a vote of Yes-12 and No-0.

Selectman Benavides moved to recommend Article #11. Phyllis Corrigan seconded. Pat Labonte stated that he is very disturbed by the lack of maintenance on the existing loader. Following brief discussion, it was determined that this article would need to be re-worded, so the Budget Committee members will make a recommendation next week.

Selectman Benavides moved to recommend Article #12, to raise and appropriate the sum of \$10,000, to be added to the Sewer Maintenance Capital Reserve Fund previously established. Pat Labonte seconded. Motion carried by a vote of Yes-12 and No-0.

Selectman Benavides moved to recommend Article #13, to raise and appropriate the sum of \$58,000, to be added to the Lakes Business Park Capital Reserve Fund previously established, pursuant to the terms of the Intermunicipal Agreement between Gilford and Laconia. Pat Labonte seconded. Motion carried by a vote of Yes-8 and No-4.

Chairman Hickok stated that the Committee will now move onto further review of the School District budget. Scott Isabelle began with a brief explanation of the two handouts he provided for tonight's meeting. He stated that the Estimated Revenue and Credit spreadsheet contains conservative revenue figures. Brief discussion then ensued regarding the default budget. Scott Isabelle stated that the District has been very consistent in the manner in which they compile the default budget and includes any contractual obligations. Following extensive discussion, Paul Blandford recommended that if the Committee has concerns with how the default budget is calculated, that it be brought up earlier in the budget process next year.

Sue Greene stated that she has concern with the burden added to the tax rate by the School District over the past five years. The Town's budget has increased 5%, while the School District's budget has increased 12%. Scott Isabelle stated that the Town is able to use the Undesignated Fund Balance against the tax rate, and he added that the School District returns 100% of unexpended funds to the Town. After a brief review of the projected revenues for 2011-2012, Scott Isabelle stated that some of these items are very difficult to predict.

Dave Horvath stated that the student population has declined by 150 students over the past five years, while staffing requirements have remained static. He thinks that the District is spending too much money and as the student population declines, so should the associated costs and

staffing requirements. Scott Isabelle replied that many of the staffing requirements are for IEP aides, which cannot be controlled. He also pointed out that changes in student population are not evenly divided amongst the grades and the District has to maintain proper teacher to student ratios. Dave Horvath replied that the static staffing data he supplied pertains to teachers only.

Skip Murphy moved to reduce the School District's budget by \$119,603, which represents all coaching salaries. Terry Stewart seconded and stated that he does not think that the School Board has made the same tough choices as the Board of Selectmen. Paul Blandford stated that the School Board thinks that extra-curricular activities are a very important aspect of the budget and they support them.

Skip Murphy further commented that he has several other proposed cuts and if they are approved, he will move to add back \$115,668 into the budget. Committee members asked him to specify where his cuts would be. He replied that he proposes the following cuts: \$51,753 to the 2% salary increases; \$211,977 to the 3% salary increases; \$125,946 for the Office of Superintendent; \$41,106 for student activity stipends; \$42,500 for mileage and tractor; \$21,485 for dues; \$550 for travel; \$12,500 for advertising; and \$26,000 for substitutes and over-time wages. The total of all of his proposed cuts is \$1,041,012.

This led to extensive discussion regarding changes to salaries that are part of the Collective Bargaining Agreement. Scott Isabelle pointed out that all reductions must be identified on the MS-27, but the Budget Committee can make adjustments to any line item.

At the request of Dave Horvath, Chairman Hickok asked members of the public that were in attendance to keep their comments to themselves. A vote on the motion to reduce the budget by \$119,603 indicated Yes-5 and No-7. Motion did not prevail.

Skip Murphy moved to reduce the budget by \$41,106, for student activity stipends. Dave Horvath seconded. Selectman Benavides asked Scott Isabelle to provide a brief explanation of what types of activities are covered in this line item. Following his explanation, a vote on the motion indicated Yes-5 and No-7. Motion did not prevail.

Skip Murphy moved to reduce the budget of the Office of Superintendent by \$125,946. Sue Greene seconded. A vote on the motion indicated a vote of Yes-4 and No-7, with one abstention. Motion did not prevail.

Skip Murphy moved to reduce the budget by \$51,753, the total of the 2% salary increases. Dave Horvath seconded. Scott Isabelle pointed out that the proposed 2% increase for IEP aides is an insignificant amount. Skip Murphy replied that he is speaking for the taxpayers. A vote on the motion indicated Yes-5 and No-7. Motion did not prevail.

Skip Murphy moved to reduce the Advertising line item from \$12,500 to \$0. Dave Horvath seconded. Paul Blandford stated that this allows the District to advertise for vacant staff positions, as well as legal notice and Child Find notices. Skip Murphy and Dave Horvath then amended the motion to decrease the line item by \$12,499 to \$1. A vote on the motion indicated Yes-3 and No-9. Motion did not prevail.

Skip Murphy moved to reduce the budget by \$211,977, the total of the 3% salary increases. Dave Horvath seconded. Paul Blandford stated that the taxpayers have already voted for these increases when they approved the contract between the District and teachers. Dave

Horvath reiterated his previously stated position that the District is over-staffed with teachers. Paul Blandford replied that the School Board does not spend money frivolously and they must look out for the needs of the taxpayers and students. A vote on the motion indicated Yes-2 and No-9, with one abstention. Motion did not prevail.

Skip Murphy stated that he will not be proposing any further reductions and he is disappointed that none of the previous motions prevailed. Phyllis Corrigan moved to approve the total School budget, in the amount of \$24,274,607, which represents the \$29,500 reduction approved at a previous meeting. Kevin Roy seconded. Motion carried by a vote of Yes-9 and No-3.

Returning to the Town's budget, it was determined to delay the vote on the purchase of the loader until the Warrant Article wording is changed.

As far as Article #19 is concerned, which represents a petition for funding of the Bicentennial Committee, it was the consensus of the Budget Committee to vote on this article after the Board of Selectmen have made their recommendation.

Phyllis Corrigan moved to recommend Article #18, in the amount of \$2,000, for New Beginnings. Paul Blandford seconded. A vote on the motion indicated Yes-6 and No-6. Motion did not prevail.

Phyllis Corrigan moved to recommend Article #17, in the amount of \$1,739, for Genesis. Paul Blandford seconded. A vote on the motion indicated Yes-6 and No-6. Motion did not prevail.

Chairman Hickok stated that Article #16 could not be voted upon yet because the petition has not been received.

Phyllis Corrigan moved to recommend Article #15, in the amount of \$25,000, for Community Health and Hospice. Paul Blandford seconded. A vote on the motion indicated Yes-6 and No-6. Motion did not prevail.

Phyllis Corrigan moved to recommend Article #14, in the amount of \$3,500, for Child and Family Services. Paul Blandford seconded. Fred Butler asked if there were any implications to the Town's budget if this article is not approved. Chairman Hickok replied that it could impact the Town's welfare budget, but to date this has not occurred. A vote on the motion indicated Yes-5 and No-7. Motion did not prevail.

Moving onto the approval of the December 16<sup>th</sup> meeting minutes, Sue Greene asked that they be amended to reflect the 2005 Town Meeting vote on Kindergarten. Terry Stewart asked that the comments he made after Jorge Tejada's presentation also be included, where he stated that the voters of Gilford voted to run the School District without a superintendent, but it is still not run that way. Terry Stewart moved the above mentioned changes. Kevin Roy seconded. Motion carried by a vote of Yes-8 and No-4. The minutes will be amended and e-mailed out to Committee members for final approval at the next meeting.

Chairman Hickok stated that Budget Committee will have meetings posted for before and after the public hearings next week. The meeting on Tuesday, January 11, 2011, prior to the Public Hearing on the School District's budget, will be held at 6:15 p.m. The meeting on Thursday, January 13, 2011, prior to the Public Hearing on the Town budget, will be held at 6:00 p.m.

At this time, Paul Blandford asked that a letter to Chairman Hickok from School Board Chair

Kurt Webber, be entered into the record. The letter asks for clarification of a discussion held between Superintendent Paul DeMinico and a member of the Budget Committee, who came to see him after the December 16<sup>th</sup> meeting. Following brief discussion, Chairman Hickok stated that he had responded to Chairman Webber in writing and would bring a copy to the next meeting. Terry Stewart stated that situations, such as the one that occurred at the December 16<sup>th</sup> meeting, are attributable to the "loose" meeting conducted by Chairman Hickok. He recommends that, in the future, an agenda be set and followed throughout the meeting, much like the School Board and Board of Selectmen meetings. Chairman Hickok replied that this was a valid criticism.

Terry Stewart made a motion, seconded by Kevin Roy, to adjourn at 9:04 p.m. The motion passed unanimously.

Respectfully submitted,

Sandra Bailey  
Executive Secretary