

Gilford Budget Committee Minutes  
October 18, 2012  
6:30 p.m.  
Town of Gilford

Members Present: Phyllis Corrigan, Dale Dormody, Gus Benavides, Fred Butler, Sue Green, Richard Grenier, Dave Horvath, Pat Labonte, Kevin Leandro, Rae Mello-Andrews, Kevin Roy

Members Absent: Allen Voivod

Phyllis Corrigan opened the meeting at 6:30pm and the Budget Committee recited the pledge of allegiance.

Phyllis Corrigan stated that this evening's meeting will cover Administrator, Boards and Committees, Legal, Finance/Appraisal, Technology, Welfare, Debt and Library. She apologized for not having an agenda she is currently having computer issues, if you are trying to reach her via e-mail don't include an attachment she is unable to print them.

Administration: Phyllis Corrigan stated that she Kevin Roy and Richard Grenier met with Scott and Geoff on the 11<sup>th</sup>, the total Administration budget is \$250,482.00 up .9% over 2012.

Non Discretionary:

- 2 full time employees and one student, who runs the camera at the BOS meetings.
- Retirement is up due to State mandate on retirement.
- Insurance costs are estimates, rates came in today however have not been released.

Discretionary: Operating budget is up 1% (\$8,458)

- Now have to pay ASCAP license which allows the town to play copyrighted music of their members.

Dave Horvath asked what the dollar amount is.

Phyllis Corrigan stated \$350.00

Kevin Leandro asked if that is necessary after buying the music.

Phyllis Corrigan read the letter received from ASCAP which states they have written and contacted the town many times concerning the need to obtain this license to lawfully present the copyrighted musical works of their members. Only owners of the musical copyright or their representatives are entitled, under US Copyright Law, to perform their works.

Discussion ensued regarding ASCAP, Sue Greene stated it might be worth asking the town attorney Scott Dunn stated that he had and that is why the town is paying it. Kevin Leandro wanted to go on record to say he felt that was extortion. Phyllis Corrigan stated the town could be sued if they continue to play copyrighted music.

Phyllis Corrigan continued;

Discretionary: Included in discretionary spending is \$1,550.00 is water, supplies, deed, liens, research.

Sue Greene asked if the supplies go with the bottled water.

Scott Dunn stated yes it includes items like cups, coffee.

Dave Horvath asked why we are paying for employee's coffee. He stated he buys his own and stated everyone gets a paycheck they can support their own habits and asked what the total dollar amount for coffee was.

Gus Benavides stated they do not have that exact figure but could get it for him.

Rae Mello-Andrews stated the Fire Department buys their own coffee.

Dave Horvath asked if they could get that number and delete it from the budget.

Scott Dunn clarified that he would need to make a motion and vote on it.

Dave Horvath made a motion to get the dollar amount for the coffee and remove it from the budget.

Kevin Roy seconded.

Motion carried with all in favor.

Phyllis Corrigan continued;

Discretionary: there are a number of things that have been reduced this year..... A new copy machine was acquired this year for \$4,850 including service and maintenance and is used by all departments.

Kevin Leandro asked if that was a purchase or a lease.

Phyllis Corrigan stated it was a lease/purchase.

Kevin Leandro asked when the lease will end.

Scott Dunn stated 2013 it is a 39 month lease.

Phyllis Corrigan continued:

Discretionary: Telephone – even though we switched companies we still have to pay line fees to Fairpoint.

Dave Horvath stated that he knew in the past there were expenditures that were being fought and asked if they could get an update.

Scott Dunn stated they weren't so much being fought but were ignored. The town is being charged amounts over the contracted number, and currently have a balance of approximately \$15,000.00. He has tried to get an answer from Fairpoint about these charges.

Dave Horvath asked if this is a potential liability.

Scott Dunn stated yes.

Dave Horvath asked if we lose the argument how will this amount be covered.

Gus Benavides stated they would have to find it in the budget.

Phyllis Corrigan continued;

Special Projects: This includes the repairs of the town hall building which will be paid with surplus funds.

Sub-Committee recommends the Administration budget as recommended by the Board of Selectmen in the amount of \$250,482.00.

Phyllis Corrigan asked if there were any questions.

Kevin Leandro stated that he is showing the town hall improvements at 1 million dollars.

Phyllis Corrigan stated that amount was denied by the Board of Selectmen.

Scott Dunn stated the amount is \$350,000.00 under a special warrant article.

Dave Horvath asked as a point of order if we will just be presenting tonight.

Phyllis Corrigan stated that they will also be voting.

Dave Horvath asked if they should hold off the vote until they get an answer on the coffee.

Kevin Leandro stated that they could go back and make an amendment.

Fred Butler stated the amount in the budget book shows \$250,452.

Gus Benavides motioned to approve the budget as presented.

Discussion ensued regarding the student who videos the Board of Selectmen's meeting.

Sue Green seconded Gus Benavides motion to approve the budget.

Motion to approve the Administration budget in the amount of \$250,452.00 carried with all in favor.

Boards and Committee's:

Phyllis Corrigan stated the amount of \$1,410.00 is mostly for the Budget Committee's recording secretary.

Gus Benavides moved to approve the budget of \$1,410.00 for Boards and Committees.

Dave Horvath seconded.

Phyllis Corrigan asked if there were any questions.

Motion to approve the Boards and Committees budget of \$1,410.00 carried with all in favor.

Legal:

Phyllis Corrigan stated the legal budget is \$37,000.00 and noted that it is down 39.3% with the new legal team of Donahue, Tucker and Chinella out of Meredith.

Dale Dormody asked if the amount is less due to cost or activity.

Gus Benavides stated exactly and they have used them in the past.

Pat Labonte asked if they contact the Local Government Center for legal advice. Discussion ensued whether the advice received was good advice Scott Dunn stated that was debatable. Gus Benavides stated that if you shop for legal advice from 6 different law firms you may get 6 different opinions.

Phyllis Corrigan stated the sub-committee recommends the legal budget of \$37,000.00.

Dave Horvath asked how long the other attorney's office had been with the town.

Gus Benavides stated around 30 years.

Dave Horvath stated he wanted to understand the decision making process for switching attorney's.

Phyllis Corrigan stated that may come under privacy.

Dave Horvath asked if they charged more than.

Scott Dunn stated it was comparing apples to oranges the retainer for the previous attorney's office was \$1,400.00 per month for unlimited access the new attorney is approximately \$975.00 for up to 6 hours. The hourly rate for a principal is higher however the hourly rate for an associate is lower when taken as a whole they have considerably shrunk the budget amount.

Kevin Leandro moved to approve the legal budget as presented.

Dale Dormody seconded.

Motion to approve the legal budget in the amount of \$37,000.00 passed with all in favor.

Pat Labonte asked if the fight over the cleanup of Liberty Hill was still ongoing.

Gus Benavides stated that is now between the Gas Company and DES.

Discussion ensued regarding whether the new company that bought out the one responsible was now responsible for the cleanup. Scott Dunn stated they purchased the company knowing it had this responsibility and the new company is more amenable to a resolution. Discussion ensued regarding which route the trucking company would take.

Elected Officials:

Scott Dunn stated they needed to also discuss Elected Officials.

Phyllis Corrigan stated she did not remember discussing that portion of the budget.

Scott Dunn stated this amount is for the Moderator, Board of Selectmen who again voted to forego their stipend this year.

Gus Benavides stated the stipend for BOS is zero the dollar amount is for the Town Moderator, Supervisor of the Checklist and all others.

Kevin Leandro made a motion to accept the Elected Officials budget of \$6,463.00

Kevin Roy seconded.

Motion to approve the Elected Officials budget of \$6,463.00 passed with all in favor.

Fred Butler stated that it doesn't make sense not to pay the Board of Selectmen a stipend.

Kevin Leandro stated it was his understanding that due to the economy they voluntarily gave that up.

Sue Greene thanked the Board for giving up their stipend.

Discussion ensued as to whether there was a need to keep \$1.00 in that line item, there is none.

Dale Dormody asked why there is \$600.00 for the Moderator if we are cutting out the coffee shouldn't we also cut this out.

Discussion ensued regarding paying the Moderator \$600.00.

Dale Dormody made a motion to amend the Elected Officials budget by reducing the Moderator's stipend of \$600.00.

Scott Dunn clarified that it would be \$647.00 including taxes.

Dale Dormody amended the amount to \$647.00.

Discussion ensued regarding what part of the term the Moderator was in and whether it was fair to withdraw the stipend midterm

Kevin Leandro seconded the motion to reduce the Elected Officials budget by \$647.00

Fred Butler asked if they could reduce the Moderator amount and shift it to the Board of Selectmen.

Gus Benavides stated that he appreciated the thought. They become selectmen to give back to the community not for the \$48.00 a week. He agrees there is a lot of responsibility and time away from work/family however even if the motion passed he is pretty sure the BOS would decline, he encouraged the Budget Committee not to make the motion.

Kevin Leandro asked if this should be tabled for another time.

Scott Dunn stated he had a discussion with the Moderator and she asked how she could go about refusing the money and he suggested giving it to charity.

Phyllis Corrigan called for a vote on the motion to amend the dollar amount of Elected Officials to \$5,816.00 reducing it by \$647.00.

Gus Benavides stated that he would be voting no.

Phyllis Corrigan asked if there were any questions. There were none.

10 Yes

1 No

Motion to amend the Elected Officials amount to \$5,816.00 passed 10 to 1.

#### Finance:

Phyllis moved on to Finance. Total budget is \$574,817.00 a 4% increase over 2012, Welfare is separate.

- 3 Full time, 2 Part time employees (2 hours a week just to cover peak & vacation)
- Increase in Retirement.

Scott Dunn stated the Retirement rates came in today and will be reviewed by the Board of Selectmen.

Discussion ensued regarding whether a vote should be held off until the rates are given. Kevin Roy stated they could always amend the amount once the rates are given.

Scott Dunn stated the rates are considerably less.

Sue Greene asked if the rates would increase every year.

Scott Dunn stated they can't predict. Legislation has made many changes the state was contributing 35% went to 25% and now contribute 0%. Statutory changes make projections from year to year it is a crap shoot, the state is funding a 4 billion dollar system short fall.

Phyllis Corrigan continued;

The Auditing line is up 6.4% due to contractual services (fourth year of a five year contract)

Fred Butler asked about the cost last year.

Geoff Ruggles stated they have a contracted amount including ongoing inspections. The state says they must evaluate the entire town every 5 years. They do a different section of town every year then come up with values. They review sales and what properties are assessed at ideally overall assessments will be between 90 to 110% of sales. This is a very complex town there are a lot of small market areas. There weren't as many market changes this year however they anticipate getting closer to the budget amount.

Phyllis Corrigan continued;

Most of the increase is due to the need for a 2<sup>nd</sup> server and upgrades to the backup server. PD server maxed out early. Also the software support line has increased due to the addition of the second server with upgrades to the virtual software as well as off-site storage capacity.

Mainstay takes care of back up offsite so everything is not lost. Line item is up \$3,000.00.

Sub-committee recommends the Finance budget of \$574,817.00. and Phyllis Corrigan made the motion to accept the budget as presented.

Gus Benavides seconded.

Dave Horvath stated he sees a notation merit raises included Department Heads and wanted to understand how the salaries are established compared to other towns.

Gus Benavides stated that he would answer that in non Budget Committee meeting but did not feel it was appropriate to discuss here.

Dave Horvath stated he sees they are putting in salaries with ranges and stipends but hasn't seen where we are making any efforts to keep a hard cap on public vs private.

Gus Benavides stated in general terms just know that they have frozen the Department Heads and Town Administrator's salaries. They have also made more accurate job performances to more get a more accurate review to be reflected in their merit increase.

Dave Horvath stated the notation includes Department Heads.

Phyllis Corrigan stated the statement regarding Department Head is incorrect and should be excluded.

Gus Benavides stated he was not trying to be disrespectful.

Dave Horvath stated he was just trying to get a general concept on how they set the standards.

Phyllis Corrigan called for a vote to approve the Finance budget of \$574,817.00.

Motion passed with all in favor.

#### Welfare:

Phyllis Corrigan stated the Welfare budget of \$81,709.00 is down 0.3% or \$240 over 2012. You will note the welfare director has a cell phone stipend as she does not have an office in town hall and her cell phone is the only way she can be contacted. Line items are level funded, this year they are expecting a cold snowing winter.

Fred Butler asked if she uses her own discretion or are there checks.

Phyllis Corrigan stated she has a set of guidelines she follows.

Gus Benavides stated she works with the Finance Director.

Sue Greene asked if the home repairs are done by an outside contractor or community volunteers.

Geoff Ruggles stated they usually only pay for emergency repairs and stated she does know people in the community who provide services at a reduced rate if possible.

Sue Greene stated she wasn't thinking of emergency situations.

Geoff Ruggles stated that they only provide help in life threatening emergency situations.

Dave Horvath asked if they are seeing any trend changes in expenditures.

Geoff Ruggles stated they are tracking up and down seeing more requests for housing assistance had mild winter saw less for fuel assistance although PSNH has just sent out shut off notices before winter. We have had a few cold nights and are now seeing fuel assistance requests as CAP does not kick in until November 1<sup>st</sup> or December 1<sup>st</sup>. At beginning of year looked like they might over extend budget, through the summer it looked like they might be under budget however as of now it looks like they might go over slightly.

Phyllis Corrigan asked if there were any further questions, and moved to accept the Welfare Budget of \$81,709.00

Rae Mello-Andres seconded.

Motion to approve the Welfare Budget of \$81,709.00 carried with all favor.

#### Debt Service:

Phyllis Corrigan stated there are 4 debt groups and the budget is down 2.3% or \$11,290.00.

Kevin Leandro asked what the date for Lakes Region Business Park was.

Phyllis Corrigan stated it ends in 2014.

Kevin Leandro asked if the money from lot sales goes into the General Fund.

Discussion ensued regarding the split of ownership between Gilford and Laconia with funds from sales going into the General Fund.

Sue Greene asked when the Bean property will be completely paid.

Geoff Ruggles stated 2022.

Pat Labonte asked about the sewer extension to the Cherry Valley Condominium.

Geoff Ruggles stated the Condo Association is reimbursing the town every year so this dollar amount is a wash.

Discussion ensued regarding the location of the sewer extension into Gunstock, and Gunstock Acres.

Phyllis Corrigan asked if there were any further questions and recommended approving the Debt Service Budget of \$488,862.00 as presented.

Dave Horvath seconded.

Motion to approve the Debt Service Budget of \$488,862.00 passed with all in favor.

Phyllis Corrigan turned the meeting over to Sue Greene to present the Library budget.

Library:

Sue Greene stated the Sub-committee met with Katherine Dormody on Monday. The Library budget of \$464,676.00 is up 3.5%.

- 3% merit increase not including Department Head.
  - Increase in health insurance and \$2,291.00 in retirement costs which is mandated by the state.
  - Programs/meetings and dues remain at a 0% change.
  - Books, Audio Visual, and Software up due to volume of library use.
  - Defibrillator purchase, Library remains only town building without one.
  - 4 computers
  - Electricity rate is down with the usage being constant with the Geothermal.
  - Pine State seems high would recommend looking at other companies.

Sue Greene states they have a concern regarding the extra \$600.00 in the elevator budget to cover the cost of a service call in the event they need one. Other than looking at getting bids for another elevator service provider and another alarm system provider the budget committee recommends the budget of \$464,676.00 and asked if there were any thoughts.

Kevin Roy asked if anyone has something to compare it to.

Sue Greene stated that the company comes from Portland and thought there might be another company closer in Concord or Manchester. She contacted Sheldon and he didn't think they had gone out to bid for four or five years.

Kate Bishop-Hamel stated this line item became "inherited" this year they have not had a chance to review it. She understands there may be limitations due to contracts and wants to understand what the penalties may be. She agrees that they need to look at this going forward and wants to coordinate this with the town as it is a shared contract. She also stated the extra \$600.00 is necessary looking at the past two years they have spent \$600.00 to replace one fuse as well as \$1,100.00 in other elevator services.

Discussion ensued regarding the elevator contract and collaborating with the town for their elevator contract.

Discussion ensued regarding separating out the cost of services to the specific departments.

Discussion ensued regarding the Power Company and Geoff Ruggles stated that he would be reviewing this again in November.

Kevin Roy asked if there was a reason they went with a different company for their geothermal contract.

Katherine Dormody stated yes.

Sue Greene stated in the past they have taken out money that was put in the budget on an assumption it would be used and made a motion to reduce the budget by \$600.00 in the elevator maintenance line item.

Phyllis Corrigan seconded for the purpose of discussion.

Dale Dormody asked if they had past experience that shows a need for this money.

Gus Benavides stated yes this past year they had an additional charge of \$600.00 and \$1,100.00 the previous year that was not in the budget. They have to operate the elevator under the safety standard if there is something that needs fixing they must pay for it. They can't run the risk of having a bill come every year, they may be able to save money by looking at other service providers.

Phyllis Corrigan asked if there were any additional comments.

Fred Butler stated that he agreed with Sue Greene in reducing the budget by \$600.00 not knowing the history however it is not worth fighting over \$600.00 with the probability that it will be used.

Phyllis Corrigan asked if they were ready to vote to reduce the Library budget by \$600.00 for elevator service.

3 Yes

7 No

Motion to reduce the Library budget by \$600.00 failed 3 to 7.

Gus Benavides moved to approve the Library budget in the amount of \$464,676.00 as presented.

Kevin Roy seconded.

Dave Horvath asked if the statement that merit increases includes the Department Heads would be scratched.

Phyllis Corrigan stated yes.

9 Yes

2 No

Motion to approve the Library budget in the amount of \$464,676.00 passed 9 to 2.

Scott Dunn stated they also needed to vote on the Insurance Account.

Phyllis Corrigan read the Insurance budget:

- Unemployment = \$16,216.00
  - Workers Comp = \$75,185.00
  - Health Ins. Contingency = \$5,000.00
  - Health/Wellness Reimbursement = \$3,000.00
  - Property/Liability = \$109,713.00
  - Insurance Deductable = \$0.00

Total budget is \$209,114.00

Gus Benavides made a motion to approve the Insurance Budget as presented.

Dale Dormody seconded.

Discussion ensued regarding Health/Wellness reimbursement. Sue Greene asked what the max reimbursement was. Scott Dunn stated between \$200.00 and \$300.00. Gus Benavides stated they have been cutting back on this line item.

Motion to approve the Insurance Budget in the amount of \$209,114.00 passed with all in favor.

Phyllis Corrigan stated they have minutes to approve from the previous Budget Committee meeting.

Gus Benavides made a motion to approve the minutes.

Phyllis Corrigan stated she had one correction on the first page she also included the Deputy Chief.

Discussion ensued regarding the Hum V.

Gus Benavides made a motion to approve the minutes as amended.

Sue Greene seconded.

Motion to approve the amended minutes passed with all in favor.

Phyllis Corrigan stated as a housekeeping note she would like the members to notify her if they will be unable to attend the Budget Committee meetings.

Discussion ensued regarding selecting a point person for the Sub-committees.

Phyllis Corrigan stated she liked the idea of using the template for the Sub-committee minutes and asked if that worked for everyone.

Kevin Roy made a motion o adjourn the Budget Committee meeting.

Kevin Leandro seconded.

Pat Labonte asked about the roof leaking at the Fire Department.

Scott Dunn stated that was in the 2014 budget C.I.P. but stated that it looks like something will need to be done in 2013.

Pat Labonte stated it needs to be done now.

Scott Dunn stated it would not happen with 2012 money.

Discussion ensued regarding when the roof could be repaired, Scott Dunn stated they would be soliciting quotes and will figure out how to pay for it.

Phyllis Corrigan stated the next meeting will cover Parks & Recreations and Town Clerk Tax Collector budgets.

Motion to adjourn passed with all in favor.

Meeting adjourned at 8:30pm.

Respectfully Submitted,

Mia Gagliardi

Recording Secretary