

**TOWN OF ATKINSON
BUDGET COMMITTEE MEETING
Tuesday, November 18, 2014**

Members Present:

Bill Smith, Chair
Wendy Barker, Vice Chair
Kay Galloway
Sue Carroll
Craig Schuster
Tom Mealey

Others Present:

Bill Innes, Town Administrator
Phil Consentino, Selectman Liaison

Chairman Bill Smith opened the meeting at 7:00 PM, Tuesday, November 18, 2014.

Minutes: deferred

The Committee discussed questions given to the Selectmen and continued to go through the budget line by line. A spreadsheet on salaries prepared by Craig Schuster was deferred to the next meeting.

Chair Smith proposed a goal keep the budget increase to 2%. Member Sue Carroll commented that she would like to keep it flat. Ms. Galloway commented that the Committee had not gone through the budget and Mr. Schuster agreed. Chair Smith's reasoning is that consumer prices have gone up about 2%, some of the increases in the budget are high. Member Tom Mealey commented that the Committee could look at each line in the perspective of only a 2% increase. Mr. Innes commented that although the budget last year went up, the tax rate only went up 10 cents per \$1,000. Ms. Carroll remarked that the tax rate did not go up because the Selectmen bought it down. In the past five years, budget increases have been around 2% with the exception of 2014.

Member Sue Carroll made a motion to make it a goal to keep the budget increases no more than 2%. Member Tom Mealey seconded the motion. The Budget Committee voted 5 yes with Selectman Liaison Phil Consentino voting and Members Kay Galloway and Craig Schuster abstaining. Vote: 5/0/2.

Questions to the Selectmen:

Mr. Smith requested to discuss question 4 which requests justification for Town employee raises and increased benefits.

Mr. Smith questioned the raise for the Community Center Director Salary and additional benefits. Mr. Innes responded that the Community Center Director is not taking health insurance this year.

All employees are getting a 2% COLA raise, except those getting increased hours, promotions or longevity raises.

Professional Services in t- Line Number 41301.390: This is money for an instructor.

Line Number 41302.341 - Telephone: This is the Selectmen's phone line and includes all phones in the Selectmen's office and the internet which is 2 phones in the Selectmen's office; cell phones for the Selectmen and the Town Administrator; and it also includes the cable bill. It does not include phones for the new Selectmen.

Question 3 - the assessing clerk budget line. It will take effect January 1, 2015.

Question 5 - Other Professional Services in the tax collector account: It is for printing and mailing out tax bills by Laurel Crest.

Question 6 - Treasurer's account: The lines for dues/subscription, mileage and educational conferences. The Treasurer has to go to the bank twice a week The amount is calculated at 936 miles a year times \$.505. The lines also include money for training and when he has to go to meetings and programs. Dues and subscriptions are for one or two annuals pertaining to the job of Town Treasurer.

Question 7 - should the office supplies accounts be centralized and consolidated. Mr. Consentino responded that there are many reasons why not. First, there is no room in storage room in the back, next, there is no advantage of buying in bulk for reduced cost, and the Assistant Town Administrator would have to sit down and allocate who gets what supplies. Also there are certain materials the Police Department and the Fire Department need for office supplies that they cannot get through a local vendor. One example is summonses; they are in computer now. There will be no consolidation of office supplies. Mr. Innes is checking with WB Mason for a 2 year history of what the Town has purchased and where it was purchased from.

Ms. Barker remarked that companies like WB Mason and Office Max have a secure web site and can track everything that you ordered. Mr. Innes can give the Committee an accounting of all office supplies ordered. Mr. Consentino

Question 8 - The Cemetery Trustees have a\$400 phone line: The trustees have one cell phone. It was in the Town Administrator's budget but it got broken out.

Question 9 - purpose of a Regional Planner: The Regional Planner works on the Master Plan and the Capital Improvement Plan. Whenever there is a subdivision or problem, the Regional Planner sits down with the Planning Board and works with them. If the Town had to hire someone else, the cost would be prohibitive. Ms. Carroll has given a packet to the Budget Committee members that gives a history of regional planning and she suggested that the Budget Committee members read it. Mr. Consentino suggested that Ms. Carroll ask Ms. Killam what the Regional Planning Board does for the Town. Ms. Carroll understands that the Planning Administrator and the Highway Department get benefit from it, but there are a lot of drawbacks. Mr. Smith commented that it seemed to him that Ms. Carroll is concerned about loss of local control. Mr. Consentino reiterated that Ms. Carroll ask Ms. Killam to be present at any discussion regarding Regional Planning.

Question 10 - The Police Department legal service line: The charge is based on a case by case basis. Atkinson is in a pool. In the past everyone was paying equally. It is being reassessed. One town has dropped out and one other might as well. It is for prosecution of cases at Plaistow District Court and \$2,500 for a retainer for the Town Attorney. It is specifically for police department issues. The line should stay the same or possibly go down.

Question 11 - an unidentified other/new line with \$11,000 in the Police Department Budget: The line will be changed from other /new to cruiser equipment. It is for equipment for the new cruisers.

Question12 - status of use of where to purchase gas for Town vehicles - Mr. Consentino stated that the vendor probably will not change this year. Mobile Gas breaks down, the car, the department, the driver or officer and other things as well. Ms. Galloway asked about Cumberland Farms again. Mr. Consentino replied that the Town is looking at it. Mr. Consentino has gotten some information. There has to be an account - it is a direct debit card. The Town can have 5 accounts and 5 cards. The bookkeeper, does not want any entity to draw directly out of a Town account so there will be no debit card. The second issue is there is not one gas station that fits all needs. The Fire Department trucks and Highway Department trucks will not fit at Cumberland Farms. The Depot is too far. A gas station that will accommodate some number of Town vehicles, send a monthly bill and account for all

purchases is needed. Ms. Galloway suggested again that the Selectmen ask Plaistow. Mr. Consentino responded that Plaistow gets its gas from several gas stations, not just Cumberland Farms. Mr. Innes informed the Budget Committee that the Town purchases 20,000 to 30,000 gallons of gas a year. There was one meeting, and they have a general direction. Something that makes sense for all departments and where dollars spent are safe is needed. Ms. Barker commented that she would like to see it pursued aggressively, she does not want to pay taxes in Massachusetts. Mr. Consentino informed the Committee that the station keeps the credit cards. There were strong objections to leaving the credit cards at the gas station.

Question 13 - should the Town hire a grant writer: The Town looked into it; it is not that easy to get someone to come in and write grants. Sometimes they will take it on and get paid once the grants are done, sometimes not. It is time consuming to go through all grants for example for police departments. The Town would need to tell the grant writer exactly what to look for. Mr. Innes see grants, but they are very specific and do not apply to the needs of the Town of Atkinson. Ms. Barker replied that she understands that the parameters for grants are specific but hears about other Towns getting grants, and questions why Atkinson is not getting grants. Mr. Consentino informed the Committee that Chief Brackett is looking into grants.

Question 14 - funding for the Sad Cafe: This question is resolved; the Sad Cafe is out of the budget. They have gone out of business.

The Committee discussed a meeting schedule. The Committee decided to meet December 2, 2014, December 9, 2014 and possibly December 16, 2014 and December 23, 2014. Mr. Mealey is out until January 14, 2015. Mr. Schuster will be in Florida on December 16, 2014 and December 23, 2014.

Salaries - Member Craig Schuster summarized labor costs. He broke out salaries, FICA, Medicare and health insurance from the budget and did a summary of the total labor and benefits. The total is about \$2.2 million or 51% of the total budget. It is \$95,946 or 4.42% increase. Labor increased ? from 2008. 2008 labor benefits were 43% and climbed ever since. Other things to note, actual labor - just salaries is ???? 10.3% increase from 2014. The Fire Department and Police Department have shifted down some numbers, the rest of the Town has gone up.

Health Insurance and Retirement - not counting the Police Department and the Fire Department leaves 5 people who are eligible for health insurance and retirement. The total cost of health insurance for the Town is \$147,754; a \$3,668 increase from last year. 2.5% had budgeted line item in the Highway Department that is higher but is not spent. Retirement, not including the Police Department and the Fire Department budget, is \$47,318; a \$21,992 increase from 2014 or an 86.4% increase. Mr. Innes explained that there are 8 people with insurance for 2015. The bookkeeper, The Assistant Town Administrator, two library personnel, the Road Agent, the Assistant Road Agent, and the Town Clerk makes 7 people with insurance, next year there will be 8 employees including the Deputy Town Clerk. Health insurance went up 3%. Mr. Schuster has lots of questions, the numbers do not make sense and he thinks they are higher.

Some full time employees do not use insurance. The Town is looking at individual cost, the Committee needs to look at potential cost. Making someone full time increases salary and benefits.

Chair Smith asked if the Selectman Liaison would like to comment.

Mr. Mealey asked about Elder Services. Mr. Innes responded that they have someone who is taking over as director and coordinates everything. Sue Carroll commented that she was hired after the deliberative session. Her salary is being increased to \$13.50 per hour. Ms. Barker asked if the Selectmen were going to hire a dispatcher. Mr. Consentino replied that she will be doing the scheduling, checks all the rides and coordinates them; does all the statistics. She controls all the

functions for that office. Ms. Barker commented that her position should have been presented to the Budget Committee as part of the costs. Mr. Smith asked what line the new director falls under. The only salary line is payroll. The increase in that line is to cover her pay. Mr. Consentino responded that her salary is being added to that line. Mr. Innes informed the Committee that the drivers are getting a \$.75 per hour raise. Salaries range from \$10.50 to \$11.50. The increase in salaries for the drivers is due to COLA increases. Mr. Innes informed the Committee that Ted Houlihan is the assistant director and he is also a driver. He will be getting \$13.50 per hour, only for hours he is on the road. Ted Houlihan is the first person the new director calls if there is a problem.

Marjorie Watkins is the laborer at the cemetery. Bo Potuto is the Trustee, he goes up there every day. Ms. Watkins does the grounds keeping. The Landscaper does mowing and fertilizing. She does almost all the other work, keeps some of records, trims bushes, does some planting.

Quotes for fertilizer, lawn care and mowing came in last night. The only quote that did not come in is the quote for oil. There was a question about care of grounds at the cemetery. Mr. Consentino explained that the cemetery trustees do the mowing and trimming. They do not get a prisoner trustee.

The Budget Committee asked if the other/new line at the top of page 17 of 19 was for retirement. The line is \$4,468 in the recreation department budget. Mr. Innes responded that the line is for retirement. A line needs to be added for retirement. Mr. Innes will also add a line for insurance even though it is not being used. The retirement line will be 45208.230. The Insurance Line will be 45208.210.

The Community Center Director's salary goes from \$27,128 to \$39,998. Her hourly rate went from \$14.95 to \$19.23 at 40 hours.

Eric Bussell is a laborer in the highway department. He works 30 hours per week. The line is 43122.110.01. The Road Agent is elected, the laborer is not. Member Barker asked why salary is not part of the vote. The Road Agent was made full time last year and this year he got a raise to \$52,000, about \$4,000.

A retirement line needs to be added to the Highway Department budget as well. The dollars are already figured.

There is an increase in the Cable TV salary line. Pay for the cameramen went from \$35 to \$40 per event.

Next, the Assistant Town Clerk hours went from 35 hours to 40, historically it has been full time. The hourly rate went from \$15.52 to \$17.50 plus benefits which are single insurance and retirement for the current employee. Retirement and insurance are combined with Town Clerks lines.

Ms. Barker asked about the increase in the Planning Administrator's salary. The current Planning Administrator is retiring in June. 2 inspectors are in their mid 70's and should be retiring soon. With the Bookkeeper, the Planning Administrator and the Town Administrator retiring, there is a tremendous loss of institutional knowledge. The Committee discussed the Planning Administrator position, if it would remain part time or go full time. Also, how the Planning and Zoning Office will be made up.

The Board discussed hiring practices. Employees will have a probationary period and have to go through a background check.

The Committee discussed Police Department salary, insurance and retirement. Atkinson has lost 2 officers to the Town of Salem.

Mr. Schuster had a question in the Fire Department budget, there are 2 lines of \$1, one is a retirement line and the other is for insurance. Mr. Innes explained that the Town used to pay retirement, but there is a new state process where the State pays for retirement and insurance for the Police and the Fire Departments, not the Town.

Next, the Committee discussed the Elder Services budget. The biggest component is payroll which increased 22% or \$20,000. The Committee looked at the number of cars, the number of days, and the average salary times the number of drivers. It comes to \$65,000 plus payroll for the director. The Committee discussed how much of 2014 did Elder Services have 5 cars and estimated that they got the fifth car around July.

Next, the Committee questioned if the \$1,000 budgeted for other professional service is for printing.

Ms. Carroll informed the Committee that there is another service available. It is provided by Plaistow Place. Mr. Innes responded that the Town has known about other services for awhile, and the Town takes advantage of them, but they cannot handle the volume of service that Atkinson provides to elderly residents.

Next, the Committee discussed vehicle gas expense for Elder Services. In 2014 \$11,880 was budgeted for 4 vehicles. So far, only \$9,187 has been spent through the end of October.

Mr. Consentino explained that the vehicles are old, 3 of them are Ford Crown Victorias with 8 cylinders and high mileage and they use a lot of gas. Mr. Consentino commented that the vehicle was also used for details. Ms. Barker commented that she did not see a need for a fifth car. The Town could retire the older Crown Victoria and use 4 vehicles. This would save on gas and maintenance and move forward. They provided the same amount of rides with 5 cars as they did with four cars. Mr. Innes informed the Committee that the Selectmen have no interest in adding another vehicle to Elder Services. Ms. Carroll pointed out the 2014 budget was for 4 vehicles, it is a nice service. Mr. Smith remarked that the Elder Services budget has increased every year and the budget for 2015 is \$91,000, and \$10,00 of the increase is just for having someone answer the phone. Ms. Carroll remarked that Elder Services cannot cover all requests. The additional vehicle is only increasing cost. Mr. Consentino agreed to get in touch with Mr. Houlihan and will have the information for the Committee.

Other Professional Services Line- Mr. Smith requested a motion to propose \$1500 for that line. The Town has not spent the \$1,000 budgeted for 2014. Mr. Innes will find out what it was budgeted for.

The Committee continued to discuss vehicle gas expense for Elder Services and asked if \$12,500 is sufficient if it is assumed that gas prices will go down 10%, or if the Committee should propose \$11,250. Mr. Schuster calculates even with 5 cars the maximum expense for gas should be \$12,500 even at average gas prices. Mr. Smith remarked that everything he reads says gas prices are going down. Gas expenditure is the same with 4 or 5 cars.

Member Sue Carroll made a motion to reduce the amount for Vehicle Gas Mileage, Line Number 42151.635 from \$14,500 to \$12,000. Member Kay Galloway seconded the motion.

Discussion: Chair Smith asked Sue Carroll if she should amend the total to \$11,000. The Committee agreed to \$12,000.

All members of the Budget Committee voted to propose to reduce Line Number 42151.635 Vehicle Gas Mileage in the Elder Services budget from \$14,500 to \$12,000. Vote: 6/0.

Next, the Committee looked at the Fire Department budget. Chair Smith remarked that it looks reasonable. The salary line is up \$3,600, a 1% increase. The Budget Committee made no proposed

changes for the Fire Department. Chair Smith proposed to carry over the Selectmen's amount for as the Budget Committee proposal.

The Committee agreed to revisit Elder Services next week, wrap up the payroll discussion and Elder Services and talk about buildings.

Building Inspections increased 28%. The expense is a wash. The Budget Committee agreed to carry over the numbers agreed to by the Selectmen.

Next, the Committee looked at the Homeland Security budget. The total is \$650. The new equipment line is \$500. Mileage is \$50, and \$100 is budgeted for dues and subscriptions. Mr. Innes explained that the expense was formerly in the Fire Department budget, but he wants to put it in the Homeland Security budget. The Committee agreed to carry over the Selectmen's proposal to the Budget Committee proposed budget column.

The Committee agreed to propose the same amount as the Selectmen for the Dispatch budget.

Next, the Committee looked at the Highway Department budget. Member Craig Schuster suggested the Committee wait until after December 1st because a lot of line items come in December.

The Committee discussed the truck lease for \$16,500. There are pros and cons of capitalizing the highway department. In the past, the Town rented equipment from the Road Agent. Snow plowing trucks came from other contractors. The Town has one truck, and it is 7-8 years old.

Mr. Innes said that one alternative is to buy a used truck, but it is a risk because of maintenance expenses. The Town could purchase a truck outright for \$90,000. If the Town leases a truck it would be a 5 year lease. The truck has a 10 year life cycle. It would cost \$16,500 the first year. The lease would be paid in 5.5 years at \$22,000, then the Town could pay a dollar to purchase the truck. Leasing from Ford would cost 5.4% in insurance, if the Town were to lease from the bank, insurance would be from 2.25% to 2.5%. Another alternative is not to have any trucks or equipment and rent something when you need it. If the Town stops renting the truck from the Road Agent it would need to get another truck, lease one for \$16.5 or get another truck from someone who does outside plowing. The first year is a wash year, the second year the cost is \$1,000 to \$2,000. Reliability is important.

If the Town rents a backhoe it would have to pay for a driver, too. If the Town leases a backhoe, it would be significantly less expensive than renting a backhoe. It would be comparable to what the Town is paying to rent from the current Road Agent. The Town could lease the backhoe for 5 years, then have 4-7 years of no lease cost. Currently, the Road Agent rents equipment to the Town at well below cost. The Hampstead Road Agent rents a truck with a plow and wing for \$120,000 per year to Hampstead.

Currently, the Town leases the Road Agent's pickup. A vehicle is needed for transportation. The Road Agent is getting information on a surplus pickup truck or humvee.

The Committee discussed equipment costs. Mr. Innes explained that the truck lease line is for lease of a new truck, a Ford F 550 with a plow and wing. The Town owns a truck and is renting the second truck from the Road Agent. The Highway Department will be using the Town truck for another 2-3 years.

Mr. Schuster pointed out that labor line is a \$17,500 increase. The \$16,500 truck lease and overall increase is \$22,000. There is a \$10,000 increase for salt.

Chair Smith requested to review the information and put it together. Mr. Innes explained that the Town would be getting rid of the truck rent from the Road Agent as well as a truck and driver from the contractor line. It will go from 11 contractors with their own trucks. Leasing will replace renting a truck from the Road Agent and one contractor's truck. In summer, the Town will use the truck to move people around. The Town will not need the Road Agent's truck to drive people around in summer. The Highway Department budget is \$22,000 and is all for salt and labor. There is a reduction in cost for contractors and other things. Those numbers will go up if the Town does not lease a truck. Member Sue Carroll asked if there were a warranty.

Member Wendy Barker asked if the contractor bids were a flat rate. Mr. Innes replied that he is not sure. The line is for \$95,000. The Committee questioned how they are paid, Mr. Innes replied that the Town rents the truck and the driver. The contractor pays for everything else. The Town is charged based on work.

The truck would be available from August to September. Interest would be 5.4%, an F550 rental would result in \$4,500 per year in savings. If all hours are leased, it would cost \$14,000 average over 7 years. Insurance is \$400. The truck would be available 100% of the time. \$55.20 is the cost per hour to lease a truck from a vendor and availability is limited. The truck would be available to the Town with the change of the Road Agent.

Member Kay Galloway made a motion to adjourn the Tuesday, November 18, 2014 meeting of the Town of Atkinson Budget Committee at 9:40 PM. Member Craig Schuster seconded the motion. All members present voted in favor. Vote: 6/0.

The next regular meeting of the Budget Committee will be Tuesday, November 25, 2014 at 7:00 PM.