

TOWN OF ATKINSON
BUDGET COMMITTEE MEETING
Tuesday, December 16, 2014

Members Present:

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

Others Present:

Bill Innes, Town Administrator
Phil Consentino, Selectman Liaison

Chairman Bill Smith opened the meeting at 7:00 PM, Tuesday, December 16, 2014.

Minutes: Deferred

2015 Atkinson Budget:

Chair Smith asked Mr. Innes about the numbers for Care of Grounds, Account Number 45202, and was informed that the numbers should be carried over year over year.

Chair Smith pointed out the total for the Selectmen's budget does not include the \$41,400 for Care of Grounds, if that amount is included, the total Selectmen's proposed 2015 budget is \$4,478,434 or a 5.59% increase for last year. After Mr. Smith applied all the changes made at the December 1, 2014 meeting, the total amounts column has a 3.21% increase over 2014. This includes the \$41,400 for grounds maintenance. Chair Smith explained the formula for the amounts column. The Budget Committee column also does not include the amount for Advertising Regional, \$6,470, and it does not include the \$41,400 for grounds maintenance. The Selectmen's column is missing the \$41,400 for grounds maintenance. This explains the differences in the bottom line for the columns. The budget committee column shows a 2.08% increase and the amounts column shows a 3.21% increase.

The amount column total is \$4,377,208 or 3.21%. It includes care of grounds and Advertising/Regional and is the correct total for the 2015 budget.

Mr. Consentino, Selectman Liaison, stated that if the Committee is going to discuss the Advertising/Regional Account, he would like to call the Planning Board Chair. Mr. Innes has more information on that account, too.

Chair Smith informed the Committee that another \$50,000 in cuts are needed to get to a 2% increase in the 2015 budget. The Committee could go through the budget line by line to propose additional cuts and asked if anyone had suggestions.

Ms. Carroll suggested bringing Elderly Services back to four cars. Mr. Innes responded that the Selectmen set the policy for the Town and they set it at five cars. In response, Ms. Carroll stated that the Committee does, however, set the funding.

Mr. Smith requested the Committee look at grounds maintenance on page 16. The expenses for grounds maintenance on the spread sheet are only through October. The bookkeeper has added the latest expenses and the amount spent is close to what was requested.

Ms. Galloway is looking under Executive at Professional/Technical Services, line number 41301.390. Only around \$5,000 has been spent and they are requesting \$10,000. Mr. Innes informed the Committee that \$6,580 has been spent through December 10th.

The Committee agreed to discuss care of grounds and the Rockingham Planning Commission, then go through the rest of the budget.

Care of Grounds, Account Number 45202: There is \$2,874 left in the account and no more bills are expected this year. Ms. Carroll suggested reducing plantings by \$1,000. It is Line Number 45202.730. Mr. Innes checked the detail and it is money that goes to the Atkinson Garden Club. Ms. Galloway explained that it is for everything around Town Hall, the Fire Station, the Police Station and the Library and includes Christmas decorations. The Committee did not make changes.

Advertising/Regional Line Number 41974.855: Ms. Carroll asked if the Committee had had a chance to look at the material she handed out at the last meeting. She stated that there are strings attached to grants given by HUD. It is usurping individual property rights. Kay Galloway disagreed and cited Chapter 673 of the Regional Planning and Zoning. In summary, Atkinson can adopt all or none of the recommendations of the regional master plan. Ms. Carroll reiterated that Federal grants have strings attached.

Mr. Smith asked if the Town has taken any Federal grants. Mr. Innes responded that the Town has taken some FEMA grants for generators. There are Federal and State grants for the Police Department and the Fire Department. As far as he knows there are no strings. He is brought some information to show the Committee some of the advantages of the Rockingham Planning Commission. One advantage is the hazard mitigation plan. The Rockingham Planning Commission ("RPC") helped the Town develop it. They gave the Town some training and assistance, the Town developed the plan, RPC submitted it to FEMA, FEMA approved it, making the Town eligible for various grants. RPC has also assisted with the emergency plan. Mr. Innes believes the Hazard Mitigation Plan has been very helpful to the Town in times of emergency, one way by helping to establish guidelines for Town employees.

Mr. Consentino responded that the Town has been using the Rockingham Planning Commission for many years, they do not dictate to the Town. He gave the big ice storm as an example. With the emergency plan, everyone knows what his own responsibility is. RPC also helps with the Town Planning Board.

Mr. Innes agreed that the Town could develop a Hazard Mitigation Plan without RPC, but it would cost thousands in consultants. He added that the Rockingham Planning Commission helped put together the Master Plan. They assist with cataloging natural resources, provide maps. This saves the Town thousands of dollars. Mr. Consentino stated that the Town can do its job, but with RPC help, the Town can do its job more efficiently. Mr. Innes showed Mr. Smith the Master Plan, the Hazmat Plan, the maps and other material that has been provided to the Town of Atkinson by the Rockingham Planning Commission. This type of material is provided by RPC to the Town on an annual basis.

Mr. Smith reviewed the RPC material and stated that it might be beneficial, but is not sure it is essential. Mr. Innes disagreed. Mr. Consentino stated that he is involved with RPC every day and feels that it is necessary. Vice Chair Barker asked what the dues were based on and Mr. Innes responded that the dues are based on population of the Town.

Mr. Smith asked for a motion. Member Craig Schuster said to bring it over. Selectman Liaison Consentino recommended leaving the amount, Member Kay Galloway recommended leaving the amount, Vice Chair Wendy Barker remarked it was justifiable, she has gotten information from them, for example the Town Report. Member Sue Carroll is opposed, she understands the benefit, but is concerned about private property rights. Chair Bill Smith has concerns but the majority are with it. There was no vote, just an agreement to carry forward the amount.

Member Craig Schuster feels that the Committee may reach an impasse on the budget. He has looked at the group sections. Health and Safety are in good shape. The areas that are up are Elder Services, Cable, Community Center, the Executive Section, the Town Clerk and the Library. Vice Chair Barker pointed out that the increase is in salaries. Member Kay Galloway pointed out that the greatest increase are the number of people going full time. If the goal of the Committee is to go to 2%, then the Committee needs to look at nonessential expenses.

Member Sue Carroll suggested a couple of options. She has already suggested what she thought should be done with Elder Services. She also suggested working salary increases in over two years, instead of hitting taxpayers with the burden in one year. Mr. Innes pointed out that the tax rate is one of the lowest in the area. It only increased 10 cents. Selectman Consentino stated most of the taxes go to the school. Mr. Smith asked how much of the 2014 budget was left and Mr. Innes responded that December was the biggest spending month, and he thinks most of the money will be spent. Last year, the Town put \$100,000 into the General Fund but this year only \$40,000 to \$50,000 was put in.

Chair Bill Smith said that one idea was suggested, the other idea is to go through the budget line by line or section by section. Craig Schuster asked about an increase in revenue. Mr. Innes responded that there should be for dog licenses and car registrations. Last year, revenues were up, which allowed the Town to offset the increase in expenses. Mr. Innes does not know what revenues will be this year.

Chair Smith informed the Committee that the Town Clerk has requested \$250 for a new shredder. The Committee agreed that the money can be found somewhere else.

Chair Smith requested a motion.

Member Sue Carroll made a motion to phase in salaries over two years. Vice Chair Barker seconded the motion.

Discussion:

Mr. Innes asked how the Committee planned to implement phasing in salaries over two years. People have already been notified of their raises. Chair Bill Smith recommended that salary increases, FICA and Medicare be cut in half and the Selectmen can find cuts (i.e. overspend salary lines and under spend other lines). Mr. Innes recommended that the Committee find cuts elsewhere. Mr. Consentino pointed out that cutting the salary line in half would not be fair to employees because some employees are getting very small increases and some are getting much larger. Mr. Innes remarked that a 2% increase is not realistic. Member Kay Galloway pointed out that the increases are for people going full time. Selectman Liaison Consentino pointed out as an example that the Recreation Director was working way more hours than she was getting paid for, that is why the position was made full time. Mr. Innes agreed that the Recreation Director position should be full time. Chair Smith responded that the Committee respects the work Mr. Innes has done, but they are concerned about the taxpayer. Even if the Budget Committee does not recommend fully funding salary increases this year, Selectmen can still pay the full salary amounts this year (overspending some salary lines) and under spend other lines to compensate. The full amount of the increase in labor was \$167,770, not including benefits.

Mr. Innes pointed out that money taken out of the budget last year was put back in by the voters in the Deliberative Session. Mr. Smith responded that he would prefer that the voters ask for the increases in the budget in the Deliberative Session. There are 5300 eligible voters in Town. About 100 to 125 attend Town Meeting. Vice Chair Barker urged residents to attend the Deliberative Session. Member Craig Schuster pointed out that the Deliberative Session increases for 2014 were for the Road Agent and Elder Services, among others.

Member Tom Mealey commented that it is time for a vote, he commented that the salary increases should be cut, and should be under control. There were too many promotions this year.

Chair Bill Smith said that a way to implement the motion is to adjust all lines showing salary increases to show half of the increases. Mr. Innes disagreed, some organizations and employees are just getting a COLA raise of 2%. Member Craig Schuster pointed out that the biggest increases in salary are for the Town Clerk, Cable, the library, the Community Center, and Elder Services. Chair Bill Smith suggested going through the spreadsheet prepared by the Town Administrator, getting the detail, and adjusting the lines accordingly. Vice Chair Wendy Barker would like to make it clear that Mr. Innes did good job with matrix. After going through what he showed us, she agrees with 80-90% of the numbers. She would like to phase in the raises over two years and have it built into the motion. The Town needs to cut implementation in half for this year. Member Bill Smith pointed out that the Committee needs to figure out how to implement the motion.

Vice Chair Wendy Barker asked Mr. Innes if he were retiring next year. Mr. Innes responded that he was and that the overlap for a new Town Administrator has been cut to three weeks. Mr. Consentino remarked that he hopes we can find someone who knows the job.

Chair Smith suggested in order to clarify motion, the Selectmen's meeting minutes of September 10, 2014 show a list of increases. Member Craig Schuster pointed out that the downfall was making a lot of positions full time, and he cannot make any suggestions. Chair Bill Smith stated in order to implement the motion, a motion for employees to become full time must be made taking the dollar amount increases on those specific lines only and fund have the FICA and Medicare Mr. Mealey agrees 100%.

Vice Chair Wendy Barker summarized the motion and suggested the specific salary changes from the Selectmen September 10, 2014 minutes should remain but a funding for it provided by the budget proposal should only be half for this year and the Committee would expect to fund the second half next year.

Discussion: Member Craig Schuster stated he would not make a motion without the numbers. Member Sue Carroll responded that she was leaving her motion the way it is, and the numbers can be done through an email. Mr. Consentino asked how the Committee could vote to reduce the budget when they do not have the amount. The salary increases are about \$168,000. Cutting salary increases in half is about \$84,000 and only \$48,000 is needed to get the budget to a 2% increase. Mr. Innes suggested that the Committee check the numbers and amend the motion to get them to 2% and apply that percentage. Member Sue Carroll again said she would not amend her motion. Member Craig Schuster again stated that he would not vote without the numbers.

Mr. Innes suggested that the \$48,000 can be taken out and that will take the budget down to 2%, leaving fewer increases for next year. Mr. Schuster and Ms. Barker agreed. If \$48,000 is cut from the \$167,000, that would be a 30% cut in the salary increases. Mr. Consentino agreed that that would be workable.

Chair Bill Smith recommended two ways; the first would be 14 separate motions. In order to do the calculations, the Committee needs to get additional details, such as the number of hours before and after, the previous hourly rate and the subsequent hourly rate. These figures need to be plugged into a spread sheet and divide by two. This will have to be done off line.

Mr. Consentino feels that Mr. Schuster is correct, take \$48,000 out of the \$167,000 in salary increases and the Committee will have reached their 2% goal.

Chair Bill Smith remarked that the Committee still needs to figure out how to distribute the cuts. Selectman Liaison Consentino responded to give the Selectmen the amount, and they will figure it out.

Member Sue Carroll requested to look at things that don't need to be increased. Member Craig Schuster responded that he took everybody, including Police and Fire. The only items not included were retirement and health insurance due to ongoing contract negotiations. The police contract provides for a 3.5% increase in year one and a 3% increase in year two. Mr. Innes explained that all police officer raises are included in the union contract. The numbers are built in to the spreadsheet developed by Mr. Schuster.

Chair Bill Smith suggested forgetting about the motions from the Selectmen's meeting and instead going through all the labor lines and wherever it shows a percent increase, cut it in half. Mr. Innes pointed out that 30% of the salary increases will get the Committee to their 2% goal. Mr. Consentino suggested letting the Selectmen implement the changes. Mr. Innes suggested taking 30% out of the 14 lines from the Selectmen's September 10, 2014 minutes. Mr. Innes asked Mr. Schuster if he would like to take an hour to go through the salary increases with him. Chair Smith asked if the Committee wanted to take out half or less than half. Member Craig Schuster recommended taking out \$48,000 and Selectman Liaison Consentino recommended taking out \$48,000 from the total payroll amount, and leave it up to Selectmen on how to distribute the cuts. Mr. Smith recommended making a motion to phase in the salary increases and leave the dollar amount for another vote at another time.

Vice Chair Wendy Barker requested to return to the motion on the floor.

Member Sue Carroll made a motion to phase in salary increases over two years, rather than one year, the exact amount to be determined at another time. Vice Chair Wendy Barker seconded the motion. The Budget Committee voted six in favor with Selectman Liaison Consentino voting, and one member opposed. Vote: 6/1/0.

Mr. Innes informed the Committee that the Selectmen will be voting on warrant articles on December 29, 2014.

Mr. Smith said that warrant articles need to be deferred until January. There is one more meeting this year. Member Craig Schuster responded he will be gone December 23, 2014 and December 30, 2014.

The next regular meeting of the Budget Committee will be Tuesday, December 23, 2014 at 7:00 PM. There will be no meeting December 30, 2014. The Budget Committee will meet January 6, 2015, January 13, 2015 and January 20, 2015 and possible alternate days on Thursdays in January.

Selectman Liaison Consentino made a motion to adjourn the Tuesday, December 15, 2014 meeting of the Town of Atkinson Budget Committee at 8:45 PM. Vice Chair Barker seconded the motion. All members present voted in favor. Vote: 6/0 with Selectman Liaison Consentino voting.