

**TOWN OF ATKINSON
BUDGET COMMITTEE MEETING
Tuesday, December 13, 2016
DRAFT**

Members Present:

Bill Smith, Chair
Wendy Barker, Vice Chair
Peter Torosian
Susan Carroll
Tom Mealey
Kay Galloway

Others Present:

Alan Phair, Town Administrator
Diane Heer, Library Director
Jim Cobb, Library Trustee
Ted Stewart, Road Agent

Chair Smith called the meeting to order at 7:30 pm.

Agenda: Review budget, review minutes

The Budget Committee reviewed the 2017 budget.

Mr. Phair reported that the Selectmen have selected a bidder for gas and propane. The price has gone down.

LIBRARY:

Library Admin – Account Number 45501:

Librarian – Line Number 45501.110.01: The salary for the librarian is decided by contract.

Employee Merit – Line Number 45501.110.04: The Committee discussed employee merit raises and explained that merit and COLA raises were taken out of the Master Budget. Mr. Phair informed the Committee that the Selectmen would like to do merit raises but have not implemented a policy. Ms. Carroll explained that the Committee voted to take out all raises because Town employees have gotten raises every year while there are many Atkinson residents who have not gotten raises or taken cuts in pay. Also, there are many people on fixed incomes. Ms. Heer asked if the Budget Committee would have taken all merit raises out of the budget, if the Selectmen had given merit raises rather than COLA raises. Member Mealey stated that the Committee had voted to take out all raises with the exception of contract employees.

The merit line is still in the Library budget although the COLA line was taken out of the master budget.

Chair Smith explained that last year the Selectmen gave merit raises and almost every Town employee got a 2% merit raise. This year, the Selectmen gave a 2% COLA raise. The Budget Committee removed all 2% increases from the salary and wage lines in the budget.

Chair Smith pointed out that the Selectmen can give raises but will have to find the money in other lines.

Ms. Heer explained that the \$2,406 merit raise is for staff employees, not the Library Director and Assistant Library Director. \$120,277 equals \$117,919 plus the merit raise voted at the 2016 Town meeting.

Ms. Heer explained that she reviews every employee every year no matter how many hours they work. Goals are set. There are 3 pages and eleven adults. The pages are high school students. Pages start at \$8.25 per hour. There are 3 month and 6 month reviews based on how many hours they work. There is a probationary period. The merit raises range from 0% to 5%.

Mr. Phair explained that merit raises for the Library staff are easier to implement because the Library has 14 employees and other departments may have only one or two employees. .

Chair Smith asked the Budget Committee members if they would recommend merit pay for Library employees. Mr. Torosian stated that merit pay for Library staff should be supported because the Budget Committee has advocated it. Member Galloway and Vice Chair Barker both stated that they were in favor of allowing the merit line. Member Carroll stated that a lot of Town employees have gotten raises year after year and some employees have lost money year after year. The Library has a higher percentage of increase than any other Department; therefore the raises should come out. Vice Chair Barker stated that the majority of the increase in the Library budget is due to the increase in the IT contract. Member Mealey would prefer \$0 raises. Mr. Phair stated that other Town employees are being penalized because they are in different circumstances. Chair Smith stated that the Committee took a vote last year, there are many people in Town on fixed incomes, and also the Budget Committee has advocated merit raises.

Chair Smith asked for a new motion on pay increases. There was none. Ms. Heer stated that Chair Smith stated that the merit line is \$2,406 and if the Selectmen or the Library Trustees want to give raises, they can find the money elsewhere.

Mr. Phair pointed out again that the Library has 13 employees while other departments may have only one or two employees, making it difficult to give merit raises.

Ms. Heer stated that the pages start at \$8.25 but other staff may start between \$12 - \$13 an hour up to \$17 an hour. Many positions, even part-time, require degrees. Salaries are fluid, some employees get raises, others do not, hours can be cut.

Chair Smith polled the Committee. Member Torosian stated that merit raises for the Library should be supported and asked if there were lower numbers elsewhere in the Library budget.

Ms. Heer informed the Committee that the heat line is going down. The electricity line is staying the same because of the contract. Member Torosian is concerned that there are increases in the budget every year which is the reason he is against the merit line.

Vice Chair Barker agrees with Member Galloway that the merit line should stay. The process has been in place for many years and Ms. Heer does a good job of implementing merit raises. Ms. Carroll stated that she agrees with merit raises, but still believes that many Town employees have gotten raises year after year while many Town residents have not. The Library has the highest percentage of increase of many of the other departments.

Other Professional Services – Line Number 45502.412.00: This is for the IT contract. The IT vendor recommended the new HVAC controls. The Committee discussed the HVAC system. Ms. Heer explained that the HVAC system is run on sensors and a thermostat would not work.

Member Mealey asked for a copy of the December 6, 2016 meeting minutes. Member Mealey also agrees with merit raises. Chair Smith asked about the Other Professional Services Line and Ms. Heer explained that it is the IT contract. It is a two year contract.

Member Torosian recommended that the new system for the HVAC be put off for another two years. Ms. Heer reminded the Committee that it is the IT Committee that is pushing a new HVAC control and explained that the vendor installing the new system stated that the cost of the new equipment could be split over two years. Vice Chair Barker stated that the current equipment is over five years old and is in danger of breaking down. Chair Smith asked if the Library could use two thermostats. Ms. Heer explained that there are sensors all over the room.

Vice Chair Barker informed the Committee that if the HVAC goes down, then someone needs to respond immediately.

Chair Smith stated that he believes that an HVAC system that requires a computer to boot up and operate is not the best for a building in New Hampshire. He likes the idea of stretching the cost over two years.

Member Galloway requested a motion to reduce the equipment maintenance line by \$2,250.

Equipment Maintenance – 45501.740.00: The increase is for the call in service for heat.

The proposed amount for Equipment Maintenance, Line Number 44501.740.00 is \$11,090. The Board of Selectmen recommends \$11,090. Member Torosian made a motion for the Budget Committee to recommend \$8,840. Chair Smith seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

The Committee returned to a discussion of merit and COLA raises. Chair Smith stated that he is fully supportive of Mr. Mealey's position of no raises. However, the Library may be an exception because the Library is giving merit raises, not COLA raises. Chair Smith asked if the Committee would approve a smaller merit line. Mr. Mealey stated that there should be no raises. Mr. Phair stated that allowing merit raises for the Library without giving raises to other Town employees would not be fair.

Chair Smith reiterated the reasons for not giving any raises stated earlier and stated that the motion regarding merit and COLA increases in the last meeting would stand and he would remove the \$2,406 merit increase from the Library Admin budget. The Selectmen and or the Library Trustees can give raises anyway, but they will have to find the money elsewhere in the budget.

Member Mealey asked where the money from book sales goes. 90% of the books at the book sale are donated. The money goes into the Trustees funds. When the Friends of the Library have their book sale, the money goes to the Friends of the Library funds. Ms. Heer explained that the Trustees pay for DVDs.

Member Torosian asked about the heat line.

Heat – Line Number 45501.441.00: Ms. Heer stated that the heat line will be less because of the new contract.

\$14,600 was proposed for Heat, Line Number 45501.441.00. The Board of Selectmen recommended \$14,600. Chair Smith made a motion for the Atkinson Budget Committee to recommend \$12,400. Member Carroll seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Chair Smith made a motion for the Atkinson Budget Committee to recommend the total library budget with amendments. Member Torosian seconded the motion. The Atkinson Budget Committee voted 5/1/0, five members in favor and one opposed.

Highway Department:

Ted Stewart, Road Agent appeared before the Committee to discuss the Highway Department budget.

Administration – Account Number 43111:

Overtime amounts have been set.

Other/New Retirement – Line Number 43111.230.00: Vice Chair Barker reminded Chair Smith that a new line needs to be added for retirement. All that is in the present line are retirement costs. Chair Smith stated that the line can be renamed to retirement and another unnumbered line can be added as an other/new line.

Labor – Line Number 43122.110.01: Remove 2%. The amount should be \$39,366 as voted to remove all COLA increases.

Assistant Road Agent – Line Number 43111.110.00: COLA was not part of the discussion for the Road Agent and Assistant Road Agent salary. The Selectmen set the rates. The Road Agent explained that compensation increased because the new assistant road agent is not taking the Town health insurance.

Sealers – Line Number 43122.680.05: The Road Agent informed the Committee that the bid was lower than expected and he will have the numbers for the Budget Committee before the public hearing.

Signs and Line Painting – Line Number 43122.875.00: \$13,000 is an estimate, but it is close to the accepted bid.

Contract Labor/Equipment Summer – Line Number 43122.890.00: \$7,200 is for the use of the Road Agent's truck.

Recycling – Account Number 43234:

Custodial – Line Number 43234.120.00: The Committee asked if the amount includes the 2% COLA increase. The Road Agent explained that the Highway Department is hiring a new employee and requested that the Budget Committee wait until the rate is set for the new employee before a vote. The hiring process should be done before the public hearing.

Other Professional Services – Line Number 43234.390.00: This line is up \$3,500, a 63% increase. This is for Hazardous Waste. Atkinson had 60 residents utilizing hazardous waste recycling this fall, more than any Town in the pool except Chester. Member Torosian asked if Atkinson could pool with Salem. Member Stewart agreed. There is a hazardous waste recycling day every May in Plaistow. Fall cleanup alternates between towns.

Contract Labor Equipment – Line Number 43234.890.00: This line is for the cost of grinding the brush pile and removing the chips. The budgeted amount for 2016 was \$3,000. The proposed amount for 2017 is \$10,000. Mr. Stewart explained that there was only one cutting in 2016. Previous years cost a lot more. It was put out to bid 2 years ago and ProBark gave the lowest bid. There are only three companies that grind brush. One would haul the brush to their site and grind it which cost a lot more. The other company is in Maine. Mr. Stewart explained that the company agreed to grind the brush for \$3,500, but that is not a guaranteed bid. If they have a market for the chips, they will come in, but it is not guaranteed. The company has its own insurance. Mr. Stewart stated that \$8,000 would be a reasonable amount and would give him some leeway.

The proposed amount for contract labor and equipment, line number 43234.890.00 is \$10,000. The Board of Selectmen recommended \$10,000. Vice Chair Barker made a motion for the Budget Committee to recommend \$8,000 for contract labor and equipment, line number 43234.890.00. Member Torosian seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Member Torosian asked about the 2016 Highway Department surplus. It is due to a mild winter. The money will return to the general fund. The Road Agent asked about raises. The Committee informed him that only contract employees and union employees received raises.

The total proposed amount for Highway Department Admin, Account Number 43111, is \$161,648. The Board of Selectmen recommended \$161,648. Member Galloway made a motion to recommend the Highway Department Admin budget, Account Number 43111 as amended. Member Mealey seconded the motion.

Discussion: Member Torosian requested to discuss moving the proposed salary increases for the Road Agent and the Assistant Road Agent to a warrant.

The Atkinson Budget Committee voted three in favor and three opposed. Vote: 3/3/0.

Discussion: The Budget Committee suggested that Mr. Phair call the Selectmen and request that the raises for the Road Agent and the Assistant Road Agent be moved to a warrant. Mr. Phair pointed out that it is legal for the Selectmen to give raises to elected officials without a warrant. Member Torosian commented that two years ago when a raise for the Town Clerk and Tax Collector was proposed, it went to a vote and was denied.

Member Mealey requested to change his vote. Vote: 2/4/0.

Chair Smith requested a motion regarding the Road Agent salary.

Member Mealey asked about a stipend for the Road Agent vehicle. Vice Chair Barker stated that to resolve the conflict, the Town should hire another contractor for plowing.

Road Agent Salary – Line Number 43111.130.01:

The proposed amount for the Road Agent Salary is \$57,200. The Board of Selectmen recommends \$57,200. Member Torosian made a motion for the Budget Committee to recommend \$52,000 for the Road Agent salary, Line Number 43111.130.01. Vice Chair Barker seconded the motion.

Discussion: The Budget Committee recommends that the proposed increase go to warrant. Chair Smith stated that the Budget Committee does not need to craft the warrant.

The Atkinson Budget Committee voted four in favor, one opposed and one abstaining. Vote: 4/1/1.

Engineering – Account Number 43112:

The proposed amount for Engineering, Account Number 43112 is \$14,300. The Board of Selectmen recommends \$14,300. Member Torosian made a motion for the Atkinson Budget Committee to recommend \$14,300. Member Carroll seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Chair Smith requested a motion on the Highway Department Admin budget.

The total proposed amount for Highway Department Admin, Account Number 43111, is \$161,648. The Board of Selectmen recommended \$161,648. Chair Smith made a motion to recommend the Highway Department budget as amended. Member Carroll seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Cleaning and Maintenance – Account Number 43122:

Contract Labor/Equipment/Summer – Line Number 43122.890.00: The Committee discussed the \$35 a day stipend to the Road Agent for the use of his truck. Member Torosian stated that it is like getting paid mileage. Mr. Phair agreed.

Chair Smith read aloud a statement made by Mr. Stewart regarding capitalizing highway department equipment. The Committee discussed the stipend and the difference between renting his truck to the Town for plowing. Another issue is the bid for the sealer.

The proposed amount for Contract Labor/Equipment/Summer, Line Number 42122.890.00 is \$22,200. The Board of Selectmen recommends \$22,200. Chair Smith made a motion to recommend Contract Labor/Equipment/Summer, Line Number 42122.890.00 with the 2% adjustment for labor, FICA and Medicare. Member Torosian seconded the motion.

The Atkinson Budget Committee voted five in favor with Vice Chair Barker abstaining. Vote: 5/0/1.

Snow and Ice Control – Account Number 43125:

The proposed amount for Snow and Ice Control, Account Number 43125, is \$174,102. The Board of Selectmen recommends \$175,102. Chair Smith made a motion for the Budget Committee to recommend \$175,102. Member Carroll seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Recycling – Account Number 43234:

The proposed amount for Recycling, Account Number 43234 is \$35,093. The Board of Selectmen recommends \$35,093. Member Galloway made a motion to recommend the Recycling budget, Account Number 43234, with the change in the contract labor line. Chair Smith seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Cemeteries – Account Number 41951:

The proposed amount for Cemeteries, Account Number 41951 is \$55,980. The Board of Selectmen recommends \$55,980. Member Carroll made a motion for the Budget Committee to recommend \$55,980. Vice Chair Barker seconded the motion. The Atkinson Budget Committee voted five in favor and one opposed. Vote: 5/0/1

Other Insurance – Account Number 41969:

The proposed amount for Other Insurance, Account Number 41969 is \$64,445. The Board of Selectmen recommends \$64,445. Chair Smith made a motion for the Atkinson Budget Committee to recommend \$64,445. Member Torosian seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Advertising/Regional – Account Number 41974:

The proposed amount for Advertising/Regional, Account Number 41974 is \$6,655. The Board of Selectmen recommends \$6,655. Member Torosian made a motion for the Atkinson Budget Committee to recommend \$6,655. Vice Chair Barker seconded the motion. The Atkinson Budget Committee voted four in favor, two abstaining. Vote: 4/0/2.

Police Department:

Member Torosian requested to discuss the proposed amount for cruiser gas.

Cruiser Gas – Line Number 42109.635.00:

The proposed amount for Cruiser Gas, Line Member 42109.635.00 is \$25,000. The Board of Selectmen recommends \$25,000. Member Torosian made a motion for the Budget Committee to recommend \$23,000 for Cruiser Gas, Line Number 42109.635.00. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Member Galloway made a motion to recommend the Police Department Budget as amended in the Cruiser Gas Line. Chair Smith seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Police Building Maintenance – Account Number 42107:

Heating Oil/Propane – Line Number 42107.411.00:

The proposed amount for Heating Oil/Propane, Line Number 42107.411.00 is \$4,100. The Board of Selectmen recommends \$4,100. Member Torosian made a motion for the Atkinson Budget Committee to recommend \$3,100. Member Carroll seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Police Department:

The proposed unit total for the Police Department is \$1,010,497. The Board of Selectmen recommends \$1, 010,497. Member Torosian made a motion for the Atkinson Budget Committee to recommend \$1,007,497. Member Carroll seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Elder Services – Account Number 42151:

The Committee discussed the salary lines.

Payroll – Line Number 42151.110.01: The Budget Committee removed the 2% COLA from the recommended amount of \$70,897 making it \$69,479.

Medicare Line Number 42151.220.00: The Budget Committee recommends \$1,007.

FICA – Line Number 42151.225.00: The Budget Committee recommends \$4,307.

The proposed amount for Payroll, Line Number 42151.110.01 is \$70,897. The Board of Selectmen recommends \$70,897. Chair Smith made a motion for the Atkinson Budget Committee to recommend \$69,479. Member Galloway seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

The proposed amount for Medicare Line Number 42151.220.00 is \$1,093 and the proposed amount for FICA, Line Number 42151.225.00 is \$4,674. The Board of Selectmen recommends \$1,093 for Medicare and \$4,675 for FICA. Chair Smith made a motion for the Atkinson Budget Committee to recommend \$1,007 for Medicare, Line Number 42151.220.00 and \$4,307, for FICA, Line Number 42151.225.00. Member Galloway seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Member Carroll requested to discuss the gas line.

Vehicle Gas – Line Number 42151.635.00:

The proposed amount for Vehicle Gas, Line Number 42151.635.00 is \$8,500. The Budget Committee did not recommend a change and did not vote.

The proposed amount for Elder Services, Account Number 42151 is \$97,965. The Board of Selectmen recommends \$97,965. Chair Smith made a motion to recommend the Elder Services unit total with the 2% change in salaries, FICA and Medicare. Member Galloway seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Member Torosian requested the Budget Committee returned to the Police Department budget.

Fire Department:

The Budget Committee discussed Fire Department salaries and if the 2% COLA was included. The other issue is the Fire Department Clerk. The Committee agreed to leave the Fire Department salaries as proposed and recommended by the Selectmen.

The proposed amount for the Fire Department Unit total is \$303,236. The Board of Selectmen recommends \$303,236. Member Smith made a motion for the Atkinson Budget Committee to recommend \$303,236.

Discussion:

Electricity – Line Number 42201.410.00:

The proposed amount for Electricity, Line Number 42201.410.00 is \$13,000. The Board of Selectmen recommends \$13,000. Member Carroll made a motion for the Atkinson Budget Committee to recommend \$12,000. Member Torosian seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Chair Smith withdrew his earlier motion. Chair Smith asked if there were other changes. Member Galloway asked about the uniforms budget. Expenditures for 2016 so far are only \$4,763 and \$10,000 is proposed for 2017. The Budget Committee decided to recommend \$10,000. There was no vote.

The proposed amount for the total Fire Department Budget is \$303,326. The Board of Selectmen recommends \$303,326. Member Torosian made a motion for the Budget Committee to recommend \$302,326, which includes the amendment to Electricity, Line Number 42201.410.00. Vice Chair Barker seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Building Inspections – Account Number 42401:

The proposed amount for Building Inspections, Account Number 42401 is \$85,245. The Board of Selectmen recommends \$85,245. Member Torosian recommend made a motion for the Atkinson Budget Committee to recommend \$85,245. Member Galloway seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Minutes:

December 6, 2016:

Member Torosian made a motion to approve the minutes of the December 6, 2016 meeting of the Atkinson Budget Committee as amended. Vice Chair Barker seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

November 29, 2016:

Member Galloway made a motion to approve the minutes of the November 29, 2016 meeting of the Atkinson Budget Committee as amended. Member seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.

Member Galloway made a motion to adjourn the December 13, 2016 meeting of the Atkinson Budget Committee at 9:55 PM. Member Torosian seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 6/0/0.