

TOWN OF WILTON BUDGET COMMITTEE

Location: Wilton Town Hall: Courtroom
7:00 P.M.

FINAL JOINT MEETING MINUTES January 14, 2015

Members Present: Cary Hughes, Chairman, Don Davidson, Vice Chairman, Harry Dailey, Joyce Fisk, Caitlin Maki, Donna Pucciarello, Joe Torre, and Dawn Tuomala, Secretary

Selectmen: William Condra, Chairman, Rick Swanson, and Kermit Williams

Audience: Chief Gary Zirpolo, Ambulance, Chief Brent Hautanen, Police; Mr. Steve Elliott, DPW Director; Ms. Pam Atwood, Admin. Assistant.; Jerry Greene, Treasurer

- 1. Chariman Hughes called the meeting to order at 7:02 PM.
Chairman Condra called the Selectmen to order at 7:02 PM**

- 2. Review and Approval of January 8, 2015 Minutes**

Motion was made by Mr. Dailey to accept the minutes of January 8, 2015 as written; seconded by Mr. Torre; all in favor; motion passes unanimously.

- 3. Budget & Summary to Date Review**

The Detail line items were reviewed for each budget.

Chief Hautanen was asked about his gas line; even though it is up over \$2,000 this year; due to the decrease in gas prices he has left the amount the same as last year. Just because the price is lower now doesn't mean that it will stay low all next year. Chances are it will rise again before the end of the year. He also stated that they don't have to pay the gas tax. He stated that they will now need to provide their own transportation to the jail in Manchester. They will also have to start picking prisoners up from Manchester and bring them to trial if they don't make bail. In the past the Sheriff's office provides transportation for prisoners between facilities but they will no longer be providing this service. This will mean more overtime for an officer to be able to provide for the transportation. In the long run it will be cheaper to do this than to have an officer stay in the station for 3 to 4 hours extra and not be out on patrol.

In regards to the Fire Station, the electric bill was questioned since they are budgeting slightly less than what was they spent last year but now there will be a PSNH rate increase on top of last year's amount. The number was based up 6 months that they actually occupied the station. Prior to June, they were still under construction creating an inflated electric expense. The same concerns were echoed for the heating fuel, Ms. Pucciarello will check with Chief Dick.

Mr. Elliott was questioned by Mr. Swanson about the amount of overtime each employee was receiving and that this could be managed better by hiring contractors. Mr. Elliott stated that

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when he first started here every employee was receiving 45 hours per week or 5 hours over time and this has been eliminated. The Foreman is the one that receives the highest amount of overtime, which averages to about 3 hours per week. Overtime expenses are mainly due to weather events and broken water pipes. They have tried to hire contractors in the past and if the contractor comes with their own truck they charge a lot more. If the contractor uses the Town trucks; one they don't know the route as well as a Town employee, secondly they are more apt to have an accident with the truck since it is unfamiliar to them and thirdly there are more breakdowns or damages to the equipment. When all factors are taken into account, having a contractor called in to help during the storm events usually results in an increase expense to the Town.

Last October the Town was finally able to realize a reduction in the PSNH street lighting costs. A plan was developed and implemented a little over five years ago where the Town was able to have many of the street lights replaced with more energy efficient lighting. Every light was reviewed, some were eliminated and others were added to intersections to help with public safety. The installation was paid off each month for the past five years, that there was not a direct outlay of cash from the taxpayers to do this. The line item has been increased this year due to the proposed PSNH rate increase. All of the lights were not replaced at that time as it would have been cost prohibitive, this might be another area that the energy committee could look into for saving money.

Mr. Swanson questioned the increase in cost to Goss Park and stated that he felt the rate between the Towns should be renegotiated as it was disproportionate. The increase is due to work that has to be done at the tennis courts and the parking lot. The drainage runoff goes directly into the pond creating more of need to dredge the pond out sooner than it would ordinarily have to be done. They are also adding a person to do the arts and crafts since the person that was doing it for free is now out of college and won't be available anymore. The children really liked this program, so they want to continue it.

There was discussion about the flexible spending account that is being proposed. Ms. Atwood explained that presently they are doing a flexible spending account that they have been self-managing but the State would rather it was done through a company. The amount is taken out of the pay check prior to any taxes being applied. There is only \$600 being proposed, this is assuming that ten of the 25 full time employees will take the service. The \$600 is a fee to the health care company in charge; there will be a seminar on this service in the future.

The Sewer Department is not over budget as it appears since \$15,000 of the money shown under actual expenses comes out of the remaining bond amount and is not part of the operating budget. The Wilton Water Works is over budget, they have not met, nor have they been given the end of year accounting, to be able to explain why they are over budget.

The sewer rates will have to be reviewed. Since there is a shortfall in income, the burden is then placed upon all of the taxpayers. On the other side, if there is surplus income then that money goes into the general fund. This is the second year in a row that the Town has had to cover the payments of the sewer department. The sewer department is part of the town and is under the Selectmen's jurisdiction. The Wilton Water Works is actually its own entity. If there is a surplus they keep the money in their own account. If there is a deficit they have to account for it out of their accounts.

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4. Review of Budgets for Joint Meeting with Participating Towns

a. Recycling Center

Mr. Williams asked if they are charging enough for items like the refrigerators and televisions to cover the cost for the Town processing and disposing of the item. Mr. Elliott stated this hasn't been reviewed recently but cautioned if the amounts are raised too much we will be finding items along the side of the road. If there is to be a change to the amount charged, there will have to be a public meeting set up between all five participating towns.

Mr. Elliott explained that the compactor went on line in April last year. During 2013 they could achieve an average of 10.6 tons per load and with the compactor they have gotten it to 13.4 tons per load. This will reduce the trucking costs an estimated \$4,000 to \$6,000 a year.

Due to the unexpected cost of replacing the sewage disposal system they did not have the second toxic waste day that as was originally planned. They ended up with a \$70,000 surplus due in part to the expenses coming in \$40,000 below anticipated. They did not have as many breakdowns of equipment this past year. They were also able to have \$31,000 more in the sales of commodities due to the fact that they had materials sitting in the yard at the end of last year. Last year there was only \$96,000 in sales.

b. Ambulance

Chief Zirpolo presented the ambulance budget; the Comstar revenues were very close to what was budgeted last year. The auto expense line was up due to an unanticipated breakdown 2007 ambulance which cost about \$3,400. Under the new equipment line they would like to purchase another repeater to go in the 2007 ambulance. They use the ambulances the same amount of time by rotating them every 2 weeks. The hours between the EMT wages and the EMT Intermediate wages have been adjusted since they presently have more EMT's serving. Under the telephone line there is an additional \$700 to have a wireless installed instead of the modem. This change will allow both the cardiac monitor and the laptop to be run wirelessly at the same time.

He would like to purchase another Stryker Power Pro Stretcher for \$19,000. One was purchased last year with the new ambulance. Since they switch main vehicles every two weeks they have to make sure they change everything to the current ambulance. This stretcher has proven very valuable as it has required fewer personnel when transporting a heavier person. It has reduced the amount of injuries to the personnel and makes it easier on the patient as well.

They would also like to put money into a capital reserve account for the cardiac monitor to be purchased in the future. The cardiac monitors were purchased in 2009 and won't be supported, not parts available after 2016. He hopes to get a total of 10 to 13 years out of these monitors. Since there won't be a payment for a new ambulance this year this would be a good time to start putting money away for it.

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5. Town Hall Energy Audit Improvements – CIP

Mr. Swanson stated that he and the Energy Committee have been working on an audit for the Town Hall. The Committee presented the Selectmen with a 40 page report before the holidays. The consultant has suggested many changes to help improve the building envelope. They are also proposing to go through a design phase to possibly change out the old heating system. They are considering going from the old boiler to a hydronic system which would require replacing not only the boiler but all of the distribution system.

These improvements will help with the mold situation in the building and the improvements will have a return on their investment by being more energy efficient. The energy savings will begin in the first year and will take about 20 years to have a return on the initial investment. They will also be applying for a \$17,000 rebate from PSNH, if granted, this would reduce the cost down to about \$41,000 from the taxpayers.

6. Salary Increases

Chairman Hughes stated that he wanted to first hear from everyone, their opinion, one at a time going right around the table beginning with Mr. Dailey.

Mr. Dailey explained that a 1% raise had been requested in the beginning except with the police who are in the second year of a step increase. The Police chief came in last year with a report looking at surrounding towns and justifying the increase for their department. None of the other departments have come in with that kind of a report. Why throw out a number to just come up with a number; research needs to be done to determine what is actually being paid in surrounding towns. The time is too short now to establish these numbers and there is a question about when to give a raise if there isn't any justification for it.

Ms. Fisk stated that they go through this with the teachers and that they do get a raise for the cost of living each year but they also get a raise if it was deserved.

Mr. Elliot explained that he has already begun a ten town survey to determine the rates the other towns are paying all of their employees. He has had to hand deliver letters with the right to know law in order to get information. He has received 8 out of the 10 towns surveyed so far. The problem is going to come up that every town is set up a little different. For example there might be a Public Works department that has recycling under it and other ones don't; some have water and sewer departments and others don't; some have one person that is dedicated to one specific job such as a mechanic, heavy equipment drivers, and engineers while others like Wilton have one person that do several different jobs. The Police Department is much more cut and dry between Towns, as they perform the same duties. He is also including the benefits package which most town employees are on the State Retirement Plan and not on a 457(b) like we are.

Mr. Torre agrees with what has been stated by everyone so far. He can understand the police department raise but is having a hard time determining what this raise would be for since it hasn't been stated. If it is just a cost of living raise or inflation than 2% is what has been determined and he doesn't understand just pulling 3% out of the air without have a specific reason.

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Mr. Swanson is in support of the employees especially since they went for several years without any increases. He feels that a 3% cost of living raise, if the employer can afford it, is reasonable. This can be a combination of cost of living along with a merit raise. Above all he is committed to keeping the tax rate level without putting it on the backs of the employees. They should give the 3% raise and find the \$25,000 elsewhere in the budget.

Mr. Hughes began by stating a number of years ago he and a number of other people had worked on a system for raises; submitted it to the selectmen but it didn't get any traction and go anywhere. This report should be found, dusted off and be the foundation for producing a plan going forward and it will help make the process a little easier.

Secondly, Mr. Hughes stated that between the Board of Selectmen and the Department Heads they should determine the distribution of the raises. Give x amount to one for the cost of living and if another employee has done a terrific job give him x plus y amount.

Thirdly, Mr. Hughes feels that \$33,000 in a 5 million dollar budget is a small amount to pay for a group of employees that work hard. He has rarely heard of anyone in town being let go for incompetence; this is not a whole lot of money and we can go back and find the \$22,000 to make up the difference.

Ms. Tuomala feels the same as the others and feels that to lose an employee over a 2% raise would cost more to the town in having to higher and retrain another person for that job. It is important to get a plan in place next year for the distribution of wages.

Ms. Pucciarello echoed the comments of the others but would like to have the Department Heads to their own homework; the Budget Committee has done some and together moving forward will make it easier. Stop spinning wheels, going around and around as we have been, instead take ownership, have the conversation going forward with raises based on cost of living and/or merits.

Ms. Maki stated that \$33,000 on the tax rate is a drop in the bucket. There should be engagement to consider the values of each of the employees.

Mr. Williams a true merit raise system it difficult to propose at this time. The police brought in a plan last year that he wasn't part of but it is a good merit plan going forward. Chief Hautenan explained that he has a comprehensive review process each year for everyone. If that employee doesn't achieve a certain percentage on the review, than they don't get the raise and fall behind for the year. Mr. Williams would like to have documentation about what people in other towns are being paid and to have a review to decide how each employee is performing.

Mr. Davidson stated he would like to see raises given as they do at his company. There is a cost of living and on a promotion raise based upon what the people do.. It shouldn't be based upon an arbitrary percentage but based upon an amount for each. This year they have the cost of living at 2.25% and the 0.75% promotional increase is not worth arguing over that amount.

Chairman Condra stated that the cost of living is at 2.1% and that to add another 1% for merit bringing the total to 3% is a reasonable number. The Selectmen have been preparing a performance review handbook to implement at the Department Head level and then the

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hope is to go down to the town employee. They have never had this before now; and it is only at the draft level at this point; they have been reprioritized on their agendas for the past few months so they haven't touched it. The performance review would be used to implement the merit portion of the increase. Giving only a 1% increase would be like giving a 1.1% cut to their cost of living. We need to at least cover the cost of living.

Mr. Zirpolo stated that they need to get together a group of people, sooner rather than later so that they can have a plan in place by September or October of this year. This group should consist of the department heads, budget committee member(s) and a selectman. This job is too large for just one person to do.

Mr. Greene stated that he feels a 3% is in order and that it is important that the money be divided at the discretion of the Department Heads and the Selectmen for each employee and that they can apply a merit. A 3% increase is a small amount on the overall budget.

Chairman Hughes called for a motion regarding the percentage pay raise to be applied.

Budget Committee Motion was made by Mr. Davidson to authorize a 3% raise with the increase for merit, based on the total labor population in the town minus the police officers; Mr. Dailey seconded the motion; all in favor; motion passes unanimously.

Chairman Hughes summarized by stating it was his understanding there was a strong sentiment to get a plan in place to deal with future increases and to have this presented to the selectmen. He will try to find his copy and get it to the selectmen to move this forwards so that it isn't an issue in the future. After budget season this should be started sooner rather than later.

Chairman Conda stated that he had a conversation with Water Commissioner Schultz who put in a 1% increase in their wage lines but he would hope that any increase would also be intended to be applied to the Water Works.

7. Other Business

Mr. Davidson stated that when you look at just the requests there is a 3.75% increase but when compared with the actual amount spent the increase is more like a 10% increase. We should review these numbers to see where more savings can be made.

8. Adjournment

The next meeting will be on January 15, 2015 at 7:00 in the courtroom for the participating Town meeting.

A motion was made to adjourn the meeting by Mr. Davidson and seconded by Mr. Dailey; all in favor. The Budget Committee was adjourned at 8:56 PM.

A motion was made to adjourn the meeting by Mr. Condra and seconded by Mr. Swanson; all in favor. The Selectmen adjourned at 8:56 PM.

Respectfully Submitted,

Dawn Tuomala, Secretary