

SELECTMEN'S MINUTES
December 1, 2007 Budget Workshop

MEMBERS PRESENT: Chairman Alan Carpenter, Dennis Senibaldi, Bruce Breton, Roger Hohenberger and Margaret Crisler were present. David Sullivan, Town Administrator, Dana Call, Asst Town Admin-Finance and several Department Heads were also in attendance. Meeting commenced at 8:45 am.

The Board discussed with Chief Lewis and Captain Yatsevich the Police and Dispatch budgets. After discussion with the Police and Fire Chiefs in regards to the Derry emergency dispatch services, a reduction was made to the projection for the fiscal 2008-2009 contract amount. The Board then discussed the Dispatch training budget and, based on actual usage in recent year, Mr. Hohenberger motioned to reduce the budget by \$1,500. Mr. Senibaldi seconded and the motion passed 4-1, with Mr. Carpenter opposed.

In the Police budget, the Chief discussed the request to increase the Records Clerk from 25 hours to full-time employee status. Mr. Breton motioned to leave the position as is, with Mr. Hohenberger seconding. The Chief made a detailed presentation to the Board documenting the need for a full-time Records Clerk. After a lengthy discussion, regarding the need for additional hours versus the benefit cost of a full-time position, Mr. Breton amended his motion to maintain a part-time position but to increase the Records Clerk to 30 hours per week and Mr. Hohenberger amended his second. Motion passed 3-2 with Mr. Carpenter and Mrs. Crisler opposed.

A presentation was then given regarding the department's proposal to lease six vehicles (4 police package and 2 non-police) instead of purchasing three vehicles. A clarification was made regarding the quoted lease cost over three years (to wrap all equipment costs into the lease payments), therefore, the budget was reduced by \$17,470 (for year 1) while year 2 & year 3 projected costs were increased. A lengthy discussion ensued regarding the number of vehicles needed over the next several years and the benefits of leasing more new vehicles, and paying interest costs, versus buying less vehicles and paying more in vehicle maintenance costs for an older fleet. The Board requested more information from Mrs. Call, in regards to a financial analysis of leasing versus buying. In addition, the Board requested that the Captain confirm what warranties are included in the quoted price, as well as to get quotes for extended warranties. Consensus was to leave the budget as requested, and reconsider when more information is available.

The Board made several reductions including: \$14,780 in salaries due to the anticipated delayed start date for 2 current patrol vacancies; \$5,000 for outfitting the old ambulance to a mobile command unit (consensus was to spend approximately \$2,500 from the 2007 budget to repair the ambulance to get it back on the road and then decide what to do with it at

a later date, and consider outfitting the next ambulance that comes off line for a future command unit). Mr. Senibaldi motioned to reduce \$6,000 from Vehicle Maintenance for the unplanned maintenance contingency based on the assumption we will be leasing six new vehicles. Mr. Hohenberger seconded and the motion passed 3-2 with Mr. Carpenter and Mrs. Crisler opposed. Mrs. Call presented the Board with more details as to how the heat budget was developed for each of the departments, and Mr. Senibaldi motioned to reduce the Police department's heat budget by \$1,000 based on actual usage to date. Mr. Hohenberger seconded and the motion passed 3-2 with Mr. Carpenter and Mrs. Crisler opposed. Mr. Breton questioned the use of the Police miscellaneous budget serving as a holding account for recruitment costs relating to unplanned staffing vacancies (with the offsetting funds residing in the salary account), as he believes the nature of these "miscellaneous" expenses are not clearly defined. Mr. Breton requested that additional funds, outside of the salary allocation, be included in a separate Recruitment budget line item, to cover these costs, regardless of whether the vacancies are planned or unplanned. A lengthy discussion ensued regarding the ability to budget these costs for planned retirements, versus unplanned vacancies. Consensus was to create a new Recruitment line item in the budget to track these expenditures, and only fund this line item if there are known retirements pending.

The Board then discussed with Chief McPherson and Deputy Chief Leuci the Fire and Emergency Management budgets. The Board discussed the potential SAFER grant funding in regards to new personnel and the need to develop a warrant article, as this is not included in the proposed operating budget. The Board then discussed the proposed replacement command vehicles for the Chief and Deputy, as well as the proposed option to lease two new vehicles versus purchase. Funding remains in the budget as proposed. The Board then discussed the vehicle maintenance budget and Mr. Hohenberger motioned to reduce the maintenance contingency portion of the budget by \$3,000, to \$4,000. Mr. Senibaldi seconded and the motion passed 3-2, with Mr. Carpenter and Mr. Breton opposed. The Board then discussed several other items within the Fire budget. Mr. Senibaldi motioned to reduce the department's heat budget by \$1,340 based on actual usage to date. Mr. Hohenberger seconded and the motion passed 3-2 with Mr. Breton and Mrs. Crisler opposed. The Board then discussed the EM budget and a lengthy discussion ensued regarding the annual fee to maintain the department's weather station. Chief McPherson noted that the department does use the weather station and that the majority of the EM budget is offset by emergency management grant funds. Mr. Hohenberger motioned to remove \$1,500 for the weather station and Mr. Senibaldi seconded. Motion failed 2-3 with Mr. Carpenter, Mr. Breton and Mrs. Crisler opposed.

With the Fire Chief, as well as the Highway Agent present, Mr. Sullivan suggested the Board discuss the \$50,000 that was put into the budget by staff, to fund the Osgood Rd cistern installation. This has been an ongoing topic of discussion, and based on the bid results that were

received earlier in the year, staff put a placeholder for a potential special warrant article. Discussion ensued regarding the need for the town to correct this issue, as well as whether it should be funded through the operating budget or separate warrant article. Mr. Sullivan briefly reviewed the bid results again with the Board and it was determined that the amount to budget would likely be \$40,000, based on the low bid, assuming the bidders retained their prices. Mr. Breton motioned to include the \$40,000 in the 2008 operating budget, and not as a separate warrant article, and Mr. Senibaldi seconded. Motion passed 3-2 with Mr. Hohenberger and Mrs. Crisler opposed. Consensus was that, based on Mr. McCartney's belief that this project could be funded out of remaining 2007 capital outlay funds, the Board may consider awarding the bid and encumbering the funds at their year-end meeting.

The Board discussed the Information Technology budget with Eric DeLong, IT Director. The Board discussed the Service Agreements line and removed \$700 representing the annual maintenance cost of the Paver program. The Board then discussed the Equipment/Software line item, including the fact that the 2007 budget for new equipment/software was somewhat low due to several large items initially planned for 2007 that were able to be purchased late in 2006 out of remaining 2006 budget funds. A discussion ensued regarding the standard budgeted cost of a new PC and Mr. DeLong explained how he "spec's" PC's to include appropriate memory, warranties, software and flat screen monitors. No other changes were made to the IT budget.

The Board discussed the Solid Waste budget with Dave Poulson, Transfer Station Manager. A lengthy discussion ensued regarding the amounts budgeted in both the CIP and operating budget to purchase the required equipment and retrofit the transfer station to accommodate single stream recycling, per the Board's previous direction. Consensus was to remove any funds from the CIP allocation, and budget a total of \$50,000 in the operating budget, leaving no additional "contingency" funds as was previously requested by Mr. Poulson. Mr. Hohenberger motioned to increase the Equipment line item from \$47,500 to \$50,000 and Mr. Senibaldi seconded. Motion passed 3-2 with Mr. Carpenter and Mr. Breton opposed. The Board then discussed several items in the remaining budget. Mr. Senibaldi motioned to reduce the Waste Removal budget by \$6,000 to level fund the line item based on actual 2007 expenditures to date. Mr. Breton seconded and motioned passed 5-0. Mrs. Crisler then requested the Board consider the impact to the budget of any of the other items discussed at previous Transfer Station workshops, including the Board's previous plan to consider not accepting commercial and demolition waste. Mr. Sullivan indicated that this will require a revision to the Solid Waste Ordinance at town meeting, a draft of which will be presented to the Board at a later date. Lastly, the Board revisited the Holiday Salaries budget in regards to the day after Thanksgiving, which assumes the station is closed. Consensus was to leave the budget as proposed and reconsider mid year if budget savings are realized in other areas, or provide more advertising in advance of the holiday next year.

The Board discussed the Roads budget with Jack McCartney, Highway Agent. A discussion was held regarding the proposed increase in overtime, now that the seasonal Highway Laborer has become a full-time position, versus the use of outside contractors for plowing. Mr. Hohenberger motioned to level fund the overtime budget, a reduction of \$4,160. Mr. Senibaldi seconded and the motion passed 3-2, with Mr. Breton and Mrs. Crisler opposed. A lengthy discussion was held regarding the \$87,100 proposed increase in summer maintenance of roads. It was noted that the budget is based on repaving essentially the same length of roads, however, the dramatic increase in costs associated with paving work is reflected in the budget. Mr. Carpenter suggested the town look into facilitating a web page that would allow residents to submit road "condition reports". A discussion was then held regarding \$30,000 in the proposed budget to purchase a used vehicle for the department. Mr. Hohenberger indicated that the Highway Agent did not put a request in to the CIP for an additional vehicle in 2008, as a used truck was purchased for the department in 2007. Mr. Hohenberger motioned to remove the \$30,000, however there was no second. Discussion then turned to the possibility of leasing a new highway department vehicle with the funding provided, and Mr. McCartney agreed to look into this. The Board then discussed other line items in the budget, with no changes made, other than a small adjustment to the Materials line item based on the bid price awarded for sand.

Meeting adjourned at approximately 2:50 pm.

Respectfully submitted,

Dana Call
Asst Town Administrator-Finance

NOTE: These minutes are prepared in draft form and have not been submitted to the Board for approval.