

**Board Of Selectmen
and
Durham Budget Committee
Joint Meeting Minutes
February 18th 2014**

Call to Order:

Budget Committee Chairman Milton Simon called the meeting to order at 6:00 p.m.

Members Present:

Chairman Milton Simon, Vice Chairman Terry Kirk, Charles Pollock, William Morrill, Roy Wenger, Benjamin Love, Kevin Nadeau. Jeanne Sanders excused.

Selectmen Present: Chairman Jeffrey Wakeman, Selectman Sarah Hall, Selectman Barry Baldwin. Vice Chairman Deborah Larrabee and Selectman Joshua Libby excused.

Also Present:

AA/TA Janet Smith. Meeting Secretary Jill Toher excused.

Establishment of a Quorum:

Chairman Simon announced a quorum has been met with seven (7) members present.

Public Comments: None.

Approval of February 10th 2014 Meeting Minutes:

Vice Chairman Terry Kirk moves to approve the Minutes of February 10th 2014. Roy Wenger Second. Motion Carried.

Comments – Chairman of Budget Committee:

Chairman Simon requested clarification of unspent 2013 appropriations that lapsed to Unassigned Fund Balance as of December 31st 2013. AA/TA Smith reviewed the overall department ending expenditures for the following departments: Personnel, Administration, Planning, Roads and Solid Waste.

Personnel: The Deputy Tax Collector/Treasurer Salary and Deputy Tax Collector/Treasurer Benefits lines closed out 2013 less than budgeted.

The Elections expenses were less than expected as the Town no longer contracts maintenance of the State Centralized Voter Registration System.

The Planning Board's actual expenses were less as not all meetings were attended by all members of the Board in addition to the fact that at least two positions were unfilled throughout 2013. Also, budgeted amount for 2013 for legal fees was predicated on the fact that several proposed ordinance changes would be sent to the Town Attorney for review. Also the amount budgeted included a buffer should the Town need to litigate any other matter.

Additional savings were realized for the purchase of manuals and miscellaneous publications

in the amount of \$50.00; the Town switched banks and the new bank reimburses all check costs saving \$500.00; miscellaneous equipment repairs realized a \$500.00 savings; a new equipment lease contract saved \$65.00; and TRIO/Harris Software realized a savings as the amount budgeted in 2013 included two years of back-up costs not previously billed.

ROADS: AA/TA Smith explained that expenditures were evened out as some line items were overspent while others were underspent.

SOLID WASTE: AA/TA Smith advised that the special pick up in the spring did not cost as much as anticipated.

Personnel Wages and Salaries: Budget Chairman Simon questioned the amounts budgeted for personnel wages and salaries and asked for a comparison between 2013 and 2014.

AA/TA Smith explained that wages and salaries were moved to their respective departments to present a more concise bottom line figure for each department, however, the comparison and subtotal for the department as still in the budget spreadsheet.

Historical Society: Budget Chairman Simon had questions pertaining to the Historical Society and why it was not included in the overall budget. He voiced his concern that if the Historical Society was not included in the budget, even if the Board of Selectmen voted for zero dollars, the Historical Society budget line might not be included in the future..

AA/TA Smith stated the Board of Selectman has not come forward with a Historical Society budget recommendation.

Vice Chair Terry Kirk suggested that even if no monies were requested nor has the Historical Society come up with a plan to repair the Old Town Hall building, that a budget department line should still be included in the breakdown with a zero budget.

AA/TA Smith will include a budget line for the Historical Society in the 2014 Town Budget noting zero dollars being proposed by the Board of Selectmen.

The question was raised as to why there is such a large decrease in the Tax Collector/Treasurer position. AA/TA Smith explained that the new position is a Deputy Position and the new hire is at a lower wage scale. AA/TA Smith advised there is no current plan to change the job description. In reply to Vice Chair Kirk's question as to who is the Tax Collector/Treasurer, AA/TA Smith advised that these positions now fall under the AA/TA job description per a revision in job descriptions approved by the Board of Selectmen in order to put into place a more secure checks and balances system.

Vice Chair Kirk asked why the proposed budget presented to the Committee is an un-audited budget. He stated it was his impression that the Town Meeting was moved from March to April so that the figures presented to the Budget Committee would be per audit and that the Town Report would be available to the residents more than a week prior to the scheduled Town Meeting.

AA/TA Smith advised she was in possession of the draft audit and the figures coincide with

the unaudited budget. She anticipates that the draft audit will be turned into a finalized audit next week.

Board Chairman Wakeman added the auditors were in the office performing the audit the first week in January and completed their on-site in less than two days.

There was discussion on why the Town Report is not available more than 7 days in advance of the Town Meeting. AA/TA Smith advised that after the Budget Committee completes their recommendations, the Board of Selectmen must finalize the Town Warrant, the final audit needs to be received, department heads and Town Committees need supply their reports and once all is collected, the information is sent to the printer. Printing takes somewhere between two to three weeks with set-up.

There was a general discussion as to the possibility of looking to other printing options in order to get the final copy back for distribution in less time. AA/TA Smith will look into this matter.

ADMINISTRATION:

Chairman Wakeman advised the Board of Selectmen recommends a raise pool of 2-1/2%, leaving the Board of Selectmen to decide what raise, if any, each employee would receive. Raise recommendations are based on performance reviews and the content of these reviews are confidential. Chairman Wakeman further advised that last year, although yearly wage expenditures increased by 2% that was due to the fact there were 53 weeks in a year, not a salary increase. The Board decided to add 1/2% to last year's budgeted 2% increase as this year there are only 52 pay weeks.

A number of questions regarding the salary pool were raised and a very lengthy discussion followed. Chairman Wakeman advised that not all personnel will receive raises, and those raises will be given based on the individuals personnel review. Chairman Wakeman stated the total amount budgeted for the raise pool is \$5,099.00. Chairman Wakeman advised that the actual amount of raise monies allocated was just about \$10.00 over the 2-1/2%, due to calculating wage increase as percentages, not by dollar amounts.

The fire department's suggested wage pool is also increased by 2-1/2% for the Chief to distribute in a "pool" fashion. There is also a 3% buffer as actual hours expended cannot be predicted. Public Works is not included as it will become a new department beginning this year.

Another lengthy discussion followed regarding comp time versus overtime so that the Budget Committee could have a better understanding on how it works.

Questions were raised regarding what appears to be an increase in the Town Clerk's earnings. AA/TA Smith explained that originally in 2013, the wages were based on a 28 hour work week. Then in mid-April, the Town Office began a 32 hours work week, hence the extra earnings. The Deputy Tax Collector/Treasurer was a new position hired predicated on a 32 hour work week.

Support and Benefits:

Chairman Wakeman reported the Support and Benefits lines were adjusted accordingly. He pointed out that the MSRS line has been a credit, and in approximately four months when this credit is depleted the Town will have to begin contributing 4.1% on full time salaries.

A variety of questions were asked regarding wages and benefits for full time workers versus part time workers.

Members of the Budget Committee weighed in on the fact that the Town picks up benefits for an employee's family. It was suggested that the Town look into re-apportioning how benefits are paid and re-vamping the benefit schedule. Chairman Wakeman noted that last year the Town changed plans. He suggested that perhaps in the future, new hires might be offered a different or lower end insurance plan.

General Insurance/Workers Compensation Insurance:

AA/TA Smith stated that General Insurance covers any dishonesty, miscellaneous general liability and property casualty insurance. The premium is paid on a July to June basis, so the amount budgeted includes a buffer for an anticipated 7% increase based on last year's increase plus it includes adding the DPW workers and equipment.

Worker's Compensation insurance is based on a twelve month plan, in four monthly installments. AA/TA Smith included the expected wages from the DPW into the twelve month calculation.

A general discussion followed clarifying the numbers in the proposed budget line for Worker's Compensation, and relating which employees and/or departments are included in the worker's compensation calculations.

COMPUTERS and NETWORKING:

AA/TA Smith advised that the plan to upgrade one work station per year is continuing. The Clerk's work station will be upgraded and include a new monitor, two CPU's and one new printer. Next year the plan is to upgrade one of the counter work stations. In addition, the anti-virus protection needs to be renewed.

TRIO/Harris Software line has decreased by \$1,202.00, as last year two years of back up costs were included in the approved budget to pay the amount not previously billed.

The equipment lease decreased by \$65.00, as the town entered into a new lease contract with a new leased copier which includes toner, any service calls and a quantity of paper.

The Equipment Repairs line request is decreased by \$500.00, as it is not anticipated that any equipment might need repairing. This past year, when there was a problem the PIT has been able to assist.

Chairman Simon asked if unspent monies are turned over to the undesignated fund, then why

cannot monies up to the amount turned over at the end of the year be withdrawn from the undesignated fund to pay any unanticipated expenses.

Selectman Hall explained that, when needed, pre-allocated monies turned over to the undesignated fund are customarily withdrawn as needed to pay invoices received on a July to June basis when Durham's fiscal year runs from January 1st through December 31st. She also pointed out there is a thresh hold balance that is required to remain in this account.

AA/TA Smith stated that the only two departments that can run over their budgets according to State Statute is General Assistance and Winter Roads. There is an emergency fund within the designated fund which requires a 2/3 vote of the Budget Committee before any monies can be released. A lengthy discussion regarding how funding is set and appropriated followed.

OPERATING EXPENSES:

Publications: AA/TA Smith stated that Publications budget request is less than last year due to the fact that a number of publications are now available on line, including the Durham News Blast which is e-mailed to those residents that have provided an e-mail address to the Town.

Checks and Forms: AA/TA Smith advised that the Town switched banks and now the bank reimburses the Town for all check costs, bringing the requested amount for 2014 to zero dollars.

Furnishings/Equipment: AA/TA Smith stated the amount requested remains the same at \$400.00 as 2013 was an unusual year where no furnishings or equipment were needed.

Letterhead: AA/TA Smith advised that since the Town is printing letterhead in the office, no dollars are requested for the 2014 budget.

Office Supplies: AA/TA Smith stated that the amount requested is \$3,000.00 which is \$500.00 more than last year. AA/TA Smith noted the quote for fees for printing the Annual Town Report has increased, as well as the cost for general office supplies.

Selectmen's Discretionary: AA/TA Smith advised the amount requested remains the same at \$200.00.

GENERAL SERVICES

A very lengthy discussion followed regarding the Town's cell phone plan. It was also noted that the CEO's cell needs to be a smart phone so he can send/receive data and e-mail. Questions were raised as to whether the CEO was using the cell for personal use.

Various members of the Budget Committee questioned AA/TA Smith as to why she did not get additional price quotes for propane. She responded that she made an extensive search last year and only contacted those three companies that were able to provide the cheapest product prices last year, again this year, before presenting a contract to the Board for their

consideration.

ELECTRICITY: AA/TA Smith advised that the Traffic Light line and Traffic Control Repairs line have been moved to the DPW. She added that the Town currently has a contract with Next Energy, and is in the process of contacting alternative companies for their proposals.

UNION CHURCH: AA/TA Smith stated that the expenses for the Union Church basically have remained the same. She anticipates a \$5.00 increase for electricity and \$10.00 increase in telephone expenses should cover expenses for 2014.

ELECTION SERVICES:

AA/TA Smith reported that basically the costs for Election Services will remain the same with the exception the Election Expense Line which has a proposed increase of \$7,500.00, due to the fact there is new tabulating and coding required by the Secretary of State, which didn't have to be purchased outright, but rather leased. Also the outside contract the Town had for data entry of voting records is now being done in-house by the office staff. Not having to commit to having a data entry contract saves the Town \$2,500.00.

For each tabulator, the State charges each time it has to re-program the machine. In order to save money, the Elections Department saves money with local elections, whenever possible by using paper ballots that are placed in wooden ballot boxes and then hand counted after 8:00 p.m.

PROFESSIONAL SERVICES – MMA and AVCOG:

AA/TA Smith advised that the Board felt comfortable dropping that line by \$2,500.00. Audit expenses remain the same in 2014. MMA/AVCOG dues are expected to increase slightly as dues are calculated on the Town's per capita. MMA's rate as of 1/13/2014 is 1.81% increase and AVCOG's per capita rate is 0.72% increase as of January 14, 2014.

AA/TA Smith explained the many diverse benefits and services the Town is eligible for and receives from being a member of MMA and AVCOG.

OFFICE EXPENSES:

Tax Billing: AA/TA Smith stated the budget line is increased in anticipation that the Board may want to add a leaflet flier into out-going property tax bills being mailed to the residents as it did last year. The inserted leaflet cost \$350.00.

Questions were asked regarding the amount charged for printing. It was explained that printing also encompasses, stuffing the envelopes and postage.

It was suggested that the office staff take on the printing, stuffing and mailing of the tax bills. A very lengthy discussion followed.

Liens/Discharges: AA/TA Smith reported that the number tax liens and discharges have remained basically the same. The Androscoggin County Registry of Deeds has increased

rates for discharging a lien to \$19.00 from the \$13.00 that was charged previously

Town Reports/Printing: AA/TA Smith advised that this budget line request will remain the same as last year. Park Street Press will supply 600 copies of the Annual Town Report.

Dues/Training/Mileage: AA/TA Smith advised there is an increase in this lines more training and cross training classes will need to be attended in addition to mileage requests from CEO Feeney which are hard to predict. The office staff has decreased the amount of trips taken to the bank weekly. AA/TA Smith reported that some trainings were available on line, and some training was completed in-house.

The Committee asked whether some trainings are more important/necessary than others. AA/TA Smith provided detailed information regarding each proposed training option.

Postage: AA/TA Smith advised that this amount was increased due to the increase in postal fees. Many mailings must be mailed by Certified Mail, R.R.R. per State Statute. The postage rates increased on January 26th 2014. In addition, mortgage holders must be notified of Town liens as well as any other private party or entity that has an interest in said property.

AA/TA Smith pointed out that using the postage meter saves one cent per first class letter.

Advertising: AA/TA Smith stated the Advertising remains the same as last year. Fees for advertising are paid for Public Hearings, informational sessions on road, the formation of the DPW, job opportunities and various types of RFP's. Customarily paid advertisements are placed in the Lewiston paper, the Brunswick paper and the Tri Town News.

Budget Chairman Simon had further questions as to what might be advertised for in 2014. AA/TA Smith advised she anticipates the Town will advertise for mowing, DPW part-time snow plow truck drivers, and various other RFP's.

Budget Chair Simon asked why, last year's budget was for the printing of 800 Town reports is the same as the amount budgeted this year for 600 reports. AA/TA Smith advised that the price for 800 Town Reports was in excess of the monies budgeted in 2013, so it was decided to only order 600 reports in order to stay within the 2013 budget line. She added she receives an estimate not a firm quote from the printer as actual cost is not established until the Report is completed.

TOTAL ADMINISTRATION: AA/TA Smith advised that the total Administration Budget has increased by \$4,730.00. or 1.38%.

The Budget Committee's questions revolved around what impact the Proposed Durham Budget would have on tax payers. Using the "assumption calculator" that would translate to an increase of 3.7%.

MOTIONS – BUDGET COMMITTEE:

Chuck Pollock questioned the need for a fax machine. He questioned line #36 – computer/workstation upgrade (he took \$500.00 out of that and on line 104, he would delete AVCOG dues in the amount of \$5,066.00 completely. He would delete line #112 which is

\$5,300.00 for Dues/Training/Mileage. In raises totaling \$5,099.00, he would recommend cutting \$2,500.00, thus making \$13,366.00 in cuts.

Kevin Nadeau looked at line #92 –Election Payroll - Deduct \$600.00; line #104 – AVCOG Dues – deduct \$5,066.00; and line #112 – Dues/Training/ Mileage deduct \$3,500.00 from the \$5,300.00; for a net savings of \$7,466.00.

Questions arose as to the effectiveness of AVCOG for Durham. It was mentioned that since we have a shared road commissioner, we can potentially receive block purchase savings through the Cumberland Association.

Vice Chair Kirk suggests the Selectmen consider reducing the bottom line by 3% (\$338,174.00) or 3-1/2% (\$335,733.00), by adjusting lines in the proposed budget. Mr. Kirk continued that there is no way to cut the Dues/Training/Mileage line.

Chairman Simon stated the Budget Committee might suggest the Selectmen trim 3-1/2% off of the current proposed budget. Chairman Simon asked the Budget Committee for ideas to validate the recommended budget cut for him to present at the Town Meeting.

Kevin Nadeau suggests looking at the 2-1-2% wage pool to make budget cuts.

Chairman Simon suggested the medical and other benefits should be looked at. He suggests this is a line where some cuts could be made, perhaps by changing the parameters of coverage from 80/20 to a lower apportionment. He notes that to cover workers and their families costs the Town an additional 4% per year, and he considers it another avenue of receiving a raise.

A lengthy discussion followed regarding how much the Budget Committee recommends the Selectmen trim the proposed budget.

Roy Wenger Moves that the Budget Committee recommend a total budget of \$338,667 with \$267,376 being raised through taxation. Recommended items that could be reduced would be: raise pool \$2,500; AVCOG dues \$5,066; Dues, Training and Mileage \$1,800; Election Payroll \$600 for a total reduction of \$9,900 from the Board of Selectmen's Proposed budget. Seconded by Bill Morrill

The Committee discussed the motion, in particular the controversy surrounding AVCOG dues. Terry Kirk feels belonging to AVCOG is important to the Town.

Motion Passes 5 to 2. Motion Carried.

ADJOURNMENT: **Terry Kirk Moves** to adjourn at 10:00 p.m., Seconded by Charles Pollock. Adjourned by unanimous acclamation.

Respectfully submitted,

Jill S. Toher, Secretary