

SELECTMEN'S MINUTES
January 11, 2010 Budget Public Hearing

MEMBERS PRESENT: Vice Chairman Bruce Breton, Charles McMahon, Roger Hohenberger and Ross McLeod were present. Chairman Galen Stearns was excused. David Sullivan, Town Administrator and Dana Call, Asst Town Administrator were also in attendance. Mr. Breton opened the meeting at 7:03 pm with the Pledge of Allegiance.

BID AWARD: Mr. Sullivan reviewed the results of the Groundskeeping bids which were opened on December 29, 2009. Mr. Sullivan noted that Administration's recommendation would be to award the groundskeeping, irrigation, infield and bypass maintenance to Boyden's Landscaping, our current vendor, for a total of \$48,850, and award the fertilization portion of the bid to Cornerstone Strategic Services for their bid of \$17,334. Mr. Sullivan noted that this will be a one year contract, with the Town's option to extend to a second and/or third year. After a brief discussion, Mr. McMahon motioned to award the bid as proposed by Mr. Sullivan and Mr. Hohenberger seconded. Motion passed unanimously.

BUDGET OVERVIEW: Mr. Sullivan gave an overview presentation of the 2010 operating budget and highlighted some of the more significant areas of increase or decrease affecting all departments. Mr. Sullivan noted that there were no new employees and no salary increases in the proposed budget, other than those employees entitled to normal step increases. Mr. Sullivan further discussed the increase in health insurance premiums, a significant portion of which was absorbed through changes to a higher deductible plan, as well as retirement increases which were absorbed through other decreases throughout the operating budget.

Mr. Sullivan noted the budget as presented tonight will be further reduced by \$17,586 as a result of the Board's earlier groundskeeping bid award, bringing the overall town budget to a 0% increase. Even before that reduction, every department/function reflects a decrease from the 2009 budget, other than the capital budget, which is increased due to the Salt Shed/Highway Garage project. Mr. Sullivan noted that all other departments have delayed projects and other needs in order to put full support behind the Salt Shed project and getting that completed in 2010. He indicated that the department heads deserve significant praise for their efforts and for coming together as a team to meet the goal of a minimal budget increase while still accomplishing a critical project.

Mr. Hohenberger echoed Mr. Sullivan's comments and applauded the department heads for preparing the level funded budget, with little assistance from the Board, noting that the Town budget also had an overall net decrease in 2009. Mr. McLeod agreed and recognized the teamwork associated with the focus on the Salt Shed project. Mr. McMahon agreed with the importance of the focus on the Salt Shed project, noting that the complete project is being accomplished within

current revenues, without bonding and without an increase in the Town's portion of the tax rate.

PUBLIC HEARING: Mr. McLeod motioned to open the public hearing on the 2010 Town Budget and Warrant, and dispense with reading the full public hearing notice into the record. Mr. Hohenberger seconded and all voted in favor.

The proposed budget figures are as follows:

General Government	\$ 2,135,840.00
Public Safety	5,959,880.00
Highways, Streets and Bridges	1,191,260.00
Sanitation	879,890.00
Health and Human Services	104,750.00
Welfare	57,040.00
Culture and Recreation	1,260,585.00
Debt Service	12,660.00
Capital Outlay	300,000.00
Total Proposed Budget	<u>\$11,901,905.00</u>

The Selectmen will also address all Petition (received as of January 11) and Special Warrant Articles including:

1. \$960,000 for construction of a Highway facility/Salt Shed (\$350,000 to be applied from capital reserve funds, with remainder of \$610,000 funded from general taxation)
2. \$30,000 for Property Trust
3. \$20,000 for Searles School Marketing and Maintenance – funding to come from Revenue Fund
4. \$0 - \$12,160 for paying bond for Searles Building Improvements – funding to come from Revenue Fund – actually shown in operating budget

If all special articles are approved (total \$1,010,000) the gross appropriation will increase by \$219,586 or 1.73% over 2009. Total gross budget for 2010 would then be \$12,911,905 (before use of other revenue sources).

The 2010 net budget, on which the tax rate is set, would be \$12,529,745, after taking into account the use of \$32,160 from the Searles Revenue fund and \$350,000 withdrawn from the Salt Shed capital reserve fund for Salt Shed Construction (grand total of \$382,160 in revenue). The 2010 net budget would represent an increase of \$17,586 or 0.141%. However, based on the previous bid award, Mr. McLeod motioned to reduce the proposed operating budget (General Government function) by \$17,586, thus moving forward with a 2010 budget reflecting no increase over 2009. Mr. Hohenberger seconded and motion passed unanimously. Mr. McLeod motioned to accept Article 15, Operating Budget, as proposed and further amended to \$11,881,969. Mr. McMahan seconded and the motion passed unanimously.

Discussion of Draft Warrant (Mr. Sullivan requested the Board take up discussion of the Salt Shed article at the end of the hearing):

Article 5 – \$30,000 to be added to the Property Maintenance Expendable Trust Fund - Mr. Hohenberger briefly explained the article noting that it is for the same amount that has been requested over the last several years. Mr. Hohenberger motioned to recommend the article and move forward to the warrant. Mr. McMahon seconded and motion passed unanimously.

Article 6 – Police Union Collective Bargaining Agreement - Mr. McMahon explained the results of the negotiations with the AFSCME Local 3657 (Police Union) and the tentative agreement reached for a one-year contract. Mr. McMahon noted the agreement includes no COLA adjustments, a freeze in the employee cost share of health insurance and the establishment of certain joint advisory committees. Mr. McMahon noted the Board is asking the citizens to support this contract. Mr. Sullivan explained that although there are no cost items associated with new benefits and the article does not raise a specified sum of money, the Department of Revenue Administration has indicated that the Town is required to include an article requesting the voters ratify the terms of the new contract. Mr. Hohenberger motioned to recommend the article and move forward to the warrant. Mr. McLeod seconded and motion passed unanimously.

Article 7 – Municipal Union Collective Bargaining Agreement - Mr. McMahon explained the results of the negotiations with the AFSCME Local 1801 (Municipal Union) and the tentative agreement reached for a one-year contract. Mr. McMahon noted the agreement was negotiated under similar parameters as the Police agreement, with a few minor language modifications as well as no COLA adjustments and a freeze in the employee cost share of health insurance. Mr. McMahon motioned to recommend the article and move forward to the warrant. Mr. McLeod seconded and motion passed unanimously.

Mr. Sullivan noted that although the Town was not in negotiations with the Fire Union, as we are entering the third year of the current three-year contract, he wanted to reiterate gratitude to the Firefighters for agreeing to reopen the existing contract and entering into a sidebar provision to delay the COLA they were entitled to receive effective 4/1/10, to instead go into effect 3/31/11, equating to a 2010 budgetary savings of approximately \$26,000.

Article 8 – \$20,000 for Marketing and Maintenance costs associated with Searles Building (funding to come from revenue fund) – Mr. Breton indicated that the amount is the same as was requested last year, with the funding still coming from the rental income, therefore there is no tax impact from this article. Mr. McLeod motioned to recommend the article and move forward to the warrant. Mr. McMahon seconded and motion passed unanimously.

Article 9 – **\$12,160 for Bond payment on Searles Building renovations (funding to come from revenue fund)** - Mr. Breton indicated that the amount is the same as was requested last year, with the funding still coming from the rental income, therefore there is no tax impact from this article. Mr. McLeod motioned to recommend the article and move forward to the warrant. Mr. McMahon seconded and motion passed unanimously.

Article 10 – **Conservation Commission \$2,350** – Mr. McLeod noted the article is level funded with the previous year. Mr. McMahon motioned to recommend the article and move forward to the warrant. Mr. McLeod seconded and motion passed unanimously.

Article 11 – **Creation of a Library fund to utilize income-generating equipment monies** – Mr. Sullivan explained this article requires a separate public hearing, which has been scheduled for January 18, 2010, therefore there was no further discussion on this article.

Article 12 – **Modification of Elderly Exemption levels** – Mr. Hohenberger explained the proposed changes in the income and asset levels currently authorized by the Town from income of \$40,000 to \$45,000 for a single taxpayer, \$50,000 to \$55,000 for married taxpayers and a change in the maximum asset value from \$150,000 to \$160,000. No change in the actual level of exemption was proposed. Mr. McMahon motioned to amend the income/asset levels as described by Mr. Hohenberger and Mr. Hohenberger seconded; passed unanimously. Mr. McMahon motioned to move the amended article forward to the warrant and Mr. Hohenberger seconded; passed unanimously.

Article 13 – **Petitioned article to discontinue Wyman Rd** – Mr. Breton read the article into the record. Mr. Sullivan explained that the Board is not required to put their recommendations on petitioned, non-monetary articles, however, this has been the Board's past practice, unless the Board votes to not provide a recommendation. Mr. McMahon motioned to recommend the article and move forward to the warrant. Mr. McLeod seconded and motion passed unanimously.

Article 14 – **Petitioned article regarding a resolution to allow citizens to vote on an amendment to the NH Constitution that defines "marriage"** – Mr. McLeod read the article into the record. Mr. Hohenberger motioned to recommend the article and move forward to the warrant and Mr. McMahon seconded. The Board discussed further and Mr. McLeod noted he is fundamentally opposed to this article because he believes this is what we elect our State representatives for. Mr. Hohenberger countered that he believes that for such an important issue, the true democratic process would be to allow the citizens to vote on it. The motion passed 3-1 with Mr. McLeod opposed.

Article 4 – **\$960,000 for Salt Shed with \$350,000 from capital reserve funds and \$610,000 from the Town operating budget.**

Mr. McMahon reiterated that this project is being completed with both funds set aside in capital reserve as well as funds from the operating

budget, without having to issue bonds, thus maintaining a level Town tax rate. Mr. Hohenberger asked about the results of the bid process for the project and whether the project could be completed for less than the budget of \$960,000. Mr. Sullivan indicated that there appeared to be at least three responsive bidders that could complete the project within the budget, but that he will be meeting with the apparent low bidders as the bids were based on conceptual engineering and the bidders will need to clarify bid exclusions and assumptions in order to provide a more concrete estimate in time for the deliberative session of Town meeting. Mr. McLeod offered an amendment to article as drafted to clarify that the funds previously deposited into the Capital Reserve Fund will be used towards this project by inserting after the phrase “established for this purpose” and adding “and to be applied towards funds raised and appropriated”. Mr. McMahan motioned to recommend the article as amended and move forward to the warrant. Mr. Hohenberger seconded and motion passed unanimously.

Mr. Sullivan noted that the budget public hearing will be continued until January 18th for the purpose of discussing Article 11, which requires a separate public hearing to be conducted on the 18th. In addition, the Board will address any citizen petition articles that may be received on January 12th. Mr. McMahan motioned to close the public hearing on the budget and Mr. McLeod seconded. Passed unanimously.

OLD/NEW BUSINESS: Mrs. Call presented a brief memo regarding bank collateral as a follow up to a discussion with the Town Treasurer at a previous meeting and reiterated to the Board that the collateral provided by Centrix Bank in the form of “Freddie Mac” and “Fannie Mae” securities is an allowed form of collateral for public funds in accordance with the State Banking Commissioner’s rules and the Town’s Investment Policy. Mrs. Call clarified that the Town of Windham is not purchasing these securities as investments, but has cash in an account at Centrix Bank, which is backed by these instruments as collateral.

Mr. Sullivan presented the Board with an Amendment to the Town’s Flexible Benefit Plan administered by Benefits Strategies and read the formal resolution into the record. Mr. Sullivan then clarified that there has been no change to the contract, but because the Town changed its health insurance plan from a \$1,000 deductible plan to a \$2,500 deductible plan, this in turn required an amendment to the contract with our Third Party Administrator. Mr. Hohenberger motioned to approve the amendment and authorize Mr. Sullivan to execute the related documents. Mr. McLeod seconded and the motion passed unanimously.

Mr. Sullivan clarified that he and Mr. McCartney will arrange to meet with the apparent low bidders on the Salt Shed/Highway Garage project including Wrenn Construction, Ricci Construction, Ryan-CM and Wild Horses Welding & Construction (regarding shed only). Mr. Sullivan asked if members of the Board would like to attend these meetings and it was agreed that up to 2 members would attend. It was noted that there

are still unknown variables regarding a required retaining wall and amount of ledge removal.

At approximately 8:15 the Board agreed to reopen the discussion of the groundskeeping bids as several bidders had begun to arrive for the agenda item scheduled for 8:30. Mark Vaillancourt of Mainly Grass approached the Board explaining the process and products he used in his company's proposal, for the fertilization component of the bid. The Board briefly discussed a recent zoning change creating a Cobbetts Pond Watershed Protection Overlay District and consensus was to obtain further information from the winning bidder for the fertilization work.

The Board then asked Mr. John McRobbie to approach the podium, as he had indicated an interest in being appointed to an open seat on the Conservation Commission. Mr. McRobbie introduced himself, discussed his background and his interest in joining the Conservation Commission. The Board agreed to take his request under advisement.

The Board then turned the discussion back to the groundskeeping bids and Mrs. Call read for the record the earlier vote regarding the bid award. Mr. Gary Marshall of Cornerstone Strategic Services then approached the Board and explained his company's fertilization process which includes no phosphate for the first two rounds applied and 1% phosphate for the third round, and his rationale for utilizing this process, noting that the area is controlled and there is no runoff into the groundwater. Mr. McLeod noted that he was comfortable with this approach for now and consensus of the Board was to maintain the bid award as previously voted.

NON-PUBLIC SESSION: Mr. Hohenberger motioned to enter into nonpublic session in accordance with RSA 91-A:3 II c. Mr. McMahan seconded. Roll call vote all "yes". The topic of discussion was reputations.

The Board discussed the request of the part-time Building Inspector for an extended leave of absence. Mr. McMahan motioned to grant the request, contingent on the department locating a qualified, temporary fill-in Inspector. Mr. Hohenberger seconded and the motion passed unanimously.

The Board then discussed two other matters and no decisions were made.

Mr. McMahan motioned to adjourn at 9:25 pm. Mr. Hohenberger seconded; passed unanimously.

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.