

**SELECTMEN'S WORKSHOP**  
**Minutes of 10/29/07**  
**4:00 p.m.**

***Selectmen:***

***Frank S. Michel, Chairman***  
***Peter F. Brothers, Vice Chairman***  
***Robert C. Flanders***  
***Miller C. Lovett***  
***Colette Worsman***

***Town Manager:***

***Carol M. Granfield***

***Recording Clerk:***

***Karin Landry***

The Workshop was opened by Chair Frank Michel at 4:00 p.m. The Chair introduced the Selectmen, Town Manager Carol Granfield, and Director of Administrative Services Brenda Vittner. The workshop format allows for discussion among the Selectmen, followed by public input at the discretion of the Chair.

**W 07-23      Capital Improvements Program (CIP)**

The Town Manager introduced the agenda item. The Board previously met with the Capital Improvements Program Advisory Committee to discuss philosophy. The Committee deliberated on capital improvement projects and made their recommendations to the Planning Board. Those recommendations were unanimously approved by the Planning Board, and the Committee is prepared to present the recommendations to the Selectboard for discussion before the final budget process begins.

Bill Bayard, Chairperson of the Capital Improvements Program (CIP), thanked the Committee for their work. He highlighted the recommendations of the CIP Advisory Committee as of September 26, 2007.

Approximately \$19,191,000 of capital improvement projects have been identified by the various Town departments and the school district. In 2007, debt service accounted for 69.4% of municipal capital-related appropriations. In 2007, municipal capital appropriations, exclusive of debt service, were \$435,655. For 2008, The Town Manager anticipates submitting a level-funded budget request. The Committee attempted to stay within the Selectboard's recommendation of \$600,000 for municipal project costs, exclusive of debt. The Committee made the following recommendations:

- Fire Station. Bond authorization for the project in 2008. The estimated project cost at this time is \$2,700,000. Full debt payments would begin in 2009. The project continues to undergo additional refinement.
- Public Works. A substantial amount of equipment, roadwork, and facility needs are recommended. Survey and preliminary design work for Main Street are

recommended. Not all of the needs can be scheduled as requested, due to fiscal constraints.

- General Government. Payment of \$35,000 to the Waterfront Structures ETF for four years beginning in 2008. Allocation of \$100,000 over two years beginning in 2010 for the replacement of Wicwas Dam on Meredith Center Road, leaving approximately \$100,000 to be allocated in subsequent years.
- Conservation. Payment of \$50,000 to the Open Space ETF and a \$400,000 bond issue towards the purchase by the Town of 570 acres on Meredith Neck. The Committee is in strong support of the project, and is will to forego the money normally placed in the Open Space ETF while the bond is being paid off.
- Parks and Recreation. Allocate \$117,500 in 2010 to make parking lot improvements to Lower Prescott Park. The Committee asked the Selectmen to look into using some of the Downtown Parking Lot ETF for this purpose. Allocate \$110,000 in 2012 to make improvements to Childs Park, including new playground equipment and a bathroom. The Parks and Recreation Commission would not object to the project being accelerated and coordinated with work on the Meredith Center intersection.
- Meredith Public Library. No previously submitted projects (parking and furnace replacement) have been scheduled at this time. Further information is needed in order to schedule either of those projects. A project submittal in 2008 for the repointing of the brick exterior of the Library is anticipated.
- Water Department. Replacement of the Maple Street/Bay Shore Drive Water Main (\$310,000) in 2008. The Department requested many significant projects, but none are scheduled at this time. Allocate a \$100,000 level of funding for water improvements in 2008. The Town would allocate \$40,000 towards an ETF with the understanding that the utility would contribute an additional \$60,000. In order for the Committee to assist the Selectman in prioritizing the substantial needs of the Water Department, it needs better coordination with other Departments, more reliable cost estimates, a facilities plan, and a financial plan demonstrating how the utility will pay for the requested projects.
- Sewer Department. \$198,500 for the Boynton Road Sewer Extension in 2008. Funds for significant sewer system improvements or payments to a Sewer System Improvements ETF were not scheduled at this time.
- Inter-Lakes School District. Allocate \$33,900 for payment to the Facilities Expendable Trust Fund for roof repairs. This represents Meredith's share of a \$50,000 total ETF payment.

Chairperson Bayard urged the Board to review the Purposes of the Capital Improvements Program (CIP) set forth in their report. He or Brenda Vittner can answer questions regarding the purposes of the Program.

The report includes the following Appendices:

- Recommended 2008 CIP allocations
- CIP in relation to Combined Appropriations (1999-2007)
- Expendable Trust Funds and Fund Balances
- Municipal Debt – Historical plus Projected (1999-2017)
- Summary of CIP Recommendations and Town Appropriations (1999-2007)
- Water Treatment Plant Production Data (2000-2006)
- Building Permits – New Residential Construction (1987-2007)

Dialogue ensued regarding the role the Committee plays in identifying the capital improvement needs. The Board was in general agreement that the report is very comprehensive and can be used as a planning tool. The Chair would like to see stack charts for the school and Town that show how the information relates to the budget. Selectman Worsman requested building permit data that includes commercial projects and additions. Community Development Director John Edgar told the Board that building permits are on target for what was projected this year, with potential large projects coming on next year.

Selectman Lovett expressed concerns regarding the continual dropping of money put into capital improvements in terms of the total percentage of the budget. He is in support of building fund balance to avoid indebtedness and suggested eliminating the bond issue for the Page Brook Project by paying for it out of fund balance.

The Chair directed the Town Manager to investigate whether the Lower Prescott Park parking area is eligible for the Downtown Parking Lot ETF.

Chairperson Bayard solicited recommendations from the Selectboard for improvements to the Committee's report that will make their job easier

The Board took a fifteen-minute break at 4:45 p.m. to sign documents for the closing on the loan portion of the bundled project.

The meeting was resumed at 5:00 p.m.

#### **W 07-24      2008 Budget Process**

The Board requested a review of the budget process. As part of that review, Sheryl Pratt, partner of the Town's auditing firm, Plodzick and Sanderson, was scheduled to make a presentation, but was unable to do so for health reasons. The Chair thinks it is important to hear from her as part of the review process, and directed the Town Manager to reschedule the presentation.

Town Manager Carol Granfield and Director of Administrative Services Brenda Vittner reviewed the 2008 revised budget process. The 2008 budget will be a modified zero-based budget that matches spending levels with services to be performed. By utilizing

this concept, each department prepares a maintenance level budget addressing the service levels currently offered. Each item included in the budget will be documented with supporting information as to the level of service provided, cost of the service, etc. Any new programs or projects will be submitted separately from the maintenance level budget. The Town Manager provided guidance to department heads to create level funding with no new increases or new positions. Three quotes for purchases of services or goods are required, in accordance with the Town's purchasing regulation. This must be done, even for services that have been previously negotiated on a continuing basis.

The following are the components of each department's budget submission:

- Department Mission Statement and Objectives
- Narrative of Programs and Activities
- Service Improvement Requests
- Equipment Requests
- Training/Educational requests
- Capital Improvement Requests
- New Personnel (Position) or Position Reclassification Request
- Line Item Budget Form – includes Line Item Justifications
- Revenue Projection Form

Dialogue ensued regarding the various forms that will be used during budget submission. Selectman Brothers suggested that it would be helpful to include the amount forecasted for the reclassification of a position, and the true cost of the reclassification for the ensuing 12-month period on an ongoing basis. The Town Manager complimented the departments on the excellent job they have done in using the new process.

The Town Manager presented a draft of the Town Manager/Executive Department budget for the Board's review. It includes a comparison of 2007 appropriations and the 2008 Town Manager's budget request for personnel services, operations & maintenance, and capital outlay. The information is also presented in the form of a pie chart.

A maintenance budget worksheet breaks down the three categories by line items, and details each line item as follows:

- 2007 Appropriations
- Estimate at 12/31/2007
- 2008 Department Budget Request
- Dollar Variance
- Percentage Variance
- Justification for Line Item Budget Request
- 2008 Town Manager's Budget Request
- Dollar Variance
- Percentage Variance
- 2008 Selectboard Budget
- Dollar Variance

- Percentage Variance
- Personnel Costs

In order to comply with HIPPA requirements, personnel are not identified by name. Operations & Maintenance is broken down by controllable and non-controllable expenses.

Addition(s) to the 2008 Maintenance Budget under the three categories are set forth in a separate chart. A line item justification form will be utilized for dues & memberships, publications, and office supplies.

The information will be enhanced to include what the department requested, what the Town Manager recommended, and what the Board recommended. The Town began using new software last year, so comparisons to previous years cannot be made.

Expenditures that differ from what is projected in a department's budget will be investigated. A procedure must be followed in order to transfer money from one line item to another.

The Highway Department budget is broken down into categories including gravel, CVR, and paving. When all the projects are totaled, they will match the department's maintenance budget for each category.

The goal of the new process is to include as much information as possible so the Board can be efficient when reviewing the budgets. A breakdown of revenue will also be provided to the Board. The Town Manager's budget will be presented on November 19.

Selectman Lovett observed that in order to get the same level of service next year with a 0-based budget, you must find a way to be more efficient, or yield something less to the Town. The Town Manager will work to implement efficiencies. The recent Citizen Survey identified areas where taxpayers might be agreeable to cutting back on certain services.

The Chair would like to see a summary of appropriations for two years back by department, including the amount recommended by the Board and the actual amount budgeted. He directed Brenda Vittner to provide the Board with budget information in the form requested by resident Richard Juve.

#### **W 07-25 Employee Benefit Committee Study Follow-up**

The Board received a Pay and Classification/Total Compensation Report at its October 1, 2007 meeting. The report will be used as a tool during the budget process. This Agenda item was scheduled in order to make conclusionary remarks, and discuss remarks made to the press by members of the Committee.

Selectman Brothers does not wish to diminish the value of the mission of the study to continue to attract and maintain competent employees and provide the Town services. He is disappointed that the Board received the information from the Compensation Report and discharged the Committee without the opportunity for discussion among themselves pertaining to the study. He is concerned that comments were made to the press by Selectman Worsman and Committee Chair Bob Ambrose without the benefit of discussion among the Board.

Dialogue ensued regarding whether the study was conducted in a manner that provided the Committee with the information it was looking for. The Board did not wish to dwell on the substance of the report, but to better understand how to address a study that is moving away from a mission statement. The Board was in general agreement that matters of this nature must be discussed among the Board while they are making their way to the public through the media. Selectman Flanders thinks it was extremely inappropriate to publicly call into question the validity of the report without sharing those concerns with the Board. Selectman Lovett believes that Selectman Worsman's decision not to pursue the matter was made during the course of the meeting, and that it will be taken as a learning experience. The Chair expressed his high regard for the dedication and knowledge of Selectman Worsman and Bob Ambrose, and would like to use the experience as a learning process.

Selectman Worsman expressed her gratitude for the opportunity to discuss the matter with Selectman Brothers on a one-on-one basis prior to discussing the matter at the workshop. She told the Board there was limited time to review the report before the findings were presented to the public. The Committee met with the consultant prior to the public meeting, and expressed their dissatisfaction with the report. The minutes of that meeting were not available at the time the presentation was made to the public. Selectman Worsman looks at the press as a way of getting information out to the taxpayers.

The Chair explained the process by which the matter was scheduled as an Agenda item. Several Board members expressed a desire to be provided with additional information regarding the nature of a non-public meeting prior to the time it takes place. The Chair is willing to comply under certain circumstances.

In an effort to end the Employee Benefits Committee study on a positive note with employees, Selectman Lovett proposes a Human Resources Management Policy. With the conclusion of the work of the Town Employee Benefits Committee and the presentation of the *Report of Consultant's Findings*, the public and employees need a clear statement from the Board of Selectmen regarding Town policy on pay and benefits. He shared observations on the Consultant's findings, and suggested that the Board adopt a policy statement during the budgeting process somewhat as follows:

The Board affirms that it is the practice of the Town of Meredith to employ and retain employees who can render the best of services to town taxpayers, residents, and visitors. We value loyalty, rising skill levels, problem solving, friendliness, and high morale. It is

our policy to provide pleasant and challenging working conditions for employees in our above average community. Further, we will attempt to provide above average pay and benefits to our “far above average” employees.

We acknowledge that we have recently discovered that some employees are paid above or below what we now know to be “on the high side of average” compensation and benefits. We give assurance to our employees that these abnormalities will be adjusted, on a case by case basis, over a period of time in order to bring greater fairness, and market value, to all employees. We give further reassurance that adjustments will be based upon a further perfection of our employee evaluation system which will seek to measure such individual qualities as skill and experience, creativity, assumption of responsibility, and ability to do a particular job.

We honor and value our employees and seek to work with them to make our town even finer in the future than it is today.

The Chair directed that the matter be put on a future Agenda for continued dialogue.

Selectman Worsman announced her desire to step down from her position as Selectman’s representative on the Planning Board, and asked if another Board member would be willing to take on the responsibility as of January 1. Planning Board member Herb Vadney strongly supports the continuation of Selectman Worsman on the Board. He would support Selectman Flanders as a replacement based on his history with the Planning Board. Selectman Flanders is willing to consider the appointment after Town Meeting.

*Selectman Flanders motioned to adjourn the meeting at 7:40 p.m. Seconded by Selectman Worsman. All in favor. 5-0. Motion passed unanimously.*

Respectfully submitted,

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Carol M. Granfield, Town Manager

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Frank S. Michel, Chairman

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Karin Landry, Recording Clerk

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Peter F. Brothers, Vice Chairman

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Robert C. Flanders

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Miller C. Lovett

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Colette Worsman