

**BOARD OF SELECTMEN BUDGET WORKSHOP**  
**Minutes of 01-10-11**  
**5:00 p.m.**

*Selectmen:*

*Charles G. Palm, Chairman*  
*Colette Worsman, Vice Chairman*  
*Peter F. Brothers*  
*Miller C. Lovett*  
*Nathan J. Torr*

*(Absent with Notice)*

*Town Manager:*

*Phillip L. Warren*

*Recording Clerk:*

*Karin Landry*

Call to Order: Chairman Palm called the meeting to order 5:00 p.m. at the Town Hall Annex. He introduced the Board, Town Manager, and the Recording Clerk.

The Town Manager requested that the Board meet in Workshop to review budget items that were previously discussed, but are not included in the Town Manager's budget at this time:

Police Cruiser:

The Ford Motor Company will no longer produce the Crown Victoria as of the 2012 model year. As a result, cruisers that are purchased subsequent to that time must be outfitted with all new equipment at an additional cost of approximately \$7,500 per cruiser. In order to minimize what will be spent on replacement cruisers in the next two years, the Town Manager proposed that two cruisers be purchased in 2011 at the cost of \$27,500 each, which includes transferring the electronic equipment from the old vehicles to the new vehicles. There is no additional cost for painting the new vehicles. The normal rotation for purchasing cruisers is one, one, and two. One cruiser was scheduled for purchase in 2010, and one in 2011; however, last year's purchase was deferred during the budget process. Consequently, if two cruisers are not purchased in 2011, there will be three cruisers scheduled for replacement in 2012 at a cost of approximately \$35,000 each. In addition, there will be an expense associated with emergency vehicle certified operator training on the new model. The Town Manager highly recommends that two cruisers are purchased in 2011.

The Board supports the purchase of the additional vehicle in 2011, but wishes to be certain that the equipment being used at this time is transferred to the new vehicles.

General Assistance:

The Board agreed to supplement the General Assistance budget, which is listed under Administrative Services, by \$10,000, for a total of \$130,000. The final figures for General Assistance in 2010 will be available in the next couple weeks. The Board acknowledged that there is some question as to whether the \$10,000 adjustment will be adequate. The additional expenditure will come from fund balance, with no net increase to the amount to be raised in taxes at the local level.

Dialogue ensued regarding the Fire department budget. \$68,000 was appropriated in 2010 for fire fighter salaries, but an estimated \$58,000 was spent. The amount appropriated is based on the number of firefighters and anticipated call volume, both of which were down in 2010.

Salary Adjustment:

The Board considered a \$72,500 one time base salary adjustment for employees. The adjustment is not a step increase, or a guaranteed progression. The Board is appreciative of the employees efforts in meeting the Board's 2010 goals, and returning \$465,000 in unexpended appropriated funds. The Town Manager will provide additional information on how the \$72,500 salary adjustment will affect salaries on a percentage wise basis prior to the public hearing.

The budget was level funded for the past two years, but with the addition of these three items, will increase this year's budget. In order to keep the amount raised by local taxation level, fund balance will be utilized. Selectman Lovett made it clear that he would be happier with a budget that was leveled by being reduced in other places as opposed to drawing more of the fund balance, and asked if his fellow Board members or the Town Manager could identify any other places where the budget can be reduced. He believes the Board owes it to the public to see if there is any way to further reduce the budget by approximately \$100,000 so that it will remain level funded, and wishes to make it clear that the matter was discussed at length on a number of occasions. Dialogue ensued regarding the steps that have been taken to meet the stated goals for 2010, which include maintaining 2010 service levels, no new positions or reclassifications, no new programs or expansion of services, and an overall goal of no net impact in the amount to be raised by taxes for the town portion. The Town Manager explained that he could not cut \$100,000 from the budget without direction from the Board as to what services they would like to have greatly curtailed. He is 99% sure that there are no further economies that can be uncovered between now and the public hearing on the budget.

Selectman Worsman does not see a place to reduce the budget without cutting an essential part of the community and the services it delivers. She pointed out that because of the Board's actions, the water department no longer needs to be subsidized by the general fund, and as a result, the expense side of the budget will not be hit quite as hard as in past years. In addition, all departments will continue to keep a close eye on expenditures and offsetting revenues, including the Parks & Recreation department. The Town Manager reiterated that this practice will remain status quo.

Dialogue ensued regarding Expendable Trust Funds. The use of those funds will be presented to the voters as warrant articles. The articles will set forth that the funds cannot be appropriated unless the trust fund is abolished. The budget will not be increased by the use of said funds. The balance in each trust fund recommended to be used for its intended purpose or in concert with the CIP process where appropriate, at the Board's December 20, 2010 meeting will be read into the record at the upcoming budget hearing.

There was a consensus among the Board to include the three additional items in the budget. The public hearing on the budget is scheduled for January 24, 2011. The Town Manager will provide the Board with updated materials prior to the hearing, and the information will be posted on the website. The process used for last year's hearing will be used again this year.

The Town Manager announced that the Board will move into a non-public session pursuant to RSA 91-A:3 (II) (e) - considering negotiation of pending claims or litigation, following a short break.

*Selectman Worsman motioned to adjourn the meeting at 5:55 p.m. Seconded by Selectman Lovett. 4-0. All in favor. Motion passed unanimously.*

Respectfully submitted,

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Phillip L. Warren, Town Manager

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Charles G. Palm, Chairman

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Colette Worsman, Vice Chairman

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Peter F. Brothers

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Miller C. Lovett