

Town of Alton  
Budget Committee Meeting  
Town Hall Meeting Room  
October 20, 2016  
Minutes  
Approved October 25, 2016

1. **Call to Order 6:30 pm**

2. **Pledge of Allegiance**

3. **Roll Call**

Roger Nelson, Chairman  
Greg Fuller, Vice Chairman  
David Hershey, Member  
Andrew Levasseur, Member,  
Michael Ball, School Board Representative,  
John Markland, Selectmen's Representative  
Terence O'Rourke, Member, Excused Absence  
Elizabeth Dionne, Town Administrator

4. **Approval of Agenda**

**D. Hershey motioned to approve the Agenda as presented and was seconded by G. Fuller with all in favor.**

The 2017 Budget Books were provided to all of the Committee members for their review.

5. **Public Input I**

None  
Public Input 1 closed

6. **Old Business**

A. Meeting Minutes

G. Fuller motioned to table the meeting minutes of September 16, 2016 to allow the Recording Secretary to confirm votes and was seconded by J. Markland.

B. Review of Town and School Financials

R. Nelson stated in May G. Fuller had requested to get a list of the unreserved fund balances that were going to offset the Town of Alton's tax rate. R. Nelson provided the Committee with a handout of the information that K. O'Blenes provided. There was over 1 million returned as of June 30, 2016.

G. Nelson asked J. Markland as the Selectmen's representative, could he confirm that the School Board can't expend unanticipated revenue. Can they spend it at the end of the year? J. Markland stated he could not speak for the school. M. Ball the School Board representative stated he believes it is based on grants that are expected, whether they come in and they pay out. He will bring the question to K. O'Blenes of what is the definition of revenue and unanticipated revenue and if they can't spend unanticipated revenue where does the unanticipated revenue go does it go back to town. He will provide the Committee with an answer at the next meeting. R. Nelson stated he believes the unanticipated balance is part of the

change in the accounting method that Barnstead was using and Alton was not using two years ago and it was carried forward.

G. Fuller asked L. Dionne how long it takes to complete the fiscal year. L. Dionne responded that the Town is on a calendar year and the books are closed around the 3<sup>rd</sup> week in January. The end of year report should be completed within a month of that time. G. Fuller stated that the School Report is dated September 9, 2016 and their fiscal year ended June 30<sup>th</sup> and he believes we should have had the report sooner and would like to know why it takes so long to receive them. He believes it would be beneficial to review the reports before the meetings. M. Ball will request that the School provide monthly reports by E-Mail to the Committee members.

R. Nelson stated that the reports for PMHS were distributed at the last meeting and showed \$37,000.00.

R. Nelson provided the Committee with a copy of the actual and budgeted unencumbered funds for September for the Town of Alton. The Committee reviewed and discussed the hand out.

G. Fuller asked when the warrant articles would be completed and L. Dionne responded that she has a draft list and most of them have been recommended and approved by the Board. She is still waiting on one more and the overall budget warrant articles will be completed when the BC is done.

G. Fuller asked about the status of the CIP. L. Dionne responded that the Town Planner informed her that a meeting was held and the Planning Board is reconstituting a CIP Committee but it will not be ready for this budget cycle.

All members of the Committee confirmed that they had received the updated E-Mail policy that was amended on October 3, 2016.

## **7. New Business**

### **A. 2017 Budgeting Process**

There was a discussion on how and when the approval of the Department budgets should be handled.

R. Nelson suggested that the Committee review the budgets with each department and then a meeting will be held in either December or January to go through the entire process and decide what the Committee will approve or disapprove and determine the budget that will be presented to the BOS. He stated he had put together a spread sheet for the 2016 budget season showing increases and decreases for the previous 5 years and will be happy to share it with anyone on the Committee.

**B. Proposed Meeting Dates**

The Committee discussed proposed meeting dates and the consensus was that holding a meeting on a Saturday would be difficult due to personal schedules.

The following Budget Committee meeting dates have been scheduled for the review of the 2017 budgets:

- Tuesday, October 25, at 6:30 pm, at the Alton Town Hall Meeting Room to review the Water, Finance, Highway and some additional smaller department budgets.
- Wednesday, October 26, at 6:30 pm at the Alton Town Hall Meeting Room.
- Wednesday, November 9th, at 6:30 pm, at the Alton Town Hall meeting room. This meeting will also include a discussion on proposed dates to review the Town Warrant Articles.

The committee will also meet with the ACS to review their budget on:

- Thursday, November 10th, at 6:30 pm, at the Alton Town Hall Meeting Room
- Tuesday, November 15th, at 6:30 pm, at the Alton Town Hall Meeting Room

**8. Old Business**

R. Nelson reviewed a letter with the Committee that D. Hershey sent to S. York and requesting information revenue generated by the Cemetery Department.

R. Nelson asked if we received this information what would it do for the Budget Committee regarding the Cemetery operation.

D. Hershey replied it would allow him to determine whether or not the maintenance and the management of a cemetery operation at the capacity that we have is a break even, a profit generation or a loss generation. Depending on that outcome, if it is a profit generator then that is something that the Budget Committee should know. If it is a loss generator then we may want to revisit what some of the fees are in an attempt to make it a break even operation.

J. Markland stated that the Town has only had control for about two months and the Cemetery falls under Kelly Troendle.

R. Nelson stated that he is not sure the records are perfect from the transition from where it was to where it is going and believes we should hold off on requesting the information.

D. Hershey asked if some of those numbers would be in a budget. L. Dionne responded that yes some of them would be and some of the fees that you are looking for are on the website and a handout is available with other information.

D. Hershey stated what he is looking for is what kind of burials are we actually doing and where. That would give us an average cost per burial. For example in one cemetery the cost was \$1,100.00 per plot and in another cemetery it was \$300.00 per plot. If the Town is always, as an example, using the \$300.00 per plot then that generates one type of revenue. If the Town is always using the \$1,100.00 plot then that is a different kind of revenue. He was looking for an average on what are we collecting for revenues and where. If all of these are \$300.00 plots then maybe the question becomes do we want to continue the \$1,100.00 plots for maintenance and upkeep where we are not really using it.

L. Dionne responded that Kelly Troendle should be able to answer that when she presents the Cemetery Department budget.

D. Hershey stated that is why he sent the questions in advance to allow someone the opportunity to look at it so they don't feel like they were ambushed.

L. Dionne stated she will make sure that Kelly Troendle receives the questions.

There was a discussion on actual anticipated revenues for the Cemetery Department and they are not shown on the budget.

L. Dionne responded that they do have a couple of separate funds that are held by the Trustees of the Trust and for one of them the interest is allowed to be used for maintenance and the other one is a capital reserve fund.

D. Hershey stated if we are not charging anything for perpetual care and a commercial cemetery is charging for example a one-time deposit of \$25,000.00 or even \$50,000.00 depending on location, then maybe that is something we would want to look at. Is that something the town wants to absorb? A commercial operation and the expense are very different.

**9. Public Input II**

None

**Public Input II Closed**

**10. Other Business**

L. Dionne informed the Committee that there was a wage restructuring recently approved by the Board of Selectmen. The Selectmen were not happy with the pay methods and asked her to come up with some other options or recommendations. A research project began in May. The current pay method is confusing and every year the employees receive different pay increases, one could be a COLA based on the previous July CPI Boston Northeast Index; then there is a step chart where each step represents 3 percent and they are given that every other year; and there is also a merit increase which does not affect the hourly rate. This is a bonus check based on an evaluation. L. Dionne was unsure of when these were paid. Some department heads received them and some employees

received them. She created some criteria for the Assistant Finance Manager to do some research on. To compare positions we have here in Alton to similar positions in other municipalities. One example would be for a lake side town with the same year round population. Another criteria example would be a lake side town with the same summer time population. Another example would be a town with the same number of full time employees. About five or six criteria categories were created.

A large chart was created with not just every position on it but every employee who would fill those positions. There are some positions that have multiple employees. One column was the number of years the employee has been employed by town; the number of years in a particular position; the minimum and maximum of the step chart; the minimum and maximum average of all the other towns for those positions; the 2015 Thornton Survey recommendations, etc. With the Finance Director we looked at every position and every category for every position and we determined that there were many employees who were not paid even an average compared to other municipalities. In fact they were underpaid. We discovered there were some employees who were good as is, they were in a nice average and we decided there were some that had a healthy wage. We made recommendations for each position, to increase or to leave it the same. Those recommendations were approved by the Selectmen and you will see some changes in the wage lines.

There were also some policies that were proposed to and approved by the Selectmen. The step chart is a 10 year step chart which was updated every year according to COLA. We took the 2017 step chart and took off the 3 lowest steps and then added 3 on the higher range and then took all the steps in the middle out. There is now a minimum and a maximum for each position, not each employee. This allows for some flexibility for the Department Head to hire and it also allows for no one to fall in between a step because that was a continual problem. The chart will be updated every year according to COLA. There are no more steps beginning in 2017.

Another policy approved was the COLA. COLA was always based on the July of the previous year. My proposal was to base COLA on the previous 12 months of CPI. Another policy proposal was for probation. The previous policy had been when you completed three months of probation you automatically got a 3% step. This policy changed so that the probationary period is now six months and is fair and gives the department head more time to view the employee and the employee's work. The Police and Fire departments will remain at one year of probation. At the end of probation an employee will receive a flat 25 cent increase, not a step. It is the end of probation and would be based on an evaluation.

There was a new section that was added in at the request of the Selectmen, a re-installation of probation. If there was a situation, where an employee had been off of probation and things weren't working out as well as hoped they could be put back on probation to be re-evaluated and there would be no pay increase at the end of that probation.

Another proposal was to eliminate the merit which is issued at the end of the calendar year and is based on an evaluation and is actually like a bonus because it does not affect the hourly rate.

For 2016 these policies will still in effect. People who are due their merit bonus based on an evaluation will still receive them.

L. Dionne continued what she saw was that over the years the only increase to the hourly rate and the annual salaries was the COLA and so consequently because of that those rates were lagging behind and getting lower and lower resulting in turnover which is costly. I wanted to stop the turnover and for the people that were underpaid to bring them up to an average. We had to be careful and did not want to go overboard in pay increases. This is a step in the right direction and we did not want to run the risk of entire the research project being cut or thrown out. We used reasonableness.

R. Nelson asked how they addressed some of the departments who have two or three different pays for an employee because of the variety of jobs they perform.

L. Dionne responded whatever the hourly rate is for the position that they are doing is what we looked at. A lot of the staff we looked at had an umbrella type job description with many different facets and their rate was the same no matter which position they were doing.

R. Nelson stated for the new position and L. Dionne responded no that is current. R. Nelson continued that for the budgets he looked at last year there was one employee getting X amount for doing one job and X amount for doing another. In one department there were several employees getting paid to do one job part of the day and another job another part of the day and they received two different wages.

L. Dionne stated she was not familiar with it.

R. Nelson stated it was in the budget for last year and it was the Highway Department. One day an employee may drive the grader and the next day drive the dump truck. That staff member had two different pays. He got paid for driving the grader and then received a different pay for driving the dump truck. It was very confusing reviewing the budgets. Why can't it be flat lined and the staff member gets the same pay for driving the grader or the dump truck and gets one flat wage for being a driver.

L. Dionne stated she was not familiar with it. It has been her experience in talking with the Highway Manager that if for example the excavator operator is out sick and they take the heavy equipment operator and they fill in they still get their regular rate of pay.

R. Nelson stated that is not how the budget was presented in the past two years. It showed different rates by employee. So going forward regardless of what equipment they are using they will get the same rate of pay.

L. Dionne stated however if there were a vacancy for a certain position, for example a mechanics position and you were going to have someone fill in for 6-8 months only doing mechanics work that may be handled a little differently. Only temporarily until a regular full time mechanic is hired for that specialty type of job then that person would go back to their regular position and salary. She emphasized that she was not saying that would definitely happen but could see where it may.

D. Hershey asked what if the mechanics wage was a lower wage than the person had and they were filling in for six months would they get a cut in pay?

L. Dionne stated that she did not know if that could do that in accordance with the Department of Labor laws.

L. Dionne stated that the Town of Alton has really good Department Heads she does not see them abusing the system. D. Hershey stated it was an accounting question and it had nothing to do with and by no means meant that he is insinuating about somebody looking to manipulate the system for personal gain. L. Dionne responded that she knew he was not.

R. Nelson asked if a Department Head goes out of town and one of the employees in that department assumes that role for that period of time how would that be handled. L. Dionne responded that nothing changes as far as the pay is concerned. R. Nelson stated that hasn't been the case in the past. L. Dionne responded that she is not familiar with that.

J. Markland stated that the Selectmen can provide a stipend to the employee if they are assuming positions that are above them. R. Nelson stated he has no problem with that. He has a problem with it not being universally applied across all departments. It reflects badly.

J. Markland stated that is a question that you can address to the department in question. R. Nelson responded the Department Head is not the problem, the Selectmen allowed it.

There was a discussion on stipends, salaries and the process.

L. Dionne stated when you look at the wage lines you will see in the center of the form, the explanation which is called the justification, when you see wage structure amendment that was the position that was financially changed. The new form with the minimum and maximum is a wage structure. Some others may say just COLA and that will be the only increase they will receive for 2017.

G. Fuller asked when you looked at the salaries for the Town did you take into consideration the benefits package as well? L. Dionne responded no, Alton has decent benefits package.

J. Markland stated that was not taken into consideration as there was a benefit study done two years ago and it saved the town a considerable amount of money.

G. Fuller stated salaries and benefits go hand and hand.

L. Dionne noted that it will cost approximately \$42,000.00-\$43,000.00 and the selectmen looked at ways to help with that. In the benefits budget there is a line item that includes merit. That line has \$32,000.00 in it and will be used to compensate against the \$42,000.00. That line item in the budget for 2017 will be reduced to \$1.00. Some of the lines will be increased which is inevitable but the bottom line of the budget has been helped with that.

There was a discussion on salaries, benefits and turnover rates.

R. Nelson asked who reviews the Department Heads and L. Dionne responded that she does.

R. Nelson asked who decides who gets a stipend if someone were to fill in for a manager. L. Dionne responded that it has not happened since she has been here. If there was an hourly rate change it would have to be approved by the Finance Manager, myself and the BOS. R. Nelson stated it occurred in the Highway Department and when the Waste Management Department attempted to do the same they were turned down. J. Markland stated he does not recall that ever happening.

**10. Adjournment**

**R. Nelson motioned to adjourn the meeting and was seconded by G. Fuller with all in favor.**

**The meeting adjourned at 7:56 pm**

Respectfully submitted,



Peggy Hawksley  
Budget Committee Secretary  
Approved October 25, 2016