

BOARD OF SELECTMEN	OCTOBER 19, 2021, at 8:00 A.M.
TOWN OF HAMPTON FALLS	TOWN HALL

FINAL

Budget Work Session #2

Chairman Gargiulo called the meeting of the Hampton Falls Selectmen's Budget Work Session to order at 8:00 AM.

PRESENT: L. Gargiulo, Chair, M. Lane, Vice Chair, E. B. Beattie, Selectman, K. Anderson, Interim Town Administrator, R. D. Webb, Town Secretary.

Guests: R. Dirsra, Police Chief; R. Veno, Police Lieutenant

K. Anderson reviewed the memo she sent to the Selectmen, that outlined the changes made during the prior work session held September 21, 2021, changes that have come in due to pricing, as well as reductions that were presented by the Town Clerk/Tax Collector and the Police Department. Included for discussion was 1) a revised Police Department budget with details regarding the composition of the part-time wages; 2) the CPI for September; 3) benefit summary sheets that apply the revised insurance costs, 4) different COLAs for the Board to see the potential impact to be later applied throughout the budget, and 5) an updated summary to show the proposed budget with the revisions.

4130-110 Town Administrator - Reduced from \$90,000 to \$62,400

Page 8 new total is \$113,480.

4140-810 Animal Population Control Fees - Reduced from \$1,600 to \$0, within the Town Clerk's budget. These are pass through fees to the State and do not need to be budgeted. These are similar to the State's motor vehicle fee.

Page 11 new total is \$119,347.

4150-120 Part-Time Salary - Reduced from \$29,000 to \$24,726 based on new hire, Bookkeeper.

Page 15 new total is \$96,702.

Legal – Reduced \$15,000 to \$7,000, to the level previously funded.

Page 16 new total is \$15,000

Page 17: Employee benefits - Utilizing highest COLA percentage, calculated the account total decreases from \$462,740 to \$439,792 due to the health insurance decrease. Four scenarios were developed with COLA at 3%, 3.5%, 4%, and 4.5% and the impacts to the budget for each percentage. The September CPI was presented with a range from an all-inclusive 5.4% to a 4.0% CPI minus food and energy. This will be a discussion item for the Selectmen to decide on the COLA percentage to apply to the budget. The highest COLA at 4.5 % maximum would be an impact of \$24,507 to be spread-out across the Budget.

Insurance Primex – The Town received a letter from Primex with the rate for property liability insurance that is increased by \$4,000 due to the increase in costs to the secondary market.

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Worker's Compensation rates increased over all groups but, due to the Town's favorable exposure rate of 0.80, Hampton Falls' rate decreased by \$492.

4193 - Heritage Commission - Reduction from \$2,000 to \$1,500 with guidebooks for the Tricentennial to be paid from the Frying Pan Lane Fund.

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4199 – Other Contingency - Line-item reduction from \$14,000 to \$0.

4413 – Animal Control – Reduce from \$10,000 to \$7,500 to account for $\frac{3}{4}$ of year.

4195 – Cemeteries - Reduce the repairs and maintenance from \$27,000 to \$13,000 based on the bid. The bid came in at \$12,000, adding an extra \$1,000 for any emergency mowing, or any additional work that may need to get done.

As of now, based on a 4.0% COLA, the proposed Town budget for 2022 is at a 1.75% increase over 2021.

The **Police Department** budget had some proposed changes so Police Chief R. Dirsa presented his budget's revisions. The changes were all in the part-time salary line which decreased by \$4,335 from \$91,546 to \$87,211 and is an increase of \$176 from last year. These proposed reductions were made possible by: reduced part-time vacation coverage, reduced hours pre-planned (in case there is a need to send someone to the Police Academy), reduced hours in Department meetings, and four (4) less patrol hours per week. The changes continue to allow a half-day of Secretarial services on Fridays (for an on-going digitizing project) while simultaneously offering assistance to citizens providing phone coverage.

M. Lane asked for clarification recalling the premise in hiring the fifth officer was to have created a reduction in the number of part-time hours necessary, because prior to hiring that officer the department was up to 40 part-time hours. Police Chief Dirsa responded that not all of the part-time salary line-item is Police Officers, that it also includes the Secretary. Additionally, there is a need to reserve funds in case the Police Department needs to send someone to the Police Academy. The result of having a fifth officer has had an impact that the Police Chief is filling less shifts per week, but they now have an additional person to fill-in for vacation and sick time.

L. Gargiulo identified under **Other Professional Services line item 390** an increase in the Watchguard video of \$4,875, to which Chief Dirsa explained that that was the largest, non-personnel section of the Police Department budget where the cost of the cameras has increased. That would include technical support, instead of the current scenario where one equipment failure could be a bill of \$5,000.00 to replace equipment.

The Other Professional Services, line 390 of the Police Department budget is currently at \$15,890 of which approximately \$5,000 is allocated to the camera systems.

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E. Beattie said that he periodically gets questions from the public about the Police Department budget, and he wants to be able to explain the context accurately. E. Beattie sought clarification on why the Police Department part-time budget is currently spent at 56% when we are at 75% of the year, to which Chief Dirsra responded that while the Police Department typically under-spends the part-time account, they typically over-spend the over-time account. He anticipates the part-time account to be close to \$62,000 at the end of the year. He described the challenge of showing over-time balance, as some officers want their payment when they work the hours, and others want to save it for a single pay-out in December (for holidays). Additionally, Chief Dirsra stated that there needs to be some contingency in the over-time account in case something large happens, so that there would be funds available to handle that staffing. Finally, he concluded saying that he always tries to save money wherever he can, while also projecting costs in the future. Chief Dirsra estimated that there currently is approximately \$15,000 owed in comp-time as over-time, and by the end of the year the number is projected to be \$22,500.

L. Gargiulo inquired why that was the case about the comp-time being owed and not paid when worked, and K. Anderson explained that it is a unique situation of the Department of Labor for Public Safety employees where they can bank their over-time, but cannot carry it over to the next year, so it is frequently utilized for pay-out in December.

There was interest in understanding how much monies are encumbered in over-time, and how to represent it in the budget, for the Selectmen to be able to respond to inquiries from the public, and to be able to better communicate on the subject. K. Anderson suggested adding a line item showing encumbered or obligated monies to over-time, and L. Gargiulo requested the information be added to the Notes section of the Selectmen's communications in the future.

All-Inclusive Mowing - Requests for Proposals (RFP) results to be determined after bids received next Monday October 25, 2021. That number needs to be adjusted into the budget once received.

Cost of Living Allowance (COLA) - K. Anderson discussed whether the Selectmen would decide if there would be a COLA increase, and if yes, then what that amount would be, as it impacts wages and then funnels through the budget to Social Security and Medicare. There was a discussion that if the COLA for 2022 was at four-percent (4%) that would be an increase of \$21,784 spread across the budget. E. Beattie reminded the Selectmen that in a tough labor market taking care of the people you presently have is the cheapest thing you can do, because if you have to train someone then there are added costs for training.

MOTION: To establish the 2022 Cost of Living Adjustment (COLA) for the Town of Hampton Falls' employees to be four-percent (4%), based on the September 2021 CPI.

MOTION: E. BEATTIE

SECOND: M. LANE

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Road Agent - E. Beattie said that he wanted to revisit the discussion about the Road Agent's contract, as he wanted to make it a three-year contract to renew, with an increase in the yearly total spread-out over twelve months. He said that the Town does not want to lose the Road Agent. Additionally, he said that he would think it reasonable to propose the Road Agent's annual contract at the conclusion of the next three years would be at the same rate of the next lowest bid. M. Lane said that he was surprised that the Road Agent did not propose an increase for 2022. E. Beattie proposed that an additional \$2,500 be built annually into the Road Agent's contract for each year over the next three years, that computes to an approximate increase of \$200 per month, and the Selectmen were all in agreement. K. Anderson said that she, accordingly, **changed page 48 from \$29,600 to \$32,100**, and E. Beattie said that he would speak with the Road Agent regarding this proposal.

Tax Rate - L. Gargiulo inquired of K. Anderson, when is the Town going to set the tax rate. And she responded as soon as the Department of Revenue Administration (DRA) calls and says let's review your revenues.

Town Buildings and Grounds Maintenance Supervisor - M. Lane expressed interest to follow the Capital Improvements Committee's recommendation to review the status of the public buildings and to look at them a couple of times per year, and to properly budget for their upkeep. E. Beattie added that deferred maintenance costs the Town more money, and the public buildings are one of the Town's greatest concerns.

E. Beattie suggested to create a stipend position to oversee the four (4) Town-owned buildings, (namely: 1) Town Hall, 2) Public Safety Building, 3) Library, and 4) Museum/Historical Society), to periodically review and propose maintenance for each building, to recommend repairs and improvements to manage the properties, instead of being in a reactive mode and to avoid the scenario that "everything is an emergency". L. Gargiulo suggested they pose the position to the Building Inspector Mark Sikorski, to see if the Selectmen compensated him, if he would have an interest in providing the consulting services. M. Lane agreed that M. Sikorski is certainly qualified, and he already is serving in that capacity regarding the Museum's proposed work. E. Beattie stated that M. Sikorski had four (4) hours added to his position effective this current year.

M. Lane was impressed at the Capital Improvements Committee meeting when Tony Franciosa suggested alternatives to the Library for their HVAC, that made it clear to him that the whole scenario needs skilled oversight, not managed by volunteers.

L. Gargiulo asked if M. Lane wanted to suggest **adding \$2,500 to the Government Buildings** line item, and he responded that it was his suggestion, but he was not certain that was the right number. M. Lane said that as a stipend position it is not a lot of work, but it is important work. E. Beattie said that the Selectmen could make it a proposal to attach it to the Building Inspector position, or they could make it independent.

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MOTION: To appropriate \$2,500.00 annually, starting with the 2022 budget, to the Government and Buildings 4494-120 part-time positions line item for the purpose of overseeing and managing public property buildings in Hampton Falls, NH. The job title for this position could be Public Property Maintenance Supervisor, or Town Buildings Supervisor.

MOTION: M. LANE

SECOND: E. BEATTIE

UNANIMOUS

K. Anderson said that she would develop a job description for consideration at the Selectmen's first meeting in November.

Final Budget Discussion - M. Lane asked about the timing for the final budget discussion, and K. Anderson responded that there is the requirement of a Public Hearing on the Budget, that could be scheduled as late as February, so the Board of Selectmen's meeting before that Public Hearing would be the one to target for final points and comments.

L. Gargiulo asked if the budget could be changed after the Board's Public Hearing, and K. Anderson responded yes, because Hampton Falls does not have an elected Municipal Budget Committee. The Public Hearing is to listen to comments from residents and make adjustments as the Board feels appropriate. The budget amount can be changed up until the warrant is posted for deliberative session.

MOTION To adjourn at 8:45 AM.

MOTION E. BEATTIE

SECOND M. LANE

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