

Auburn Budget Committee Meeting
December 17, 2015
Auburn Town Hall

Members Present: Peter Miles, Dan Carpenter, Mary Beth Lufkin, David Wesche and James Headd

Members Absent: Bert Ouellette, Paula Marzloff and Alan Villeneuve

Others Present: Town Administrator Bill Herman

Meeting called to order at 7:10 pm

Minutes of December 5, 2015 Meeting and December 10, 2015 Meeting

Jim Headd moved to accept the minutes of December 5, 2015 and December 10, 2015 as printed, second by Dan Carpenter. A vote was taken: Voting Yes – Dan, Mary Beth and Jim. Abstaining – Dave. The motion carried.

Collective Bargaining Agreement Warrant Article

To see if the Town will vote to approve the cost items related to the first year of a three-year collective bargaining agreement which resulted from negotiations between the Auburn Board of Selectmen, the Auburn Police Commission and the Auburn Police Union, Local 216 and which represents an estimated increase of \$12,418 over FY 2015 salaries, fringe benefits and other cost items at the current staffing level for the ensuing year; and further to raise and appropriate the sum of Twelve thousand four hundred eighteen dollars (\$12,418), to fund those cost items for FY 2016. Costs items for FY 2017 and FY 2018 will be presented to the voters for their approval in March 2017 and March 2018 in accordance with the terms of the collective bargaining agreement.

(Recommended by the Board of Selectmen)

(Recommended / Not Recommended by the Budget Committee)

Bill Herman explained the Board of Selectmen, Police Commissioners and Auburn Police Union had reached a tentative agreement for a three-year contract to commence April 1, 2016 through March 31, 2019. The agreement had been ratified by all three parties and is recommended for approval by the Board of Selectmen. The financial impact of the first year of the agreement includes the provision of a step increase for the positions included in the bargaining unit in the same manner as all other Town employees that totals \$5,784; changes in shift differential pay for all non-day shifts that totals \$7,071.46, and the dropping of merit increases for the provision of life insurance

policies for all full-time employees that reduces existing expenses by \$437.50. As a package, that totals \$12,417.96 for FY 2016.

The financial impacts for 2017 and 2018 will be presented annually for voters to consider in those years. Under the terms of the tentative agreement, the financial impacts of the second and third years would be limited to the provision of step increases and a potential cost of living (COLA) increase if one is provided to all Town employees.

Dan Carpenter moved that the Budget Committee recommend the Collective Bargaining Agreement article funded at \$12,418. Seconded by David Wesche. A vote was taken; all were in favor, the motion carried unanimously.

Mosquito Control Warrant Article

To see if the Town will vote to raise and appropriate the sum of Thirty-four thousand six hundred and seventy-five dollars (\$34,675) to implement a mosquito control program to include the integration of various methods of reducing mosquito vector species of West Nile Virus and Eastern Equine Encephalitis.

(Recommended by the Board of Selectmen)

(Recommended / Not Recommended by the Budget Committee)

Jim Headd explained the Board of Selectmen consider this to be an important issue, but felt it was more important for the voters to have the decision via a warrant article as opposed to simply including the funding in the Town operating budget. He noted in the current year, there were positive tests for EEE in communities around Auburn, and that there had been a positive test in Auburn within the past two years. The Board felt it was important for the Town to take some action in this area.

There was conversation among the committee members about what does the program do, and an acknowledgment that it was testing and treatment in limited areas. It was noted Manchester Water Works owns approximately one-quarter of the land in Auburn, and does not allow the routine testing and treatment on their property, which property owners have a right to do. Peter Miles summed up the conversation in that the program accomplishes two things: it gives individuals some sense of feeling good about taking some action, and it is an insurance policy that the Town had taken action should someone contract either EEE or West Nile Virus. Bill Herman noted the firm used by Auburn has held their same price for the six or seven years the Town has performed this activity.

Mary Beth Lufkin moved that the Budget Committee not recommend the Mosquito Control Program article funded at \$34,675. Seconded by Dan Carpenter. A vote was taken: Voting Yes – Dan, Mary Beth and Dave. Voting No – Jim. The motion carried.

Cemetery Expendable Trust Fund Warrant Article

To see if the Town will vote to establish a Cemetery Maintenance Expendable Trust Fund pursuant to the provisions of RSA 31:19-a, for the maintenance and upkeep of town cemeteries; to raise and appropriate \$4,000.00 to put in the fund, with this amount to come from the unexpended fund balance as of December 31, 2015; to further dedicate the proceeds from all future sales of cemetery plots to this fund; and to designate the Board of Selectmen as agents to expend from this fund.

(Recommended by the Board of Selectmen)

(Recommended / Not Recommended by the Budget Committee)

Bill Herman noted this was an item identified by the Town Auditors. The Cemetery Trustees had for the past year or two been placing half of the sale proceeds of cemetery plots into a reserve fund held by the Trustees of Trust Funds to support future maintenance of the cemeteries. Such a fund has to first be established by the voters, and not just by action of the Trustees. The warrant article presented seeks to formally establish the fund; appropriate the amount of money that had previously been raised into the fund, and seeks to have all proceeds from the sale of cemetery plots in the future go to the fund.

David Wesche moved that the Budget Committee recommend the Cemetery Maintenance Expendable Trust Fund article funded at \$4,000. Seconded by Mary Beth Lufkin. A vote was taken; all were in favor, the motion carried unanimously.

Accrued Benefits Expendable Trust Fund

To see if the Town will vote to establish an Accrued Benefits Expendable Trust Fund pursuant to the provisions of RSA 31:19-a, for the Town's liability for payment of accrued benefits; to raise and appropriate the sum of Fifty thousand dollars (\$50,000) to put in the fund, with this amount to come from the unreserved fund balance (surplus) as of December 31, 2015 with no additional amount to be raised by taxation in 2016; and to designate the Board of Selectmen as agents to expend from this fund.

(Recommended by the Board of Selectmen)

(Recommended / Not Recommended by the Budget Committee)

Bill Herman noted this article is the result of the value of accrued benefits the Town has as an employer, which is identified as an unfunded liability in the annual audit. He indicated the current value of all accrued leave is approximately \$85,000. Acknowledging that the Town has a work force that is likely to experience some retirements in the next several years, placing some money in a reserve fund that can only be used for this purpose will limit the Town's unfunded liability exposure and would allow for the timely filling of positions that may become vacant.

Mary Beth Lufkin asked what would happen if the Town didn't do this, and Mr. Herman indicated it would have to pay the accrued benefits through the operating budget which would delay the potential filling of positions for that time frame. He noted under the terms of both the Personnel Policy and the Collective Bargaining Agreement, full-time employees may accrue up to 360 hours (nine weeks) of earned time. Whenever an employee leaves the Town's employ for any reason, the Town is legally obligated to pay those individuals for the accrued leave they have at the time of departure. Mrs. Lufkin noted her organization includes such appropriations in the annual operating budget to ensure funds are available. Mr. Herman noted that is certainly another way to address this situation, but in Auburn's case would increase the operating budget by approximately \$85,000. He indicated the Board of Selectmen correctly noted that not every employee is going to leave in a year's time, so an account such as this would provide funding when it may be needed, and would not be spent otherwise.

Mary Beth Lufkin moved that the Budget Committee recommend the Accrued Benefits Expendable Trust Fund article funded at \$50,000 to come from the Town's undesignated fund balance. Seconded by Dan Carpenter. A vote was taken; all were in favor, the motion carried unanimously.

Town Buildings Rehabilitation Capital Reserve Fund

To see if the Town will vote to raise and appropriate the sum of Thirty-thousand dollars (\$30,000) to be placed into the Town Buildings Rehabilitation Capital Reserve Fund previously established. This sum to come from the unreserved fund balance (surplus) as of December 31, 2015 with no additional amount to be raised by taxation in 2016.

(Recommended by the Board of Selectmen)

(Recommended / Not Recommended by the Budget Committee)

Bill Herman noted the \$30,000 appropriation would restore money to the fund and have it close to the \$100,000 balance the Selectmen had originally intended to maintain in the account. Dan Carpenter asked what projects might be planned for 2016. Mr. Herman indicated he was only aware of two at this time – re-shingling of the library roof and the potential of building six dugouts at the Eddows Recreational Field. He noted the Trustees of the Library have received an initial estimate of \$14,000 for the library roof and the Parks & Recreation Commission estimate for the dugouts was \$15,000. Mary Beth Lufkin noted the Budget Committee had not fully funded the proposed dug outs, and Mr. Herman further noted in re-adjusting the budget proposal the Selectmen had removed all funding for the dugouts from the operating budget with this funding source in mind. David Wesche noted the potential projects happen to equal the requested appropriation, but wondered if the Town would seek to have this appropriation with or without the projects in order to maintain the fund balance at approximately \$100,000. Mr. Herman indicated he believed that would be the case.

David Wesche moved that the Budget Committee recommend the Town Building Rehabilitation Capital Reserve Fund article funded at \$30,000 to come from the Town's undesignated fund balance. Seconded by Dan Carpenter. A vote was taken: Yes – Dan, Dave and Jim. No – Mary Beth. The motion carried.

Other Business

Bill Herman noted the Budget Committee has addressed all of the Town budget and all of the anticipated Town warrant articles at this point. The Committee has also completed the operating budget for the school district, but would have likely three warrant articles for the school district including a bond proposal for a school renovation & addition project.

The public hearing on the Town and School District budgets is scheduled for Thursday, January 14th. The Committee agreed to meet at 6 PM on January 14th to take up the warrant articles for the School District and any other business necessary.

Adjourn

Jim Headd moved to adjourn the meeting at 8:05 PM. Seconded by David Wesche. A vote was taken; all were in agreement, the motion carried unanimously.

The meeting adjourned at 8:05 PM.