

Kingston Municipal Budget Committee
Public Meeting
Kingston Fire Station - Meeting Room
November 30, 2022, 5 p.m.

Members in Attendance:

Trish Tidd, Chair
Rick Russman, Vice Chair
Stacy Dion, Secretary
Chuck Hart, BOS representative
Claudine Dias
Gary Finerty
Nick Hilfer
John Pramberg
Annemarie Roth (arrived at 5:29 p.m.)
Shaw Tilton

Other Attendees:

Ellie Alessio, BOS
Chris Bashaw, BOS
Marissa Federico, Recording Secretary
Kevin St. James, BOS
Meghan Kelley, ZBA
Paula Mahoney, Finance Director
Rich Wilson, BOS

Trish called the meeting to order at 5:05 p.m.

APPROVAL OF MINUTES:

The minutes of the meeting held on 11/20/22 will be discussed at a future date.

DEPARTMENT PRESENTATIONS:

Budget Committee (4150):

Trish explained the Committee is level funded for 2023. Some line items were adjusted to better align with actual spending for 2022.

ZBA (4191):

Meghan explained the budget for the ZBA.

- *Salaries (4191-S2):* The salary budget is increased as the ZBA is sharing the cost of the new land use board administrative assistant with the Planning Board. This new administrative assistant types the minutes of meetings and assists with the necessary paperwork.
- *Legal ads (4191-06):* The budget was increased to better reflect actual spending in 2022. Meghan noted the cost of legal ads are reimbursed by applicants through the fee schedule.

- *Seminars and Training (4191-13)*: There are many new members who will benefit from continuing education.
- Nick stated that the cost of certified mail has not been included in the ZBA budget and confirmed with the Planning Board that they have done the same. Paula confirmed that the cost of certified mail is included in the Executive budget (4130). Nick noted the budget for postage costs for the ZBA is \$900.

SUMMARY: The new total budget for the ZBA totals \$5,010.

Executive (4130):

Chuck noted the numbers were updated today. There are some placeholders of \$1 for pending figures.

- *Salaries-Full Time (4130-S2)*: Chuck explained this budget line item includes 3 salary increases scheduled to begin in April. Stacy further explained that raises cannot be paid until after voting day, so any raises will be effective April 2023; she noted across the board, the budgeted increases will need to be adjusted to reflect this timeframe.
- *Salaries-Part Time (4130-S3)*: Rich noted a PT salary line has been added for an administrative assistant for the finance director. Rich explained the methodology for the calculation of this budget and explained the importance of coverage for Paula, the finance director, especially for vacations and particularly busy seasons, such as the budget season.
- *Salaries-COLA (4130-S5)*: The COLA will be adjusted after the raises are adjusted in the budget. The BOS noted that COLA will not be a warrant article but will be included in the budget at 4%, but the COLA also needs to be calculated starting in April rather than January.
- *Computer Maintenance (4130-04)*: This budget reflects the contract with Block5. It is a 3-year contract, and the town is one year into the contract.
- *Computer Software User Fees (4130-05)*: Paula upgraded the town's subscription to QuickBooks, and she is working on updating the system to better utilize its capabilities and streamline daily operations.
- *Contracted Services (4130-09)*: This increased budget reflects anticipated costs based on current contracts. Rich explained there are some disputes with the state about water quality, and the town is working with the DES to resolve these issues.
- *Tax Map Updates (4130-27)*: Rich explained this is long overdue and will be completed.
- *Town Cable TV Operations (4130-30)*: Chuck is not sure what this line item was used for, and historical actual spending has been low. The budget has been reduced.
- *Town Reports (4130-31)*: The budget has been decreased based on estimates of future costs.

There was a discussion about spending ARPA funds. Rich explained that overall, ARPA funding has been utilized for technology upgrades, but it is important to use caution in depleting the funds. There is another year and a half left to spend the money, and the hope is to utilize these funds for potential large-scale projects. Chris Bashaw read a list of projects paid through ARPA funding; \$318,000 has been committed thus far out of the \$675,000 given to town. Ellie explained that there are guidelines for allowable expenses, and the funds cannot be used to

generally offset the budget. Rich added that the guidelines have been changing, which makes this analysis difficult.

There was a discussion about the creation of a longevity plan for town employees and a tuition reimbursement program. The details have not been outlined yet, so these programs are not reflected in the budget. Ellie noted it may be worked out in 2023, but the timeframe is uncertain.

Financial Administration (4150)

- *Assessing (4150-08)*: The cost of assessing is contracted.
- *Audit (4150-09)*: Chuck explained it is not anticipated that there will be more spending for 2022.

Legal (4153)

Chuck explained the budget for 2023 is increased due to number of large-scale projects in town that may require guidance from the town's attorney. Also, the attorney raised the rate. Paula explained the actual spending, which is currently overbudget; the Police Department needed to hire a new attorney mid-year, and the town covered the cost of this change. The Police Department included the legal costs for 2023. John asked for clarification of whether the attorney being utilized by the town is also the prosecutor; the attorneys are different. Rich noted that after a discussion with the BOS, the town attorney will recoup fees and pay them back to the town; Rich and Chris explained this would go back to the General Fund.

Personnel Administration (4155):

Chuck noted these figures may need further adjustment but have been updated with the most recent information. Paula believes the budget is accurate, but the actuals will change. The Social Security and Medicare figures will change after the increased salary figures are reflected.

There was a discussion about Pay for Performance (4155-01). Chuck explained each department is given money to give to deserving employees. Rich noted employees going above and beyond are eligible, and Ellie added PFP is distributed after a review process. Chris noted there is no pay matrix for town positions, so PFP provides incentives for good employees. Rich explained this was in place prior to the town offering COLA and believes a longevity program would be beneficial to guide raises in the future. Kevin added town employee salaries have been increased over the past few years to make salaries commensurate with surrounding towns. Trish emphasized consistency in how raises are planned and assessed. Multiple KMBC members expressed their support for a pay matrix to provide guidance for future salary increases. Rich noted a pay matrix was completed for the Police Department years ago. It was clarified that PFP increases are raises, not bonuses. Kevin and Chris noted a contractor can be hired to perform a review of wages for positions for surrounding towns and create a pay matrix for the town; this would need to be included in the Contracted Services budget (4130-09) to hire a professional consultant. Chris noted it is important that the BOS and the KMBC provide a unified stance on the budget in order to guide taxpayers in their decision on voting day. Shaw suggested that it would be clearer to reflect salary increases by department rather than one

line item labeled as PFP under Personnel Administration; he would rather see it reflected as a line item in the proper departments.

>>Break at 6:25 p.m. for dinner. Meeting resumed at 6:35 p.m.<<

Insurance (4196)

There was a rate increase for the town's liability insurance.

Regional Association Dues (4197)

This is level funded.

Other General Government (4199)

- *Cable Channel and Social Media Salary (4199-S1)*: The BOS would like to setup an official town Facebook page to inform residents.
- *Other General Government (4199-01)*: The budget was reduced to better reflect historical actual spending.
- *Gasoline 4199-02*: This increase was made after discussing increased costs with Phil Coombs of Public Works. Paula stated the town had not been billed by the state since September but has just received a bill for the Public Works and Fire Departments.

Street lighting (4316)

This budget is estimated and is level funded.

Town Inspectors (4240)

- *Salaries-Full Time (4240-S2)*: The new code enforcement officer is now the building inspector as well. Rich noted much of this cost is reimbursed by applicants.
- *Salaries-Part Time (4240-S1)*: The budget for the building inspector was moved to the full-time salary line (4240-S2). The plumbing and electrical inspectors' salaries are included in this line item.
- *Salaries-COLA (4240-S3)*: This adjustment is for the COO/building inspector.
- *Telephone (4240-08)*: Rich explained 4 tablets were added for the inspectors.

Overall, the BOS budget is up by 1%.

Patriotic Purposes (4583)

This budget has been reduced to reflect actual spending in 2022.

Health Department (4411)

- *Salaries-Part Time (4411-S1)*: The budget is reduced as Rich, the Health Officer, has chosen to not receive the stipend, and the Deputy Health Officer is Jes Nisbet, the COO/building inspector.
- *Mosquito and Pest Control (4411-10)*: This budget has been moved to the Health Department rather than Animal Control.

- *Water Analysis (4411-06)*: This budget reflects water analysis for public buildings.

Long-Term Bonds and Notes (4711 and 4721)

Paula explained this has decreased based on the amortization schedule.

Further discussion with the BOS:

- Rich noted the default budget is approximately a 4% increase overall. Paula will be calculating this soon.
- Chris noted the current budget for 2023 reflects changes in the labor market as well as needed increases to pay town employees at a rate commensurate with surrounding towns.
- Chris explained that 15 new radios were purchased for the police department through ARPA funding. The department is developing a replacement policy.
- There was a discussion of the town's budgeted electricity rate. Stacy will work with Paula to calculate electricity usage per department. Stacy emphasized that the rate increase is on the supply cost, not the delivery cost, and it is anticipated that the supply cost may increase by approximately 30%.
- Paula explained that the anticipated budget changes will be to salaries and utilities (heat, propane, electricity). Per Stacy, the COLA are reflected in the budget based on the proposed future salary including raises, not the current salary. It was confirmed that both the salary increases and COLA will be adjusted to begin in April 2023. Claudine noted the KMBC department liaisons can discuss this with their respective departments to provide guidance on how to properly reflect this in their budgets.

>>The BOS and Finance Director left the meeting after this discussion.<<

DISCUSSION OF SALARY INCREASES:

There was a discussion of three proposed increases for 2023: Salary increases, COLA, and Pay for Performance. The mid-year raises paid in 2022 were also discussed.

Stacy brought up the spreadsheet detailing pay raises paid by the town on the large screen so attendees could review the data. She reviewed the salary spreadsheet and noted how many employees left due to salary issues and how many new employees were hired at higher salaries.

Mid-year pay raises:

Chuck provided detail on pay raises per department for 2022. John asked if the BOS approves these mid-year raises; Chuck stated department heads will approach the BOS if the proposed raises are outside of the budget season and confirmed that not all raises are approved by the BOS. Reviewing the data on raises in 2022, there is a wide range in percentage increases without a level of review. Annemarie voiced her support for a pay matrix. Stacy noted that any unbudgeted salary increases in 2022 came from unspent salary funds due to open positions.

Salary increases for 2023:

There was an extensive discussion about the benefits of paying a consultant to create a pay matrix for the town to guide future salaries and increases. Rick noted it may be better to include the cost of hiring a contractor in the budget for 2023. It was noted that the town of Hampstead and Danville did similar surveys recently, so data is available. Trish stated consistency is needed, and a solution needs to be researched and implemented. The KMBC requested this information last year, and it is better this year, but the information was received late in the process, and there is some missing data. Annemarie noted the outstanding question is in the calculation of these raises, not the raises themselves.

Pay for Performance:

Shaw noted the PFP should be handled on a department-by-department basis rather than one account distributed by request. Claudine asked if PFP is legally required in the budget, and it is not. John noted the PFP budget could be cut.

Summary:

There was a discussion about how to handle the raises in this budget. One suggestion was to allow departments to fund them individually. Chuck noted the KMBC can make recommendations and added the BOS can provide info on what PFP has been paid out to date by department. Chuck noted the PFP money could be used to fund the consultant for the pay matrix with the added possibility of ARPA funding or the town's contingency fund to assist as well.

Annemarie's suggested to leave \$23,000 available as PFP across the 6 departments included in their budget. The other \$20,000 can be used to pay for the consultant to create a pay matrix or use ARPA funding for the survey. Rick noted the matrix will help both the BOS and the KMBC. Trish added that there may be many raises at the same time to bring people up to the standards set in the matrix. Shaw noted it is not about who deserves raises but a framework for future raises.

Chuck noted departmental raises can be removed but PFP maintained. Stacy noted police officers are on contract with fixed increases, and other town employees do not get raises on a schedule. If departmental raises are removed, it will not be equitable as contracted employees will be getting raises.

Rick stated the KMBC needs to formulate a plan, and the default budget percentage increase is pertinent to this discussion. He emphasized that the Committee needs data ahead of time so it can be reviewed prior to meeting. Rick noted the usage of impact fees can be considered.

It was noted there is a disconnect where bills arrive in Finance, but department heads are not aware of what is being spent. Claudine suggested a monthly analysis can be sent to department heads. Stacy noted the usage of electricity is important, and departments are not aware what is being spent.

There was a general discussion about the budget process and the many changes that occur as a result of discussion from budget meetings. Claudine asked if any line items in the budget are rolled into a larger category or if all line items are visible, and Stacy believes they are all visible at this time.

It was decided that the KMBC's official recommendation is that the pay matrix be completed in 2023, the cost of which should be included in the budget. Chuck will discuss this with the BOS.

NEXT MEETING: Wednesday, 12/7, at 6 p.m. in the Fire Station meeting room. This meeting is being added to discuss updated figures. Stacy noted that if no information is available by that time, a decision will be made to cancel the meeting.

MM&S: Gary moved to conclude the meeting at 8:37 p.m., seconded by Claudine. All in favor.

These minutes were amended and voted as final on 12/7/22