

Kingston Municipal Budget Committee
Public Meeting
Kingston Fire Station - Meeting Room
December 18, 2022, 6 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

Members Absent: Shaw Tilton

Other Attendees: Marissa Federico, Recording Secretary

Trish called the meeting to order at 6:09 p.m.

APPROVAL OF MINUTES:

The minutes of the meeting held on 12/7/22 will be discussed at a future meeting.

OLD BUSINESS:

- *Pay for performance/pay matrix:* Chuck stated the BOS would like the PFP to remain in the budget, but a pay matrix will be developed in 2023. He noted some of the information to create the pay matrix is already available, but a consultant may be hired if needed.
- *COLA increases:* The budget has been adjusted to include 4% COLA for the relevant departments. Chuck noted in the event the default budget is enacted, COLA will be included at the 2022 rate of 3%.
- *ARPA:* Chuck noted there are no requests from departments for usage of ARPA funding for 2023. The plan is to keep this in mind throughout the year and utilize it as necessary. Attendees reviewed the ARPA expenditure list received from the BOS. There was a discussion about utilizing some of this funding to offset budget items as long as the spending is within the guidelines.

- *Usage of unspent budgeted money from 2022:* Trish noted that Rich Wilson (BOS) stated that if a department has unspent budgeted money in 2022, the department can spend this money to pay for projects before the end of the year, thereby reducing the budget request for 2023. It was noted that there is currently \$919,729 of unspent budgeted money from 2022. Multiple members stressed accountability in the spending of these funds. Rick suggested the possibility of reducing the 2023 budget based on unspent funds from the 2022 budget. Chuck suggested that the KMBC liaisons contact their departments and find out if there is anything that can be spent in 2022 and come out of the 2023 budget. Chuck explained that \$900,000 was recently taken out of the town's account to lower the tax rate. Trish noted that actual spending has come in underbudget consistently since 2020.
- *Electricity rate:* Multiple members thanked Stacy for her work on researching and estimating the electricity budgets for 2023. Stacy explained her methodology and noted the budget now utilizes the calculated median kW/h rate; this reduced the electricity budgets across multiple departments. She noted the budget was reduced by \$40,000 as a result of this review. Stacy explained the town's Unitil contract ends in November 2023. She noted there were some accountability issues discovered when she was researching the town's electricity costs. For example, Stacy noted that when events are on the Plains, the town is covering the electricity costs rather than the vendor, including for Kingston Days. Going forward, the town will recoup this cost from vendors utilizing the Plains. She added that Paula Mahoney, the Finance Director, will be rechecking the actual spending figures to make sure they are accurate. John asked about the cost of safety lighting near the town's schools; Chuck confirmed the high school is paid by the school system, and Bakie is paid by the town. Stacy explained that impact fees are charged to developers for large projects, but the long-term cost is borne by the town.
- *Default budget:* Paula is waiting to hear back from the state for clarification of the calculation of the default budget. Rick noted having a default budget would guide budget decisions when looking where to make budget cuts. Chuck added that Paula is looking into the possibility of unbudgeted raises given in 2022 not being included in the default budget for 2023.
- *Standardization:* Again, there was a general agreement that standardization is needed across all departments. Currently, departments calculate their budgets independently and at times differently than others.

RECOMMENDATIONS FOR BUDGET REDUCTION

There was a lengthy discussion regarding how to reduce the overall budget increase of 9% for 2023. Members agreed that in these difficult economic times, there is a risk that the budget proposal will not be voted upon favorably in the election in March, and the default budget will be enacted. The intent is to reduce the budget in an effort to avoid it being voted down.

Rick noted it is acceptable for departments to transfer money between accounts, but in trying to avoid going to the default budget, these transfers become relevant to discussions. He reiterated that knowing the default budget is important in assessing the need for detailed transfer information.

Claudine asked if the Committee can request level funding other than salary, contracts, and utilities; in some cases, this is already in place, but there are some departments that have increases elsewhere. Chuck noted if guidance is given to departments about an overall percentage cut or specific amount to be cut, the department heads can decide where best to make these cuts in their respective budgets.

After a discussion, it was decided to review the budget by department and provide reduction recommendations. The methodology was to reduce the budgets through an evaluation of historically unspent budgeted funds without affecting employee salaries. Consideration was also made of departments that are revenue generating. Claudine calculated that an overall budget reduction of approximately \$300,000 can be achieved by cutting departments with an increase of greater than 10% by 5%, but this could not consistently be utilized across all departments due to the uniqueness of their funding needs.

- **Executive (4130):** Current increase of 18%, proposed reduction of \$20,000 (approximately 4.24% reduction). **MM&S:** Claudine made a motion to reduce the Executive budget by \$20,000, seconded by John. **PASS (8-1)**
- **Election (4140):** No cuts.
- **Financial Admin (4150):** No cuts.
- **Legal (4153):** Current increase of 29%, proposed reduction of \$2,500 (approximately 5.56% reduction). The actuals are overbudget, but this is due to the town covering the cost of a mid-year change in prosecutor rather than the Police Department; it is unsure how much of the actuals can be attributed to this. Chuck noted that there is pending litigation, and the new attorney was contracted at a higher rate. **MM&S:** Rick made a motion to reduce the Legal budget by \$2,500, seconded by John. **PASS (9-0)**
- **Personnel Admin (4155):** Current increase of 6%, proposed elimination of Pay for Performance of \$43,878 (approximately 3.36% reduction). **MM&S:** In consideration that there were unbudgeted raises given in 2022 as well as proposed raises and COLA for 2023, and in the absence of standardization guidelines and a pay matrix, John made a motion to eliminate PFP, seconded by Gary seconded. **PASS (5-4)**
- **Planning and Zoning (4191):** Chuck noted the contract for the town planner will likely be the same as that for 2022. No cuts.
- **Gov't Buildings (4194):** Rick explained that he, Phil Coombs (DPW), and Rich Wilson went on a tour of multiple government buildings, and a plan is being made to install point-of-use heaters to heat water rather than paying to heat large tanks; Phil is researching this. Rick added that the Solar Committee is looking into options for energy savings for the town through the usage of solar panels; the cost of these improvements can be defrayed through impact fees, rebates from the federal government, and possibly ARPA funding. Chuck also noted that there are unspent funds available in the fire station construction budget. Considering this information, Rick does not recommend cuts to this budget at this time.
- **Cemeteries (4195):** Claudine noted the transfer of maintenance responsibility to the DPW and the reimbursement of Millstream costs. Also, this budget includes a one-time purchase of a new smaller mower for the cemetery. No cuts.

- **Insurance (4196):** There was a discussion about the high actual figures for the deductible (overbudget); Chuck will look into this with Paula. No cuts.
- **Other General Government (4199):** Stacy noted the state has not billed the town for gasoline since September, so the actuals are low. Diesel rates are high and will likely rise. No cuts.
- **Police (4210):** Current increase of 22%, proposed reduction of \$30,000 (approximately 2.87% reduction). Nick noted there are budgeted funds for 2 new laptops for cruisers and desk top computers; he suggested ARPA funding could be used for this. **MM&S:** Rick made a motion to reduce the Police budget by \$30,000, seconded by John. **PASS (8-0).** Nick abstained as he is the liaison for the Police Department.
- **Fire (4220):** Current increase of 21%, proposed reduction of \$11,000 (approximately 1.14%). It was noted that most increases are salary related. Some actuals are overbudget, but Chuck explained some numbers are off because of billing issues during construction where costs may be recouped. Stacy explained the budget for computer upgrade is for ambulances. Rick added that the new Gator being purchased was partially paid for through a grant from the Friends of Kingston Open Space (\$500), with the rest of the cost needing to be paid by the town. Stacy noted that this budget includes contingency funding in the event of equipment failure; multiple members expressed that as this is safety related, it could be paid out of a contingency fund rather than budgeted, similar to that of the Human Services Department. **MM&S:** Claudine made a motion to reduce the Fire Department budget by \$11,000, seconded by Nick. **PASS (8-0).** Stacy abstained as she believes the process being utilized to make these budget cuts is not consistent; she abstained from the rest of these votes.
- **Town Inspectors (4240):** The salaries are contractual, and the code enforcement officer is also serving as the building inspector. No cuts.
- **Emergency Management (4290):** No cuts,
- **Highway (4312):** Current budget increase of 22%, proposed reduction of \$25,000 (approximately 1.86% reduction). Chuck explained that the culvert by the boat launch for Kingston Lake was on the state's agenda for years but now needs to be done; this is the reason for the budget for a matching grant. It was noted that barricades are listed in 2 line items, but this may represent different spending needs. **MM&S:** Rick made motion to reduce the Highway budget by \$25,000, seconded by Gary. **PASS (8-0).** Stacy abstained.
- **Street Lighting (4316):** No cuts.
- **Other Highway Streets and Bridges (4319):** Current increase of 5%, proposed reduction of \$3,000 (approximately 1.66% reduction). It was noted that the actuals for Class VI Road Maintenance have historically been underbudget and is not legally required to be done by the town. **MM&S:** Rick made motion to reduce the Other Highway Streets and Bridges budget by \$3,000, seconded by Gary. **PASS (8-0).** Stacy abstained.
- **Sanitation (4323):** Stacy is concerned that this is underbudgeted as the town can be assessed penalties if prohibited items are put in recycling bins. They are aware this is currently a problem. Rick noted there will need to be a way to penalize residents for improper disposal. No cuts.
- **Health Department (4411):** No cuts.

- **Animal Control (4414):** No cuts.
- **Human Services (4441):** No cuts.
- **General Assistance (4442):** No cuts.
- **Social Service Agencies (4445):** As these were voted on as warrant articles in the past, there was a discussion about the legality of eliminating funding for one or more of these agencies. Chuck will research this. No cuts at this time.
- **Parks and Recreation (4520):** Current increase of 26%, proposed reduction of \$3,000 (approximately 6.99% reduction). **MM&S:** Rick moved to reduce the Parks and Recreation budget by \$3,000, seconded by John. **PASS (8-0).** Stacy abstained.
- **Library (4550):** Current increase of 9%, proposed reduction of \$5,082 (Pay for Performance budget, approximately 1.1% reduction). John noted that in his discussion with Melissa Mannon, the library Director, Pay for Performance should be eliminated from the budget. **MM&S:** Rick made a motion to remove PFP from the library budget, seconded by Rick. **PASS (8-0).** Stacy abstained.
- **Patriotic purposes (4583):** No cuts.
- **Museum (4589):** No cuts.
- **Heritage (4590):** No cuts.
- **Conservation (4619):** No cuts.

SUMMARY: With these proposed reductions, a total of \$143,460 was reduced from the budget, bringing the budget increase for 2023 down to 7%.

MM&S: Rick made a motion to accept the total reduction of \$143,460 from the budget as outlined above, seconded by Annemarie. **PASS (8-0).** Stacy abstained.

It was noted that for the removal of PFP from budgets, the associated FICA must also be adjusted down.

Chuck noted there is a department head meeting with the BOS on Monday, 12/19/22, so it is important that the KMBC liaisons discuss these proposed cuts with their respective department heads as soon as possible. Chuck will inform attendees of these cuts at that meeting.

DISCUSSION OF UPCOMING MEETINGS:

- 1/7/23 (decision day) and 1/8/23 (if needed)
- It was decided that an additional meeting to compare the default and proposed budgets will be held on Wednesday, 1/4/23, at 6 p.m.

MM&S: Chuck moved to conclude the meeting at 9:21 p.m., seconded by Rick. All in favor.

>>These minutes were voted as final without amendment on 12/28/22<<