

Kingston Municipal Budget Committee
Public Meeting
Kingston Fire Station - Meeting Room
December 28, 2022, 6 p.m.

Members in Attendance:

Trish Tidd, Chair
Rick Russman, Vice Chair
Chuck Hart, BOS representative
Claudine Dias
Gary Finerty
John Pramberg
Shaw Tilton

Members Absent: Stacy Dion, Secretary
Nick Hilfer
Annemarie Roth

Other Attendees: Ellie Alessio, BOS
Chris Bashaw, BOS
Phil Coombs, DPW
Marissa Federico, Recording Secretary
Stephanie Hasselbeck, Chair, Trustees of the Library
Chief Joel Johnson, Police
Paula Mahoney, Finance Director
Chief Graham Pellerin, Fire
Kevin St. James, BOS
Rich Wilson, Chair, BOS

Trish called the meeting to order at 6:01 p.m.

APPROVAL OF MINUTES:

MM&S: Gary moved to accept the draft minutes as written for the KMBC meetings held on 11/2/22, 11/13/22, 11/20/22, 12/7/22, and 12/18/22. Seconded by Rick. All in agreement.

DISCUSSION OF PROPOSED BUDGET REDUCTIONS - BOS:

At the KMBC meeting held on 12/18/22, the Committee voted to reduce various budget items under the jurisdiction of the BOS. The BOS attended this meeting to discuss these reductions.

- *Executive (4130), reduce by \$20,000:*

Rich Wilson explained the only line item that can absorb the \$20,000 reduction is Contracted Services (4130-09). The proposed increase in this line item is a result of mandated water testing by the NH DES around the fire station. He stated the actuals are low for 2022 as there was no water testing done in that time period; however, with the mandate, the town will need to comply or risk large fines, and the consensus is this testing could cost up to \$100,000. As a result of the vote by the KMBC, this budget was brought from \$100,000 to \$80,000. Kevin St. James noted that there is an RSA that allows spending over budgeted amounts as an exception for DES-mandated issues; Chris Bashaw questioned if this is allowed. The BOS believes the \$20,000 should be restored in the budget, although Kevin noted a compromise of \$10,000 would be acceptable. Multiple KMBC members expressed that other departments made the requested cuts, which were difficult but necessary to bring the budget down, and this cut represents a small portion of the Executive budget. The KMBC agreed the budget cut should stand.

- *Legal (4153), reduce by \$2,500:*

- Rich Wilson explained the town's attorney will be utilized to navigate the issues with the DES, and overall, the town has needed guidance from the attorney frequently in the past year. There are also multiple outstanding issues that will require legal input moving forward. **MM&S:** John made a motion to restore \$2,500 to the Legal Expense budget. Seconded by Gary. All in agreement.

- *Personnel Admin, Pay for Performance (4155-01), eliminate \$43,878:*

- Rich Wilson explained this is used to increase salaries to remain competitive with surrounding towns. He noted the COLA for other towns is greater than that being proposed for Kingston. Claudine asked for a list of where this money is allocated so it is transparent, but as this is paid out throughout the year and is not planned, this is not practical. It was confirmed that the PFP budget is calculated as 4% of salaries, but individual raises are capped at 3%. Shaw preferred that raises be included in the budget to bring employees up to where they should be. Phil noted there is a process for this with an employee review followed by a recommendation to the BOS for approval. Ellie added that performance reviews are all done before the March town meeting, so when the budget is approved, there is a lump sum ready for distribution. She noted not everyone gets the same raise, and she agrees with that practice. Ellie emphasized that this is intended to be the last year PFP is offered, and the BOS wishes to cooperate with the KMBC. John requested that a plan for the future be created, including a consultant to create a pay matrix. Rich noted hiring a professional to complete this study will cost \$30,000, and the police did one without a professional, and their matrix worked well. Chris then handed out a detailed plan for the future and stated he will be working on this project personally; he has

experience doing similar work for the Sheriff's department. Paula noted the matrix will need to be updated every 3 years. Chief Johnson shared that in his experience, PFP has worked well to motivate officers. Shaw stated that the KMBC is in agreement that some town employees are underpaid; his concern is the usage of PFP as a tool for 2 different things (to reward employees and to bring up salaries). He believes this process is not clearly articulated. Trish noted PFP is not a preferred method to bring up salaries. Rich Wilson added that PFP is intended to be used as a reward, and the BOS tries not to interfere with department heads, who have more knowledge of individual employees. Rick agreed he would rather see people be paid fairly without PFP, and a pay matrix would assist with financial planning for the town. He added he believes it can be restored to the budget. Chris agreed PFP is a bridge but should be kept for 2023 as a mechanism to bring up salaries if needed until a matrix can be created. **MM&S:** Rick made a motion to restore the Pay for Performance budget. Seconded by John. All in agreement. **MM&S:** Chris made a motion to accept the restoration of these funds and establish a study group to create a pay matrix. Seconded by Kevin. All in agreement.

- Chuck noted the Trustees hold funds that may be able to help with the payment of legal fees. Ellie added that there may be other accounts available for use; Paula is still reconciling accounts to determine what is available.

SUMMARY: Per Claudine, with the reduction of the Executive budget and the reinstatement of the Legal and PFP cuts, the overall budget increase over last year's budget is 8.34%. Per Paula, the proposed budget is 7.7% over the default budget.

DISCUSSION OF PROPOSED BUDGET REDUCTIONS - POLICE, FIRE, DPW, LIBRARY:

Trish applauded Graham, Joel, and Phil for making the requested cuts. Rick asked for feedback from Phil, Chief Pellerin, and Chief Johnson:

- Phil explained that most of the DPW costs are not negotiable as supply costs are rising. He noted there are many unknowns that are difficult to plan for and added he is comfortable with the cuts that were made even though it was difficult to do so. He does not anticipate changes to services.
- Stephanie noted the Director made the decision to remove PFP. She added the library is run differently than the town, but she shares some of the concerns raised today.
- Chief Johnson is concerned by reducing his cruiser replacement budget by \$17,500, he will lose this money in 2024 if the default budget is enacted at that time. He also made cuts to the training budget as he intends to use one-day seminars when available. He noted other towns are still paying higher hourly rates once officers are out of the academy. He is pleased they are fully staffed for the first time in 12 years, and officers are happy with their pay and are happy to stay on board. He noted Kingston is the 3rd safest town in the state (2nd safest in another study). He took out \$35,000, not the requested \$30,000, and he expressed he wants the budget to pass.

DISCUSSION OF DEFAULT BUDGET:

- Paula explained the calculation of the default budget: Prior year budget then add contractual increases, bonds, and decreases for one-time expenses. The salaries from 2022 would carry over to 2023, but raises enacted by the BOS from April to December of 2022 would not be carried forward. Ellie explained that raises endorsed by the voters would carry over into the default budget. Chuck added that the percentage of COLA and PFP from 2022 also carries over into the 2023 default budget.
- Trish explained that the actuals are consistently low, and the default budget is significantly lower than the proposed budget, so the budget is at risk of not passing. She noted this is the impetus for the cuts made to the budget.
- Rich explained the BOS uses unspent budgeted funds to stabilize the tax rate; per Ellie, approximately \$900,000 has been utilized annually to reduce the tax rate for each of the past few years.
- John noted the issue is convincing voters to vote for the budget, and using the surplus to stabilize the tax rate does not help voters make their decisions. The large difference between the default budget and proposed budget puts the budget at risk. Rick concurred.
- Chris added the roll call vote of the KMBC and BOS affects voters' preferences.
- Kevin noted it is appreciated that the KMBC does this process; in contrast, the school board frequently enacts the default budget due to disagreements.
- Chris noted that if the default budget gets enacted, services may decline in the town, and hard choices will need to be made. This message must be clear to the voters.
- Claudine noted with the reduction in the Executive budget and the reinstatement of Legal and PFP cuts, the overall budget increase for 2023 is consistent with the rate of inflation. That makes the proposed budget more palatable to voters.
- Chris noted a letter will be drafted and shared to explain to the voters the importance of passing the budget. Rich concurred that informing the public is important.

UPCOMING MEETINGS:

- The KMBC meeting scheduled for 1/4/23 will no longer be necessary.
- Decision Day 1, Saturday, 1/7/23, 9 a.m. at Town Hall. Trish and Chuck explained the procedures for this day. Rick noted the voting can be done at the end rather than during specific department discussions so the Committee has a better understanding of where the overall budget stands before voting on specific budgets.
- Decision Day 2 (warrant articles), Saturday, 1/14/23, 9 a.m. at Town Hall.
- Deliberative Session, Saturday, 2/4/23, 9 a.m. at Town Hall

MM&S: Rick moved to conclude the meeting at 7:21 p.m., seconded by John. All in favor.

>>These minutes were voted as final without amendment on 1/7/2023<<