



TOWN COUNCIL Work Session

April 16, 2007

5:00 p.m.

At approximately 5:00 p.m. in the Town Council Chambers, Mayor Dora Sullivan called to order the Town Council Work Session. In addition to Mayor Sullivan, present were Councilwoman Mary Harris, and Councilmen Gerald Elliott, John Burdiss, and Chris Bannon. Councilman Bruce Evans arrived shortly after the gavel sounded. Also present were Town Manager Bob Panek, Town Treasurer Pat Buckley, and Town Clerk Joy Pelletier, several members of staff and one member of the public.

BUSINESS

Budget Review – Department Line items

Town Manager, Bob Panek, led the presentation. His opening statement covered the budget process to date including the work completed by the individual department heads and the finance committee.

A package of material was presented to the Council which included budgeted line items for each department, the proposed capital budget, general fund revenue schedules, proprietary funds, and community events and support projections. A summary page simplified the process and was the document Mr. Panek used to lead the presentation.

Under Personnel, Mr. Panek indicated that to the current point the following assumptions were used in the budgetary process: COLA increase would be 3.1%; committed step increases for new hire only (any additional increases would be discussed at a later date); anticipated management hire salaries; no addition to staff except open management; and benefits level with cost increases. Mary Harris indicated Human Resources were the most valuable asset so care should be taken when discussing salaries. Bruce Evans added that one of the quickest ways of reducing efficiency was by overburdening staff - you get what you pay for. He followed that statement saying there was a fine line between efficiency and encumbering employees.

The second segment covered in the presentation was initiatives focusing on strengthening the management foundation: updates needed to both the personnel policy and the Town Ordinance, specifically bringing the Town procurement policies in line with the State policies; making the website more informative and user friendly; begin the transfer of retention documents to a controlled climate; upgrading the taping system for Council and Board meetings; and addressing recruitment and relocation allowances.

Mr. Panek touched briefly on funding requests from the local non-profits. Conversation was generated indicating a need to “know” who the recipients were, i.e. a package of missions, goals, how the funds would be used and how the residents would benefit should be provided with each request. It was agreed requirements for funding considerations should be developed. Also discussed was whether the funds should be distributed annually or when requested.

Mr. Panek pointed out a section of the Town Manager's budget of contingency funds which would cover unforeseen rises in energy costs. These contingencies were removed from departmental budgets.

The majority of the session was devoted to the proprietary funds. Mr. Panek indicated the budget proposals showed a shortage in revenue. He offered suggestions of how to cover the shortage, the most obvious being short term borrowing.

The Harbor discussion included marking up the cost of gasoline and changing focus on the breakwater project. In conversation with the Harbor Master and the Town's Project Engineer harbor stabilization alternatives had been proposed.

Little concern was shown in the Sanitation budgets as it was roughly in balance.

Water and Wastewater were a concern. The issue of facility maintenance had not been a priority in the past. It was suggested that was why it was now a capital expense item. Going forward, it was suggested funds should be put aside for necessary ongoing maintenance.

The question of increased personnel expense caused by running the plant longer hours arose. It was determined an alternative solution of running the plant unmanned was being researched.

Based on expectations of new development requests, questions over the DEQ restrictions were addressed. Mr. Panek indicated the Town was moving forward on specific metering of water to detect losses.

Under the subject of Wastewater, Mr. Panek indicated the Director's salary would be spread over Wastewater, Water, and Public Works which would lessen the expenditures in Wastewater. Also mentioned was funding for a crane to eliminate several of the "islands" in the wastewater holding pond.

The presentation ended with comments on recommended capital projects for water/wastewater: design wastewater plant; connect two wells; correct infiltration into sanitary sewer system.

Motion made by John Burdiss, seconded by Gerald Elliott and unanimously approved to adjourn the Town Council Work Session.

The session ended at approximately 6:30 p.m.

Mayor

Town Clerk