

**TOWN OF ENFIELD
ENFIELD BUDGET COMMITTEE
MEETING MINUTES JANUARY 13, 2022**

TIME: 7:00 PM

LOCATION: Dept. of Public Works Building & Zoom Teleconference

COMMITTEE MEMBERS PRESENT: Erik Russell, Shirley Green, Nancy Smith, Dan Kiley, Dimitri Deserranno, Mike Diehn (7:07), Wendy Piper, John Kluge (Board of Selectmen)

EXCUSED: Jean Patten, Sam Eaton

OTHERS: Ed Morris, Town Manager; Jack Wozmak, Interim Town Manager; Alisa Bonnette, Assistant Town Manager; Emily Curtis, Recording Secretary; Roy Holland, Chief of Police; Jim Taylor, Department of Public Works Director; Scott Johnston, Highway Supervisor; Julie Huntley, Assessing Administrator; Wendy Huntley, Town Clerk/Tax Collector.

CALL TO ORDER

Mr. Russell called the meeting to order at 7:00 pm.

ADMINISTRATIVE

Approval of previous meeting minutes – December 13, 2021

Mr. Kluge made a motion to accept the minutes as printed. Ms. Smith seconded.

Ms. Smith requested to clarify that, on page 4, when Ms. Patten responds to Mr. Johnston, her response was regarding what the wage adjustments within the Department of Public Works and not regarding the COLA and merit raises.

Vote unanimous in favor of the motion (7-0).

NEW BUSINESS

Public Reconsideration of Cost of Living & Merit Wage Adjustments

Mr. Russell stated that he has received a lot of feedback regarding the decision for Cost-of-Living Adjustment (COLA) and merit raises which was made during the December 13th meeting. He noted that at one of the first meetings, the Interim Town Manager presented a 5% total COLA and merit increase as his recommendation. He noted that the Interim Town Manager had received feedback that it seemed too high, and he returned to the Budget Committee with a recommendation of 4%. He stated that, during the Budget Committee meeting on December 13th, while the committee was in nonpublic session, the committee voted and approved to set the COLA and merit raise at 3%.

Mr. Russell stated that the current draft of the budget includes the 3% increase. He stated he received a significant amount of feedback which prompted the revisiting of the conversation and requested comments from the public regarding the COLA and merit wage adjustments.

Chief Holland stated that, speaking on behalf of all the department heads, our most valuable asset is not plow trucks and cruisers, it is our employees. He stated over the last three years we have had a high rate of unspent funds, and 50% or more of the unspent funds are due to vacant positions. He presented data collected for area town COLA and merit raises for the last three years and noted that even if the committee were to approve of 4%, we are losing ground with competitive rates in other towns. He noted that the employees are responsible for contributing an additional 1% to their benefit premiums each year, which also influences the effect of the raises. He stated that to recruit and retain employees, we need to remain competitive. He stated that his

recommendation for COLA and merit is 5%, which is a \$27,000 difference from the current budget of 3%. He added that there were employees out fixing burst pipes on Christmas day, because they are committed to serving our community, and we need to ensure they know they are valued.

Mr. Russell stated that he found it interesting that in the last two years, when it felt things were uncertain, Enfield wage increases were still below those of local towns. He thanked Chief Holland for the valuable information.

Mr. J. Taylor stated he would like to reiterate what Chief Holland stated, and he noted that every 1% is a small price to pay to retain employees who are trained and know what they are doing. He stated most of the crew is over 50, and it is a struggle to get younger crew members. He noted that other people have been trained up to the level of getting a class A license, and then the Town of Lebanon recruited them. He stated the current crew worked 12 hours on Christmas day due to ice on the roads as well as fixing pipes that burst. He stated that their experience and commitment are highly valuable, and we need them in this town. He stated the school district has a 2% COLA and a 5% step raise – which is also in this community. Over the last 12-14 years there has been an erosion in benefits which makes the overall employment less competitive, including losses in longevity and the fact that employees are contributing more for benefits each year.

Ms. W. Huntley stated we are in the process of hiring a Deputy Town Clerk, and the town had to offer a full-time position with benefits to get interested applicants. She stated there was an excellent candidate, but even with full time and benefits being offered, wages were an issue.

Ms. J. Huntley noted that Ms. W. Huntley is the only person serving the public right now, and if she is out of the office for any reason, there is no one else to serve the public. It is time to step up to the plate and look at the people who have been helping run the town with pride and dignity for a long time and appreciate the employees that serve our community. She stated she is approaching retirement, and she is worried about finding a replacement for her as well.

Ms. Piper stated that she is sympathetic to what employees have stated, and she is wondering if it is possible to suggest a couple of cuts in the budget that might be able to pay for what Chief Holland is suggesting.

Mr. Wozmak stated that she could make a vote for reconsideration regarding the COLA and merit increases and then later in the meeting, a motion could be made to offset the increase by making reductions elsewhere in the budget.

Ms. N. Smith stated that she supported Chief Hollands notation regarding unspent budget funds, and when she went back and looked at the last several years of unspent funds, 70% of unspent funds were associated with vacated positions for personnel, which included the budgeted salary and benefits associated with the positions.

Mr. Deserranno stated that, in previous meetings, there was a statement made that the town is on track or ahead of the COLA adjustments. He presented data regarding the Boston metric and the historic raises given in the several years. He stated that Enfield has not been on track with COLA for the last five years which is consistent with the information Chief Holland presented, and we are diverging more every year.

Mr. Russell stated that Boston is a common comparison for the region within the national data available. He noted that the town had stayed consistent with the increases, but within the last five years the town has not maintained that consistency and there is a bigger gap between the town increase and the regional increase.

Mr. Deserranno noted that if the increase were to be approved at 5%, it would only maintain the current gap.

Mr. Kluge inquired what the anticipated inflation was going to be.

Chief Holland noted that inflation was anticipated to be 7.8%.

Mr. Kluge stated that the numbers are telling us that it is time to make a move.

Members of the Budget Committee discussed the percentage increase necessary to maintain the current gap between the regional and budgeted COLA increases, and what it may require to continue to close the gap.

Ms. Piper made a motion to increase the 3% COLA and merit raise to 5%. Mr. Kluge seconded.

Mr. Kluge stated he believed it was feasible, and he believed in some ways that it should be higher, but this would be a good step.

Mr. Russell stated Mr. Eaton was unable to be present for the meeting, and requested the following message to be read on his behalf:

I am still firmly against the COLA increase in wages. There is a shared sacrifice that our town employees and citizens need to bear. Right now, we are only seeing the citizens make those sacrifices, who will see town employees receive massive raises. No one was laid off, people got paid for not working, and massive bonuses all throughout the pandemic. I believe 3% is a good compromise.

Mr. Russell stated that, given the data collected, we are diverging from local and larger regional trends, and he agrees that we can find the \$27,000 to cut elsewhere in the budget to have a budget neutral impact for the current recommendation.

Ms. Green stated that the discussion shows how important it is to gather data before making a decision.

Vote passes (7-1).

Mr. Diehn made a motion to change from 5% COLA and merit raise to 8%, which would be \$68,000 above the 3%. Ms. N. Smith seconded.

Mr. Deserranno stated that there was a need to close the gap and agreed with increasing the percentages but stated he believed it should wait another year.

Chief Holland stated that unspent funds have been mentioned, and the change from 5% to 8% makes a significant impact to the open positions and it says to potential employees that we realize that we were falling behind, and we are making changes to move forward. He stated he recognized that \$68,000 is a considerable sum, but when considering the vacancies and the people filling those gaps, it is a worthy target.

Mr. Russell stated that, having a great deal of feedback from all parts of town, he believed that 5% appeased the needs. He stated that he believed a salary study should be led by the Selectboard to guide the process for next year.

Mr. Kiley stated he believes that 8% may be a bridge too far and would not be supported by voters.

Vote failed (2-6).

Mr. Russell requested any further discussion regarding the COLA and merit increases.

Mr. Deserranno stated that more data needs to be provided in the future, because if it is an emotional discussion, it is always going to be one party versus another, but data helps frame the conversation and goals in a constructive way.

Ms. W. Huntley stated that it should be noted that many employees are also taxpayers, and they have all given a lot to the town. She stated they have put pride into their jobs and there are several individuals with over 30 years of experience that will be retiring soon.

Mr. Deserranno stated that many people come to Town Meeting and do not attend the Budget Committee meetings and they do not look at the data, they do not think about employee salaries – all they see is the tax rate and they want it lower. He stated that the data needs to be presented to support what the needs are.

Mr. Russell requested any further questions or comments. With no further discussion, he moved on to the next agenda item.

Revenue and Expense Report

Ms. Bonnette reviewed updates to the Revenue and Expenditure report. She noted that, of the \$570,000 in unspent funds, half of it is due to staff vacancies and unused funds in personnel administration including salaries, benefits, and insurance. She stated that if the town was fully staffed the unspent funds would have been closer to \$280,000.

Mr. Russell stated that draft warrant articles have been presented, which include proposed payments from the unassigned fund balance.

Mr. Diehn inquired if the undesignated funds could be used to pay for an 8% COLA and merit increase.

Mr. Russell clarified that it would not be possible to use undesignated funds for an ongoing expense such as salaries because it only artificially lowers the budget for one year but then doubles the cost for the following year and is not sustainable.

Mr. Diehn inquired if undesignated funds could be used to give employees a bonus.

Mr. Russell stated that doing so would be in the prevue of administrators and not the budget committee.

Capital Improvement Plan (CIP) Report

Mr. Kiley stated that a lot of projects for 2021 never happened due to COVID. He stated that pushing back town meeting also affects the timeline for projects, especially getting projects out to bid. He stated a lot of projects have moved forward to 2022, and some projects have been postponed for more than one year. He stated that there are recommendations for projects to be paid with cash this year but added that there is concern for the proposed use of CIP for upcoming projects.

Mr. Kiley noted that the CIP Committee plans to make a request to the Board of Selectmen to pay off two of the vehicle leases. He stated that the annual usage is \$319,000 and about \$500,000 is put in each year. He stated that if a \$4.7 million loan were put through resulting in an added \$225,000 annually, it would result in taking out more money than is going in and it would erode the balance.

Ms. Bonnette stated anything highlighted in yellow on the warrant article, such as the proposal for the \$4.7 million to come from the CIP Fund, is yet to be decided by the Board of Selectmen.

Mr. Kiley noted that if we assume to borrow \$4.7million, and we add \$220,000 to the CIP CRF payment every year, there will be two resulting problems, there will be no room to make any other purchases and it would erode the main balance.

Mr. Russell stated that the article regarding the loan has not been finalized yet and is under the prevue of the Selectboard. He added that the Budget Committee will have the opportunity to vote to recommend or not recommend each article.

Mr. Wozmak stated that the committee's recommendation would be sufficient and acknowledged that, if the proposal was approved, there may be an increase in the contribution to the CIP to fund the budget.

Mr. Deserranno suggested that the project doesn't belong in the CIP, and it should be its own loan payment.

Mr. Diehn made a motion to recommend to the Selectboard that Article 6 not be paid for from the CIP Capital Reserve Fund. Mr. Deserranno seconded. Vote (8-0).

Ms. Smith inquired about the article related to the \$150,000 improvements to Whitney Hall, and if that would come out of CIP if the initial \$4.7million was not approved.

Mr. Kiley agreed that \$150,000 would be able to be paid from CIP funds.

Mascoma Community Healthcare Funding Request

Mr. Russell stated that a request for funding was submitted by Peter Thurber, the Chair of the Board of Directors of Mascoma Community Healthcare. He noted that the request came in after the deadline for submissions, which is why it was being presented in this meeting.

Mr. Kluge stated that if any group has been denied funding on the same basis, then he supported not approving the funding to remain consistent with that process.

Members of the Budget Committee agreed to deny the request for funding and moved on to the next agenda item.

Total Budget Review

Mr. Russell stated that there is a 3% increase from the 2021 to 2022 budget, and he believed it would be possible find \$27,394 to reduce elsewhere in the budget to accommodate the difference between the 3% and 5% wage increases.

Ms. Piper stated that, in the interest in supporting employees and increasing the rate to 5%, she would like to see the \$27,394 offset elsewhere in the current budget. She stated that she agreed with previous statements and increasing the COLA and merit to 5% is necessary. She proposed reducing the Recreation Department and the Economic Development budget lines to remain at the recommended 2022 budget.

Members of the Budget Committee discussed ways to reduce the budget to include the recommended 5% combined COLA/merit increase while keeping the bottom line of the budget equal to the budget total when it included a 3% combined COLA/merit increase. It was noted that, as a principal, undesignated funds should not be utilized for general fund operating expenses because the difference is only offset temporarily.

Mr. Kluge inquired about the necessity of \$27,000 being cut from elsewhere in the budget to accommodate the increase from 3% to 5% for COLA and merit raises.

Mr. Russell stated that it is time to start tapering the increase in the undesignated fund and keeping the budget at the current 2022 budget recommendation is a conscious effort to do so.

It was recommended that Mr. Wozmak and Ms. Bonnette assist with finding the \$27,000 to reduce in the budget instead of making a general reduction across all departments.

Mr. Deserranno made a motion that the Town Manager will take the necessary steps to accommodate the proposed increase in pay without changing the bottom-line budget of \$6,429,894 for the general fund. Mr. Diehn seconded. Vote unanimous in favor of the motion (8-0).

Mr. Russell requested any further comments or question regarding the total budget. With no further inquiries, he moved on to the next agenda item.

Budget Development Revenue Report

Ms. Bonnette stated that there is a revenue budget that has not been reviewed. She noted that updates included adjustments to the overlay and abatements line, the land use change tax, vehicle registrations, and the rooms and meals tax revenue. She added that it was difficult to estimate revenue for the Recreation Department this year as it is not certain what programming will be taking place. She added that she increased the recreation department line 01-3401-14-000 due to the merging of the regional position into the existing recreation lines, and the regional position was zeroed out.

Mr. Russell inquired if members of the committee had any questions or comments. With no further discussion, he moved on to the next agenda item.

PUBLIC COMMENT/ANY OTHER BUSINESS

Mr. Russell requested questions or comments from the public.

No questions or comments were brought forward.

Mr. Russell stated that the draft warrant articles were not available for the meeting, but some items within the current draft were discussed during the meeting. He requested any questions from committee members regarding the draft warrant articles. With no inquiries, he moved on to review the meeting schedule.

MEETING SCHEDULE

Mr. Russell stated the current budget will move forward to the Public Budget Hearing, which will take place on February 2nd at 7pm.

ADJOURNMENT

Mr. Kluge made a motion to adjourn the meeting at 8:43 PM. Mr. Kiley seconded. Vote unanimous in favor of the motion (8-0).

The meeting was adjourned at 8:43 pm.