

Budget Committee Minutes 11/17/10

Contributed by Lisa Fellows-Weaver
Thursday, 21 April 2011

Budget Committee

Minutes

November 17, 2010

Official as of January 20, 2011

Chairman Daniel McNally calls the meeting to order at 6:35 p.m.

PRESENT: Chairman Daniel McNally, Vice-Chairman Jim Vaillancourt, Selectmen Representative Robert Holden, Water District Representative John Jacobsmeyer, Betsy Colburn, Bonnie Sears, Nona Holmes, Ginger Dole, Muriel Johnson, Herb Johnson, and Board Administrator Linda Smith. School Board Representative Helen Ash arrives later in the meeting

ABSENT: Ken Rick, Ken Curley, and Kevin Ash, excused absent; and Robert Bailey.

MINUTES

Ms. Dole makes a motion, second by Mr. Johnson, to approve the August 18, 2010 minutes.

Page 2, Line 27: Change fro to for

Page 11, Line 11: \$11,887.57

Lengthy discussion is held regarding page 5 regarding the \$100,000 for additional students for Coe Brown. This section will be reviewed.

Mr. Vaillancourt motions, second by Ms. Dole, to approve all amendments except for page 5, lines 20 -29, and continue to the next meeting. Motion passes; 8/0/2. Mr. Holden and Mr. Jacobsmeyer abstain as they were not at the meeting.

Mr. Holden makes a motion, second by Mr. Vaillancourt, to approve the October 5, 2010 minutes as written. Motion passes; 7/0/3. Mr. and Mrs. Johnson abstain, and Ms. Dole abstains as they were not at the meeting.

OTHER BUSINESS

Website and Calendar

Mr. Holden states that the minutes have not been updated to the website. Additional notation is made that the committee meetings are not included in the calendar on the town's website.

Interim Town Administrator

Selectmen Holden announces the hiring of Interim Town Administrator Brent Lemire. Mr. Holden explains that Mr. Lemire will be here through town meeting and at that time the selectmen will re-evaluate. Ms. Dole asks if the town is offering Mr. Lemire benefits. Mr. Holden replies no and adds that Mr. Lemire was available in the time frame that the town needed and he comes highly recommended from former town administrator Dave Stack.

Meeting Change

Mr. Holden explains that the selectmen are currently within the budget process and he apologizes on behalf of the BOS for the budget committee having to reschedule their meeting.

Tax Rate Packet

Mr. Holden provides a handout explaining the tax rate. He states that the tax rate is set at \$24.56 per thousand. He states that the treasurer is currently making arrangements should the town need to borrow in anticipation of taxes. He adds that the selectmen are closely watching the invoices being processed.

Ms. Dole asks what the town wide assessment is and Mr. Holden replies that he believes it is \$498 Million. Ms. Dole states that last year the assessment was \$547 with a tax rate of \$19.85.

General discussion is held regarding the tax rate increase. Ms. Dole states that the town is now paying for more than what the tax payers can afford. She states that the costs need to be looked at hard this year.

Ms. Ash arrives at this point.

Mr. Holden states that the selectmen used \$390,000 out of the unexpended fund balance to offset the tax rate. He adds that perhaps as early as next year, this money may not be available. Mr. Johnson states that there will be residents that will not be able to pay their taxes and he adds that it is up to the budget committee to cut the budget. Mr. Holden stated that the selectmen have adopted a policy of maintaining a 6% unexpended fund balance. There is 6.1% left.

Truck Purchase

Mr. Holden states that one of the town's trucks is in really poor shape and the selectmen have purchased a used truck for \$22,900. He states that this money will be expended from the trust fund and he expects that the truck will be in this week. He adds that some work needs to be done to the truck in order for the plow to be set up and this will cost around \$1,000. Mr. Jacobsmeyer suggests a cost per mile comparison be done for the private contractor versus the cost per mile if the town is doing the work.

Legal

Mr. Holden reviews the legal account lines. He explains the legal lines noting that the planning department has expended \$614 and administration has expended \$3,500.

Fire Department

Mr. Holden states that there has been an increase in the vehicle maintenance line and provides a breakdown of the various expenses. Ms. Dole asks how much of the money expended was for routine maintenance and how much was for other issues and breakdowns. Mr. Holden replies that at this time he does not have a percentage of the costs.

TOWN

Mr. Holden continues to present the town's budget. Mr. Holden states that everything appears to be on track.

Rooms & Meals Tax

Mr. Holden states that he met with the finance administrator, Sandy Garrett, yesterday and asked about the rooms and meals tax. She indicated that there should be no reason why the town would not receive the anticipated \$181,000 revenue. Mr. Holden states that this usually arrives in November and nothing has been received to date.

Cable Coordinator

Ms. Dole states that it appears that nothing has been spent out of this department. Mr. Holden explains that this is an "in-out" department as the expended funds are offset with the cable franchise fees.

A discussion is held regarding the cable expendable trust. Ms. Dole believes that the funds still need to be shown as an expended amount. Mr. Holden stated that he will check into this.

Revenues

Mr. Vaillancourt asks why collected taxes are not shown on the revenue report. Mr. Holden will get this information for the committee.

Trustees of Trust Funds

Ms. Dole asks if the selectmen decided to put all of the audit funds into one line. Mr. Holden replies yes and adds that this case is similar to the legal lines. Ms. Smith states that the trustees audit line should have had funds in the line in order to expend from the line.

Audit Services

Ms. Dole notes that \$9,000 has been spent from the audit services and asks if this is just for the town's audit or if it includes departments too. Mr. Holden replies that this is for the town and library. Mr. Vaillancourt states that the library audit costs \$1,700. Ms. Dole expresses concern that the amounts expended will be more than what has been reported and encumbered.

Tax Collector

Mr. Vaillancourt notes that the contracted service line is over expended by 10%. Mr. Holden explains the salary lines. He states that the deputy took some time off, an individual was hired, and paid out of the contracted services line.

Zoning Board of Adjustment

Ms. Dole asks why there is an overage for the printing and advertising line. Mr. Holden states that there is a duplicated purchase order for \$500. Ms. Smith states that she believes the duplicated purchase order was for a newspaper purchase order, that is to be eliminated. She adds that there have not been any expenditures for the department's legal line.

Community Hall

Ms. Dole asks about telephone usage at the community hall. She expresses concern as there is an expenditure shown; however, nothing was budgeted. Mr. Holden states that there is a phone at the community hall for safety purposes. Mr. Johnson notes that there should be at least \$1 budgeted in order to spend funds from a line. Ms. Dole states that the

auditors would have the funds moved to another line and next year there should be money budgeted for this line, at least \$1. Mr. Holden states that this is where the actual expenditure occurred.

Town Parade Buildings

Ms. Dole refers to the overage of the supplies and equipment for town hall. Mr. Holden states that the overage is due to the purchase of the new tables and chairs. He adds that the chairs were used during the elections as well.

Police Department

Mr. Vaillancourt asks if the salary of officers includes the salary for the new officer. Mr. Holden replies yes. Ms. Smith states that the officer was hired in July and is currently half way through the academy. Ms. Sears asks how many officers there are and Mr. Holden replies that he will provide a breakdown.

Ms. Colburn asks why the pagers line is over. Ms. Smith explains that there was a credit that will be reflected to this line.

A brief discussion was held regarding the printing line being over expended. Ms. Smith states that this is due to increases on required forms.

Mr. Holden mentions the supplies line and explains that each department purchases items from different vendors. He states that ink is a large cost for the town and he feels that all departments should use the same vendor and negotiate costs for the entire town, including the school.

Mr. Holden refers to the fuel line for the police department. He states that the police chief feels that this line is under budgeted and will be over expended. The same case is with the fire department for diesel. Further discussion is held regarding an increase in costs of usage. Ms. Smith notes that the department's fuel line was cut by \$5,000 from the previous year. Mr. Holden states that the town already receives special pricing for gas and diesel due to taxes. He added that the town has recently just opened an account with Mobil, in case of emergencies, so they will not have to drive out of town for fuel if Irving does not have fuel.

Fire Department

Ms. Dole asks about the overages for maintenance of equipment and office supplies. Mr. Holden states that he does not have a print out of these items. Ms. Colburn notes that the prevention supplies line is also over expended.

Mr. Vaillancourt asks about vaccinations. Mr. Holden states that he was informed by the town administrator that all people are up to date on all shots. Ms. Dole expresses concern that the town's employees are able to get the coverage they need. Mr. McNally states that funds have been provided for the vaccinations and that is all the committee can do. Mr. Holden will confirm that the vaccinations are up to date.

Building/Code Enforcement

Mr. Holden refers to the contracted services line for the building and code enforcement department. He states that there are funds allocated when the town takes buildings for taxes owed, to secure the buildings. . He states that this has not been needed this year.

Paving and Reconstruction

Ms. Dole asks about paving overlay. Mr. Holden states that there are two lines in this department, line 680 and 681, which are basically interchangeable and could be combined. He states that line 680 includes the paving of Green Street.

Discussion ensues relative to supply lines and if they are appropriately and realistically funded. Mr. Holden states that there may be better ways and opportunities to purchase supplies. He feels that there needs to be a policy created for a preferred vendor for the town. He adds that freight should be provided pre-paid.

Additional discussion is held regarding road damage. Mr. Holden explains that the auditors will be making an adjustment and move the expense back to 2009. In order to do this, it will come out of the unexpended fund balance, which is why there is an overage. This will be corrected at year end. He explains that by removing the costs to repair Bennett Bridge the over expended amount is approximately \$13,000. Mr. Holden refers to the state flood storm revenue line and notes that the funds were expended from this line.

Solid Waste Disposal

Ms. Colburn states that this department is over expended. Mr. Holden replies that this department actually includes 13 months of expenses.

Animal Control

Mr. Holden states that the town is in the process of hiring an animal control officer. He adds that it has been a real struggle to fill the position. At this time, if there is a need for the animal control officer, the police or the highway department are called.

Recreation

Ms. Dole asks about the salaries for the beach attendants. Mr. Holden explains that the beach coordinator position can also coordinate events and the position will now be called the beach and events coordinator. He states that next year the additional funding in the salary line will be utilized. He states that this will resolve the problem which the recreation commission and public have noted, that there is not enough time coordinating events. He states that it is the decision of the department head as to how the funds are expended.

Library

Ms. Dole asks about the overage in the contracted services line. Mr. Holden replies that one of the positions was filled using the contracted services line.

Ms. Ash asks if oil and propane are on the same contract. Mr. Holden replies yes.

Capital Outlays

Mr. Vaillancourt asks about the remainder in the line relative to the police department vehicles. Mr. Holden states that if there is a remainder then the cruiser has not been fully equipped or the bills have not come in yet.

Capital Reserves

Ms. Dole asks about the encumbered funds for the recreation facility and asks if these funds are for ball fields. Mr. Holden replies yes and the funds will come from the (capital reserve) trust fund.

Bottom Line

A discussion is held regarding the amount remaining in the budget; \$408,754. Mr. Holden explains that in November departments will be purchasing items that they have been holding off on. He mentions that an example would be the fire department will be purchasing their gear; and stipends were just paid out.

With no further discussion, Mr. McNally closes the town portion and calls for a recess at 8:06 p.m. Session resumes at 8:13 p.m. and Mr. McNally opens the school portion.

Mr. Johnson motions for the town to purchase a coffee machine and coffee for the budget committee, not to exceed \$100. Ms. Dole seconds. Mr. Johnson states that the budget committee is here from 6-8 hours on a Saturday. Ms. Dole states that this was done years ago and she feels that it would be a great idea. She states that this purchase could be utilized by all boards and committees, as well as for any town function. Mr. Holden states that the volunteers are very important; however, he feels that this would be setting a precedent.

Ms. Smith states that some members have spent their own money to buy coffee and snacks. She notes that there are many volunteers that are on boards that pay for babysitters in order to come to the meetings and sometimes we have lost members because they have needed sitters. She notes that the holiday party will not be occurring this year for the volunteers. Ms. Dole agrees with Ms. Smith and offers to purchase the first large can of coffee.

VOTE: NO: JV, RH, BC, HA, BS, NH, JJ, DM. YES: GD, MJ, HJ. Motion does not prevail.

Mr. Holden states that there is nothing more important to this town than employees and volunteers. He states that instead of the holiday party this year, the selectmen are planning to host a recognition night for all town volunteers to be held at the first of the year.

SCHOOL

Ms. Ash is present to review the school's budget. Additional handouts are provided referring to last year's budget through June 2010 due to the fact that there were outstanding questions relative to this information.

Special Education Transportation

Ms. Ash provides a breakdown of the special education transportation. She explains that the figures proposed were accurate; however, there were two items that should not have been in the transportation line but should have been in the non public tuition lines as these were figures for bus aides and monitors. The actual transportation vehicle cost was \$335,561 and \$84,323 was for staffing of aides and monitors when transporting children.

Ms. Sears asks for an explanation of the special education transportation service. Ms. Ash explains that these students require much more assistance than what the school district is capable of providing and could be traveling to Dover and in some instances, out of state.

Ms. Ash refers to the breakdown for 2010 legal costs. Ms. Ash states that the legal line was very large. She states that the bottom line was \$61,689, which includes costs for arbitration; costs associated with the termination of the former superintendent, which is ongoing; contract negotiations; miscellaneous; non-renewals for 3 positions; and warrant article review. She adds that the legal firm that is handling the issues with the former superintendent capped their legal costs at \$15,000, which has been met. No additional costs will be incurred until the Supreme Court hearing.

Ms. Ash states that she received an email of questions from Mr. Vaillancourt. Ms. Smith states that she did not receive a copy of the questions and adds that she understood the policy to be that staff would receive the questions as well as any

documents of the committee, which should come through town hall as they are public documents. Mr. Vaillancourt explains that the intent is not to make the questions a document of the committee. He states that these are the questions committee members were thinking of and if the representative could look up the answers prior to the meeting they could do so. He notes that the town questions were addressed as the committee went through the budget, page by page. Ms. Ash states that receiving these questions in advance allowed her to prepare. Ms. Smith states that if the committee chooses to continue this process and the committee collaborates this information then it does become a working document of the committee, subject to public disclosure.

Ms. Ash states that there are a lot of errors in this report due to many misappropriations. She believes that the bottom line is correct and is confident that this will be corrected. She explains that the health and dental is now combined into one line. Discussion ensues and Ms. Ash states that the proposed budget will be much clearer and easier to understand. Mr. McNally states that there are bookkeeping errors that need to be corrected. Ms. Ash replies yes and adds that FICA & retirement need to be corrected as well.

Tuition for Other Public Schools

Ms. Ash refers to tuition for other public schools and explains that this number will be increasing between \$50,000 and \$75,000. She states that there are students attending Dover and possibly two special ed students. Ms. Dole asks when these students determined that they would not be going to Coe-Brown and Ms. Ash replies that she will check into this.

Regular Education

Math Supplies

Ms. Dole asks about the overages. Ms. Ash explains that the third and fourth grade needed to be brought up to a new math program. She adds that other supplies are included in this line and will be broken out, and placed in the correct line.

Special Education

Special Ed Tuition Coe-Brown

Ms. Ash states that the Special Ed Tuition Coe-Brown also includes the support services; therefore, this amount is above the regular tuition costs. She states that they are projecting that they will be over budgeted by \$10,000 in this line.

Special Ed Tuition Coe-Brown - Non Public Schools

Ms. Ash states that that there are 16 out of district placements. There are many students that require these services and one student was a 33% increase. Ms. Ash states that this line and special ed transportation equals 12-15% of the school's budget.

Mr. Holden leaves at 8:55 p.m.

Mr. McNally explains the special needs students that warrant the placement. Ms. Ash states that when the tuition goes above \$42,000 for the out of district placements, the school becomes eligible for catastrophic aid from the state. The school has projected that the amount will be \$299,525 for the school year ending in 2011, approximately 50-60%.

Ms. Sears asks to what age are the students in placement. Ms. Ash states up to age 21. Mr. McNally states that some of the students may be eligible for funding up to age 25. Ms. Ash will check into this.

Athletics

Officials-Umpires-Referees

Ms. Dole asks why this line is over encumbered. Ms. Ash replies that it is likely that this line will not be overspent.

Additional discussion is held regarding when the fees are determined. Ms. Colburn notes that not all games are played either.

Guidance

Salaries

Ms. Dole asks why the guidance department is over expended. Ms. Ash replies that a new guidance counselor was hired with higher credentials and education, and more experience. She notes that the salaries total is for two people; however, there was only one personnel change.

Nurse

Salaries

Ms. Ash states that the same situation has occurred in the nurse's office as in the guidance department. The school board hired a full-time RN and felt that the increase in salary was warranted.

Ms. Colburn notes that the nurse's assistant salary is not encumbered. She asks about new equipment and if the defibrillators have been purchased. Ms. Ash replies that the defibrillators have been ordered and are on back order. She will check into why the funds have not been encumbered.

Contracted Speech Services

A discussion is held regarding encumbering wages for this department. Ms. Colburn states that the salaries should be encumbered in July. Mr. McNally states that the services may change depending on the need. Ms. Ash will check on this and feels that an estimate could be encumbered. Ms. Colburn states that the school encumbers salaries; the town does not.

Further discussion is held on encumbrances. Mr. Vaillancourt provides a scenario regarding the encumbrances using \$50,000. Ms. Dole states that it is a forecasting tool to know the anticipated costs. Ms. Smith adds that the town uses blanket purchase orders for vendors which involve frequent use, such as newspapers. If it is not used the entire amount is returned.

Staff Development

Ms. Colburn states that the staff coordinator needs to be encumbered.

Media

Ms. Colburn states that the library books line is over expended. Ms. Ash states that the library supplies and periodicals are also over. She explains that this is an error as some of the funds should have come out of the student activity fund.

Ms. Ash states that all other non-professionals not in the negotiated contract were given a 3% increase by the school board after the budget was approved. Mr. Vaillancourt states that in the end the funding for these raises was taken from the students. He adds that the town is level funded no matter what the circumstances. Ms. Ash states that this will be an item to discuss in January.

Ms. Sears asks about overages in the health insurance lines. Ms. Ash explains that they are trying to place the items in the correct lines. Ms. Dole states that salaries and benefits are public information; however, it has been the position of the school board to now want to provide this information. Additional discussion is held regarding confidentiality of health insurance costs.

School Board Services

Ms. Colburn states that the school board salaries should also be encumbered.

SAU 44

Ms. Colburn states that the SAU is over expended. Ms. Dole asks if the SAU also gave raises after the budget was approved. Ms. Ash states that raises were given, yes; however, it was part of the budget. She is not sure as to why some of these lines are over expended and will check into this.

Maintenance and Operations

Building Maintenance

Ms. Dole asks about the overage for building maintenance. Ms. Ash explains that in the school year ending 2008, there was a warrant article to repair the ball fields and the work was not done. The school board voted to do these repairs as the fields were a disgrace and chose to use the funds from this line.

Electricity and Fuel Oil

Ms. Colburn states that the electric and fuel oil lines need to be encumbered.

Mr. Vaillancourt states his displeasure with the state of the school budget documents and notes that the school district contracts with the SAU for this service. He notes that the funding from the warrant article should have been encumbered. The students should not be suffering \$20,000 in 2010 for something that should have occurred in 2008.

Payments of Interest

Ms. Colburn states that the interest payment should be shown as it is paid in January. She adds that the principle is paid once and interest is paid twice.

Transfers to Capital Reserve

Ms. Dole asks if the audit has been completed to know if any of these three transfers could take place. She asks if we know at this point if there is a surplus or deficit and if there is a surplus, how much is it. Ms. Ash replies that the last she knew no. Ms. Dole asks if this is the appropriate way to list them if they are not going to be funded, because they were coming from surplus and we don't have the surplus to fund them. Ms. Ash states that this was discussed and the board is waiting for the numbers to be finalized. Ms. Dole asks if there is was a time frame given and Ms. Ash replies no. Ms. Dole states that this should be a part of the audit and should be done by now. Ms. Ash replies that the audit is done and she will check on this item.

Food Service

Ms. Colburn notes that the food service wages should be encumbered.

Building Improvements

Ms. Dole states that the warrant article for the roof was approved for \$160,000

and only \$96,613 was expended. Ms. Ash relies that the warrant article was for \$80,000 to be raised from taxation and \$80,000 from the capital reserve.

INTERNAL BUSINESS

* 2011 Calendars are re-distributed

* (2) 2010 Editions, Basic Law of Budgeting, to be passed among members. The committee requests that one additional book be purchased.

* Meeting Start Times

A discussion is held regarding the beginning times for meetings. The committee agrees to begin all evening meetings at 7 p.m. until further notice. Further discussion is held regarding setting an ending time for the evening meetings. The committee agrees to not set an end time, at this time.

* Disbursement of Information

Ms. Smith suggests that all items be mailed out by regular postal service and/or phone. She states that this will prevent further discussions of items which would fall under the Right to Know Law.

Discussion ensues regarding the committee receiving current financial statements. Ms. Ash states that the school board likes to review the materials prior to sending out. She adds that she will address this at the next school board meeting.

Mr. Vaillancourt states he has asked for an electronic copy in Excel format, but has not been provided with one. Motion to adjourn is made by Mr. Vaillancourt and second by Ms. Dole. Motion passes unanimously at 10:00 p.m.

Respectfully submitted,
Lisa Fellows-Weaver
Board Secretary