Budget Committee Minutes 12/1/11

Contributed by Lisa Fellows-Weaver
Tuesday, 07 February 2012

Budget Committee

Minutes

December 1, 2011

Official as of January 12, 2012

Chairman Dan McNally calls the meeting to order at 7:01 p.m.

PRESENT: Chairman Daniel McNally, Vice-Chairman Jim Vaillancourt, Selectmen Representative Robert Holden, School Board Representative Tim Jandebeur, Water District Representative John Jacobsmeyer, Mark Boucher, Betsy Colburn, Ginger Dole, Kate McNally, Bonnie Sears, Board Administrator Linda Smith, and Board Secretary Lisa Fellows-Weaver.

ABSENT: Excused Hal Kreider, Muriel Johnson, Herb Johnson, and John Difeo.

TOWN REPRESENTATIVES PRESENT:
Selectman Scott Bryer; Selectman Alden Dill; Town Administrator Brent Lemire; and Finance Administrator Sandy Garrett.

Page: 1: Dept. 41301~Selectmen
Mr. Vaillancourt makes a motion, second by Ms. Dole, to recommend the selectmen’s total of $9,452.
VOTE; JV, MB, BC, GD, TJ, KM, BS, DM. Abstention: BH.
Motion passes; 8/0/1.

Page: 1: Dept. 41302~Town Administrator
Mr. Vaillancourt makes a motion, second by Ms. Dole, to recommend the selectmen’s total of $93,995.
Mr. Vaillancourt expresses concern with the fact that the town administrator does not have a cell phone. Mr. Lemire explains that he was offered a cell phone and did use it for a few months; however, it became unmanageable and he has chosen to use his own personal phone.
Motion passes unanimously; 9/0.

Page: 1: Dept. 41303~Moderator
Ms. McNally makes a motion, second by Ms. Colburn, to recommend the selectmen’s total of $647.
Motion passes unanimously; 9/0.

Pages: 2: Dept. 41309~Executive Office
Mr. Vaillancourt makes a motion, second by Ms. Dole, to recommend the selectmen’s total of $157,985.

Mr. Vaillancourt indicates that there will be an increase to postage. He refers to line 625, and notes that the amount for 2011 was overspent. He asks if the proposed amount of $4,000 will be adequate. Mr. Holden replies that staff feels that the proposed amount will be adequate.

Ms. McNally refers to the supplies, line 620, and states that there is a decrease proposed for $1,000. Mr. Lemire states that the department tries to hold off to the end of the year with ordering supplies. He adds that there is a large order being processed at this time. He states that the amount proposed will be adequate.
Motion passes unanimously; 9/0.

Mr. Jacobsmeyer arrives at 7:07 p.m.

Pages: 3: Dept. 41501~Finance Administration
Ms. Dole makes a motion, second by Ms. Colburn, to recommend the selectmen’s total of $76,192.

Mr. Vaillancourt asks about the relationship of the ADS system (the town’s financial software) and QuickBooks. Ms. Garrett explains that ADS is the general ledger and QuickBooks is the billing system. They are both separate software systems.
Motion passes unanimously; 10/0.

Page: 4: Dept. 41502~Audit Services
Mr. Vaillancourt makes a motion, second by Ms. Colburn, to recommend the selectmen’s total of $13,400.

Ms. Dole asks what year the town is in for the audit contract. Ms. Garrett states that the 2011 audit is the final year in the three year contract. She states that two audits are complete and she is waiting for the final billing from 2010. Ms. Garrett states that the cost is $13,400 per year and is a multi-year contract and the contract will be complete in 2012 when the auditors complete the 2011 audit.
Motion passes unanimously; 10/0.

Page: 3-4: Dept. 41503~Assessing Administration
Mr. Vaillancourt makes a motion, second by Ms. McNally, to recommend the selectmen’s total of $48,012. Motion passes unanimously; 10/0.

Pages: 4-5: Dept. 41505~Treasurer
Ms. McNally makes a motion, second by Ms. Dole, to recommend the selectmen’s total of $11,672. Motion passes unanimously; 10/0.

Page: 5: Dept. 41509~Budget Admin.
Ms. McNally makes a motion, second by Ms. Colburn, to recommend the selectmen’s total of $475. Motion passes unanimously; 10/0.

Page: 5: Dept. 41510~Trustees of the Trust Fund
Ms. Dole makes a motion, second by Ms. McNally, to recommend the selectmen’s total of $3,182.

Mr. Vaillancourt asks about the contracted services for this department, line 330. Ms. Dole notes that this is the cost of the bookkeeping services.
Motion passes unanimously; 10/0.

Page: 5: Dept. 41531~Legal Operations Services
Ms. Colburn makes a motion, second by Mr. Holden, to recommend the selectmen’s total of $10,000.

Ms. Dole asks if the amount proposed is adequate. Mr. Holden states that he is not aware of anything pending. Ms. Smith states that there is a pending case forthcoming with the ZBA. Ms. Dole suggests increasing this line by $10,000. Mr. Holden feels that there will be sufficient funding elsewhere in the budget.
Ms. Smith states the initial Superior Court costs are generally $5000 - $8000 in legal fees. If the case should proceed forward it will likely be beyond 2012.

Mr. Jandebeur asks if the town has litigation insurance as the school does, and adds that the insurance is an asset. Mr. Holden replies that he does not believe that the town has this insurance.
Motion passes unanimously; 10/0.

Page: 5: Dept. 41533~Claims, Judgments, Settlements
Ms. Dole makes a motion, second by Ms. Colburn, to recommend the selectmen’s total of $1. Motion passes unanimously; 10/0.

Page: 5-6: Dept. 41552~Personnel Administration
Ms. Dole makes a motion, second by Mr. Holden, to recommend the selectmen’s total of $50,849.

Mr. Vaillancourt refers to line 250, unemployment, and states that the line increased 14%. Mr. Holden states that the state is trying to rebuild their fund. Mr. Vaillancourt notes that the workers comp. is an 8% increase. Ms. Dole states that this is based on the town’s experience and could also include a rate adjustment. Mr. Holden replies yes.
Motion passes unanimously; 10/0.

Pages: 6: Dept. 41911~Planning & Development
Mr. Vaillancourt makes a motion, second by Ms. Dole, to recommend the selectmen’s total of $35,596.

Mr. Vaillancourt asks where the contracted services revenue is located. Ms. Smith states that revenues are inclusive with the site plan and subdivision fees, including the cost of recording fees. She adds that revenue can be found in the revenue report under department revenue.
Motion passes unanimously; 10/0.

Page: 6: Dept. 41913~Zoning Board of Adjustments
Mr. Vaillancourt makes a motion, second by Mr. Holden, to recommend the selectmen’s total of $2,600. Motion

passes unanimously; 10/0.

Page: 6-7: Dept. 41940~Community Hall
Mr. Vaillancourt makes a motion, second by Mr. Jandebeur, to recommend the selectmen’s total of $7,430.

Ms. McNally states that a breakdown was not provided for line 430, maintenance and repair. Mr. Lemire states that to date $4,399 has been spent on painting, lighting, and wall work. He states that there is a plan to begin painting on the second floor, work will be done to the windows, as well as work in the access area. He adds that this line also includes janitorial equipment. Mr. Lemire states that there is a proposal to do improvements to the kitchen area and the utilities are also included in this line.

Mr. Holden states that there may not be a solid plan available at this time and they are looking for the funds to be available. He states that a list of proposed work will be provided at the next meeting.
Motion passes unanimously; 10/0.

Page: 7: Dept. 41941~Town Parade Buildings
Mr. Vaillancourt makes a motion, second by Ms. McNally, to recommend the selectmen’s total of $66,702.

Ms. McNally asks about line 330, contracted services. Mr. Lemire states that the alarm system in the town hall needs to be replaced. He states that it is outdated and the town cannot get keys for it anymore. Mr. Holden states that it becomes difficult with the amount of people using the building and the proposed upgrade will allow for accountability of the use of the facility.

Mr. Vaillancourt asks about line 440, deeded property. Mr. Holden states that this is to cover securing a property should the town have to take it over. He states that this was not used in 2011 and the line has been reduced to $10,000.

Ms. McNally asks about line 430, maintenance and repairs, and if projects are done by a bid process. Mr. Lemire replies that the facility committee addresses these items and they use a list to solicit quotes for work performed.
Motion passes unanimously; 10/0.

Pages: 7: Dept. 41951~Cemeteries
Mr. Holden makes a motion, second by Ms. McNally, to recommend the selectmen’s total of $6,000. Motion passes unanimously; 10/0.

Page: 7: Dept. 41961~Insurance
Mr. Vaillancourt makes a motion, second by Ms. McNally, to recommend the selectmen’s total of $39,000. Motion passes unanimously; 10/0.

Page: 7-8: Dept. 41974~Facility/Highway Committee
Mr. Holden makes a motion, second by Ms. McNally, to recommend the selectmen’s total of $2,253. Motion passes unanimously; 10/0.

Page: 18: Dept. 45831~Patriotic Purposes
Ms. McNally makes a motion, second by Ms. Colburn, to recommend the selectmen’s total of $1,500. Motion passes unanimously; 10/0.

Page: 18: Dept. 45890~PD Wage Grant Programs
Ms. Colburn makes a motion, second by Ms. McNally, to recommend the selectmen’s total of $2,029. Motion passes unanimously; 10/0.

Page: 18: Dept. 45899~Donations
Ms. Colburn makes a motion, second by Mr. Holden, to recommend the selectmen’s total of $1,500. Motion passes unanimously; 10/0.

Page: 18-19: Dept. 46111~Conservation
Mr. Holden makes a motion, second by Ms. Sears, to recommend the selectmen’s total of $1,679. Motion passes unanimously; 10/0.

Page: 19: Dept. 46510~Economic Development
Mr. Holden makes a motion, second by Ms. Colburn, to recommend the selectmen’s total of $578. Motion passes unanimously; 10/0.

Page: 19: Dept. 47231~Interest on T.A.N.
Ms. Colburn makes a motion, second by Ms. Dole, to recommend the selectmen’s total of $5,000.

Mr. Vaillancourt asks if the budget has been frozen. Mr. Holden replies that the selectmen have not voted to freeze the budget to date; however, Mr. Lemire is reviewing the budget on a daily basis. Mr. Lemire states that as of today $900,000 has been collected in taxes out of $5,000,000.

Ms. McNally asks if the town treasurer approved this amount. Mr. Holden replies yes. Mr. Lemire states that the proposed amount is the treasurer’s request. Mr. Holden explains that last year the treasurer researched the cost of borrowing $1 million dollars for one month and discovered that the $5,000 budgeted for TAN would cover the town for three months of borrowing, if necessary. Mr. Holden further states that the treasurer is comfortable with the budgeted amount of $5,000.
Motion passes unanimously; 10/0.

New Bottom Line
Mr. Lemire provides the new bottom line total, $3,320,077.29. A discussion is held regarding the amended figures to the library, highway and sanitation. The correct bottom line total for the library is provided to be $192,759. Ms. Smith notes that the state requires rounding off figures. Mr. Holden makes a motion, second by Ms. Dole, to recommend $3,320,077.

Further discussion is held regarding benefits. Mr. Vaillancourt states that this year there were some employees that dropped their health care. He notes retirement rates are unknown after July of 2012 and Ms. Garrett states that the NH retirement quotes received are through 2012. Additional discussion ensues regarding risks; there may be increases where the town got lucky this year. Mr. Holden agrees and states that there are risks through the entire budget. He states that the selectmen are willing to take the risks.
Motion passes unanimously; 10/0.

Revenue
A discussion is held regarding the town’s revenue. Mr. Vaillancourt states that an increase in the revenue has the same affect on the tax rate as a reduction in expenditure from the bottom line.

The process of setting the tax rate has been done. Ms. Dole asks if the revenues are reviewed when setting the tax rate. Ms. Garrett states that the revenue will match the MS-2 that is filed with the state to determine the tax rate setting that was completed in November. She states that with the town’s portion there are other factors used other than deducting the revenues. She states that the fund balance is also used. Mr. Holden states that the estimated revenue is used in the calculation not the revenue received to date.

Ms. Colburn asks where the revenue is shown from the paramedic intercept. Ms. Garrett states that this is called special duty revenue, page 2, 100-34011-040. Ms. Garrett states that the 2011 actual is $2,030 and for 2012 $500 is projected. Ms. Colburn states that $500 is projecting only one intercept. Ms. Garrett replies that historically there is only one intercept projected. She explains that this year was an exceptional year as there were more intercepts. She notes that some years there are no intercepts provided. Mr. Vaillancourt states that the intercept was one of the selling factors for adding an additional position.

Ms. Colburn notes that the Town of Epsom shows $7,000-$8,000 in their town report for intercepts and she asks if the intercepts are not being billed and she request that this item be looked into. Ms. Garrett states that she bills for what she receives from the fire department.

Mr. Vaillancourt states that the tax rate calculation for 2011 that was done a few months ago shows revenue at $1.7 million.

Ms. Dole states that she understands the reasoning to underestimate revenue to a point. Mr. Holden states it is better to be conservative. Ms. Garrett states that when the MS-2 is filed by December 1, it is filed with DRA and the town’s auditor for the state. She states that before the tax rate is set, there is a line-by-line review with DRA, the finance administrator, and town administrator. She states that DRA did not recommend any changes be made due to the volatile state of the economy. She states that this is the only time to make changes to the revenue.

Ms. Colburn requests the total amount spent for intercepts this year. Ms. Garrett will research this item.

Mr. Vaillancourt states that the rooms and meals tax and the car registrations are two large revenue items for the town. He states that he understands that the town will be losing the $5 handling fee from the state for car registrations. Mr. Lemire states that is correct and the $5 fee was lost effective July 1. Mr. Vaillancourt notes that there has been $40,000 dropped from this line and he feels that there is too much of a drop and the revenue should stay at the rate recommended by the state: $625,000.

Ms. Dole states that she recalls that the town clerk was projecting for the entire year 2011. She adds that people are purchasing fewer new cars and many will keep their older car longer or purchasing used. This will affect the revenues and they will keep going down. Mr. Vaillancourt states that half of the revenue is coming from vehicle registrations. Discussion ensues as to the uncertainty of vehicle registrations. Mr. Holden comments that he does not feel that the

budgeted vehicle registration amount is one that the budget committee should believe will grow substantially. Any future downturn in the economy could lower this amount even further. He recommends being conservative and using the amount on the original proposed budget.

Mr. Vaillancourt states that 86% has been collected so far and there is still November and December to collect; he feels $618,000 could be collected. He recalls that the town clerk noted $640,000. Mr. Holden notes that the town clerk noted $582,000 during the last meeting.

Further discussion ensues and Mr. Vaillancourt states that he would like to see statistics and more figures regarding registrations and feels it could be better projected. Mr. Holden asks how this would be done; he feels it would be a waste of the tax payer’s money and staff’s time.

Mr. Jandebeur states that reducing the revenue does not allow the town to spend money over the course of the year. He states that he feels that the budget the town has proposed is a very good budget.

Ms. Dole states that the any additional revenue will go back to the general fund and be utilized by the BOS for the following year to reduce the tax rate for the next year. We could spend the time and money to bring the revenues closer and raise that amount, less taxes; however, we can only go by the estimates and cannot use the statistical backup for years as things have changed so much. She is not in favor of changing the revenue sheet.

Date to review warrant articles is scheduled for January 5, 2012, 6:30 p.m.

Mr. Vaillancourt makes a motion, second by Mr. Holden, to recommend the revenue report as provided, $1,412,494.
VOTE: MB, BC, GD, TJ, KM, BS, RH, JJ, DM. NO: JV.
Motion passes; 9/0/1.

Recess
Motion to recess until December 7, at 7 p.m. is made by Mr. Vaillancourt and seconded by Ms. Colburn. Motion passes unanimously; 10-0.

Respectfully submitted,
Lisa Fellows-Weaver
Board Secretary