



**BUDGET COMMITTEE MEETING AND PUBLIC HEARING
November 29, 2016**

Call to Order: 6:32 p.m.

ROLL CALL

Present: Dennis Heffernan, *Chair*
Francine Hart, *Vice Chair*
Sam Cafiso
Laurie Milette
Tricia Holt, *excused*
Bob Hamilton
Lisa Lambert
Dean Nifakos
Martha Sumner
John Sherman, *Selectmen Ex-Officio*

Also Present: Sean Fitzgerald, Town Manager

The Pledge of Allegiance was led by Sam Cafiso

REVIEW/APPROVAL OF MINUTES

★F. Hart moved, second by L. Lambert, to approve the minutes of the November 15, 2016 meeting.

L. Lambert questioned if typos should be noted.

It was explained as long as it was a typo and didn't change the intent of the minutes it could be corrected at any time.

There was no additional discussion on the motion. The vote was 7-0-2 (Sumner and Nifakos abstaining).

BUDGET REVIEW AND WARRANT ARTICLES

S. Fitzgerald noted the packet of Warrant Articles that had been advanced by the Board of Selectmen (BOS) at their last meeting. He added that there were others but the BOS was seeking additional information and/or input from Department Heads before deciding whether or not to support them.

S. Fitzgerald offered that there were changes yet to any department budgets as yet. He added that he has requested Department Heads to spend down this year in an effort to reduce requests in next year's budget.

F. Hart questioned if it was possible to request that employees contribute more to their State retirement account.

S. Fitzgerald explained that the State Legislature has decided to put more of the retirement costs on local communities, particularly for Fire and Police Departments.

J. Sherman, noting that he was not being political, suggested that there could be additional shifting in costs.

F. Hart suggested looking into a different retirement plan or asking employees to contribute more.

S. Fitzgerald responded that over the last five (5) years town hall employees have made significant concessions, gone without pay increases and accepted paying of a percentage of their health insurance coverage. He added that they are continuing to look into different health care options to reduce costs as well.

There was discussion about the open Finance Director position. Some members voiced the opinion that it was still more cost effective to hire a consultant, therefore reducing the soft costs associated with another employee.

S. Fitzgerald explained that the BOS has directed him to hire a fulltime Finance Director. He noted that importance of having someone available, in town hall, on a fulltime basis, which would relieve duties currently being covered by other staff. He also noted that there would be additional financial duties associated with the expansion of the Safety Complex as well as a number of grants that the Town has received.

There was discussion about the hiring process. It was noted that some interviews have been conducted, but no offers have been made. There was a question about whether or not the Budget Committee (BudCom) could prevent the hiring by the way they funded the line for that position. It was noted that taking the money out of the budget does not prevent the hiring of a Finance Director. The money would have to come from other lines in the budget. Once the budget is set the obligation is to keep spending within the bottom line number. It was also noted that this was an existing position and not one being newly created. Newly created positions have traditionally gone on the Warrant to be voted on.

There was discussion about the maximum salary for the Finance Director. The number discussed was not to exceed \$80,000.00. It was noted that there would be associated roll up cost for the fulltime position. The BudCom asked for what the actual costs of hiring a new Finance Director, including roll up, would be. (Parking Lot)

B. Hamilton asked if the matter of the Town Clerk's salary had been resolved in that budget. He recalled that there was some question as to whether or not her raise had been accidentally doubled in that line. (Parking Lot)

F. Hart noted that in the “Comparative Statement” that was distributed that Library number was incorrect. (Parking Lot)

L. Lambert asked if the Finance Director position was being offered at \$80,000.00 or \$85,000.00, which is what is noted in that budget line.

S. Fitzgerald replied that it was originally suggested at \$80,000.00.

There was additional discussion of what could happen if the BudCom chose not to completely fund that line item. It was reiterated that the monies would have to be found to pay a Finance Director once hired. It was questioned if the monies would come from the Unassigned Fund Balance (UFB) or if it would come from the Operating Budget. It was noted that it would have to come from the Operating Budget as there were very specific procedures under the RSAs for the use of the UFB, and this would not qualify. It was also noted that the BOS would never violate the bottom line of a town-approved budget. It was again reiterated that this was an existing position that was being filled.

S. Fitzgerald offered that this was the time of year where utility costs are reviewed using governmental indexes and national trends to predict future costs. He added that budgets with utility lines in them may see some changes once the data has been collected and analyzed. It was noted that the gasoline lines will be reviewed using the same process.

D. Heffernan noted that the BOS had requested that the budget increase be reduced from 4% to 3%.

S. Fitzgerald explained that if you take the Debt Service out of the equation, the budget increase is currently at 4%. He added that all departments have pared back tightly without severe decreases in services or public safety.

F. Hart noted that there was a return of \$485,000.00 to the UFB; adding that this has been consistent over the past five (5) years. She suggested that this demonstrated there could be additional “nip and tucks” that could be done to reduce the budget.

S. Fitzgerald cautioned that there have been issues with incomplete staffing levels that have contributed to the return of funds to the UFB and with full staffing that number would likely be less.

M. Sumner requested an accounting of what has been returned to the UFB, by department. (Parking Lot)

F. Hart noted that she and B. Hamilton have met with both the Police and Fire Chiefs, who they find to be right on top of their budgets. She suggested that their budgets stand as is in the interest of public safety. It was also noted that there has been some attrition in the departments and those who have left are being replaced by personnel at a lower pay rate. F. Hart also noted that the Police Chief was looking into creative revenue streams for that department.

J. Sherman offered that the detail that Department Heads know about their budgets and their level of care for the Town was impressive. He added that there should be caution about the Police Department budget as there has been some reorganization there, creating some variables.

B. Hamilton concurred that it was a very informative meeting with the Chiefs. He also noted that in his review of the budgets he was suggesting that there be a decrease in the training line for the Conflict of Interest Committee (COIC), adding that the line had never been used. He offered that he had requested training once, only to be told there was no specific training available for conflict of interest.

S. Fitzgerald suggested that COIC members could benefit from other available training such as Right to Know Law. He added that he would have been happy to invite trainers in, such as a lawyer, had he known that there was interest.

B. Hamilton noted that he and F. Hart come from a different perspective having much financial experience. He added that he takes more of a historical view of the budget, if it has not been spent. B. Hamilton offered that with the coming Debt Service it was even more important to take a hard look at all these lines.

M. Sumner stated that she took offense to B. Hamilton's comment, adding that she has been in the financial business for thirty-five (35) years. She noted that at one point in time the COIC didn't even have a budget and they BudCom reached out to them to see what was needed and the suggestion that they came back with was training.

There was additional discussion regarding the COIC and training. It was noted that while there may not be specific COIC training, the committee should put a discussion on its agenda about what other available training they may wish to take. It was noted that the COIC is asked every year what they would like in their budget and every year they say they still want training. It was also noted that there may be new members that would be looking for training, which was noted could be true for all boards and committees.

B. Hamilton apologized to M. Sumner, adding that he was just noting that he comes from an historical view when it comes to budgets.

There was discussion about available training. It was noted that no/low cost training used to be more readily available, but now most vendors, including the New Hampshire Municipal Association (NHMA) require some level of payment.

B. Hamilton offered that he was taking a different approach. He noted that there was \$5,000.00 in the Health Department budget for mosquito control that has never been used.

J. Sherman responded that there for emergency adulticide if there were infected mosquitoes found.

B. Hamilton asked if that would qualify as an emergency so that monies from the UFB could be used.

S. Fitzgerald noted that emergencies (to be able to use the UFB) would be more like natural disasters. He added that this year that line, because that line was under spent, some of the money was used to offset the cost of residential well testing.

B. Hamilton asked what happened when a line is over spent.

J. Sherman noted that it would be offset by another line being under spent, but it would still need to be recording the accounting.

S. Cafiso offered that there was redundancy in some of the street lights. He explained that businesses have installed lighting next to a street light, which make that street light unnecessary. He questioned if a survey had been done to see where these redundancies are and where lights could be turned out.

S. Fitzgerald explained the efforts that he has been undertaking to try and convert all the street lights to LED, noting the troubles he has encountered with Unutil and the Public Utilities Commission (PUC). He added that it may take Legislative assistance to be able to convert the town's street lights to LED.

There was additional discussion about street lights and how that budget might be reduced. It was noted that no one was suggesting that lights be turned off that are currently providing a public safety function, but an audit be done of where the overlapping coverage is and where changes can be made. It was also noted that the town's Renewable Energy Committee was also looking into options.

There was a discussion about the list of Warrant Articles provided to the Committee. It was requested that each member review them on their own time and come back with suggestions at the next meeting. It was noted that there may be more Warrant Articles at the next meeting.

It was noted that the list of openings on the Budget Committee in Article 17-01 was incorrect. It was requested that the Committee be provided with the number of open seats and the timeframe for those interested in signing up to run. (Parking Lot)

COMMITTEE REPORTS

Public Safety Building Committee (PSBC)

It was noted that terrific progress was being made. It was noted that the concrete forms were in for the foundation, the fire suppression line was going in, and the Stanwood Road Ext would hopefully be "punched through" soon. It was also noted that many local subcontractors were being used for the project.

NEW BUSINESS

J. Sherman noted that there was an inventory of the bats at the Beede site, some of which are protected species.

OLD BUSINESS

J. Sherman offered that the BOS was about half-way through the Warrant Article review process.

Parking Lot

New Items Added:

- Finance Director – Salary and Roll Up Costs
- Has the Town Clerk’s Salary been resolved
- Correct the Library line in the Comparative Budget Statement Spreadsheet
- Finance Administration Budget - Update the Finance Director Line to the actual figure
- Breakdown, by Department of what has been returned to the UFB
- 2017 BudCom open seats/terms and dates for sign up to be on the Warrant

It was noted that all members were given an updated meeting schedule in their folders at this meeting.

There was no additional business before the Committee and the meeting was adjourned at 7:50 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary