



**BUDGET COMMITTEE MEETING AND PUBLIC HEARING
September 27, 2016**

Call to Order: 6:30 p.m.

ROLL CALL

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

Also Present: Sean Fitzgerald, Town Manager

The Pledge of Allegiance was led by Dennis Heffernan

APPROVAL OF MINUTES

★T. Holt moved, second by M. Sumner, to approve the minutes of the September 20, 2016 meeting. There was no discussion on the motion. The vote was 9-0-1(Sumner abstaining)

BUDGET PRESENTATION

F. Hart noted that she had researched budget surpluses over the years and how much had been returned to the Unassigned Fund Balance (UFB) account. She suggested that the +/- \$3M in that account was more than enough and some should be returned to the residents in the form of tax reduction. She challenged members of the Committee to take a prudent look at each budget, especially in consideration of the \$600,000 in Debt Service that the Town will be taking on for the new Police Station bond.

J. Sherman noted that money is returned to the tax payers from the UFB.

F. Hart suggested that not enough was being returned. She stated that only \$30,000 had been returned.

S. Fitzgerald explained that the Board of Selectmen (BOS) does have the prerogative to use monies from the UFB to offset taxes. He added that having a healthy reserve allows the Town to weather through swings in the economy. He noted that in 2008 the Town had to take a \$3M TAN (Tax Anticipation Note) because we didn't have the financial liquidity to meet obligations,

including payroll. S. Fitzgerald added that none of the budgets are padded, but based on data known at the time they are prepared. He added that departments have been very conservative in their spending and always try to under-spend the budget. He noted that the BOS have been very judicious in their appropriations from the UFB to offset taxes while considering what reserves are needed.

F. Hart offered that she appreciated the excellent financial health of the town, adding that the School Department budget was reduced by \$0.87. She added that she was just suggesting the scrutiny in light of the new bond obligation.

S. Fitzgerald noted that the bond will not affect the 2017 budget.

M. Sumner offered that she had stumbled upon some of her old tax bills. She noted that the town rate in 2012 was \$6.27; in 2015 it was \$5.98 and in 2016 it was \$5.98.

There was discussion about property valuations. It was noted that with the recent values anew appraisals there is a substantial change in commercial valuations that will shift residential appraisals. It was noted that all laws and professional standards as prescribed by the DRA (Department of Revenue Administration) are strictly followed.

S. Fitzgerald suggested that a change to update all the values anew be given to see how things change.

There was discussion regarding what is the appropriate amount to be maintained in the UFB. It was noted that keeping the proper reserves not only made it easier to get through economic swings, and limits the need for expensive TANs, but allows the Town more favorable rates when it came to things like bonds. It was noted that the Town had never run completely out of money, but the balance in the UFB has gotten very low.

J. Sherman offered to go back through the Town Reports and see how much funding from the UFB has been returned in the form of tax offsets. (Parking Lot Item)

Town Clerk Budget – Maryellen Pelletier, Town Clerk

Maryellen Pelletier, Town Clerk, presented the Town Clerk’s Office 2017 Budget request noting the following:

Level Funded Budget Lines:

- Computer License Fees (Bond)	\$ 885.00
- Dues	\$ 45.00

Decreased Budget Lines:

- Telephone (-\$720)	\$ 900.00
- Computer Hardware/Software (-\$85)	\$ 4,200.00
- Dog Tags & Forms (-\$75)	\$ 375.00
- Postage (-\$500)	\$ 4,000.00

- Office Equipment & Maintenance (-\$925) \$ 1,200.00

Increased Budget Lines:

- Salary Deputy & Assistant (+\$1,282) \$ 48,032.00
- Town Clerk Salary (+\$9,828) \$ 51,767.00
- Training Expenses (\$715) \$ 1,640.00
- Office Supplies (+\$1,000) \$ 2,000.00
- Mileage Reimbursement (+\$200) \$ 600.00

M. Pelletier noted that the bottom line Town Clerk's 2017 budget request was \$115,644.00 (increase of \$10,720).

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

M. Pelletier explained that she was anticipating that the Town Employees Union would be getting a 2% increase and she was including that in the salary lines. She added that she needed to recalculate her salary line as it didn't appear to be correct even with the \$5,000 raise that she was voted last year. She said that she would recalculate that line and report back to the Town Manager.

It was noted that now that the VOIP telephone system has been in place for a while an adjustment has been made based correct usage. The decrease in office equipment is because they have switch credit card providers and the less while maintaining the same cost to the residents for using a credit card. The swipers for credit cards were purchased last year. The decrease in the dog tags line is based on actuals.

The increase in the training line is to send the Deputy Tax Collector to training. The increase in the mileage costs is related to sending the Deputy to training. The increase in office supplies is for costs of toner and printer inks.

It was noted that the "no elections" in the description line for Postage needs to be changed to one (1) election.

M. Sumner asked how the books (preservation) were doing.

M. Pelletier replied that all the critical books had been done and new records are now being put into binders. She added the cost to restore each book with acid free paper is between \$800-\$1,000 per book.

S. Fitzgerald suggested it would be a great project for the New Hampshire Historical Program (Moose Plates), which is how the tower clock was restored.

M. Pelletier added that part of the increase in office supplies was also due to purchasing more of the plastic registration holders as residents were asking for them. She added that they charge \$0.50 per holder so it becomes more of a wash item.

S. Fitzgerald noted that we get credit with the EPA (Environmental Protection Agency) for putting a conservation message on the registration holders.

F. Hart asked how much the chip holders cost.

M. Pelletier replied that they were \$300-\$375 and have been ordered, but not received yet. She said that if necessary she will encumber the funds from this year's budget to pay for them.

There was additional discussion regarding the Town Clerk Salary line. M. Pelletier reiterated that she thought there was an error and would review the line and report back.

D. Heffernan explained that at this stage the Committee will only be voting whether or not to take these budgets under consideration, not to approve. He added that as part of the process all the budgets will be seen again, with any adjustments that may be needed, before they are voted on for approval.

★M. Sumner moved, second by T. Holt, to take the 2017 Town Clerk's Office Budget under consideration. There was no discussion on the motion. The vote was 10-0-0 U/A.

Tax Collector Budget – Julie McNamara, Town Clerk

Julie McNamara was unable to attend this meeting. S. Fitzgerald presented the Tax Collector's 2017 Budget request noting the following:

Level Funded Budget Lines:

- Telephone	\$ 540.00
- Data Processing	\$ 2,200.00
- Dues	\$ 40.00
- Postage	\$ 1,500.00
- Equipment Repairs	\$ 400.00
- Mileage Reimbursement	\$ 300.00
- Record Registry of Deeds	\$ 500.00

Decreased Budget Lines:

- Mortgage Research (-\$1,000)	\$ 1,500.00
- Training (-\$165)	\$ 375.00
- Office Supplies (-\$200)	\$ 200.00

Increased Budget Lines:

- Part-Time Position (+\$150)	\$ 7,350.00
- Town Clerk Salary (+\$989)	\$ 29,205.00
- Mailing Services (\$100)	\$ 5,000.00

S. Fitzgerald noted that the bottom line Tax Collector's 2017 budget request was \$49,110.00 (decrease of \$126.00).

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

There was an increase in the Tax Collector's Salary by vote at Town Meeting. It was noted that there was a decrease in the mortgage research line due to a new company that offered more favorable terms for research. The telephone lines are becoming more standardized with the new VOIP system. It was noted that the BOS is considering centralized some telephone costs. Data Processing was noted to be a 4th quarter expense.

F. Hart asked who was responsible for the collection of liens on property.

S. Fitzgerald replied that collection of liens is a statutory authority and the Town works with Town Counsel for this purpose.

S. Fitzgerald offered that the postage line was reconciled quarterly and there may be adjustments made. He added that less postage needs were anticipated as the economy was better and there were less collection needs, which are initiated by certified mail.

The Committee asked that J. McNamara be invited back to answer any questions. (Parking Lot Item)

★D. Heffernan moved, second by T. Holt, to take the 2017 Tax Collector's Office Budget under consideration. There was no discussion on the motion. The vote was 10-0-0 U/A.

Finance Administration – S. Fitzgerald, Town Manager

S. Fitzgerald presented the Finance Administration 2017 Budget request noting the following:

Level Funded Budget Lines:

- Date Processing	\$ 4,500.00
- Training	\$ 1,000.00
- Office Supplies	\$ 1,000.00
- Mileage Reimbursement	\$ 350.00

Decreased Budget Lines:

- Professional Audit (-\$4,800)	\$ 13,700.00
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Increased Budget Lines:

- Salaries/Accounting (+\$24,500)	\$110,760.00
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S. Fitzgerald noted that the bottom line Finance Administration 2017 budget request was \$131,310.00 (increase of \$19,700.00).

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

S. Fitzgerald noted that the DRA breaks out the Finance Administration Budget from the Financial Accounting Budget.

It was noted that Data Processing is a 4th quarter expense.

There was discussion on the Finance Director Salary line. It was noted that the BOS was again leaning towards a Finance Director over a contracted CPA (Certified Public Accountant) in order to have more availability during business hours. It was noted that there was also money requested for an AP/Payroll (Accounts Payable) Clerk. There was a reduction in the professional audit line, based largely on the work that the CPA has been able to do in preparation for those annual audits.

Committee members expressed surprise that a Finance Director was once again being considered. It was noted that this was just the salary request and that roll-up costs (insurance, etc) would be included in the personnel budget.

S. Fitzgerald noted that there had been a discussion of the pros and cons of having a contracted CPA versus a Finance Director.

There was additional discussion of a Finance Director versus a contracted CPA. It was suggested that a full time Finance Director would offer more availability to the Town Manager and Department Heads and the contracted CPA could still be used for special projects if needed, such as the bond.

There were questions as to where in the hiring process the Town was. It was noted that there were interviews being conducted and BOS was in support of the Town Manager hiring a full time Finance Director. It was questioned what would happen if a full time Finance Director is hired and the Budget Committee does not approve the funding in the budget. It was noted that it would be problematic for any potential candidate for the position.

F. Hart asked if once the position was filled could the Budget Committee get monthly expense and revenue reports. It was confirmed that they could be made available. (PARKING LOT ITEM)

S. Fitzgerald noted that the lack of a full time Finance Director shifted a lot of the day-to-day tasks to other town staff. He added it was nice to enjoy the level of expertise of the CPA but the daily support is lacking. S. Fitzgerald explained that they were looking for the right candidate that can offer all the Town needs.

The BudCom requested a copy of the job posting for the Finance Director position. (PARKING LOT ITEM)

★D. Heffernan moved, second by T. Holt, to take the 2017 Finance Administration Budget under consideration. There was no discussion on the motion. The vote was 10-0-0 U/A.

Financial Accounting – Sean Fitzgerald, Town Manager

S. Fitzgerald presented the Financial Accounting 2017 Budget request noting the following:

Level Funded Budget Lines:

-	Budget Committee Secretary	\$	1,500.00
-	Budget Committee Expenses	\$	500.00

Decreased Budget Lines:

-	Treasurer's Salary (-\$132)	\$	7,112.00
-	Mileage (-\$300)	\$	200.00

S. Fitzgerald noted that the bottom line Financial Accounting 2017 budget request was \$9,312.00 (decrease of \$432.00).

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

It was noted that the Treasurer's Salary is set by Town Meeting.

There was a discussion regarding the Budget Committee Secretary line and whether it was adequately funded when the meetings were counted up. It was suggested that the line be looked at again in December to see if an adjustment needs to be made. (PARKING LOT ITEM)

★M. Sumner moved, second by T. Holt, to take the 2017 Financial Accounting Budget, in the amount of \$9,312 under consideration. There was no discussion on the motion. The vote was 10-0-0 U/A.

COMMITTEE REPORTS

Safety Complex Building Committee (SCSB)

M. Sumner noted that the SCSB was meeting every two weeks on a Thursday morning. She added that a ground breaking ceremony was scheduled for October 8 at 9:00 a.m. at the site.

CIP

J. Sherman reported that they were just wrapping up a few dollar amounts that needed to be added to the spread sheet.

OLD BUSINESS

Parking Lot

Item #1: Budget Comparison Spreadsheet: It was noted that the corrected budget report had been emailed to the members and a hard copy in their folders at this meeting.

Item #2: Elected Officials Handbook: S. Fitzgerald offered that he gave a draft copy of the handbook to S. Cafiso and J. Sherman for review and comment.

New Items Added:

- UFB Analysis (Item #3)
- Schedule J. McNamara to come before the Board for questions/comments (Item #4)
- Begin distributing monthly Expense/Revenue Reports (to begin with hiring of Finance Director (Item #5)
- Provide Finance Director Job Posting (Item #6)
- Revisit BudCom Secretary Line Item (December) (Item #7)

NEW BUSINESS

There was a brief discussion on the recent assessment of properties. S. Fitzgerald noted that this was a “values anew” year which resulted in commercial property values increasing by 14% and residential by 7%.

J. Sherman noted that this was “on average” and not all properties saw the same increase or decrease.

S. Fitzgerald added that Commercial was paying an average of 3% more of the tax burden and residential 3% less. He noted that the economy was in better shape than before which was a good thing for the tax rate. He reminded that the Debt Service on the new Police Station bond does not hit the budget until next year.

There was no additional business before the Committee and the meeting was adjourned at 7:48 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary