



**BUDGET COMMITTEE MEETING
POST TOWN MEETING/RE-ORGANIZATIONAL MEETING**

April 12, 2016

Call to Order: 6:30 p.m.

ROLL CALL

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

Also Present: Sean Fitzgerald, *Town Manager*

The Pledge of Allegiance was lead by S. Fitzgerald

APPROVAL OF MINUTES

Minutes of January 12, 2016

★T. Holt moved, second by D. Heffernan, to approve the minutes of the April 12, 2016 meeting.

J. Sherman noted an error on page 13 in the paragraph noted below. The word “approved” should be “requested” as the intent was to compare “apples to apples” in the analysis.

“J. Sherman noted that he had done an analysis of this year’s budget request vs. last year’s ~~approved~~ requested budget. He offered that he compared the operating budgets and the Warrant Article requests, excluding the Safety Complex Expansion, and the request is down by approximately \$85,000.”

★T. Holt and D. Heffernan agreed to amend their motion and second to approve the minutes with the noted change to the minutes of January 12, 2016.

There was no further discussion on the motion. The vote was 6-0-4 (Nifakos, Hart, Sullivan and Lambert abstaining)

★D. Heffernan moved, second by T. Holt, to approve the minutes of the January 30, 2016 meeting. There was no discussion on the motion. The vote was 7-0-3 (Hart, Sullivan and Lambert abstaining).

RE-ORGANIZATION OF THE BOARD

Nomination for Chair

★M. Sumner moved, second by T. Holt, to nominate D. Heffernan as Budget Committee Chair. There were no additional nominations. The vote was 9-0-1 (Heffernan abstaining).

Nomination for Vice Chair

★L. Milette moved, second by S. Cafiso, to nominate Francine Hart as Budget Committee Vice Chair.

★T. Holt moved, second by D. Heffernan, to Martha Sumner as Budget Committee Vice Chair.

There were no other nominations. The nomination of Francine Hart was proposed first and was brought to vote first.

The vote was 5-3-2 (Sumner, Heffernan and Holt dissenting; Hart and Sherman abstaining), the motion carries and Francine Hart will be Budget Committee Vice Chair.

Committee Assignments

A brief description of each committee was given. It was noted that since the Warrant Article to bond a new Safety Complex was approved that there may be changes made to the Public Safety Complex Expansion Committee to more it more towards building disciplines. It was also noted that there had not been any meeting for the Highway Garage Committee and it had not yet been determined if they would be meeting this year.

The following Committee Assignments were made:

Capital Improvement Program (CIP)

Francine Hart
Scott Sullivan
Sam Cafiso, Alternate

Public Safety Complex Expansion Committee

Dennis Heffernan
Martha Sumner
No alternate appointed

Highway Garage

Sam Cafiso
Laurie Milette
Dean Nifakos, Alternate

F. Hart suggested a new committee be formed to draft written policies and procedures for the Budget Committee. It was noted that the RSAs are the rules that govern how the Budget Committee functions.

There was a brief discussion about the role of the Budget Committee and the Board of Selectmen in the budget process and proposing the Warrant Articles. It was noted that each board has different responsibilities and are independent of one another.

S. Fitzgerald noted that his office was currently drafting a handbook for elected officials about the different boards and committees and what protocols they operate under. He added that he hoped it to be available within 4-6 weeks.

REVIEW OF TOWN VOTE

S. Fitzgerald went through each of the Warrant Articles that appeared on the March ballot. He gave an explanation of each of the Articles and noted the vote count for each:

There was discussion about the Department of Revenue Administration (DRA) and Bond paperwork related to the expansion of the Public Safety Complex. Timelines were discussed to make best use of low interest rates and to avoid increases in building material costs.

There was a discussion regarding when the construction of the expansion to the Safety Complex could begin. S. Fitzgerald noted that he has been informed from the CPA firm that operating funds can be used to start the project prior to securing the bond funds. The monies spend would then be replenished to the operating budget. S. Fitzgerald added that he was seeking confirmation from bond counsel before making a recommendation to the Board of Selectmen on a start to the project.

There was discussion regarding how invoices would be paid out during the construction process and whether or not those documents would be available for review. It was noted that invoices would be paid expeditiously; in an effort to keep costs low and that all documents are part of the public record. It was noted that they may be posted to the Town's website.

It was noted that the operating budget passed easily, which was attributed to the time and efforts put in by the Board of Selectmen, Budget Committee and the Department Heads to prepare reasonable budgets. It was also noted that there was information available to the public on the website as well as with cable shows.

It was noted that all Warrant Articles passed with the exception of:

P-16-07 - UNMARKED POLICE VEHICLE CAPITAL RESERVE FUND CREATION AND DEPOSIT

It was noted that the companies seeking to replace the Highway Department loader would have their machines available on site on Wednesday, April 13, 2016 from 8:00 a.m. to 3:00 p.m.

There were two (2) Warrant Articles that were not budget related; Solar Exemption and a Citizen's Petition to require residency for employees making more than \$60,000 annually.

There was discussion about the Citizen's Petition. All Citizens' Petitions with adequate signatures must be placed on the Ballot whether they can be legally defended or not. There are other towns that have passed such policies which have been successfully challenged in the courts by employees and unions. Legal counsel is being sought in advance to prevent costly future lawsuits.

S. Fitzgerald noted a number of new Capital Reserve Accounts were established. He added that these accounts not only help keep taxes level while saving for capital expenses, but allow the Town to be competitive when grants are available by not only having the funds to make projects "shovel ready" but by having matching funds available if a grant calls for it.

D. Nifakos asked if the over tax impact of the Warrant Articles, particularly P-16-02 (Safety Complex) have been worked out.

S. Fitzgerald offered that if everything was static it would be easier to estimate. But there are a number of variables that make it challenging to estimate the tax impact of any project or Warrant Article. He noted that this year would be a "values anew" year and all properties in Town will be evaluated, including the commercial district. He discussed the factors that impact the tax rates including what is assessed for state, county and school taxes, which the Town has no control over.

There was discussion about how the Town assesses property. It was noted that the town is divided up into section that are re-evaluated on a cycle. Then the entire town is re-evaluated as a whole every five (5) years. There was discussion regarding the pros and cons of just re-evaluating the entire town every five (5) years. It was noted that real estate market values could have great swings in a five (5) year period and that could be reflected both negatively or positively in property values. This could impact property owner's ability to sell their property as any improvements, depending on their timing, may not be captured. It was offered that the current system brought a general fairness and protected property owners from abrupt changes over time.

2016-2017 BUDGET SCHEDULE

J. Sherman explained that the Budget Committee establishes their schedule for review and then the Board of Selectmen schedules their review accordingly. He added that each individual budget gets reviewed at least three (3) times.

There was discussion regarding the schedule and how to start early enough for proper review, considering holidays, but not so early that accurate information is not yet available.

NEW/OLD BUSINESS

There was discussion of the difference in the overall budget request between budget year 2015 and 2016. It was noted that if the Warrant Article for the Public Safety Complex was taken out of the equation, and considering the operating budget and Warrant Articles, the 2016 Budget request was less than what was requested in 2015. How the Board of Selectmen uses the Unexpended Fund Balance (UFB) to offset taxes and/or reduce tax rates was also explained. It was noted that the 2015 financial audit was not yet complete and therefore the balance of the UFB was not available, but was estimated to be over \$2.5M. That final number will have to be certified by the DRA. It was noted that DRA guidelines suggest 5%-12% for the UFB. There was also discussion regarding how TANs (Tax Anticipation Notes) work and how the Town has not had to make use of one for a number of years.

There was additional discussion regarding a table the J. Sherman had prepared that compared the 2015 budget request to the 2016 budget request.

S. Cafiso noted that he did not like the language of the intent statement in some of the Warrant Articles as he felt it was too much like a sales pitch.

There was discussion about how to word the intent statements. It was noted that DRA had reviewed and approved the language of the Warrant Articles. Some agreed with S. Cafiso and others felt that it was more of an explanation than a sales pitch. It was discussed whether or not costs of repair and added life expectancy should be included in intent statements for new purchases to allow voters to compare before voting. It was noted that the intent statements have come a long way in the last number of years to give the voters more information about what they are voting on. There was discussion regarding including a contingency plan should Warrant Articles be defeated, though it was cautioned that the language should not sound like it was a threat. It was suggested that all these elements needed to be considered further when reviewing the proposed Warrant Articles and intent statements.

There was no additional business before the Committee and the meeting was adjourned at 9:17 pm

Respectfully Submitted:

Dee Voss
Recording Secretary