

DRAFT MINUTES

BUDGET RECOMMENDATIONS COMMITTEE MEETING

MINUTES

April 27, 2011

1. Call Meeting to Order

Committee member Don Brabant called the meeting to order at 7:00 p.m. in the Wheelwright Room of the Town Offices. Present in addition to Mr. Brabant were committee members Allen Corey, Corey Stevens, Harry Thayer, Bob Kelly, Mark Leighton, and Don Woodward. Carol Walker Aten and Dan Chartrand were noted as absent. Both had contacted the Town Manager regarding their inability to be present this evening. Also in attendance were Selectman Don Clement, Selectman Frank Ferraro, Town Manager Russell Dean and Staff Accountant Laura Hill.

2. Election of a Chair. Mr. Kelly nominated Mr. Brabant to serve as chair of the committee. Mr. Woodward seconded and the motion carried. Mr. Brabant will serve as Chair.

Chairman Brabant then opened discussion on the budget process. Members had been asked to weigh in on what they thought was good and bad about last year's process. Mr. Woodward expressed his concern that the Town can't set a budget properly because of delays from the State, things are always changing and uncertain. This impacts the process. He suggested the committee can only focus on knowns. Mr. Kelly expressed the sentiment that if salaries and benefits are fixed there is very little for the budget committee to focus on as discretionary. Mr. Leighton asked how much of the budget is non-personnel. The Town Manager stated salaries and benefits make up the greatest percentage of the total budget. When you add other fixed obligations like debt service and other fixed costs, the percentage goes higher, leaving very little to be considered discretionary. Mr. Kelly then indicated a simple expense budget was desirable.

There was much discussion regarding budget updates and the amount of paper the committee gets and the versions. The Town Manager noted last year there were hundreds of changes, and efforts were made to keep the budget committee up to date with the latest numbers at each meeting. He is open to suggestions on simplifying the process. It was discussed that updates should be "as needed" during the process and by the request of the committee. Members should make their own notes on the budget and understand the changes that are being made. The Town Manager stated targets are important – what is the goal. Also to outline the traditional process, the Departments put together their requests in late July and early August, which are then reviewed by the Town Manager. He forwards this information to the Selectmen the third week of September which is then turned over to the Budget Recommendations Committee to review. Some Towns have a more express budget process but Exeter's is traditional without any firm dates other than those required by SB2. The Town Manager plan requires estimates to be submitted by the end of January which does not synchronize with the SB2 schedule, requiring modifications.

Chairman Brabant then expressed a desire to get more guidance from the Selectmen earlier in the process. Mr. Thayer agreed and would like this understood before the committee starts the process. Timing was discussed. The general sense of the committee was they would like the Selectmen's participation in their process and to hear their opinions. Mr. Clement weighed in and said although they could offer opinions, both he and Mr. Ferraro were individual members of the Board and therefore would be speaking as individuals not as a board. He was unsure if this made sense. Mr. Brabant

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expressed it would still be helpful to hear individual opinions of the Board members if it could be done. Various ideas were discussed regarding budget targets – dollars versus percentage, and what was more relevant. Mr. Corey indicated he thought departments should be starting with a zero based budget, and build from scratch. What do you need to operate this year.

The committee expressed a desire to get revenue numbers in a timelier manner. Last year they were presented during the sessions in November. The Town Manager indicated this could be done.

The issue of subcommittees was then discussed. Chairman Brabant asked for input from the members. Much discussion ensued about potential subcommittees and structure, reporting and effectiveness or lack thereof of the old written reports.

The conclusion of the discussion was that three subcommittees would be formed: one for police and fire, one for recreation, and social services, and one for DPW. Everything else would go to the full committee during the budget review process.

Chairman Brabant then asked if the committee supported the concept of a subcommittee and or a department to develop at least one idea for lowering an expense or raising a revenue. The committee agreed this would be a positive step. It was also discussed it needed to coincide with guidance from the Selectboard.

The issue of budgets was then again raised with the reports issue clarified. The committee will not ask for a new budget every meeting. There will be updates on request.

Mr. Leighton departed at 8:05 p.m.

Subcommittee assignments were made as follows: DPW – Bob Kelly, Corey Stevens, Mark Leighton. Police/Fire – Harry Thayer, Don Brabant, Dan Chartrand. Recreation and Social Services – Allen Corey, Don Woodward, Carol Walker Aten. All other functions will present to the full committee.

Chairman Brabant discussed future meeting dates. It was agreed a schedule would be worked out with a future meeting in July. The July meeting would be to review 6 month expense budgets and revenues year to date compared to 2011 budget and then another meeting in September to review eight month numbers and to set the budget calendar. Selectman Ferraro expressed the Selectboard and the Budget Recommendations Committee should have a joint meeting. This will be discussed with the Selectmen.

Chairman Brabant reported a ‘rules of the road’ would be distributed to the membership indicating subcommittee posting requirements, minutes, etc.

Selectman Ferraro asked when the budget recommendations committee would need to know what the Selectmen budget goals were. Chairman Brabant indicated not until the Budget Recommendations Committee was close to getting budgets to review.

It was then suggested by Chairman Brabant that the Board of Selectmen meeting with the Budget Recommendations Committee after the Selectmen finalize the budget to alert the committee of the value of their work and the rationale the Selectmen used to modify the budget if they choose to do so. This meeting would take place in January.

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Selectman Ferraro raised the issue of modifying the fiscal year to coincide with the state. This would involve going from a calendar year budget to a fiscal year budget beginning July 1st. The school district is also on a July 1st budget year. The Town Manager stated this was a rational idea but would require much public education and the potential issuance of a third tax bill to cover the 18 month transition budget.

Mr. Thayer asked about the 2011 default budget being higher than the regular budget. The Town Manager stated that is the case, and the Selectmen voted to set aside the difference in a default reserve and implement their recommended budget which was lower than the default. Selectman Ferraro asked if the money could be used to offset the budget. The Town Manager stated appropriations are as voted by the voters, but if the money is unspent it will revert to general fund surplus and could be recognized as part of the 2012 budget plan.

3. Adjournment

Mr. Kelly moved to adjourn, seconded by Mr. Woodward. Motion carried and the committee was adjourned at 8:45 p.m.

Respectfully submitted,

Russell Dean
Town Manager