

# **DRAFT MINUTES**

## **Budget Recommendations Committee Minutes**

**September 20, 2012**

Place: Nowak Room, Town Offices

Time: 6:00 p.m.

Present: Chairman Corey Stevens, Mark Leighton, Rob Corson, Don Woodward, Allan Corey, Carol Aten, Bob Kelly, Bob Wentworth, Financial Director Doreen Ravell, Staff Accountant Laura Hill, Selectwoman Julie Gilman, Selectman Matt Quandt, Selectman Harry Thayer, Selectman Don Clement, Selectman Frank Ferraro, Selectman Dan Chartrand, Town Manager Russell Dean

The meeting was called to order by Corey Stevens.

The minutes from the August 23 and September 20, 2012 meetings will be reviewed at the October 25, 2012 meeting.

Mr. Dean reviewed the 2013 Town Budget Request for the committee. The budget requests from the various departments are only slightly changed from last year. However, more than half of this year's budget increase is attributable to health insurance costs and retirement costs. The health insurance costs fluctuate every year but hopefully the Town expects a more favorable rating in October 2012. The retirement costs increased in part to the Town absorbing the State's 35% share of those costs.

Mr. Dean said the increase in the sewer fund request is due to legal costs concerning the EPA permit, capital items such as the Jady Hill project and \$50K set aside for emergencies. Mr. Thayer asked into which fund the 4\$K from the sale of scrap brass by the Water Department was deposited. Mr. Dean said that Ms. Ravell will investigate.

Mr. Dean commented that the revenues will likely remain flat. There may be some increases with revenue from building permits and vehicle registrations.

Mr. Corson asked how the budget request for wages (under FY2013 Budget Notes) is arrived at without an estimate. Mr. Dean explained that the bargaining agreement request goes in as a warrant article in 2013 and then appears in the 2014 budget.

Mr. Dean also reviewed the various 2013 Budget Initiatives. For example, the increase in hours for the Town Manager's Office Administrative Assistant will allow better office coverage for residents. Also, more time is required for all the AA responsibilities, including building maintenance, office manager function and permits.

Also, the GIS system needs updating in order to plan for the future. A user group explored how the system is used, where it is not integrated and how department could use it. A consultant would be hired to make recommendation for an updated system.

The item on an emergency fund under the Water and Sewer Enterprise Budgets section generated some discussion. Mr. Kelly asked about the difference between reserves and an emergency fund. Mr. Dean explained that auditor's do not want to see spending of reserve funds. The emergency fund is budgeting for a contingency. Mr. Woodward suggested that the Water & Sewer Committee give recommendations to the Board of Selectmen.

Discussion followed Mr. Dean's full review of the 2013 Budget Request. Mr. Woodward stated that he is not comfortable with the overall 4.95% increase in the budget and would like to see it reduced. However, it is understood that the pension and healthcare costs are outside of the Town's control. Mr. Chartrand said the level service funding streak needs to be broken this year. Ms. Aten suggested that looking at where to spend money and where to save money needs to include a review of each department with a focus on productivity and enhancing services. Mr. Stevens recommends that each department give a good presentation that highlights those areas of productivity, enhancement of services, benefit to residents, etc.

Mr. Ferraro noted that the five-year average of the Board of Selectmen's recommendations for the budget increase has been at 2% and 10% for the tax rate. He asked what the tax rate increase would be with a budget increase of almost 5%. Mr. Dean responded that the Town offers many services, has many full capital projects on-going and becoming part of the budget, and many tax-exempt properties and exemption programs (i.e., veterans, senior citizens). These services affect the tax revenue available, however, this is a policy issue as well. Ms. Aten suggested that the tax exemption programs be reviewed and Mr. Chartrand agreed further discussion on those programs would be helpful. Mr. Ferraro suggested a target increase of 2%. Mr. Kelly noted that, once the health insurance comes in, it will reveal how much flexibility the budget allows.

The Budget Recommendations Committee will next meet on Thursday, October 25, 2012 for an all-day session including the review of Budget sub-committees' reports. This meeting is scheduled for 8:30 a.m. to 4:00 p.m.

The committee stood adjourned at 8:00 p.m.

Respectfully submitted,

Chris deZarn-O'Hare  
Recording Secretary