

Draft Minutes
Budget Recommendation Committee
7/26/17

1. Nomination/Election of Chair and Vice-Chair

Bob Kelly began the meeting at 6:30pm, in the Nowak Room of the Town Hall Offices, by having all of the committee members introduce themselves. Present at the meeting were Fran Hall, Christine Soutter, Bob Kelly, Niko Papakonstantis, Peter Lennon, Don Clement, Nancy Belanger, Len Benjamin, Nicholas Gray, Steve Ramsey and Judy Rowan. Also present: Town Manager Russ Dean, Finance Director Doreen Ravell. The committee then moved to nominate a chairman and vice-chairman.

MOTION: Nancy Belanger moved to nominate Niko Papakonstantis for the position of chairman. Donald Clement seconded. All committee members voted aye unanimously.

MOTION: Peter Lennon moved to nominate Fran Hall as vice-chairman. Judy Rowan seconded the motion. The motion passed unanimously.

2. Introductions/Opening Remarks

a.) Selectboard Chairman Don Clement

Don Clement began by welcoming the committee and thanking everyone for coming. He said that the Board of Selectmen and Budget Recommendation Committee have both done a good job at minimizing spending increases while still delivering good services to the town. He pointed out numerous capital projects that are being done such as the Spring Bridge rehabilitation, Court Street culverts, the Wastewater Treatment Plant, Lincoln Street, and so on. He stated he was looking forward to analysis and recommendations towards these.

In the next few months, the committee should have revenue and spending projections for the upcoming 2018 year. He said that three-quarters of the operation budgets are wages and benefits, and that the committee should look carefully at staffing needs. Something else to consider is that 50 million dollars in a recent capital project approval goes towards the wastewater treatment plant, which is important to think about when looking at future water and sewer projects.

b.) Additional Selectboard Perspectives

The additional selectboard members present introduced themselves. Anne Surman, Kathy Corson, and Dan Chartrand were all present. Additionally, Doreen Chester introduced herself as the finance director.

3. Report from Town Manager

The town manager, Russ Dean, began his report. He stated that the fiscal year of the town runs from January through December, and that they start the fiscal year in the middle of budget preparations for the same fiscal year. By the time fiscal year 2018's budget is adopted, they will already be almost three months into the fiscal year that the budget supports. The RSA's allow the town to function in a basic manner until a budget is formed. In March, the budget is approved and in April is when bonds and purchase leases and other financing is applied for. In May, they issue the first half of tax bills which are based on the prior year's tax rate. In June, the town planner and manager meet with the departments to review capital improvement projects. In July, the budget recommendation committee organizes and chooses its subcommittees.

In August, the preliminary budget is due by the 25th of the month and they review the initial budget request during the fall. The capital improvement program is reviewed in August and approved in September. In September as well, the town budget is sent to the Selectboard and the budget recommendation committee. They will also file the MS1 reports with new values during this time, and the prior year's audit is completed. In October, the budget recommendation committee will have received the preliminary budget. The health insurance increase estimate also comes out around this time. In November, full budget recommendation committee meetings occur with public hearings, deliberations on budget and warrant articles and capital improvement plan items. They also will issue the second half of tax bills with new tax rates based on the March budget. Recommendations are then forwarded to the Selectboard, and taken up formally in December. In January, the hearing process happens. He also wanted to point out that we have two collective bargaining agreements that will expire this year – police and fire. The public works collective bargaining agreement is settled through 2018.

a.) Overview of Town Government Structure

Mr. Dean continued with the town government structure. He began by stating that there are about 250 names on the town's payroll, then delved into each department's budget. The transportation department is the COAST assessment. For the legal budget, the town attorney is a contractor and not an employee. The town also employs special counsels based on different topics. For finance and accounting, the town has a contracted tax assessor and recently established a deputy assessor. The planning and building department contains planning and economic development, inspections and code, and 3 boards. They each have relatively modest budgets.

The big 3 in the town budget include police, fire/EMS, and public works. These take up about 70% of the general funding. The police is broken down by program including administration, staff, control, animal control, and communications. They have one dispatcher funded by the fire department budget. Under the fire department is

administration, suppression, and emergency management. They also have a full-time health officer. EMS service is a revolving fund budget, where 95% of any surplus goes back to the general fund. Public works includes administration/engineering, highways and streets, snow and ice, solid waste (where they have a new contract with Waste Management), streetlights, and maintenance. Mr. Dean recommended that everybody look at the town facilities plan.

The welfare department budget includes human service grants. The town is required to provide direct relief for people who qualify. Parks and recreation includes the administration budget, maintenance, and a recreation revolving fund where all the program revenues go.

For the library budget, they must have a discussion with the library trustees who oversee putting together the budget. Fran Hall asked if there was a major project going on with the library, and if it would be part of the capital improvement plan. Mr. Dean said they are putting together the capital improvement plan, and that the project would be part of that. He said that multiple boards were involved in the project, and the library is scheduled to make a presentation in September. Judy Rowan asked if we could make the budget process more involved. Mr. Dean encouraged a lot of communication when establishing a subcommittee between the budget recommendation committee and the trustees. The library is treated as a special fund. Peter Lennon commented that this has led to a sense of independence from the trustees, and asked how we could make the trustees mindful of the spending needs of the town.

Christine Soutter asked to clarify the way that their budget works, because their budget seemed finished before other could look at it. Mr. Dean said that we handle their payroll and that their expense budget is doled out in quarterly payments under public services. The RSA they operate under is specific for libraries and allows the trustees to present their budget to the town. Very little can be done about it if it comes from the trustees. Bob Kelly asked if they came with a large capital budget. Everyone answered that it was a few years ago. Mr. Kelly said that they were inclined to not think about it because the trustees have so much control. Don Clement said that the trustees have public meeting, and that maybe we could ask to go to their first budget session. It is important to reach out to them.

Dan Chartrand said that he agreed with Mr. Kelly, and that the biggest discrepancy was that the library is managed by candidates that put themselves up for trustees so it is almost internally run. Mr. Lennon asked if the trustees were receptive to suggestions. Mr. Dean replied that he thinks they are, and that the trustees have not put forth too many capital improvement plan items in his years as town manager. He also pointed out that the heritage commission has its own fund as well. The library is treated as special revenue funds and can retain their fund balance. They have turned away money in the past.

Mr. Dean continued with debt service and capital. He referred everyone to the capital improvement plan with financial schedules. Part of the town's strategy is to balance it out by paying off issues as others appear. They have used capital outlay leases to lease

purchase heavy equipment and vehicles. He then moved on to benefits and taxes, saying that there was a health insurance buyout and that we pay 30% of savings, deducting out what they would have paid. 88% Is the current town share.

For warrant articles, the spending requests are above the general fund budget. He went on to enterprise funds, including water and sewer, which were about 5 million dollars and have their own warrant articles and their own process. Next is cable TV, which has its own revolving fund at about 200,000 dollars, which supports channels like educational television and public access.

Mr. Dean passed out a 6-month overview, which was presented by Ms. Doreen Chester on the 24th of this month. Ms. Hall asked if the historical society had any relationship with the budget, and asked if the town could look into that as the society is the keeper of the town's history. Mr. Dean replied that the historical society building is town-owned, and that the town has funded renovations in the building. They also have 6,000 dollars annually in the maintenance operating budget. He said there could be discussion within the committee about what level of support there could be for the society. Mr. Clement said that the townspeople have contributed money to support the society. They could obtain support through a warrant article or a budget number, but it would have to come to the Board of Selectmen.

Mr. Ramsey asked how they could calibrate demand in town for the correct level of support to the historical society. Mr. Chartrand said that they would vote on the warrant, and added that there could be a citizen's petition. Mr. Dean said that it becomes complicated quickly, and asked in what fashion could you allocate money to a non-profit. It is traditionally done through block grants. Mr. Lennon pointed out that at some time, the organization has to be responsible for its own well being and fundraising. Mr. Dean said that if their assets dissolve, they would come back to the town. Mr. Chartrand said that some historic preservation is done by others which the town does fund.,

Coming back to Ms. Chester's report, they are on track for the budget. There was a sewer break on High Street which the town was able to cover, which cost 158,000 dollars. Water and sewer rate adjustments helped a lot from last year. Mr. Dean also said that the building permits are solid. There is an additional 250,000 from the state surplus for highway paving money. The snow and ice budget was already overspent and had at least 50,000 in deficit reserves. Generally speaking, the budget is in good shape but always looking to improve.

b.) Review of 2016 Budget Results – through 6/30/2017

4. BudCom Process Overview:

a.) Meeting/Significant Dates

Mr. Papakonstantis said that the next meeting would be September 20th, 2017, where the committee will review budget. On October 20th, there is an all-day meeting

where they will go over subcommittee reports. Last year there were 5 subcommittees. They have 11 confirmed members of the budget committee. He asked to receive emails about which subcommittee people would most like to serve on, and said that they need a chairman for each subcommittee.

b). Format of Meetings

This was not covered during this meeting.

c.) BudCom Protocols

This was not covered during this meeting.

5. Subcommittee Discussion

There was no subcommittee discussion during this meeting.

6. Other Items/Comments/Questions

Mr. Dean began by saying that the town manager's office is meant to be a resource to help the members of the committee. He said that if there is anything the members need, they should funnel requests through the chairman of the committee, who can then reach out to the office since they don't want any information to be lost or miscommunicated.

MOTION: Chairman Papakonstantis moved to adjourn. Nicholas Gray seconded the motion. The motion passed unanimously, and the meeting was adjourned at 7:45pm.