

Agenda
Budget Recommendations Committee
July 24th, 2019
Nowak Room, Town Offices, 6:30 PM
Final Minutes

1. Member Introductions

Bob Kelly, Anthony Zwaan, Don Clement, Judy Rowan, Dan Gray, Dave Beavens, Tai-Chin Tung, Nancy Belanger, Corey Stevens, Christine Soutter, Nick Gray, Enna Grazier, Liz Canada (partial attendance), Doreen Chester, Russ Dean, and Kathy Corson (partial attendance) were present at this meeting. Mr. Kelly called the meeting to order at 6:31 PM.

2. Nomination/Election of Chair and Vice-Chair

MOTION: Dr. Zwaan moved to nominate Bob Kelly for Chair. Ms. Rowan seconded. All were in favor.

MOTION: Dr. Zwaan moved to nominate Christine Soutter for Vice Chair. Ms. Belanger seconded. All were in favor.

3. Select Board Comments and Goals: Kathy Corson, Chair, Select Board

Ms. Corson thanked the committee members for volunteering. Her expectation is that they will do a thorough and diligent job. The Select Board makes their own decisions, but they will listen closely to the committee's recommendations. Ms. Corson left at this time.

4. FY19 Budget Recap

a. Review of Warrant Results - March 2019

Mr. Dean said that they've been working through the articles passed in the March election. The town got financial statements back from the auditors, and the General Fund balance is just over \$5 million, which is good news. Values have recently gone up 24%, and the assessors held around 200 hearings, which was not a lot. The sewer rate hearing is next week; based on consumption, the sewer side of the bill may increase by 86.7%, but the overall bill would probably see a 27-30% quarterly increase, or an average of \$64 per quarter. They are raising the rates because of the new wastewater facility. The first debt payment is due in January 2021. The capital schedule also has other sewer projects. He spent a lot of time in Concord advocating for sewer state aid, which was on the table to be restored. The Senate and House both supported this; it's not in the budget at this time, but it could make a big difference in the billing.

Ms. Chester gave an overview of the financials through June 30, 2019.

The General Fund revenue is at 50% collected in most categories. Property taxes were billed. The sale of municipal property generated unanticipated revenue. They're also earning more interest on town funds, with a 2.35% interest rate on their investment account. Permits are up over what was anticipated by \$68,000.

For General Fund expenses, they are 46% spent at \$8.8 million. It was a bad winter for snow and ice, which fund is almost fully spent at 92%. \$100,000 is left in the account. In Planning and Building, there was an MTAG grant which had matching expenses. The big debt

service payment in the Sewer and Water Funds is due July 1, which will be reflected in Q3; the payment in February is on interest only. The Water Fund is healthy, at 50% revenue; the prior year's rate increases helped. In Water Fund expenditures, they are 45% spent. The debt service looks low, but will come in Q3. Sewer Fund revenues are 60% collected. Impact fees are up over anticipated. Overall the budget is 59% spent. 38% was used for the Sewer Fund due to the capital outlay for the Wastewater Treatment Plant.

Mr. Clement asked whether a large building project was driving up the Building Fund Permits and Fees. Large building project. Ms. Chester did not know, but said she would follow up. Mr. Clement asked about the Primex insurance line, at \$65,000 for 2019, but already running \$18,000 more. Ms. Chester said there would be some refinement of the allocation of assets, but they are still in the budget planning process.

Mr. Stevens asked about the health insurance and sick leave buyouts. Ms. Chester said they have a general idea of the buyout, but they don't know for certain until after enrollment is finalized in November. The sick leave buyout is more unpredictable. Mr. Dean said that people can still change plans or opt out in November. They also have another open enrollment period with adjustments when they finalize a new collective Bargaining agreement. This year, two employees opted out of insurance.

5. Town Manager Report

Mr. Kelly asked if they should discuss the FY20 budget or wait until September when it's firmed up. Mr. Dean responded that he didn't have much to discuss yet. Most of the work since the March vote has been spent on changes in personnel, which are taking a lot of time. In a couple months he will know more.

6. BudCom FY20 Budget Process:

a. Meeting/Significant Dates

Mr. Kelly said that the preliminary budget will be mailed and emailed to committee members prior to the September 25th meeting. The members will form subcommittees which coordinate with the departments and also provide input on the CIP. The subcommittees are General Government, Police and Fire, Public Works, Parks and Rec, Library, Health and Human Services, and Water/Sewer.

He asked committee members to email him over the next month with which subcommittee they would prefer to be on. He will try to give everyone their first choice of subcommittee, but said that the Chair of each subcommittee should know the department heads and have been around for a while. Before September, they will receive a spreadsheet template that provides a narrative of what the subcommittee and division are, as well as areas to report on with financials, budget, and alternative recommendations (if any). Subcommittee reports should be as detailed as possible. They used to have presentations given by the departments, but the meetings would last four or five hours, so they now rely on the subcommittee to give an overview and their assessment of the proposed budget.

The first meeting will be Wednesday, September 25 at 6:30 PM. All evening meetings will be televised. On Friday, October 18th, there will be an all day meeting, in which they cover all of General Government. The rest of the meetings are at 6:30 PM. Police and Fire, Water and

Sewer, and Public Works each take multiple hours. There will be an updated CIP booklet, but there's also a multiyear CIP book which has projects that still apply to 2020.

Ms. Rowan said she appreciated in the past that the Chair kept track of who wanted to speak and in what order, so that everyone has a chance to speak. In the past, remarks were made that female members did not appreciate, so she asked the members to please be respectful.

Mr. Kelly said that Ms. Tung has taken a new position that will require travel; she's interested in being on the General Government subcommittee, but will probably only be able to attend the kickoff meeting. She can weigh in by email and help with the subcommittee report, but the committee will be down a member in the October and November meetings. He asked for more volunteers from the public. Ms. Belanger said that if both she and Ms. Tung are assigned to General Government, they have a game plan to work via Skype.

Ms. Canada arrived at this time.

7. Other Items/Comments/Questions

a. None

8. Adjournment

Mr. Kelly said the meeting stands adjourned. He added that the members will get an agenda and preliminary budget by email, and to please send in their subcommittee requests. The meeting ended at 7:13 PM.

Respectfully Submitted,
Joanna Bartell
Recording Secretary