

Enfield Budget Committee MINUTES (Draft)

Thursday, January 19, 2017 DPW Building 6:30PM

Members present: Sam Eaton (chair), Shirley Green (vice chair), Annabelle Bamforth, Fred Cummings, James Buffington, Mike Diehn, Mark Eisener, Janet Shepard, Nancy Smith, Holly West

Excused:

Absent:

Others Present: Steve Schneider (town manager), Alisa Bonnette (assistant town manager)

Administrative: Sam called the meeting to order at 6:32 p.m.

New Business:

Approval of minutes:

Mark made a motion to approve the minutes of the January 12 meeting. James seconded.

The following corrections, clarifications and additions were advised by members of the budget committee (advised changes and additions are underlined).

Changes advised by Janet:

- “The retirement line has gone down; it was at \$312,000 and is now at \$280,000. Steve said it’s possible to go a bit lower to \$275K.”
- Fred cautioned against cutting the general operating budget too tightly and eating into the “rainy day”, or undesignated₁ fund (UDF).

Change advised by Fred:

- “Fred disclosed to the committee that the selectboard had voted to set the starting salary for the new town manager of up to \$110,000.”

Changes and additions advised by Holly:

- “Holly suggested looking into ways to locate and apply for grants that might help reduce the tax rate. Fred noted that it’s difficult to find grants for municipal operations. Holly agreed that many of the grants are specialized and often very specific. Holly requested a copy of the grant revenue information.”

- “Holly asked if there was any analysis done on the town’s staffing turnover rate. Steve responded that newly hired police officers sign on for a minimum of three years and noted that it costs about \$20K to train a new police officer.”
- “Holly asked if MRI charges even if they don’t find a town manager replacement. Fred responded that MRI will continue to look until one is hired, and the town has a “buffer” between 6 months and a year in case the replacement does not work out. Holly noted that if MRI’s fees are not negotiable then perhaps the town could negotiate a longer guarantee period of 18 months. Fred also noted that the selectmen ultimately hire the manager, although that decision will be largely based on what will happen within the Town Manager Search Committee.”
- “Holly brought up TerraCycle, a program that offers receptacles for materials that are typically difficult to recycle. She pointed out the possibility of placing TerraCycle bins at the transfer station. She noted that there are some free programs through TerraCycle plus larger bins are available for around \$100-200 and that she will be looking into gathering more information about how TerraCycle works with towns.”
- “Holly updated the committee regarding the human services department working with Friends of Mascoma to address needs requested by applicants who come to Human Services Director Diane Heed. Holly said she touched base with Carol Cusick of FOM; Carol provides a folder to Diane on a quarterly basis to report on what is needed. Diane reports back number of pounds disbursed to patrons (if any) and this information is compiled into reports for the NH Food Bank. Holly said she had also talked with the Womens Health Resource Center and they provide diapers to families in need every 2 weeks, the WHRC provided information that will be posted in the food pantry. The WHRC center also provided information on an organization that is working to start a formula bank, Holly provided her contact information to the WHRC so FOM will receive notification once the formula bank is established. Mike Diehn inquired about a milk bank, Holly noted this is something she can look into as well. The current plan is that Diane will keep a list of what is requested by the applicants that come into the office, and FOM will work to get the items through the NH Food Bank or other organizations if possible.”

The minutes from the January 12 meeting were accepted unanimously with the changes and additions made.

Budget/Revenue/Tax Rate Review:

Steve said that there were no new budgets to distribute this evening.

Sam said he spoke with Police Chief Crate earlier in the week and was informed by Crate about why the overtime line was so low for 2016. Sam said he was told that the department had received grant money for special programs that was applied to the overtime line.

There was some discussion among members about the number on this line not reflecting total overtime spending, as well as discussion about how to properly identify overtime costs. It is difficult to see how much overtime was used by spending grant money designated for special program/initiative-based overtime, and how much overtime was used for regular shift coverage. Steve noted that reflecting the actual overtime cost on that line would require an entirely new accounting program. Holly reminded Steve that she had requested a copy of grant revenue during the last meeting. Steve responded that he thought he'd sent it over.

Fred pointed out that last year the police were short-staffed but appeared to spend relatively little on overtime. He said that should mean that now with the police department being fully staffed, even less overtime should be expected in 2017.

Sam moved to discuss making further budget adjustments. Fred and Sam told the committee about town manager recruitment costs discussed at the Town Manager Selection Committee meeting. The contract is for \$14,000, but there are additional costs that will bring the total to about \$17,500 for recruitment.

Steve said the bottom line estimate for 2017's NPTR is at \$1.852 million. There was some discussion regarding whether the committee should base a 2% increase off of the \$6.73 projected rate, or the established rate of \$7.00.

Sam noted that he hadn't heard back from the town's lawyer regarding the legality of adding overlay, which may have increased the bottom line budget that had been voted on at town meeting. Steve responded that he had heard back from the lawyer later in the afternoon, and the response was that the budget committee does not set the tax rate. Steve said he would request more clarification from the lawyer. Sam expressed concern that this situation could be further complicated if it is found that increasing the bottom line budget after town meeting was improper.

Sam pointed out that there is no stopping the committee from advising a reduced projected tax rate. James questioned the feasibility of reduction. Fred suggested starting at \$7.00 for a projected tax rate and seeing where that gets us. Sam and James agreed. Fred cautioned again about cutting budgets too tightly leading to budget overruns that eat into the UDF. Sam said he believed that that mismanagement of large contracts was largely responsible for the UDF depletion, not the trimming of budget lines. Fred disagreed, responding that the selectmen or town manager did not mismanage contracts, but that contracts were overrun due to increased costs.

Holly asked how the contract with Casella was set up or if there was any trending analysis done for the town. Steve indicated that Casella had not provided such data. Fred noted that the town cannot control the cost increases when more trash is being collected; he added that the town may have some leverage with Casella when the time comes to re-negotiate the contract.

Mike presented the committee with numbers reflecting town property valuation, NPTR estimates, and property tax revenues:

- The current general operating budget request is \$5.6885M.
- NPTR is estimated at \$1.855M.
- Town property valuation is currently 539.8M. A +.025% increase in valuation would increase that number to \$541.1M.
- Property taxes, at a \$7.00 rate, would yield \$3.779M if based on the status quo (\$539.8M) number.
- Property taxes, at a \$7.00 rate, would yield \$3.788M if based on the increased valuation number of \$541.1M.

Fred said he would be much more comfortable, in light of where we are regarding the UDF, adding ten cents to the projected tax rate.

Fred made a motion to suggest a advising the tax rate at \$7.10. Shirley seconded the motion.

Discussion: Fred said that he would be comfortable with that number, as it was less than a 2% increase. James noted that taxpayers were stuck last year having to pay a rate higher rate than projected, which amounted to an ultimate 5% increase in reality.

Sam clarified this was a motion to suggest tentatively using \$7.10 as a projected tax rate for the bottom line budget, not a motion to approve \$7.10 as the suggested tax rate.

Fred Cummings decided to withdraw his motion; Shirley withdrew her seconding of the motion.

Fred suggested a straw poll to replace an official motion to see if members were comfortable with recognizing \$7.10 as a tentative number. 5 members were comfortable, and 3 members were not.

Fred asked if the next meeting could result in a set budget, as the public hearing is coming up soon.

Public Comment: none

Other business: none

The meeting was adjourned at 7:54 p.m. The next meeting is scheduled for January 26th at 6:30 p.m.

Budget Committee minutes taken and submitted by Annabelle Bamforth.