

DRAFT Minutes
12/04/2018 6:30PM Budget Committee Minutes
Public Works Facility, Enfield, NH

Present: Eric Crate, Nancy Smith, Erik Russell, John Kluge, Sam Eaton, Dominic Albanese, Mark Eisner, Mike Diehn, Shirley Green

Excused: Jean Patten

Staff: Town Manager Ryan Aylesworth

Sam Eaton called the meeting to order at 6:28PM

Administrative:

- Minutes approval postponed until later in meeting
- Mike moved to approve the minutes, John second.
- Discussion:
 - The minutes were nicely done 😊
 - Some discussion regarding a discrepancy in dollar amount during the computer price discussion, \$1300 vs \$1500, as it was a discrepancy during the actual discussion it will be left the same.
 - Ryan noted that on page 5, please change language to 'Ryan acknowledged that a lot of towns are already at 90/10 or 85/15'.

Sam request all those in favor of approving minutes as amended, vote unanimous in favor of the motion.

New Business - Review of Budget Requests

- **Library – Melissa**

Page 51 of report. Not a lot of changes. Services and contracts went up because we are now leasing our copier – the past 2 years we purchased new equipment and those purchases come with a service contract, so this expense line item had been down the past two years but now it is back up. We put money in the budget for printing costs relative to promotion, some for the new building and some for posters for events, but mostly for stuff related to the new building and for strategic planning. Special projects needs to be increased from 0 to 2500 or 3000 – Ryan to double check with Alisa to find what is the correct request number here. Fundraising is being kept under Special Projects to be consistent with state recordkeeping (line item 822). Dominic checked back in an email Alisa had sent regarding this and clarified for the group that it was supposed to be in 822 as reflected here but to state 'Fundraising' in the memo field. Dominic added that per the email \$900 was supposed to be added for minute taking which is not reflected here. Ryan stated that there were two reports that Alisa said she made changes to but they did not save; this must be a third one and he will follow up with her. Adding the fundraising amount is the only really big change per Melissa. Sam asked for why salary was broken out for part time and full time some years and was lumped together some years. Ryan stated that there had not been consistency in the past, however, it seems most appropriate to break out into FT and PT which is reflected in this report. They YTD actuals reflect through 11/29, the date the report was done. The library expenses are very consistent year to year. Supplies for workshops are reflected in programming. Bar codes, book covers, pens, are under office supplies. Ryan asked why phone and internet are zeroed out; it turned out this may have been an oversight and Ryan will follow up with Alisa regarding this as well, somewhere in the neighborhood of 2700-2800 dollars. If it is level funded, it will be an additional

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\$2764. Melissa explained that the personnel line is always overfunded to be safe in case something were to happen to any library staff requiring someone to fill in for an extended period of time. In the past it has not been used but continues to be included in the budget to ensure there are no problems. 110 reflects full time personnel, 112 reflects part time personnel. Ryan stated for consistency this is the format and breakdown that will be used going forward.
No further questions were asked.

- **Public Assistance Administration - Diane**

Page 47 of report. Ryan clarified that some of the accounts in the past have been underspent with regard to travel and professional development, however the strategic plan dictates that these be kept and it is our hope that in the upcoming year Diane may take advantage of this and attend a conference that would be beneficial. John asked for clarification on the personnel line. Ryan stated that everyone in the town has been budgeted for a 2.5% cost of living adjustment and the budget did not allow for merit-based increases beyond that this year. Final recommendations will be offered at a later date. Page 48 next: An extra \$950 has been budgeted for fuel. Ryan clarified that the negatives illustrate reimbursements. Last year it was recommended that trust funds did not need to be budgeted. If there was more than someone needed for their furnace, we would have surplus to help people. Dominic asked about miscellaneous – Diane clarified that it was for cremations; \$1000 covers approximately one. Food cards are not an actual expense to the town. Dominic asked how requests have been with the job market being better. Diane stated that requests in general were down however rents have been increasing, leading to increased requests for rental assistance.
With regard to the pantry, we encourage people to get the items that are not available in the pantry – we try to let people know what is available in the pantry so they can use their gift card for other items that are not readily available.
No further questions were asked.

- **Direct Assistance by Agency - Shirley**

Advance Transit – asked for \$5253, increase of \$153, we voted to give them that because they are a valuable service to the town. The visiting nurse association wanted to be level funded, so we did the same as last year (\$13,440). The senior citizens council requested to be level funded so we did the same. Ryan pointed out that Casa and Listen did not request any money this year however it is showing that there was a payment so Ryan is going to double check to make sure that these records are correct. TriCounty Cap was level funded, 1300. Headrest is the same as well, 1500. The new Special needs support center requested 1500. The ‘new’ special needs center has been around since 1982 so are well established, snsc-uv.org.

- **Smaller Committees - Ryan**

Energy – Page 29 of the report. Currently \$2000. Charlie DePuy did not specifically ask for more money so it will be level funded. LED lighting is the current focus, in addition to the weatherize program run by Vital Communities. There is a request to hire someone to read the town’s fuel and electric use and enter to the town’s EPA portfolio manager. This is in keeping with the town’s facilities optimization study. Ryan will follow up with Charlie to see specifically what increases are needed. Dominic brought up the Shed Street building oil usage. This information was obtained from the oil company – could Charlie get the information that he wants directly from the oil company? Sam stated that he assumed the same could probably be obtained from the electric company.

DRAFT Minutes
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Conservation – level funded except for \$250 to pay for a minute taker – this is \$250 more than the year previous. There is grassland mowing and rehab needed, \$600 more in the budget would help with this. Ryan is going to follow up with this group to discuss needs and options.

Heritage – This year they haven't come close to spending their budget. They would like \$1250 this year. Old Home Days is budgeted for expenditures but it is offset by all of the fundraising. No tax dollars are spent on Old Home Days. A great deal of the revenue comes from the ad space in the booklet.

Year-to-date expenditures: As of the 29th, we had about 12% of our operating budget remaining with roughly 8-9% of the year remaining. We may end up with about 3% unexpended which will help with our fund balance. We are on pace to have about \$100,000 more revenue (non-property tax) than was estimated at the beginning of the year. We could be looking at up to a \$300,000 net improvement in our fund balance. This will get us closer to our eventual 1M goal.

Other business:

Eric requested clarification regarding the undesignated surplus that we are trying to build up – it was built up at one time, and then was not...is there anything we can put in place to prevent it dissipating again? Ryan explained that some towns have financial policies/guidelines dictating standard practices regarding what fund balance is used for, and may have prevented previous uses of the town's fund balance that may have caused it to dwindle. It helps show that the town is committed to financial health and is willing to take concrete steps to that end.

Dominic raised the point to the group that historically it was a group effort that brought the town into financial difficulties. Town leadership as a group has to be careful of oversimplifying the events to remain mindful of how this can be avoided in the future.

Erik acknowledged that overspending or inappropriate spending was part of the problem, but what about insufficient fundraising? John Kluge agreed that this was part of the problem, judgment mistakes were made. One issue may have been associated with the determination to not increase tax rate beyond one nickel per year – this may have been a large part of the problem. Per Sam this was instated for 15 years, but this may have brought about unintended consequences – both of this, CIP and TIF money. Ryan pulled up the graph charting the undesignated fund balance. In 2010-2011 it was about level, hovering around 1M. In 2012, it was at just over \$800,000, and then from 2012-2013 it dropped from \$800,000 to \$200,000. From 2013-2014 it went from positive \$200,000 to negative \$100,000. It bottomed out at negative \$220,000 in 2015, rose to about \$9400 in 2016, and now sits at \$80,000. This is right from the strategic governance plan. Shirley asked in what year did we start to see the CIP? Ryan stated around 2011-2012. Ryan further stated that this swing does defy a simple explanation; there were many factors. The point remains that it is not sustainable and shouldn't be replicated. Sam explained a few financial factors that took place that may have affected this – Dominic acknowledged that while these circumstances happened, it was his understanding that none of this could happen without vote by the selectmen and budget committees. Ryan explained that going forward the town should treat the fund balance as one would treat a savings account – if you use your savings account to fund monthly expenses due to budgetary shortfall it will run out quickly.

Ryan also further discussed the municipal facilities study. It is still in process and Ryan has received preliminary reports – there are several buildings wherein there is no feasible path forward for them. When it comes to public safety there are some buildings that will not be able to continue to be useful. The full report should be complete by the end of December, to be shared with the Board of Selectmen and any other committee that would like to join.

Next Meeting –
Saturday December 8th, 8:30 AM

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Sam move to adjourn meeting at 7:40 pm, all in favor.

Upcoming Meetings (Generally meetings are at 6:30PM in the DPW Conference Room):

- Saturday, December 8th **8:30 AM** – DPW, Police, Fire, Ambulance
- Tuesday, December 18th – Ryan's budget proposals