

**BUDGET COMMITTEE  
OCTOBER 30, 2008  
DPW – 6:00 PM**

**Members Present:** Lee Carrier (Chair), Don Crate (Selectman), Judy Finsterbusch, Shirley Green, Gayle Hulva, Gail Malz, Roberta Morse, Lori Saladino, David Stewart (Vice-Chair)

**Excused:** Richard Martin

**Staff:** Steve Schneider

The meeting was called to order at 6:00 pm.

**1. ELECT CHAIRMAN & VICE CHAIRMAN**

CARRIER was nominated and accepted the Committee Chair position.

STEWART was nominated and accepted the Vice-Chair position.

**2. ASSIGN BC MEMBERS TO DEPARTMENTS**

The Committee members accepted the following assignments for review of capital needs, budget overruns, and to conduct general budget discussions on department issues and opportunities with the individual department managers:

<u>Department</u>	<u>Committee Representative</u>
DPW	Malz
Police	Martin
Fire	Stewart
Administration	Green
Library	Morse
EMS (Ambulance)	Hulva
Community Development	Finsterbusch
Building Inspector	Finsterbusch
Cemetery	Stewart
Conservation	Hulva
Recreation	Saladino

**3. REVIEW FY 2009 NON-RECURRING EXPENSES {TAKES}**

The Committee reviewed a handout of 2009 Non-recurring Expenses [Takes]. The list totals \$928,996 and includes the \$113,000 ambulance purchase, \$219,000 DPW equipment purchases, \$400,000 library expenditure, various transfers into capital reserve accounts, etc.

#### **4. HIGHLIGHT FY 2009 BUDGET**

The Committee reviewed a hand out of 2008 Budget vs 2009 Budget by Category comparisons. It includes estimated expenditures for Insurance, Dispatch Service, Library, Interest/Bonds/Notes, and Capital Reserves. The end result is a projected increase of \$118,631 to the General Operating Budget. A 2.8% increase over the 2008 Budget.

A handout of 2004 to 2008 Salaries & Benefits comparisons was distributed. The proposed \$118,236 (6.6%) Salary increase includes the assumption of 4% COLA's, 3% merit raises, and lump payments for longevity. Health insurance costs decreased 0.8% in 2008. The proposed \$6,776 (0.93%) Benefits increase represents a worst case scenario.

#### **5. 2008 TAX RATE**

The tax rate, set by the NH Department of Revenue Administration (DRA), is 6.86. This represents a 3.2% increase over 2008. \$40,000 would be used from the Undesignated Fund Balance to offset revenue downfalls. The School rate is set at 11.82. The State rate increases 2.66. The County rate also increases to \$1.69 for a total rate increase of 23.03 (\$0.42 more than last year).

A rate of 6.84 had been quoted to Town Meeting. The increase to 6.86 resulted from Motions from the floor made to increase expenditures. The Budget Committee had been able to achieve the rate quoted to Town Meeting the last 3 yrs.

#### **6. FY 2007 Audit Report**

Results from the latest audit from year-ending 2007 indicate that the Town is in good shape. \$138,000 of additional revenue was collected and budgeted funds were under spent. Debt service is also very low. The Undesignated Fund Balance for year-ending 2007 was over \$1.3 million. The agreed upon goal is to keep the Undesignated Fund Balance at 7% of the gross appropriations. Currently it is at about 6%.

The Town hired Melanson Heath & Company of Manchester to conduct the latest audit. They utilize the GAAP (Generally Accepted Accounting Principles) guidelines which place a value and depreciation on everything owned by the Town including roads, bridges, etc. The audit identifies a material weakness (water/sewer revenues) and significant deficiencies (no internal auditing and cash in-take by multiple departments). Suggestions were made to seek CPA's within the community willing to volunteer their time to conduct the internal audits or to commence a quarterly audit committee.

The Committee plans to present a big picture of the budget to the Board of Selectmen before Town Meeting. Schneider said the Selectmen had undertaken strategic planning. The Budget Committee could help envision infrastructure planning which will make budgeting for the future more accurate.

**7. MISC ITEMS:**

Next meeting will be held November 13, 2008 at 6:00 PM at DPW.

**8. ACTION ITEMS**

10/30/08: All departments are to submit their budget numbers to the Committee by the next meeting.

10/30/08: DPW is to provide a breakdown of their proposed \$180,000 funding request.

**9. ADJOURN**

**It was moved by HULVA, seconded by MORSE, to adjourn the meeting at 7:09. The Motion carried.**

Respectfully submitted,

Beth Rivard, Secretary