

AMENDED 3/4/14 *

**2014 BUDGET COMMITTEE MEETING
THURSDAY, JANUARY 16th, 2014
4th QUARTER BUDGET REVIEW/FINANCE/CAPITAL RESRVES**

Members Present: Mike Waddell, William Jackson, Terry Oliver, Glen Eastman, Reuben Rajala, Dan McCrum

Excused: Robert Demers

Absent: Terry Rhoderick

The meeting was called to order at 6:05 p.m. by the Chair.

A detailed review of the 2013 budget was presented by Finance Director to the Budget Committee members. She explained all the figures very clearly. Many questions were asked and confirmed.

The Finance Director passed out updated Budget sheets for the Budget Committee members that included the Recreation Revolving Fund history that confirmed the \$143,433.40 figure as stated. She handed out The Recreation Revolving Fund & EMS Revolving Fund data that now includes estimated revenues noting no changes to the expense sides. The Chair asked if there was a cap on the revolving funds at this time. The Town Manager stated not at this time, but hopefully by next week.

REVIEW OF THE 2013 Budget:

A detailed presentation by the Finance Director regarding the General Fund reconciliation sheet. She stated the Fund balance is currently at \$196,000.00. In the overlay line there is approximately \$300,000.00 at this time encumbered in 2013, minus \$18,000.00 in abatements this year. The town is carrying approximately one million dollars in deferred revenues for non-collectible taxes at this time. The exact amount will be confirmed by the town's auditor. The Chair asked the Finance Director to explain the deferred revenue process to the board members. She stated the figures are real money set aside, not budgetary. The Chair asked what the current calculations are at this time on properties that are currently up for lien. The Finance Director felt the best answers would come from the Town Clerk, Tax Collector.

The Finance Director stated the general appropriation for all departments is currently \$4,353,857.00. There was approximately 4.43% remaining in last year's budget. The Chair wanted to know what the town's weekly payroll runs? Direct deposit is approximately \$42,000.00, the actual amount is approximately \$60,000.00.

The Tax Collector presented the following information to the Budget Committee members regarding 2013 unpaid tax liens only. There are approximately \$715,000.00 in unpaid tax liens at this time that include commercial, residential, and land in the Pellerin Development. There was a significant amount of discussion concerning taxes owed, penalties, and interest. The Chair requested a detailed spreadsheet with all taxes and associated costs for all the lienied properties. It was agreed that the Tax Collector will work on the requested information for the board and she will return to the meeting on January 23, 2014 to present her information.

The Finance Director continued with the budget worksheet expenditures. She explained in detail the revenues to offset lines and how or why they were either over or under. She stated there is a decrease due to the FSA funding due to a new rule change by the IRS. There is approximately \$34,379.00 left. The Chair had a question regarding Legal expenses and how much the town was budgeting? The Finance Director stated there is approximately \$60,000.00 for this year. The Finance Director gave the Committee the aging report for 2013 on non-collected ambulance revenues.

The Finance Director then turned the floor back over to the Tax Collector who wanted to speak about a proposed increase for her assistant, Elaine Riendeau. She said she believed it was more than appropriate based on Elaine's performance and she believes Elaine is underpaid for all of the work that she does. Selectman Jackson stated that at the last Selectmen's meeting they did discuss town wide salaries and potential salary increases, but were not in agreement. The Chair stated that to his knowledge there are 3 individuals that are looking for increases at this time: Elaine Riendeau, Cagney Hatch, and Shawn Costine. The Town Manager stated there were actually only 2 and this did not include Cagney. Cagney was hired at a higher rate due to his certifications. Selectman Jackson stated the fact is, experience aside, Cagney was brought in at \$19.23 an hour which corresponds to the proposed wage increase for Shawn Costine. The Chair asked what the impact would be for a 2% increase for all town employees and was told \$30,000.00. This would exclude the Police Department who already received their 2% raise. The Chair stated the school is at approximately 3% and he wanted the Budget Committee to be aware of this. Selectman Jackson stated the Selectmen voted 2:1 against giving a 2% increase. The Chair asked the Committee members if they would be willing to recommend to the Selectmen an increase for the town employees. Selectman Jackson stated he did not believe the Selectmen would vote any differently if it came back to them. He stated that the Budget Committee should make their decision as the Budget Committee. The Chair stated that in the area of salary increases the information provided was confusing and incomplete. There was a lengthy discussion by the Committee regarding what was appropriate for salary increases.

The Chair noticed that in the EMS salary lines there was an increase in the retirement portion. The Town Manager explained this was in case the ambulance and fire departments were combined under fire. The State Retirement for fire personnel is significantly higher than for ambulance personnel. The Chair did not believe this was appropriate because this is not a proposed action reviewable by the Budget Committee. The Chair requested the proposed \$11095.00 increase needs to go before the Budget Committee for a recommendation for the 2014 budget or be removed. If the selectmen are not comfortable voting on the idea of a combined department then the money should be withdrawn for this year. The Chair asked requested that the Fire Chief and EMS Director come back to talk about their salary and associated benefits lines. Selectman Jackson said the Selectmen need to revisit this area as well. The Chair would like the Finance Director to provide the Committee with a new comparison for Group 1 with the wage adjustment for Shawn and Cagney.

The Tax Collector then presented the Tax Collector's portion of the budget with the Budget Committee. The Tax Collector said there will be an increase in postage due to certified mailings that will need to be done regarding lien notices. The Tax Collector stated she is also looking to update her outdated computer and some much needed new office furniture.

The Finance Director continued presenting the 2014 Budget. Selectman Jackson stated there is an RFP out on the property assessing line but KRT has not responded yet. The Finance Director explained the \$34,073.00 is located in the Assessing Clerk's line. The Board asked how often we need to revalue the town? The Town Manager answered every 5 years it has to be done. She said the town does 20% of the town each year. Questions were asked regarding LGC (Primex) refunds, long-term debt, and other long-term expenses. The Finance Director noted there are three payments left to be made on the town hall bond.

Capital Reserves review showed various requests for new equipment and a new ambulance for EMS in 2017. The Fire Dept. is looking to replace the 1983 fire engine with a new fire truck. Budget committee inquired why would the fire dept need a new truck if the Cascade Fire Dept. is in danger of closing? Bill Jackson wanted the board to know that the selectmen passed the budget that did not include any action on the Cascade Fire Dept. There would have to be a petition Warrant Article. The Chair would like to call Chief Eichler back for further clarification on questions the board still has regarding the Cascade Fire Station and new fire truck.

The Chair would like to have a work session on January 21, 2014 to finish up with Revenues. He would like to have Chief Eichler come back to answer questions at the meeting scheduled for January 23, 2014 when the Water Dept. will be presenting their budget. He would also like the EMS Director to come back on the same date to answer questions.

Motion to adjourn meeting was made by Bill Jackson with a second by Terry Oliver, all were in favor. The meeting was adjourned at 9:06 pm.

AMENDMENT*: The Town Manager stated the Fire Department was looking to have cleaning services provided to them by Elaine Normand who currently works for the Town. There was a discussion regarding how she would be paid for her additional services and how and when her hours would be adjusted to include the extra duties.

APPROVED AS NOTED ON 3/4/14