

# TOWN OF HAMPS TEAD

## BUDGET COMMITTEE

### MONTHLY MEETING MINUTES

June 12, 2014

**PRESENT:** Jorge Mesa-Tejada, Steve Londrigan, Ann Howe, Proc Wentworth

**ABSENT:** Jack Thomas

**VISITORS:** Penny Williams, Priscilla Lindquist

#### 1. CALL TO ORDER; PLEDGE OF ALLEGIANCE:

The meeting was called to order by Chairman Jorge Mesa-Tejada at 7:00 PM in the Selectmen's Office

Vice-chairman Steve Londrigan led the Pledge of Allegiance.

#### 2. VISITORS COMMENTS: None

#### 3. DISCUSSION: RECREATION COMMISSION – Ann Howe, liaison

Rescheduled to next meeting because of BudCom miscommunication in notifying the Rec Commission.

#### 4. DISCUSSION: TOWN AND SCHOOL CHARTS OF ACCOUNTS; RSA'S

Jorge conducted a quick refresher on RSA32 - Municipal Budget Law, RSA 33 – Municipal Finance Act, RSA 91-A – Right-to-Know Law; Types of Bonds chart; School and Town account numbering structures. The Town and School budgets were discussed briefly.

Jorge called the Committee's attention to several funds, authorized via warrant articles, which contains substantial amounts of money not readily visible to taxpayers such as for conservation and school purposes. He highlighted the school's Fund Balance Retention—approved via article 7, 2013 warrant—authorizing up to 2 ½% of the fiscal assessment for that fiscal year. That fund already contains \$470,252. The Renovations Capital Reserve Fund—approved in 2006 at a maximum of \$75,000 yearly—has a current balance of \$235,525.60.

Jorge also distributed the **State School Organization – Responsibility Diagram** showing the responsibility correlation between school boards, SAUs and school districts in an easy-to-understand format: direction on the left and execution on the right. Source: **Simplifying the Administrative Structure of the NH Public Schools**, January 1993, page 8.

**5. APPROVAL OF MINUTES: APRIL 8, 2014**

**Motion:** Steve moved, seconded by Proc, to approve the revised draft of the minutes for April 8, 2014.

**VOTE:** YES 3; NO 0; ABSTAIN 1 (Ann)

**6. LIAISON REPORTS**

**PROC:**

- SOLID WASTE COMMITTEE met with contractors because all contracts are up at end of year. Committee discussing whether to extend, renegotiate or open up for bids.
- FIRE DEPARTMENT will propose a new fire truck warrant article. Haven't decided whether to lease-to-purchase or outright purchase.

**STEVE:**

- LIBRARY: distributed statistics showing program usage/month. The library is preparing to do a strategic plan to adjust their traditional services in view of the continuing growth of technology which limits demand for the traditional hard copy books, magazines, etc.

Also, charts illustrating monthly circulation, patron visits, and web visits. Also, bar charts illustrating how the new heating system was performing: total monthly fuel expense, fuel use (in gallons) and price per gallon.

The library still has the carpet replacement issue. The trustees may use the capital reserve approach to accumulate the money. They prefer to accumulate small, single purpose increments if the amount is over \$10K rather than one-time large request.

Steve pointed out that the capital reserve method is an economically inefficient way to raise money.

- POLICE:  
No update. Jorge asked how many hours Paul Wentworth had billed to date as Clerk of the Works. Steve will check.

**ANN:**

- SCHOOL: Reported that the School Board had replied to the accounting questions that Jorge had posed in previous meetings, specifically.
  - Provided account numbers
  - Paid \$7,750 to Farwell Engineering for Access Road
  - Paid \$ 3403 to Bill Norton for services related to Access Road
  - Had no figure for Strategic Plan Services yet.
  - Requested reports are not regularly distributed
  - Any reports will be in PDF format, not Excel, because they can be easily converted

**JORGE:**

- Handed out copy of his requests for financial information to the School Board and explained the reasons for his requests, namely, his concern for lack of audit trail/visibility for several unbudgeted expenditures.
- Jorge also explained the chronology of the approval of the establishment of the Advisory Committee in 1926, when the school was a department of the town.

After Jorge concluded his report, a general discussion ensued on the authority of the BudCom.

Steve asked where the scope of the BudCom's authority was stipulated in the statute. Jorge read RSA32:1- Purpose in reply.

Ann questioned the BudCom's authority to ask for financial reports. Jorge pointed out RSA32:22 which requires periodic reviews.

The word "periodic" was discussed. How often should the Committee request reports? Was it monthly or two-three times a year? The issue was resolved by the following motions.

**Motion: Ann moved, seconded by Steve, to decide the frequency of report requests from the School Board.**

**VOTE: YES 4; NO 0.**

**MOTION: Ann moved, Steve seconded, that the School District provide not less than three budget reports per fiscal year.**

**VOTE: YES 4; NO 0**

**MOTION: Ann moved, seconded by Steve, that the Town provide monthly budget reports.**

**VOTE: YES 4; NO 0**

After the motion, Steve stated that, in view of the Town's ability to provide monthly budget reports, the Committee should challenge the School District to provide at least six reports per year. After all, the data is in the machines and the reports are not difficult to produce.

Ann stated that Suzanne Barr had commented at the June 10th school board meeting that it was very difficult to forecast an "end outcome" for the budget. Ann pointed out that such a forecast is not impossible, it is done regularly in business; she offered to help—Steve did, too.

Ann further commented that she felt that previous School Boards had been proposing unbudgeted expenditures off the cuff without regard to the source of money under the argument that there was short at the end of the year.

Jorge stated that was precisely the animus for his questions to the School Board.

On another topic, Jorge called attention to his concern about the difficulty in getting information from the School Administration. He referenced the articles and editorial in the June 12<sup>th</sup> edition of the Tri-Town Times as an example of information control and expressed his concern that not even School Board members can get answers to questions they ask. Ann pointed out that she hasn't experienced that problem but has to remind them a couple of time in order to get results.

## **7. SCHEDULE NEXT MEETING DATE**

July 19<sup>th</sup> provided we receive budget information from the school  
August 14<sup>th</sup> or September 11<sup>th</sup>

## **8. NEXT MEETING AGENDA ITEMS**

Discussion: a) Schools Year end summary and b) Town's Monthly Budget report.

Discussion: Recreation Commission—Jorge will extend invitation

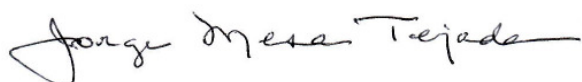
## 9. VISITORS COMMENTS

Priscilla Lindquist expressed her surprise that the School District could not provide monthly budget summaries as the town does.

## 10. ADJOURNMENT

On motion by Steve, seconded by Proc, the meeting adjourned at 7:49 PM.

For the Committee,



Jorge Mesa-Tejada, chairman