

# **Unofficial**

## **BUDGET COMMITTEE MEETING**

**Hooksett Town Hall**

**35 Main Street**

**Thursday, September 22, 2011**

**6:30 pm**

### **CALL TO ORDER**

Chairman Miville called the meeting to order at 6:31 pm.

Pledge of Allegiance

### **ATTENDANCE**

Chairman Miville, F. Bizzaro, J. Hyde, T. Keach, K. Hughes, D. Pearl, T. Lizotte (Town Council Rep.), D. Argo (School Board Rep.)

G. Smith arrived late

Absent: N. Haas, Central Water Precinct, and Village Water Precinct

### **APPOINTMENTS AND NOMINATIONS**

Election of Chair and Vice Chair

**K. Hughes nominated M. Miville for Chair.**

**Vote unanimously in favor.**

**T. Lizotte nominated T. Keach for Vice Chair.**

**T. Keach nominated J. Hyde for Vice Chair**

**Vote unanimously for T. Keach as Vice Chair**

**D. Pearl nominated K. Hughes for Secretary.**

**Vote unanimously in favor.**

### **Vacancies and Nomination of new members**

JR Ouellette has submitted an email expressing interest in the open Budget Committee seat.

**T. Lizotte nominated JR Ouellette for Budget Committee member for one year.**

**Vote unanimously in favor.**

### **APPROVAL OF MINUTES**

May 19, 2011

Page 2, 6<sup>th</sup> line down (contracts not contacts)

***D. Pearl motioned to approve the minutes as amended. Seconded by T. Lizotte.***

***Vote unanimously in favor with 4 abstained***

## **PUBLIC INPUT**

### **NEW BUSINESS**

Presentation of Budget Process – C. Soucie – Rescheduled to October 20/27

#### Budget Goals

D. Shankle: At the last Council meeting, the staff made a recommendation to the Council and those goals were approved. The goals were to construct a budget that (1) keeps current services level, (2) require all departments to review and modify, if necessary, fees they charge for services, review programs to determine if they are meeting the needs of the community and (4) be sensitive to the tax rate.

T. Lizotte added that all the goals need to be in consideration of the tax rate. The process should be data driven as much as possible. My definition of data driven is anything implemented is laid out to justify with supporting evidence, not anecdotal evidence.

D. Shankle: We have a new Public Works Director that is collecting data that was not previously available. Just because a truck is old or has a number of miles doesn't mean it needs to be replaced. It should be based on need or lack of efficiency. This goes along with other items like computers or software. When we bring something in, it won't just be because someone says there is a need.

D. Argo: Flat as in services or budget?

T. Lizotte: Flat in services.

D. Shankle: One thing we will look at is we spend a lot of money on outside contractors. Some of that may be able to stay in house. As we go forward, for example in Merrimack, we would take the value of an average house and look at how its' tax bill has increased. When I was there for 10 years, it stayed below the level of inflation. So we need to look at the type of information which is being gathered here and move forward. The department heads understand this is a year that we will need understanding of existing programs and no new service. I will look at programs and ask why we are doing certain things.

M. Miville: Last year it was stated that no new positions unless it can be fit into the existing budget.

T. Lizotte: We have some vacant positions currently and we are looking at justifying the need for those positions before hiring.

D. Shankle: We are looking at taking on the maintenance for the police department. We've been looking at whether there is a need for a second mechanic and if so is there a need to raise one to the level of master mechanic. The other oddity is there is a part time tax collector with the idea that on December 1<sup>st</sup> they will be hire full time. I don't know

why that was done. We will work through to find all the answers. If you look at my record in Merrimack, the budget committee and the selectman raved about my budgets.

D. Shankle: Fund Balance - One thing at the end of the year DRA looks at and likes to see, is if you have enough fund balance to cover emergencies you may have. That goes back to the idea of March town meetings and the budget process starting now and one tax bill per year. They still expect 8 to 17% and now you are around 3.? The council voted a 5% goal. The more your budget is cut the less you have to add to the fund balance; yet you hate to add to your budget to have more left over.

D. Pearl: I welcome the data driven approach but the challenge we have is we are not mechanics or experts and often it comes down to trusting what we are told. If the data comes with the proposal, it will make it easier for us to make decisions.

J. Hyde: One thing you talk about in data collection, one thing I raise with the former DPW Director, I asked was regarding gas based on the increase in gas price. How do you know what you need? What is the tracking? The answer I got was, "they were supposed to give me slips but I don't always get them." I would like to see some tracking for fuel use. If there is not a procedure or tracking in place, there should be one.

#### **Budget Committee Procedures**

*T. Keach motioned that the committee follow Robert's Rules of Order. Seconded by T. Lizotte.*

*D. Pearl motioned to move the question. Seconded by T. Lizotte  
Vote unanimously to move the question.*

*Vote unanimously in favor*

#### **Other Procedures to adopt**

*M. Miville motioned that all committee members raise their hand and address the chair. All act members with respect and civility and to request patience with members and guest and the chair will decide on when to move on discussions.*

*Seconded by D. Pearl*

*Vote unanimously in favor.*

Excused and Unexcused?

K. Hughes stated based on the schedule for this year, if there is a valid reason and notices ahead of time, it should be excused.

D. Pearl: Due to the need for quorum, there should be time limit to notice to insure the meeting.

T. Keach: I think we don't need to define to this level. What if there is a last minute emergency. We should be able to decide based on the situation.

M. Miville: They will be excuse if Lee Ann or I are contacted and not excused if there I no contacted.

D. Pearl: With regard to the RSA, if someone stops coming, we can initiate removal procedure. The absence has to be frequent. Will the water members be removed and are they counted in the quorum.

D. Shankle stated that you as a committee can define your quorum. The government appointments and members cannot be removed by the board.

D. Shankle: I believe that should be defined in your by-laws.

D. Pearl: We should review the by-laws. Does a phone member constitute a quorum.

D. Shankle: You can now put the phone member in your by-laws.

T. Lizotte: We would like all budgets to be in excel/electronic format. I would like last year's budget in excel format. No pdf.

We would like last year's totals compared to this year's recommendation.

This should be communicated to all governments including the water precincts.

All justifications should have supporting data. The supporting documentation should be in a format that is available to the Budget Committee for review.

For large ticket items, the quote from the vendors should be submitted as back up; perhaps greater than \$5000.

D. Argo: My concern is when you are budgeting 18 months in advance, getting a quote is sometimes on a 30 day basis. Proposals are received but an actual quote is more specific.

T. Lizotte: If an item is being budgeted, I want to see what the cost is based on. I'm referring to items like the computer system or the software systems. It would be interesting to see what the costs and budgets were based on. We can always request it if not provided.

The Budget Committee felt it is better to discuss all items as a group rather than as sub-groups as was the practice last year.

### **Review Budget Calendar**

*T. Lizotte motioned to approve the Budget Calendar. Seconded by G. Smith.  
Vote unanimously in favor.*

### **CIP Committee**

The CIP Committee will meet for eight (8) Tuesdays beginning Oct. 18.

Members include Nancy Comai, Marc Miville, Steve Cilio, Dana Argo, Tom Walsh and James Walter.

**OTHER BUSINESS**

***D. Pearl motioned that it is the opinion of the Hooksett Budget Committee that all remaining unspent funds from the Hooksett School District should be returned to the taxpayers in order to offset the tax rate, unless those unspent monies are utilized on commonly regarded emergencies or major unforeseen items. Seconded by T. Lizotte.***

D. Pearl: As many know, the School spent a significant balance on technology, I pads etc. I was upset about that because we discussed in December with the Dr. Littlefield that issue and he said that was off the table. Then it appeared to be spent at the end of the budget cycle. Emergency items like the fuel pump are needed. Other major planned items should be in the budget and unused money should go back to the general fund. There are variable costs like tuition and Spec Ed. I am not in favor of items being pulled out up front and spent on the back end. The committee does not have an opportunity to weigh on those items.

J. Hyde: While I share your sentiment, my concern is, I would rather this committee appear as impartial as possible and those types of things be handled on an individual basis. You should address your concerns at a School Board meeting. Our opinion of what the school board decides is your opinion.

T. Lizotte: It goes to the process of the Budget Committee. If you are talking about capital goods and you don't incorporate it in the budget, then you buy it in the end, it is a new item, you are saying it is ok to bypass the budget process. If a budget had savings, for example DPW, and then in the end we will encumber funds for a new bucket loader; it should be disclosed. It doesn't take away from the rights of those boards to spend but our job is to protect taxpayer money. We need transparency. It behooves me to tell someone how to do their job but from a budget standpoint if we are not going to follow protocol and procedure there will be a trust issue.

T. Keach: This was done with the School Board's consent?

D. Argo: Yes

D. Pearl: Dr. Littlefield brought the trust issue and I want to tell him that this is our mindset. I think it is our position to look out for the taxpayer.

D. Argo: We are budgeting months in advance of the fiscal year. I don't honestly remember why that was removed, but the equipment that we purchased was part of the budget and was removed. I don't remember the details of why, but it was removed and the School Board committed to returning \$1.055 million in fund balance to the town. We budget for insurance, and tuition based on the numbers we have. When they change, there are extra dollars and that is where the fund balance comes from. It was last minute. There were some items we wanted to move on. I understand questioning it, but we have been transparent. If you look back in the record, we have been making technology purchases with fund balance. We may not all agree on it, but I don't like hearing we

weren't transparent. It was last minute and moving on it was critical. It was one of our last meetings and that was the reason for it.

D. Pearl: The money wasn't even spent out of the budget it was in. You bought it before July. With regard to transparency, the decision was made by the School Board on Tuesday night and the Budget Committee met on Thursday and you heard the Library and Police report on their fund balance and didn't disclose your spending. If something is taken out of the budget here, it is not in the budget and wasn't discussed or vented here.

***J. Hyde motioned to call the question.  
Vote failed.***

D. Argo: I appeared at that meeting unprepared in order to make a quorum and I didn't have any notes with me. That night I did come to that meeting and I didn't have information with me to explain.

T. Keach: I think we should let the School Board know the distain that is echoed here.

F. Bizzarro: I wasn't part of this committee that night but minutes in December stated those items were dropped from the School's budget. Whether that qualifies as being vented is your decision.

M. Miville: It was vented to remove. To Mr. Argo's point, it was discussed here.

D. Pearl: If someone removes something from their own budget, it isn't proper to ask questions about it. I know Mr. Argo wasn't prepare for that meeting but the paper stated if we had more budget meetings this wouldn't have happened and I don't think more meetings would have prevented this.

D. Argo: Don't say I said something based on a newspaper article.

**Vote 6 favor:3 opposed. Motion carries**

M. Miville asked if the school could provide a report of the encumbrances and where they were transferred.

**ADJOURNMENT**

***T. Lizotte motioned to adjourn the meeting at 8:40 pm. Seconded by J. Hyde adjourn at 8:40 pm. Vote unanimously in favor.***

***Respectfully submitted,***

***Lee Ann Moynihan  
Budget Secretary***