

**MINUTES OF THE SELECT BOARD AND ADVISORY BOARD  
COMMITTEE BUDGET WORKSHOP**

**September 19, 2013**

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**Present:** Chairman LaCourse, Selectman Cedarholm, Selectwoman Dennis, Town Administrator Julie Glover, Town Bookkeeper Joanne Clancy, Chairman Scott Bugbee, Alice MacKinnon, Pat Barbour, Henry Brackett and William Henze.

1. Chairman LaCourse calls the meeting to order at 7:00 pm.
2. Chairman Bugbee passes around a contact list for everyone to take a look at and to make corrections if needed. Chairman Bugbee points out that the budget process they use works for them so if there have been specific areas or items that do not work for the Select Board or the Town Administrator or Town Bookkeeper they would like to hear feedback. Chairman John LaCourse indicates that the ABC is advisory to the BOS, but he would like to see the ABC continue to run the meeting and they will listen and ask questions. He is hoping for independent recommendations from the Advisory Board. Chairman Bugbee asks if, as far as deliverables go, they have been providing what the Board wants. Selectman Cedarholm believes that it has worked, but in recent years there hasn't been enough communication between the Board and the ABC until the final presentation and so having these workshops will aid in having more communication. Also, very few citizens show up at the budget hearings and this may be because there is a committee of (elected) citizens helping prepare the budget. It would be nice to get more involvement from those citizens at the budget hearings per Selectman Cedarholm.
3. Chairman Bugbee believes that when the operating budget comes up the public doesn't have as many questions because they were answered early on. Henry Brackett believes that there would be more participation if the public was made of the meetings. Selectman Cedarholm points out that it is posted in at least 2 public places and on the Town calendar and through the website. Town Administrator Glover comments that the Department Heads were frustrated in the past because they had to present the same information to both the BOS and the ABC at different times. Ms. Glover cautioned against posting preliminary documents on the website. Selectman Cedarholm suggests preparing an agenda and backup documents like they do for the BOS meetings. They would need information a week in advance. Chairman Bugbee indicates that he may get half of the information that he requests before the meetings.
4. Chairman John LaCourse moves that any Department Heads, Committees or Commissions provide preliminary information on their budget at least 72 hours in advance of the actual meeting. Selectman Cedarholm seconds. **Motion Carries.**
5. William Henze asks if it is the Selectmen's responsibility or the ABC's responsibility to decide how the Town is run. For example, how many people are employed at the Transfer Station? Chairman LaCourse answers that it is the Board of Selectmen's responsibility; however, they do look at an independent body's recommendation as to reasons why they may want to increase or decrease the budget. Mr. Henze is unclear as to the reach of the budget committee. Alice MacKinnon says it is strictly advisory. That is how it was presented at Town

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Meeting back in 1977 or 1978 according to Ms. MacKinnon. Chairman LaCourse states that it works for us to have an independent elected body reviewing the budget. Selectman Cedarholm asks if there was a charge in the original warrant article. Town Administrator Glover will look this up and distribute to everyone before next meeting and put on the website as historical material per Chairman LaCourse.

6. Chairman Bugbee says that the ABC has traditionally had trouble getting CIP information early on. He understands the responsibility lies with the Planning Board and asks if the BOS can help the ABC get this information quicker. Chairman LaCourse indicates that the CIP is totally independent of the operational budget and he does not want it to restrict the operational budget. Ms. Glover clarifies who decides where funds come from for each capital expense. The CIP doesn't identify where the money comes from; instead it is a 10 year plan on how to spend the money and the BOS identifies the source of the funds. Selectman Cedarholm agrees. The CIP Committee is looking to keep minimal increases every year and is looking for a recommendation from BOS for an annual increase amount.
7. Alice MacKinnon asks if the BOS has given any thought to Impact Fees being unconstitutional. Chairman LaCourse indicates that no Impact Fees have been written. Ms. MacKinnon then asks if the Trust Funds should not be funded as much as previous years since they are not making any interest. Maybe better off reallocating that money to other things. Chairman LaCourse says we have very fine people that work for the Town of Lee, like the Highway Department. It would be nice to not depend on them to fix old equipment all the time and be able to purchase new equipment in the future. Selectman Cedarholm adds that if we appropriate enough to pay for large items then we don't need bonds or trusts to pay for these items. On the other hand, having trust funds works better than carrying too much reserve and we should probably look at the trust funds to make sure we are not carrying more than we need. Chairman Bugbee brings up the Closure of the Landfill reserve fund. And asks if we need to carry \$54,000 for monitoring wells. Ms. Glover explains that a Warrant Article is needed to close a Capital Reserve Fund. Chairman LaCourse invites the CIP Committee to come to the October 17<sup>th</sup> meeting to comment on these issues.
8. Alice MacKinnon asks if the BOS has discussed the budget for next year. Chairman LaCourse indicates that they haven't formally discussed it. Alice MacKinnon asks if the Conservation Commission still gets 50% of the current use. Chairman LaCourse believes that is correct. Ms. MacKinnon asks what collections the Town has for land use change. Joanne Clancy indicates that we received about \$40,000 last year but that was a spike compared to the last 3-4 years. Chairman Bugbee indicates that there is about \$500,000 combined in change tax and land acquisition funds. Pat Barbour asks if the Conservation Commission is looking at buying other land for this year. Chairman LaCourse is not sure. Henry Brackett asks what percentage is in easements. Chairman LaCourse says 22%. Goal is 25%.

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9. Chairman Bugbee discussed the schedule. Ms. Glover pointed out public hearing dates and statutory dates. He asks new members if they have any questions and reviews the budget process. Pat Barbour asks if the BOS will give the Department Heads any guidelines. Chairman LaCourse suggests that they present what they need. Selectman Cedarholm states that the Fire Department might possibly be asking to add the Fire Chief as a full-time employee. Ms. MacKinnon asked what the equalization rate is. Ms. Glover indicates it is 105.5 for 2012. The reassessment value is above 100. Towns are now allowed to have a contingency fund established each year by a separate warrant article. No major land acquisitions in the future per Chairman LaCourse. There was a general conversation between Ms. MacKinnon, Chairman LaCourse and Ms. Glover regarding the annual savings towards the new Library building and the funding for the design. William Henze says that the Library has their own Board of Trustees and the Town has no say as to what they are doing. He thinks that they should get appropriated one amount and pay their own bills. He asks how much has been appropriated to run the Library now. Alice MacKinnon says the Library budget for FY14 is \$168,000. The entire Library will be under the jurisdiction of the Library Trustees after the building is complete per Ms. Glover.
10. Chairman Bugbee asked for electronic budget spreadsheets from Ms. Clancy.
11. Alice MacKinnon is concerned about the tax rate. In terms of developing the budget, she would like to see the tax rate go down. Ms. Glover advises that the audit is not completed as of yet. According to Ms. Glover, in order for the Town to reduce the tax rate by \$1, we would have to cut the budget by about \$400,000 or 10%. Ms. Glover went over the NHRS rate contributions. General discussion about the hiring of a new fire chief.
12. Town Administrator Julie Glover asks if the Board will be discussing any changes to the health insurance. Chairman LaCourse indicates that this will probably take place this year. The Town is currently under the threshold of a large employer under the Patient and Affordable Care Act (PACA) and that the "Cadillac Plan" penalties do not begin until 2018, but the Town's the total premium cost needs to be reduced by 2018. Ms. Glover will put together some numbers for the Board to review. Further discussion on the PACA ensues.
13. William Henze asks how the increased building in Durham will impact Lee's school tax rate.
14. Chairman Bugbee recommended that the Board use some of the surplus fund like last year; Chairman LaCourse asks Mr. Bugbee to present some ideas. Pat Barbour asks what the ABC does about wages and benefits research or surveys. Generally try to stay competitive. What the Town does not offer in wages they try to make up for in benefits.
15. Chairman Bugbee discusses the process that Ms. Glover has started by allocating costs back to the departments. Commends her on what she has done so far. Mr.

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- Bugbee would like to see more of that. He asks Ms. Glover to produce a spreadsheet that allocates actual costs to each department.
16. Town Administrator Glover suggests thinking about splitting up the legal budget into general and planning/zoning.
  17. Chairman Bugbee announces next meeting to be held on October 3<sup>rd</sup> at 7:00pm.
  18. Chairman LaCourse moves to adjourn at 8:30 pm.

Minutes transcribed by:

Minutes accepted by:

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Denise Duval, Town Secretary

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John R LaCourse, BOS Chairman

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Scott Bugbee, ABC Chairman