

New Durham Budget Committee
Minutes of Meeting – February 6, 2013
New Durham Public Library

Members Present: David Curry, Adam Buehne, Theresa Jarvis, J. R. Jones, Christopher LaPierre, Rudolph Rosiello, David Shagoury, David Swenson

Others Present: Town Administrator Jeremy Bourgeois, Financial Assistant Vickie Blackden, Solid Waste Facility Director Joe Bloskey, Road Agent Michael Clarke, Town Clerk Carole Ingham, David Bickford, Ron Gehl, Cathy Orlowicz, Marissa Rosiello, Dot Martin Veisel, videographer Jim Ladd, recorder Cathy Allyn

1. Call to Order – Chairperson David Curry called the Budget Committee’s public meeting of February 6, 2013 to order at 7:03 p.m.

2. Approval of Minutes – Motion by David Shagoury to approve the minutes of January 30, 2013, as written; second by Theresa Jarvis. Christopher LaPierre abstained. 7-0.

3. Budget Recap – Chair Curry noted that the Board of Selectmen’s figure for Expendable Trust Fund account 4916 differed from the Committee’s. He said the Board reduced the Town Building Improvements line by \$10,000. Ms. Jarvis said the Board agreed the Town Hall clock did not have to be electrified, as the highway department could perform the winding if the usual winder were unavailable.

Motion by Mr. Shagoury to approve Expendable Trust Fund account 4916 in the amount of \$76,000, a reduction from the previously approved \$86,000; second by Adam Buehne. The motion carried unanimously.

Chair Curry recapped the budget by referring to the provided rationale of changes. He said the Board consolidated expenses of all departments under those individual accounts (wages, benefits, cost of facilities, equipment, etc.), thereby affecting comparisons to last year’s budget. Expenses from Personnel Administration have also been reallocated to individual accounts.

Under General Government Operations, he said the Executive account would pick up the Land Use Administrative Assistant position, rather than those wages being parceled out to the Planning Board, ZBA, and Conservation Commission as was done in the past. He noted increases to retirement accounts, which are mandated by the state.

Regarding Public Safety, Chair Curry indicated police department expenses are less due to not being fully staffed. He said the department was in the process of hiring, and the overtime figures reflected coverage. He said the Town realized the planned savings from the fire department dispatch service, due to a transition to Strafford County Sheriff’s Office.

Chair Curry mentioned the 2012 expended amounts were higher in the Equipment Mechanic’s account under Public Works Operations due to a major repair to the loader that was unanticipated. He said overall maintenance expenses are reduced as older vehicles are retired.

Chair Curry also noted an increase in Welfare, in anticipation of need. He said New Durham has

one of the highest unemployment rates in the county. He said Debt Service is reduced, as the Town now owns the pumper/rescue fire truck. He said the Road Surface Maintenance System has been implemented as recommended, and the purchase of a Quonset hut for the Solid Waste Facility will protect C and D waste and lessen liability from storm water run-off.

Chair Curry said the Capital Reserve Funds (CRF) and Expendable Trust Funds (ETF) represent the money the Committee thought should be put aside. He indicated the amount was a reduction from last year.

He stated that the total budget reflects a reduction of approximately \$200,000 over last year. Chair Curry said he appreciated the Committee's efforts to ensure requirements were genuine and that the budget reflected what the Town should be doing. He said the Board of Selectmen scrutinized the department budgets. Chair Curry said the budgeting process worked for the benefit of the Town.

4. 2013 Public Hearing

At 7:17 p.m., Chair Curry opened up the meeting for public comment. Ron Gehl, former selectman, said he sought clarification on the CRFs. He asked why the bulk of the overall contribution reduction came from the Road Reconstruction CRF. He also asked if more money would be needed next year for the Fire Truck CRF, as it was reduced to \$5,000 this year.

Chair Curry responded that the amount in the Fire Truck CRF reflected a one time opportunity because a highway truck was used for the defunct forestry truck. Ms. Jarvis said the highway department then needed a replacement pick-up truck. She agreed that the Fire Truck CRF contribution will increase next year.

Discussion ensued on Mr. Gehl's first question, regarding the substantial decrease in the Road Reconstruction CRF. Chair Curry said the contribution is less this year, as money was left over. Road Agent Mike Clarke explained that much of the left over money came from Highway Block Grant monies from different years and some remaining FEMA money.

Mr. Gehl noted that the Town's present needs are covered, but asked if the contribution will go up next year. Ms. Jarvis said the increase would not be too bad, as more money than was actually necessary for 2013 was placed in the CRF. She said the amount needed was \$30,000 and the contribution will be \$75,000.

Mr. Gehl said fluctuations in monetary need can be shocking. He said the total CRF contribution accounts for a major reduction in the budget and there was the possibility that it may come back to scare us next year. He said large items will be needed in the future and he did not want to see sticker shock.

Chair Curry closed public input at 7:30 p.m., but noted there would be open discussion on the warrant articles.

Chair Curry read each name, number, and amount of the budget accounts, so that one vote could be taken.

Motion by Ms. Jarvis to accept the 2013 budget of the Town in the amount of \$3,800,030; second by J. R. Jones. A roll call vote was taken. Curry – aye, Buehne – aye, Jarvis – aye, Jones – aye, LaPierre – aye, Rudy Rosiello – aye, Shagoury – aye, David Swenson – aye. The motion carried unanimously.

Revenue Projection – Chair Curry said the amount listed in the Highway Block Grant reflects the figure expected. RA Clarke said he has not received any confirming communication, but he used the usual formula to arrive at the amount.

Chair Curry said the milfoil grant was contingent upon contracting with a specific provider.

Motion by Mr. Swenson to accept the Revenue Projection for 2013, as provided; second by Mr. Shagoury. The motion carried unanimously.

Copple Crown Village District Budget – Chair Curry said the Committee had previously reviewed the projected expenses, but did not then have the actual 2012 expenditures. Mr. LaPierre said the roof at \$7,000 had been postponed, and shifted to a new sander.

Motion by Mr. LaPierre to accept the Village District of Copple Crown's total appropriation of \$102,125; second by Mr. Jones. The motion carried unanimously.

Motion by Mr. LaPierre to accept the estimated revenues from the Village District of Copple Crown's budget of \$17,260; second by Mr. Jones. The motion carried unanimously.

Warrant Articles – Chair Curry opened discussion on the proposed Warrant Articles. He said the Committee should vote on any articles concerning money.

Motion by Mr. Jones to approve Article 3 in the amount of \$2,963,910; second by Ms. Jarvis. The motion carried unanimously.

There was no motion to accept Article 4, concerning using \$175,000 from the unassigned fund balance to offset the 2013 tax rate. Ms. Jarvis said she recommended the Committee not approve the article, as it was presented as new information on Monday, February 4, 2013. She said \$63,000 of the unassigned fund balance is already being used, and the numbers are also unaudited. She said the Town is still receiving bills for 2012. Ms. Jarvis said she would prefer to avoid roller coaster tax rates, and needed more money in the unassigned fund balance to feel comfortable.

Mr. Gehl said he concurred with Ms. Jarvis. He referred to the article as nuts. He said the unassigned fund balance is a tool to stabilize tax rates. He said we worked hard to increase the amount there to be closer to the recommended amount, and the Town was not yet there. He said the unassigned fund balance was instrumental in rebuilding March's Pond Dam, and covers the Town for tax obligations it might not be able to collect. He said it can prevent the need to take out a loan.

Mr. Gehl said the DRA recommends a range to make up the unassigned fund balance. He mentioned 10 per cent of the Town's total tax obligation, which includes school and county taxes, as a good amount. He said it is prudent to build up the balance. He explained that if money were taken out of it this year to be put against the tax rate, the Town would have to raise the tax rate next year, which should be avoided.

Mr. Bickford countered that the article is not nuts. He said it gives the public the opportunity to spend left over money. He said the Town has eight per cent in there currently and is in good shape. He said this money should stop being hidden from the public and that the voters should decide how much to use. Mr. Bickford said the issue was about giving the public a choice. He stated that the cost overruns from the March's Pond Dam reconstruction could have been taken by taxation.

Mr. Swenson said the key issue is if this year's reduction was a sustainable one. He said if it is a one-year pop, the article should be reconsidered. Mr. Bickford said he saw it as sustainable.

Mr. Gehl disagreed. He said he applauded the department heads for keeping their budgets down,

but he was unsure if that could always be counted upon. He said this article would create a significant drop in the tax rate, which could rise next year.

Chair Curry said the calculated tax rate now is \$6.57, down from \$6.85 last year. He said adding the \$175,000 called for in Article 4 would reduce the rate to \$6.16. He said, to him, the reduction was a one-year thing. He said the Town realized savings from the lack of two officers' wages, which would not occur next year, so it would be difficult to sustain such savings year after year. Mr. Shagoury indicated the rate would not be able to be kept down next year.

Motion by Ms. Jarvis that the Budget Committee not approve Article 4; second by Mr. Rosiello. Curry – aye, Buehne – aye, Jarvis – aye, LaPierre – aye, Rosiello – aye, Shagoury – aye, Swenson – aye, Jones – nay. 7-1. The motion carried.

Motion by Mr. Shagoury to accept Article 5, as written; second by Ms. Jarvis. The motion carried unanimously.

Motion by Mr. Jones to accept Article 6, as written; second by Mr. Buehne. The motion carried unanimously.

Motion by Mr. Jones to accept Article 7, as written; second by Mr. Buehne. The motion carried unanimously.

Motion by Mr. Jones to accept Article 8, as written; second by Ms. Jarvis. The motion carried unanimously.

Motion by Mr. Rosiello to accept Article 9, as written; second by Mr. Buehne. The motion carried unanimously.

Chair Curry pointed out a wording change in Article 10.

Motion by Mr. Rosiello to accept Article 10, as amended; second by Mr. Jones. The motion carried unanimously.

Motion by Ms. Jarvis to accept Article 11, as written; second by Mr. Rosiello. The motion carried unanimously.

Motion by Mr. Jones to accept Article 12 as written; second by Mr. Buehne. The motion carried unanimously.

Chair Curry closed the meeting to public comment at 8:06 p.m. and opened the Budget Committee business meeting. He invited all Committee members to attend Town Meeting on March 13, 2013 at 7:00 p.m. at the New Durham School.

The Committee scheduled its first quarter budget review for departments for April 24, 2013 at 7:00 p.m at Town Hall.

5. Any Other Business

Mr. Shagoury asked if the Committee needed to sign the blue sheets and Ms. Blackden replied there was no need.

Chair Curry expressed his appreciation to the department heads and selectmen for the budget process. He said the Committee tried to crystalize what it was trying to accomplish and that there had been healthy discussions this year. He said he appreciated the candor expressed.

6. Adjournment

Motion by Ms. Jarvis at 8:10 p.m. to adjourn; second by Mr. Jones. The motion carried unanimously.

Draft Budget Committee 2/6/13

Respectfully submitted,
Cathy Allyn

An electronic record of the meeting is on file with the Office of Town Clerk, and some meetings can be viewed on the Town's web site on demand.