BUDGET COMMITTEE MINUTES- VEAZIE

Date: April 17, 2013

Attendance: Pat Rice, Patrick Joyce, Chuck Osgood, Mark Leonard, Julie Reed, Dennis Farnham and Robert Young: Mr. Farnham and Mr. Young left shortly after discussion concerning their departments.

Absent: Travis Noyes

Meeting called to order at 6:36 pm by Chairman Pat Rice. The minutes of the April 9 meeting were accepted with no revisions.

**Old Business**:

Ms. Reed reported that capital project accounts/reserves cannot be transferred unless there is a sale of the asset, in which case the funds can be transferred to a general reserve account. Therefore the excess capital reserve in the Public Works account can be transferred. The Budget Committee recommends that the Public Works reserve account be reviewed and excess funds transferred to a general reserve account.

Mr. Young indicated that he could reduce the combined Office Supplies and After School accounts from $3,500 to $2,700, which is a recommendation of the Budget Committee.

**New Business**:

Executive Office:

Mr. Leonard presented a projected *Municipal Revenue* budget. Fiscal 2014 budget is $6,442,821, an increase in revenue of $59,566, primarily due to an estimated increase in revenue sharing funds from $186,275.50 to $274,941.00, a portion, or all of which may be trimmed or eliminated. This increase is partially offset by a reduction in anticipated interest income from $40,000 to $10,000, which is more in line with actual revenue last year. The major income items, real estate taxes and personal property taxes, are last year’s numbers and subject to revision depending on any revised assessment and change in the mill rate.

The *Executive Department Expense* budget shows an overall decrease of $70,625, a 19% decrease, mostly due payroll/benefits decline, professional fees, and repair/utilities/misc reductions. No further reductions are anticipated which had been discussed for the 20% reduction budget given the 19% actual budget reduction. Other items considered primarily involve reductions in services which are beyond the scope of this committee’s recommendations.

“*Fixed Costs*” are $9,872 less due to a $19.5K reduction in the solid waste contract, largely offset by a new expense for assessor’s fees of $20.6K, and a $9K reduction in heating cost which more accurately reflects historical cost. The Committee recommends that the category “Diesel Fuel” be eliminated from Fixed Cost and more appropriately allocated as an expense item to the respective departments. The result is a $4.5K reduction to the Fixed Cost category.

“*Community Investments*” shows a continuation of expenses from last year. Given the Conservation account reserve balance of $45K and no identified major expenditures planned, to the Budget Committee’s knowledge, the Budget Committee recommends no increase to the Conservation reserve account this year, which reduces Community Investment expense by $3,000. The Budget Committee also recommends that Mr. Leonard contact the Chairman of the Planning Committee to ascertain project costs and timing for a proposed revision to the Comprehensive Plan in order to determine the necessity of increasing the reserve by $4K as requested, given the respective reserve balance of $32K.

There was discussion concerning the $5.5K expense for “Economic Development” which Ms. Reed indicates was originally allocated for the Town’s web site. The Committee recommends that Mr. Leonard consider web site maintenance as an operating expense and provide recommendations for the use of an economic development reserve, or eliminate the category.

The Budget Committee also requests additional detail for the proposed use, and historical usage, of the remaining categories in the Community Investment account in order to make recommendations on the appropriate funding for each line item.

“*Capital Accounts*” show a 5% reduction from $128.8K to $122.8K due to a reduction of $6K in Public Works, a $5K reduction in Highway, partially offset by a $5K increase for the Fire Department. Mr. Leonard acknowledges that the Highway funding could be much higher given the condition of many of the roadways.

“*Mandatory Assessments*” show a 59% increase from $268K to $427K, or $159K due to increases County Tax assessment of $8.8K and the inclusion this year of the $150K Sewer Assessment.

**Police Department**:

The Police budget was reduced from $367K to $349K, or 4.9% due mostly to the combining of the Manager/Police Chief positions which offset a $9.9K increase in workers comp. Chief Leonard indicated that claims are being more actively managed than previously in order to reduce this expense in the future. Overtime was also notably reduced by $3M due to better scheduling with no reduction in coverage.

Reserve accounts were discussed with no recommendations from the Committee.

As for the 20% reduction budget, the Budget Committee recommends consideration of those items detailed in the FY 13/14 Suggestions for Reduction…memo, specifically items 1, 5,6,7,8 and 9 which total $24.5K, $18.2M of which is already in place from combining the Police Chief and Town Manager position. A $3M overtime reduction, out of $6M proposed in the memo, is also currently in place. The Committee makes no recommendation for those items pertaining to personnel reductions which may result in a reduction in service/coverage.

**Fire Department**:

Chief Martin could not attend the meeting . The Committee asked Mr. Leonard to ask Chief Martin to revisit his line item numbers to take into consideration historical actual costs since previous year-end statements show unexpended budgeted items.

The meeting was adjourned at 9:20 PM.

By:

C. Osgood, Secretary