

Budget Committee
Meeting Minutes
May 9, 2016

Present:

Chair- William Cote, Tom Keegan, John Sellers, Dave Carr, Ashley Dolloff, Don Milbrand, Rob Glassett, Wayne Anderson, JP Morrison, and Betsy Schneider.

Absent: Bob Emerson, Kevin McCaffrie, and Scott Sanschargin.

Others Present: Town Administrator Nik Coates, Finance Officer Cagney Hatch, Attorney Christine Fillmore, and Tammy Letson from Crane and Bell.

Call to Order:

Committee Chair William Cote called the meeting to order at 6:01pm.

Review of Minutes:

William Cote asked the committee to review the minutes from April 11, 2016. Don Milbrand made a motion to accept the minutes from April 11, 2016 as written, seconded by Tom Keegan. The Committee voted 5-0-2 in favor of the motion.

Correspondence:

New Business:

Christine Fillmore presented the Committee with a Municipal Budget Process workshop. Key highlights of the presentation are as follows:

Basic Legal Framework:

- To Act, the town or official must find a statute that says the town can do something, either expressly or necessarily implied.
- Municipal Budget Law- RSA Chapter 32. If budget law is not followed DRA can disallow appropriations made in violation of the budget law.

Definitions:

- Legislative Body= town meeting, school district meeting, village district meeting.
- Governing Body= board of selectmen, school board, village district board of commissioners.

Budget Committee:

- The budget that gets adopted is not the selectmen's budget or the budget committee's budget; it is the voter's budget because they can take or reject the recommendations of the budget committee.
- A committee whose only job is to prepare the budget.
- A second set of eyes.
- Major function: preparation of the proposed budget to be presented to voters.
- Review current year's expenditures for perspective on budget preparation.
- Review proposals from the governing bodies.
- Schedule and hold budget hearings.
- Place recommendations on operating budget and special warrant articles, collective bargaining agreements, and (if voters authorize) all other separate budget articles.

Authority of Other Boards/Officials:

- Applying to DRA for permission to overspend the budget (governing body, although budget

committee must agree, RSA 32:11,1).

Process of Developing Budget and Gathering Information:

- Request from an individual selectman or budget committee member- if not authorized to make the request on behalf of the board/committee, then it is really a 91-A request.

Is there some information that shouldn't be provided?

- Things outside the spirit and intent of RSA Chapter 32. Things that don't affect the budget aren't within the spirit and intent of the law.

Information that is exempt from RSA 91-A should not be provided, for example:

- Sealed minutes of nonpublic sessions.
- Information about internal personnel practices, discipline, hiring, firing.
- Background checks for employees.
- Protected information under HIPPA

Recommendations:

- Budget committee and board of selectmen should work together to establish a schedule so everyone understands the process and the timing.
- Organize how requests will be made- try to have one person making requests on behalf of the budget committee, and establish who requests will go through (town administrator, department heads, etc.). This ensures timely responses and cuts down on duplication of effort.

What is a Proper Public Purpose?:

- Towns: RSA 31:4- any public purpose not prohibited by the NH Constitution or by any law.

Properly-Constructed Warrant Articles to Appropriate Money:

- Must include a specific amount of money. RSA 32:3, I. DRA will disallow otherwise. May have to estimate.

Gross Basis Budgeting:

- Definition: A budget in which every proposed expenditure is shown along with every anticipated source of revenue to pay for those expenditures.
- This is required!!
- Revenues that are not shown on the proposed budget cannot be spent (with a few exceptions).

Public Hearings:

- Scheduled at least 7 days' advance public notice of hearing, posted in at least two places.
- Can continue a hearing without additional notice if continued date, time, and place announced before recess of initial session.
- "Disclose" can be as simple as handing out copies of the proposed budget and articles at the hearing, or can mean going over the entire budget line by line, or anything in between.
- Budget committee MAY reduce or eliminate things without another hearing.
- Budget committee MAY add things that were discussed or disclosed at hearing.
- Budget committee may NOT add purposes, add amounts, or increase amounts that weren't discussed or disclosed, unless they hold another hearing to discuss/disclose it.

10% Limitation:

- Total amount appropriated by the voters at the meeting may not be any more than 10% over the total amount recommended by the Budget committee. RSA 32:18.
- Exceptions: if the budget committee does not recommend a proposed bond article at all, and if the governing body votes at board meeting to insert the proper language, voters may approve the bond and override the 10% limitation. RSA 32:18-a.

No Spending without an Appropriation:

- General Rule: no governing body, officer, employee or agency of the town shall pay or agree to pay any money, or incur any liability involving the expenditure of any money, for any purpose in

excess of the amount appropriated by voters for that purpose, or for any purpose for which no appropriation has been made. RSA 332:8.

Transfer Authority:

- General rule: governing body may transfer money from one purpose of appropriation to another during the year if changes make it necessary to spend more money than was appropriated for a particular purpose. RSA 32:10, I.

Lapse of Appropriation:

- Unless there is an exception, all appropriations lapse at the end of the budget year. RSA 32:7.
- Fund balance may be used for future appropriations, used by the board of selectmen to reduce the following year's tax rate, or retained for emergency.

Committee questions:

JP Morrison asked if the general budget should be the last question on the town meeting warrant. Ms. Fillmore replied that there are different philosophies about this and that there will probably be changes made to the operating budget. Bond issues must be the first thing done and can't be moved around.

Betsy Schneider asked if the trade value should be on a warrant article. Ms. Letson replied that yes, but it does have to be a gross appropriation on a warrant article.

JP Morrison asked if a 2/3 majority vote is required for a multi-year equipment lease with an escape clause. Ms. Fillmore replied that DRA has this on a form and the town will be asked to include it.

Tom Keegan asked where DRA gets its authority. Ms. Fillmore replied that statute give DRA authority.

Accounting Software: Tammy Letson presented an example of a budget report using BMSI software. Ms. Letson recommends the town use this software and not excel. Mr. Sellers asked if it will export excel. Ms. Letson replied that it does but it doesn't import well. BSMI can go out two years on the budget report. An additional report would have to be printed for anything longer. Wayne Anderson asked if revenues are shown. Ms. Letson replied that they are two separate reports.

Old Business:

Mr. Cote asked who makes the request for the information on the police revolving fund. Mr. Coates replied that according to the information presented tonight the request comes from the Committee as a whole. Don Milbrand commented that the details in the fund are outside the budget process. Rob Glassett commented that getting the information to police the fund is not what the committee is tasked to do and individuals should go to the Select Board for the information. John Sellers commented that he wants to make sure the revenues are coming in and the accounting is done correctly.

John Sellers made a motion to have the Committee receive detailed information on the Police revolving fund for outside details for 2015. The motion was seconded by Don Milbrand. The Committee voted 8-1-1 in favor of the motion.

Member Comments:

William Cote informed the Committee that a meeting will be held on June 13, 2016 at 6:30PM to discuss the by-laws. Mr. Coates commented that the Select Board will be looking at a code of ethics policy at their next meeting. Mr. Cote replied that this policy should be absorbed into the by-laws.

Select Board Comments:

Administrator's Report:

Adjournment:

Ashley Dolloff made a motion to adjourn, seconded by Don Milbrand, passed with all in favor. The meeting was adjourned at 8:13PM.

Respectfully submitted,
Wendy Costigan, Secretary