

SELECTMEN'S BUDGET WORKSHOP
Minutes of 01-12-10
4:15 p.m.

Selectmen:

Peter F. Brothers, Chairman
Miller C. Lovett, Vice Chairman
Robert C. Flanders
Charles G. Palm
Colette Worsman

Town Manager:

Phillip L. Warren

Recording Clerk:

Karin Landry

Call to Order: Chairman Peter Brothers called the meeting to order at 4:15 p.m.

There is general agreement among the Board that another \$360,000 must be trimmed from the proposed 2010 budget in order to have \$0 net effect on the Town's portion of the 2010 tax bills on average. At the budget workshop held the previous day, the Board considered general areas to reduce the budget with input from the Town Manager Philip Warren and individual Board members. The Board made it clear to the Town Manager that everything is on the table, and that they do not wish to totally eliminate capital improvement projects.

The Town Manager proposed direct budget reductions for 2010:

- Fire Inspector – Part-time	\$	4,000
- Employee Benefits ETF		25,000
- Main Street ETF		35,000
- Water System Improvements ETF		100,000
- Parks & Recreation		<u>100,000</u>
	\$	264,000

The Town Manager proposed the following hold items:

- Upper Ladd Hill Road Reconstruction	\$	97,400
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In addition, he does not recommend funding the purchase of a generator at this time (\$60,000).

There will be a decrease in Water Department revenues to offset the reduction in expenditures. The generator can be replaced with existing ETF funds if absolutely necessary. Parks & Recreation Director Vint Choiniere is working to achieve the department's \$100,000 budget reduction through a combination of recapturing fees and a reduction in services.

Dialogue ensued regarding the Upper Ladd Hill Road reconstruction. The project is slated to move forward in 2010 with the development of 8 of approximately 35 lots. It is anticipated that the developer will make contributions to infrastructure in conjunction with the first 8 lots;

however, there will not be the level of participation necessary to pave the entire road. In addition, it is wise to delay improvements until the hydraulic model is completed. The allocation of water for the development is being addressed in the planning process. It is anticipated that Planning Board approvals will be likely in 2010, with work commencing in 2011.

The Town Manager does not support the elimination of the part-time fire inspector. He supports the reduction of service in the Parks & Recreation department, and confirmed that the ETF for Child's Park is still in place. The funds currently available in the Waterfront Infrastructure ETF are estimated to be sufficient to cover repairs at the Cattle Landing docks; however, there is an issue at the Waukegan boat ramp that must be addressed. The Town Manager recommends funding the Trust in the amount of \$35,000 in 2010 in order to support both projects.

The Town Manager and Police Chief Kevin Morrow do not support closing the station early because walk-ins are at the highest and most sensitive level after dark. In addition, the Sheriff's Department does not have the resources to cover dispatch for three to four additional hours a night.

Dialogue ensued regarding substituting less expensive programs in Parks & Recreation that accomplish many of the same things as those in place, but don't involve travel or aren't quite as enriched. A majority of the programs are not break even, but those that are will probably continue to be offered. The Board recognizes that opportunities for revenue enhancement are slim.

The Town Manager confirmed that there are no retirements foreseen in the 2010 calendar year. He is investigating the costs associated with the School Resource Officer (SRO). There is an agreement among the Board that the Town should recover full costs for the SRO, and those costs should be adjusted annually.

Although total reductions and hold items result in a budget reduction that is \$2,200 to the positive, it will be important to consider additional holdback early in the year to account for further reductions in anticipated revenues. Selectman Worsman expressed concerns with having limited opportunities for further reductions if the need arises. The Chair explained that holding back on projects until revenue streams are identified will assist in keeping as much "dry powder" as possible. In addition, although not a first option, Fund Balance is a rainy day fund or saving account that can be tapped if it becomes necessary. Although Selectman Lovett is afraid that the option of using Fund Balance will make it easy for the Board to avoid hard choices, the Chair believes it must be identified as an option. Selectman Flanders will not allow the use of Fund Balance to factor into any decision he will make based on this budget. The Board might have to take a look at Fund Balance later down the line. He pointed out that last year's process worked extremely well and is an excellent model for 2010. The Chair added that the Board can feel comfortable with the quality of the staff on board to lead them through the process. Dialogue ensued regarding how changes at the state level might affect revenues.

The Town Manager explained the accounting process for losing revenue as a result of not funding a generator.

The Board took a short break at 5 p.m. while the Town Manager reviewed the revised Parks & Recreation budget delivered by Director Choiniere.

Mr. Choiniere proposed the following reductions in the Parks & Recreation budget, totaling \$75,000:

- Concerts -	\$	6,385
- Beach Staff		21,015
- Signs		2,500
- Activity Center Supervision		3,287
- Ice Rink Maintenance		1,895
- Equipment		1,000
- Special Event Supplies		1,700
- Part Time Wages/Part Time Maintenance		6,843
- Part Time Wages/Gunstock Counselor		455
- Summer Camp Trip Admission		7,605
- Summer Camp Trip Transportation		3,605
- Community Trips		2,200
- Swim Trip		400
- Tubing		600
- Field Maintenance		1,200
- Community Center Maintenance		5,000
- Maintenance and Repairs		6,751
- FICA		2,075
- Medicare		484

If all program and user fees are increased by 10%, it would increase revenues by approximately \$14,000, with the same number of participants. This is impossible to predict. One area that should be researched for additional revenue is charging all state and federal agencies for their use of the Community Center. Currently these two heavy users do so free of charge. In addition, the Parks & Recreation Department provides a tremendous service to the school district in maintaining and preparing athletic facilities at no charge. Mr. Choiniere suggests that these two topics deserve thorough research and dialogue.

An adjustment to non-resident fees will not be addressed as an avenue to balance the 2010 budget. Any increase in those fees through the year in excess of what was budgeted will flow to Fund Balance. All privately endowed or self-funded programs will not be eliminated.

Selectman Lovett commented on the ease of this year's budget process compared to previous years. He wonders about the implications of eliminating life guard service, and is hopeful that department heads are cooperating with the process because they understand the need for reductions. The Town Manager assured the Board that he has a good working relationship with a very committed management team, and that the process of meeting the Board's goals has been collaborative as opposed to coercive. Selectman Flanders pointed out that historically Mr. Choiniere has been extremely cooperative and that he is sensitive to demoralizing him. The Board is appreciative of the willingness of the Department to reduce the costs of services. It is

hoped that management understands that the steps are being taken out of necessity, and that everyone is working toward a common goal. The Board is confident that Mr. Choiniere will use his creativeness to advocate for those that use the Center, especially the children. The Board will be updated on how the reduction in services is affecting the Center throughout the year. Dialogue ensued regarding landscaping services at the Community Center including the use of volunteers and community service based programs. Mr. Choiniere has made the assumption that additional work can be performed by staff.

There are maintenance accounts that can be tapped for repairs to the Community Cter.

All departments have reviewed their budgets to identify possible areas of reduction, and the services the Town delivers were considered in terms of priority. It might be necessary to make further reductions as the year progresses. The Town Manager will provide the Board with a monthly analysis of revenues.

The Town Manager will provide the Board with information regarding how health insurance premiums and retirement are allocated to individual departments. He is investigating the plans that other carriers have to offer. The rate for workers compensation will be available in the next few days.

The Board is extremely appreciative of the collaboration of staff and employees in meeting the budget goals.

The Chair suggested closing out the Fire Station Fund and Municipal Building Fund, in the amount of \$216 and \$176, respectively.

Dialogue ensued regarding Outside Agencies. Selectman Lovett suggested notifying all Agencies that their funding is being reviewed, and that while first and second quarter funding will be guaranteed, there might be some adjustments after that. The Chair cautioned that Agencies have yearly budgets, and anticipate receiving the whole amount at one time. He supports putting the Agencies on notice that the Board is going to start a more thorough process, but not until the budget is fully approved and a timeline for the process is established. As Chairman of the Executive Board of CORE, Bob Flanders told the Board that the budget process is not easy, and that it would not be fair to only give part of what was originally committed. Dialogue ensued regarding CORE, how it is funded, and what it offers to the Community. Selectman Worsman is particularly concerned that other communities receiving services from CORE are not funding them, and that the taxpayers in Meredith are funding the program at the local level, in addition to state and federal levels through the awarding of grants. Mr. Flanders pointed out that funding from Meredith is used only at Interlakes School. The funding of the Agency will be reviewed during the vetting process.

The Town has funded the July 4th fireworks in the amount of approximately \$7,000 for a number of years. Apparently, the Chamber of Commerce does not wish to present the fireworks this year. Dialogue ensued regarding liability issues surrounding the presentation of the fireworks. There was an agreement among the Board that they support the event from a patriotic, business, and tourist standpoint and that they would like to make sure the event takes place. Selectman

Palm suggested the American Legion as a host organization. The Town Manager will gather more facts on the matter and report his findings to the Board.

Dialogue ensued regarding Motorcycle Week and the impacts on the Town. Meredith's representative on the Motorcycle Week Board, Paul Lessard, is stepping down. The Board agreed that it is essential to have representation on that Board. The Town Manager will investigate when the vacancy will arise, and the Board will choose a candidate. The Motorcycle Week Association will be discussed in more detail during the vetting process.

\$400,000 in Fund Balance will be used to establish the desired tax rate. Doing so keeps the Fund Balance at 7.29%. Administrative Service Director Brenda Vittner will provide the Board with additional information on the spreadsheets. The Town Manager will prepare the final documents with updated pages, and the budget book will be brought up to date based on the budget workshop discussions. The public hearing date is set for February 8. It is not necessary to hold the budget workshop scheduled for Wednesday, January 13. A meeting will be held at the Moultonboro Town Hall at 6 p.m. on Thursday, January 14, to review the ambulance contract.

Selectman Palm reminded the Board that in accordance with last year's budget workshops, the Board must make a recommendation on the funding of two new Outside Agency requests that will be put on the Town Warrant. The Town Manager will provide the Board with additional information relative to the new requests from the Center Harbor Soup Kitchen and CASA.

In summary, there was an agreement among the Board on the budget presented with the modifications in the Parks & Recreation Department, holds on capital improvement projects, and funding of Expendable Trust Funds, subject to additional modification pending further information from the Town Manager.

The Board will review matters relative to the Cemetery and Soup Kitchen at a Non-Public session following the regular Board Meeting scheduled for Tuesday, January 19.

The Board is appreciative of the hard work done to this point on the budget. The Chair urged the Board to become familiar with the details of the budget in preparation for the public hearing.

Dialogue ensued regarding the procedure for voting on the budget.

Selectman Lovett motioned to adjourn the meeting at 6:30 p.m. Seconded by Selectman Flanders. 5-0. All in favor. Motion passed unanimously.

Respectfully submitted,

Phillip L. Warren, Town Manager

Peter F. Brothers, Chairman

Karin Landry, Recording Clerk

Miller C. Lovett, Vice Chairman

Robert C. Flanders

Charles G. Palm

Colette Worsman