

## Budget Committee Approved Minutes May 14, 2012

TOWN OF NEWMARKET,  
NEW HAMPSHIRE  
BUDGET COMMITTEE

MAY 14, 2012  
6:30 p.m.

### PRESENT:

Chairman Brian Hart

Vice Chairman Ellen Snyder

Rose-Anne Kwaks

Amy Thompson

Jack Fitzgibbon

Drew Kiefaber

Russ Simon  
7:31 p.m. after

Gary Levy, TC Rep. (arriving at

Linda Mantegani, SB Rep.

the non-public TC session)

NOT PRESENT: Dana Glennon and Judy Ryan (both excused – sick)

Chairman Hart called the meeting to order at  
6:35 p.m., followed by the Pledge of Allegiance.

1. Actual versus school budget – Ms. Liporto could not attend the meeting, but will be at the next meeting.

Any excess in the school district budget goes to reduce future appropriations. The committee had her simplified report. A. Johnson asked for a report on projected spending until the close of the school year, or what level of excess funds was anticipated for the school year. There was a discussion of encumbrances. Matt Angell, Acting Town Finance Director, said that encumbrances were purchase orders. There was a discussion as to whether salaries were included in the figure. B. Hart will ask Ms. Liporto to confirm. Salary levels should be the same for the next budget unless there are staff changes or educational level changes with current staff. The contract would be a separate warrant article from the operating budget. B. Hart will ask Ms. Liporto to provide an update on union negotiations.

2. M. Angell spoke on his end of April revenue and expenditure report.

Revenues: Motor vehicle revenues are on track. Building permit revenues are currently \$64,000 over expectations, with more anticipated. Ambulance receipts were budgeted at \$70,000, but are \$52,000 over budget from actual cash received through the billing company Comstar for a fee. There is an Ambulance Revolving Fund to which the first \$45,000 is applied. This amount is not included in the \$122,000 actually received. M. Angell will get figures for delinquency rates and for outstanding receivables. The total receivables report is not completed until the end of the year. M. Angell will also find out of the sale of the Eagles property and the gas stations are included in this fiscal year's revenues. Since they are TIF properties there was a question as to where the revenue from the sale would be reported. M. Angell would have to go back to the original article to determine how it was set up; but that it would make sense that it would go to the General Fund. There was a discussion as to whether the town had owned the gas station or that it was a part of the TIF district. Revenues reported are those figures used on the MS4 report to calculate the tax rate. There was a discussion of determining the budgeted revenue gap. It was felt that this would be offset by other numbers. M. Angell said that the reports he was presenting only concerned the General Fund, and he was hopeful that revenues would be in the positive

for the year.

Expenses: This report contained every line item in the budget, and M. Angell is in the process of discussing expenditures with each department head. He said the committee had asked to have the revenue report reflect tax revenue and the expense report show school expenses, but there had not been time to do this. The report did not reflect savings that had been found per department as M. Angell need to make sure of their accuracy. R. Kwaks asked if on-call time was included in the overtime DPW budget. M. Angell will get that information. She asked about comp. time. M. Angell said there was a list which he had not seen, but that often employees use comp. time for time off. This was set up to save money in the overtime budget. He will distribute the list to the committee. R. Simon questioned the bottom line figure that showed 6.7 million budgeted versus 19 million spent. M. Angell said this included school and county, and was set up for reporting purposes that required the figure to be netted against tax revenue. The figure also included Council orders that use Capital Reserve funds. M. Angell said he would want to prepare the report differently to reflect the moneys to be subtracted from expenses to reach the budgeted figure. He will do an Excel report to show this. He was asked for a one page report stating where they stood financially on important issues. M. Angell suggested an email discussion to determine what would be included in this report. He asked for input on ideas to summarize data that could be easily understood. B. Hart suggested a snap shot report that showed the operating budget versus what had been spent, perhaps by department, any funds that were held back, projected fund balance, etc. M. Angell explained that fund balance encompasses multiple accounts, and includes funds reserved for encumbrances and unreserved funds. Net income closes into unreserved funds and from there moves into encumbrances or other reserves. Only unencumbered funds are figured in the 16% reserve that should be held. A. Thompson asked if the amount listed under the Veteran's Capital Reserve/CIP Fund reflected funds spent or funds transferred into the Fund. It was money transferred into the Capital Reserve Fund to be used. Council votes would show what of these funds had been spent.

3. R. Kwaks reported that all day training sessions on responsibilities of Budget Committees are scheduled for both September 18th and 20th, with location to be announced. The possibility of having the group present the seminar locally was discussed, but that would be a half day session. The seminar would include budgets, perhaps trusts and gifts, with another subject to be determined. The consensus was that attending a September seminar would be better as it was before the start of the budget process and changes in state laws would be more up-to-date.

4. Discussion of Budget Committee responsibilities: Committee members had asked to read the Town Charter and look at the 2011 budget prior to having the discussion. B. Hart left it up to the committee to decide if they wanted to have the discussion before attending the September seminar. There was some discussion. The Budget Committee sends its proposed town and school budget to the town with its recommendations. The CIP is a component of the town side of the budget, and the Budget Committee recommends new funds going in to it, while the Town Council usually is the body to determine the expenditure of the funds. The CIP Committee doesn't just recommend funding for the year, but also prepares a forecast of recommended expenditures for the Town Council. The Budget Committee can look at this guide to see if it appears realistic. The Budget Committee had found that the operating budget needs to include proposed expenditures from both TIFs under the TIF side. Whether this was a Budget Committee responsibility should be asked of an attorney.

The town has 28-29 CIP/Capital Reserve Funds. Councilor Levy asked why there were so many, and why there could not be, instead, a general CIP for all but water and sewer, with funds to be used on a need basis only. The town had been using Capital Reserve Funds for a long time. Specific CIP's are required by state law to promote good planning. Unlike a business, a municipality has to ask the voters to set aside money for a specific purpose.

Last  
year

Town Council had eliminated 4 – 5 small CIPs. It was within their authority to decide whether or not CIP funds would be used after getting information from department heads. The Town Council can use unreserved funds for an emergency by a process that includes approval from DRA and public hearing. Town Meeting vote in March is required to either change the purpose of an existing CIP or establish a new one. A CIP is equivalent to an encumbrance for a specific purpose. The goal is to fund them at a stable amount, which is like saving toward a specific goal.

5. Update on CIP Committee: The committee met the previous week and set a deadline for department CIP requests of either June or July 15th.

6. A. Thompson moved to accept the minutes of the April 9th meeting. R. Simon seconded. The motion carried 8 – 0 – 1, with L. Mantegani abstaining as she had not attended the meeting.

Chairman Hart will prepare a master list of issues members would like to see addressed and send them out to all.

The next meeting will be Monday, June 25th at  
6:30 p.m.

R. Kwaks moved to adjourn and L. Mantegani seconded. Motion carried unanimously, and meeting was adjourned at  
8:00 p.m.

Respectfully submitted, Ellen Adlington, Recording Secretary