

**TOWN OF TUFTONBORO
BUDGET COMMITTEE
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BUDGET COMMITTEE

**Tuesday, February 2, 2016
6:00 p.m. – Town House**

MINUTES

Present: Chairwoman Carla Lootens, Vice-Chairman Steve Brinser, Members Helen Hartshorn, Bob McWhirter, Tyler Phillips, Bob Theve, Selectmen's Representative Carolyn Sundquist, and Karen Koch.

Also in attendance: Selectman Lloyd Wood, Police Chief Shagoury, Fire Chief Thompson and members of the public.

OPEN MEETING: After declaring a quorum, Chairwoman Lootens opened the meeting at 6:00 p.m. and led the Pledge of Allegiance.

CHAIRWOMAN COMMENTS: Chairwoman Lootens asked the budget committee members their input on how the budget committee should present their recommendations at the public hearing. It was decided that Chairwoman Lootens would present and other members of the budget committee would supply input when necessary.

REVIEW/APPROVAL OF MINUTES: Chairwoman Lootens called for review and approval of the January 26, 2016 minutes. Corrections were noted.

Motion: Selectwoman Sundquist moved to accept the minutes with corrections, seconded by Tyler Phillips. Vote passed 7-0.

NEW BUSINESS:

BOS AND/OR COUNTY UPDATE, MEMBER/SELECTWOMAN SUNDQUIST:

Selectwoman Sundquist acknowledged Bob McWhirter's email in regards to whether or not the Administration budget line was reduced in regards to health and dental benefits, as the new Administrative Secretary does not have a need for these benefits. Carolyn responded that the line had not yet been reduced. It was then noted that Health Insurance shall be reduced \$16,350 from \$292,382 to \$276,032. Dental shall be reduced \$1498 from \$19,209 to \$17,711. The new total for Personnel Administration will be reduced to \$537,976.

Motion: Bob McWhirter moved to accept the Health Insurance budget line 4155-01-210 for \$276,032 and the Dental Insurance budget line 4155-01-219 for \$17,711, with a total of \$537,976 for Personnel Administration, seconded by Tyler Phillips. Vote passed 7-0.

Gary Chehames, former Budget Committee Chair, asked the budget committee why the removal of the Dearborn property and the Police Department's new equipment request (for car video replacement) were not presented as warrant articles instead of budgetary line items. Discussion regarding the qualification of a warrant article versus a budget line item was discussed. Chairwoman Lootens advised that this topic is something that will be discussed at the hearing that would begin at 6:30pm.

Motion: Selectwoman Sundquist moved to suspend the budget committee meeting at 6:20pm, and to reconvene after the public hearing, seconded by Chairwoman Lootens. Vote passed 7-0.

PUBLIC HEARING

After a slight break, discussion reconvened with the opening of the public hearing at 6:30pm. Chairwoman Lootens described the process that the budget committee used in order to come to their suggested operating budget. She shared that the committee had discussed zero based budgeting. However discussions lead to review of each individual line item. Chairwoman Lootens stated that she would share the budget committee's suggested operating budget, review warrant articles and then review revenue.

Chairwoman Lootens began to review each budget line with the budget committee's suggestion for each (as noted below). Members of the public were provided copies of the budget to follow the discussion.

SELECTMEN'S REQUESTED BUDGET VS. BUDGET COMMITTEE'S SUGGESTED OPERATING BUDGET

Budget Line	Selectmen Request	Budget Committee Suggestion
4130	\$ 84,970	\$ 87,970
4140	\$ 81,338	\$ 81,338
4150	\$ 118,475	\$ 118,475
4152	\$ 44,620	\$ 44,620
4153	\$ 42,800	\$ 42,800
4155 (revised at this meeting)	\$ 537,936	\$ 537,936
4191	\$ 22,770	\$ 22,770
4194	\$ 147,952	\$ 147,952
4195	\$ 16,450	\$ 16,450
4196	\$ 42,110	\$ 42,110
4199	\$ 850	\$ 850
4210	\$ 369,872	\$ 369,872
4215	\$ 183,060	\$ 183,060
4220	\$ 412,316	\$ 412,316
4240	\$ 59,021	\$ 59,021
4290	\$ 12,680	\$ 12,680
4312	\$ 402,300	\$ 402,300
4313	\$ 4,200	\$ 4,200
4324	\$ 302,123	\$ 302,123
4414	\$ 2,000	\$ 2,000
4415	\$ 39,225	\$ 38,132
4442	\$ 45,000	\$ 35,000
4250	\$ 33,461	\$ 33,461
4550	\$ 199,492	\$ 199,492
4583	\$ 1,800	\$ 1,500

Budget Line (con't)	Selectmen Request (con't)	Budget Committee Suggestion (con't)
4589	\$ 1,000	\$ 500
4612	\$ 16,400	\$ 16,400
4619	\$ 28,000	\$ 28,000
4711	\$ 153,710	\$ 153,710
4721	\$ 45,930	\$ 45,930

In reference to budget line 4130, the Budget Committee recommended an increase to the Selectmen's salaries.

In reference to budget line 4155, Guy Pike pointed out to the group that not all Personnel Administration information is included within this budget line. Other salary information is listed within individual department's budget lines, bringing the grand total of Salaries and Benefits to over \$1m. He also thanked Helen Hartshorn and Selectwoman Sundquist for their informative pie charts displaying the 2016 Operating Budget Detail.

In reference to budget line 4194-07-410, Gary Chehames resumed the discussion asking why the removal of the Dearborn property is not a warrant article rather than a budget line item. Budget committee members and members of the public gave their opinions regarding the requirements necessary to address something as a warrant article. Selectwoman Sundquist and Helen Hartshorn, of the CIP committee, shared that both the Selectmen and the CIP committee deemed it appropriate to be included within the operating budget.

In reference to budget line 4210-23-680, Gary Chehames resumed discussion asking why the equipment is not a warrant article rather than a budget line item. Police Chief Shagoury confirmed that the requested items are replacement equipment.

In reference to budget line 4324-20-390, Clay Gallagher explained that he believes that 2015 was an anomaly for C & D Disposal and he does not foresee the need for an increased budget line for 2016.

In reference to budget line 4415, the budget committee suggested to remove the American Red Cross from the list of health agencies to receive funding, as they did not supply adequate documentation of their service for the town of Tuftonboro.

In reference to budget lines 4442 and 4583, the budget committee suggested reducing the budget lines for 2016 as the 2015 expenditures were less than the 2015 budgeted amount.

WARRANT ARTICLES

Chairwoman Lootens read each of the warrant articles for 2016.

Article 2: Lang Pond Road Improvements

To see if the town will vote to raise and appropriate the sum of One Hundred Sixty Thousand dollars (\$160,000.00) to repair Lang Pond Road. One Hundred Thousand Dollars (\$100,000.00) to come from the Unassigned Fund Balance and the remainder of Sixty Thousand (\$60,000.00) to be raised from taxation. (Majority vote required.) (Recommended by the Board of Selectmen 3-0 and recommended by the Budget Committee 7-0.)

Helen Hartshorn noted a correction within the wordage of the article, stating that an open parenthesis should be added before the word "Majority".

Article 3: New Library

To see if the Town will vote to raise and appropriate the sum of Fifty Thousand Dollars (\$50,000.00) to be deposited into the previously established Library Capital Reserve Fund. (Majority vote required.) (Recommended by the Board of Selectmen 3-0 and recommended by the Budget Committee 4-3.)

For consistency, Chris Sawyer suggested a clarification be made to add the term "CRF" within the name of the article.

Article 4: Police Department Facility CRF

To see if the Town will vote to raise and appropriate the sum of Fifty Thousand Dollars (\$50,000.00) to be deposited into the previously established Police Department Facility Capital Reserve Fund. (Majority vote required.) (Recommended by the Board of Selectmen 3-0 and recommended by the Budget Committee 4-3.)

Guy Pike asked the opposing members of the budget committee to share their reasons for not voting for articles 3 & 4. Each member shared their opinion.

Article 5: Contingency Fund

To see if the town will vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate the sum of Five Thousand Dollars (\$5,000.00) for said purpose. Said sum to come from the Unassigned Fund Balance and no amount to be raised from taxation. Any appropriation left in the fund a year end will lapse into the general fund. (Majority vote required.) (Recommended by the Board of Selectmen 3-0 and recommended by the Budget Committee 4-3.)

There was discussion about the use of this fund. Selectwoman Sundquist explained that it is for unanticipated expenses. Gary Chehames asked for clarity regarding "any appropriation left.....to lapse into the general fund". It was suggested to change the wordage of "general fund" to "fund balance". Selectwoman Sundquist will verify that this change is legally acceptable.

Article 6: Preparation & Paving of Town Roads

To see if the town will vote to raise and appropriate the sum of Two Hundred Thirty Five Thousand Dollars (\$235,000.00) for the preparation and paving of Town Roads. (Majority vote required.) (Recommended by the Board of Selectmen 3-0 and recommended by the Budget Committee 7-0.)

Article 7: Ambulance Vehicle

To see if the Town will vote to authorize the selectmen to enter into a five year lease/purchase agreement for an amount not to exceed \$165,000 for the purpose of leasing an Ambulance for the Fire Department, and to raise and appropriate the sum of \$34,775 for the first year's payment for that purpose. This lease agreement contains an escape clause. (Majority vote required.) (Recommended by the Board of Selectmen 3-0 and not recommended by the Budget Committee 3-4.)

Chris Sawyer asked the opposed budget committee members to share their reasons for not voting for Article 7. Each member shared their opinion.

Article 8: Rescue Vehicle

To see if the Town will vote to authorize the selectmen to enter into a five year lease/purchase agreement for an amount not to exceed \$260,000 for the purpose of leasing a Rescue Vehicle for the Fire Department, and to raise and appropriate the sum of \$54,641 for the first year's payment for that purpose. This lease agreement contains an escape

clause. (Majority vote required.) (Recommended by the Board of Selectmen 3-0 and recommended by the Budget Committee 7-0.)

Fire Chief Thompson provided information and answered questions regarding articles 7 and 8.

Article 9: Budget of the Town

To see if the town will vote to raise and appropriate the Budget Committee recommended sum of Three Million Four Hundred Sixty Thousand Eight Hundred Fifty Six Dollars (\$3,460,856.00) for general municipal operations. This article does not include appropriations contained in special or individual articles addressed separately. (Majority vote required.)

Helen Hartshorn noted that the amount recommended by the Budget Committee will now be revised to \$3,443,008 and the Selectmen's recommendation of \$3,451,901 should be added.

Selectwoman Sundquist reviewed the Selectmen's estimated revenue of \$1,039,070 plus Other Financing Sources for a grand total of \$1,244,070.

Helen Hartshorn presented the 2016 Department Operating Budget Detail to the attendees of the public hearing.

The public hearing adjourned at 8:10 pm.

The Budget Committee reconvened their meeting at 8:18 pm.

Chairwoman Lootens asked for a motion to approve the 2016 Operating Budget.

Motion: Bob Theve moved to approve the 2016 Operating Budget for \$3,443,008, seconded by Helen Hartshorn. Vote passed 4-3. Tyler Phillips, Vice-Chair Brinser and Bob McWhirter opposed.

ADJOURNMENT: On a motion made by Vice-Chairman Brinser, seconded by Bob Theve, vote passed unanimously. Meeting adjourned at 8:30 p.m.

Prepared and submitted by: Karen Koch