

Town of Raymond

BUDGET/FINANCE COMMITTEE
with the Board of Selectmen
Broadcast Studio
423 Webbs Mills Road

Monday, November 4, 2013
6:30 pm

MINUTES

Attendance: Rolf Olsen, chairman; Marshall Bullock; Bob Gosselin; Steve Crockett; Peter Dunn; Brian Walker; Dana Desjardins; and Tacy Hartley.

Selectmen Attending: Sam Gifford, chairman; Joe Bruno; Mike Reynolds; and Teresa Sadak.

Others: Don Willard, Town Manager; Nathan White, Public Works Director; Nancy Yates, Finance Director; and Charles Leavitt.

1. Call to order. Rolf Olsen called the meeting to order at 6:40 pm.
2. Approve Minutes:
August 20, 2013

MOTION: Bob Gosselin motioned to approve the minutes of August 20, 2013.
Seconded by Peter Dunn.

MOTION WITHDRAWN: Mr. Gosselin and Mr. Dunn withdrew their motion.

Discussion on the minutes - it was questioned if paragraph 3 on page 2 was correct or should be amended. Clarification was given on how the Town Managers salary is adjusted year to year. It is negotiated through his review and contract and that it was not tied to increases on the town employees side.

As this clarification was not given at the previous meeting and paragraph 3 on page 2 did not state the linkage as fact, no correction to the minutes was required.

MOTION: Bob Gosselin motioned to approve the minutes of August 20, 2013 as written, seconded by Peter Dunn.

VOTE: Carried

3. Review of 2012-2013 Audit Report.

DISCUSSION: Mr. Walker noted page 19 and asked for clarity for paid absences. He asked about the liability for accrued absence and when does it get paid out. Mr. Bullock thought it was only paid

at termination. Mr. Olsen added it was a liability until it's paid out. Mrs. Yates noted that the personnel policy limits the payout: vacation limit 152 hours; and sick leave 240 hours. The total liability must be kept up to date for our records of indebtedness.

4. Review of Appropriation/Revenue Report June/September 2013

DISCUSSION: Mr. Bullock asked about our legal account being over budget for 2012-2013 by \$44,000 and as of September 2013 almost half of the legal budget has been used. He asked if it would resolve itself for this year or go over. He said his litmus test was a budget variance of more than \$5000 or more than 50%. Mr. Walker wanted to come up with some parameters for questions i.e. over or under by a certain percentage for the larger line items. He felt that the comparison month to month was helpful especially when combined with the year end summary. The size of the budget item plus it's variance year to year was pertinent. There was some discussion about how to read the reports. Mr. Desjardins asked about the purchase of the new used dump truck. Mr. White answered that the expense of a new truck would be around \$150,000 with a 5 year warranty and the used truck they purchased for approximately \$60,000 had a 3 month warranty. It will not be used to plow snow but just haul dirt. Mr. Dunn asked why Raymond couldn't make monthly payments to Cumberland County like the RSU #14 payment. Mr. Olsen replied it had to be paid in one payment. Mr. Walker asked about the insurances: vehicle, medical/dental and ICMA [retirement]. Mr. Olsen replied it was predictable but will vary with usage. Mrs. Yates explained that the health/dental reimbursement was for the employee's deductible and the total may not be used in a year but they had to account for the total. The ICMA retirement is an established matched percentage amount of a payroll deduction chosen by the employee. Mr. Walker asked why the Technology Department account was over with the 2012-2013 computer upgrades. There was no comment. Mrs. Yates said that the licensing expense would come at the first of the year so you might see an initial jump in that budget annually. Mr. Walker felt that because of financial benefits in past years, it's unrealistic to think we can continue that premise of a zero increase budget. Mr. Olsen noted that one bond will retire next year and another in 2015. However, because of the sale of the tower property Raymond will lose the \$40,000 in revenue we've enjoyed in the past from their lease. Mr. Bullock wanted to see where the use of the budget at the end of 2012-2013 was. He wondered whether that money spent at the end of the year was legitimate or use of padded budget. Mr. Gosselin thought it was frugal use of a department's budget until the end of the year before they purchased some items. Mr. Willard concurred in that some departments wanted to wait to purchase in case there was an emergency purchase during the year. If no emergency then they would use the funds for a scheduled purchase. Mr. Bullock asked if they had ever used a "Zero-Based Budgeting" philosophy. Mr. Willard said he had never but he could look into it. Mr. Walker felt Raymond needed to have an effective budget. At some point a zero increase budget will do the town harm. We need to be fiscally prudent but also cover the town's needs. Mr. Desjardins thought that the general economy is a concern. Mr. Olsen noted that it was necessary to know what the taxpayer wants. Mr. Leavitt indicated that since we now have a AAA credit rating we must be doing all right.

5. Review the Budget/Finance Committee's charge in the budget process. [taken 1st out of order]

DISCUSSION: Mr. Olsen said this was an opportunity to discuss the Budget/Finance Ordinance. Mr. Desjardins asked if this committee would continue to be elected. Mr. Olsen answered that there was no plan to make a change. Mr. Bruno said that the only change in that ordinance to be considered was the inclusion of a school board member as an ex-officio member which now is obsolete because of our membership in RSU #14. He noted that the Selectmen and Budget/Finance Committee would still review the budget. However, he did have a problem with the Budget/Finance

Committee setting policy for the town. He felt that the budget discussion should be a combined effort especially when talking with the department heads. He wanted to keep a good working relationship. Mr. Olsen said that their intent was to have separate meetings for discussion of the budget but meet together to ask questions of the department heads. He also felt they should have their hearings on multiple nights so the meetings don't go on too long. Mr. Bullock thought the Selectmen and Budget/Finance Committee were a check and balance mechanism for the town and that some independent discussion was needed. Mr. Olsen didn't feel their intent was to micromanage the budget but to keep in touch with Raymond's financial situation and know that we're in line with the budget to prepare for the next year's budget. Mr. Bruno wanted to celebrate Raymond's recent AAA rating with Standard & Poor's. Mr. Desjardins agreed it was a very good rating. He wanted time to talk to the department heads and discuss their budgets. Mr. Walker preferred to keep the separation of the two boards and to keep abreast of the budget. He liked the idea of the Budget/Finance Committee having quarterly meetings. Mr. Leavitt said the process was necessary but the meetings should not continue late into the evening. He felt they were two separate boards and they should go by the ordinance.

6. Old business. None.

7. New business.

DISCUSSION: Mr. Gosselin asked who would be the Technology Department budget representative this year. Mr. Willard thought Laurie Forbes, Technology Chairman, who is a volunteer. Mr. Gosselin asked if Kevin Woodbrey could be available to answer questions. Mr. Bullock concurred that he would like to be able to talk with them both.

NEXT MEETING: January 13, 2014 at 6:30 pm at the Broadcast Studio. Mr. Willard said he would have a draft budget schedule prepared.

8. Adjournment

MOTION: Dana Desjardins motioned to adjourn. Seconded by Marshall Bullock.

VOTE: Carried.

ADJOURNED: Rolf Olsen adjourned the meeting at 8:03 pm.

Louise H. Lester
Town Clerk