

BUDGET COMMITTEE MEETING
OCTOBER 17, 2016

PRESENT: Paul Termin, Chairman, Wendy Juchnevics-Freeman, Brian Somero, David Lage, Joanne Meshna

The meeting was called to order at 6:00 p.m. at the Town office.

Wendy made a motion to approve the minutes of the October 10, 2016 meeting. Brian seconded the motion and it passed unanimously.

Wendy distributed spreadsheets she had done on comparison of the tax rate with other towns. New Ipswich's equalized tax rate is 5.73 and the average is 5.59.

Wendy inquired if David discussed with the Board of Selectmen having Department Heads prepare budgets for five years. David responded he had; Tim was not at the meeting, and Becky did not see the benefit of doing so. David also noted he had asked the question at the October 10, 2016 meeting of what will be done with the information from the five year budgets and there had been no answer. Wendy responded the Budget Committee wants to make sure the priorities of the Town are consistent with what they think they should be, that there is justification for the manpower, and that smart decisions about contracting versus doing in house are being made; these are all things that become known when doing a five year plan. Paul used the ambulance service as an example. He questioned if it would be smarter to join with other departments to provide regional services and noted that can only be evaluated over a space of several years.

Paul stated the goal of the Committee is to suggest a level or slightly down tax rate. Inflation is about zero percent so the cost of living has not gone up dramatically. Health cost is a big number. David noted the employees are now paying a percentage of their health care premiums as well as higher copays. Paul stated the employees are going to have absorb more of the health care burden. The Town has not yet received the 2017 health care rates.

David asked for an example of something in the past that was not planned for that caused a spike. Wendy responded that every year some department comes in with something that was not planned for. For example, a few years ago the Fire Department came in with maintenance issues, the Budget Committee said no, and they came back last year with a plan. David noted this year the Town had to pay \$14,000 for a replacement pump on one of the trucks that was not and could not be planned for.

Wendy stated if the Budget Committee is not going to get involved in setting priorities and looking at 5 year plans and making sure the money is being spent wisely, they could set a tax rate based on the revenue and total appropriations. Further, she stated she was not going to listen to one year plans. David stated the Budget Committee is supposed to review the budgets of every one of the departments and arrive at a budget and not back into a tax rate. David further stated the Selectmen have to put together a budget and they do so by meeting with department heads. The Selectmen thought it

beneficial for the Budget Committee to attend the meetings for answers to questions, etc. If the Budget Committee does not want to attend, the Selectmen will make their budget and submit it to the Budget Committee. The Budget Committee can then make changes as they see fit. At the deliberative session, the Selectmen can amend the budget by 10%.

Wendy stated she wanted to participate but wants it to be of value to the community and the value of the Budget Committee is going to increase tenfold if they can help set priorities and make sure the objectives they are trying to achieve by the budget are the right objectives for the town. There has to be a balance between the services that are offered and the cost to the town. David stated he agreed with Wendy but he would not have department heads do a three or five year budget projection.

The Budget Committee discussed how they would like to conduct the meetings and if they were going to meet with the Selectmen when they meet with department heads. Wendy stated she thought joint meetings were very productive; the question is whether what is done in the meetings is a good process or not, and that is why she wanted to look at objectives, projects and cost and build the budget from that. The Committee agreed they would meet with the Selectmen and Department Heads.

The meeting adjourned at 7:30 p.m.

Respectfully submitted,

Joanne Meshna
Town Administrator