

Finance Advisory Committee / Department Heads Meeting

Minutes: September 12, 2022

Present were:

Bob Boynton, Conservation	Eric Maxwell, Emergency Management	Luke Moran, FAC
Bob Romeril, Moderator	Fran Atchison, Heritage Commission	Matt Hatcher, Fire Department
Carlene Wardwell, Treasurer	Gary Somero, Fire Department	Michael Abel, Police Department
Carrie Traffie, Welfare	James Coffey, Assessors	Mitch Gluck, FAC
Danny R. Heath, Resident	James Feldhusen, Building Inspector	Susan Mallett, Land Administrator
Debbie Deaton, Administrator	Joe Woodworth, FAC	
Dennis Howe, FAC	Lisa Carbone, Town Clerk	

Discussions

Guidance from the Board of Selectmen

- Prior BOS budget development was major time consumer; impeded other business
- BOS appointed Finance Advisory Committee (FAC) to assist in 2023 Budget development process
- Emphasis on maintaining current tax rate
 - Flat baseline budget – 2022 benchmark
 - Inflation recognized, but centrally managed
 - Avoid making comparison to other town budgets
- Provide periodic updates to BOS on Budget development progress
- Exclude Bonds / Warrants in budget development process.

Finance Advisory Committee (FAC)

- Committee members appointed by BOS
 - Dennis Howe, Mitch Gluck, Joe Woodworth, Luke Moran
 - Members have business / government budget backgrounds and business experience
 - All have agreed to advocate; not impede.
- Members assigned to Departments to facilitate
 - Collect, review and present your requirements to BOS
 - Support Department Heads during town deliberations
 - Consolidate Department budget inputs into EXCEL
 - *Discussion around the use of Excel. Excel has been chosen because of its capabilities, portability/usability, and ultimately the ability to import into the Town tools. Note that the FAC does not have access, and does not need access to the Town accounting system.*
- FAC will provide:
 - Historical 2020-2022 budget numbers, 2020-2021 actuals
 - FY2023 Budget worksheet (provided by FAC)
- Beginning in 2023, will initiate Quarterly Budget Execution Review (BER)
 - Identifies high and low execution rates during year of execution.
 - Ensures best distribution of limited resources.

Budget Development Process

- Develop budget in manner best suited for Departments
 - Use methods and tools you are comfortable using
 - Include multiple lines to describe total requirement, as needed.
 - Prioritize each individual line (1, 2, or 3)
 - *Discussion on ratings:*
 - 1: Absolute minimum required to operate (e.g. salary).
 - 2: Expense suggested for inclusion in the budget. Note risks if not included in text fields.
 - 3: Desirable expense. Again, narrative the purpose for the expense, why it should be planned for, and the impact of not including this expense.
 - Identify susceptibility to Inflation, COLA, or NA
 - Provide textual description of requirement; the greater the detail, the easier it is to justify
 - *Discussion on entering budget data into the State portals. Debbie Deaton has the responsibility for translating budget in Excel format into the New Ipswich system, and ultimately into the State portals.*
- Omit for now (but will be addressed later)
 - Inflation rates (Uniform across Departments and to be provided by BOS)
 - *Discussion on inflation rates. These are to be worked jointly by the BOS, the Department Heads, and the FAC. It is understood that a single, flat inflation rate may not be appropriate.*
 - *Discussion on example expense. If an item was \$1,200 on January, 2022, \$1,500 on June, 2022, and is currently \$2,000, what do the Department Heads plan for? They should use \$2,000 as the current expense, and note that inflation continues to be a factor. The team will determine what, if any inflation is to be added taking into consideration the inflation rates, time of the procurement, etc.*
 - Cost of Living Adjustments (COLA) to be determined
 - Medicare and FICA amounts; calculated by FAC based on Town salary specific rates and rules
 - *Discussion on retirement. Retirement is a calculation based on salary. The FAC will work with the Department heads to calculate retirement expenses.*
- With FAC Support:
 - Translate budget into FAC budget template
 - Estimate projections by account number
 - Use multiple lines for each account number to fully describe requirement

Excluded Budget Items

- | | | |
|---------------------|------------------------------|------------------------------------|
| • Medicare and FICA | • Landfill Cap Testing | • Regional Associations |
| • Auditor | • Legal | • Outdoor lighting |
| • Revaluation | • Sanitation Hazardous Waste | |
| • Ambulance Service | • Library | |
- *Discussion on Regional Associations. These will be included in the Department budgets. Examples include NH Municipal Association (NHMA), Town Clerk Association, Assessors Association, etc.*

Milestones

Tentative Budget Timelines & Milestones	
Completed By	Task
Aug 22nd – Sept 13 th	Meet with each Dept. Head for initial budget orientation & discussion
Sept 20 th	NH Budget Training (FAC participating)
Oct 4 th	Finalize pre-inflation Department submissions
October	Department Heads & FAC members review, document, and consolidate into FAC Excel workbook
Nov 7 th	Draft budgets available for review with BOS; Incorporate adjustments (inflation & COLA)
November	Budget updates, narrative justifications, etc.
Dec 14 th	Final budget provided to BOS
January, 2023	Warrant review
February, 2023	Deliberative session

- *Discussion on budget hierarchy. A question was raised on the approval process for the budgets. The FAC is a team of advisors, and work with both the BOS and the Department Heads to develop the budgets. The FAC do not decide, formally approve or disapprove of the budgets. Ultimate responsibility for the budget remains with the Department Heads and the BOS. Department Heads, and the general public, are welcome to participate in BOS meetings where budgets are reviewed, questioned, and deliberated.*
- *Discussions on warrant review. Budgets are to be completed and submitted to the State of New Hampshire 30 days prior to deliberations. No changes are allowed once submitted to the State without an additional 30 day period. Milestone to be added.*

Meeting adjourned