

# Budget Advisory Committee

## Minutes

October 26, 2023 Meeting

Town Offices Lower Level, Frankestown, NH

Attendees: Tom Anderson, Stewart Brock, Brad Bull, Cindy St. Jean.

The meeting was called to order at 5:30 PM. The minutes from the September 20, 2023 meeting were reviewed. Changes include correcting the spelling of Marsha Dixon's name, Tom Anderson nominated Stewart Brock for Chair rather than Brad Bull, and modifications related to the paragraph concerning the unassigned fund balance. Stewart Brock moved to accept the minutes with changes, seconded by Tom Anderson. Motion carried.

The meeting progressed to reviewing line by line the most recent draft copy of the budget, dated 10-26-23. While Revenue is not under the BAC control, it was noted that the Transfer Station is improving year by year and interest is up. What contribution the Frankestown Community Market makes to the town's revenue, if any, was discussed, as well as any possible liability to the town as the event is expanding in nature. Stewart will follow up on both questions.

Reviewing the expense budget, it was noted that many departments hit the goal of keeping discretionary spending at or under a 4% cap. The BAC is not in receipt of departmental priority lists at this time. Over 80% of the town's budget consists of non-discretionary expenses.

The 7% increase of Executive salaries and wages was discussed, and questions included what CPI is being used, what is used as a planning number. It is possible that the increases are contractual. Stewart will pursue the answers to those questions. Frankestown employs five full time employees, including the town administrator, three in the highway department, and one full time police officer. Stewart will also ask about the employee healthcare contribution, if any.

Concerning expenses that fluctuate yearly, discussions included how to possibly smooth out the expenses, so no one year is particularly high or low. To some extent, this is already done. For example, Hazardous Waste Day is conducted in years when there isn't much activity in Town Elections. Assessments are smoothed by conducting small yearly assessments before the big town-wide assessment every fifth year. It was also noted that the Assessment expense is contractual.

It was noted that some expenses show a fairly wide swing up or down over the last few years, which is due to the reallocation of the expense in new categories. Town Administrator Jamie Pike has combined some departmental expenses into one category, such as IT.

In Cemeteries, there was a question if the Landscaping expense is contractual. Stewart will find out.

In Police, Stewart will determine if they have their own internet contracts.

Ambulance Services is a significant expense. While the town has explored options over the years, it has been felt that the current option, Peterborough Ambulance, is currently the best option for the people of Frankestown. It is contractual.

Solid Waste expenses reflects the rotation of the three employees. Mercury remediation is a big unknown at this time. There was a discussion of recycling vs. single stream. Is there any savings to be had in a single-stream model over the multiple vendors involved in a recycling transfer station model? While it was observed that Frankestown is philosophically committed to recycling, Stewart will look into if/when Frankestown considered single stream vs. recycling.

The Public Assistance expense is an RSA mandated expense. The town is required to provide assistance to those in need. While the budget has been based on the previous two years of expenses, the actual expense will meet the requests for aid that come in for the year. There is a town trust fund for Public Assistance and Legal Expense to help smooth out any spikes in a given year.

Parks and Recreation experienced a marked increase in life guard expenses. Frankestown had to raise low lifeguard salaries to be competitive and attract lifeguards to work at the town beach. In an attempt to control some of the expenses, hours were reduced.

The Library expense budget is above the 4% cap, currently at 15.28% increase. The library is carved out by state statute as administered separately. They receive funding from the town but their trustees administer spending. The BAC can inquire about their reasoning, but ultimately, they make the decision on how to allocate their funding. Discussion then moved to the library trust fund, and whether they can use their money to cover some expenses. Possible questions for the department budget meeting include what is driving their expenses this year, and if there are other expenses not seen here that are currently being covered by the library trust fund.

Under Other Conservation, Milfoil is a contracted service and the expense is driven by how much milfoil is discovered year to year.

Overall, a question was raised regarding using crowd funding and/or soliciting donations to bolster general revenue. Stewart will explore what may govern those kinds of funding sources.

The budget will undergo multiple changes from this point forward but it was recognized that at a 3.64% increase, this was a very good start.

Discussions continued concerning the Unassigned Fund Balance. The town follows the DRA formula for UFB, but given the discrepancy between the auditor's report and the town's, perhaps the auditor follows a different formula. Select Board Member Charlie Pyle is looking into it on behalf of the town. While the DRA is outside of the BAC purview, it is good to know.

Future meeting dates include:

November 7 and 8	CIP (optional and informative only. BAC would be a guest)
November 22	Town Administrator Jamie Pike will present the budget
December 20 <sup>th</sup>	Budget work session

The meeting was adjourned at 6:45 PM.

*Draft minutes respectfully submitted by Cindy St. Jean, Secretary.*