

FINANCE COMMITTEE MINUTES

SEPTEMBER 26, 2018

1. The Weare Finance Committee met on Wednesday 26Sep at 7pm at the Town Offices. Present were members Lori Davis, Neal Kurk, Bill Anderson, Keith Erf, Gregg McDowell, Sue Morin, James Drury, Megan Thellen, Tammi Hagman, Tom Clow, Dennis Aubin, Donna Osborne and alternate member Chris Hague. Also present were Town Administrator Naomi Bolton, Town Moderator John Foss, and guest Frank Campana.
2. Business.
 - A. **Officers/Appointments.** The committee elected Lori Davis Chair, Neal Kurk Vice Chair, and Bill Anderson Secretary. Chris Hague attended and was appointed an alternate to the Committee by Moderator Foss.
 - B. **Contracts.** Chairman Davis had invited Frank Campana to address the Committee reference contracts. Campana cited last year's Committee recommendation of the John Stark teachers' contract as an example. Campana's complaint was that the Finance Committee supported the contract citing the \$250,000 savings over the previous year's failed contracts without identifying the true costs of the proposed contract over three years. In the future he requested the Committee recommendation cite those total costs, which are not clear in the warrant article. Using last year's teachers' contract example, the warrant article cited a year one increase of \$113,686, year two \$76,170, and year three \$78,169. Combining the three gives the appearance of a \$268,025 increase. However, the actual increase of the contract over three years versus current costs should be 3X\$113,686 plus 2X\$76,170, plus \$78,169 for a total cost of \$571,567. Campana emphasized the Committee should be the body that clarifies the cost factors so the voters can make informed decisions.
 - C. **Budgets.**
 1. **Proposed/Default Impacts.** In reference to the development of town budgets Neal Kurk cited two bills (Senate Bill 342 and House Bill 1307) signed into law last year which affect the proposed/default operating budgets for towns. The general impact is that personnel and service contract changes cannot be included in a default budget without voter approval. For example, if a town employee is given a new contract and raise in the middle of the year, that cost can be included the following year's proposed budget. However, if the proposed budget is not approved, the default budget cannot include the cost of the raise. It is also noted that default budgets can now be discussed at deliberative session. In the past only proposed budgets could be discussed. This reinforces the importance of the Selectmen and Finance committee establishing a close working relationship in the development of the budget.

2. **Town Budget.** Administrator Bolton expected the Selectmen and department heads would be working on next year's proposed budget the last three Monday meetings in October (15, 22, and 29 Oct). The Committee discussed pros and cons of communicating upfront with the Selectmen of what would be an acceptable percentage increase in the proposed budget; it was noted that there are many variables that affect the budget process such as unreserved fund balance and revenues. The Committee also discussed the importance of having past budget/expenditure data available; now that 2017 budgets have been audited the Committee desires to see expenditures versus budget by line so that it can be used to compare to next year's proposed budget.

D. **CIP.** The CIP Subcommittee has been meeting with department heads on Tuesday mornings over the past month. Their final white board session will be Tuesday 2 October 830am at the Town Offices. Once completed I will put out to all members a summary of the proposals moving forward. We will schedule CIP Chairman Dearborn and department heads at a later meeting (possibly our October meeting); he has traditionally done a very thorough presentation to our Committee. The CIP recommendations also have to be presented to the Planning Board and Board of Selectmen for approval or modification. The largest item for consideration this year will be a road reconstruction proposal. Various options are being considered including a substantial annual increase in the traditional warrant article as well as a bond warrant article which would allow a larger infusion of money upfront to rectify the deteriorating condition of many town roads.

E. **Administrative.** Draft minutes for the 28 Aug Committee meeting were approved.

F. **Meetings.** Next Committee meeting will be Wed 17 October 7pm at the Town Offices. John Stark School Board meets the second Wed of each month with next meeting tentatively schedule 10 Oct at 630pm (they usually meet in the John Stark Library). The Weare School board meets the third Tues of each month with next meeting tentatively scheduled for 16 Oct at 6pm (they usually meet at Weare Middle School). Check the SAU website for any updates/changes. Both school boards are expected to have proposed budget previews at their Nov meetings and default budget presentations at their Dec meetings.

3. **Adjournment.** The meeting adjourned at 843pm.

Bill Anderson
Secretary