

TOWN OF ATKINSON
BUDGET COMMITTEE MEETING
JUNE 6, 2013

Members Present:

Harold Morse, Chairman (speaker phone)
Bill Smith, Vice Chairman
Sue Carroll
Wendy Barker

Others Present:

Bill Innes, Town Administrator

Vice Chairman Bill Smith called meeting to order 7:30 pm.

Election of Officers:

Nominated were Bill Smith as Vice Chairman and Harold Morse as Chairman.

Member Sue Carroll made a motion to elect Harold Morse as Chairman of the Budget Committee and Bill Smith as Vice Chairman. Member Wendy Barker seconded the motion. All present voted in favor with Wendy Barker, Sue Carroll, Bill Smith, and Harold Morse on speaker phone voting. Vote: 4/0/2.

Zero Based Budgeting:

The Committee discussed how to make Zero Based Budgeting work. Vice Chairman Bill Smith asked the Committee to look at the outline for implementation of zero based budgeting developed by Member Sue Carroll. Mr. Smith also handed out a page from book on zero based budgeting. The Committee discussed the need to look at everything in detail, not just add on to the previous year budget. Managers would need to come in to discuss what programs they need or don't need and the cost. The Committee would ask managers of departments to develop decision packages and rank them.

Bill Innes, Town Administrator is not opposed to it. He pointed out that it will take a huge commitment from the Budget Committee; the members will have to become experts and will have to work very closely with department heads to walk through the process with them. Department heads have looked at their budgets the same way for 20 years; they will have to be educated to use zero based budgeting. The process will have to be collaborative, whereas traditionally it has been antagonistic. Member Wendy Barker stated that's why the committee is here in June, in order to sit down as a group and define the process, define what is immovable, like payroll, pensions, and then ask department heads what do they absolutely need and what can they do without.

Mr. Innes pointed out that the Budget Committee has to explain zero based budgeting to the Selectmen, too. Chairman Harold Morse agrees. Mr. Innes was asked how much time he has to dedicate to developing a zero based budget. Mr. Innes stated he has a full time job, too, managing 12 programs that have had little attention for years, such as the town water program which is mandated by the EPA. He is willing to participate and learn, give feedback but is not sure how much time he has to devote to it. He will have to ask the Selectmen. He has given his list of 12 projects that he thinks are important to them and asked them to prioritize.

Member Sue Carroll pointed out that it is needed to go through each line and prioritize and look at every expense in the budget. Now they look at entire line and need more money – not individual line items, for example office supplies. Vice Chairman Bill Smith said one example is recycling which the Road Agent came up with. The Committee needs to ask people in Town to be creative and really think about what the Town needs.

The Committee continued to discuss how to implement zero based budgeting and where to get information. Wikipedia has an article. The Committee has a source from another town who has implemented zero based budgeting with success.

Mr. Innes felt that people need to participate with the Budget Committee, not go to the Budget Committee. The Budget Committee should have a workshop with department and committee heads to decide on how they are going to implement the budget, Budget Committee liaisons also need to break out with their departments. The Selectmen and Budget Committee need to have a relationship and understanding, there has to be a collaborative process to make the process work.

Harold Morse agrees. The Budget Committee needs to schedule some meetings for the summer.

It was agreed that the Budget Committee will present to the Selectmen on June 24th for 15 minutes. Vice Chairman Bill Smith will make the presentation with Chairman Harold Morse. Mr. Innes suggested seven minutes for the presentation and seven minutes for discussion. Bill Friel may not be present.

Atkinson FY 2014 Budget:

Vice Chairman Bill Smith corrected the spreadsheet with a formula that matches the account number, so expenses should line up and be accurate. Mr. Smith will mail the raw data.

Mr. Smith sent two spreadsheets, one with the original data and one with latest numbers from May.

Mr. Innes informed the Committee that eleven lines are already over expended. One reason is grants go into the general fund. Overtime for the sergeant and full time officers are over budget and this will also cause overages in retirement and medical. There are also overages in the legal line and moderator sections. Dues and Memberships line is also over. Town Hall maintenance is also over by a few hundred dollars. The Moderator budget is over due to the number of elections. Vehicle maintenance is over, last year the charitable fund paid for it. Line Item 41943.430 is over due to police department septic. Kimball House is over due to maintenance on the oil burner. The Library general maintenance line is over by about \$1000 for repairs to the heating system. The Community Center is over due to work on the fire suppression system. Animal Control is over due to supplies and ammo. The General Assistance food line is over by \$247; it will be over by another \$500-600 this year.

The gas hot water line of the Atkinson Community Center is over by \$62. The water heater is dead, the furnace needs to be replaced, the oil drum is broken and needs to be replaced, and Mr. Innes will need to have EPA in. The chimney needs to be replaced. If the heating system is replaced with propane it will cost \$1300 or \$1400. If an oil heating system is installed it will cost \$2400 or \$2500. The floor in the function room will cost about \$50,000 to repair.

The Committee discussed whether the Community Center should be torn down or repaired or if the Town needs a Community Center at all. Mr. Innes replied that the cost of repairs would be \$120,000 to

\$130,000 and the cost to rebuild would be \$900,000 to \$1.2 million. The Committee is looking at options to bring to residents at the annual meeting. Mr. Innes looked at steel frame buildings. Estimates to build range from \$1.1 to \$1.4 million dollars. Mr. Innes met with a construction manager yesterday to discuss options for repair and options for construction of a new building. \$900-1mil significantly larger to meet broader needs of community

Mr. Innes stated that he will build a minimum cost structure. It is possible to get a loan for 15-20 years, and have fund raisers. There are seniors in Town who will donate, they could raise around \$100,000 in donations, and some could come from the general fund. An option is to repair the current building and get another 10 years out of it. He is trying to find a town somewhere in the country who will share architectural designs and specifications. There is nothing in writing yet. Member Sue Carroll pointed out that the Town is building a new high school in the next five years, add that to a bond for the community center. Mr. Innes will be looking at everything we need.

Mr. Morse spoke to Todd Barbera, a lot of numbers are being thrown around, it is important to first decide what needs are, he is in favor of not sinking money into an old building. Advocate of something new, first need to look at needs.

The Committee discussed a time frame. It was agreed that there is no need to rush, need to make haste; the Town can sit on it 2-3 years and another 4-5 years until it's built. Mr. Innes asked if a building needs committee is needed, he wants to invite residents in, talk to other communities, and circumvent a lot of delays that fit into a building needs committee. Mr. Morse agrees. Mr. Innes is willing to participate or even lead a building needs committee, need to move expeditiously. Sue Carroll agreed that it's not an emergency, no need for haste, not a necessity like a fire department; there are other places for people to hold meetings.

The Committee discussed if a community center is needed. Mr. Innes stated that at least 50% will disagree that it is not needed. Member Sue Carroll stated that they also do not want taxes raised. Member Wendy Barker agreed a new community center would be great for weddings and meetings, but we have a school with an auditorium, a church with space, lots of other places to use. She has talked to a few people, a lot would like a new community center, a lot say they paid for Dyke Auditorium, etc.; a big one is the library, with a meeting room that no one uses.

Vice Chairman Bill Smith asked if there were anything else.

Member Sue Carroll made a motion to adjourn. Member Wendy Barker seconded the motion. All members present voted in favor. Vote 4/0/2. The June 5, 2013 meeting of the Budget Committee adjourned at 8:30 PM.

The next meeting will be at the Selectmen's meeting June 24th. Then tentatively, Wednesday June 26th.