

BUDGET COMMITTEE

TOWN OF READFIELD

November 29, 2018

Minutes of Meeting

The Budget Committee of the Town of Readfield held the first meeting of the new budget cycle on November 29, 2018, 6:30 pm. Members in attendance included Andrews Tolman; Martin Hanish; Ellen Schneider; and new member Rebecca Lambert. Teresa Shaw, Finance Director, was also present. Peter Davis was absent.

Tolman began the meeting with the consideration of Committee officers. Mr. Tolman, who is the current Chair of the Committee, informed the members that he would be willing to continue serving in that capacity, but was also willing to cede the position to another member. It was the sense of the Committee that Tolman is well suited for this responsibility.

Schneider offered a motion to nominate Andrews Tolman as the continuing Chair of the Budget Committee. Hanish provided a second. There being no other candidates, Tolman was declared Chairman.

Next, the group considered the position of Committee Secretary. Schneider indicated her willingness to continue to serve in this capacity. Hanish moved that Schneider continue as Secretary; Lambert provided a second. There being no other candidates for the position, Schneider was declared Secretary.

The Members also considered the position of Vice-Chair, which is currently held by Davis. Schneider moved that Davis continue to serve as Vice Chairman; Lambert provided a second. There being no other candidates and no objections, Davis was declared as Vice-Chairman.

Committee members next considered the proposed work schedule, shared prior to the meeting. Most of the Committee meetings are expected to be held on Thursday evenings, with a handful of exceptions. The Committee agreed that the proposed schedule appeared reasonable and workable.

The discussion then turned to goals for this budget process. Several themes were identified out of this discussion. First, Members believe it is important that the budget process be accountable, transparent and as accessible to the public as possible. There is a sense that the Select Board has a role to play in working to encourage and maximize community engagement in the consideration of the budget. Tolman agreed to raise this issue with the Select Board.

It is understood that it is important that the budget process be sensitive to and in support of the Select Board's broad reaching goals for the Town. While the Budget Committee is independent of the Select Board and may disagree with that Body, the Budget Committee should conduct its work in a manner that is generally supportive of the Select Board's vision and goals. For instance, if the Select Board articulates a goal of reducing the mil rate on a year over year basis, the Budget Committee should bear that priority in mind as the review process moves forward. It is therefore important to the work of this Committee that the Select Board clearly articulate its near and longer-range goals.

The group also acknowledged that it is important to identify large budget issues early in the process, as those needs may have a substantial impact on available revenue for competing initiatives. Members discussed some of the more significant issues considered during the last cycle, including the upward cost trend in tipping fees, issues related to the structural integrity of the community library, and the condition of large equipment such as the backhoe and the fire trucks.

The school budget also exercises influence on the Town budget. While the Budget Committee does not control the school budget, the size of the increase in the school budget can exert considerable downward pressure on other needed spending by the Town, to hold down tax rates. Shaw confirmed that the two major issues that were considered last year during the school budgeting process remain issues – the need to replace the roof at the high school and the need to remediate mold at the Manchester grade school. While those activities were not built into the current year's school budget, that work does still need to be done, likely via a bonding process.

It was agreed that it would be preferable to identify significant issues relative to the Town's budget to provide the public with as much opportunity to engage in the review and discussion of important budget initiatives as possible.

This year's budget reflects a significant increase in the cost of tipping fees for the Transfer Station. The group discussed the possibility of asking the Solid Waste Committee to consider the costs and benefits of returning to a multi-sort approach to recycling, as the cost of single sort is increasing steeply. The group acknowledged that it may well be that returning to multi-support may be so complex or costly a proposition that it makes no sense, but also recognize that consideration of alternatives like this is an important aspect of responsible, accountable budgeting. The members also agreed that it would be preferable that the Solid Waste Committee consider such alternatives prior to submitting their budget proposal to this Committee for consideration. Tolman agreed to raise this question with Kathryn Woodsum, who Chairs the Solid Waste Committee.

Hanish noted that the 2018 audit would likely raise the issue of OPEB for retiree health for the first time, in compliance with Government Accounting Standards Board Statement 75. Although the Town does not provide retiree health, the new GASB standards will require the Town's balance sheet to recognize an "implicit" liability. This in turn, will affect the Town's Fund Balance and although this is a "paper" issue, the state of the balance sheet can impact bond ratings, which influences the cost of borrowing.

The Members also discussed alternative approaches to presenting budget information in a manner that helps highlight the "bigger" budget picture. At times, the focus of the Budget Committee is on small details and the micro-level, making it easier to forget the larger picture. This recognition brought the discussion back to the importance of the Budget Committee gaining a clear understanding of the Select Board's goals and priorities, that will enable a more meaningful assessment of competing budget priorities.

There being no further business, the meeting was adjourned at 7:20 pm.

Respectfully submitted,
Ellen Jane Schreiber