



BUDGET COMMITTEE
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MINUTES OF THE BUDGET COMMITTEE HEARING

Monday, November 15, 2021 – 6:00 p.m. & 6:30 p.m. – Town Hall Conference Room

Members Present: Mike Bilodeau, Todd Cadle, Frank Hansler, Bob Krasko, Sharon Hussey-McLaughlin, Don Miller, Zack Pike (by phone), Paul Sanderson, Jamie Connelly – Selectmen's Rep

Members Absent: Mark Connelly, Pat Walsh – School Board Rep

Present: Department Heads; Matt Scruton – Town Administrator; Steve Smith – Chairman, Board of Selectmen; Randy Bunnell – Board of Selectmen

6:00 p.m. – Organization of the Board

Bob Krasko opened the Budget Committee meeting at 6:00 p.m. A roll call was taken; B. Krasko announced a quorum was present and the meeting was being recorded. The purpose of this meeting was to re-organize the Board.

MOTION: F. Hansler moved to nominate Bob Krasko as Chairman. Second – J. Connelly; all in favor. MOTION CARRIED

MOTION: F. Hansler moved to nominate Paul Sanderson as Vice Chairman. Second – M. Bilodeau; all in favor. MOTION CARRIED

MOTION: D. Miller moved to recess at 6:10 p.m. until 6:30 p.m. Second – S. Hussey-McLaughlin; all in favor. MOTION CARRIED

6:30 p.m. – Town Budget Review

B. Krasko opened the Budget Committee meeting at 6:30 p.m. A roll call was taken; B. Krasko announced a quorum was present and the meeting was being recorded. The purpose of this meeting was to review the Town budget.

B. Krasko thanked the department heads for their service and staying within their budget for the past year. The Board of Selectmen did a great job managing the funds. The Town anticipates returning funds to the Fund Balance this year. The tentative tax rate has been set; the increase is \$2.14. The tax rate will be \$18.72 per thousand. The Selectmen used \$100,000 to offset the tax rate. The majority of the increase was due to the School (\$1.33). The increase for the Town was \$0.79 and due to budgeting for two full-time firefighters, School Resource Officer, Library, and legal fees.

J. Connelly stated the Selectmen did not want to deplete the Fund Balance. They try to keep the Fund Balance between \$1.5 million and \$1.6 million for Town emergencies. Referring to the tax rate, J. Connelly stated that ultimately the voters decided to accept tax rate increases by voting for large

DRAFT: SUBJECT TO CHANGE

projects such as the Library and continued increases over the years for both Town and School budgets. Prior use of the Fund Balance to reduce the tax rate has delayed the inevitable increase. The Library's petitioned warrant article that passed in March 2021 removed \$198,000 from the Fund Balance to cover cost over-runs from the bonded Library project.

The Selectmen discussed how they wanted to submit the Town budget to the Budget Committee. This was not an easy task; the Selectmen wanted to meet the needs of the taxpayer and the Town. As a result, the Board of Selectmen moved forward a very conservative budget for 2022, which is estimated on the default budget plus a 3% wage increase for staff. School employees are getting a 3% wage increase. J. Connelly reminded those present that the 2021 Town budget only passed by 23 votes. That indicated the appetite for what the residents felt about Town expenditures and budgeting practices. If the 2022 budget is increased, there is the risk of simply a default budget and no wage increase for Town employees. The 2021 Town budget was \$5.846 million; the Selectmen are recommending a budget of \$5.929 million. That increase reflects the proposed 3% wage increase.

B. Krasko stated that the Budget Committee could vote to accept the Board of Selectmen's budget as submitted and move it forward to public hearing without having to meet again. The Board of Selectmen had met with department heads. B. Krasko trusted the Selectmen's judgement to meet the operational needs of this Town.

MOTION: B. Krasko moved to accept the Selectmen's budget and forward it to public hearing.

B. Krasko opened the meeting to discussion. M. Bilodeau questioned if B. Krasko's recommendation was a motion. B. Krasko's response: yes. M. Bilodeau asked if the Budget Committee was going to hear the department heads budgets. S. Hussey-McLaughlin suggested voting 'no' on the motion until after hearing department heads. M. Bilodeau stated that the Budget Committee was voted in by residents and the department heads should have the opportunity to make their case. How can they keep the budget at the same level as last year?

Vaughan Morgan, 16 Holly Lane: Questioned if the department heads agreed to the 3% wage increase. Marcia McLaughlin, Library Trustee Chairman, responded that the Library agreed. V. Morgan noted that inflation was at 6.2% and will continue to skyrocket. The CPI has also increased. Property taxes increased over \$2 per thousand. They were asking employees to take a 3% increase; that does not even keep their heads above water. Employees in this Town do an excellent job. Limiting them to a 3% increase was not taking them into consideration and was a slap in the face. V. Morgan felt the Board should rethink the wage increase.

B. Krasko suggested that department heads talk to the Selectmen if there is anything additional they need over and above the submitted budget. It was possible it could be done on a warrant article.

M. McLaughlin, 47 Nantucket Place and representing the Library Director: Asked J. Connelly for clarification on which budget was submitted. J. Connelly responded the Selectmen wanted to keep last year's budget in line with this year's. They are not calling the 2022 budget a 'default' budget; if it goes to default, there will not be a wage increase. He did not feel, personally, that an increase in the budget would be palatable based on the tax rate increase. Residents would be hit with a property tax increase and an increased budget.

MOTION: B. Krasko moved to accept the Selectmen's budget and forward it to public hearing. Second – D. Miller

DRAFT: SUBJECT TO CHANGE

S. Hussey-McLaughlin stated that she has been on the Budget Committee for a number of years and was horrified they did not do a better job last year. The voters spoke by passing it by 23 votes. She felt the Budget Committee should spend more time and did not want to vote on it until they heard from the department heads. She respected their thought process but did not think it was wise. T. Cadle agreed; the Budget Committee needed to do a little more consideration on the budget. M. Bilodeau agreed. F. Hansler felt the Budget Committee did a good job last year. He knew department heads came in with the best budget they could under these terms. They would love to give departments everything they asked for but were concerned about the tax base. If residents do not pass the budget, there would not be a wage increase. The Budget Committee continued to discuss the budget submission. It was noted that the 2021 budget passed 353 yes votes, 330 no votes; 25% of the residents voted.

P. Sanderson felt a vote was premature but understood the philosophy. He briefly discussed the tax documents given to members and that the Town would be returning money to the Fund Balance as well as an increase in property values. That provided round figures of what was available to spend on both Town and School combined. P. Sanderson noted that the School would be in negotiations this year. The Budget Committee needed more information before moving forward. J. Connelly noted that departments came in at relatively the same budget as last year, with a couple of exceptions. The two major pieces in the Town budget were the stipend for the dog handler and the Library increasing a part-time position to full-time.

Randy Bunnell, 2 McIntosh Way and Selectman: Agreed with P. Sanderson. R. Bunnell expected the School to submit a larger budget. He continued that the Town had a wonderful opportunity to conserve some land, Great Bay Farm, which could be a potential warrant article. There are opportunities to make enhancements to the Town Hall and everyone is still asking for a fire station. Those will add to the tax rate in the future. Everyone needed to consider what Greenland wanted to be in the future. Residents wanted their roads paved, a sidewalk over the bridge, wonderful services that residents get but want even better.

The Board of Selectmen will be discussing warrant articles at their first meeting in December. Matt Scruton, Town Administrator, stated he supported the Board of Selectmen's budget. He believed the Town could work with the budget. The Board of Selectmen's budget took approximately \$300,000 from the department head's original budget requests. TA Scruton felt the budget was more likely to pass at the Board's recommended level. Ultimately, the goal was to have a budget that would pass. He wanted to ensure the staff received a wage increase. If the budget does not pass, it will be flatlined without the 3% increase.

Chief Cresta, Fire Department Budget: He was concerned about wages that would be needed to hire and retain full-time and part-time personnel. Towns are paying a sign-on bonus. P. Sanderson noted that often the sign-on bonus was contingent on how long personnel stayed. Another concern for Chief Cresta was the cost of fuel.

D. Miller suggested putting requested increases in warrant articles based on the vote last year and let the residents vote and decide. S. Smith stated that if the Board of Selectmen and Budget Committee were on the same page and was recommended by both, there would be a better opportunity for the budget to pass. D. Miller stated that, fiscally, it was the Budget Committee's responsibility to do what the Selectmen were trying to do: keep the budget down.

Liz Cummings, 39 Nantucket Place and Finance Director: She suggested a Capital Reserve Fund through a warrant article for unexpected costs (example: increase in gasoline costs). The Board of Selectmen could be authorized as the agents to expend.

DRAFT: SUBJECT TO CHANGE

Chief Laurent, Police Department Budget: Requested a 5% wage increase for Police Department personnel. She reiterated Chief Cresta's concern about how difficult it was to hire. There are less people who are willing to enter into that type of job. Wages, working conditions, benefits, etc. were key in retaining personnel. In the Police Department budget, the difference between 3% and 5% was \$14,000. Chief Laurent was asking for a \$6,000 stipend for the dog handler.

Marge Morgan, Town Clerk/Tax Collector: Submitted a 5% wage increase. Her budget increased \$500 which included the wage increase.

It was noted that Health decreased by 8%. TA Scruton stated that line item did not change. L. Cummings stated the savings was approximately \$100 per month per employee. D. Miller noted the total savings was approximately \$1,200 per year per employee, which could cover an additional 2%.

MOTION: B. Krasko moved to accept the Selectmen's budget and forward it to public hearing. Second – D. Miller; roll call vote: D. Miller – no, M. Bilodeau – no, P. Sanderson – no, T. Cadle – no, S. Hussey-McLaughlin – no, Z. Pike – no, J. Connelly – no, F. Hansler – abstain, B. Krasko, abstain. Seven against, two abstained (F. Hansler, B. Krasko). MOTION FAILED

TA Scruton noted that the departments reporting to him would be presenting the Selectmen's budget, which the Budget Committee received. Department heads report to the Selectmen. The Selectmen made known their desire to move forward with a default budget and wage increase of 3%; he would be supporting that budget. S. Hussey-McLaughlin stated she would like to know the impact of a 5% increase across the Board.

M. McLaughlin stated the Library was not prepared to address the Budget Committee at this meeting. She would like the Library Director to be present.

P. Sanderson stated he would like to know if there were grant opportunities that the Budget Committee had not heard about (example: American Rescue Plan and infrastructure funds). Any grants, including State grants, that may provide revenue. Directed to department heads: Were there any services or portions of services that should be eliminated? Would people advocate for an increase in fees for solid waste to provide additional revenue? If there is additional revenue and/or grant opportunities, the budget could come in at less. He hoped the department heads and Selectmen could provide that information, especially on the highway side. Could any of the projects get State or federal funding? Are there other financial tools available? He recommended asking the School the same questions. P. Sanderson felt the tax increase was due to SB2. When they cast their ballot, did they understand the impact on their taxes? The answer is 'no' and that is the impact of SB2.

M. McLaughlin asked if any information was available regarding Great Bay Farm. TA Scruton responded that nothing has been finalized and discussions are ongoing.

P. Sanderson: What new revenues are available? Are there any numbers that are not accurate? If a default budget is voted in, that does not mean no wage increase. The budget is a bottom-line budget. The Selectmen are free to give whatever personnel plan they would like. They cannot exceed a number that is created by the default budget.

TA Scruton was unsure what budget the Committee was requesting. The Selectmen recommended their budget, which the Committee received. There is no other budget. D. Miller stated he would like a fact sheet presented by the department heads to the Selectmen. TA Scruton stated that the department heads reporting to him will present the budget requested by the Selectmen; they work for the Board of

DRAFT: SUBJECT TO CHANGE

Selectmen and that is the budget they will support. M. Bilodeau: The Budget Committee would like to see the original requests from the department heads. As employees of the Board of Selectmen, TA Scruton felt the Budget Committee was putting department heads in a difficult position because the Selectmen have recommended the default budget plus 3%.

TA Scruton stated there was also an increase of over \$300,000 in various line items. D. Miller: Described the previous budget process. L. Cummings: Stated she was being asked to put what she submitted against what the Board of Selectmen have recommended and had to decide which she would use. The Selectmen made their initial decision as to what should be moved forward. D. Miller: Clarified that in the past years, department heads would present their budget to the Committee. The Budget Committee would vote on the budget. Then the Selectmen would vote on the budget. When the Selectmen presented the budget, they eliminated the process. TA Scruton: The budget process has not changed. The Budget Committee has always received the budget recommended by the Selectmen and that has been the basis for discussions with department heads. The Selectmen's recommended budget is what the Budget Committee received. They met with department heads, vetted it, and made their decision.

MOTION: P. Sanderson moved to cancel the Budget Committee meeting on Wednesday, November 17, 2021, and reschedule at a later date, for reconsideration of Town issues. Second – M. Bilodeau; all in favor. MOTION CARRIED

Additional Budget Committee meetings will be scheduled to review department head budgets.

Adjournment

MOTION: D. Miller moved to adjourn at 7:53 p.m. Second – M. Bilodeau; all in favor. MOTION CARRIED

NEXT MEETING

TENTATIVE: Monday, November 29, 2021 - 6:30 p.m., Town Hall Conference Room

Submitted By: Charlotte Hussey, Administrative Assistant