

LONDONDERRY BUDGET COMMITTEE

Minutes for May 25, 2023

The Budget Committee meeting is at 7:00 PM on May 25, 2023, in the Sunnycrest Conference room, 268B Mammoth Road, Londonderry, NH 03053.

Present: Patrick Cassidy –Chair, Joseph Gagnon- Vice Chair – Maureen Hardy, Secretary- Member at Large, Ryan Cronin – Member at Large, Ron Dunn- Town Council Liaison, Lisa McKenney-School Finance Director

1. CALL TO ORDER

The meeting was called to order at 7:03 PM by P. Cassidy

2. PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE

P. Cassidy led the Pledge of Allegiance and Moment of Silence.

3. PUBLIC COMMENT

None

4. ACCEPTANCE OF MINUTES

April 27, 2023 Minutes were presented. Motion to accept minutes by R. Cronin, Second by J. Gagnon. The minutes passed with a 4/0 vote.

5. COMMITTEE BUSINESS

- a. School District Budget Process Presentation by School Finance Director, Lisa McKenney

L. McKenney provided great details around the School District Budget Process. She went through an overview of the process timing and a description of the Budget Book.

The budget cycle:

- begins in September with Salaries and Benefits.
- The Principals come in in October with staffing, purchasing and other needs.
- In November, the numbers are pulled together
- Historically, the Budget is presented to the public the Tuesday before Thanksgiving
- In November and December, the Budget meetings are held with the Budget Committee, 4 or more meetings.
- The school board makes final decisions
- The Deliberative Session is in February

The Budget Book:

- Around 500 pages
- The summaries are in the beginning and are the best place to start
- Details can be found in the remaining pages
- Reports can be requested in different formats from L. McKenney

Questions raised:

1. Please explain bottom line budgeting
 - a. In the General fund operating budget, the money can move between any function. This is approved at the Administration level (not school board).
 - b. 80% of the budget is in salaries and benefits.
 - c. The Food service fund is an exception. Money cannot be moved from the Food service fund, or the Capital Reserve fund to other funds
2. What happens to excess funds in a line item if it cannot be moved. (for example, the large excess that was in the food service budget a couple of years ago due to COVID funding)
 - a. Special Revenues. In a perfect world, should balance to zero but if it loses money, the General fund would have to be tapped. This money must stay in this Food service fund and cannot be used for anything else.
 - b. Currently around \$829,000.00 in the fund which is not allowed by the State. The excess monies will be spent on needed equipment such as refrigerators, dishwashers and tables to bring the balance down to what the State Allows (around \$600,000.00)

b. Liaison Reports:

School Liaison Reports:

Ryan Cronin-Presented a synopsis of the May 9th School Board meeting: Q3-100,000 to 200,000-dollar surplus by the end of this year's budget.

The board accepted a \$200,000.00 Beyond School Enrichment fund grant for the Summer Math Academy

Finalized financing on portable classroom

Joe Gagnon-presented a synopsis of the May 23 School board meeting:

There were some requests to spend monies out of the General Fund:

1. For work in the Middle School and Matthew Thornton. These expenses had already been planned and were not unexpected.

From the District Information and Tech Fund:

1. For Network Improvement

From the Equipment Capital Reserve Fund:

1. Furniture

2. New School Equipment

3. Grounds Equipment

From the Vehicle Machinery Capital Reserve fund

For all requests mentioned above, the allocation turned out to be less than the amount of money approved and budgeted for these expenses.

Presentation on Kindergarten due to space restrictions at Moose Hill was summarized:

Two plans, A and B-

A- Stay at half day kindergarten and build out the building to accommodate growing needs

B- Add 7 more classrooms, a multipurpose room and a kitchen to accommodate full day kindergarten for 260 to 300 Students.

School board approved getting quotes on both plans. We currently have 260 Kindergartners.

i. Town Council Liaison Reports:

Sarah Meier-Absent

ii. Patrick Cassidy- Town Council meeting on 5/15/2023:

iii. 1. Representative Thomas made a presentation about the Twin States Clean Energy Link: Hydropower from Canada to VT and NH. There will be presentations from Twin States to Town Council on June 5 and to The Utility Committee in July. This is bi-directional so during periods of low demand, the energy can be sold back to Canada.

- iv. 2. Discussion about the Elderly Exemption policy for Property taxes, as Proposed:
 - a. For ages 65-74, \$144,000.00 deduction from property value.
 - b. For ages 75-79, \$180,000.00 deduction from value.
 - c. For ages 80 and above, \$240,000.00 deduction from value.
- v. 3. Approved \$35000.00 from the Roadway Maintenance Trust fund for the Grenier road signal improvement project.

- 4. Dave Wholly presented on the need for a new facility for DPW.

Town Hall Liaison Report:

Maureen Hardy-See Appendix A.

Capital Improvement plan will start up in the June/July Time frame and S. Meier is our liaison. P. Cassidy is aligning S. Meier with Ms. Kizak.

Questions Raised:

- 1. For Justin Campo: What are the town's large obligations that are due at the beginning of July and can the timing of the payments be moved?
- 2. For Justin Campo: What is the Town's working Capital?

Questions raised by the liaison to the Finance Director on May 26th who hopes to have answers for the next meeting.

Department of Public Works Liaison Report:

- ii.
- iii. Joseph Gagnon: The only unexpected cost was from more salt for the big Nor Easter that we had. Bids have gone out to companies for three large trucks.
- iv.

Police Department Liaison Report:

- v.
- vi. Patrick Cassidy-Conversation with Chief Kim Bernard on 5/23/23. The staffing is currently at 60 police officers. There are 58 on the books, two starting soon and two more with conditional offers. All four new officers are certified police officers with the State of NH. Each officer that we recruit that is already trained is an \$100,000.00 savings for the town. The Chief predicts \$140,000.00 under budget for the year.

Fire Department Liaison Report:

Ryan Cronin-

On target with budget. They currently have three vacant positions, but Chief O'Brien feels he will be able to fill those vacancies.

vii.

Capital Improvement- S. Meier-Absent.

5. NEW BUSINESS

- a. Community Service Grant Process was introduced: The Town Council awards \$50,000.00 for Charitable organizations each year. We have an excel spreadsheet to capture who applied, if they got money in the past, and to look through applications. The BC decides how much each applicant receives. Each BC member selects a dollar value for the award and the spreadsheet makes an average. We then send our decision to the Chair of TC. We can vote to approve the Spreadsheet at the October meeting.
- b. Discussion and planning of department tours.
Police will be June 22nd, Fire Department is tentatively set for September 21 and DPW is tentatively set for October 26.
- c. Discussion to cancel July 27 meeting. Motion to Cancel by R. Cronin, Second by J. Gagnon, July 27 meeting cancelled by 4/0 vote in favor
- d. Discussion to move the September 28th meeting to September 21st. Motion to move meeting by R. Cronin, Second by J Gagnon. September meeting moved to September 21st by 4/0 vote in favor. This may be the date of the FD tour.

6. PUBLIC COMMENT

None

7. ADJOURNMENT

Motion to adjourn by R. Cronin, second by J. Gagnon, all in favor, Meeting was adjourned at 8:03 PM.

Member	For	Against	Abstained	Absent
Patrick Cassidy	X			
Joseph Gagnon	X			
Maureen Hardy	X			
Ryan Cronin	X			
Tim Siekmann				X
Sarah Meier				X
Pending Appointment				X

8. MEETING SCHEDULE-Fourth Thursday of every month

- a. Thursday, June 22, 2023, 5:30 PM, **Police Department Tour, Police Station.**
- b. Thursday, July 27, 2023, Meeting Cancelled
- c. **School Tours** Wednesday and Thursday, August 23-24, 2023 **at 6:00 PM. There will be no regular meeting in August.**
- d. Thursday, September 21, 2023, **Tentative Fire Department Tour**
- e. Thursday October 26, 2023, **Tentative DPW tour.**

AppendixA. to the May 25, 2023 Budget Committee Meeting Minutes:

May Liaison Report—Town Hall, Maureen Hardy

1. General Budget check-in
 - a. Sarah has provided you with the budget performance report. We are a little further below budget than I would anticipate, this could be due to some invoices being posted in early May instead of late April.

2. Over/Under Budget?
 - a. As of April 30th the Town has expended 79.83% of its Fiscal year 2023 budget. April 30th represents the 304th day of the fiscal year which means the Town is 83.29% through the budget year. The Town's current expenses are under budget by 3.46% based on the April 30th milestone.
 - i. As I previously mentioned while this method is "accurate" I do not believe it accurately reflects the status of the Town because of expenses not equally spread-out evenly throughout the year. If you remove the Town's Debt service budget and expenses (which have been fully expended and represent ~5% of the budget) from this calculation, the Town has expended 78.72% of the budget which is under budget by 4.57% based on the April 30th milestone.

3. Points of concern
 - a. Cashflow will need to be watched extremely carefully as we approach the end of the fiscal year and beginning of the new fiscal year. The Town has several large obligations that are due the beginning of July and before the Tax bill will be due. This goes back to the Undesignated fund balance concern from our previous correspondence, as a larger Fund balance would allow funds to remain in higher interest earning accounts instead of needing to be utilized for these obligations.

4. What important budget and planning items are coming up?
 - a. As I mentioned previously the end of the fiscal year is June 30th which is approaching fast, the Finance department, will need to prepare for this.
 - b. July 1st which is the start of the budget, in addition to the preparation needed for the fiscal year end, the finance department is responsible for ensuring any changes in benefits or pay are properly accounted for as well as any union items that occur in the change of the fiscal year.
 - c. The Finance department will also be assisting in the Capital Improve Plan which will start meeting in June/July.

5. Anything else related to Budget and spending
 - a. The Finance department is working with our banking partners to try and maximize interest earning which will hopefully assist in providing revenue towards the Tax rate come November.