

SUNAPEE BUDGET ADVISORY COMMITTEE

MEETING MINUTES

9:00AM Town Hall Meeting Room

Tuesday November 10, 2015

Present: Don Bettencourt, Spec Bowers, John Brandolini

Absent: Veronica Hastings, David Andrews

Also present: Lois Gallup, Tom Mickle, John Augustine

Chairman Bettencourt opened the meeting at 9:05 AM

Discussion of BAC's Mission

Reviewed mission statement proposed in June: (*"To provide unbiased, independent analysis and recommendations, for both the Board of Selectman and the School Board on any and all issues in the development, deliberation, and presentation of their respective budgets."*)

Discussed BAC's role and history, lessons learned from 2014 budget cycle. Consensus: continue unbiased, independent analysis.

Reviewed BAC Recommendations from 2014 Sunapee Annual Report

BAC recommended a "top down" approach to developing the town and school budgets. Appears neither budget has used that approach. Discussed benefits of top down approach: Opportunity to limit spending to household affordability (COLA = -0.4% decrease past 12 mos.); Provides greater scrutiny to individual spending decisions; Creates urgency to seek other funding alternatives to cover costs; Live within our means; Helps focus on the difference between "wants" and "needs".

Discussed BAC's Observations in Proposed Town Budget

- Budget appears to be based on 18 step pay scale but current pay scale is 11 step. Need to understand implications of adding 7 more steps. If steps at 2.5%, even with zero COLA, appears to add on the order of \$132,000 to wage expense over the next 7 years.
- Our understanding: the Default budget would pass through the new step increases to employees even if voters rejected the operating budget in March. Need to clarify this.
- Would like to understand effect of lower energy prices built into budget. Concerned that those decreases are shielding larger increases in other budgeted items. When energy prices increase, will cause large spending increase if non-energy-related items have expanded to larger base.
- Concerned about current compensation package – benefits appear to be more generous than private sector: (10-20 days vacation + 8 pd holidays + 87.5% health insurance pd + 87.5% dental insurance pd + 100% disability insurance pd + 100% life insurance pd + 10 pd sick days + 4 pd personal days + 3 pd bereavement days) = 35-45 paid days off/yr). Are there opportunities for greater cost sharing by employees?
- Wonder why info center has \$1K budgeted for phone. Seems very high for a seasonal operation
- Noted varying fuel cost assumptions in various departments.

Discussed Protocol for Friday Meeting

- We're there to gather information – not make recommendations. Those will come later.

Meeting adjourned 11:10 AM