

1 CONWAY MUNICIPAL BUDGET COMMITTEE AGENDA
2 PROFESSIONAL DEVELOPMENT CENTER
3 KENNETT MIDDLE SCHOOL
4 CONWAY, NH
5

6 August 9, 2023, AT 6:30 PM
7
8

9 The meeting was called to order at 6:30 PM. The following Budget Committee members were
10 present: Vice-Chair Frank Jost, Bob Drinkhall, Jim LeFebvre, Bill Marvel, Terry McCarthy, Randy
11 Davison, Quentin Lewis, Ellin Leonard, Michael Lacey, Steven Steiner, and Ryan Shepard.
12

13 **Absent-** Chair Peter Donohoe, Dave Jensen, Stacy Sand, Kit Hickey.
14

15 **Pledge of Allegiance-** The Pledge of Allegiance was led by Chair Peter Donohoe.
16

17 **Presentation from Bruce Kneuer from NH DRA**
18

19 B. Kneuer- I think this is my 4th visit with you. Some of what we might discuss may not be
20 necessary, but I think there are new members serving for the 1st time. I recommend members
21 print RSA Chapter 32. It is important to know what a budget committee can and cannot do. DRA
22 is made up of advisors, who work with the cities and towns to establish a tax rate and guide
23 them through the year. Our role at DRA in respect to a budget committee is minimal. Since
24 2015 since the advancement of technology. We don't say much about your relationship with
25 yourselves and the Selectmen. We see the budget being entered into the portal in which you
26 print and post. We now also have a pre-preview of your warrant articles to look at and advise
27 the municipalities. This is being looked at before the town meeting. We are looking at
28 inconsistencies in the proposed warrant articles, in which we would talk to the Town Managers,
29 or Selectmens office and or Finance Director. The Budget Committee really does not have much
30 interaction with DRA. You as a citizen can call DRA and submit a 91: a request. We do not want
31 to get in the middle of any internal conflicts. One of the most obvious things that a budget
32 committee exists for is to study the expenditures that are going on right now versus the
33 approved appropriation, so that you can reasonably start to get ready to recommend the next
34 budget based on that experience that you're watching. We are never given by the legislature
35 authority over expenditures. When we look at RSA 32 section 10, which is the transfer
36 authority, these are the places where the work of the Budget Committee generally gets
37 entangled within the governing body in terms of information and understanding what
38 information means. If you're having trouble deciding how to interpret the RSA, then you're
39 going to have to go to legal. We are not allowed to give legal advice. You may have access
40 through NHMA for general legal questions. In chapter 32 it embedded the concept in the flow
41 of the budget cycle. So, when you have a hearing, you're going to describe the sub. It's a line-
42 item budget one might say, but now it's part of Chapter 2. It's expected across the cycle of the
43 budget work, including. If you're using monthly or quarterly reviews of the current year, fiscal

44 current year budget the comparisons again in the chapter 32 now sort of saying that is the
45 standard.

46
47 R. Davison- about expenditures. We consistently have transfers of funds, and I always question
48 where those transfers of funds are going to or for what purpose, because it seems like the line
49 items never change, the dollar amount stays the same and the amount of money transferred to
50 cover expenditures and so on our board, I always keep track of all of the expenditures and what
51 they're covering.

52
53 B. Kneuer- The law really didn't, and still doesn't describe how to make that reality black and
54 white. The world begins when your voters have voted, and the DRA has said we approve your
55 appropriations. For example, an appropriation between Fire and Highway, it's been a bad year
56 and you need to buy more salt and you have shot through your highway budget so you need to
57 transfer money from the Fire budget to the Highway budget.

58 From the RSA it states that if changes arise during the year following the annual meeting that
59 makes it necessary to expend more than the amount appropriated for a specific purpose the
60 governing body may transfer to that appropriation an unexpended balance remaining in some
61 other appropriation provided however that the total amount spent. Or b records shall be kept
62 by the governing body such as the budget committee or any citizen requesting such records
63 pursuant to RSA 91:a may ascertain the purpose of appropriations to which and from which
64 amounts have been transferred. The clarity should be there, the record should be there, it
65 should be comprehensible to the citizen or the budget committee.

66
67 R. Davison- I consistently question year after year if we transfer funds for the same
68 appropriation or expenditure, I guess we need to budget for that item the next year instead of
69 having to transfer every year.

70
71 J. LeFebvre- a member who is not present here today was asking a question along the lines can
72 we actually zero out a sub element of a budget? For example, the fire department. Could we
73 actually zero out all the appropriations for a specific thing? Or do we as a budget committee say
74 the bottom-line were recommending a cut of x number of thousands of dollars and where the
75 operating group takes that money is up to them?

76
77 B. Kneuer- DRA is not going to say anything about that decision, it is not in our purview to tell
78 you. Can a budget committee do that, well that's up to the legal to decide. If a department has
79 a certain amount appropriated and we have said yes that is fine, in that appropriation could be
80 100 sub accounts and 4 could have zero. Now is that a no means, no? well that's going to be
81 adjudicated and deliberated here at the BC level not at DRA. If you try to expend off a zero
82 looks like you have no appropriation, can you appropriate zero? I don't even know if that has
83 been tested, even if it was its going to end up either being resolved locally or adjudicated in a
84 superior court. Think of the debt portion of the budget. TAN interest line might be zero, and
85 what happens if you do need to use it. The recommendation is practical appropriate a dollar.

86

87 R. Davison- can a school district use surplus to pay down a debt?

88

89 B. Kneuer- school districts, as you know since 2013 could vote to allow a school district to retain
90 2.5% and go as high as 5%, the tax dollars required to run the district. In the tax portal there is a
91 lot of information that breaks down the taxes and the school portion is in there as well. So, the
92 question is can a school district use unassigned fund balance to pay down debt. If they did, they
93 wouldn't be doing it in June. In a warrant they would have said we are going to raise and
94 appropriate a hundred thousand dollars to reduce previously existing debt using available year
95 end fund balance. I have not seen use of that, but I guess it is possible.

96

97 J. LeFebvre- is the portal open and available to all to view?

98

99 B. Kneuer- the portal itself is not open to the public. The portal was not meant to do that. If a
100 citizen has a question, they should contact the administrator. There is a website out there that
101 is a data collection tool and allows you to compare other towns. There are forms and data out
102 there. NH Public Finance Consortium. When you propose any chart change it will statutorily go
103 to DRA, DOJ, SOS. The charter has to have in it the language in it how it finalizes a budget. RSA
104 32:22 and RSA 32:23. 32:22 describes one of your principal functions review of expenditures-
105 upon request of the BC. The governing body of the town or district or the town manager or
106 other administrative officials shall to the Budget Committee a Comparative Statement of all
107 appropriations and all expenditures, including all sub accounts used by the Governing Body.
108 That's the new language embedded there by them made in such additional detail as the Budget
109 Committee may require, the Budget Committee shall meet periodically to review such
110 statements. The provisions of this section shall not be construed to mean that the Budget
111 Committee or any member of the committee Shall have any authority to dispute or challenge
112 the discretion of other officials over current town or district expenditures, except as provided in
113 RSA 32:23. RSA 32:23 receipt of the reports provided by RSA 3222, the Budget Committee shall
114 examine the same promptly, and it shall be found that the governing body or town manager
115 have failed to comply with the provisions of this chapter concerning expenditures reminder.
116 The majority of the committee, at the expense of the municipality, may petition the Superior
117 Court for removal as provided in RSA 32: 12. To the best of my knowledge. I don't know if the
118 case for any official has ever been removed. This is a very nice deterrent when it comes to
119 expenditures.

120

121 R. Davison- is the charter change a possibility where they could eliminate a budget committee?

122

123 B. Kneuer- it depends on the form of govt that the charter changes proposing. In a city, you
124 don't have a budget committee.

125

126 **Public/Media Questions and Comments- None**

127

128 **Adjournment**

129

130 *X motioned to adjourn the August 9, 2023, meeting; seconded by x*
131 *Motion carries 11-0*

132

133

134 Respectfully Submitted,

135 *Alicia Jipson*

136 Recording Secretary

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DRAFT