

**Rye Budget Committee
Meeting
Monday, September 18, 2023, 6:30 p.m.
Rye Junior High School
Upstairs – old Library room**

Committee Present: Chair Scott Marion, Vice-Chair Jeff Ross, Secretary Steven Borne, Member Dania Seiglie, RWD Rep. Ralph Hickson, School Board Rep. Katherine Errecart, Selectmen’s Rep. Bob McGrath

Others Present: School Board Chair Matt Curtin, and SAU50 Finance Administrator Sue Penny

Members Not Present: *Doug Adams, Shawn Crapo, and Randy Crapo*

I. Call to Order

Chair Scott Marion called the meeting to order at 6:35pm. It was noted that there was a scheduling conflict and the school cafeteria could not be used, so there will be no video recording.

II. Business

Prior to the meeting these updates were provided by Town Finance Director Becky Bergeron:

Just following up on some of the requests from the previous Budget Committee meeting:

1. *Fuel rates - These have been locked in and the contract period is July 1, 2023 to June 30, 2024. Director Rucker participates in an annual bidding process for not only the Town of Rye’s needs but also for Rye and Newcastle School Districts. With increased volume, he has been successful in obtaining better pricing. This contract was awarded to Atlantic Fuels and the pricing is as follows:*
 - a. *Diesel - \$0.12 per gallon over rack at Sprague Newington Rack Terminal*
 - b. *Unleaded Gas - \$0.21 per gallon over rack at Irving S. Portland Rack Terminal*
 - c. *#2 Heating Oil - \$2.72 per gallon*
 - d. *#3 Blended Oil - \$2.82 per gallon*
2. *Tax Collection Rates (inclusive of Tax Liens)– Past 5 years are as follows:*
 - a. *YTD for 2023 - 45.83% (Through June 23, 2023)*
 - b. *2022 - 96.91%*
 - c. *2021 - 96.90%*

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|---------|---|--------|
| d. 2020 | - | 95.49% |
| e. 2019 | - | 96.77% |
| f. 2018 | - | 97.98% |
3. 5 – Year Revenue Analysis

- **Update in School Year To Date Questions from the prior Budget Committee meeting**

Prior the meeting, Sue Penny provided the board with summary documents.

Prior to the close of the fiscal year, the school moved \$40,295.73 from the General Fund to cover the Food Service Fund deficit at year end.

The rise in interest rates that is managed by the Trustees of the Trust Fund created interest income of \$20,624.97 for the School.

At the end of the school year, the retained fund balance is moved to the un-assigned fund balance to close the year. FY23 ended with \$793,755.58

- \$550,000 was retained and moved to the FY24 Retained Fund Balance.
- \$243,755.58 will be applied to offset the tax rate that will be set in November 2024.

Chair Marion and School Board Chair Curtin had met earlier and discussed the amount the School would retain and what would go towards reducing taxes.

The funds do not actually move, but act as a credit and the Town reduces a transfer payment by that amount.

The Retained Fund Balance works out to approximately 4.99% of the 2023 Budget, as no more than 5% can be retained.

\$214,463 was the FY22 amount applied to reduce taxes the previous year.

The majority of the retained fund balance is a result of the \$1.2M state grant that Rye received a number of years ago when the State changed the formula for how adequacy funds are calculated. The unused portion is what has been carrying forward through the fiscal years and is not from over budgeting in past years.

As the RJH roof was leaking, the RES roof replacement project was discussed. While \$1M was allocated (\$500K from the budget and \$500K capital expenditure through a warrant article), the project is tracking to come in under budget, possibly by \$100K.

The school expendable trust funds were discussed. These are all below the ideal target amount and it was suggested that these ideal target amounts be presented with the current balances.

Tuition Expendable Trust Fund:	\$134,098
School Property Maintenance Expendable TF:	\$140,944
Special Education Expendable TF:	\$208,140
Wedgewood Farms Expendable TF:	\$66,366
Technology Expendable TF:	\$17,059

The School Facilities Director was very successful in obtaining grant money for school maintenance and will continue to pursue grants in FY24.

Of the 151 SAU Special Education students, 54 are from Rye.

The RES playground replacement was discussed. The PTA group looks like they will be able to raise about \$200K and the School Budget would contribute the remaining \$85K.

Primex, who provides the healthcare insurance to many schools and Rye public workers, has communicated that healthcare costs will be increasing for the FY24 budgeting process.

The support staff contract will be negotiated this year by the School Board.

- **Sub-Committee Update – Proposed Model for Department Head Budget Narratives**

Member Ross provided a summary of the meetings of the sub-committee and the goals:

- Request/Recommended of each department, not required
- Most requested information comes directly from the line item budget itself
- Allows for a more efficient, global, long-term look at each budget
- More accessible for communicating with and informing the public

Member Seigle discussed her discussions with the Police and Fire Chiefs. She communicated Chief Walsh’s suggestions that new members of the Budget Committee schedule time with the Chiefs to learn more about all the services these departments provide.

Member Borne reported that conversations with other committees revealed a wide variation of how budget committees meet and engage with department heads. There are also differences in who sets the final budget numbers that are presented to voters.

Member Ross distributed the draft outline (attached).

The majority of the items are modeled after past Budget Committee work with the SAU Finance Administrator.

Once the Narratives are completed, they can serve to better communicate the essential budget information to the public in a consistent manner.

Discussion cleared up the confusion for some members that the Department Goals/Objectives are not a long-term commitment of strategy, but a high level introduction of past service delivery and outlook for service evolution and challenges moving forward.

It was agreed that the \$100K delta amount is too low and will pull the discussion into unnecessary details. It should be a percentage of what contributes to the majority of the positive and negative fluctuations.

It was agreed that the next step would be to create an example before communicating to the Finance Director and others.

- **Replacing the Member seat vacated by Suzanne Barton**

The replacement would serve until March 2024. At that time, there will be an election to fill the last remaining year of that member's term.

Chair Marion indicated that Kevin Brandon may be willing, as he did run for that seat the year Suzanne Barton won.

Member Borne asked about the other names already provided at Chair Marion's request. Member Errecart also mentioned a community member with financial skill. Chair Marion requested that members resend the names again.

- **Other**

Member Errecart was able to access the school population information she has been tracking the past few years. She showed that the almost decade long precipitous enrollment decline appears to have flattened out over the past several years. The large kindergarten enrollment of 40 students is requiring an additional teacher for this year.

Member Borne made a motion to adjourn at 8:21p.m. Seconded by Member Seigle. All in Favor.

Respectfully Submitted,
Dyana F. Ledger

Proposed Model for Department Head Budget Narratives

- Requested/recommended of each department, not required
 - Most requested information comes directly from the line item budget itself
 - Allows for a more efficient, global, long-term look at each budget
 - More accessible for communicating with and informing the public
1. Department Goals/Objectives
 - a. Provide an overview of the department's goals/objectives for the upcoming year and as a three-year plan
 - b. Explain how they are reflected in the proposed budget and will likely impact the next two
 - c. Explain what factors are driving the success or shortcomings of the department in implementing them at this time
 2. Personnel
 - a. List the number of full and part-time employees in the department
 - b. Explain any changes to salaries and benefits in this year's budget (promotions, new contract obligations, new hires, changes in health insurance, etc.)
 - c. Explain any anticipated or desired changes in personnel related to retention, succession, etc.
 3. Total Budget:
 - a. Provide the department's proposed budget for the upcoming year
 - b. Provide the proposed budget's increase/decrease in dollars and as a percentage increase/decrease from the previous year
 4. Operating Budget vs. Salaries/Benefits
 - a. Provide the department's proposed budget for the upcoming year divided between operating costs and salaries and benefits
 - b. Provide the proposed budget's increase/decrease in each area in dollars and as a percentage increase/decrease from the previous year
 5. Proposed Budget vs. Previous Years
 - a. Provide a comparison of the proposed budget to each of the last two years in total dollars and as a percentage
 - b. Provide that same comparison for both operating costs vs. salaries and benefits
 6. Significant Changes to Budget Line Items
 - a. Explain any line item increase/decrease of \$1000 or more from the previous year
 7. Capital Outlays/CIP Submissions/Warrant Articles
 - a. List the dollar amounts any in this year's budget with a brief explanation of each and their priority