

1                   **2017 Municipal Budget Process – Town of Lincoln**  
2                   **Budget Committee Meeting Minutes – December 5, 2017**  
3                   **Lincoln Town Hall, Lincoln, NH**  
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5    Attending: Larry Sweeney, Jack Daly, Cindy Lloyd, Paul Beaudin, Cindy Rineer, Lutz Wallem,  
6    Secretary Susan Chenard, Selectperson Jayne Ludwig, Beverly Hall, Chairman Mike Simons  
7    Excused: Herb Gardner, Dennis Ducharme, Patricia McTeague  
8    Staff: Helen Jones  
9    Audience: None

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11   **Call to Order:** Chairman Simons called the meeting to order at 5:30pm.  
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13   **Discussion re: Settlement with Lincoln South Mountain Partners beyond amount allowed**  
14   **in budget and unanticipated.**

15   Helen explained that the Town had paid out a settlement for \$400,000 from unreserved fund  
16   balance. When the new tax rate was just set, it included that expenditure. However, Helen  
17   asked the Budget Committee for permission to over-expend the 2017 voted appropriations by  
18   up to that amount to pay payroll and other typical funds for the rest of this year. Helen gave out  
19   a new detailed statement of payments, saying the CIP would be done the following week. After  
20   the Capital Reserve Funds were paid out, we'd have 5.48% of the budget left, or about  
21   \$358,000.  
22

23   Paul confirmed if it had already been paid out and started to read RSA 32:11 about  
24   overspending the budget. Helen said that she had called DRA and that they had said to pay the  
25   settlement first and then ask the Budget Committee for permission. She would need our  
26   approval to pay the rest of the bills for this year by overspending the budget. (Jayne and Beverly  
27   arrived during this discussion.)  
28

29   Jayne explained that this was covered at the last Board of Selectmen's meeting, when she was  
30   asking about the high figure in the legal budget, as the Budget Committee had asked her to do.  
31   The unexpended fund balance had \$1.4 million, of which \$400,000 had been used. Helen felt  
32   that it's hard to balance a low unexpended fund balance and low budget.  
33

34   There was a discussion about how much of the details are necessary for the Budget Committee,  
35   and how much it should be involved or privy to, as many wanted to know more details about  
36   why the settlement was made. The consensus was that it was beyond the scope of this  
37   committee.  
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39   Paul wondered why the insurance company is not paying for this settlement.  
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41   Larry said, "Basically, the question is that Helen is looking to get our permission to pay the  
42   employees and bills, or not." trying to get the committee back on track.

43   Jayne said that the Board of Selectmen is trying very hard to pay as few settlement/legal fees  
44   as possible, but settles when the lawyers suggest it is the most prudent course of action.

Cindy R said that Helen was actually looking for \$750,000. She felt that we don't know the amount of bills still to come, and that we would most likely have enough funds, as the town has always had enough money in the past. Jack asked for more details on the costs for fixed bills. Helen said that we could wait, but we might need to meet again later this month, if we find ourselves running short. If we don't spend the money, it goes back to unexpended fund balance.

Mike was thinking about next year, as it seems there are multiple legal actions in process. Cindy L felt that we should know about pending litigation. Paul was not sure that the attorneys are best serving the town and its funds. Insurance company attorneys also stop at certain points beyond which they won't pay. Jayne totally disagreed with Paul. She felt that it is not correct that the town is doing wrong by settling. It can be more expensive to go to court and lose.

Larry did a quick calculation based on monthly spending, which are over \$500,000, and said that we wouldn't be served with just \$350,000. Jack mentioned what happened in Pembroke, where taxes went up \$1200 per home due to the school under budgeting.

Cindy L wondered if Paul would like to suggest a different figure. Paul said that he had no problem giving this money, but would rather wait till we have a real number.

**Motion:** To authorize to expend up to \$400,000 from unexpended fund balance.

Motion: Jack Daly                      Second: Larry Sweeney

Discussion: Helen explained that the wording had to be very specific.

Motion withdrawn.

**Motion:** To authorize the Town of Lincoln to over-expend the 2017 voted appropriations in the amount of \$400,000. This over expenditure "Legal" is the result of a negotiated settlement from a law suit. Such funds to come from the Unreserved Fund Balance.

Motion: Larry Sweeney                      Second: Beverly Hall

Discussion: We would like to know what's coming down the road, said the Chairman. Estimated expenditures, is what we would see, said Jayne. Paul wants to know where unexpended fund balance is, since it isn't money in the bank, yet could affect the tax rate. Helen said she would provide legal expenses for settlements and salary, when Jack asked. There was discussion as to whether the \$400,000 should have been included in the tax rate setting after all. The recommendation is legal per DRA, said Larry. Beverly asked where the money came from, if the money does not exist. Really, it's in next year's taxes. Not including it in the tax rate would mean that it did not bring the tax rate down. The discussion continued and Lutz asked if there might be a conflict of interest with Paul, as he had a suit with the town. He has every right to be present here and now. Jayne said that the Board of Selectmen has non-public sessions to discuss further lawsuits. Lutz had said that usually the attorneys, insurance company and Board of Selectmen should be in on it. Paul agreed, and Jayne will check into that. We don't know who was involved. But it's not a question for this committee, as it is beyond the scope of the Budget Committee, who is just being asked to allow the town to finish paying its bills.

Larry asked to move the question.

Vote on **Moving** the question: 6 in favor, 1 abstained, 2 opposed.

Vote on **Motion:** To authorize the Town of Lincoln to over-expend the 2017 voted appropriations in the amount of \$400,000. This over expenditure "Legal" is the result of a negotiated settlement from a law suit. Such funds to come from the Unreserved Fund Balance. 7 in favor, 3 opposed. Motion passes.

Helen was thanked at 6:30pm, and left. Perhaps in the future, we'll put Litigation Settlements in the CIP.

Cindy L updated the committee on procedures changes. She had made the changes as asked for regarding Calling the Question. She also made the Bylaws changes as Mike had suggested. The 45 days procedure mentioned in the Appointments to Fill vacancies discussion is an optional procedure, so she talked to Butch, who asked Peter Malia. So those procedures were changed to reflect Peter Malia's suggestions. Mike and the members of the committee thanked the procedures subcommittee.

Paul wanted to lodge his complaint regarding the November 14 budget meeting, which he could not attend. He did not get a copy of the schedule that we approved. The issue was with communication. This is something to be worked on; that what we communicate to people who are not able to attend, should be more complete. Attachments should be included with draft minutes, for example. Cindy L was happy for the suggestion as the next procedures subject should be communication and right to know. Whose responsibility is it to distribute attachments? Who chooses the schedule? Paul felt the Chairman should make the schedule, not Helen. However, Helen had only offered options.

Cindy R said that we had talked about getting quarterly expenditure reports. Why can't we get them before the meeting, so we can review them before a meeting, not at the next meeting? We did not get them quarterly. Jack asked when we would be receiving the budgets for the season. The Board of Selectmen is almost done with their budget review, said Jayne, so we should be getting it soon.

#### **Review of meeting minutes of November 14, 2017**

**Motion:** To approve the November 14, 2017 meeting minutes, as distributed.

Motion: Jack Daly Second: Larry Sweeney

Discussion: Chairman Simons felt that since this was not on the agenda, we should not vote.

Motion withdrawn.

**Motion:** To adjourn at 6:55pm.

Motion: Jack Daly Second: Larry Sweeney

Motion carries unanimously

  
Chairman Mike Simons

  
Date