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36 Finance Budget; Lilli Gilligan, Finance Director:

- 37 • Finance and Tax Collector are one budget, which includes the Town Treasurer and audit  
38 expenses, with a proposed increase of \$312,719 or 1.7%.
- 39 • The cost of the audit based on a contract ending in 2020, is \$17,000, which is a \$2,000  
40 decrease from last year as the actuarial evaluation is only required every other year. This  
41 evaluation allows employers to look at OPEB (Other Post Employment Benefits). The town  
42 allows NHRS (NH Retirement System) retirees to purchase health insurance at the full cost  
43 which affects the bottom line experience rating which based on how many times they utilize  
44 the insurance. Currently, the town has 7 retirees who buy the health insurance.
- 45 • \$2,750 is proposed for the Budget Committee, for minute taking and posting expenses.
- 46 • \$153,886 is proposed to cover the Finance Director and Bookkeeper salaries.
- 47 • \$40,000 is proposed for information technology, used to purchase computers through a  
48 replacement schedule for all departments except for the Police Department and Library.  
49 Additionally, this line item covers the cost of data bases for tax collection, town clerk  
50 functions, and the finance department.
- 51 • \$2,400 is proposed for bank fees; including fees for direct deposit and the \$20 cost of  
52 returned checks. The individual whose check was returned is charged \$40 which comes in as  
53 revenue to cover related costs.

54 Benefits; Lilli Gilligan, Finance Director:

- 55 • The proposed budget is \$1,01,886, which is a decrease of \$12,600.
- 56 • Included in this budget is health, dental, workers compensation, social security, NHRS, and  
57 sick leave incentive, except for those employees of solid waste, library, and Police  
58 Department as the benefits are included within those budgets.
- 59 • There is a 40% decrease in workers compensation, based upon the experience Primex has  
60 determined we are eligible for a \$46,000 credit. (The current documents do not reflect this  
61 credit as it came in at the end of the day).
- 62 • **Mr. Mosca** noted nothing is budgeted for earned benefits as there are no planned retirements,  
63 however, people are eligible for retirement and should there be some money budgeted in the  
64 event an unanticipated retirement occurs. **Ms. Gilligan** advised a capital reserve fund had  
65 been established 3-4 years ago for such instances with a current balance of \$31,000.
- 66 • \$10,000 or 5% increase in health insurance premiums. The town contributes 80% of the  
67 premium for the cheapest plan and there are 4 plans for the employees to chose from.
- 68 • NHRS will go from 11.38% to 11.07% in July, which will reflect a small amount of savings.
- 69 • **Mr. Jensen** inquired if the town carries liability insurance. **Ms. Gilligan** advised liability  
70 insurance is discussed on page 15.
- 71 • **Mr. Jensen** inquired if the insurance cost noted are net or gross and if the employee  
72 contribution comes in as revenue. **Ms. Gilligan** advised the noted amount is the cost to the  
73 town and the money collected from employees is their contribution for their own health  
74 insurance.

75 • **Ms. Ryan** inquired how many people are covered under by the health insurance. **Ms.**  
76 **Gilligan** advised there are 100 lives on the plan (excluding the Police Department), which  
77 includes dependents and propose there were 30 people on the insurance and would provide  
78 an exact number later.

79 Insurance; Lilli Gilligan, Finance Director:

80 • \$35,065 is proposed for 2019; covers liability and automobile insurance.

81 TANS; Lilli Gilligan, Finance Director:

82 • Tax Anticipation Notes, have not been used in 4 years based on maintaining proper fund  
83 balance and anticipation of how many people will pay their taxes on time. On average the  
84 town is owed \$2.1 million in taxes, therefore the town maintains a fund balance of \$2.1  
85 million so they never have to borrow.

86 Revenue; Lilli Gilligan, Finance Director:

87 • Revenues are discussed, budgeted for and posted with the budgets for expenditures for  
88 deliberative and town meeting. They are readjusted and set by the Board of Selectmen then  
89 sent to the DRA in August. DRA readjust the figures based on the actual State monies  
90 received.

91 • \$4,063,256 is projected for 2019 from non-tax sources; motor vehicle registrations, sale of  
92 town property, building permits, and recycling, all of which affect the tax rate by lowering  
93 the amount money to be raised and appropriated.

94 • This figure is \$200,000 lower than 2018 based on; the new law effective in May 2019 the  
95 interest rate on late tax payments, which is anticipated to be a \$30,000 loss, building permits  
96 are decreased in half based on statistics, and there is currently no approved town property to  
97 sell.

98 • \$2 million revenue is projected from motor vehicle registrations for 2019.

99 Questions:

100 • **Mr. Jensen** inquired about the meaning of sale of town property being property that has been  
101 forfeited for nonpayment of taxes and how long the process takes. **Ms. Gilligan** explained  
102 the process for sale of town property including properties forfeited for nonpayment of taxes.

103 • **Mr. Mosca** inquired about the increase in abatements. **Ms. Gilligan** advised with this being  
104 a reevaluation year it is anticipated the property taxes will increase and residents will be  
105 seeking abatements.

106 • **Mr. Mosca** inquired of the library funds. **Ms. Gilligan** advised the projected revenue was  
107 provided by Mr. Smollen based on anticipated monies received from out of town use of  
108 services.

109 • **Mr. Jensen** inquired of the rooms and meals tax grant and how it relates to rooms and meals  
110 tax funds collected in Conway. **Ms. Gilligan** noted the measurable rooms and meals taxes  
111 collected in Conway do not compare to the grant.

112

113

114 Default Budget; Lilli Gilligan, Finance Director:

- 115 • The default budget for the town is set by the Budget Committee and the default budget for  
116 the school is set by the School Board.
- 117 • Within the default budget, any contracted services cannot be adjusted up or down and would  
118 mirror the 2019 proposed budget.
- 119 • The default budget is last year's budget with adjustments up or down for contracted items  
120 such as, payroll, benefits, and NHRS.
- 121 • Note, in July the NHRS employer's contribution will go from 11.38% to 11.17% and the  
122 police department will go from 29.43% to 28.43%.
- 123 • Heat and electricity will be last year's budget figures as the town is not under contract for a  
124 specific amount of money.
- 125 • Within the new packet the summary of all operating budgets note in the second column the  
126 Selectmen's recommendation and the next column is the Budget Committee's default budget  
127 recommendation.
- 128 • Board of Selectmen's recommendation including the \$46,000 credit from workers  
129 compensation is \$11,311,796, the default budget is \$11,248,355.
- 130 • **Mr. Sares** inquired why the town and the school purchase oil in different manners and why  
131 one is considered contract and the other is not. **Mr. Jensen** further inquired if it has ever  
132 been determined who paid the least over the years. **Ms. Gilligan** noted she has not done  
133 that research; however, it is her firm belief the town uses the most cost-effective manner.
- 134 • Ms. Gilligan proceeded through each budget noting the default budget compared to the 2018  
135 budget.
- 136 • Unbudgeted request for additional staff at the Rec Department and Transfer Station is not  
137 covered in the default budget.
- 138 • Under Government Building (supplies, heating, and electricity), there is a signed contract  
139 with the school district for heat, electricity, and maintenance (\$19,000) for the Rec  
140 Department upon the move into the middle school in May.
- 141 • **Mr. Sares** inquired if the selectmen have reviewed and discussed the bids for moving the  
142 Rec Department into the middle school. **Ms. Gilligan** noted the selectmen will be meeting  
143 on Tuesday, January 8, 2019. **Ms. Gilligan** further noted the biggest cost savings will be in  
144 the HVAC system.
- 145 • The salary line in the Police Department budget mirrors the 2019 budget as they are covered  
146 by the CBA (Collective Bargaining Agreement).
- 147 • The worker's compensation line will be dropping from \$50,261 to \$27,444 in accordance  
148 with the credit the town is receiving, and the 2019 default budget will mirror that amount.
- 149 • The \$32,880 request within the operating budget to cover the cost of tasers is not part of the  
150 default budget until it passes at town meeting.
- 151 • **Mr. Mosca** inquired if the salary for non-union employees is guaranteed and should it be  
152 part of the default budget, as there is no guaranty of a pay increase where it states an  
153 employee can get up to a certain percent. **Ms. Gilligan** advised the personnel manual is the  
154 contract which determines starting salaries for all positions and merit increase adjustment  
155 factors for non-union employees.

156 • **Mr. Edgerton** suggested the street light default budget should be reduced to around  
157 \$43,000 to \$45,000, as the 2018 budget was before the change to LED lights. **Ms. Gilligan**  
158 noted the proposed budget for 2019 is \$48,775.

159 **Mr. Edgerton moved, seconded by Mr. Steiner to amend the default budget for street lights**  
160 **to \$48,775. Motion Carries. (13-0-0)**

161 **Mr. Mosca moved, seconded by Mr. Edgerton to amend the default budget to match the**  
162 **selectmen's proposed 2019 budget when it is lower than the 2018 budget. Motion Carries**  
163 **(10-0-3[Mr. Laracy, Mr. Sares, and Mr. Dziejic]**

164 Discussion:

165 **Mr. Jensen** clarified that the default budget should not be higher than the selectmen's request  
166 unless it is for a contractual reason.

167 **Mr. Edgerton** noted it is small amounts, but it makes a difference. **Ms. Gilligan** advised the  
168 biggest change would be for the legal budget that would drop from \$115,000 to \$90,000

169 Ms. Gilligan will provide updated figures based on the votes taken this evening.

170 Ms. Gilligan advised that with the credit in workers compensation, the 2019 proposed budget  
171 combined with all warrant articles compared to 2018 there is only a .5% increase.

172 OLD BUSINESS: None

173

174 NEW BUSINESS:

175 The next meeting is Wednesday, January 9, 2019 at 6:30 PM at KMS.

176 A revised meeting scheduled was provided via email today and can be further discussed at the  
177 next meeting to clear up any confusion.

178 **Mr. Sares** commented on the procedure for when the public addresses the committee.

179 PUBLIC COMMENT: None

180 ADJOURN:

181 **Mr. Edgerton moved, seconded by Mr. Steiner to adjourn the meeting at 8:05 PM. Motion**  
182 **carried unanimously.**

183

184 Respectfully Submitted,

185 Lisa E. Towle, Recording Secretary