

MUNICIPAL BUDGET COMMITTEE

Wednesday, June 27, 2018

Professional Development Room

Kennett Middle School, Conway, NH

Chairman Jim LeFebvre called the meeting to order at 6:30pm. The following members were present: Terry McCarthy, Eric Dziejcz, Doug Swett, John Edgerton, John Colbath, Steven Steiner, Ted Sares, Mike Fougere, Joe Mosca, Sarah Verney, Diane Ryan, Mike Laracy, Greydon Turner, and Ellin Leonard. Also present: Lisa Towle, recording secretary

Excused: David Jensen and Michael Tetreault

Absent: Steven Steiner

Mr. Edgerton led those present in the Pledge of Allegiance.

QUARTERLY REVIEW – TOWN BUDGET:

Mr. Holmes: Lilli has provided you with all budget information up to today with no big surprises.

Revenue (Ms. Gilligan)

- Anything in parenthesis on the revenue report means we collected more than we had budgeted for. Likewise, anything in parenthesis on the expenditure report means we overspent. The ideal spot for collections and expenditures is to have 52% left. Revenues will not track that until the end of the year as the State highway block grant is paid quarterly and room/meals tax is paid on December 31st (\$518,205). The revenue projections only show non-tax revenues that include interest on taxes and tax for a specific item; timber, gravel, and change of land use, as well as payments in lieu of taxes for properties held by the town.
- The budget is set using anticipated expenditures less non-tax anticipated revenue, which allows the voters to be presented with the effect on the tax rate. Yearly, after a meeting with the selectmen in August to discuss current revenue projections and with their approval, on September 1st, the town as required notifies the DRA of the updated revenue projections for the tax rate to be set. An example of what would be discussed with the selectmen and reported to the DRA is the anticipated increase in motor vehicle registrations (budget \$1,925,000 to \$2 million) and the decrease in the police report accident reports (budget \$70,000 to \$2,400).
 - **Mr. Holmes** noted that with the broad range of revenues some will exceed projections, some will underperform, and others will equal out.
- The town collects on building permits, zoning applications, driveway permits, photocopying at the town hall, dog tags, motor vehicle registrations, marriage licenses, death records, vital records, dog fines, and gun permits. Additionally, the school buses are maintained, repaired, and parked at the highway garage and the school district is charged back quarterly for the electricity the buses use as well as the cost to maintain and repair the buses.

- Additional revenues include; patriotic events donations / fees, a new revenue stream created two years ago and is a fee for groups setting up in Schuler Park for the 4th of July and includes donated monies. Revenue is collected from parking tickets issued, which was projected at \$1,300 and is currently at \$1,600. Last are the Library general fund revenues that are paid in December, which primarily come from monies collected from Albany's use and use by people who are not Conway or Albany residents.

Revenue Highlights:

- Land Use Tax: based on prior years' experience we anticipated \$9,200 and to date have collected \$15,742 which is a \$6,542 more than anticipated.
- Motor vehicle registrations was budgeted for \$1,925,000 and is projected to be over \$2 million based on collections through Monday, June 25, 2018.
- Sale of town property; the town did not intend to sell any property and the money collected is from property that was redeemed by the previous owner.

Questions:

- **Mr. Laracy** inquired if there are any expenditures or collections that happen after the quarterly review that allow us to know we are heading towards 100%. **Ms. Gilligan** advised there was not.
- **Ms. Ryan** inquired about the process for properties redeemed by the owner. **Mr. Holmes** advised that when the town takes property for lack of payment of taxes, the previous owner has the right to redeem it by paying all back taxes, interest fees, and penalties.
- **Mr. Edgerton** commented that the treasurer has done a great job investing the money based on the interest that has been received. Also, noting that the annual line items with parenthesis have already been paid, which is a good thing.
- **Chairman LeFebvre** asked Mr. Holmes to provide information on the Diana's Bath situation for new members. **Mr. Holmes** explained that with the urging of neighbors and the Conway Police Department the selectmen reviewed the parking situation on the State road leading to Diana's Bath which posed life and safety issues. The State approved for us to impose a \$100 fine for parking on either side of the road and after a wave of tickets it appears to be solving one problem. A new situation has developed as we have traffic stacking waiting for a parking spot, so an attendant has been hired to assist visitors in finding alternative parking options. Although, the road is owned by the State and Diana's Bath is part of the NH Forest Service, Conway has elected to spend the money to maintain this situation for the safety of people.

Expenditures (Ms. Gilligan):

- Individual budgets are required to stay within their budgets as set at town meeting. Again, ideally we would be at 52% left in the budget to be spent and we are currently at 51.95% and right on track. Weekly expenditures are not the same as there is lumpy spending especially relate to the winter months when we purchase salt and heat the buildings.
- The expenditure report is divided into departments as set up by the DRA and not all items reflect the true cost of any given department due to things such as employee benefits from departments that are charged out to other communities, such as solid waste. Additionally, the

library is not in there as it is run by the library trustees as well as the police department which is run by the police commissioners.

- The executive; town manager and selectmen budget includes stipends for selectmen, budget committee chair, trustees of the trust chair, and police commissioners. All stipends are paid out at the end of the year with the exception of the selectmen that are paid biweekly. Also includes mileage, membership dues to the NH Municipal Assoc.), newspaper notices, and town reports.
 - **Ms. Gilligan** explained that after the town budget was approved the selectmen decided it was in their best interest to not continue their membership with the North Country Council and save the tax payers \$14,700.
 - **Mr. Holmes** explained that the advertising and news notices are overspent based on personnel turnover and the need for employment advertising.
- The elections and registrations budget; covers only the town clerk budget. This includes the general election and primary, a portion of the town clerk's salaries, supplies, ballots, advertising.
 - **Ms. Gilligan** explained that there are monies left in the town clerk salary as a deputy town clerk was hired after the election but is unable to start employment until July 10, 2018.
- The finance budget includes the finance department and the tax collector. This budget includes salaries (except for library employees) and all technology purchases, the audit (will be presented at the selectmen's meeting at the end of July), cost for liens (processed at the end of August), tax redemption, tax collector billing, mileage for tax collector, and bank fees.
- The assessing budget covers salaries and cost of software and they are on track at 52%.
- The legal budget was increased this year with anticipation of looming items.
 - **Mr. Holmes** noted that one large case has actually settled out, however a second case is happening now and may be headed to the Supreme Court, but a surplus is anticipated.
- The employee benefits budget includes; health and dental insurance, workers compensation an unemployment, which are paid at the beginning of the year to achieve savings, social security and retirement benefits (paid biweekly), sick leave incentive (paid out in January), and earned benefit.
 - **Ms. Gilligan** explained the earned benefit is paid out upon retirement and consists of any unused vacation days and 50% of unused sick leave.
- The planning and zoning budget consists of salaries, recording, scanning, postage, advertising, printers, and color toner.
- The government buildings budget includes the town hall, rec department, highway garage, service garage, and the buildings at Whittaker. The budget incorporates the cost of electricity, heating, and water testing.
 - **Mr. Fougere** inquired what will happen to the town hall and if the town would still be responsible for the water system upon the anticipated move. **Mr. Holmes** noted that the selectmen would have decisions to make upon the relocation. **Ms. Gilligan** advised that the town by and through a warrant article would remain responsible for the testing of the water system as it is presently owned by the town and provides water for 6-7 properties.
- Cemeteries used to be budgeted item however it now comes out of the parks budget.
- The insurance budget line includes several insurance products such as vehicle insurance, property, and liability insurance and are all paid in full in January.

- The police department budget is presently at 50.7% due in part to an unexpected retirement and payout of vacation and sick time. The police department budget includes everything needed to run the department, salaries, incentives, insurance(s), workers compensation, social security, administrative needs, computers, supplies, utilities, care of prisoners, uniforms, and physicals/exams. The gasoline budget is part of the police department although other departments use it; a charge back is done from the various departments to the police departments for the calculated use.
- The ambulance budget is based on the contracts with CarePlus, paid monthly and the Conway Village Ambulance, paid quarterly.
- The fire and emergency management budget includes a stipend for the director, fire pond maintenance, and the contract between North Conway and Conway village for protection of non-precinct areas, which is paid on June 1, July 1, and October 1.
 - **Ms. Gilligan** noted that the ambulance and non-fire precinct agreements are in effect until 2021.
- The inspections budget is for the salaries of the building inspector and 1/3 of the admin's salary (split with highway admin and solid waste).
- The highway admin budget consists of one half of the highway engineer's salary and 1/3 of the admin's salary.
- The highway budget which has 49.62% left includes the highway and service garage employees.
- The highway vehicle fuel is in this budget, which is utilized by other entities and charged back monthly. The salt line item was budgeted for \$484,000 and \$255,000 has been spent to date for this year. The pavement line item is for road repairs / maintenance and not reconstruction (see capital reserve for infrastructure budget). The school bus line item is only for materials purchased to make repairs to the buses.
 - **Mr. Colbath** advised that we have an on-going multiyear pavement program that is affected by the price of asphalt, which is much higher this year.
- The solid waste budget consists of one half of the town engineer's salary and 1/3 admin's salary, as well as the health, property, and liability insurance. The actual spending cost of solid waste services are charged out to the towns of Albany and Eaton and is based off valuations within those communities, similar to property taxes.
 - **Mr. Sares** inquired if the overtime for the employees is scheduled. **Ms. Gilligan** advised that every Sunday is scheduled overtime as they only get one weekend a month where they get two days off.
- The health department budget is for the stipend paid to the health officer.
- The welfare department budget covers the administrator's salary and membership dues, as well as the general assistance.
- The parks and rec budget has 64% left in the budget as the bulk of their salary expenditures including summer group employees, occur between mid-May and Mid-November.
- The library budget is tracking to be where it needs to be at 52% and covers everything needed to run the library including staff, insurance, utilities, and maintenance of the park next to the library.
 - **Ms. Gilligan** noted that the Conway Library is unique as they do not get the lump of the monies approved from town meeting, as they on town payroll, insurance, and the town finance department pays all of their bills.
- Patriotic purposes is the budget for 4th of July, Memorial Day, and Veterans Day,

- Conservation budget covers the cost of the minute taking then more of the money is spent on maintenance of the conservation properties to include timber clearing.

Comments / Questions:

- **Ms. Gilligan** noted that due to a good working relationship with Becky and Jim at the Conway School District's finance department, whom allowed her to withhold the May and June payments and prevented the town from having to utilize a cash anticipation note. However, they may have to take advantage of the note's in the fall based on the volume that needs to be paid during that time.
- **Ms. Gilligan** advised that the DRA sets Conway's tax rate last because we have 6 precincts, which is the largest in NH for any given community.
- **Mr. Holmes** noted that the assessing and tax collector departments worked together and were able to get the spring tax bills out a little early, allowing the cash flow to come in earlier. **Ms. Gilligan** advised that there was \$8.1 million in tax monies left to collect and the due date was July 5, 2018.
- **Mr. Sares** commented on Ms. Gilligan's hard work and knowledge of the budget items.
- **Mr. Edgerton** inquired if the town had any outstanding bonds. **Ms. Gilligan** advised that the library bond was paid off last August. **Mr. Edgerton** further advised that there isn't another town that doesn't have debt. **Ms. Gilligan** noted that they have been successful managing projects using the capital reserve funds.

Chairman LeFebvre asked for an update on the status of the move into the middle school and the move of the town hall to the bank. **Mr. Holmes** advised that he and Mr. Richard have a tentative agreement that is to the benefit of both parties and is being reviewed by the School District's Attorney and will be presented to the school board on July 9 and to the selectmen on July 10. As far as the bank we are expecting plans for the branch bank to be submitted to the planning board by the end of July.

QUARTERLY REVIEW – SCHOOL BOARD:

Mr. Mosca provided the budget committee with an update of where the current budget stands for the Conway School District. The school year is July 1 – June 30 and looking at the second page you can see there is projected to be approximately \$1.3 million left in the budget. If you have any questions send either myself or Jim the questions and I will get you the answer(s).

Questions / Comments:

- **Mr. Edgerton** inquired how much of the \$1.3 million was expected to be put against taxes. **Mr. Mosca** think voted to put approximately \$200,000.
- **Mr. LeFebvre** inquired about the discussion at one of the school board meetings regarding using surplus funds to purchase a 42-year-old tractor. **Mr. Mosca** advised that the school board in the past has used lease purchases to replace equipment and a facility committee felt it was not in the best interest. The school board voted to use surplus funds to purchase the tractor saving the tax payers approximately \$10,000.

REVIEW OF MINUTES:

Mr. Sares, moved seconded by Mr. Edgerton to approve the minutes from the April 25, 2018 Budget Committee meeting as distributed. (11-0-3 [Mr. Fougere, Mr. Mosca, and Mr. Dziedzic])

OLD BUSINESS:

- Town / School Questions
 - **Chairman LeFebvre** suggested that a sub-committee be created that he would chair, to develop proposed questions for the town and school with the budget committees input. Additionally, it was proposed that the committee meet three times prior to the September 19, 2018 meeting and the meetings would be posted by town hall.
 - **Mr. Sares** suggested that the budget committee keep a hands-off approach as it is not the committee's purview to come up with ideas for the school district, then we are starting to look at policy. The budget committee's concern should be focused on the affordability of providing a good education to our children
 - **Mr. Colbath** commented that the town and school put a lot of time into answering the question that are asked of them. In the past the questions seem to have benefitted individual needs rather than a general benefit.
 - **Mr. Fougere** commented that it is his opinion that any meetings outside of the 17 people who comprise the budget committee who were voted in to decide what is best for the people and it violates Roberts Rules.
 - **Mr. Mosca** advised that he is not comfortable with the sub-committee and suggested that any questions that members have should be provided to the chair to be discussed at the next meeting and then presented to the town and/or school district.
 - **Chairman LeFebvre** noted that based on the feedback that has been provided this evening he will not create a sub-committee and ask that any questions from the committee members should be provided to him after the September 19, 2018 meeting as he would like to present the finalized questions to the town and school by mid November.
 - **Mr. Mosca** noted that the meeting in September is a very important one with the DRA presentation as sometimes the committee gets off track and this will help to clarify the committee's responsibilities
- Tour of Pine Tree Renovations
 - For those committee members who would like to look at the renovations at PTS, please send Chairman LeFebvre an email so he can get the tour set up for the end of August.
- Visit to Schools by BC Members
 - Superintendent Richard has advised that he is willing to provide the budget committee members with a tour of the schools and if anyone is interested in participating in this tour should send Chairman LeFebvre an email, so he can get the tour scheduled with administration.

- DRA Presentation
 - The DRA has agreed to provide a presentation (municipal budget law) on *September 19, 2018 at 3:00 p.m.* We will also be inviting community members from Albany, the Conway School Board, and some town employees.
- BC Procedures
 - The budget committee procedures have previously been distributed to the members in April and if there are no questions pertaining to them, they will be considered approved.
- Schedule

NEW BUSINESS: None

PUBLIC COMMENT:

Mr. Greenleaf-Whittier commented that he felt he should have had the opportunity to ask Mr. Holmes and Ms. Gilligan questions about their presentation before they left. **Chairman LeFebvre** noted that in accordance with the agenda the public comment session came after their presentation. **Mr. Sares** advised Mr. Whittier that he should either provide his questions in writing or orally to the chairman and he will get the answer for you.

ADJOURN:

Mr. Edgerton moved, seconded by Mr. Mosca to adjourn the meeting at 7:59 PM. Motion carried unanimously.

Respectfully Submitted,

Lisa E. Towle, Recording Secretary