

MUNICIPAL BUDGET COMMITTEE

Monday, January 8, 2018
Town Hall Meeting Room (2ND Floor)
Conway Town Hall, Conway, NH

Chairman Jim LeFebvre called the meeting to order at 6:30pm. The following members were present: David Jensen, John Edgerton, Mike Tetreault, Terry McCarthy, Steve Steiner, Doug Swett, Bill Marvel, Bob Drinkhall, Mike Fougere, Pat Kittle, John Colbath, and Bill Masters
Also present: Lisa Towle, recording secretary

Excused: Pat Swett, Peter Donohoe, Joe Mosca, and Ted Sares

Mike Tetreault led those present in the Pledge of Allegiance.

CHAIRMAN LEFEBVRE'S OPENING REMARKS:

As we enter into the work on the budget, I ask that you really dig into the material that is provided to you by both the town and the school district. The town's proposed budget is at approximately/ \$11 million and the school district's proposed budget is at approximately/ \$37 million, neither of these figures includes warrant articles. The school district will be presenting at the meeting on January 10, 2018 and I plan to ask them how they have developed their needs based budget as well as to review the 12 questions and responses that we presented to them.

TOWN BUDGET OVERVIEW

David Paige, Library Board of Trustees Chairman and David Smolen, Director presented the 2018 Library budget.

Mr. Paige provided an overview of the budget; benefits line shows an increase which is a change in the election of benefits. There are two (2) items that look like new spending; however, they are the result of allocating funds appropriately. Postage and the volunteer dinner historically had come out of trustee money (monies from fines and fees), in accordance with the statute these expenses needed to come out of the operating budget. The purchase of adult books that had previously come out of the operating budget will now come out of the trustee's money.

Mr. Smolen noted that the proposed budget is status quo as no request for new services and no expansion of positions.

Questions:

Chairman LeFebvre inquired where the \$19,000 short fall between the 2017 budgeted amount of \$266,165 for salaries and the actual spent amount of \$248,797. **Mr. Smolen** noted that the numbers the Budget Committee has does not reflect the last payroll, which takes away approximately \$14,000. There were some unanticipated changes in staff,

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being that one person retired and another's hours decreased from 40 to 35 hours weekly and at this time there is 2.76% of the budgeted salary remaining for 2017.

Chairman LeFebvre inquired about the utilization of staffing versus the flow of clientele and if there are security measures in place for the safety of the staff. **Mr. Smolen** noted that resources are moved around as needed with the busiest time being the afternoon. In addition, improved light has been installed along the grounds and panic buttons, which relay directly to dispatch when utilized, have been installed. **Mr. Holmes** added that Mr. Smolen has been very proactive in regard to security issues and has set up a seminar on how to deal with difficult people in which the entire town hall staff will be attending as well.

Mr. Jensen asked where they see the library services in the future, such as community access to the internet, eBooks, etc.? **Mr. Smolen** answered that the library converted its interlibrary loan personnel to a technology librarian, who is responsibilities include tech references and provides courses to assist the public. The library offers 17 computers for public use and a variety of online services, such as downloadable books. **Mr. Paige** further noted that although the library is moving forward with the times and eBooks they do still over the traditional core functions of a library.

Mr. Marvel asked for an explanation of the library's proposed warrant article. **Mr. Paige** explained that monies that come from trust funds and used to offset the spending must be approved by the voters. Therefore, the warrant article will not have any impact on taxes rather it is merely for approval by the voters.

Mr. Drinkhall asked if the library is locked in at \$1.84/gallon for heating fuel. **Mr. Smolen** advised that the library uses the same as the town. **Ms. Gilligan** further advised that the town for the past 25 years has used and continues to use price over rack as a method to purchase heating fuel, which is presently \$1.99/gallon. For budget purposes the average multiple years of gallons used at current price over rack is used. At the deliberative session she will be presenting a cost adjustment recommendation that includes heating fuel, salt, and labor.

Chairman LeFebvre inquired about the status of the furnace system at the library. **Mr. Smolen** advised that one of the boilers has failed and where it is a capital expense, the trustees have authorized use of up to \$15,000 from the trustee funds to purchase a new one, which will not have an impact on the taxes. Where the expected life expectancy is approximately 14 years, Mr. DegliAngeli has added to the costs for replacement of the second boiler to the capital reserve budget.

Town Manager Holmes presented the Assessing budget.

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Mr. Holmes noted that the town had difficulty finding an assistant assessor and therefore opted to restructure the position to be an Assessing Clerk that would hopefully work their way up to become the assistant then ultimately the Assessor, similar to what Ms. Schofield did. The

assessing dues have increased, and seminars have stayed the same, although those monies may not be fully utilized depending on who is hired as the Assessing Clerk.

Questions:

Chairman LeFebvre inquired about the status of the assessing software. **Mr. Holmes** advised that the software package was purchased in 1994 and has been maintained with upgrades and is still functional. Upgrading the software package at this time is not fiscally feasible, due to the costs of purchasing the new software and the labor associated with the proper conversion.

Finance Director, Lilli Gilligan presented the Finance budget.

Ms. Gilligan advised that the finance and tax collector budget is up 3% at \$307,563. A RFP went out for a 3-year contract for audit services and was awarded to the same firm is presently being used at a lower cost than was paid over the previous 3-years. The audit company was able to bid low as they are familiar with Ms. Gilligan's well prepared and succinct records, which allows for a smooth and quick audit process.

Some highlights from the proposed budget are include \$4,284 for training a new bookkeeper; info tech is status quo at \$40,000; seminars have increased as Ms. Quint, Town Clerk advised that she is not running for office next year and her replacement will need the required training; there is a budget for 80 hours of tax entry assistance (utilized in June and November); \$9,200 is to cover Ms. Quint providing up to 4 weeks of training; there is a \$2,500 reduction for tax liening; tax billing is at \$4,000; and mileage covers the cost of going back and forth to conferences as well as going to the bank every day. In addition, there are bank fees for returned checks and fees associated with payroll.

Questions:

Mr. Drinkhall asked if the new Town Clerk would start out at the same salary as Ms. Quint. **Ms. Gilligan** advised that based on a warrant article from several years ago the new Town Clerk would start at \$61,753.

Chairman LeFebvre in regard to info tech, in 2017 \$40,000 was budgeted and only \$24,000 was used and this year another \$40,000 was budgeted. What was the reason for the \$16,000 difference? **Mr. Holmes** advised that the town is on purchasing program, where computers are purchased on a rotating basis. However, this is held off until the end of the year to make sure the funds are available (funds could be needed to cover snow storm costs). This year's final invoice for 2017 has not been applied to the AP.

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Mr. Jensen noted that although he is not looking to change the process, he just wants to everyone to be mindful that when the committees ask for things from the town it cuts into the profitable time of the business and when the expenses associated to the Budget Committee are noted it is certainly not capturing all of the labor costs. **Ms. Gilligan** advised that all town hall staff with the exception of the executive secretary are salaried and there is no way of allocating the funds proportionately.

Ms. Gilligan provided updates to questions that were posed at the January 3, 2018 meeting:

- The default budget will be ready later this week.
- As of today, there is presently 2% or \$231,871 left in the 2017 budget and more invoices are expected within the next couple of weeks.
- As of today, the amount owed in taxes to include, liens, current use, and timber and gravel tax is \$2,214,592, which is typically where we are at. This is an operational cash flow situation as this creates a hole in the cash flow, which is why the fund balance maintained needs to be able to handle the shortfall.
- The trust fund balances through December 31, 2017 for the fire precincts is as follows:
- Center Conway has one trust fund with a balance of \$196,206.
- East Conway has two trust funds; fire equipment with a balance of \$50,382 and building maintenance with a balance of \$9,860.
- Redstone has two trust funds; fire equipment with a balance of \$77,640 and legal with a balance of \$2,879.

Mr. Colbath inquired about the negative impact of the bad weather at the end of 2017. **Ms. Gilligan** advised that overtime alone was \$25,000, the snow pick up contracted services was \$8,000, and the salt dropped off was \$20,000.

Mr. Holmes advised that Krista Day has been hired as the new executive secretary and today was her first day.

REPORT FROM THE BOARD OF SELECTMEN REPRESENTATIVE:

Mr. Colbath: The selectmen will be meeting tomorrow, January 9, 2018.

REPORT FROM THE SCHOOL BOARD REPRESENTATIVE:

None

REVIEW OF MINUTES:

Motion by: Mr. Edgerton, seconded by Mr. Drinkhall to defer approval of the January 3, 2018 meeting minutes until the next meeting. (13-0-0)

OLD BUSINESS:

None

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NEW BUSINESS:

None

PUBLIC COMMENT:

None

ADJOURN:

**Mr. Edgerton moved, seconded by Mr. Drinkhall, to adjourn the meeting at 7:27 PM.
Motion carried unanimously.**

Respectfully Submitted,

Lisa E. Towle, Recording Secretary