

CONWAY MUNICIPAL BUDGET COMMITTEE

Wednesday, September 23, 2020
Marshall Gym
Conway Recreation Center, Conway, NH

Chairman Jim LeFebvre called the meeting to order at 6:31 PM. The following Budget Committee members were present: Mike Fougere, Mike Laracy, John Colbath, Erik Dziedzic, Erik Corbett, John Edgerton, Bob Drinkall, Bill Aughton, Diane Ryan, Sarah Frechette, Peter Donohoe, Ellin Leonard, and Frank Jost. Also, present Lisa Towle, Recording Secretary

Excused: Vice-Chair, David Jensen and Mike Tetreault

Mr. Edgerton led the Committee in the Pledge of Allegiance to the Flag.

REVIEW OF OUTSTANDING MINUTES (August 17, 2020):

Mr. Colbath moved, seconded by Mr. Donohoe to approve the minutes of August 17, 2020 as written. Motion Carries. (13-0-1 [Mr. Drinkhall])

TOWN BUDGET UPDATE:

Mr. Holmes, Town Manager and Ms. Golding, Finance Director, presented the budget update for the town highlighting the following:

Mr. Holmes advised the board of the MS1 totals for 2020 taxable property value used to set the tax rate, being \$1,750,988,000, and an increase of \$7,026,500 over 2019. This is not typical growth due to the pandemic and an \$8 million loss in taxable utility property due to new laws on how it is appraised.

Ms. Golding advised the 2020 Operating Budget is looking fantastic with 50% of the budget spent to date.

All COVID expenses have been reimbursed from the GOFRR (Governor's Office for Emergency Relief and Recovery) CARES Act funding. To date \$66,504 of the allotted \$240,897 has been reimbursed. After reimbursement is received for the September 15, 2020 submission of COVID related expenses there is a balance of \$49,000.

Mr. Holmes noted if the invoices come through in time, the plan is to use the CARES Act monies for protective measures at the new Town Hall.

Ms. Golding noted the CARES Act funding was only dispersed to municipalities and there has been one school request to utilize the GOFRR funds.

QUESTIONS/COMMENTS:

Mr. Colbath asked to have a percentage column added to the budget report.

Chair LeFebvre inquired of the top 3 areas the COVID monies were utilized.

Ms. Golding advised \$30,000 was spent on the sound system in the Marshall Gym. New software has been purchased for the finance department for approximately \$70,000, which will support working remotely. Tents, tables, etc were purchased for the Rec programs Summer Camp.

Ms. Golding advised the town is being reimbursed for election associated expenses based on the number of absentee ballots collected, which has been set by the State at \$11 per returned ballot. The total allotment is \$24,000, with Conway being responsible for \$4,000 of that and the remainder of expenses can be submitted for reimbursement from the GOFRR funds.

Mr. Fougere commented based on the cost of the electronic ballots versus the paper, it is in the Town's best interest to use the electronic system. Ms. Golding advised the absentee ballots are part of the State law.

Mr. Edgerton inquired of the COVID effect on the rooms and meals tax. Mr. Holmes advised the Governor stated he will make good on the budgeted revenue. This revenue is not received until December.

REVENUES:

Ms. Golding advised initially the revenues were budgeted conservatively. Vehicle registrations have increased bringing in a substantial revenue.

PILT (Payments in Lieu of Taxes) revenue will come in at the end of the year.

To date 67% of the projected revenues have been collected.

94% of the warrant has been collected for the first half of 2020 taxes.

QUESTIONS/COMMENTS:

Mr. Colbath commented the building permits are down. Ms. Golding acknowledged they are, however, there is hope of a large year end building permit.

Mr. Colbath inquired when the highway block grant is received. Ms. Golding noted four times per year, and it has been received as projected.

Mr. Corbett inquired of the adjustment in Welfare get reimbursed for services, which is on a case by case basis.

Mr. Colbath advised the general fund balance on page 14 does not have a to 2020. Mr. Colbath inquired of the percentage of expenditures. Ms. Golding noted it was 49.17%

Mr. Donohoe inquired of the 2019 revenue for this same time period as a yearly comparison. Ms. Golding advised she did not have that information, but would get it to Chair LeFebvre.

Mr. Fougere inquired of the progress with the new town hall and the expected move in date. Mr. Holmes advised some offices will be moved over on Tuesday, September 29, 2020. The downstairs still needs renovations and when those are complete the rest of the town hall offices will be moved over, hopefully before the end of the year.

Chair LeFebvre inquired of the status on the old rec center. Mr. Holmes advised the selectmen deliberated the matter in closed session. There were three proposals presented to the town, one involving a substantial donation from the Marshalls. The proposal is to tear down the old building and keep the property as a ball field, park, and garden maintained by the town.

SCHOOL DISTRICT BUDGET UPDATE:

Ms. Gilligan, Finance Director presented the school district budget update, highlighting the following.

\$1,486,639 was unexpended for the 2019-2020 fiscal year.

- \$815,042 or 55% comes from Sp. Ed.
- \$671,598 is from positions that were unable to be filled.
- \$99,000 from transportation due to not transporting children after mid-March.
- \$144,000 from Food Services due to not serving lunches after mid-March.
- \$64,000 from substitute teachers as they were not needed after mid-March.

QUESTIONS/COMMENTS:

Mr. Fougere inquired why the busses were still running and how the expenditure was covered. Ms. Gilligan advised the busses were used to deliver food 3x/week to specific locations.

Chair LeFebvre inquired if the maintenance work was reduced during the school closure. Ms. Gilligan advised those employees were still working on projects preparing for re-entry of students. Additionally, they completed multiple painting and repair projects.

Mr. Colbath inquired what happens to the unexpended funds. Ms. Gilligan explained the the unspent expenditures (\$1,486,639) added to the unanticipated revenues (\$750,000) plus the money retained from last year (\$229,050) gives you a total fund balance of \$2,477,513, which is returned as revenue. As a result of a 2013 warrant article the town allowed the school to retain up to 2.5% of the monies set at appropriation. Last year's appropriations were \$19,323,019 and

2.5% of that is \$483,075, being the maximum, the school can retain for emergency purposes. On September 14, 2020 to retain 50% of the \$483,075 equaling \$241,537 and the balance is returned to the taxpayers for tax rate setting.

Mr. Donohoe inquired of the \$1million difference under health insurance for retirees. Ms. Gilligan advised new expenditure and revenue accounts were created to reflect the retiree health Insurance and will be budgeted for in the future. Expenditures totaled \$3,114,625. And the revenue for copays totaled \$1,050,268,82.

Ms. Frechette inquired of the process for returning unexpended funds to the taxpayers. Ms. Gilligan explained it is not a cash transaction, it is the amount of money the school tells the DRA is going to be received in revenue and fund balance to be returned and lowers the amount to be collected to support the schools. Mr. Colbath clarified the question, being how the returned monies effects the tax rate. Ms. Gilligan advised the money is reported to the DRA, who then notify the tax collector how much money is needed to be collected through taxes to support the schools.

Ms. Gilligan noted \$36,632,639 is the expenditure budget for FY 20-21 with spending beginning on July 1, 2020 and to date 20% of the budget has been expended. A grant was applied for and received under the CARES Act in the amount of \$506,845 and has been used for COVID related expenses. Additional grants are being sought for COVID expenses.

Chair LeFebvre inquired of the top 3 expenditures for the CARES Act funds and how often is it reported. Ms. Gilligan advised the spending is reported and reimbursed monthly through the DRA. CARES Act funds have been utilized to purchase Chrome Books (\$83,795), which are needed for remote learning and supplies (\$35,528).

Mr. Colbath inquired of the unexpected retirements reported in the Conway Daily Sun. Ms. Gilligan explained anticipated retirements need to be reported prior to October 31st for budgeting purposes. However, due to COVID there were several unplanned retirements.

Mr. Colbath noted the committee will have questions on KHS windows. Ms. Gilligan noted this is a question for Superintendent Richard. Additionally, noting they are in the process of bidding out the project and the windows are not in the current budget.

Mr. Fougere inquired if there was any change in enrollment. Ms. Gilligan noted she does not have the daily numbers.

CMBC PROCEDURES UPDATE:

Mr. Colbath provided committee members with a revised copy of the procedures, noting changes are in lighter print. According to the procedures, the revision can not be approved until January as it they will need to be read at two successive meetings prior to a vote.

PERSONNEL UPDATE:

Chair LeFebvre announced there is a permanent recording secretary.

Dave Jensen has resigned as Vice-Chair of the committee.

Peter Donohoe has volunteered to serve as Vice-Chair.

**Mr. Colbath moved, seconded by Mr. Drinkhall to elect Mr. Donohoe as Vice-Chair.
Motion Carries. (13-0-1 [Mr. Donohoe])**

Mr. Tetreault, the representative for Redstone precinct has resigned from the Committee.

OLD BUSINESS:

Mr. Colbath inquired if the committee's questions have been submitted to the Town and School and if one of the questions included the new charter school. Chair LeFebvre advised it had been included in the student census question.

NEW BUSINESS: None

PUBLIC COMMENT: None

ADJOURN:

Mr. Colbath moved, seconded by Mr. Drinkhall to adjourn the meeting at 7:47 PM.

Respectfully Submitted,

Lisa E. Towle,
Recording Secretary