

Budget Committee

Regular Meeting Minutes

Tues May 20th 2014

Members Present: Chairman Bruce Woodruff, Bob Carrier, Jenifer Crone, Devon Pageau,
Larry Brown, (Selectman Rep) Mike Beaulieu, (School Rep) Ann Walsh
Excused (Water District Rep) Stan Nadeau

The Chair opened the meeting at 6:40 pm

Roll Call: The Chair called the roll of the seating members. It was determined a quorum was present.

Review and approval of April 15th minutes:

The Chair would like a motion to approve the minutes of April 15th and if any changes need to be made. Larry noted that a word was missing on page 3 2nd Paragraph 2nd line to repair the Hyw Dept The word building needs to be inserted at the end of Dept.

Page 1 the approval of minutes last line the motion passed 7-0 2 abstentions it should be 5-0 2 abstentions. Motion by Larry: to accept the minutes and correct the typographical errors 2nd by Jen: Motion passed U/A

Resignation: Bruce received a letter from Jim Kelly stating that he was resigning from the Budget

Committee his reason is that he's moving to another town. Bruce asked that following statement be put record that we as a board appreciate his candor his frankness and his dedication to this committee while he was here and that we all appreciate his work. Bruce ask the committee if they wish to have him send a letter J.Kelly. L.Brown made the motion second by B.Carrier to have the Chairman compose a letter in keeping with the comments expressed by the chair and send it him. Motion passed 6-0 1 abstention M.Beaulieu was absent.

Citizens Comment: Eric Ohlenbusch was ask by Bruce if he could attend this meeting and ask him if he was interested in becoming a member due to the recent vacant position created by the resignation of Jim Kelly.

Eric was ask to speak to the board about himself. He has served on the Budget Committee and he feels that he can do something for the town.

Larry: People who have not been on the BC say why don't you open it up to the public? The answer is last year we advertised heavily for one open seat and had no luck. Eric is familiar with the budget process. He works well with other Committee Members and has been diligent in attendance. He has offered to come back. The BC will be coming back from the July break by this time the School year will have started and the Town year budget will be over half gone. This is the reason we chose Eric to fill the vacancy. Devon ask how this process works. Bruce explained how the process works if you would like to make a motion to appoint Eric Olenbusch for the remainder of the year as a regular

member of the BC. Larry added the BC has the statutory ability to appoint a member to the vacant position until the next election.

Ann: The remarks that Larry made are we not concerned about posting it to the general public.

Jen: we went through this last year to fill a vacancy. Bruce: the BOS posted the position and mention it at BOS meetings and it was posted on the Town web site.

Jen: Eric is here and is interested in serving on the BC.

Ann wanted the BC to be aware that Eric and Ann are related and she also wanted to make this disclosure to the public as well.

The Chair: hearing testimony from the members about Eric's experience and commitment the Chair would entertain a motion to appoint Eric Ohlenbusch to the BC Mike made the motion and Second by Larry

The Chair ask if there was any further discussion on the motion hearing none the Chair: called the question Motion passed 6-0 1 abstention A. Walsh. Abstained.

Larry ask if Eric was an at large member. Bruce: Eric is an at large member and is taking J. Kelly term.

Mike: could not swear Eric in because he didn't have the proper document. Mike will contact the Town Clerk that Eric will be coming in tomorrow to take the oath of Office.

Bruce ask Eric not to vote on any issues until he is sworn in.

Review of School Budget: Bruce sent out pdf documents the SAU revenues, expenses and grants To the committee.

Andrew explanation why he stopped sending the electronic documents we were going to print them out for you. Bruce responded that does not do us any good to review prior to our meeting. Bruce ask Ann if it was alright to e-mail Andrew tomorrow and say we discussed this that we want both a week before our meeting.

Bruce ask if there any questions about the expense report. Bob noted that the Sped budget was overspent by

\$ 2,159 in March to over \$ 66,000 in April. Bob noted that two of the support salary lines are overspent. Ann said new students moved in the districts or we have students in the district whose IEP have been adjusted and now requiring one on one support person.

Bruce ask the following question even though the expenditure shows that jump because of the IEP re- adjustment obviously spend more money. Bruce ask if the Title 1 federal funds that eventually come back in as revenue grant money to cover some or all of that. Ann said the money has to come out of the budget. Jen Title 1 and Sped there 2 separate items. Ann Title 1 provides additional support for students who don't necessary have an IEP. Bob noted that there are quite a few lines that are overspent due to students out of district.

Ann: stated that we create the Sped budget with the students we have and the ones we know are coming in. As far as it being overspent now we have that \$75,000 in the Capital reserve fund that we could use if it affects the whole budget right now we don't think it's going to.

Bob: ask about the Oper & Maint. On page 16 the OP/Maint Supv lines they are overspent by almost the same amount. Ann responded that's the facilities director that's his salary broken up between the two schools. We share the cost with Wakefield and that line will be overdrawn till June. Wakefield will pay us back.

Bruce: those are the things will keep our eye on possibly middle of the summer.

Ann: right now on this expense report as of the end of April we show \$278,000 left that is below where we were the last few years at this time she thinks it's because of the hit in Sped and we are going to have an \$80,000 deficit in food services again.

Ann talked to Andrew he's going through all the encumbrances and predicts that we could end up with between \$50,000 to \$100,000 to give back to the Town after we take care of food service and the warrant articles.

Bruce commented it really shows that the budget is being done much more closely to what is actually expended. This was the best budget process we ever had in regard to a real dialogue about getting us closed to what we really need and this reflects it.

Ann: next year were starting with the Café Services for our food service program. We hired them we will no longer have food services. We are guaranteed the 1st year of only having a \$55,000 deficit.

Bruce this not in the purview of the BC in hiring the contractors as opposed to in house does that effect jobs in Milton. All employees that work in the food service are being offered positions.

The Employees will be getting less and unfortunately in the School District some of them have worked 10 to 15 yrs and acquired sick days and when they switch to a different company they lose their sick days they don't have buybacks in their contract.

Bruce ask if even if they have to pay for their own health insurance will they be able to sign on with the school. Ann replied they will not be working for the school.

On the Current Revenue Report Bob questioned the Other Income line budgeted for \$25,000 the reporting period shows \$238,036.64 did we receive this amount? Ann replied that is the bond money left over from the 2006 addition to the Middle School it has been sitting the account for years now in case maintenance had time slip something to do and the Board voted to turn it back this year to the Town. This money that was sitting in the account for the Middle school when we were building the school.

Bruce: question is you held it so long that the bond was actually paid for. Bruce ask why wouldn't you apply that leftover money that was never spent. Ann responded there are rules on how it has to be done and this is the way we had to do it. Bruce response was you couldn't use leftover money to pay down the bond. Ann said no. Bob ask if the \$213,036.64 is that what is owed or leftover. Ann this is what's leftover.

Larry: commented that by using the bond money other than what the warrant article stated would change the purpose of the article.

Bob ask about lines with parenthesis and those without parenthesis. Ann said those in parenthesis received and those without is negative.

Devon ask Ann about the \$213,036.64 is it going back to the Town in addition to what you anticipate? Ann said no. Devon ask if the money was there to build the school and you can't change the purpose of it how can you put it in the budget. Ann: we put it in the revenue side. Bruce if the project is done they can turn it over. The reason is that if there's an issue with the construction of the building that needs to be fixed times a lapse.

Review of Town Budget: Bruce the expenses report date May 9th we are 4 months in the fiscal year

Looking at the expenditures and the % expended lines normally would be anywhere between 30 to 40% and looking at the grand total % used we are at 28%. The Town seems to be in good shape.

Mike: the BOS held a budget workshop with Dept heads May 14th the purpose was to put a \$ amount the Dept heads could save without jeopardizing their depts operations. This was based on a previous Budget workshop held last month where every Dept. head looked at their budgets and offered line items they feel would not interfere with their ability to function in their depts

The amount the Dept. heads offered does not mean they can't spend it. Chairman Grey told the Dept. heads if they need to use the money then use it.

At the end of the meeting there was a discussion about the 2014 budget. The Dept. Heads were frustrated with the budget process and something needs to be done. The Town is currently is on the second default budget in a row and the Town is trying to continue services on a 2009 budget.

It was agreed that a brainstorming session was needed with BOS, Dept.Heads, Planning Board and the Budget Committee. A schedule meeting was set for May 29th at 6:00 pm at Town Hall.

The agenda how can we improve the budget process and inform the public about the budgets.

The need for CIP vehicles, Buildings equipment etc.

Bruce: this meeting will focus on how we can set up a CIP program without going through what the Town did years ago that was not well thought out didn't follow the statutory guidelines for CIP programs. The planning board developing and recommending CIP program to the BOS that is for the board to see its statutory responsibility to a Selectman appointed CIP committee.

The funding sources are taken out of the equation. The capital projects are vetted to the CIP program committee and a 10 year program is set up that balances expenditures identify funding sources and to make a recommendation to the BOS who then say for example you recommend 12 capital projects for this coming budget year we can only afford \$25,000 worth so were only recommend your top three projects for this coming year and those are the ones you put in a single warrant article called a capital project warrant article for year 16 it is these 3 projects and it's going to cast X and the money is going to come from so much from capital reserve so much general budget and so much from grants, put it all together give it to the voters.

The process and procedure can work here. What Milton has warrant after warrant article Fire Dept needs this Library needs that and Hwy needs this etc. and the needs are all in the same year.

Bob: the Assessing Dept. line 391 Legal services should not be there. In the default budget this line does not exist and there's a transaction on that line with no appropriation on that line. This expense should be coming out of I believe in the TA budget.

Mike: the TA may have added this line in as she did with other depts.

Bob: this line never existed. The proposed 2014 budget this line was added but the budget failed.

Mike: will ask the TA about this.

Larry: the TA is superior to each of the sub depts like code, assessing and land use and it's inclusive so even if you have lines for each Dept it doesn't matter it can be traced back to the executive authority of the TA over those 3 depts its' still legal expenses. There's nothing that prohibits legal notices going out if there was a no means no then the TA shall have no authority to issue legal notices but right now the TA can set the content, length, duration and audience for any of the notices go out.

Bruce: even if there's no money and there's a statutory requirement the Town to do legal notices they have to be paid for. It's an accounting issue and it will be put in the right place at some point.

Devon: Solid Waste & Recycling in their budget line # 371 \$93,243 for Disposal. We have a big revolving fund there \$100,000 why couldn't it be used to reduce costs in the budget. Mike there are some revenues from that and the budget is in there too. Why are we taking budget money to fund Solid Waste and not using the revolving fund to offset some of the cost? Mike: when we get into budget season the Dept heads present their budget line item by line item and will tell you which lines the revolving funds will be used.

Bruce: there is a quarterly report on expenditures from Capital Reserve and Revolving Funds and Trust Funds we can get a copy of these reports. Bruce \$50,000 of the RF money is being used to pay for the scales at the Transfer Station. Mike this will take the guess work of what a load of debris is worth.

Review of Tentative Meeting Schedule for 2014-15: Bruce went over the schedule and ask if we

want to meet during the summer. The committee agreed not to meet in July. Bruce ask if there are issues with the remaining dates knowing that from mid Dec. till end of Feb. we may have to add some meetings. Larry ask if could get drop dead dates for warrants, Public hearings and what is the statutory dates for Selectman and the dates for the BC.

Bruce: the consensus of the board this will become our schedule subject to required changes.

Members Comment: Bruce: I still have to make pdf copies from the Laws of Budgeting in N.H. for the BC. It's time consuming. It will get done.

Mike: the sign in front of the Town Hall was supposed to have the BC meeting posted He ask them not to post the Town meeting. Bruce we need to get the word out.

Eric: If we could get our meeting posted on that sign in front of the Town Hall. It's easier for people driving by and see the sign than to go park and go inside to see when this group is meeting.

Bruce: The meetings are posted on the Towns web site miltonnh-us.com

Adjournment: motion to adjourn Ann made the motion second by Larry Motion passed at 8:15pm

Submitted by Vice Chair Bob Carrier Chairman:

*approved by Budget Committee on
JUNE 17, 2014. Sally McWright*