

Town of Milton
BUDGET COMMITTEE MEETING
November 23, 2021

ATTENDANCE:

Members: Humphrey Williams (Chair), Peg Hurd, Bob Carrier, Claudine Burnham, Mike Beaulieu, Lisa Gautreau, Laura Turgeon

Public: Chief Krauss, Doug Shute

Humphrey Williams, Chair, opened the session at 6:00PM.

1.) Pledge of Allegiance: Humphrey Williams, Chair, led the meeting in the Pledge of Allegiance.

2.) Roll Call:

a. Mr. Williams, Chair, led the roll call of members to determine if a quorum was present.

Humphrey Williams (Chair), Peg Hurd, , Bob Carrier, Laura Turgeon, Lisa Gautreau. A quorum was present. Claudine Burnham and Mike Beaulieu arrived late.

b. Public participation: Chief Krauss and Doug Shute were in attendance.

Prior to the start of the agenda, Mr. Bob Carrier had asked to address the committee. He apologized to the Town Administrator, Board of Selectmen, and the Budget Committee members for leaving the Joint Meeting on November 18th. He explained he thoroughly reviewed the proposed budget and made several recommendations regarding reductions in various departments to find possible savings. After receiving pushback from the Town Administrator to defend the budget he put forth, and Mr. Carrier recognizes that was understandable, Mr. Carrier explained he should have ignored any comments that he feels may have been offensive to him, instead he chose to leave the meeting. He acknowledged it was the wrong decision and he should not have left. He is ready to work with the Town Administrator, Department Heads, BOS, and the Budget Committee. Mr. Carrier asked Mr. Williams to please share the email response he sent to Mr. Carrier in regard to what had happened. Mr. Williams response:

"(Bob) I appreciate all your hard work and dedication to this committee and our community. I know where your heart is when it comes to doing what you believe is right for the town. Secondly, when people work hard and put a lot of time and effort on both sides of an issue, especially in the case of proposed budgets requests and counter-proposed budget cuts, sometimes feelings come into play and conflicts arise; it is human nature. The individuals requesting the budgets and the budget increases become territorial. They want to protect what they believe they need. They get scared when challenged and will sometimes lash out when they feel they might be short-changed. That goes for the Department Heads and Town Administrator as well. The Department Heads are each looking out for their own share of the budget and the Town Administrator is looking out for not only his department area, but for the budget as a whole as well. The same thing obviously can happen on the other side of the proverbial coin. We the Budget Committee are looking at each department and the overall town budget and doing what we believe is fiscally sound and in the best interest of

the community as a whole. It's not intended to be personal, it's business. But that does not mean feelings can always be set aside, because, as I said, it's human nature. Another thing about this type of situation is everyone is trying to do their best and know the same holds true for everyone else, and despite the occasional conflicts, those involved understand, are forgiving and are willing to move on."

Mr. Carrier had asked Mr. Williams if something like the above should go into the committee bylaws. Mr. Williams explained he would like to bring this to a future meeting. He will forward the email to all committee members. Mr. Carrier acknowledged he didn't use his common sense at the joint meeting and really would like to see what Mr. Williams wrote in the bylaws. Ms. Turgeon acknowledged the passion of everyone and really appreciates Mr. Carrier's passion for being fiscally responsible and Mr. Carrier does an amazing job.

3.) Review / Approve Minutes:

Minutes of October 26, 2021:

Ms. Hurd made a motion to approve the October 14, 2021, minutes with corrections. Mr. Carrier seconded the motion.

Roll call vote: **Ms. Hurd, Mr. Beaulieu, Mr. Carrier, Ms. Burnham, Mr. Williams all voted Yes. Ms. Turgeon and Ms. Gautreau abstained. Motion Carried – 5 / 0 / 2**

4.) Town Expenditure Report:

Mr. Williams explained the expenditure reports he received and sent out prior to the meeting had several glitches and was missing information. He will resend with the correct information.

YTD completed (October 31, 2021) – 83.33%.

Budget expended – 64.72%

Net budget approved without warrant articles - \$4.6M. To date expenditures - ~70.2%.

Projected Expenditures - ~\$3.9M out of \$4.6M (dependent upon end of year expenses)

Overall budget is in good shape. Mr. Williams also noted salary to-date spent (out of 83.33%) is ~73% (short-handed). Chief Krauss stated he has hired two of the three open positions (one person due to begin 12/1). Public Works has one open position.

It may sound like there is a lot of money that could be left-over at end-of-year; however, any available funds will be used to cover the end-of-year bills. According to Mr. Jacobs, the town has received a \$1.2M bill from the County but needs to get the tax rate set first in order to have sufficient funds in the general fund to pay the bill. They are now working to get the tax rate set. Ms. Burnham explained the \$1.2M is actually a county tax that gets paid out at the end of the year. They are still learning about this and will be requesting a separate account to start building the savings starting in January, so this does not happen and cause issues at year end. She also explained the tax rate has now been set and bills will go out the following Tuesday. Mr. Williams thanked Ms. Burnham for the updated information. He stressed to the public who may question why additional cuts to the budget may not occur that monies left over will go into the general fund, some is used to help reduce the tax bills and some has to be used to help cover these kinds of bills that the town receives. Ms. Burnham also added that for Capital Improvement projects, they do their hardest to take these expenses from the unassigned fund balance to help lessen the tax burden. When many budget cuts occur, there is not as much left to utilize in other areas. It is a

combination of things and a balancing act. Mr. Beaulieu questioned if he heard correctly that the tax rate had been set. Mr. Williams explained the BOS had just met to discuss it and Ms. Burnham confirmed that they would be receiving the final tax rate the following day.

Discussion of town expenditures continued:

Contracts – to date 42% of contracts have been paid. Mr. Williams will be meeting with the Town Administrator and finance person on some of the issues with the report, including property insurance: it appears two payments happened in October which could turn out to be a double payment or a double charge. 10/1 – payment to Primex for \$23,232 (July 2021-June 2022); at same time, there was another payment for \$56,331 for last year (July 2020 – June 2021). This doesn't make sense and needs further clarification. Mr. Williams asked Ms. Burnham to please have the BOS validate the reported payments. Mr. Carrier had a couple of additional discrepancies needing clarification including training for the town clerk, Fire Department equipment purchase, Planning & Code postage and contracted services under Government Buildings. Mr. Carrier said it doesn't appear the numbers are going together from month to month and perhaps information is missing.

5.) Status Update School Budget, School Expenditures, Revenue and Grants:

Ms. Hurd explained the school board will vote on their budget on December 8th. While there are issues to be resolved, 95% looks good. Mr. Shute and Ms. Hurd explained they still need to accept a grant which will take \$16,000 from the budget. At first pass, they are \$39,000 over the default. The default is done. Mr. Williams stated the school board will need to plan on presenting their budget the week of December 14th; they will need to send the school operating budget and default budget to the Budget Committee before December 14th. Ms. Turgeon questioned the school expenditures and said she has not seen any report since August/September. Mr. Williams agreed the last report they had received was for end of year in June and without regular expenditure reports it makes it much harder on the Budget Committee to accurately determine the right budget for the next year. Ms. Hurd said the expense and grant reports are currently being worked on. Mr. Williams said it would be helpful to have any preliminary information as soon as it's ready.

6.) Continue 2022 Town Operating Budget Discussions / Decisions:

Discussion continued on the 2022 Town Operating Budget. Mr. Williams explained during the previous joint meeting, it was discussed about having a separate rock-salt line-item and overtime line items. In reviewing the excel reports, Mr. Williams found an issue concerning the change in the Fire Department Retirement and has now been fixed on all reports. He also added in the Overtime lines for the following departments: Government Buildings, Police Department, Fire Department, Highway, and Solid Waste and will adjust the salary and OT information once he receives the information from the TA. The reason for doing this is historically OT has been included in the salary line. Going forward by breaking out OT from the salary lines, it makes it easier to ensure the salary information aligns with the approved Employee Pay plan. In addition, the cemetery numbers have not yet been added. Ms. Burnham explained the BOS will be addressing this department at their next meeting.

Police Department – Chief Krauss:

a.) Mr Williams asked Chief Krauss if his salary line was correct at \$85,966 – it was correct.

- b.) The PD budget based on new rehire and new rate for employee starting 12/1 - \$495,619.20.
- c.) Default for longevity - \$2,750 meets the terms of the new employee retention plan for longevity.

Based on recommended decreases from the Budget Committee (decreases based on past expenditure history):

- d.) Printing & copies – this line is used for letterhead, business cards, printing of PD events or promos. With new employees, will need to print business cards.
- e.) Mileage & travel – just had an officer who did 80 hours of training (using own car for travel) – gets paid for using own vehicle and anticipate additional trainings outside of the area.
- f.) Educational Incentive – this line increased due to now having 6 employees with college degrees – if an additional employee is hired with a college degree the budget amount will not cover. The Chief said he really would like these monies put back in as it's extremely necessary to keep as is.

Ms. Hurd said she appreciated all of the explanations provided by Chief Krauss. Based on this she recommends putting back all of the proposed amounts and keep the budget as is. Ms. Gautreau agreed that Chief Krauss is a good steward. Mr. Carrier questioned when the incentive monies are spent and he is also concerned with the fact that officers who go through the training don't always stay with the town. Mr. Beaulieu questioned the obligation of officers going through the training to stay in Milton after receiving the training. Chief Krauss said the obligation is to remain for three years (if they leave prior to the three years, they are required to pay back the training monies). However, Chief Krauss explained other agencies have outpaced Milton in their pay and offer to pay higher amounts to help the officer pay back the debt. There are some agencies even paying off officers' contracts (not currently happening in NH). Mr. Carrier questioned when mileage and travel gets spent as currently it appears that nothing has been expended. Chief Krauss explained it's submitted from the officers upon the end of training so this information should show up in next month's report. Mr. Williams and committee members agreed with putting the monies back into the three budget line items.

Mr. Williams wanted to confirm to fix the excel formulas, with Chief Krauss, for Social Security, Medicare and NH Retirement System: Social security is for PT, Admin salary, Retention & Longevity, and Education Incentive; Medicare – everyone; Retirement System – FT, OT, Chief Krauss salary, grant, Education Incentive. Chief Krauss concurred.

Overtime breakout review & explanation:

Salary breakdown: Report indicates the PD OT at \$85,000. However, it's closer to \$65-\$70,000, as shift differential for specific shifts also comes out of the OT pay line. The OT & shift differential can fluctuate from year to year. For this year, 46 weeks into the year, the PD has already spent over \$80,000 in OT (due to being 3 officers down). He also noted the number would be much higher if he had not covered 654 hours in OT for himself, which the town does not pay anything. If the pace continues at the same rate for the last remaining weeks of the year, they will probably expend another \$12-\$16,000 additional dollars (total expenditures will be close to \$92-\$96,000 in OT – that does not include shift differential pay). Chief Krauss explained he covers so much of the OT to help with the town savings and to also ensure officer burnout is limited. Mr. Williams wants to continue keeping OT separate from the salary to help keep the accuracy in line with the

employee pay plan. Ms. Gautreau feels it important to acknowledge all the overtime Chief Krauss provides to the town to ensure all shifts are covered. Ms. Burnham said it's important to have accurate breakdowns so he shouldn't have to take money from other lines to pay his staff. Chief Krauss has always tracked OT in his own reports; he said in previous years overtime had been tracked separately but in recent years a change occurred when it was not broken out. Mr. Williams said it's also important to recognize officer's year end salaries could include payment from other sources for separate road work and security coverage for event, which some residents have questioned why their salary was so huge. Chief Krauss explained how important it is to breakdown the information appropriately, so all residents understand how employees make their total amount of money.

Mr. Williams will change the budget to show the PD with an OT & shift differential line item. Chief Krauss also felt it important to understand how holidays are paid for employees. Officers do not get holidays off. They receive two holiday checks each year which total 88 hours extra to cover 11 holidays. That does not come from OT.

Mr. Williams will make all the corrections and adjustments and send updated 2022 Town Operating Budget to the Budget Committee members. The Town Administrator is working to finalize other salaries and Overtime information. Mr. Williams still needs to get information from Chief Marique about his department's salary and overtime breakdown.

Ball Field Maintenance Line-Item follow-up: \$6,500 – according to Pat Smith, this was money BOS wanted in the budget for seeding or sod if needed – this is not a contract. Field maintenance is already included in the other two line-items. Since this is not a contract, it should not be in the contract line. Mr. Williams made a recommendation to take the \$6,500 from the contract services. Ms. Turgeon seconded the recommendation. All members were in agreement.

Mr. Williams explained the Budget Summaries document he provided showing what was spent in previous years and the projected 7-year averages.

The difference between the budget and what was presented including the cemetery is \$43,000 under default. This is better than last year's rate.

Propane contract information follow-up: Information provided from the TA- 2020 – rate \$1.50/gallon; 2021 - \$1.40/gallon; contracted 2022 rate - \$1.90/gallon which is not as bad as projected. Based on that for the Fire Department Heat line item and calculating the average usage for 2020 and 2021, it's recommended to keep it at the default and not increase, keeping the number of \$10,768 should provide at least a \$1,000 buffer.

7.) Other business that may come before the board:

There was none.

8.) Next Scheduled Meeting: December 14, 6:00PM (school board budget presentation);
December 21st at the school (tentative)

9.) Adjournment:

Mr. Williams stated he would entertain a motion to conclude the meeting.

Ms. Hurd made the motion to adjourn at 7:40PM; Seconded by Ms. Gautreau. All were in favor. Meeting adjourned.

Respectfully Submitted,

Amy Winslow-Weiss, Recording Secretary – Budget Committee

Minutes Approved on December 28, 2021