

**Town of Milton**  
**BUDGET COMMITTEE MEETING**  
**September 28, 2021**

**ATTENDANCE:**

**Members:** Humphrey Williams (Chair), Peg Hurd, Bob Carrier, Larry Brown, Lisa Gautreau, Laura Turgeon.

**Absent:** Mike Beaulieu, Claudine Burnham

**Staff:** Chris Jacobs, Town Administrator

**Public:** Doug Shute (School Board), Amy Winslow-Weiss (Recording Secretary)

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, Larry Brown, Bob Carrier, Lisa Gautreau. A quorum was present. Note: Ms. Turgeon joined the meeting after the Roll Call was taken.
- b. Public participation: There was no public participation.

Mr. Williams explained while the overall focus of the meeting was to review the town expenditures, major focus on the 2022 Budget will occur after the upcoming Board of Selectmen meeting.

**3.) Review / Approve Minutes:**

**Minutes of August 24, 2021:**

Ms. Hurd made a motion to approve the August 24, 2021, minutes with corrections. Mr. Brown seconded the motion.

Roll call vote: **Ms. Hurd, Mr. Brown, Mr. Carrier, Ms. Gautreau, Mr. Williams all voted Yes. Motion Carried – 5 / 0 / 0**

The minutes from the Joint BOS/Budget meeting are under review and will be voted upon at the next meeting.

**4.) Town Expenditure Reports:**

Mr. Williams explained he has used the expenditure reports, as of August 31<sup>st</sup>, to come up with projections for the rest of the year. For the following line-items, contracts, debt service interest, debt service principle and insurance, Mr. Williams based this on the average percentage of expenditures for the past several years which should give the best estimate. For the rest of the line-item projections, it is based on what has been spent to-date. He also discussed another issue concerning the capital reserve fund and warrants which are reflected in the budget when reviewing expenditures. However, those numbers are not reflected when looking at projections for the following year's budget.

Regarding the August 31<sup>st</sup> expenditure reports, 2/3 of the year have been completed with a total of 51.37% of the total budget spent. There were a few areas of concern that had been addressed and some corrections are being applied. Mr. Williams asked the committee members to review notes supplied by Mr. Carrier. Two charges in particular Mr. Williams requested Mr. Jacobs to focus on were the Planning & Code (specifically Contract Services) and the Sanitary Sewer (again for Contract Services). On the detailed expenditure reports, both areas reflected line-items that had been reclassified for encumbrance. The board is requesting the reason for these changes with additional detail. There were a couple of additional items which may have been entered into the system incorrectly; this included the Welfare Administrator line-item which information may have been applied to the part-time employee salary instead of contracted service line-item. This would also impact the FICA/Medicare line-items since contracted service providers should not receive those benefits. According to Mr. Carrier's provided notes, it appears when it was first corrected, the monies were moved to encumbrance and not to the contracted services line-item. Mr. Williams will determine if this information has been corrected appropriately and if not, what will need to take place for any corrections to occur. Mr. Williams reminded the committee to review Mr. Carrier's notes and provide him with any feedback.

#### **5.) Review/discuss proposed 2022 Town Operating Budget:**

Mr. Williams explained he has forwarded notes and questions, as well as suggested changes to Mr. Jacobs for further review. This committee will need to wait for the BOS to meet, discuss and finalize certain line items before the Budget Committee can work on finalizing the Operating Budget for 2022.

Mr. Jacobs stated that while the proposed budget is currently below the default, there are still unknowns regarding specific line-items that need to be filled in. For instance, the Cemetery line-items that will have major changes as they will be hiring a Cemetery Sexton. In addition, Mr. Jacobs has not received rates for insurances (health insurance / dental). He has received a spreadsheet from the finance officer that will enable Mr. Jacobs to enter all employees with their salaries and determine anticipated associated insurance amounts. Mr. Jacobs stressed insurance is always in flux. Employees may go from a family plan to a single plan (and vice versa).

Bills for unemployment compensation are caught up. He also explained there is a difference between 2021 and 2020 worker's compensation due to Primex giving a credit (Holiday credit) for property insurance, as well as workers comp and unemployment insurance because the number of incidences had dropped quite significantly. Mr. Jacobs believes unless something radical occurs, the health insurance numbers should hold. He also stressed that there are a number of unknowns in the budgeting process but believes the town to be in good position, fiscally. He is unsure of where all the potential savings may be found.

Mr. Williams identified specific items in the budget for further explanation to the committee – one identified is the Fire Department:

Regarding the Fire Department – During Chief Marique's presentation he indicated he is requesting an additional position to begin in July. Selectman Rawson felt this should be a

Warrant Article. Part of the numbers for a new firefighter had been included: increase in insurance and FICA, but not the salary. Mr. Williams identified and provided the corrected amounts in the Excel file he has provided to Mr. Jacobs.

Mr. Williams pointed out other notes and adjustments he had added to the spreadsheet for committee review. He will send the updated spreadsheet to all committee members after the meeting. Committee members should add their review notes and questions. He stressed the goal for the Budget committee is to determine the “right” budget, not just come under default, although he does believe coming under the default is very doable.

Mr. Brown said he believes the new pay scale (for both town and school) will help to even out the differences between the default and projected budgets. He does have a concern regarding outside pressures on health insurance especially impacted by COVID. Finally he expressed his concern for the welfare and related town administrator workload. There is a limit to the number of hats someone can wear and how will this be broken down.

Mr. Williams wanted to focus on the budget for the Budget Committee. He reviewed past expenditures to help determine budget numbers. For Professional Services, since the number of overall budget meetings has decreased, this line-item should decrease. There have been no monies expended for training since it has been provided through the NH Municipal Association. Legal services will remain the same. Copies will be covered under the town. The budget is projected to decrease to \$1,902 (from \$2,300 default). Mr. Jacobs indicated the contract services for recording secretary is currently under the TA Contract line-item. The Budget committee is fine with those services remaining under the TA Contract. They will wait for the final numbers before voting to modify/approve.

Mr. Williams will send two files to the committee members for their review. He did a pivot table based on the budget and expenditures comparing 2015 through 2021 (up to date). This will allow members to see what the big-ticket items and expenditures are for those categories. This also shows the projected 2022 default and average expenditures. For example, if based on past, this projects the water & sewer trend to be 110.15% of the proposed budget. Currently water & sewer are under budget. Mr. Williams asked the members to review the files, enter figures as they see fit to see how they impact department and total budget (he stated committee members can’t hurt the file because they can always revert back to the one sent to them in email) and indicates their notes and questions to be brought to the next committee meeting.

Mr. Jacobs questioned while the budget is predicted to come under the default, what is the board looking for? Mr. Williams explained last year the goal was to get the budget under default which did occur. It is also important to understand what is actually “needed” versus what is just “wanted”. According to Mr. Brown, the following are important considerations: stability in budget, equity and clarity for tax assessment, town reputation for cost effectiveness and courteous service, and this overall process greatly impacts the perception of town residents in a positive way. Mr. Williams acknowledged the importance of fiscal responsibility. It’s important to be tighter in looking at what has been proposed as some

requests have greatly increased but projected expenditures for this year are expected to be less.

Mr. Jacobs expressed his concern regarding what are reasonable expectations from residents along with the concern from department heads that budgets have been cut back or are so low, they are unable to meet those reasonable expectations. Mr. Williams stated they should be able to explain why they (department heads) are asking for the specific amount of money and justify with details why the requests are important.

Mr. Williams brought up the sewer department and a question that had been asked during the joint committee meeting, specifically concerning the miscellaneous line-item. Details for this are needed as it's a large dollar amount being requested which indicates known/projected expenditures and that should not be requested under miscellaneous line-item but instead under a specific line item for the expenditure(s). Mr. Carrier questioned the revolving fund and where those are reflected in determining budget needs. He stressed again the Budget Committee should receive revolving fund reports on a regular basis. Mr. Williams asked Mr. Jacobs for the MS9 reports which will help with budgeting and answering many associated questions. Mr. Brown concurs and would like the list of all the revolving funds and capital reserve funds and include a purpose of each one.

Mr. Williams requested from Mr. Shute that the proposed school budget information for FY2023 by October. Mr. Shute stated they are waiting on Default numbers first.

One other item of discussion concerned Chief Marique's package he submitted regarding ambulance revenue data which had been requested by the Budget committee. Information had been forwarded to committee members. In his information package, he explained there is a gross charge (the amount sent out prior to Medicare net charge), every year there are revenues not received for these services. To date, ~\$125,000 is the outstanding amount still owed to the revolving fund (from 2018 to current). The report package also indicated they are \$55,000 behind in payments for this year. Mr. Williams in an email response to Chief Marique, asked about the protocol for receiving payments. Being through a collection agency, what is the percentage from the revenue payments? More specific information needs to be forwarded to determine exactly what is owed.

#### **6.) School Expenditure, Revenue and Grant Reports:**

Ms. Hurd gave an update on the school reports indicating this is a major work in progress, using Infinite Vision Software for reports which is currently not working as in the past and we have been unable to get the information in an Excel file to produce Expenditure Reports, also some report errors still exist. One of the largest incorrect items on the grants report, Title I FY 21 which indicates it is currently \$86,000 overspent. As Mr. Williams explained, this may be due to identified encumbrances not getting adjusted with the new school year – this would have a major effect on how the numbers are reported; it also takes about one month for the revenues to be reflected in the report. Ms. Hurd questioned the new School Administrator why with the budget of \$101,000 is there such a large encumbrance and where did that come from? She indicated she will continue to work to get the answers to that and other questions. Mr. Brown questioned if

there continues to be unresolved issues with data entry with information entered into the wrong places. Mr. Williams agreed that this needs to be clarified so that the encumbrances line up and are reported accurately. Ms. Hurd explained that most grants are in good shape and continue to be on track. However, she indicated she is working through paper versions of the reports which is much more cumbersome than from the Excel Expenditure Reports that Mr. Williams was able to provide when he received the school data in a usable Excel version. Mr. Williams encouraged the committee members to review the reports Ms. Hurd provided and to send additional questions to both him and Ms. Hurd.

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

There was none.

**8.) Public Comments or Questions:**

There were none.

**9.) Next Scheduled Meeting:** October 14<sup>th</sup>, 6:00PM and regularly scheduled meeting of October 26<sup>th</sup>.

**10.) Adjournment:**

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

Ms. Hurd made the motion to adjourn at 7:35PM; Seconded by Ms. Turgeon. All were in favor.  
Meeting adjourned.

**Respectfully Submitted,**

**Amy Winslow-Weiss, Recording Secretary – Budget Committee**

**Minutes Approved on October 14, 2021**