

Town of Milton
Budget Committee
Special meeting
Monday July 22nd, 2019
Highway Department

The Vice Chair called the meeting to order @ 6:00 pm
In attendance Bob Carrier, Dennis Woods, Peg Hurd, Humphrey Williams, Tammy Smith.
A quorum was present.

Pat Smith - Highway Director

Key discussions about the Highway Department Budget:

Pat Smith explained that when he starts his budget every January 1st he knows he will be on a default budget for 3 months. But the first three months are the worst for his budget. When I get to April you will see that I'm already 5 to 10 % overspent and the reason why is overtime and the price of salt. Pat Smith went over his line items addressing the following:

On January 17th in the 630 line for Operating supplies, I bought \$31,471 of salt. On March 27th we got low on sand because of the ice storms and on May 3rd we paid \$23,213 for sand. These two bills alone practically used that whole line. This line throws the budget off in early spring every year! Pat continued that in order to ensure he has enough money for sand and salt in the last two months (November and December) he freezes his budget to get the budget back to where it should be for later in the year.

When I operate my budget I'm not looking line by line I'm looking at my bottom line and making sure that the bottom line is where I should be by the end of the year. I've already spent all my snow money in the first three months of the year. I'm thinking I have \$150,000 saved someplace and depending on what kind of weather we have from October till the end of the year that will cover the expenses needed

If you look at the Town reports at the end of the year for HWY in the years that I had nothing for snow, you will see \$100,000 or more go back to the Town. It all depends on what kind of weather we get. I will not go into those funds with no money set aside. If I have to stop certain operations, to put the money aside to get me through the end of the year for the roads. I have the first 3 months and the last 2 months of the year are huge months.

Mr. Carrier: You have never deviated from your winter budget lines and you budget for 19 storms on average.

Pat Smith stated he has an Excel Spreadsheet where he collects all the data for every storm. From the time he calls his Foreman to get the crews out, until they are done with the storm, in addition to tracking all the manning and overtime, he tracks the following:

The start date and start time for salting/sanding; the number of people; the storm type (Snow, Sleet, etc.); total inches of accumulation; End Date and End Time. We track all the salt and all the sand used, and we use a formula for when we mix sand and salt so we can determine how many tons of salt and sand used each storm. We can tell you how much it costs to plow 1 inch of snow on average and how much it costs on average for each snow storm event.

When I roll the trucks out that is an event. The average cost per storm is between \$7,000 and \$8,000 per event. However, if I start with a foot of snow and it changes to freezing rain in the end some of this can cost more than \$15,000. I keep data on that and that's how I calculate my overtime expenses for the year. I take the number of events on average and figure about 20hrs on an event and I take everybody's wages times one and a half that's how I figure it out it comes out to \$45,000.

Mr. Williams: You average out the number of storms for how many years? Pat Smith: I use a 3-year period. Mr. Williams is 3 years accurate enough Pat Smith: I've managed to get by.

Mr. Woods: If after the 4th month you have no money, what would you do? Pat Smith: I would have to go before the Selectman and ask them what do they want me to do? Pat Smith: I've never been in that situation because I always pulled back enough money to anticipate the worst and I've never gone over my budget.

Mr. Woods: What is the procedure if you over spent your budget? Pat Smith: You would have to let the Selectman know that you are in that situation. I've always sent money back to the Town at the end of the year.

Ms. Hurd: Did we give you too much money? Pat Smith: The Budget Committee one year took money out of my budget because I didn't spend it. We had the worst storm of my career and I was in trouble with the budget. The point is that even if you don't use the money every year it needs to be there in case.

Mr. Woods: When you submit your budget why don't you the worst-case scenario? Pat Smith: I try to keep my budget as close to previous year's budget. The HWY budget inflation has gone up 5% over the last 10 years.

Mr. Williams: You know your budgets and you do well maintaining it. We talked to the Police Chief and Fire Chief about potentially four separate Budget Warrant Articles - Police, Fire, Public Works and the remaining Town Budgets. Each of you would present your separate budgets at the Annual Town Meeting. This way the voters would have a better understanding of the budgets and their impacts as opposed to just one overall Budget Warrant Article. Pat Smith: I have no problem with that.

Mr. Williams: When talking to people about one overall budget, they don't understand it and this would provide more clarity on the budgets. If someone suggests to cut something from your budget, you could explain what the consequences are if it's cut.

There was further discussion on having 4 separate warrants Town operating budget, Fire, Police, and Public Works.

Mr. Carrier: are you using the wex program? Pat Smith: I use the Wex program if it's cheaper than the State and if it isn't I use the State pumps. Fueling at the State pumps is safer for us to fuel the town trucks, instead of using Cumberland Farms, because it is easier to get in and out.

Pat Smith: For my budget the weather controls a good part of it. I let the budget control what I do. I check my expenditure report every month sometimes some of the lines are not correct and I have to make corrections to them.

Mr. Woods: Earlier you made comments about not paying attention line by line. I'm guessing that's during the expenditures because at the end of the year before doing your next budget year, you can make the line item by line item adjustments?

Pat Smith: I do pay attention to my lines. But I also have to look and see where I'm at and where I can put money aside if needed. I look at the salary line and I'm at 45% and that's because I'm down 2 people. If I think there's not enough money for the next 2 months for overtime, I look at lines where I can pull money back.

Pat Smith next talked about budgets related to contracts: He stated that his HWY Heat line is at 105%. It is overspent because the fuel price for the default budget is for \$1.93 a gallon and it should have been \$2.60 a gallon. Because it's a contract that we partner with the School, even though we have a default budget, because we have a contract that the Town has signed, we have to add the higher price to our default budget.

Mr. Williams: So, you are saying that even with a default budget, for contracts that were signed the previous year the higher prices will be added to the lines in the default budget?

Pat Smith: It is the same thing with salt, when we're in the default budget, that price has to go into that 630 line because we signed a contract, we will pay for that. The only thing like that which doesn't change the default budget is electric.

Pat Smith: Addressed that because his full-time mechanic is for the Police, Fire, HWY, Transfer station and Gov't Buildings, those departments all pay entirely for his labor charges.

Solid Waste

Pat Smith: When you look at my budget things will have money on those lines, the lines that I use the revolving account will show a dollar. I pay a lot of my tipping fees, which consist of construction debris, electronics, florescent bulbs and anything that has to go on the scale, out of the revolving account. It's a user fee, there's no tax dollars involved.

The only tax dollars that are involved in the tipping fees are Mixed Solid Waste (MSW)/ household trash.

Ms. Hurd: What line is that on?

Pat Smith: It's line 01-4324-371 Disposal.

Pat Smith: I'm probably going to get into the revolving fund a little more this year because of the default budget. We had a 16% increase in tipping fees, so towards the end of the year we will be using the revolving fund as much as we can to offset what we can.

Mr. Woods: What is the revolving fund?

Pat Smith: The revolving account is any revenues that come into the transfer station. In 2010 the people voted to use the revolving account, which would offset the cost of solid waste. What we have done with that revolving account is we purchased the containers we have out back. The compactors, the pavement that's on the ground, the rolloff truck - everything we have up there was purchased and maintained out of the revolving account. There're no tax dollars involved. I leave a dollar in the budget in case I have to use a line and if so, I would go to the Selectman and let them know I need to do something. I get the money and basically this is to do it legally.

Ms. Hurd: What about for recycling?

Pat Smith: We don't get a lot for our recycling because we are paying to get rid of all our recyclables and paying to get rid of paper. We still separate them, because the rates are different so you don't want to throw MSW which is \$90.00 a ton in the wrong bin and we could get fined for that.

Ms. Hurd: Where do you get the money for the revolving fund?

Pat Smith: Whatever we get from the scales, for example, Construction and Demolition (C+D) - anything that goes into bulky.

Ms. Hurd: The \$5.00 we pay every year to dump our trash.

Pat Smith: That \$5.00 goes in the revolving account. The stickers are paid out of that revolving account.

Ms. Hurd: What do we have to do to raise that \$5.00 a year?

Pat Smith: You would have to petition the Selectman. I suggested to the Town Administrator the Town of Milton to look at the fees. We haven't had a fee adjustment in 20 some odd years.

Ms. Hurd: If I had someone to pick up my trash every week what would it cost?

Pat Smith: Right now, you're paying \$66,000 a year dumping everybody's household trash. You might throw one bag and someone else is throwing 10 bags a week. That person is still paying the same price for their trash as you do for that one bag. If you had a pay as you throw, which some Towns do, it would be a fee per bag. I tried to do that a couple of times because it's a user fee. Example you throw one bag at \$2.00 and the person throwing 10 bags would pay \$20.00. He's paying for what he puts in and you're not paying what he's putting in. A contractor with a truckload of shingles, local resident in town, for \$35.00 dumping 4 tons of shingles in the dumpster C+D bin now you're paying to get rid of his shingles. This is the reason that we have scales they pay \$.08 a pound to get rid of it not you.

Mr. Williams: I have seen trucks and trailers overloaded with trash coming in multiple times in a day. Not all the time but, I have a hard time believing they generate that much trash at home. If they do they have a problem.

Pat Smith: I have seen them come in too and I'm not sure where it's coming from. I say pay as you throw and determine what the cost per bag will be. The people in Town would have to agree to do something like that. If they vote that in, what we would do is buy bags with a seal on it and decide the color we want. You could sell them at Cumberland Farms, Town Hall or the Transfer Station. You don't have to recycle but, we prefer you recycle, it doesn't cost any money and it will mean less bags you throw away. You can take that \$60,000 out of the budget now you picked up that tipping fee out of the user fee just like did with the C+D when we put the scales in also the bulky and electronics that offsets the cost of getting rid of that were not there yet, we have to make adjustments because things have gone up. We could have a budget of \$120,000 instead of \$180,000.

You have to put in enough money to maintain expenses which is the \$.08 now \$.05 of that is the tipping fee to get rid of the MSW, so I get \$.03 a pound to truck that stuff.

Mr. Woods: They won't see the reduction overall. Mr. Smith: When I got the revolving account, I said I would drop this if you look at the history I dropped this \$10,000 in the last couple of years from what it was \$190,000 then it went down to \$180,000. Mr. Woods: I don't mind paying by the bag if I knew we were offsetting someplace else how do we get that across to the people? Mr. Smith: If the Town wants to make changes like that and want to adjust services it can't be just the dept heads this doesn't make sense when you don't get the BOS or the BC to sell the budget.

Mr. Williams: We talk about budgets and how they are presented and what's out there. The people want to know what they're spending their money on.

Mr. Smith: I maintain all the equipment that the taxpayers give us.

Government Buildings:

Mr. Smith: I manage all the buildings, contracts for pest control, elevator inspections, generators, Town hall electricity, and heat.

Ms. Hurd: question the furnace in the Town Hall. Mr. Smith: I have no money to do anything with that but the furnace is working but it's very old.

Mr. Williams: Someone told me it needs to be replaced just how bad is it? Mr. Smith: I had it inspected the firebox was good we can get a few years out of it but it's probably not efficient burning any fuel oil.

Ms. Hurd: Is this in the CIP? Mr. Smith: we have a capital reserve for Government Buildings in the CIP.

People need to be aware that the Town hall needs a new roof and it's also going to need a foundation. This will cost money and people don't want to raise the money for things that need to be done. Mr. Williams: We have a

new fire station a new Police station so people say why do we want to put money into the Town Hall. It has nothing to do with those buildings but that's not how it's perceived. Pat Smith: What we're sitting in we built it ourselves for \$15,000.

Mr. Carrier: 01-4194-725 Cemetery Maintenance question the line. Pat Smith: the money is spent it doesn't show it. Mr. Carrier: what was it spent on? Mr. Smith: The Selectman used it for raises. The Town meeting you would see

The budget presentations you see some raises that \$7,000 and their people who just got hired would start at \$22.00 an hour. I fought for raises for my employees for years the starting pay were the lowest in the area and this is why we lose people. The Selectman promised to do a step plan to get them inline. I looked at different Town to see what the rates were and I averaged it all out and presented it to the Selectman and the voters approved the step plan. The step plan is going to change because the Town Administrator is working on a Town wide step plan this way you're not getting huge wages over here and no raises over there.

Ms. Hurd: you have a plan for the HWY dept if another plan is presented and that goes to the voters and that gets voted down what happens to the one they voted on. Mr. Smith, I don't think it will go to the voters the next time.

Mr. Williams: So, are you saying the Selectman adopt something themselves and override what the voters did?

Pat Smith: The Selectman said I'd have to find the money in my budget to give raises. I had 3 people quit.

Mr. Woods: they're going to use the Cemetery line and the 3 people that quit to fund the step plan raises.

Mr. Smith: that's going to cover the raises. I don't like that line because I can't use it. I would like to put that \$5,000

in the Building maintenance line that would give me \$20,000. Somebody said you maintain the cemeteries you should have a cemetery line. I'm not going to use any of my HWY guys to do this. I will be a man short till the end of the year.

You will see an increase in the salary line. I move money around but at the end of the year my bottom line will be where it should be. Mr. Woods: next year the money is going to be extended to a different line so the total of that difference in that line will go up so your budget next year will reflect that increase.

Mr. Smith: Every line will be adjusted depending on what the vendors tell me on what the prices are.

Mr. Woods: if we ask you to get a calendar book on how you are going to spend your money take the bottom line amount and tell us by months in the year how much of that bottom will be expended.

Mr. Smith: my target is 8.33% this about \$50,000 a month and some months I might go over and some months I might be under 8.33%.

Bob Carrier had to leave a quorum no longer existed 7:14 pm

Minutes written by Bob Carrier