

Town of Milton
Budget Committee
Special meeting
Thursday August 8th, 2019
Town Hall

The Vice-Chairman called the meeting to order at 9:00 am

In attendance: Mr. Bob Carrier, Ms. Peg Hurd, Mr. Humphrey Williams, Dennis Woods.

A Quorum was not present

Also, in attendance: Town Administrator: Mr. Ernest Creveling, Assessing: Ms. Kathy Wallingford,
Welfare: Ms. Danielle Marique.

NOTE: There wasn't a quorum present, The Budget Committee members and the Dept. Heads that were present gave an overview of their budget and answered the Committees questions.
There were no motions made, There were no votes taken

Town Administrator: Ernest Creveling

Mr. Creveling: Next year's budget will probably end up being higher because they hired me at a higher rate than the last Town Administrator. The Full Time Salary line will go from \$72,000 and that line next year will be \$ 85,000 for the first part of the year and goes up 3% starting May 15th.

The expenditure report shows 39% expended its kind of low and they must have charged the consulting MRI to the contract line.

Ms. Hurd: The FT Salary line shows \$110,000.

Mr. Creveling: The salary for the Town Administrator and the Finance persons who is no longer here are on the same line.

Mr. Williams: At the end of last year they put that under Part Time last year and when they were ready to break out the budget, they split that line just before the presentations.

Mr. Creveling: The Bookkeeper was full time, making \$18.70 an hr., which is about \$39,000. She is no longer here we have contracted it out with paychecks what will happen is that cost will end up being about \$29,500 for the year probably less than that because we were conservative on how we estimated that. It will be less costly. We have budgeted on the contracted line 10 Hrs., a week with Stone Hill consultants which is Joanne at \$57.00 an Hr. I don't think we're going to need that. I put that there just to be conservative if we get to the audit this year and know exactly what we need to do, I may be able to hone that number a little bit.

Joanne is in the contract line. There will be no bookkeeper this year and my line will be completely separated out so everybody will be able to see what my contract is.

Mr. Williams: Is this why the contract line is overspent? Mr. Creveling: The contract line is kind of a mess because what they use for resources is not cheap. The overall cost was about \$7,000 to \$8,000 to do the Town Administrator search.

Mr. Woods: I'm looking at the bottom line overall is at 48% as of 8/8/19 and we should be at 58%.

Mr. Creveling: The Department Heads, especially Pat, are careful of the spending as they get closer at the end of the year.

The contracts are treated differently. One of the things we may be able to find time to do is a cash flow analysis for the rest of the year that'll show you when those contracts are actually spent. A lot of them, we pay up front and some at the end of the year.

Mr. Woods: Where I worked we use a calendarized spending profile, you have your bottom line budget back off that number and show us how it's going to be spent from a calendar perspective because 90% of the questions we come up with are why is this one is 60% when it should be 48% would it be difficult for the Department Heads to do the calendar on a regular basis?

Mr. Creveling: I don't know if they have to do it they probably can check it quarterly to see where they are at.

Mr. Woods: What I'm suggesting and I'll probably make a motion at some point from the budget perspective is that part of the requirement to submit the budget is to have a calendarized or spending profile associated with the budget.

I think this is critical from what I've seen so far. If you know what constitutes a particular number in your budget and it has a particular spending profile, you should be aware of that when you create your budget.

Mr. Creveling: I will try to put together a format but it will take the Department Heads a longtime to do this because some of them are through monthly, weekly like wages and somethings are front loaded like heating oil and propane. A budget is an estimate there are somethings that we're going to spend this at this time of year based on the past.

Ms. Wallingford: The expenditure report on the web site can show monthly expenses and contracts that will be due in November that would be an alert to tell you that nothing will come out of that line until November.

A very short identification to some of these lines just to identify I have a line with \$70,000 in it and in the fall, I sometime have \$50,000 left and by the end of December the money is gone.

Mr. Woods: I feel that our role here is not just to review but to identify potential issues or potential savings. It would be easier if we know when the contracts are due.

Ms. Wallingford: I think a little more detail explanation on some of the line items would help.

Mr. Creveling: I think the contract lines, Salaries and professional Services and anything that's being paid out at that time. We can get by those issues.

(Mr. Creveling handed out an excel spreadsheet layout that he has come up for his purpose with as an example.) This has a number of years of expenditures so you can see trends there and I also put the tax rates for every year at the top and I also have charts but I don't use them unless people want them to help people understand what's happening with the budget I'm building that now for Milton, hopefully this will provide you with information on historical basis for the last 5 years.

Mr. Carrier: 01-4130-120 The Salary Part Time line this is not Danielle is it? Mr. Creveling: We're in a default budget we ended up putting her salary in the Welfare Salary line.

01-4130-240 Training: Mr. Carrier: who is using this line? Ms. Marique: The workshops are for Welfare, Town Administrator, Assessing, Code Officer Bookkeeper, Selectman to keep up to date on legislative changes.

01-4130-330 Mr. Carrier: Why is the Registry of Deeds is in your budget, I see it in 5 places?

Ms. Wallingford: When there are tax deeded properties the Town own properties and we have public auction; we have to prepare a deed which is the Selectman properties.

When I'm doing my transfers or anything like that in my Department. When Michelle is doing liens that is her Department. If their doing any kind of recording everything comes into one account. The Registry of Deeds changed their whole system down there and hopefully because it will make it a lot easier for the Department.

Each Department will have their own account number and anything that they are doing for the Registry of Deeds will be charged directly to that account rather than us breaking it out when we receive the bill.

The Welfare Office also has liens. When Planning does a plan a subdivision or anything like that, they have to record that subdivision down to the Registry of Deeds.

Mr. Creveling: In the past I only ever had 2 of those lines one of them would be in Planning for any of the plans etc. and all the other ones were covered under the Assessing budget, that makes sense because there are times the responsibility shifts from the Assessing Office or the Tax Collector's Office to the Selectman because they are the ones responsible for the actual deeding. Once the Tax Collector places a lien on a property and somebody takes care of that lien then she has to release.

01-3140-625 Postage: Ms. Hurd: The Postage line is way over what's going on?

Ms. Wallingford: There was an increase in postage and there was also a shift in people handling the account payable and what happen about 2 years ago all the postage was coming in under the Town Administrator and they wanted to start documenting it to the Departments and I know the last breakdown we did in July or June Joanne now is doing the account when she looked at the spreadsheet she took the totals for the year and so basically what she was doing doubling in there and she is making a correction to reduce it down to my knowledge nobody is really technically over in their postage. Which we are correcting our ledgers right now. What brought to our attention was because Michelle is probably has one of the highest postages and she said how can I spend this much money in one month and Joanne and I looked at it the YTD got posted not being used. What Joanne has to do is to back it all out in everyone of those lines. In the next expenditure report, you should see the changes.

Mr. Woods: does this particular report have the capability to add comments in each line? Mr. Creveling: This is not that easy to do.

Ms. Wallingford: At the end of every month the Department Heads get an expenditure report and if there is an error in their budget it's their responsibility to let Joanne know so that it can be corrected.

Ms. Hurd: Andy is the Selectman Representative that he would look through this report and ask the question before he comes to the Budget Committee so he can actually say page 1 line 625 Postage because, is that asking too much I do this every month for the School?

Ms. Marique: The Selectman get their expenditure report Friday before their Monday meeting that's 3 weeks before your meeting.

There was a discussion about getting the same report that the Selectman get at their meeting so we can be looking at the same report. Ms. Hurd: It's very frustrating to ask questions on the Town report and never get an answer.

Mr. Williams: We didn't know about the other expenditure report that Chief Krauss was looking at, which is more detailed (the Ledger) than the one we had, it showed the expenses, who received the money and what it was spent on this answered a lot of our questions.

Ms. Marique: If you have questions go to the source, there's no time to sit there and answer every single question that can be answered but if it's in depth detail question.

Mr. Creveling: If you have questions send them to me. We can make sure you get the same report the Selectman get at their last meeting of the month.

Ms. Wallingford: At the end of the month and you're comparing your report at the end of the month, your meeting three weeks later the Postage that was just corrected last week, sometimes we're still working on some of the issues to make sure we got this corrected because we have corrected it a certain way to meet all the requirements of the auditors. If you have a stop point that we're working with it will be a little easier for everybody and if you're dealing with a report at the end of the month three weeks later that gives you three weeks to look at these reports and say I got a question on this and that gives us time to also work with that.

Ms. Hurd: when the Selectman go over the budget do, they go over it and discuss the line that is overspent why or not?

When I have a question about the School reports at our meetings, Nate has been able to give us the answers at the meeting.

Mr. Creveling: One of the things we're working on is making sure everything is getting posted where it's supposed to be so that you will have an accurate record. I don't know how accurately spent but, on your budget, has to be done correctly to be able to use as a tool. I don't know if you're comparing the last couple of years because they go up and down defaults, budget actual budget the Town made it work. Joanne is doing the accounts payable for us between Kathy and Joanne are making sure these budget items are being corrected.

Ms. Wallingford: She is also with 6 months of somebody else's work and we're going through a transition right now.

Assessing: Kathy Wallingford

01-4152-330 Registry of Deeds Ms. Wallingford: Michelle and I are going through that transition that we talked about earlier they're having a hard time to get the billing to us it's not being separated out quite the way we need it, we just got online because we used to go in the Registry and click on things and get copies now you have to go through another company so we're going through a transition so your going to see changes in that line too.

Ms. Hurd: So, more money will be spent? Kathy Wallingford: Yes.

01-4152-393 Software Support Ms. Wallingford: My programs in my system supports the Tax Collectors, the Planning Office building permits and my office. I generate all the assessments; we have a re-evaluation going on so Once all that is being taking place, I generate a warrant and the warrant goes to Michelle and Michelle has updates too, every year the law changes Ms-1 changes and their important there's updates sent off to the program and that's what it is a yearly thing. I also have the web site with tax cards and tax maps and that is a yearly charge and that's through Avatar.

Mr. Creveling: do they have maintenance or is it that included in the contract? Ms. Wallingford: It's for the update of the program and everything it's not something that's over and above that but the money is there

Mr. Creveling: I don't know if it will happen this year, I'm going to breakout all the computers expenses into one spreadsheet so you can see what they are you will be surprised on how much it cost to have a web site especially This one. There's \$12,000 over a three-year period so it's \$4,000 a year for this web site you have now.

Then you have a maintenance agreement with Muni Smart and there are different modules we have budget, payroll accounts payable not sure about the other one but there's 4 modules and each one of those costs \$1,000's per year for the support for each one of them. People don't realize how much cost I did this for Raymond they had about a \$130,000 computer budget which included all the support and the contract they had with the group they worked with to maintain the network. We have Back Bay here but in Raymond it was another company which cost twice as much and we also had twice as many computers.

01-4152-395 Professional SVCS Assessing Ms. Wallingford: State law we have to update our maps every year and we're in the process right now with the GIS that money is going towards the cost of the GIS in updating the tax maps.

Mr. Woods: do you know approximately when that will happen? Ms. Wallingford: That will probably go out in November. Mr. Woods: The 2 questions that were asked if we had a spending profile, we wouldn't have to ask those questions.

Ms. Wallingford: When I get in discussion with Avatar regarding these programs it would be nice if everything stayed at \$5,000 but we do know there will be some increases every year.

Mr. Creveling: The postage that was used to send out notices to people. Ms. Wallingford: that was part of their contract.

01-4152-395 Contract Assessor We contract with Avatar basically their appraisals out there for the other contact service we had they did some time in the office but their strictly appraisal and we are going through a re-evaluation This year. The way we take a five-year contract that's spread out over five years the cost of the revaluation. I don't know if any City or Town does this way anymore because of the cost.

To have a Town wide re-evaluation it would be double if not more than that figure you see now (\$67,760) and then you still have update rebuilding, building permits, Demo permits anything that might be going on Sub-Divisions there's always an update every year, so what the Appraisers do now they put you on a five year basis because the State says you're going to re-evaluate every five years to try to keep an equity among your tax payers.

They started doing it the first year is your actual re-valuation what their going to do is go in and change the elements in your program to bring it to an update to what is taking place in the market and then they do what is called cycle work and they go out and they do one part of the Town and next year they'll take so many maps each year they do the physical measuring and listing and try to have an interior inspection.

Mr. Creveling: At the end of the five years they update the previous years.

Ms. Wallingford: Each year they will be cycling example if they go to your house and they found a mistake they would correct that year of the cycle. The people will see an increase this year in their assessment now how the tax rate affects that assessment we don't know yet. Each year there will be some work done out there in one portion of the Town to complete the cycle work.

Ms. Hurd: On social media some people are saying that Avatar is going around and people are upset and won't let them in the house and somebody else says you don't have to let them in the house.

Ms. Wallingford: There is a State Law that says they do not have let an Assessor into the house.

I have people call me there's no way you're going to get to my house, I haven't done anything in twenty years.

The best thing I can do for the taxpayers of this Town is to make sure every record is accurate as possible the only way we can do it is for you let us on the property if you let us measure and you let us do an interior. You haven't done anything in twenty years chances are you need more depreciation on that assessment and it might come down. The law changed seven year ago it was taken to court. I received a call from a person who was outraged that somebody was walking on his property I can sue this person if I have to, these are the things we deal with.

We make notes on the card because I need to those people out there as safe as possible. When people say you should go check this, if that property is posted or there is a gate, we cannot do it legally.

Mr. Carrier: What is the total contract for Avatar and you last year you have encumbered money. Ms. Wallingford: The contract total is \$67,760 as for the encumbrance a lot of time I don't get their bills until the first of the year, we start the billing process in November and it goes into January and February of next year, when I get their bills I pay it and a lot of times some of the work doesn't come in the exact order that I'm going to pay, say it was \$100,000 I'm going to give you \$10,000 a month, I don't always work it that way, that month I might have \$5,000 bill but in December I might have a \$17,000 bill it depends how they got their people out there working.

Mr. Carrier: On page 24 I see \$44,100 encumbered. Ms. Wallingford: I'm still taking money out of there. We're going to have hearings coming up so I'm going to have 3 or 4 people here and while their doing those hearings, you come in and talk to one of the assessors and they'll say Bob I want John to go out and inspect your property The bill

that I'm get that month for the work that they are doing the letters that they send out the postage that is all yet to come.

Mr. Creveling: When did the Selectman make the change on Assessing: Ms. Wallingford: The Board of Selectman made the decision in 2018.

Welfare: Danielle Marique

Mr. Carrier: Your doing two jobs Welfare and Assistant Town Administrator can you give us your job description?

Ms. Marique: I was hired as split position. It was not a clean cut split 60/40 or 60/50. I was hired up to 20 hrs. that has been adjusted to 30 hrs. last year we made an attempt to split 20/10 to 30 but were in a default budget and it's not valid. The Selectman's are the ones that approved not only my hourly increase but my salary as well. My Default is reflective of my starting rate and my starting pay. My bottom line budget will not be overspent my Salary line and everything related will be atrocious because it's starting pay starting hrs. bottom line I'm not going over.

Mr. Creveling: From January through March you're working the 30 hrs. From March until the middle of June you're still doing that.

Mr. Woods: However, it looks right know it's going to be his responsibility to make sure that the bottom line is correct.

Ms. Marique: The State of N.H. has Laws with Welfare it doesn't matter if you put \$1.00 in any of those line items you have to provide the service.

Mr. Creveling: One of the exercises we went through was a spending plan internally just to take a look and see sort of like cashflow but not quite as detail you try to get an estimate of how much we thought was going to be spent at the end of the year. We're looking good overall so far this year.

Ms. Hurd: I have a question on the Salary if you are the Administrator Assistant where does your Salary show up?

Ms. Marique: It comes out of Welfare. Mr. Creveling: That's the way it should have been. Danielle was helping out a lot more because we had Heather as TA who left and Dave who was the Interim TA. It was kind of an extenuating circumstance at that time but once we came in and got a handle on things, we lowered the number of hours so can match what was funded in the Default budget. The Selectman are allowed to have her work more hours because their responsible for the prudential affairs so long as you don't go over the bottom line.

01-4445-467 Final Expenses I presented the budget to have final expenses line, this has always been in the Miscellaneous line. I wanted to take it out of Miscellaneous because it's not a miscellaneous charge it's a final expense charge and needs to be classified no different than an electrical charge because we are in Default it's just adding a line item the monies are still allotted it's budgeted it's just an additional line item to clean things up that has not been done before.

You have to understand when you have some of these line items that are over expended as a result of not having a Town Administrator being here you need to understand that. Hopefully things will stabilize for the fiscal year next year and you will be able to start getting a good strong budget that you can actually use as a tool.

Our goal is not to increase your tax rate our goal is to do the most sufficient we can to provide the services that the Town does want to get, some of those are expensive such as road maintenance the administrator things those don't move too much.

Mr. Woods: How do you view potential savings within a budget during the budget year our responsibility to look for potential savings where we can bring some money back to the taxpayers.

Mr. Creveling: Establishing a really strong foundation with the budget it's not something that's not up and down and all around because you gone through 3 Town Administrators in the last 5 or 6 years.

My goal would be to ensure all those are budgeted and that the money that is being spent out of each line item is actually what that purpose is and at the end of the year you find a line item is overspent by 20% and you identify why did an event happen that year or has the cost gone up these are the things are unexpected cost.

There things that happen the first of the year Pat Smith was down 7 people so we're having a lapse in what you're paying for benefits when that happens.

Ms. Marique: When you have an opening and a new hire come to take that position their benefits can be a different package than the previous employee had.

Mr. Woods: That didn't answer my question my point was what is the attitude with respect to identifying savings.

Mr. Creveling: It's a great attitude to identify savings to me the whole point is we want to spend as little tax money as possible to deliver what you want. I haven't been here long enough, my senses is yes they want to do the best they can Fire is looking to see if there are services that can be shared with different Towns I don't know what that is going to look like, if that proposal comes in it's obviously going to have to be justified financially.

What I want to make sure of is that number 1 public safety is being address number 2 safety of the employee's is being address and number 3 we're getting sufficient services as you possibly can without putting those other things at risk.

Mr. Woods: I understand the whole Town Administrator changes but what was going to be your attitude as far as going forward and identify savings because we've been told by the Town's people how they feel about their tax rate We all the tax equation is pretty simple we either spend less or we spread it out over time.

Mr. Creveling: It's important to understand why money is being spent in certain things, so one of the things that hasn't happened yet do you know what is an MS-4 permit is? This has to do with storm waters this is a Federal mandate last year there was an intent to comply that was due from the Town it was never submitted for more information check the You Tube video of the Planning Board 8/6/19.

Ms. Hurd: Since this is a Federal mandate are there any grants out there? Mr. Creveling: Yes, there are monies out there.

The State has a Revolving Fund for water it's a low interest loan and if you meet all the criteria there is a forgiveness component to it. This will be coming up and the Town has to comply with the Federal Mandate and if they don't, they can find the Town.

4 Warrants Budgets

Mr. Williams: I'll ask the hard question coming back to the saving piece. I know it's happened in other Towns I've looked into. Rollinsford cut hours back to the public but the building was open so other required work could be done. I'm not suggesting that has to be done. The reason I'm bringing it up and I mention this to you before, in talking to the 2 Chiefs and Pat Smith, I've been proposing 4 warrants article budgets (Police, Fire, Public Works and the rest of the Town). They should each be able to explain what their services are and what the Town impact would be if you cut any of their budget during their presentation. You would present for the other Departments. This is what we are seeing in other Towns. The idea being, if a voter sees just one overall \$5 plus million dollar budget presented, they have no idea how it all breaks down. If they talk to the Fire Chief directly and ask about cutting something, what would we lose, the Chief could answer them directly. The same questions would also apply to the Police Chief and Pat Smith for Public Works. To be able to actually have that type of thing addressed at the Town meeting, would provide clarity to the voters. The reason I'm bringing it all up, in the end, when we talk with them and you know you're going to lose services if anything is cut there, possibly a Police Officer or you're going to lose Fire Service and I know Nick is working on other things to prevent that and same thing for the HWY Department, you would lose road service, the voters would fully understand the impact.

People are going to ask these types of questions - what do we lose or how to we save here. As for the savings in other areas, for instance, in Rollinsford the town offices are open to the public 4 hours a day. I'm not saying the employees are just there 4 hours a day but part of it is you do cut back on some of those services to save money, are any of those things being discussed amongst the Departments?

Mr. Creveling: I can't say this is being discussed among the Departments. What I ask them to do is meet with me, there will be several meetings next week to look at the budgets and explain where going with it and during that time is when we will discuss is there an opportunity for savings. I think we're going to have a better base after a year of operating. We're going to do our best to get a good budget but people will have to understand both sides of the equations for instance the tax deeded properties they were sold and there were a lot of legal expenses and those things that are associated with them. I've gotten conflicting answers from the Auditors, DRA and from our Attorneys

. The Attorneys stance is yes you can apply those legal cost to each one of those deeded properties as a cost which means about cost that goes against the sale of that property and DRA doesn't like it because that's net budget. The difference between Gross and Net that means you have to show everything you think you're going to spend over here and all of the offset revenues over here, one of the things I'm looking at just to erase that confusion is that if we're going to have sales of these properties here, I want to make sure based on what we spent this year legally that we have that in the operating budget but then how can we offset with the revenue, you can only estimate what we might get these. You might see an increase in the operating budget but there is also an offsetting amount that's going to be over here in a case like that when you have ulterior revenue coming in and you are allowed by Law to charge the associated cost back to what you get for the property. There's going to be changes like that but we're correcting things and trying to make things clearer for DRA, Budget Committee and Legal. I'm trying to bring the budget around so it can start off next year as a basis as we move forward people will have a better understanding of what is being spent and what is required and what revenues we're bringing in.

Mr. Williams: This is what has been missing in my opinion in the Town meeting. What your explaining right now is the reason I'm asking the question and presenting what I want to try to propose with the Selectman to ask for the 4 Warrants. All that has been shown at recent Town meetings, is we have a \$5.4 million-dollar budget are there any questions. Those in the audience don't know what to say and nobody at home wants to come in and say that it is o.k. We need to break the budget down to make it easier for people to understand it.

Mr. Creveling: When I first started the Department Heads wanted to start the budget earlier, we setup that September 14th date so the Budget Committee and Selectman can hear the same presentation but then on that day The budget won't be finalized but you will get a general idea where it's going and then the Selectman and the Budget Committee go our separate ways and hopefully come back together later on and come up with a budget that we can agree on. It will be a lot smoother after I have been here a year but this year the intent is to give as much explanation as possible and I'm assuming it will be recorded Saturday and as we go through individual budget I will ask the Departments what they want to do to educate the public I hope will have time to do that.

Mr. Williams: I have a question about the 01-4155-280 and 01-4155-520 Insurance and benefits 2 items the Workmen's Compensation and the Property Insurance. The property Ins. something doesn't look right it's 158% overspent.

Mr. Creveling: I think there's a journal issue on that one. We did get a holiday amount on both Workmen's Comp. and there was a little bit on Property Ins. I will check that out.

Mr. Williams: In Government Buildings you have a 01-4194-120 Part Time Salary there's a \$1.00 in it I don't know where the Part Time Salary came from.

Mr. Creveling: I will have to look at that, we have 2 workers' out on injuries or surgery in Government Buildings. He may have had to pay someone to fill in. Mr. Creveling: I will check on it.

The meeting ended at 10:22 am