

OSSIPEE BUDGET COMMITTEE
MEETING MINUTES
July 21st, 2021

Minutes summarized by Laura Nash, Budget Committee Recording Secretary, amendments are noted by ***bold/italic*** type.

Call to Order: Joe Goss called the meeting to order at 6:31 PM.

Pledge of Allegiance – was recited

Attendance by Roll Call: – Joe Goss, Donna Gridley, Roland Millette, Connie Billings, Dallas Emery, Cameron Quigley, and Matt Sawyer, Jr, Town Administrator

Absent: Lynne Parker, Donna Sargent, and Jonathan Smith (Selectmen's Rep.)

Additional Attendees: TJ Eldridge and Andrea Picard

Meeting Minutes: Review of minutes from July 21, 2021.

A **Motion** by Billings to approve the meeting minutes of July 21, 2021 as submitted. Gridley seconded. No discussion. Emery abstained since he was not present for the meeting. All others voted in favor. **Motion passed.**

Rules of Procedure:

Chairman Goss explained the Rules of Procedure for the new members.

- All discussion will go through the Chairman
- Discussion on each topic is addressed around the table to each member and ending with the Chairman. If secondary question is necessary, discussion again will proceed to each member or will end with general discussion.
- Please no do ask questions out of turn.

Selectmen's Report:

Matt Sawyer, Jr. read on behalf of the Selectmen a list of financial and fiscal changes or improvements made based on previous discussions with the Budget Committee:

1. Increase in Transfer Station Fees – Costs and discarded trash has increased over the past year.
2. Building Permit Fees – Previous fees were out dated and inconsistent with similar size towns fees.

3. Tax Deeded Properties – Due in part to the lack of follow through on the deed process, and tax payment plans to avoid tax deeding. There are no provisions within the RSA's to authorize initiating a payment plan to avoid deeding. Within the last two budget cycles there was approximately \$800,000 - \$1,100,000.00 outstanding in back taxes. Currently, there is approximately \$440,000.00 outstanding in back taxes. The pending tax deed list had approximately 120 properties on it but now there is actually 20 properties that are facing tax deeding. Half of the 20 properties are campers that were left on the property and will not generate much revenue, but the Town is looking to auction a least 5 properties.

4. Water & Sewer – per DRA water and sewer need to each sustain on their own. Water fees were increased but a full year needs to cycle through before it will be determined if the fees were increased enough to be sustainable.

5. Accounting Software – Is installed and minor changes have been made per the DRA model and the numbers match up. Sawyer noted out of a 12-15-million-dollar (\$12,000,000.00 – 15,000,000.00) budget including the school budget, \$12,000,000.00 would have to be recharacterized each year in journal entries, and there was no income reporting process of accounts receivable to offset as they came in. Andrea Picard, Finance Director explained the new financial software is through MRI, it's much more efficient and is frankly the correct way the finances should be tracked. Picard explained how the finances are tracked and stored through the Chart of Accounts and explained in-depth the process of recharacterizing each cash flow account, line item, accounts receivable and accounts payable, etc... over to the new software. Approved warrant articles are submitted to the DRA, it generates the MS-232 and will now coincide with DRA, which it never did before.

Millette noted since these accounts all map to DRA, how often does DRA change or don't they change their account numbers. Picard and Sawyer they do not believe DRA changes account numbers and assumes the account numbers have not matched all these years. Sawyer noted that he had spoken Ellen White, who had helped navigate the process, his first year here in Ossipee. Millette inquired about storing the historical data. Sawyer explained with the server upgrade last year, and Ellen White wanting to store previous data on something tangible, the thought process is the finance director will be able to retrieve and compare stored data to current data through MTS, which is MRI data division. Picard explained the mapping process.

Emery asked for clarification on the mapping process and what happens to the old data. Sawyer explained it exist within the old software which the finance director still has. Sawyer gave an example of bills that were for Contract Services or Contract Equipment still exist in the old system but will now be under one line item of Contract Services/Equipment in the new software system and warrant articles will now reflect in the appropriate departments budget.

Goss commented on the reduction of line items, consolidating accounts, and appropriate dissemination to departments. Goss expressed his appreciation for all the hard work in getting this accomplished and it was a long time coming.

2021 Revenue Report:

Matt Sawyer, Jr. and Andrea Picard explained their hoping to have the new revenue reporting from the new the new software by the next meeting. Picard noted she is starting the mapping process now.

Matt Sawyer, Jr. noted the timber income project continued into this year, there are two pieces of tax deeded properties on the books listed for this year on Ossipee Mountain Road, with a potential buyer for one of the properties. Sawyer is not sure if the tax auction will happen this year, but for the controllables, Sawyer believes their being controlled well due in part from the tax revenues being controlled. Discussion ensued over not having to borrow on the TAN note in the spring, since the cash flow was offset by incoming tax revenues. Which in turn will help the Town's overall tax rating.

Matt Sawyer, Jr. announced the Public Hearing on Monday, July 26th, 2021, to accept the Federal Grant money available for loss revenue during the COVID year. Which could in turn also help the Unassigned Fund Balance.

Whittier Covered Bridge: Matt Sawyer, Jr. explained the project engineers amount for Phase III came in at \$986,000.00. Bids came back from three top firms ranging from 1.6 to 1.75 million. The Town is going with the least expensive bid, with about \$100,000.00 in Capital Reserves, approximately \$750,000.00 will be absorbed through Federal Funding,

\$115,000.00 in the Trust Fund, leaving approximately \$100 - \$150,000.00 to raise and appropriate. Discussion ensued over options of walking away from the bridge restoration project, cost escalation for materials, paperwork hold-ups, and cost to the Town.

Millette commented on water main construction taking place in other towns and questioned if there was any water main construction that need to take place in Ossipee. Billings commented yes and TJ Eldridge noted that Huckins Street needs to be done. Millette questioned if the Federal money coming into the Town, is there anything that could be done to benefit the whole town. Sawyer noted reduce taxes because the Town had lower than average revenues due to COVID and that is what this money is allocated towards.

2021 YTD - Budget Report: (Expenditure Detail By Account)

Discussion ensued over road signs being stolen and the expense to replace the signs is putting the line item over budget. TJ Eldridge commented when he first started working for the Town, the signs were \$65.00 each and now there \$171.00 each, and by law they have to be 9 inches tall and reflective.

Goss noted departments on pages 1&2 of the Expenditure Report are managing at approximately 50%. Legal expense is at 30.28%, with 5 months remaining in the year. Is the anticipation for legal services expected to remain low. Mat Sawyer, Jr. commented he just realized the percentage expensed is actually what been expensed. The numbers reported are reversed, so only 30.28% has been expensed, leaving 69.72% remaining.

Nash noted on page 3 – Planning Board – Professional Fees that the expenditure of \$2,244.92 should not coming out of the Planning Boards budget. This amount was for an invoice pertaining to the Angelini Gravel Pit, to which Mr. Angelini put up front \$9,450.00 to pay towards initial cost for the Duncan Lake Road, road study. Matt Sawyer, Jr., discussed it with Andrea Picard and will correct it in the morning.

Matt Sawyer, Jr., explained how encumbered funds are carried over from prior year by carrying over the appropriation for it and the encumbrance for it. It's not additional money that you can spend, it's from last year. Discussion ensued the budget increases by the amount appropriated but is then offset by the amount encumbered.

Emery wants to study the report further in order to understand it further. Discussion ensued over hypothesized scenarios of encumbering funds and how it's expensed.

Billings inquired with the Highway Department and the Transfer Station having some line items in arrears, will there be moving of funds to cover over budgeted line items.

Matt Sawyer, Jr. explained the Selectmen, or the Finance Director has not moved money around to offset an over expenditures. But he's hoping to implement formal tracking mechanism, as follows:

1. Selectmen can re-allocate funds as long as they stay within the bottom line.
2. The Selectmen do not have to expend warrant articles that they don't approve, they can change budgets around.
3. Sawyer has never seen the Selectmen vote to move any appropriation from line item to line item.
4. Implement a Policy or Best Practice with Selectmen approval for the Town Administrator or Finance Director to prepare a formal document for the Selectmen to vote and sign to formally move appropriations from one location to another to offset a line item that is largely over budget and have a plan to cover it.

Discussion ensued over how funds were allocated and moved around without going over the bottom line. Goss commented on fuel and oil prices is going to impact some of the budgets. Discussion ensued the cost increases being seen across several industries.

TJ Eldridge explained how the operating budget is a catch all for several departments but now parts will be allocated to the correct department with Andrea Picard's help to set up additional line items. But TJ Eldridge is capable to cross charge for miscellaneous parts (i.e., nuts, bolts, screws...) and mechanic labor.

Department Distribution:

- **2022 Town Budget Proposal by Department:** Goss explained the roles, responsibilities of each member and how to gather the department needs and wants for the coming year.

Joe Goss will review – Police Department, Police – Special Duty and Dog Officer Departments

Dallas Emery will review – Selectmen's Office

Connie Billings will review - Transfer Station

Donna Gridley will review – Fire, Ambulance, Emergency Management, and Highway & Streets Departments

Roland Millette will review – Government Buildings and Water & Sewer Departments

Cameron Quigley will review – Parks & Recreation Department

Lynn Parker will review – Library

Donna Sargent will review – Welfare Administration

Next Meeting:

Scheduled for September 1, 2021 - 6:30 PM at the Freight House

Any Other Business that May Come Before the Committee:

No other business was brought forth.

Adjournment:

A **Motion** by Gridley to adjourn the meeting. Emery seconded. No further discussion. A unanimous vote was taken. **Motion passed.** The meeting adjourned at 8:07 PM.

Minutes approved by majority vote of the Board on –

Date

Joe Goss, Chairman
Budget Committee

Donna Gridley, Vice-Chair
(*In the absence of the Chairman*)