Budget Subcommittee – Finance, Appraisal & Technology

The committee met on Tuesday 1st November at 1:07pm at Gilford Town Hall. In attendance were Johnna Davis, Gaye Fedorchak, Steven Hepburn and Holly Burbank (Finance Director).

The FY2023 requested budget of $784,191 was a $111,136 increase over FY2022 budget – which the department expects to fully use. The Board of Selectmen has recommended an FY2023 $776,390 budget, which is $7,810 lower than requested – this is the budget we reviewed.

There are 3 primary drivers of the additional budget request:

**1) Wages and Benefits (Account #’s 01-4150-101 through 01-4150-133)**

**2) Appraisal Services (Account # 01-4150-216)**

**3) Technical Services (Account # 01-4151-211)**

**Wages and Benefits**

The town is increasing wages and salaries across the board to bring them in line with the market. For the finance department in particular, the Finance Director believes that wages and salaries are now competitive, and the benefits package is great (e.g. health insurance is paid 90% by the Town). The overall increase to the budget here is $30,182.

**Appraisal Services**

In FY2023 the Town will conduct a cyclical town-wide re-appraisal of properties. A contract has already been signed with the provider and will cost an additional $40,000 over last year. This activity will also incur additional printing and postage costs of $4,800 over FY2022.

**Technical Services**

The town has signed a new 36-month contract with Mainstay Technologies to provide technical support services. This contract had a 30% increase over previous rates, resulting in an additional $24,684 for the FY2023 budget. This contract was not put to tender.

Committee members asked if we could request a breakdown of hours worked under the previous contract, instead of the per user per month fee – this would be to allow a fair comparison of outsourcing versus in-house support.

Committee members also wondered why we did not solicit bids from other providers – even if we ended up re-contracting with Mainstay the uplift in fees may have been minimized.

**Other areas**

The committee noticed that the **New Office Equipment (Account # 01-4150-531)** had been dropped to $1 and was underspent by $1,002 in FY2022. The Finance Director told us that the request last year was for new filing cabinets, which they were able to re-purpose from Gilford Police Department and acquire some second hand from the State of NH. There is no new office equipment needed for FY2023. Committee members praised the Finance Director for these cost-saving actions.

There was some discussion around line-item **Computer Equipment (Account # 01-4151-324)** where desktops and laptops are replaced on a cyclical basis and monitors are purchased as required. Committee members noted a difference in desktop prices – which the Finance director explained was because some for Gilford PD had disk drives, while others did not. If the specifications are otherwise the same, committee members wondered if a $35 external disk drive would be sufficient instead of paying an extra $200 for the desktops with disk drives. A request was made to share the specifications of the 2 different desktop models. It was also discussed that the budget request for additional monitors was reduced.

The **Professional Development budget (Account # 01-4150-241)** has been lowered from $1,500 in FY2022 to $1,000 in FY2023. Committee Members asked what this covers, and the Finance Director told us that it covers various staff training and events. The town looks to pick up free training where possible, but part of the budget was expected to cover an in-person conference for the Finance Director, which per the Town HR Policy Manual they are entitled to go to one every 2 years. The current finance director has been in place for 4 years and has not attended a conference. With a budget of $1,000 and other activities to cover, it is unlikely that this budget would cover travel and expenses for a conference in FY2023 either.

The committee members voted 3-0 to approve the budget of $776,390 which is a 15% increase over FY2022 but would like to discuss the Professional Development Budget with the wider budget committee and explore the rationale for not putting the technical support contract out to competitive bid.

Steven Hepburn