

Minutes
Nottingham Budget Committee Meeting
January 22, 2015

Members Present: Chet Batchelder, Anthony Dumas, Miska Hadik, Michael Koester, Doug Poulin, Jackie Snow, Donna Danis – BOS Representative, Peter Perron – School Board Representative

Excused Absences: Korey Ferland, Gene Reed, Jeff Wheeler

Other in Attendance: Secretary Dawn Wirkkala, Town Administrator Chris Sterndale, Mary Bonser, Mark Carpenter, Therese Thompson

Chair Batchelder called the meeting to order and introductions were completed.

Approval of Minutes

Motion: by Ms. Danis, second by Mr. Perron to approve the December 11, 2014 minutes as written.

Vote: 4 in favor and 3 abstained.

Motion: by Ms. Danis, second by Ms. Snow to approve the January 8, 2015 minutes as written.

Vote: 7 in favor

Mr. Koester arrived at 7:07 pm.

TOWN FINAL DRAFT BUDGET REVIEW:

Mr. Sterndale reviewed the highlights of the end of the 2014 budget year expenses and revenues and the 2015 proposed budget.

In 2014 Nottingham saw slightly higher than expected revenues and operating expenses came in at an approximate total of 97% of what was budgeted.

There is an expectation of lower revenues in 2015, with less property tax interest and penalties being received, a loss of insurance credits, and a change in recycling material sales. However, there might be possible increases in motor vehicle registrations as seen in 2014, state highway funds with the gas tax changes, and the proposed 2015 warrant article change to the cable franchise fees.

Expected changes for expenses in 2015 will include additional part time hours for both the Police and Fire Department, changes with employees wages and benefits and the merit pay, the upcoming town wide property revaluations, a new baler for the Recycle Center, required needs for Town records retention and improved storage, multiple computers are being replaced as well as upgrades to older software, and a new addition of a possible special election for a NH Representative replacement. Some purchases were made at the end of 2014, including an online mapping and assessing information, and the purchase of required election equipment.

Ms. Snow asked if the amount of surplus included the purchases for Elections. Mr. Sterndale reported the surplus amount reflects some of the additional spending for the equipment. There was also additional spending for an emergency plan report for the Town paid in December, which will have off setting revenue.

Mr. Sterndale reported there are the standard warrant articles as seen in the past years for Highway and Fire Department Vehicle capital reserve funds, Ambulance fund, 300th Nottingham Birthday fund, social service agencies, and the Pawtuckaway/PLIA boat inspections. There are also a few non-standard warrant articles; a new roof is needed over the Gym and Kitchen, highway reconstruction is slightly higher, there is a one time request for a new utility vehicle for the Fire

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Department, a highway dump truck that will be paid from the capital reserve fund, and the Selectmen are looking to cap the amount held by the Cable Franchise fund to \$30,000.00 and returning any excess to the general fund.

Mr. Carpenter reported the building of an expendable trust fund (HVAC) to raise funds for municipal building repairs and maintenance; such as for a replacement furnace, roof repairs, etc.

Mr. Sterndale reviewed the possible tax impact, stating the information listed does not include the war service credits or overlay amount for repayment of property tax abatements. The overlay for 2015 will be larger because of the upcoming Revaluation.

Mr. Perron suggested purchasing a new 4x4 vehicle for the Highway Department and transferring the old truck to the Fire Department, using capital reserve funds instead of raising additional funds. The Selectmen agreed to discuss the consideration, as it could be an additional tax savings method; it will depend on the type of vehicles needing replacement by the highway department over the next couple of years.

Chair Batchelder requested a second review of the proposed wage and benefit changes. Mr. Sterndale reviewed the Town has historically provided employees a standard COLA with a standard percentage increase to every salary and a small payment toward insurance benefits. The proposed plan is to balance the wage and benefit method, making it comparable with surrounding towns; making a good faith effort to not take money away from the employees but shifting how the two amounts are calculated. Employees will receive an increase in hourly wage with a comparable increase to the amount they pay for insurance benefits.

Chair Batchelder asked about the changes in salary will affect the Police and Fire Department in trying to retain staff for longer periods of time. Mr. Sterndale stated an analysis was completed to compare Nottingham salaries and benefits with other towns, Mr. Carpenter stated the Town will continue to move forward to establish a pay structure according to position, but have completed a first step to move from a standard COLA to a merit based raise system. Chair Batchelder stated in order to retain staff keeping salaries and benefits Nottingham should try to keep those things similar to other towns, creating a system to keep those amounts level.

Mr. Sterndale reviewed the significant budget changes.

The Town Clerk submitted a last minute request to increase fees, which the Selectmen will review during their Monday, January 26th meeting.

The Property Appraisal Data Verification and Valuation Update accounts have budget changes with the 2015 revaluation.

Chair Batchelder asked about the Town Audit expenses, asking the last time the Town requested bids for the process, as it appears the school is paying less for the same services. Mr. Sterndale reported he isn't sure the last time it went out to bid but it is something he will do for the future.

The Town did not have the anticipated Legal Expenses in 2014 and the budget was decreased \$15,000.00.

Mr. Sterndale stated the Personnel Administration account is showing the reduction in health insurance payments, and as the Town pays higher salary amounts it will also increase the amount of payroll taxes they also pay; FICA, Medicaid, and retirements.

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The Planning Board is decreasing their Planner budget by \$7500.00 by completing some work as a committee and with staff.

Property Liability insurance had a 10% increase clause in their contract, which they took advantage of.

The Police Department has additional part time hours increasing the salary amount, replacement of computer equipment and their server.

Mr. Perron asked about the 13% decrease in Gasoline for the Police Department; is it too much of a reduction? Mr. Sterndale stated the department used less in 2014, with an expectation of using the same amount for 2015 with lower gas prices.

The Fire Department increased the Part Time salary amount for additional staff hours, has a decrease for Breathing Apparatus because periodic special testing was completed in 2014 and isn't needed. Vaccinations/Testing excluded the proposed 2014 additional vaccination offer. Work continues toward replacing and/or repairing dry hydrants.

The Building Inspector took over the duties of the Health Inspector and the salary amount is included in his salary increase.

Mr. Sterndale reviewed there has been an effort to budget amounts for the Highway Department that reflect actual expenditures, specifically seen in the Equipment Parts and Equipment Maintenance accounts. This will reduce the amount of money transferred from the Construction/Reconstruction account to pay for any overages. The price of Salt increased causing a higher budgeted amount. The Road Agent continues to refine and adjust the road repair list based on the current needs.

The Recycle Center is seeking to purchase a new baler, giving them a total of three, until the oldest can no longer be repaired. This will improve material processing, reducing the time needed to transfer materials more quickly. Mr. Cinfo will seek another grant to help offset the new baler expense.

Mr. Perron asked about the new trailers purchased in 2014. Mr. Carpenter stated they haven't fully paid for themselves, knowing it would be a multi year return, but the Recycle Center is seeing positive changes.

There have been no changes to the Recreation or Recreation Revolving accounts, and the expected changes in the Library account.

Mr. Sterndale reviewed Debt Service continues to see reductions, specifically on the interest side as the principal amounts are paid down.

The total Town operating budget is \$3,578,573.00, a proposed increase of 1.44% of \$50,807.00.

Ms. Snow asked if the merit pool increases for salary amounts will also include Library staff. Mr. Sterndale stated that is something he will propose to the Selectmen.

Chair Batchelder reviewed the amounts in the warrant articles.

Article #1 is for election of officers and #2 for a Zoning Ordinance change.

Article #3 is the operating budget

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Article #4 is \$19,000.00 for the new gym and kitchen roof.

Article #5 is \$200,000.00 for Highway Road Construction and Reconstruction.

Article #6 is \$50,000.00 for the Highway Vehicle capital reserve fund.

Article #7 is \$203,500.00 for the new Highway Department dump truck; paid from the capital reserve fund.

Article #8 is \$50,000.00 for the Fire Department vehicle capital reserve fund.

Article #9 is \$22,350.00 for the special revenue Ambulance fund

Article #10 is \$49,000.00 for the Fire Department new utility truck.

Article #11 is \$5,000.00 for the Tri-Centennial (300th Birthday) Fund.

Article #12 is \$3,000.00 for Town Buildings or Facilities repair/replacement expendable trust fund.

Article #13 is \$26,566.00 to support Social Service agencies; CASA is a new request, minor adjustments were made to other agencies, and Big Bro & Sis has been removed. The list was reviewed with the Welfare Director and Police Department to verify some of the provided services.

Mr. Perron asked about Ready Rides, as the original proposal indicated the program would transition to donations but it continues to be funded. Mr. Carpenter suggested trying to transition to donations, but it hasn't transitioned as hoped. The town does see it provide a valuable service to residents.

Article #14 is \$4,000.00 to continue the PLIA Fundy Boat Ramp invasive species boat inspections.

Article #15 is to increase the number of Library Trustees from three members to five members.

Article #16 is to cap the amount of cable franchise funds to \$30,000.00, returning all other funds to the general fund.

Discussion took place about the school purchasing equipment before a change.

Article #17 is to clarify the options available to the Selectmen in order to sell town owned property.

Article #18 is to eliminate the need to mail a property record card to owners when property values change, as the original warrant article did not account for the revaluation year. This eliminates the need to mail a new card to every owner in 2015. Ms. Danis reported the revaluation company will mail out a notice to every owner with the new value and old value information will be available online with the new mapping and assessing contract.

Chair Batchelder reminded everyone the next meeting will be the Town Budget hearing on Thursday, February 5th at the Town Offices.

SCHOOL/TOWN GENERAL UPDATES:

Mr. Perron Stated the school Board met to review budget material before the Deliberative Session. There is the expectation of having a fund balance at the end of the 2014/2015 school year.

Mr. Perron stated the School Board received information and requested clarification about the response from the NH DRA who questioned the language of Warrant Article #8 in regards to the 1.5%; it isn't the language of the statute. A final decision hasn't been received from the NH DRA, so

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the School Board has changed the warrant article back to the 2.5% and their operating policy to reflect the spirit of the original 1.5% recommendation. However, it is a School Board policy that could change at any time.

Chair Batchelder stated the Budget Committee will need to vote on the Warrant Article again.

Motion: by Ms. Snow, second by Mr. Dumas to recommend Warrant Article #8 modifying the percentage from 1.5% to 2.5%.

Mr. Perron stated the change is administrative and based on the recommendation of the NH Department of Revenue.

Mr. Koester mentioned the warrant article keeps language that the School District will vote authorize the amount can be taken indefinitely until rescinded. Mr. Perron stated it can be rescinded at any time with a new warrant article.

Chair Batchelder stated he hopes as the future changes membership to the School Board and Budget Committee, the members remember the original intent and how the warrant article should be interpreted.

Vote: 7 in favor, 1 opposed.

SUB-COMMITTEE UPDATES:

Transportation: Ms. Snow stated the group will continue to look at the routes and continue to improve the process based on the comments heard by the public during the school budget public hearing.

OTHER BUSINESS:

Chair Batchelder reminded everyone the Deliberative Session is Wednesday, February 4th at Nottingham School.

The Budget Committee Town Budget Hearing is Thursday, February 5th at the Town Offices.

Chair Batchelder stated he would not be returning to the Budget Committee next year.

ROUNDTABLE:

Mr. Perron reminded everyone the registration period for open Town positions is currently taking place.

ADJOURNMENT: Having no further business,

8:38 PM **Motion:** by Mr. Poulin, second by Ms. Danis.

Vote: 8 – 0 in favor.

Respectfully Submitted,

Dawn Wirkkala