

Minutes
Nottingham Select Board Meeting
November 6, 2017

6:30 PM Chair Danis opened the meeting and asked all those present to stand for the Pledge of Allegiance.

Members Present: Donna Danis, Tiler Eaton, Charlene Andersen, Charles Brown, Anthony Dumas
Others: Town Administrator Chris Sterndale, Secretary Dawn Calley-Murdough, Police Chief Gunnar Foss

NON-PUBLIC SESSION: The Board entered non-public under RSA 91-A:3 II(a).

6:31 PM Motion: Motion by Mr. Dumas, second by Mr. Eaton to enter non-public under RSA 91-A:3 II(a).

Roll Call Vote: Danis – Yea, Eaton – Yea, Andersen – Yea, Dumas – Yea, Brown – Yea. 5 – 0 in favor.

7:09 PM Motion: by Ms. Andersen, second by Mr. Dumas to exit the non-public session.

Roll Call Vote: Danis – Yea, Eaton – Yea, Andersen – Yea, Dumas – Yea, Brown – Yea. 5 – 0 in favor.

Motion: by Mr. Dumas, second by Mr. Brown to seal the non-public minutes of November 6, 2017.

Roll Call Vote: Danis – Yea, Eaton – Yea, Andersen – Yea, Dumas – Yea, Brown – Yea. 5 – 0 in favor.

The Selectmen made no decisions during their nonpublic session.

The Select Board returned to public session at 7:10 pm.

Approval of Manifest:

Motion: by Mr. Dumas, second by Mr. Brown to approve the November 6, 2017 accounts payable and November 7, 2017 payroll manifests.

Vote: 5 – 0 in favor.

Approval of Minutes:

Motion: by Mr. Brown, second by Mr. Eaton to approve the public minutes of the October 23, 2017 meeting as amended.

Vote: 5 – 0 in favor.

Motion: by Mr. Brown, second by Mr. Eaton to approve the non-public minutes of the October 23, 2017 meeting as written.

Vote: 5 – 0 in favor.

Select Board Department/Board/Committee Reports:

Budget: The next meeting is November 9th and the prior meeting was the 3rd quarter update of town financials.

Planning: Ms. Andersen reported the board will review conceptual plans at their November 8th meeting.

Marston: Mr. Eaton stated many people are asking about the current activity.

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300th Birthday: Ms. Andersen stated Mr. Brown will take over the Select Board representative position on the committee.

Town Administrator Reports, Mail, Signature Items:

Mr. Sterndale reported the town has almost fully recovered from the storm, the town and Police Department phones and internet were up by mid-week, and despite public concerns, the utility crews did a great job. While the highway crew cleared town roads quickly for travel, there is still a lot of remaining road side clean up.

Mr. Brown stated services are up and running, but there are many lines and cables laying on the side of the road that still need to be removed.

Recreation: The Recreation Department, library, and school very successfully coordinated Halloween events.

Police: The department is currently without two cruisers.

Administration: The town contract for solar panels was signed, initial work started and the buildings should be ready for installation. Mr. Dumas asked if the buildings are structurally ready. Mr. Sterndale reported the buildings were inspected the prior week by structural engineers and everything appears to be fine.

NHMA Conference is Wednesday, November 15 and Thursday, November 16. The office will be open, but staff will be attending.

The town offices will be closed Friday, November 10 for Veterans Day. The Recycle Center will also be closed Friday, November 10 for Veterans Day, but will be open the Thursday before and Saturday after.

Appointments:

7:15 pm – Gene Reed: Cancelled

General Business:

Tax Rate Setting: Mr. Sterndale reviewed the tax rate setting process, explaining the Select Board must determine how much they will set aside for the Overlay and if they will use any surplus to reduce the tax rate. The Overlay process is to set aside funds specifically to refund property valuation abatement requests and appeals. The Select Board determined the approximate amount of Overlay would be set at \$30,000.00.

Mr. Sterndale reviewed the balance available in the fund balance and stated it is not a clear amount because of the USA Springs warrant articles that passed at 2017 Town Meeting, that would have paid down town debt and create/fund a legal defense capital reserve fund but were contingent upon the sale of the property, which didn't take place. However, the financial paperwork and fund balance amount still includes the amount assigned to the warrant articles, and give the appearance of a smaller fund balance for 2017. This issue with the fund balance amount will self-correct in 2018.

Mr. Brown encouraged the use of some of the fund balance to reduce the tax rate; the town portion of the rate is low, but the school rate increased significantly. The town could look at additional methods of helping people with their tax bills by considering changes to the town offered exemptions and credits.

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Mr. Sterndale answered a question about the different scenarios of what might happen to future tax rates if they used or didn't use a portion of the fund balance in 2017 to reduce the tax rate.

Ms. Andersen stated while the town is in a good position with the amount of fund balance, she is suggested that using some of the fund balance surplus to reduce the tax rate could be used for specific projects such as infrastructure/road projects uncompleted. In addition, she feels in the past the offsetting is misleading to citizens, making them unaware of the actual impact of approved budgets to the tax rate amount.

Chair Danis stated she did not want to use any of the fund balance to reduce taxes, as voters approved the school and town budgets. However, she does understand the impact to the elderly and lower income residents.

General discussion took place about the total available in surplus and possible use of some funds.

Mr. Dumas asked what has been done in the past to reduce the tax rate. Chair Danis reported while she has been on the board, there were no decision to use any fund balance to reduce the tax rate, instead an effort was made to increase the amount held in the fund balance to meet the guidelines recommended by the DRA. Mr. Dumas stated he understands the idea of voters approving and then paying for a budget, but he doesn't understand what might happen to future tax rates if the board does use funds to lower the tax rate. There is a benefit to all tax payers in reducing the tax rate, but there is also a benefit to saving money for infrastructure projects.

Mr. Sterndale explained the concept of the school surplus that must be returned to the town; surplus is unspent money from the prior year minus any approved transfers to capital reserve funds, and any approved amounts for the emergency fund. However, the school doesn't have the ability to hold a fund balance, like the town.

Mr. Eaton stated he sees both sides of the issue and can make a case to both use and not use money from the fund balance.

Mr. Dumas stated the school does typically return some funds, but the 1st draft of the 2018/2019 school budget has been received with an increase.

General discussion took place about other areas the board could consider helping those that might have trouble paying their taxes.

Mr. Sterndale reported the board could make other decisions during town meeting that could help reduce taxes by using some of the surplus, such as paying off town debt.

Motion: by Mr. Brown to use \$375,000.00 of the fund balance to lower the tax rate. Second by Chair Danis.

Discussion took place about the amount of surplus to use and how the different amounts would impact the tax rate.

Chair Danis stated she did not support using the surplus to reduce taxes, because it is a band-aid fix and doesn't necessarily help for the future. The board could look at other areas where they could help tax payers.

Mr. Eaton stated he is concerned that adjusting the exemptions or credits still may not help more people. The board could start to really work on infrastructure items, but they will also always have those who want the upgrades and those who don't.

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Ms. Andersen stated if the board makes a decision to use the surplus to reduce taxes, information must be communicated to the general public to explain why the tax rate didn't increase as much as it should have.

Chair Danis called the vote to use \$375,000.00 from the fund balance to reduce the tax rate.

Vote: 3 in favor. 2 opposed.

Chair Danis asked the board look at the exemption and credit amounts for the warrant article process. Ms. Andersen reported the town must put out information about use of the surplus and the impact on the tax rate.

1st Draft 2018 Budget: The Select Board will meet with the Budget Committee on December 7th to review the town 1st draft of the budget. Mr. Sterndale stated the board has two regular meetings to continue discussion regarding the budget, has the options to add more meetings if they desired, and asked the board to consider if they want to meet with specific department heads; members should submit questions and concerns to the Town Administrator as they move forward with their review. Chair Danis asked for a quick overview of the 1st draft, highlight areas of concern, and have board members bring their questions to the next meeting on November 20th.

Mr. Sterndale reviewed the highlights of the operating budget, with an initial 3% increase over the prior year. Revenues are not yet included and will be introduced at a future meeting.

The Town Clerk is asking for an increase in her salary. The Election Account is increasing with three elections taking place in 2018 versus only one in 2017. The town will need to complete an audit on their retirement liabilities in 2018, which takes place every three years. Health Insurance premiums are going down, and budgeting for the current number of employees at their current plans means the budget amount is reduced. Retirement expenses will remain steady for 2018. Police and Fire retirement contributions remain the same, but may be changed by NH Retirement for the 2019 budget year.

Legal expenses expected for work being proposed on the Route 4 property. The Building Inspector Salary account already is changed for the full time and part time salary lines, and in the towns favor. Work continues on the other accounts, as well as for the need to still find assistance to the Planning Board.

Mr. Sterndale reported the town needs to address staff safety concerns and is proposing upgrades for the Town Clerk/Tax Collector office. An estimate for the physical upgrades should be received in the next month. Cameras in the building have already been installed, video recording is taking place, but audio recording is questionable. Discussion took place about keyless entry into the building to provide better security.

There is an expectation that fuel costs will increase in 2018 and a more detailed review of the usage in 2017 will take place. Cemetery repairs are needed, pricing should be received soon, and road work is still needed for all cemeteries. The Police Department Salary account is set for the department being fully staffed, and includes the annual cruiser. Fire/Rescue has minor changes, and an increase in the training budget is expected and well worth the money spent. The Fire Department will have a warrant article to update the breathing apparatus equipment.

The Highway Department budget will continue to fluctuate as hiring for the eventual replacement of the Road Agent/Director of Public Works position continues. This includes trying to establish the

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regular department budget, estimates for vehicle repair expenses and road repair expenses. There is also an expected warrant article for a new 1-ton pickup truck and plow. The department needs something larger than what is currently being used; a vehicle that will hold up to the work that is needed. The prior Road Agent used his personal truck to help out the town when a larger vehicle was needed. Shim/Sealcoat is the road overlay program and is level funded, as there is the understanding that work will remain similar to the past few years. However, the town should start to increase number of miles being overlaid to make sure they don't fall behind; the plan includes a proposal to take a year off from road construction/re-construction to catch up with the overlay program.

Recycling Center has increases with the expectation that disposal and hauling amounts will continue to increase slightly each year and additional funds are needed to address the more landfill testing as is required by the state.

Public/Social Services will continue to receive updates to the amounts listed.

Recreation will have changes in the salary accounts, which is being reconfigured to address the needs of summer camp and town beach staff. Discussion is taking place about the possibility of moving a portion of the summer camp to the school next year.

Small changes from the library have been received and there are little changes expected for the remaining accounts.

Revenues are expected to remain fairly level in 2018, with few expected changes.

There are only a couple of changes proposed for regularly seen warrant articles. Additional work will be completed by the CIP Committee to determine if some of the reserve amounts should remain the same or be increased. The Fire Department will seek to purchase a regular fire engine, which will be fully paid by the capital reserve fund and making a purchase of a quint in 2022 or 2023. The Highway vehicle reserve fund is of more concern at this time, as it won't be able to fund what is needed at the current rate being set aside.

Discussion took place about the Invasive Species fund and possible adjustments to the language in how the fund is managed, which would be changed in a warrant article.

ADJOURNMENT: Having no further business,

8:35 PM Motion: by Mr. Dumas, second by Mr. Brown to adjourn.

Vote: 5 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough