

Minutes
Nottingham Budget Committee Meeting
2015 TOWN BUDGET HEARING
February 5, 2015

Members Present: Chet Batchelder, Anthony Dumas, Korey Ferland, Michael Koester, Doug Poulin, Gene Reed, Jackie Snow, Jeff Wheeler, Donna Danis – BOS Representative, Peter Perron – School Board Representative

Excused Absences: Miska Hadik,

Other in Attendance: Secretary Dawn Wirkkala, Town Administrator Chris Sterndale, Selectman Mark Carpenter, Charles Brown, Heidi Seaverns, Jaye Vilchuck,

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

Chair Batchelder reviewed the Budget Committee process and the work completed to establish the Town budget and the procedures for the budget hearing, including answering public comments.

Town Elections are Tuesday, March 10, 2015 at the Community Center and Town Meeting is on Saturday, March 14, 2015 at 9:00 am at the Nottingham Elementary School.

TOWN BUDGET HEARING: Chair Batchelder reported one change in the budget has taken place after the Budget Committee Town Final Budget review; an increase in the Town Clerk Fees.

Chair Batchelder reviewed the Selectmen's decision for changes in salary and compensation process. Most salary lines show a cost shift with increasing salary amounts with an increase in the amount that employees pay for health insurance premium, which then reduces the amount the Town pays; the ultimate goal was to have little impact to each employee's net salary. This includes a compensation pool for employee raises during 2015.

The total Executive budget is \$204,407.00, a 29% increase of \$46,297.00.

Town Clerk increased the fee charge by 9%, to a total of \$40,896.00. The total Town Clerk budget is \$69,691.00, a 5% increase of \$3,300.00.

Chair Batchelder stated there is a question about the Election budget as an additional special election may be needed during 2015. The total current Election budget is \$13,965.00, a 3% decrease of \$464.00

The total Financial Administration budget is \$106,627.00, a 3% increase of \$2,719.00.

The Town completes a town-wide property valuation update according to state law once every five years; the cost for 2015 will be \$23,000.00. The total Property Appraisal budget is \$82,307.00, a 17% increase of \$11,842.00.

The amount for the Town Attorney has been reduced \$15,000.00 and the Other Legal Expenses amount has increased by \$10,000.00 in anticipation of selling Town owned property. The total Legal Expense budget is \$38,010.00, a 12% decrease of \$5,000.00.

Blue Cross/Blue Shield (health insurance) has been reduced \$52,304.00 to a total of \$219,595.00, with the increase in the amount that employees pay. Mr. Carpenter stated employees also received a 1% COLA raise for 2015 as part of the transition, which is part of the increase seen in the salary accounts. Employees can see an additional raise amount at the time of

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their performance review, which will come from the Merit Compensation Pool, seen in the Executive account.

The total Personnel Administration budget is \$473,286.00, an 8% decrease of \$38,678.00.

The Planning Board will not contract with a private Planner, decreasing the budget by \$7,500.00. The total Planning Board budget is \$20,756.00, a 26% decrease of \$7,150.00.

The total Zoning Board budget is \$3,353.00, a 9% increase of \$271.00.

The Community Center (CC) Building Maintenance increased \$2,500.00 for improvements to help in archived record retention. The total Town Hall/Other Buildings & Maintenance budget is \$149,098.00, a 5% increase of \$6,944.00.

Workers Compensation increased \$9,752.00 due to elimination of previously received payment holidays and the Property Liability Insurance increased \$5,571.00. The total Insurance Coverages budget is \$80,818.00, a 23% increase of \$15,323.00.

The total Planning Association budget is level funded at \$2,500.00.

The Police Department has increased the PD Salary Part-time by \$9,495.00, which adds an additional 1000 hours for the new part-time officer. Office Equipment increased \$5,200.00 to replace the old department computer server and some older department computers, as well as upgrades to newer Windows operating systems on existing computers. PD Gasoline has decreased \$3,000.00 with the expectation of reduced gasoline prices.

The total Police Department budget is \$544,431.00, a 5% increase of \$26,837.00.

The Fire Department has an increase in the Part Time Salary amount, \$3,000.00 to cover additional part-time needs. Chief Vilchok reported all three full time positions are currently filled, as of January 2015.

Breathing Apparatus decreased \$7,750.00 from the prior year because some equipment testing isn't needed on an annual basis. Vaccinations/Testing was decreased from the prior year as the majority of staff has received their vaccinations. The final payment for the 2009 Engine #2 was made in 2014 for the Lease/Purchase account, which was reduced to zero. Radio Maintenance was reduced by \$4,200.00. The total Fire Rescue budget is \$266,645, a 12% decrease of \$36,427.00.

The Building Inspector salary increased \$5,123.00, which includes an additional amount for his increased duties as the Health Inspector. The total Building Inspector budget is \$57,505.00, a 10% increase of \$5,053.00

The total Emergency Management budget is level funded at \$4,260.00

The Highway Department has increases in the Hired Equipment Plowing by \$5,000.00, which assists in plowing for the Town, Equipment Parts by \$5,000.00 and Equipment Maintenance by \$10,000.00; which reflect an amount closer to actual expenditures. The amount for Culverts has been decreased to zero and the funds added to the Highway Equipment account. Salt has increased \$4,430.00, as the price of the material has increased.

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General discussion took place about the current plowing expenses and budget amounts, given the amount of snow that has already received. Chair Batchelder stated any additional changes to the highway budget amounts can be made during Town Meeting, which will allow the Town to review more of the expenses as winter snow needs are seen.

The total Highway budget is \$525,882.00, a 6% increase of \$28,321.00.

The total Highway Shim and Seal Coat budget is \$278,460.00, a 2% increase of \$5,460.00.

Recycle Equipment increased \$5,750.00 in order to replace an old baler, and there is the possibility of receiving a grant to help off set the cost. Mr. Carpenter stated the current baler is very old and has a high chance of breaking down causing processing problems and slowing down services at the Recycling Center. The total Recycle Center budget is \$195,995.00, a 4% increase of \$7,895.00.

Total Animal Control budget is decreased 1% to \$4,820.00.

The total Health Officer account has been reduced to zero, as the salary has shifted to the Building Inspector budget with the shifted job duties.

The total Public Assistance budget is \$15,204.00, a 4% decrease of \$716.00.

The Recreation Department has a decrease in the Salary account by \$12,190.00. This is a result of allocating a portion of the salary amount for the Recreation Assistant from the Town Budget to the Recreation Revolving fund for the hours that are worked for the Recreation Revolving Summer Program. Chair Batchelder asked the Selectmen to review the possibility of allocating expenses in a similar manner for all revolving funds. Mr. Carpenter explained the analysis used for the Recreation Revolving fund was used in looking at the other accounts, and if there were any questions he would be willing to review the information.

The total Recreation budget is \$78,691.00, a 14% decrease of \$12,540.00

Chair Batchelder asked if the Library Trustees and Librarian accepted the 1% COLA increase. Ms. Medeiros stated the Trustees were comfortable. Ms. Snow asked if the Compensation Merit Pool would also be used for Library staff and Mr. Sterndale reported he is requesting that of the Selectmen and will make sure it is included in future budgets.

The total Library budget is \$153,460.00, a 2% increase of \$2,307.00.

Historical Society remains level funded at \$10.00.

The total Conservation Commission budget is level funded at \$1,820.00.

The total Debt Service Principal Amount is level funded at \$141,476.00 and the Debt Services Interest amount has decreased 10% to a total of \$59,672.00.

Chair Batchelder stated the total Operating Budget for the Town is \$3,582,150.00, a 1.54% increase of \$54,384.00.

Chair Batchelder reviewed the Estimated Revenues for 2015, which remain similar to the prior year amounts. A decrease in the amount of Interest and Penalties revenue is seen as more people

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pay their property taxes in a timely manner, which is a positive thing. The total estimated revenues for 2015 are increased to \$1,650,750.00.

Chair Batchelder reviewed each of the Warrant Articles. Articles #1 is election of officers and #2 is for Zoning Ordinance changes.

Article #3 is the Operating Budget.

Article #4 is to replace the roof over the gym and kitchen areas in the amount of \$19,000.00.

Ms. Snow asked what will happen if the article does not pass and some Budget Committee members expressed concern about having needed items as warrant articles and not part of the operating budget, as it can mean the Town can't spend money on the repair because it is a warrant article. Chair Batchelder and the Selectmen felt the warrant article for the roof would pass with the voters, but the Selectmen would review the concern for the future. A wording change to Article #4 was made, to remove "repair and" leaving only the replacement of the roof.

Article #5 is for Highway Constructions and Reconstruction work for Lavoie Drive and Freeman Hall Road in the amount of \$200,000.00.

Article #6 is for the Highway Vehicle Capital Reserve Fund, in the amount of \$50,000.00, which has been ongoing article for many years.

Article #7 is for the purchase of a new truck with dump body, plow, wing and sander for the Highway Department in the amount of \$203,500.00. Chair Batchelder explained the funds will not be raised by taxation but come from the Highway Vehicle Capital Reserve Fund.

Article #8 is for the Fire Department Vehicle Capital Reserve Fund, in the amount of \$50,000.00, which has also been ongoing for many years.

Article #9 is for the Special Ambulance and Equipment Fund, in the amount of \$22,350.00. These funds are raised with ambulance revenue and funds spent from the Special Ambulance Fund.

Article #10 is for a new pickup truck for the Fire Department, in the amount of 49,000.00.

Mr. Koester asked about the previous discussion about transferring vehicle from the Highway Department to the Fire Department and purchasing them a new truck. Mr. Sterndale reported it was reviewed but it was determined it would only shift funds from one area to another based on the future needs for Highway vehicles.

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

Article #12 is to raise \$3,000.00 for the Heating, Ventilation and Air Conditioning (HVAC) fund.

Article #13 is to support Social Service Agencies in a total amount of \$26,566.00. Chair Batchelder reviewed the agencies that requested reports; the list eliminated Big Brother and Sisters from the prior year and added CASA, Court Appointed Special Advocates, which provides personalized court assistance to children in foster care.

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Article #14 is for the PLIA Fundy Boat Ramp boat inspections in the amount of \$4,000.00. Ms. Danis explained boat inspections take place up to 7-days a week during July and August, with a total of 10 saves in 2014. Assistance is provided by local volunteers, volunteer high school students and pays for college students to complete the inspections.

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

Article #16 is to limit the amount held in the Cable Franchise Fund to an on-going total of \$30,000.00 and return all excess funds to the general fund. The Cable Franchise Fund comes from a fees that is included on all Comcast cable bills.

Chair Carpenter explained capping the fund and returning more to the general fund made sense to the Selectmen as the Town has purchased the majority of needed equipment and the remaining amount is more than sufficient to supply needed equipment for the school.

Article #17 authorizes the Selectmen to sell or dispose of tax deeded property as needed. Chair Batchelder stated the Selectmen have budgeted \$10,000.00 in legal fees to assist in the process.

Ms. Seaverns asked how the Selectmen would sell the properties and why would they sell the property. Mr. Sterndale reported the Selectmen already have the authority to sell property by public auction or sealed bids and the change will include private sale, giving the Selectmen the greatest amount of flexibility for possible sale. The Town owns many small vacant parcels that aren't buildable and may only have interest to the abutters.

Mr. Brown asked why the legal expense to sell property was set at \$10,000.00, as property has been sold before without any cost. Mr. Sterndale reported it would cover the need for any possible land surveys.

Ms. Seaverns stated she was concerned about the use of private sale, and felt using a sealed bid with a minimum price reserve is a better option, as private sale might be in a better interest for the buyer and not the town. Ms. Danis stated the warrant article will not lock the Selectmen into using one method or another but will keep all methods open for use and discussion regarding the method can continue.

General discussion took place about the definition of private sale and what the change could mean for the Town. Chair Batchelder suggested bringing the prior warrant article language for further explanation.

Article #18 is to eliminate mailing a copy of the property record card to every property owner during the year of the Valuation Update, which would be expensive and very time consuming to complete.

Mr. Sterndale reported a 2008 warrant article stated anytime a property value changed both the old and new property record card would be mailed to the owner. In the year of the valuation update, every property in the Town will change value and the assessing company will mail notice of the new value to every property owner and the old property data will be available online with the changes to the mapping software.

Chair Batchelder to adjourn the public hearing at 8:33 pm.

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The Budget Committee took a break from 8:34 pm to 8:40 pm.

Motion: by Ms. Danis, second by Mr. Perron to recommend Warrant Article #3 the Town Operating Budget in the amount of \$3,582,150.00.

Chair Batchelder stated he would review the total budget amount for each account and asked Budget Committee members to mention the account # when additional information was wanted or changes to an amount were made.

Chair Batchelder asked about the concerns expressed in regards to the sale of town property for the Legal Expense account; are the funds needed. Ms. Danis stated the Selectmen have made the decision to plan for what they don't know will happen. Mr. Sterndale reviewed there will be some legal expenses associated with the sale of town owned property, such as new deeds and title searches.

Mr. Ferland asked if the Shim and Seal Coat account #01-4319.10-331 are the funds listed in Warrant Article #5. Ms. Danis stated they are for different and separate accounts and are provide the materials for different road projects.

Mr. Koester asked if \$1,500.00 was needed for the Recycling Center Fuel #01-4321.10-230. Mr. Sterndale stated it is an infrequently filled tank and the expense amount is allocated from the total fuel amount, which may not yet be included in the expense amount.

Mr. Ferland and Ms. Snow asked about the changes to the Recreation Salary account #01-4520.10-010. Ms. Danis stated only some of the assistant salary amount has been moved to the Recreation Revolving fund. That amount includes the hours worked that can be directly related to Recreation Revolving programs. The Selectmen have agreed to a continued review of the information to make sure the revolving fund is not being drawn down and will make changes to the amount when it is needed.

Chair Batchelder requested a review of the allocation of the Merit Compensation Pool, specifically for the Library as they are independent from the Town in all areas and asked to have a separate merit pool account created for in the Library account and the Selectmen agreed.

Mr. Koester called the vote for Warrant Article #3, the Operating Budget.

Vote: 8 – 0 in favor.

Motion: by Mr. Perron, second by Mr. Dumas to accept the estimated Revenues of \$1,650,750.00.

Vote: 8 – 0 in favor.

Motion: by Mr. Perron, second by Ms. Snow to recommend Warrant Article #4 as written.

Motion: by Ms. Danis, second by Mr. Dumas to amend Warrant Article #4 To see if the Town will vote to raise and appropriate the sum of \$19,000.00 (Nineteen Thousand Dollars) for the replacement of the roof over the Community Center Gym and Kitchen areas.

Vote: 8 – 0 in favor.

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Motion: by Ms. Danis, second by Mr. Perron to recommend Warrant Article #5 as written.

Vote: 8 – 0 in favor.

Motion: by Mr. Perron, second by Ms. Snow to recommend Warrant Article #6 as written.

Vote: 8 – 0 in favor.

Motion: by Mr. Ferland, second by Ms. Danis to recommend Warrant Article #7 as written.

Vote: 8 – 0 in favor.

Motion: by Mr. Perron, second by Ms. Danis to recommend Warrant Article #8 as written.

Vote: 8 – 0 in favor.

Motion: by Ms. Snow, second by Mr. Poulin to recommend Warrant Article #9 as written.

Vote: 8 – 0 in favor.

Motion: by Mr. Dumas, second by Ms. Danis to recommend Warrant Article #10 as written.

Vote: 8 – 0 in favor.

Motion: by Ms. Danis, second by Mr. Dumas to recommend Warrant Article #11 as written.

Vote: 8 – 0 in favor.

Motion: by Mr. Poulin, second by Mr. Ferland to recommend Warrant Article #12 as written.

Vote: 8 – 0 in favor.

Motion: by Ms. Snow, second by Ms. Danis to recommend Warrant Article #13 as written.

Motion: by Mr. Perron, second by Ms. Danis to reduce the Ready Rides program to \$1,450.00.

Mr. Perron stated he seeks to reduce the amount as it was presented to the Budget Committee as a one year start up expense with the transition to a donation based program, no longer needing Town funding.

Mr. Koester asked if there has been information provided about the program seeking private funding, how the program is operated and is it a multi town program. Mr. Perron stated he isn't seeking to reduce needed funds, but to express concern about the statement they would not need town funds after the first year, but they continue to be funded. Ms. Danis stated she knows there is use of the program by Nottingham residents but would review the continued funding, their efforts to seek private funding and the original intent of the request for funds.

Ms. Snow stated she wasn't sure reducing the funding was the best way to send a message. Mr. Perron stated he has asked the same question in the prior year and the funding amount remains the same for this year without any specific answer. Mr. Perron stated he is not opposed to funding Ready Rides, but are they seeking additional funds as originally stated.

Ms. Danis stated she would look into getting an answer, although she isn't sure this program is any different than the other supported programs.

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Chair Batchelder called the motion to amend Warrant Article #13 to reduce Ready Rides from \$1,500.00 to \$1,450.00.

Vote: 3 in favor and 5 opposed. The motion failed.

Chair Batchelder called the original motion to recommend Warrant Article #13 as written.

Vote: 7 in favor and 1 opposed.

Motion: by Mr. Poulin, second by Mr. Dumas to recommend Warrant Article #14 as written.

Vote: 6 in favor and 2 abstained.

Chair Batchelder stated the Budget Committee did not need to vote on Warrant Article #15 as it did not impact the any budgets.

Motion: by Mr. Ferland, second by Ms. Snow to recommend Warrant Article #16 as written.

Vote: 8 – 0 in favor.

Motion: by Mr. Perron, second by Mr. Poulin to recommend Warrant Article #17 as written.

Chair Batchelder stated he isn't sure Warrant Article #17 is needed and feels it is unnecessary. Mr. Dumas asked if there is additional authority and Chair Batchelder stated it does give additional authority.

Mr. Koester asked if the USA Springs property was part of the consideration. Mr. Sterndale stated the Town does not own the property and it would take several years before the Town could even consider selling it if they did take ownership, if and when the Bankruptcy case closed, although it is theoretically possible at one time.

Mr. Dumas asked if there is an estimate of value on the property being considered for sale. Mr. Sterndale reported assessed values are available and multiple parties, including the Planning Department have reviewed the properties to rank those properties being consideration for potential sale, if they would even sell at all.

Chair Batchelder called the motion for Warrant Article #17.

Vote: 8 – 0 in favor.

Motion: by Ms. Danis, second by Mr. Ferland to amend Warrant Article #18 To see if the Town will approve of directing the Board of Selectmen and Board of Assessors to mail a copy of any property tax card that changes assessed value to a property owner during any tax year, with the exception of the assessing revaluation year. Revaluation year occurs once every five (5) years, and the company contracted to perform the revaluation will mail new assessments to all property owners.

Vote: 8 – 0 in favor.

Chair Batchelder stated the budget hearing is concluded and distributed copies of the signature page for the MS-737.

Approval of Minutes

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Motion: by Mr. Perron, second by Ms. Danis to approve the January 13, 2015 minutes as amended.

Vote: 8 – 0 in favor

Motion: by Ms. Danis, second by Mr. Perron to approve the January 22, 2015 minutes as amended.

Vote: 7 in favor, 1 abstained

SUB-COMMITTEE UPDATES:

MPEC: Ms. Danis reported the committee is waiting to meet with the School Board before they hold their next meeting. Mr. Ferland asked about the original intent to have a warrant article this year to ask for improvement funds. Ms. Danis stated she felt it was too aggressive of a request.

Transportation: Ms. Snow stated the group continues to meet and review transportation needs.

SCHOOL / TOWNS UPDATES:

Mr. Koester asked if the Budget Committee felt they needed to vote on the School Warrant Articles after potential Deliberative Session changes. Chair Batchelder and other members stated they didn't see a need to hold new votes. Other members supported the changes made to the wording in the petition warrant articles, while other questioned the ability to change intent of warrant articles. Mr. Perron stated the School Board withdrew their tuition policy recommendation and currently does not have a policy in regards to tuition differential; they will wait until after elections to review the situation further.

OTHER BUSINESS:

Chair Batchelder reviewed that the next meeting would be Town Meeting and Mr. Wheeler would call a meeting in May for election of Chair and the next regular meeting.

ROUNDTABLE:

All board members expressed their thanks for the years of service from Chair Batchelder on the Budget Committee and stated that he and his experience would be missed.

Mr. Poulin enjoyed the new experience of being on the Budget Committee and citizens

ADJOURNMENT: Having no further business,

9:39 PM Motion: by Mr. Dumas, second by Mr. Poulin.

Vote: 8 – 0 in favor.

Respectfully Submitted,

Dawn Wirkkala