Minutes
Nottingham Budget Committee Meeting
July 14, 2016

Members Present: Jennifer Biron, Anthony Dumas, Suzanne Edin, Miska Hadik, Michael Koester, Carrie Lee, Jeff Wheeler, Donna Danis – BOS Rep-Sub, Susan Levenson – School Board Rep

Excused Absences: Gene Reed, Dawn Fernald, Tiler Eaton – BOS Rep,

Other in Attendance: Secretary Dawn Calley-Murdough, Town Administrator Chris Sterndale, Superintendent Dr. Gadomski

Mr. Wheeler called the meeting to order and introductions were completed.

Approval of Minutes

Motion: by Mr. Dumas, second by Ms. Biron to approve the January 14, 2016 minutes as amended.

Vote: 7 in favor; 2 abstained.

Motion: by Mr. Wheeler, second by Mr. Hadik to approve the January 21, 2016 minutes as amended.

Vote: 9 in favor.

Motion: by Mr. Hadik, second by Mr. Koester to approve the February 4, 2016 minutes as amended.

Vote: 9 in favor

Election of Officers: Mr. Wheeler asked for nomination for committee Chair, stating he would not be able to fill the position at this time due to his current work duties.

Mr. Dumas stated he would be willing to be chair as long as he had a reliable vice-chair due to his work requirements, in addition to a possible conflict of interest on some budget related items, such as for the Police Department.

Motion: by Mr. Koester, second by Ms. Lee to nominate Tony Dumas as Chair.

Vote: 9 in favor.

Motion: by Ms. Edin, second by Mr. Hadik to nominate Mr. Koester as Vice-Chair.

Vote: 9 in favor.

Mr. Koester, and others, thanked Mr. Wheeler for his service as committee chair the prior year.

TOWN 2ND QUARTER EXPENSES: Mr. Sterndale reviewed the 2nd Quarter expenses from the Towns 2016 budget, stating there are a few items trending high for this time of year, but the town is otherwise on track. Regular after July 1 expenses include, but are not limited to, roadwork will continue to take place through the summer months, capital purchases need to take place, and the remaining winter months.

Personnel expenses continue to be the higher portion of the budget. The Police Department is looking to quickly fill the recently vacant Administrative Assistant, but the Patrol Officer position will take longer to fill and train. The Police Department will see a little higher overtime for officer salaries while training occurs; the department does not have the full time staff to not be impacted by the loss of one officer. The Recreation and Fire departments also saw vacancies that were recently filled.

The light winter at the beginning of 2016 has helped keep heat costs low, as well as the lower cost for vehicle fuel. The new contingency fund helped with the recent retirements and payout of needed expenses, reducing the operating expenses. There are still two elections to address, including the NH and Federal General Election in November, which may mean some unexpected costs. The November Election will take place at Nottingham School and not at the town office due to the higher than anticipated turn out.

Demolition of the two town owned properties was more expensive than expected because of some unexpected asbestos, but work will continue, and some town owned properties will be auctioned for sale.

HVAC and plumbing issues continue to be seen, the plumbing/septic tank repairs took place as voted on. Ms. Edin asked how much higher the plumbing expenses are expected to get. Mr. Sterndale reported the approved $5,000.00 was enough to address the septic tank issues, but other subsequent plumbing issues on the police side of the building were seen. Bids for the two roof replacements are being received, but the actual amount is still unknown.

Building expenses are expected to fall with the amounts as budgeted.

Mr. Hadik asked about the Police Prosecuting budget. Mr. Sterndale reported it is a one time/lump sum payment made to the attorney for legal services for the entire year.

Chair Dumas asked about vendor payments/social services payments. Mr. Sterndale reported those items are paid out after July 1st after the first issue tax bills are issued and paid.

Mr. Wheeler asked about the increases with motor vehicle revenues. Mr. Sterndale stated he did anticipate an increase but did not do a prior year 2nd quarter comparison, but is comfortable with the overall estimate for 2016; it remains busy with the town clerk.

Ms. Biron asked how the online Recreation registration changes were taking place. Mr. Sterndale reported there have been a lot of positive responses from both staff and citizens; with the use of credit cards, scheduling, and saving the staff a lot of time tracking registrations.

Mr. Sterndale reported the town clerk change to a one check registration process and direct deposit for employee payroll is also working very well; credit card processing with the town clerk is expected to also start in 2016 but additional work is still needed. Ms. Edin asked about the credit card transaction fee. Mr. Sterndale reported the estimate is a 3% fees and are required to be paid by the user. Chair Dumas stated the credit card reader must include a chip reader. Mr. Sterndale reported the equipment has not been ordered yet and will be compliant.

Chair Dumas thanked Mr. Sterndale for coming.

SCHOOL PRELIMINARY YEAR END BUDGET REVIEW: Dr. Gadomski presented the draft year end expenses for the 2015/2016 school/budget year. The accounting is about 95% closed with a few remaining invoices being received and other items being processed.

An additional $97,000.00 in revenues were received from an unexpected insurance repayment from the LGC with a health insurance refund, as well as higher than expected Medicaid and Catastrophic Aid revenues. Lunch Sales were a little lower than expected with an approximate $30,000.00 deficit, but everything else is good.

Dr. Gadomski stated much of the budget is falling where items were anticipated and reviewed specific highlights of the budget worksheets page by page, referencing certain items. A new Copy

Machine contract meant a deficit in Contracted Services #1100-5442-000. SpEd Tuition-Non-Public Elementary #1200-5569-061 spent less than expected with a savings of $11,778.07, with an overall special education savings of $30,367.14 so far. The deficit for Cost of Medicaid Admin Fee is made up with the additional revenues. PT (Physical Therapy) #2140-5463-061 spent less due to fewer students needing physical therapy assistance.

Courses #2212-5242-000 for the Curriculum Director were not used, but the amount is needed to cover contract requirements because they can be used; this is same situation for Courses-Principal #2410-5242-007 for the Principal and Vice Principal.

Ms. Danis asked about the Office of the Principal Health Insurance #2410-5211-007. Dr. Gadomski reported there where plan changes as well as buy outs to reduce the overall expenditure leaving approximately $11,000.00 in the account.

Ms. Biron asked about District Officers Exp #2310-5590-000. Dr. Gadomski reported the funds are used to pay for courses, mileage, or other items needed by School Board members.

Dr. Gadomski reported the SAU worked with the fuel companies to establish a more positive rate and pre-fill for heating fuel with an approximate $21,111.19 in savings. Dr. Gadomski answered Mr. Wheelers question about electricity, stating the school does not have a locked in supply rate.

Special Education Trans(portation) Elementary #2700-5519-061 saw savings with less need.

Dr. Gadomski reviewed the overall deficit with Food Service an approximately $30,000.00.

Dr. Gadomski reported the Nottingham Elementary has an approximate amount of $202,641.00 of unexpended funds; High School Education has an approximate $100,157.00 of unexpended funds; with an approximate grand total of $400,000.00 of unexpended funds and additional revenue. Tuition remains a moving target based on how students move into and out of the district.

Chair Dumas asked about building repairs at the elementary school. Dr. Gadomski reviewed funds were used at the end of the year for the reading program, new carpets, chairs and furniture, rug cleaner, and a new snow blower; these items will help the school get a little bit ahead and are reflected in the worksheet amounts as provided. Additional discussion will take place about the HVAC units and the roof repairs, as well as the possibility of moving the school propane tanks with the ground settling and difficulties with deliveries.

Ms. Levenson reported insulation was blown into some parts of the building, replaced one HVAC units, and continues with room renovations/moving took place to better utilize the school spaces. The insulation should solve some of the previously seen ice dam issues. Additional A/C units were installed. A lot of additional space has been found by simply adjusting how existing spaces are used to better utilize the areas. Ms. Levenson stated the locker rooms are now used as locker rooms and not storage, for the first time in many years. The stage is now also able to be fully utilized after equipment was moved to a different location.

Ms. Danis asked if the School Board would complete any additional tasks with the available remaining funds. Ms. Levenson stated the School Board cannot use any of the remaining funds, except for items that were approved as warrant articles for capital reserve funds and 1.5% for emergency contingency fund; the School Board will decide on that amount, if any, when the books are closed.

Mr. Wheeler asked about the percentage of surplus coming from contractually obligated expenditures. Dr. Gadomski stated he didn't know the amount, but while there are some of the personnel related amount unused, the majority of the surplus comes from other areas in the budget.

Mr. Koester asked about the over budgeted amount of FICA on line 10. Ms. Levenson stated it might have to do with retiring employees that withdrew their retirement plans; the teachers are required to report their plans, the amount budgeted for, and then the teacher can change their mind after the budget has been approved and can't be changed. Dr. Gadomski stated he would find out the answer.

Chair Dumas asked about anything outstanding that would change the amounts. Dr. Gadomski stated encumbrances are already included, there are some bills waiting to be received and/or paid, but the final amounts shouldn't change much.

Chair Dumas thanked Dr. Gadomski for coming.

OTHER BUSINESS:

MPEC: Ms. Danis reviewed the status of work taking place on the Marston property, stating aerial surveying work is being completed to make sure development as planned can actually take place in those locations or if adjustments need to be made.

Pawtuckaway: Ms. Danis reported there have been additional cases of milfoil seen on the lake, right near the boat ramp at the state park boat launch. DES has been out two times to carefully pull out infestations, and have been very cooperative about trying to eradicate the problem. There is no state responsibility to monitor boats, or pay for eradication efforts, but the park employees have worked closely with the PLIA about completing boat inspections.

Ms. Edin asked who is responsible for infestation eradication and boat monitoring. Ms. Danis reported it is a matter of opinion and can differ on who you ask, including between town and state officials; in many cases the expenses fall back on the town and a primary reason for the town decision to request additional funds at town meeting.

Nottingham has a great relationship with DES and they haven't charged for the current eradication, residents are trying to avoid the channel to aggravate the problem, and the PLIA has worked hard to complete inspections. The PLIA is always seeking volunteers to help with inspections at the Horse Island boat launch.

CIP Committee: The Select Board decided they would return the task to complete the CIP Report back to the regular CIP committee and will need a rep from the Budget Committee as well as from the School Board. Ms. Levenson stated she would be able to report who the School Board Representative would be.

Ms. Danis reported she hopes the CIP committee will start work in mid-August. Being on the committee will help individuals learn more about the individual departments and reviewing the long term goals of each for capital improvements. This will help map out potential future budget projections.

Mr. Koester volunteered to be the Budget Committee Rep and received no objections from the rest of the committee.

Chair Dumas asked to have the remaining sub-committee appointments included on the next agenda.

MPEC: Ms. Danis also asked for anyone who has experience in fund raising to volunteer to help with the Marston development process; interested parties should contact the Town Administrator. There are some specific individuals who have experience, but more people are wanted with specific skills in this area. Ms. Danis stated some of the issues that have been seen with the Marston property are that grants are very specific for specific purposes.

Fire Department: Chair Dumas asked to have the BOS and town seek additional funding and grants for the proposed purchase for the 2017 budget. Ms. Danis reported she would raise the request to the Fire Chief.

ROUNDTABLE: Mr. Wheeler thanked the committee for a great year as chair.

Ms. Levenson stated the regular School Board Budget Committee Rep will be Ms. Snow and thanked the committee for a good year.

Ms. Danis reported Tiler Eaton is the regular Select Board member and he will be back at the next meeting.

ACTION ITEMS:

Add Sub-Committee to next agenda.

Town: Fire Department to seek grants for the proposed 2017 vehicle purchase.

School: Why was FICA #1100-5220-000 over budgeted.

ADJOURNMENT: Having no further business,

8:24 PM Motion: by Ms. Danis, second by Ms. Edin.

Vote: 9 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough