

Minutes
Nottingham Budget Committee Meeting
November 5, 2015

Members Present: Anthony Dumas, Jeff Wheeler, Miska Hadik, Michael Koester, Gene Reed, Jennifer Biron, Carrie Lee, Mark Carpenter – BOS Rep, Susan Levenson – School Board Rep

Excused Absences: Dawn Fernald

Other in Attendance: Secretary Dawn Wirkkala, Town Administrator Chris Sterndale, Arthur Stockus, Suzanne Edin

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

New Member Candidates: The committee welcomed Mr. Stockus and Ms. Edin, both applicants for the recently resigned position by Jackie Snow, who became a School Board member.

Mr. Stockus reviewed his municipal experience and prior work experience.

Ms. Edin reviewed her Nottingham experience and work experience.

Committee members asked the candidates questions and received answers. Chair Wheeler tabled a vote for a new member to the November 12th meeting when the third candidate would be available and could be interviewed.

Nomination/Vote for Vice Chair: Discussion took place between the members about someone interested in the Vice Chair position. Mr. Reed stated he was interested in becoming Vice-Chair. Ms. Lee asked if Mr. Koester would be interested. Mr. Koester responded he would accept a nomination.

Motion: by Ms. Lee, second by Ms. Biron to nominate Michael Koester.

Vote: 6 in favor – 2 opposed.

Chair Wheeler asked if any members were in favor of Mr. Reed, and Mr. Carpenter supported Mr. Reed.

Approval of Minutes

Motion: by Mr. Hadik, second by Mr. Dumas to approve the October 15, 2015 minutes as amended.

Vote: 8 in favor, 1 abstained

1ST DRAFT TOWN 2016 BUDGET: Mr. Sterndale reviewed his 1st Draft Town Budget presentation, which provided an overall review of variances and year end projections for the 2015 increased revenues and expected expenses – decreased legal, insurance, fuel and General Assistance and higher than expected HVAC and building repairs, highway vehicle maintenance and radio repair expenses, the expectation/projection to utilize approximately 98% of the proposed budget – it will be very close, the preliminary 2015 tax rate from the NH Department of Revenue, and general town information about the 2016 proposed budget.

Mr. Sterndale reported there are no major services or program changes for town departments, a low inflation rate, favorable comparisons to 2015 expenditures, and lower proposed equipment spending in 2016 did not cause any significant budget increases.

**Minutes
Nottingham Budget Committee Meeting
November 5, 2015**

Mr. Hadik asked why the General Assistance/Welfare account was under budget. Mr. Sterndale stated the town has a very experienced Welfare Director that brings many contacts and resources for other forms of assistance, in addition to an improving economy, help to limit town expenditures. Mr. Carpenter stated the town also has a very active volunteer food pantry that provides a lot of help, above and beyond food services.

Mr. Sterndale reviewed potential changes to revenue sources, which included a possible decrease in state highway block grant funds, increased motor vehicle registrations, and the 2015 warrant article that will increase the amount of cable franchise fees returned to the general fund.

Mr. Sterndale stated there is also an appeal of the utility poles valuation and explained how a large refund to the taxpayer could affect a future town budget, once the appeal process is resolved.

General discussion took place about cable franchise fees and how they can be spent; Ms. Levenson stated the school has plans for equipment purchases on the higher priority needs will be coming soon.

Mr. Sterndale reported there are no proposed personnel changes and all positions are currently staffed. There has been an increase in the NH Retirement rate for police and fire personnel, a 4.2% increase in health insurance premiums but no current concern about the “Cadillac Tax”, and an expected overall 3% total for employee wage increases based on the new merit compensation pool. The Selectmen and CIP committee are still reviewing CIP considerations.

Mr. Reed asked about the ramification of the “Cadillac Tax”. Mr. Sterndale reported the town would want to cut benefits rather than pay the penalty, as it could be significant expense.

Mr. Sterndale stated wage adjustments for 2015 would be seen as overages in each department salary lines, but the total proposed wage adjustment amount for 2016 would be seen in the EX Merit Compensation Pool account. Mr. Reed asked how the Budget Committee should determine the amount the pool should be for 2016. Mr. Carpenter stated the pool increase would be an approximate 3% each year, with varying amounts provided to employees at the time of their performance review.

The CIP work is in progress and should include the annual police cruiser. Expense amounts for workers comp and property and liability insurances can be estimated, but as a pool are not known; the town could receive another payment holiday as well.

Mr. Sterndale reviewed town energy, utilities and materials used by departments. Bids for heating fuel came in lower than expected, but budget adjustments will be minimal as estimates for 2015 may have been too low. Electric expenses have been mixed and adjustments will be made as needed. The cost for highway asphalt in 2016 is still an unknown, but the budget amount will remain the same for 2016; if the cost is higher than in 2015 the Highway Department will adjust the amount of road feet to be paved based on the cost for asphalt next summer.

Mr. Sterndale stated the town will have four elections, propose repairing the Library roof and another section of the Community Center roof over the Police Department, introduce a direct deposit option for employee paychecks, replace the town server that is currently using a tape

Minutes
Nottingham Budget Committee Meeting
November 5, 2015

back up system, complete a redesign of the town website - hopefully before the 2016 Town Meeting and it should make it much more operator and user friendly and multi-device use, and demolition of two tax-deeded town owned property that are unoccupied, unsafe, and hazardous.

Mr. Sterndale stated accounts that continue to be evaluated for budget changes is a proposal to complete a semi-mandatory Impact Fee study that might include possible additional impact fees for police and recreation, upgrade the Recreation Department software to implement online program registrations, changes with the Recreation Revolving Fund, the annual assessing contract fee, and more accurate amounts for proposed equipment and roof repairs.

Mr. Dumas stated moving toward an online registration process would require compliance to payment regulations, in addition to new software and equipment. Mr. Sterndale and Mr. Carpenter stated the town would be compliant, but would likely be an off-site vendor.

Mr. Reed asked if the Selectmen would have warrant articles for the two roof projects, as was done last year. Mr. Carpenter stated the roofs really need repair and there is concern about having warrant articles fail and not being able to complete the work; the Selectmen continue to discuss the issue for a final decision. Ms. Biron asked if the town had a capital reserve fund for building repairs. Mr. Sterndale stated the town does not; they have one for the HVAC system replacement.

Mr. Sterndale reported based on the initial discussion, the Selectmen and CIP members have determined the town is not ready for future proposed CIP purchase and may recommend increasing the amounts set aside into capital reserve funds.

Mr. Sterndale reported the current increase for the proposed 2016 operating budget is an approximate 1.3% increase; some accounts have proposed amounts that would change, such as roofs, but warrant article amounts are not included in that increase.

Discussion took place about department head meetings and when they would meet with the Budget Committee.

Mr. Reed asked about Marston Property development. Mr. Sterndale reported discussion took place at the prior Selectmen meeting to spend no more than \$30,000.00 from the Recreation Revolving Fund for a conceptual development plan.

Mr. Koester asked about the 2015 expense being close to overall. Mr. Sterndale stated the budget expenses will be close overall, as some individual accounts are already over, but others won't be; he isn't worried right now. Most departments are within their budgeted amounts, Highway will probably be over because of repairs and possible additional late year winter expenses. The Police Department, Recycling Center, and Fire Department are within budgeted amounts. The Executive Department is holding back on completing some work, although electrical work needed at the Community Center.

Mr. Reed asked if specific information about line item transfers is required to be presented to the Budget Committee. Mr. Sterndale stated he would review the requirement and could if needed; the town must not overspend their total budget.

Mr. Koester felt the 1.3% increase was a commendable year to year difference; it includes a lot of hard work. Has there been a review of accounts that appear to continually appear to be over

Minutes
Nottingham Budget Committee Meeting
November 5, 2015

budgeted, such as postage, telephone, internet, and cemetery road repair and could they be even slightly decreased? Mr. Sterndale reviewed some of the accounts that he has already implemented decreases, and would continue to review other areas.

Mr. Koester asked if there has been philosophical discussion between the Selectmen, Town Administration and Department Heads about future needs of the town; hypothetically what would the town do with an unexpected donation of a million dollar. Mr. Sterndale stated any decision would depend on a town meeting vote, but it would be his suggestion to fund some of the CIP proposals, facility needs – recycling center, ball fields and fire trucks. Mr. Carpenter stated he would want to bank some funds, but he would fund the Marston Property.

Mr. Reed asked about the status of the USA Springs property. Mr. Sterndale reported the property remains in bankruptcy and the property remains unsold after two years of being on the market. As the tax debt continues to grow, there is the expectation that negotiation will take place on what is owed to the town if the property is sold, or to move forward with possible tax deed. There is concern with tax deeding the property, as it becomes a significant uncollected tax amount, and the town will then also incur additional demolition expenses.

SUB-COMMITTEE UPDATES:

Marston: Mr. Hadik reported MPEC received the bids, requested approval from the Selectmen to spend up to \$30,000.00 from the Recreation Revolving Fund to establish conceptual development plan. Three companies will be interviewed and the committee will submit their final hiring proposal to the Selectmen.

Discussion took place about making the bids available for public review.

CIP: Mr. Reed asked when the next meeting might be. Mr. Carpenter stated the Selectmen are working on a date, but one hasn't yet been selected, but it should be soon.

Mr. Reed asked when the Budget Committee will be presented information about the School CIP. Ms. Levenson stated the School Board has had one meeting about it so far, and would get some more detailed answers from the Superintendent for more details, but a preliminary draft was presented to the School Board.

School Info: Ms. Levenson distributed copies of the October enrollment report; with a difference of 5 students. The October report is what is used by the NH Department of Education and includes a little bit more data.

Mr. Reed asked about the school creating their own annual report. Ms. Levenson stated the school will be producing their own annual report and will not include their information into the Town Annual Report. The School Board will provide School CIP information for the Town Annual Report.

Mr. Carpenter asked if there was added value to the resident by the School producing their own annual report. Ms. Levenson stated having a separate book indicates there are two separate districts, and the school book would include a lot of good material. This is a test and if citizens don't like two separate books they can be re-merged.

Minutes
Nottingham Budget Committee Meeting
November 5, 2015

Transportation: Mr. Dumas stated he would be willing to take over for Ms. Snow as the Transportation Sub-Committee Budget Committee Representative.

There was agreement by the committee for Mr. Dumas to be on the Transportation Committee.

OTHER BUSINESS: None.

ROUNDTABLE: Mr. Dumas asked about how historical sites were identified and located. It was stated the Historical Society had a large collection of materials and maps, and town maps were updated to include some of the historical sites. Mr. Stockus stated there might be information in the Master Plan.

Mr. Koester thanked the committee for their understanding with his absences the last couple of meetings and asked to get copies of the materials from the previous meetings.

ACTION ITEMS:

Town: Are details of line item transactions required and available.

ADJOURNMENT: Having no further business,

9:00 PM **Motion:** by Mr. Hadik, second by Mr. Dumas.

Vote: 9 – 0 in favor.

Respectfully Submitted,

Dawn Wirkkala