

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

Members Present: Jennifer Biron, Anthony Dumas, Suzanne Edin, Miska Hadik, Michael Koester, Carrie Lee, Tiler Eaton – BOS Rep, Jackie Snow – School Board Rep

Excused Absences:

Other in Attendance: Secretary Dawn Calley-Murdough, Town Administrator Chris Sterndale, Charles Brown, Chet Batchelder, Lee Lederer, Bonnie Winona, Sandra Vilchock, Jaye Vilchock

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

Chair Dumas opened the hearing and reviewed the meeting format that would allow for public comments and questions. The town budget would be reviewed section by section and the Town Administrator would be able to provide additional details about any specific budget information.

2017 Town Budget Public Hearing:

Executive Department is \$21,736.00, a 2% increase of \$3,770.00. Mr. Sterndale stated the largest part of this increase is based on the additional salary for the two new Selectmen positions.

Town Clerk account is \$70,190.00, a 1% decrease of \$691.00.

Election account is \$7,885.00, a 63% decrease of \$13,405.00. Mr. Sterndale reported this decrease is due to only one election in 2017 versus the five elections held in 2016.

Financial Administration Department is \$109,341.00, a 3% increase of \$3,375.00. The Tax Collector has requested a fireproof storage cabinet for tax records and is the only increase for the account.

Assessing Department was \$76,620.00, a 2% increase of \$1,475.00. A portion of the increase is a transfer of expenses from the Executive account to Assessing for Registry of Deeds transactions, as well as an increase in the town tax mapping contract.

Legal Department is level funded at \$22,010.00. Mr. Sterndale reported this amount could change based on any legal needs related to the USA Springs property.

Personnel Administration Department was \$525,056.00, a 6% increase of \$31,442.00. Mr. Sterndale reported the Health Insurance premiums increased 5.3%, there were also state mandated increases in the Police and Fire retirement costs. The new full time employee will also increase the insurance and retirement expenses.

Planning Board Department was \$29,766.00, a 5% increase of \$1,550.00.

Zoning Board Department was \$3,260.00, and is level funded from 2016.

Town Hall and Other Buildings Departments was \$164,682.00, a 25% decrease of \$53,557.00. Mr. Sterndale reviewed the 2016 building maintenance projects, which is a higher portion of the decrease, oil and propane utility expenses will remain relatively stable with the multi-year finance agreements, the electric expenses are expected to increase and those charges are not currently impacted by the proposed solar project warrant articles.

Cemeteries Department was \$11,000.00, a 10% increase of \$1,000.00. Mr. Sterndale reported there is the expectation to start work on road and landscape issues.

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

Insurance Department was \$90,269.00, a 44% increase of \$27,745.00. Mr. Sterndale reported the town is no longer expecting to receive payment holidays for worker compensation insurance and the expenses listed will be seen similar going forward. This amount will adjust in the future based on claims, number of employees and other factors determined by the insurance carrier.

Regional Planning Department was \$2,500.00, and is level funded from 2016. Mr. Sterndale reported the town is not a member of Strafford Regional Planning Commission and provides enough funds to pay for any possible needed services; the member dues are more than what the town uses in services.

Ms. Edin asked what type of services the Strafford Regional Planning Commission (SRPC) provides. Mr. Sterndale reported recently they have provided traffic review and counts and have helped complete the Hazard Mitigation Report.

Police Department was \$583,988.00, a 6% increase of \$34,933.00. Mr. Sterndale reported the majority of this increase can be attributed to the new police officer, and the account include a new police cruiser, and upgrades to the camera/security system.

Fire/Rescue Department was \$253,857.00, a 1% increase of \$3,402.00. Mr. Sterndale reported the increases are minimal and not out of the ordinary.

Building Inspector Department was \$58,555.00, a 2% increase of \$1,130.00.

Emergency Management Department was \$4,011.00, a 55% decrease of \$4,999.00. Mr. Sterndale reported a large town report was completed in 2016, funded by a federal grant and no additional expenses are expected for 2017.

Highway Department was \$523,100.00, a 1% increase of \$2,830.00. Mr. Sterndale reported this account will be watched very closely over the next couple of weeks for a possible Town Meeting request for additional funds. There has been a significant amount of recently received bad winter weather activity, which has been very hard on the highway crew and vehicles, translating to a higher than originally planned budget.

Mr. Sterndale reported many local towns are having a hard time locating plow drivers, which is causing a lot of overtime hours.

Shim/Sealcoat Department was \$285,422.00, a 3% increase of \$6,962.00. Mr. Sterndale reported this is the road overlay program and there is the attempt to keep up with the road maintenance program.

Recycling Center Department was \$192,138.00, a 1% increase of \$2,046.00. Mr. Sterndale reported the rates for disposal continue to increase every year, not as significant for municipal solid waste (MSW) but for other types of materials. The increase in town population and building permits, as well as renovation/house waste are factors for higher solid waste expenses.

Ms. Edin asked how often the town reviews how much is charged to dispose of items. Mr. Sterndale reported it is an informal ongoing process, with identification of certain things throughout the year. The town pays the most for disposal of municipal solid waste (MSW), stuff in the compactor.

Animal Control Department was \$4,820.00, and is level funded from 2016.

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

General Assistance Department (welfare) was \$7,000.00, a 45% decrease of \$5,630.00. Mr. Sterndale reported the Selectmen have requested this amount be reduced based on prior year usage. Ms. Danis reported if the town is still required to provide approved assistance to received requests regardless of the budgeted amount and the town would have to be taken from other areas in the town budget.

Social Services Department was \$27,075.00, a 2% increase of \$500.00. Mr. Sterndale reported this account is new to the operating budget, although the same agencies have been funded by a separate warrant article over the past several years. This addition of adding this account is a big impact and increase on the overall 2017 Operating Budget. Ms. Danis reported these amounts have changed little over the years and this move will provide the town with greater flexibility if agencies change or stop operating; changes can still be made to the amounts during Town Meeting if desired.

Recreation Department was \$91,798.00, a 6% increase of \$4,877.00. Mr. Sterndale reported this change is primarily based on staffing the town beach with two lifeguards on the weekends, which hasn't been done in the past, and is being considered because weekends are the busiest time of the week, even with the recreation summer camp.

Library Department was \$160,909.00, a 2% increase of \$3,761.00.

Historical Society was \$10.00, and is level funded from 2016. Mr. Sterndale reported the town funds this account as authority from the town to spend money, just in case anything is needed for the Historical Society.

Ms. Edin asked what would be needed. Mr. Sterndale reported there is currently a separate warrant article for Dame Building maintenance, but there are times the Historical Society receives grant money for a specific project that often will need repayment before grant funds are received. This is similar to the funding of Emergency Management with special projects.

Ms. Snow asked if received grant funds impact the overall budget for the Historical Society, are adjustments made to the budgeted amount to reflect for the grant money received and subsequent expenses. Mr. Sterndale reported the town lists the budget amount to what was approved at Town Meeting, additional expenses may be listed, as if the account was overspent, but the revenue amounts will changed once the grant money is received.

Conservation Commission Department was \$2,035.00, a 20% decrease of \$510.00.

Debt Services Department was \$188,106.00, a 3% decrease of \$6,304.00. Mr. Sterndale reported this decrease is based on the reduced amount of interest needed for loan payment; the loans are fixed annual amounts.

Chair Dumas reported the total town 2017 Operating Budget was \$3,697,139.00, a 2% increase of \$72,277.00.

Chair Dumas reported the possible estimated impact for warrant articles could be an additional \$420,000.00 to the Operating Budget, if all warrant articles are passed at Town Meeting. This could change the total budgeted amount to \$4,117,139.00.

Chair Dumas reviewed the estimated 2017 revenues. Mr. Sterndale reported the estimates are fairly conservative and most of the non-tax revenue is from the state of New Hampshire, with the largest

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

non-property tax revenue being motor vehicle registrations. Interest and Penalties on Delinquent Property Taxes has been decreased, but it means that more people are paying their property taxes.

Chair Dumas reported the subtotal for Operating Budget Revenue was \$1,614,150.00; the subtotal of Transfer Revenues was \$256,700.00. The grand total of estimated revenues for 2017 was \$1,890,850.00.

Chair Dumas reviewed the warrant articles.

Articles #1 through #5 would be on the ballot.

Article #6 was the operating budget of \$3,697,139.00 with an estimated tax impact of \$3.438 per \$1,000.00 of property valuation.

Article #7 and Article #8 was to authorize the Select Board to lease land for the purpose of installing solar panels on the Fire Station and the Community Center.

Mr. Sterndale reported Articles #9, #10 and #11 are based on the proposed taking by tax deed and/or possible sale of the USA Springs property. However, given the court timeline the town is presenting these articles based on all possible scenarios. Some or all of these articles could be withdrawn during Town Meeting, but it is also possible to ask for an adjustment in the amount in Article #11, depending on what happens at the Bankruptcy Court.

The town would deposit received funds if the property is sold into the fund balance and the Conservation Fund. That amount going into the fund balance is much more than what the town needs and the Select Board made the decision to utilize the amounts received to pay off existing town debt – Mulligan Forest and Highway Salt Shed, as listed in Article #9. If this scenario happens, this will reduce future operating budgets by approximately \$70,000.00 by eliminating the loan and interest expenses.

Mr. Koester asked if the Conservation Commission supported the decision to use Conservation Funds. Mr. Sterndale reported it hasn't been discussed with the commission in detail because the sale info is still unknown.

Ms. Danis asked to complete the summary for all three USA Springs warrant articles because they are presented in a "what if" and "what then" scenarios.

Mr. Sterndale reported that if the property sells, Warrant Article #10 would be used, as the buyer has indicated his intention is to open a water bottling plant if the sale is complete. The Select Board intends to provide future Select Boards the ability to take action, if they decide to. The warrant article is written broadly to give future boards the funds to take whatever action might be needed; for items such as environmental studies, legal fees, etc.

Mr. Sterndale reported that for Article #11 the town will incur costs if they take ownership of the property, to include dealing with dilapidated buildings, safety hazards, increased police patrols, any other safety concerns, and also includes environmental/engineering study of the existing structures and possible repairs or demolition of those structures.

Ms. Danis reported these proposed warrant article expenses are amounts that will be funded from the fund balance and will not have a tax impact. Mr. Sterndale reported if the sale takes place the amount received will support payment of Article #9 and Article #10, leaving additional funds being

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

added to the fund balance. However, if Article #11 comes into play the town earns no money and will have to spend up to \$50,000.00 from the existing available town fund balance.

Ms. Edin asked if there would be a definitive decision after the court hearing on February 21st; did financing fall through for the buyer? Mr. Sterndale stated an answer is hoped for, but is an unknown, and reviewed the proposed funding as presented by the potential buyer.

Ms. Snow asked about the expendable trust fund, if it will give the Selectmen flexibility to spend the funds. Mr. Sterndale reported this article will designate the Select Board to be the authorized spenders of this fund and they can do so as needed.

Mr. Sterndale reported additional information may become known before Town Meeting, which may mean the Select Board asked for amendments to these warrant articles on the floor.

Article #9 was to authorize the Select Board to withdraw funds from the fund balance to pay off debt.

Ms. Biron asked if the loans would have any penalties for early payment. Mr. Sterndale reported there would be no penalties, and these payments are contingent upon the sale of the USA Springs property.

Article #10 was to establish a Groundwater Protection Expendable Trust Fund with Select Board as authorized agents to expend, contingent upon the sale of the USA Springs property.

It was stated both the Town Attorney and NH Department of Revenue Administration has reviewed the proposed warrant article language.

Article #11 was to raise and appropriate \$50,000.00 for costs related to the acquisition, ownership, sale or development of the property, contingent on the town taking ownership of the property.

Mr. Koester asked about the small parcel of the property that is located in Barrington; does it affect any part of the deal. Mr. Sterndale reported it is separate from the Nottingham properties and processes. However that property would be taken back by Barrington, as they currently have a property tax lien; if the sale is completed Barrington will receive the amount due in back taxes.

Article #12 was to change the purpose of the Ambulance Special Revenue Fund and not reviewed with no appropriation.

Article #13 was to raise and appropriate the needed funds to operate the Ambulance.

Mr. Lancaster asked why the ambulance isn't part of the operating budget and the funds come from a special revenue fund. Mr. Sterndale reported the ambulance is a self-supporting special revenue fund and the funds raised by services provided ambulance use were used to pay for supporting an ambulance, including purchasing a new ambulance when needed.

Article #14 was to raise and appropriate the funds for the purchase of a new ambulance. Chief Vilchok stated the purpose of the article is to replace the currently used older ambulance, providing the town with a better quality and more durable ambulance. The amount also includes replacement of the radio system and a new hydraulic transport cot.

Article #15 was to authorize the Trustees of the Trust Funds to hire an investor to try and increase the amount of received interest.

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

Article #16 was to raise and appropriate \$200,000.00 for highway/road construction and reconstruction, this amount remains the same as to what was used in the prior year.

Mr. Sterndale reported this next group of warrant articles for capital reserve funds were identical amounts to what was approved in 2016.

Article #17 was to raise and appropriate \$25,000.00 for the 2020 property revaluation capital reserve fund.

Article #18 was to raise and appropriate \$100,000.00 for the Fire Department Vehicle capital reserve fund.

Article #19 was to raise and appropriate \$75,000.00 for the Highway Department Vehicle capital reserve fund.

Article #20 was to raise and appropriate \$5,000.00 for the 300th Birthday non-capital reserve fund.

Article #21 was to raise and appropriate \$5,000.00 for the HVAC expendable trust fund.

Article #22 was to raise and appropriate \$10,000.00 for the Invasive Species Prevention and Eradication Removal Fund. Ms. Danis reported this was a fund established in 2016 to set aside funds for possible invasive species infestations at Pawtuckaway Lake. The town previously only supported \$4,000.00 for boat inspections, but a recent infestation caused a greater concern. While the state of New Hampshire has stepped up and addressed the current infestation, ultimately the town could be responsible for costly removal.

Ms. Bonnie Winona-MacKinnon asked what other water bodies Article #22 would monitor, and should the Conservation Commission be assigned to review other water bodies located in town. Ms. Danis reported the warrant articles is currently proposed primarily for Pawtuckaway Lake, but could be used for other water bodies. Ms. Danis reported she would ask the Select Boards to review the request.

Article #23 was to raise and appropriate \$20,000.00 to paint and/or make other improvement to the Dame School, as well as accept grants or donations to fund those projects.

Mr. Sterndale reported the Historical Society asked the Select Board to make some improvements to the building; which includes repairs and the building needs to be painted. The Historical Society will seek grants and other possible donations to pay for those repairs. The known grant isn't currently a match seeking grant, but they will continue to seek additional funds for repairs which could require matching funds.

Article #24 was to raise and appropriate \$20,000.00 for the funding of employee retirement expenses, which will come from the fund balance.

Mr. Sterndale reported warrant article #24 was also used in 2016 and funds weren't used. This article will help the town pay for employee separation related expenses; such as payment of accumulated vacation and sick leave earned by a retiring employee. The town can't budget for those unknown expenses, it isn't a special fund, but provides a one year authorization for the town to withdraw needed funds from the fund balance.

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

Article #25 and Article #26 were citizen petition warrant articles for road acceptance. Article #27 was for any other business during Town Meeting.

Chair Dumas reviewed the Operating Budget and Warrant Article Summary, along with their tax impact.

The Operating Budget tax impact was estimated at \$3.438.

Discussion took place about how the estimated tax impact was calculated; which included the gross appropriation, subtraction of estimated revenues, division of the total property valuation, and final estimate calculation.

Chair Dumas reported Articles #9, #10, #11, #12, #13, #14 and #15 have no tax impact.

Article #16 has a tax impact of \$0.330. Article #17 has a tax impact of \$0.041. Article #18 has a tax impact of \$0.0165. Article #19 has a tax impact of \$0.124. Article #20 has a tax impact of \$0.008. Article #21 has a tax impact of \$0.008. Article #22 has a tax impact of \$0.017. Article #23 has a tax impact of \$0.033. Articles #24, #25, and #26 have no tax impact.

The total estimated tax impact, for the operating budget and all warrant articles is \$4.164.

Chair Dumas asked for any final comments or questions from the attending public. There were none.

Motion: by Mr. Eaton, second by Ms. Snow to close the public hearing.

Vote: 8 – 0 in favor.

Chair Dumas closed the public hearing and recessed the meeting for 5 minutes.

Chair Dumas reviewed the Operating Budget page by page for proposed committee member changes to individual accounts.

There were no changes to the proposed Operating Budget.

Motion: by Mr. Hadik, second by Ms. Lee to recommend the Operating Budget total of \$3,697,139.00, as identified in Warrant Article #6.

Vote: 8 – 0 in favor.

Motion: by Mr. Eaton, second by Ms. Biron to recommend the proposed Revenues in the amount of \$1,890,850.00.

Vote: 8 – 0 in favor.

Chair Dumas reviewed the additional warrant articles for committee recommendations.

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

Vote: 8 – 0 in favor.

Motion: by Mr. Hadik, second by Mr. Eaton to recommend Warrant Article #10 as read.

Vote: 8 – 0 in favor.

Motion: by Ms. Edin, second by Mr. Hadik to recommend Warrant Article #11 as read.

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

Vote: 8 – 0 in favor.

Motion: by Ms. Biron, second by Ms. Snow to recommend Warrant Article #13 as read.

Vote: 8 – 0 in favor.

Motion: by Mr. Eaton, second by Ms. Snow to recommend Warrant Article #14 as read.

Vote: 8 – 0 in favor.

Warrant Article #15 was not voted on by the committee, as there was not a financial impact to the town.

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

Vote: 8 – 0 in favor.

Motion: by Ms. Biron, second by Mr. Eaton to recommend Warrant Article #17 as read.

Vote: 8 – 0 in favor.

Motion: by Mr. Hadik, second by Ms. Snow to recommend Warrant Article #18 as read.

Vote: 8 – 0 in favor.

Motion: by Ms. Snow, second by Mr. Hadik to recommend Warrant Article #19 as read.

Vote: 8 – 0 in favor.

Motion: by Mr. Eaton, second by Mr. Hadik to recommend Warrant Article #20 as read.

Vote: 8 – 0 in favor.

Motion: by Ms. Edin, second by Mr. Koester to recommend Warrant Article #21 as read.

Vote: 8 – 0 in favor.

Motion: by Ms. Lee, second by Mr. Hadik to recommend Warrant Article #22 as read.

Vote: 8 – 0 in favor.

Motion: by Ms. Lee, second by Ms. Biron to recommend Warrant Article #23 as read.

Vote: 8 – 0 in favor.

Motion: by Mr. Hadik, second by Ms. Lee to recommend Warrant Article #24 as read.

Mr. Koester asked about the possible financial impact if the article #24 wasn't approved at Town Meeting. Mr. Sterndale and Ms. Danis stated the town must find the funds to pay any separation expenses. It was stated the purpose of not including the amount in the operating budget is because the town doesn't want to raise funds when it isn't known they will be expended, being accused of using those funds elsewhere.

Mr. Hadik asked if the town could create a special fund for separation expenses. Mr. Sterndale reported some towns do have such a type of fund to pay separation expenses, but that is usually a larger town and Nottingham doesn't have significant separation expenses. Ms. Danis stated she wants to prevent money just sitting in an account unused. This issue caused a small expense issue

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

for the town in the past when multiple long term employees retired at the same time and using this method appears to be a simpler process. Mr. Sterndale reported if there was a large scale exit of multiple employees, the \$20,000.00 might not be enough; the town knows the estimated liability and could trend a fund to meet those obligations.

Ms. Snow asked if the Select Board could use the fund as proposed for any other purposes. Mr. Sterndale reported it is permitted to take the funds needed for separation of an employee, but they remain in the general fund if not used.

Mr. Eaton needed to leave the meeting at 9:30 pm

Chair Dumas called the vote for Article #24.

Vote: 8 – 0 in favor.

Chair Dumas and committee members signed the NH Department of Revenue Administration MS-737.

Approval of Minutes

Motion: by Mr. Hadik, second by Mr. Koester to approve the January 26, 2017 minutes as amended.

Vote: 7 in favor.

School Update: Ms. Snow thanked the committee members and the attending public to the Deliberative Session. The School is looking at finding ways to improve the audio at large meetings, as concerns were expressed at the deliberative session.

Ms. Snow stated the School Board has received a lot of positive feedback on the changes they are making to improve community education with workshops and other materials.

Ms. Snow stated the information about the playground was received and presented for public review. A survey of the property was donated and a donation of logging will take place to try and cut down some trees to open up the space for students to play. Additional review of the suggested playground equipment list is taking place to determine exactly what equipment should be purchased.

Mr. Hadik asked if the School Board will expand the size of the playground and address the concerns with bark mulch and access to the propane tank. Ms. Snow reported on the expansion, and stated the town helped address the issues with access to the propane tank. General discussion took place about the playground.

Ms. Snow answered some of the previously asked questions about the discrepancies that appeared on the MS form. It might be possible to work with the SAU and review how the material is presented on working budget documents versus reporting the information to the state. Ms. Calley-Murdough reported the town has the same issues.

Ms. Snow stated the town and School Board have worked to combine the annual school report and town report back into one book, where it was two separate books the last couple of years.

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 16, 2017

OTHER BUSINESS: Chair Dumas reviewed a citizen petition that was submitted for 2017 to reduce the number of Selectmen, and stated he is in support of leaving the five members to see how it will work. There will be a public hearing on February 27, 2017 and discuss the matter. That article will be a ballot vote that will take place on Tuesday, March 14th.

Mr. Koester stated there was some confusion with existing members and declaring candidacy for the wrong terms.

ROUNDTABLE: Ms. Edin stated she will not be able to attend Town Meeting and asked if it would cause complications. It was stated the committee members attend Town Meeting to answer questions, but attendance isn't required.

Discussion took place about the next meeting and the committee decided they should have an initial meeting after elections shortly after the 1st quarter budget numbers are ready; sometime during April or May.

Mr. Koester thanked all committee members for their positive participation.

Chair Dumas also thanked the committee members for their positive work and sticking with the committee. Members need to attend and be willing to participate in the process.

ACTION ITEMS: NONE

ADJOURNMENT: Having no further business,

10:13 PM Motion: by Ms. Lee, second by Mr. Hadik.

Vote: 7 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough