

Minutes
Nottingham Budget Committee Meeting
October 20, 2016

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

Excused Absences: Suzanne Edin, Michael Koester, Gene Reed, Jeff Wheeler

Other in Attendance: Secretary Dawn Calley-Murdough, Town Administrator Chris Sterndale

Chair Dumas called the meeting to order, asked for those in attendance to stand for the pledge of allegiance, and introductions were completed.

Approval of Minutes

Motion: by Mr. Eaton, second by Ms. Snow to approve the September 29, 2016 minutes as amended.

Vote: 6 in favor.

Review of RSA's/Rules: Chair Dumas reviewed the list of budget related statutes and asked for members to sign up to review some of the statutes; reminding members they could reach out to the NHMA for help in coming up with a simple/plain English explanation. Chair Dumas reviewed RSA's 32:1 through 32:4 and 32:15, primarily the statement of purpose for the committee, who it applies to, definitions, estimate of expenditures and revenues, and defining the budget membership.

School Budget/Expenditures – Final 2015/2016 & 1st Quarter 2016/2017: Ms. Snow reviewed the 2015/2016 year end expenditures in comparison to budgeted amounts.

Ms. Snow answered a prior question regarding the Regular Education FICA which had lower expenditures than budgeted and is based on changes in the types of health plans utilized by employees that have pre-tax savings. The SAU doesn't know when it establishes the budget who will take what plan and will budget for the full FICA amount needed based on the salary amounts; similar to budgeting for contractual obligations such as employee continuing education reimbursement.

Ms. Snow reviewed Special Education, with a savings of \$61,174.73 stating this is an area that can have significant changes because the budget is set so far in advance to the actual school year and you don't know what additional services might be needed or not needed, based on current education plans. School Board Services, Special Contracted Services and the Principals Office all saw savings as well. High School Tuition saw a total savings of \$102,743.67.

Operation of Plant had a total savings of \$93,578.58 seen with savings in heat fuel and savings from unused capital reserve fund expenditures. Ms. Biron asked about the large negative adjustment that was listed in the Repairs and Maintenance account #01-2620-5432-032, Ms. Snow would provide the answer.

Ms. Lee asked about the actual tuition amounts for 2015/2016. Ms. Snow stated it was \$14,683.00 for Coe Brown \$12,262.00 for Dover.

Ms. Snow reviewed the final remaining balance of \$389,111.25 does not include the removal of approved warrant articles, which reduced the surplus total \$90,000.00. The School Board decided they would not keep any money from the 1.5% Emergency retention of surplus funds. Ms. Snow stated the audit should also be complete soon.

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Ms. Snow reviewed the 2015/2016 Revenues stating food service revenues are down and the program required a transfer from the general fund to cover expenses. However, there were unanticipated revenues in the amount of \$77,634.79, from the Health Trust with a payback of insurance; it is believed there won't be another but Ms. Snow would verify that information.

Ms. Snow reviewed the 1st quarter 2016/2017 budget, stating some accounts have included encumbered funds; for those known budget items. However encumbrances haven't been entered for the positions that haven't been hired for yet, they also don't include possible payments for retirement payouts. Insurance expenses are expected to be slightly lower with changes in plans being utilized. The encumbered funds will change as the year moves forward and some of the situations are finalized.

Chair Dumas asked if the School Board was worried about anything specific in the new budget. Ms. Snow stated one concern is the insurance expenses for the Guidance account, and would find out why it changed so significantly.

The budget worksheets now include specific/separate accounts for budget items that were an approved warrant articles.

Chair Dumas asked to have the warrant articles identified in a table for faster identification within the budget.

Ms. Biron asked about the Coe Brown tuition and if the budgeted amount was set before the discounted tuition amount per the approved contract, and if it was the reason for current over expenditure. Ms. Snow stated the difference is because enrollment increases.

Ms. Snow reviewed current student enrollment counts, with a total 540 elementary students and a total of 214 high school students.

Mr. Hadik asked about the current status of the computer program and the move towards the one-to-one for each student. Ms. Snow stated the program continues to move forward, a new chromebook cart was purchased by the PTA, and she would bring more details to the committee.

Town 3rd Quarter Budget Review: Mr. Sterndale reviewed the 3rd quarter expenditures; which is a little tighter than where they have been in the past but he expects the town will fall with an approximate 2% surplus.

There are still some expenses for road work, and the Police Department has one missing officer impacting the salary. The Selectmen will seek to include one new full time officer in the next budget and approved the hiring of a new officer soon to coordinate with the January 2017 police academy training.

Fire and Rescue remains under spent, but the department will complete their annual equipment testing, which happens at the end of the year. Some of the testing is completed with other towns causing a delay, and the Chief is working on shifting other testing to earlier in the year.

Road construction is complete and barring any extreme winter conditions, the Highway Department should be within their budgeted amount and expects to see some savings barring any late year weather related expenses. Recycling Center and Recreation should be within the budgeted amounts.

The majority of facility and capital improvements expenditures are completed; the police department and library roof, demolition projects, and the new town server has been installed.

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There will be some continued and increased legal expenses, but the account should have enough to cover expenses until the end of the year. There is some concern about the Election account, simply because of additional training and the upcoming November 8th election. Please note that the Presidential Election is being moved from the Community Center to the Nottingham School.

Chair Dumas asked about Vendor (Social Services) Payments and General Welfare. Mr. Sterndale reported it is situational and there haven't been many requests for assistance; it is an area the town has a statutory requirement to fulfill and one request can over spend the budget.

Chair Dumas asked about the repairs to the plumbing issues. Mr. Sterndale reported there are some improvements with the work that took place; it is working well at the moment with fewer problems. However, it is known that if problems were to continue the next repair will be under the cement floor at an estimated repair cost of \$70,000.00.

Mr. Sterndale reported the department heads are currently working on their 2017 preliminary budgets. There is the expectation that insurance expenses will increase. Fuel bids should remain constant, electric may increase in February and there is the expectation to go to town meeting with a warrant article for solar panels that should help with long term electric savings.

Chair Dumas asked about the Fire Department vehicle expectation for 2017 and if the Fire Chief sought grants for additional funding help on a new vehicle. Mr. Sterndale reported he expects a request for the quint again, but the Selectmen haven't reviewed the request yet.

Ms. Biron asked about the sale of town property, specifically on Freeman Hall Road. Mr. Sterndale stated 4 or 5 were offered for sale, but the responses received were on the low side and the Selectmen rejected all but one offer; one very small parcel on Rogier was sold. The town retains ownership of the other properties and the Selectmen will make a decision on how to proceed.

Mr. Hadik asked about the Cemeteries and Cemeteries Road Upgrades and if they were related to the other cemetery related information presented by Mr. Eaton at the last meeting. It was stated they are separate funds and issues.

Mr. Sterndale reviewed the new tax rate information; including changes in revenues that appear lower in 2016, but 2015 saw a couple different one time unanticipated amounts – FEMA and sale of town owned property. Mr. Sterndale stated the Selectmen did not use any of the unspent fund balance in order to reach the NH Department of Revenue Administration recommended retaining levels of retained funds.

Per \$1000.00 of property assessment the total 2016 tax rate is \$20.65: Town \$4.38, County \$0.97, Local Education \$13.09 and State Education \$2.21.

Chair Dumas asked about the War Service Credit, a higher number of veterans, and the amount remaining steady. Mr. Sterndale reported it has remained fairly static and reported the current law provides for the savings to only certain Veteran's.

Mr. Sterndale reviewed the MS-434-R, reported revenues, which is used to help set the tax rate. Revenue for motor vehicle registrations continue to increase. Meals and Rentals increased and the Highway Block Grant remained steady. Mr. Sterndale reported the Special Revenue Fund of \$122,100 is the Marston Fund and the Ambulance Fund.

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Mr. Sterndale reviewed some funds from the \$20,000.00 warrant article that was voted for the contingency fund were used and will be reported on in the town report. This fund is used for payouts for retiring employees.

Ms. Snow thanked Mr. Sterndale with the repairs on the road to the propane tank at Nottingham School.

Chair Dumas asked about USA Springs. Mr. Sterndale reported there is limited information he can publicly share at this time, and what he can share is available on the town website; some new information became available this week and has been posted.

OTHER BUSINESS: Mr. Hadik reported the Marston Property is at a standstill; work is taking place to complete the new design view. A volunteer is being sought that has experience in fund raising; interested/knowledgeable parties should contact Selectman Danis. There is no active work taking place to create a new committee at this time. Mr. Kouchoukos is working on finding workers.

Mr. Eaton stated Officer McNeil is the new employee at the Police Department.

ROUNDTABLE: Chair Dumas reported the committee is still looking to fill a vacancy.

Ms. Snow stated the community forum will be on November 2 at 6:00 pm and invited citizens to attend and participate in some upcoming topics and get involved in helping to decide on full day kindergarten, improvements to the playground, and world language programs.

Mr. Hadik asked to receive information about the upcoming forum.

Mr. Sterndale reported voting on November 8th will be at the school, for this election and thanked the school for accommodating.

ACTION ITEMS:

School: What is the large negative adjustment listed in the Repairs and Maintenance account #01-2620-5432-032.

Is another Health Trust insurance pay back expected?

Why are Guidance Counselor insurance expenditures expected to change.

What is the Catastrophic Aid revenue?

ADJOURNMENT: Having no further business,

8:44 PM Motion: by Mr. Hadik, second by Ms. Lee.

Vote: 6 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough