

**Minutes
Nottingham Budget Committee Meeting
December 6, 2018**

Members Present: Tim Dabrieo, Miska Hadik, Michael Koester, Lee Lederer, Karyl Martin, John Morin, Benjamin Bartlett – BOS Rep, Roslyn Chavda – School Board Rep

Excused Absences: Carrie Lee,

Other in Attendance: Secretary Dawn Calley-Murdough, Town Administrator Chris Sterndale
Chair Hadik called the meeting to order and introductions were completed.

1st Draft 2019 Proposed Town Budget / General Town Updates: Mr. Sterndale updated the committee on the 2018 tax rate, providing details about the percentage of increases seen in town valuation, the 2017 decision by the Select Board to buy down the tax rate with surplus funds, town and school budget, and how the state calculates the tax rate.

Mr. Dabrieo asked if any thought has been given to providing tax payers explanation about the increases in the tax rate. Mr. Sterndale stated the town is limited to what information can be added to the tax bill, and sending out an additional mailer could be expensive. However, he would see if something could be done. It was stated the information about the 2018 tax rate provided to the Budget Committee was available on the website.

Mr. Morin asked why there was such an excess surplus and why did the board decided to pay down the rate in 2017 and not in 2018. Mr. Sterndale reported the surplus was built up over the prior few years. The amount was higher than what the board felt was needed and a decision was made to use a portion to buy down the tax rate. It is hard to know what the future will hold or what the surplus is going to be.

Mr. Sterndale reviewed the current 2018 expenditures, stating the town expects to end up with approximately \$250,000.00 in surplus, which is primarily due to staff vacancies. An explanation was given that the fund balance is the available cash kept by the town not reserved for previously approved expenditures. These funds provide the town with operating funds in between receipt of tax payments. This helps the town by eliminating the need to borrow funds, provides funds during emergency situations, and allows the Selectmen to buy down the tax rate. The state and auditor recommend keeping approximately 8% to 15% of the total town and school appropriation in the fund balance.

Mr. Sterndale provided details about the proposed 2019 town budget, stating the proposed budget is currently at a 3.1% increase in the operating budget from the prior year. There are some proposed town building projects, consideration of changes to the employee compensation package, and hopefully filling current vacancies. The proposed budget will continue to be updated as additional information comes in.

Mr. Sterndale reported the town is considering purchasing Office 365 to help improve productivity and email for staff, as well as provide additional web based services. New accounts were created to identify software expenses.

Ms. Martin asked about the new account for software. Mr. Sterndale reported software was previously incorporated into other accounts, and as software expenses become greater and more specific the new lines were created to be able to specify what those expenses actually are. The

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town is also considering adding a payroll service, and time clock service, but it is still in the research phase.

The Town Clerk Equipment Maintenance/Support account is significantly reduced for 2018 with the completion of the renovations of the Town Clerk/Tax Collector Office.

The town will only experience one election in 2018, but there is the possibility of two depending on the next federal primary in early January 2020 being moved to December 2019. However, training for that primary election will take place in December 2019. There is also a new account for the Supervisors of the Checklist salary amount to better track the hours used by election workers versus the Supervisors.

The town has a new auditor for 2018, ~~have-with~~ a lower cost for 2019 with a multiyear commitment. The Assessing accounts eliminate one full time position, but the expenses needed for the hired assessing company Avitar are still being refined.

Chair Hadik asked about the Financial Administration Training/Support and the Software Licensing accounts; what are the differences between software accounts in the different sections. Mr. Sterndale reported the software expenses were previously included in the Training/Support account and have been moved to the new software account. The Town Clerk has software fees for their vehicle registration software and the Tax Collector has software fees for the Tax Collect software.

Dr. Chavda asked about the telephone accounts. Mr. Sterndale reported telephone expenses were previously spread out by department and are now merged into one telephone account.

Mr. Sterndale reported the Legal account is reduced with fewer expected legal expenses.

Ms. Lederer stated there was a math errors in the percent amount describing the differences between the 2018 and 2019 budget amounts. It was stated the information would be double checked and fixed.

Mr. Sterndale reported the biggest driver in budget is Personnel Administration accounts with changes in Health Insurance expenses. The town has an increase in the premium, as well as two new staff members accepting insurance in 2019 when they haven't in the past. The town is considering offering dental insurance to eligible employees, and is looking at other areas to try and improve compensation to employees for retention and new recruitment.

The Police and Fire Departments are mandatory participants in the NH Retirement system; the 2019 rate was decreased slightly. The remaining full time employees are participants in a 401K ~~type of~~ program with an employee contribution match. This is another area where Nottingham is having a hard time competing with other towns by not offering regular town employees NH Retirement.

The Planning ~~Board~~ and Zoning Boards are seeking additional assistance in formal planning and engineering services; as the town needs more professional planning assistance. There was a proposal to hire someone in 2018 with those skills, but the position remained vacant despite the need.

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Mr. Sterndale reported the town is proposing a couple of renovations/updates to town buildings for 2019. These renovations include the Recycling Center bathroom and the Municipal Building kitchen; the amounts listed are preliminary quotes. There is the expectation to request more formal bids. The kitchen is widely used by the community and Recreation Department, and really needs repairs and updates to provide the citizens with a better place to rent.

Ms. Lederer asked about the bathroom renovations. Mr. Sterndale reported it is a simple upgrade of fixtures and finishing the space.

Chair Hadik asked about the significant increase between 2016 to 2018 expenses for the Recycling Center Building Maintenance. Mr. Sterndale reported there were unplanned repairs of the doors at the center needing to be replaced, and windows, among others.

Mr. Sterndale reported the town is also in need of repairing the Municipal Building grounds around the flag pole and the entrance to the parking lot. The library will need to replace their water softening system, with the hope to replace the system before it fails as the current age is approximately 20 years old.

Mr. Sterndale stated the town continues to refine the amount needed for electric services with the installation of the solar panels. There isn't enough data to determine what the actual savings will be with some of the received revenues. Expenses for Heating Fuel have increased with the market increasing and amounts will be refined up through the end of December.

The town was previously considering replacing the waste oil furnace at the Highway Garage in 2019, but it is being put off as other needed renovations are being considered for the garage.

Chair Hadik asked why there was a large increase in 2018 with prior year heating expenditures at approximately 50% of what was budgeted. Mr. Sterndale would determine the answer and expected that heating expenses would fall for 2019.

Mr. Sterndale reported work is taking place at the cemeteries, with upgraded landscaping and new fences at Old North. Additional fences are being considered at the New North, but discussion continues.

The town saw increases in Workers Compensation, but decreases in Property Liability Insurance expenses.

The Police Department is requesting a new cruiser with the expectation to receive less for the trade in vehicle because of its significant miles. Staffing remains at 100% and there are funds for additional training opportunities for staff.

Mr. Sterndale explained staffing at the Fire Department. The department currently has three full time career Fire Fighter positions, and typically has a hard time keeping the positions staffed. Nottingham is a great place to start a career, but staff typically transition to a larger fire department after short period of time. The remaining help is provided by volunteers that receive a stipend depending on the number of education hours and calls answered. The department also utilizes per diem/part time staff, filling in when there is a full time position vacancy or there is additional need. The department is looking to increase the salary and opportunities available to per diem staff to fill in evening/overnight hours and fill in the missing holes. Increasing the per

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117 diem staff should help reduce the call response time when the station isn't manned by full time
118 staff.

119 Mr. Bartlett arrived at 7:20 pm.

120 Dr. Chavda asked for details about the current response times. Mr. Sterndale reported during the
121 day it is approximately five to ten minutes depending on where in town the call is. Mr. Sterndale
122 stated he would provide the committee with the available data, which covers about 10 years.

123 General discussion took place about the differences of per diem staff and stipend volunteers and
124 expected ~~changes with~~ changes to the per diem program. The Stipend account was level funded.

125 Mr. Dabrieo asked about the Fire/Rescue Full Time Salary amount and if it was for two or three
126 staff members with the current vacancy. Mr. Sterndale reported the salary amount is for three
127 staff members.

128 Dr. Chavda asked if staffing issues are common. Mr. Sterndale reported it is common for towns
129 of a similar size of Nottingham, but it appears to be an issue for many departments of all sizes
130 across the country. There are issues with a lack of new people going into the business and
131 existing people are retiring out.

132 Dr. Chavda asked if there are methods to increase recruiting, or is there an option to work with
133 students participating in the Dover High School Fire/EMT program. Mr. Sterndale reported he
134 cannot speak to the Dover program and working with Nottingham. The biggest challenge for
135 Nottingham isn't always finding staff, but it is keeping them, as they move to larger departments
136 with a better work schedule and better pay.

137 Mr. Sterndale reported there is some expectation that future call volumes may mean 24 hour
138 coverage, which is a greater benefit to employees keeping that kind of schedule.

139 Dr. Chavda asked if there are best practices about the population counts and the number of
140 needed staff members. Mr. Sterndale stated he isn't aware of that information. The town is
141 responding timely during the day, especially with the addition of Mutual Aid. Call volume
142 won't push the town too quickly, but the aging population and other issues may push the change
143 in schedule.

144 The Fire Department is planning to purchase a new breathing apparatus system in 2019 with a
145 warrant article and provides the town with less maintenance costs in the F/R Breathing
146 Apparatus account. The dry hydrant on McCrillis was replaced, with no repairs planned for
147 2019. ▯

148 Chair Hadik asked about the large 2018 expenditure for F/R Haz Mat account. Mr. Sterndale
149 would need to determine the answer.

150 There were only minor changes to the Building Department and Emergency Management
151 accounts. There is another subdivision proposed for 2019 that may mean additional hours for the
152 Building Inspector.

153 Mr. Sterndale reviewed the challenges the town is experiencing with finding plowing
154 contractors. The town collaborated with the Town of Lee to try and find a larger contractor that
155 would consider plowing both towns and received no responses with mailing out 20 RFP's. The

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156 town could consider owning fewer vehicles but if it can't find a replacement to keep up with
157 plowing and road maintenance, the fleet can't be removed. The town is experiencing a shortage
158 in the area of large contracted trucks to plow, ~~would welcome someone, but and~~ no one has
159 expressed interest. Budgeting for plowing in 2019 is presenting a challenge.

160 Ms. Martin asked if the town is budgeting for a DPW. Mr. Sterndale reported the town would
161 love to hire for the position and keeps will continue trying.

162 Chair Hadik asked about the increase in Mowing/Vegetation Control. Mr. Sterndale reported the
163 town needs to catch up with past work that wasn't completed and addressing the Japanese
164 Knotweed infestation.

165 The town is proposing to sandblast and paint one of the newer trucks to try and increase its life
166 yearsspan. Mr. Bartlett stated because the town doesn't have a wash bay, the salt and sand
167 remains on the vehicle causing structural damage. Sandblasting and repainting should ~~increase~~
168 extend the life ~~use~~ of all vehicles in an attempt to be a little more proactive.

169 Mr. Sterndale reported the town has made a shift in the type of gravel it is using on the roads,
170 with great success. While a little more expensive it seems to be holding up better and lasting
171 longer on the dirt road.

172 Vehicle Fuel for all departments is expected to increase.

173 There is a drastic decrease in the Highway Miscellaneous account with the 2018 purchase of the
174 new truck. The new truck has been a great addition to the fleet; everyone is fighting to drive the
175 new truck.

176 The Shim and Sealcoat account is used to pay for an overlay of new asphalt over existing roads.
177 Nottingham is completing a roads study to provide better data about how often roads should
178 receive a new asphalt cover. 2019 will be the year Nottingham tries a couple new types of road
179 materials with the plan of longer lasting results. In past years this account has been used to help
180 supplement the unknown winter plowing expenses or unknown vehicle repairs, and there is the
181 hope to stop doing that in the future. Some roads that received work in the past are Deerfield
182 Road, Little River Road, Kelsey Road, and Lakeview Road.

183 Mr. Sterndale reviewed the Recycling center budget. Chair Hadik asked about the additional
184 testing. Mr. Sterndale stated the town is waiting to hear back from NHDES about the additional
185 PFAS testing requirements. The hope is to be able to add in the additional testing requirements
186 with the regular testing with the closure of the landfill.

187 Mr. Hadik asked about the Collection Fees (Disposal) account. Mr. Sterndale stated expenses to
188 dispose of materials are increasing, which includes higher expenses for hauling the materials. A
189 new contract is expected for disposal fees.

190 Mr. Sterndale reviewed-stated the town continues to see changes in the disposal and recycling
191 markets, changing the amount it pays to dispose of solid waste and the revenue it receives for
192 recyclables. The Recycle Center ~~is in the needs~~ to find covered storage ~~for of~~ their tires, per state
193 regulations. The town is seeking a grant to help pay for half the cost of a storage container for
194 the tires. The Recycling Center is also seeking to purchase a plow for the Bobcat to help

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195 maintain the grounds without having to rely on the Highway Department to come in during the
196 days the center is open and residents are there.

197 Mr. Sterndale stated he would meet with the Welfare Director and Police Chief to make sure the
198 amounts proposed for Social Services ~~are is~~ enough.

199 Recreation had some program changes in 2018, increasing their revenues. The department will
200 add another summer concert night, is planning changes to the Fishing Derby, and continues to
201 adjust Nottingham/Earth Day expenses. The Recreation Director will need a new computer. The
202 Director was able to find a full time summer intern to help with salary savings.

203 The library expenses are set by the Library Trustees and ~~is-are~~ expected to remain mostly level
204 funded. The Historical Society remains level funded. The town knows that debt service in 2020
205 will be less with the final payment for the Landfill; all debt is a fixed principal loan.

206 Ms. Martin asked about the 300th Celebration reserve fund. Mr. Sterndale reviewed the 2019
207 deposit amounts for the reserve funds, stating there is the expectation to fund them in 2019 with
208 similar amounts.

209 Capital Reserve Funds will be used to pay for the Fire Breathing Apparatus equipment, and a
210 new Highway 10 Wheel Dump Truck.

211 Other warrant articles being considered is the Fire Department is considering the purchase of an
212 extraction machine and the Police Department is looking to add mobile terminals to all cruisers;
213 Nottingham is the last town in the county to make this transition.

214 Mr. Sterndale reported there are expected changes to the 2019 proposed budget, revenues are
215 expected to remain ~~the~~-steady.

216 Mr. Sterndale asked to be notified of what department heads the committee will want to receive.

217 **General Town Updates:** Mr. Koester asked about the Route 4 property and the proposed solar
218 project. Mr. Sterndale reviewed the project, which is the installation of a long term large utility
219 scale solar project. The proposal is to pay the town a fee to lease the property, install solar
220 panels, and they will also pay the property taxes on the property improvements. This allows the
221 town to retain ownership of the land in a commercial district, with future options, after 40 years.

222 It was stated both Merrimack and Milford already have projects or are working on a similar type
223 of project.

224 The company will be required to complete a full survey of the property, with wetland
225 delineations and all engineering needs. There is a positive tax revenue ~~implicating~~-while
226 utilizing very few town services.

227 Mr. Koester asked to include protection and prevention of a sub-lease of a water bottling plant.
228 Mr. Sterndale reported it will be part of the agreement.

229 Ms. Lederer asked how long the evaluation will take. Mr. Sterndale reported it could take a
230 while and ~~will~~-any type of agreement will require approval at town meeting. The town is still
231 within the buy back period with the prior owners, which is three years and is slowing down the
232 development and financing considerations of the solar project.

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It was stated there is the hope to have a warrant article in 2019 for the proposal; as town meeting approval is needed for even the initial agreement for the study and engineering phase and then a future permission for the long term lease.

General School Updates: Dr. Chavda reported the board worked on their CIP.

There are two weeks remaining until the end of term in December with approximately 511 students.

The board continues to work on the proposed 2019/2020 budget and warrant articles. There is consideration in how many to have and the order of the warrant articles.

New doors are needed for the school and a decision needs to be made about whether or not to use reserve funds or have the repair as a separate warrant article. There is also consideration of repaving/resurfacing the roadways to try and repairs some sinkholes. The Space Advisory Committee recommendations are also expected soon, which will help guide the resurfacing decision.

The school just held High School Exploration Day, with great success and a lot of participation from all the students. Both Coe Brown and Dover staff and students attended to market their school opportunities, classes, training options, and many of the different sports and clubs that are available at each school. Nottingham students were treated to a band, robotics, and Dover even provided incentives to get students to ask questions.

High school selection paperwork went home with the expectation to receive responses by early January. Coe Brown paperwork is due back by January 3, which will help determine a count for Dover High School. Dr. Chavda stated the Dover selection paperwork is due back in February, after the budget planning phase.

The board already knows the Coe-Brown tuition rate but won't know the Dover tuition rate until the fall of 2019 and hope that it budgeted enough.

~~Chair~~ Dr. Chavda stated the board is working hard to try and smooth out some of the school maintenance costs, and completing some of the maintenance tasks that have previously been pushed off.

Sub-Committee Reports:

CIP: Mr. Sterndale reported the town is waiting on the school material and work should start soon.

Approval of Minutes: Postponed to the next meeting.

OTHER BUSINESS: None

ROUNDTABLE: Dr. Chavda asked what the committee would like to see from the board about the proposed budget. Chair Hadik stated it is nice to see a comparison to the current year and two years prior expenditures. It is also great to see the explanation for the proposed expenses, including information about student population.

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269 Mr. Koester asked to receive some information from Dover High School about the relationship
270 between the Nottingham tuition rate versus what Dover pays to educate their own students. Dr.
271 Chavda stated she will try to get an answer.

272 Ms. Lederer asked about the Dover tuition cap. Dr. Chavda stated there is not a tuition rate cap
273 with Dover, despite what has been discussed by the public. The School Board has an option to
274 consider withdrawing Nottingham students if the increase is greater than 4%, which would
275 probably never be considered. The Nottingham School Board did have a cap for the first year of
276 the Coe Brown contract, but not now.

277 **ACTION ITEMS:**

278 **Town:**

279 What Recycling Center Building Maintenance expenses/work took place between 2016 through
280 2018.

281 Why is there such a difference between the 2018 budget and expenses for heat.

282 What was the large expense for the Fire Rescue Hax Mat account.

283 **School:**

284 Differences between Nottingham Dover High School Tution and Dover per student cost.

285 **ADJOURN:** Having no further business,

286 **8:31 PM Motion:** by Dr. Chavda, second by Ms. Lederer.

287 **Vote:** 9 – 0 in favor.

288 Respectfully Submitted,

289 Dawn Calley-Murdough