

Minutes
Nottingham Budget Committee Meeting
December 21, 2017

Members Present: Miska Hadik, Michael Koester, Carrie Lee, Karyl Martin, Erin Maskwa, Peter White, Anthony Dumas – BOS Rep, Susan Levenson – School Board Rep

Excused Absences: Jennifer Biron

Unexcused Absence: Les Thompson

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

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

Committee Discussion Town 1st Draft 2018 Budget: Mr. Sterndale reviewed some of the items the board approved for end of the year spending, such as equipment purchases for the Police and Fire Departments that may now be removed from the 2018 budget. This expenditures may also include starting renovations to the Town Clerk/Tax Collector's Office if bids can be received, which could also be removed from the 2018 budget.

Chair Hadik asked about the increase proposed for the Planning Board Planner account and the purpose for the amount being budgeted. Mr. Sterndale reported this is still an unknown position, and will provide technical responses regarding planning duties required for the Planning Board. These responses were previously part of the job duties of the former Building Inspector, but those duties were changed after his retirement. The Building Inspector position changed from a full time to part time position that reduced the salary amount, removed the technical duties required for the Planning Board, and the duties are now specific to building inspection. A decision hasn't been made about how to provide the Planning Board with those duties yet, as the amount of time needed can vary from year to year with the type of plans received; does the town hire a part-time planner or find someone willing to provide services only when needed.

Discussion took place about the prior shift of budget from the Health Inspector account when those duties were transferred to the Building Inspector. The previously seen Health Inspector account expenses were merged into the Building Inspector account and remain merged at this time.

Discussion took place about the reason and purpose of safety upgrades proposed for the Town Clerk/Tax Collector's Office. Part of the changes were recommended by the State of NH during a safety inspection.

Chair Hadik asked about the CIP and including the purchase price for the solar panels. Mr. Koester responded it is in the CIP. Mr. Sterndale reported the proposed date is 2022 or 2023 with an expectation to pay for those panels over a number of years, and will eventually significantly reduce or eliminate electric costs for the town office and Fire Department.

Chair Hadik asked about the repairs proposed for the Cemetery, and how much fencing is needed for the budget amount of \$16,000.00. Mr. Sterndale reported this is an initial estimate and he is waiting for solid estimates. However, this amount is also needed to correct many years of deferred maintenance to both fences, landscaping, and the roads in the cemetery. Work has taken place with the trustees over the last couple of years to start making requested improvements, but more is needed.

Mr. White asked about the \$65,200.00 amount in the Highway Misc. account for a truck and plow and why it isn't funded with the Highway Vehicle reserve fund. Mr. Sterndale reported this amount is currently in the operating budget but it may be a situation where the Select Board add the request

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as a warrant article rather than the budget. Mr. Sterndale explained how the Highway Vehicle reserve fund was recently depleted for another CIP planned purchase, the fund was probably not funded high enough for all proposed purchases, and the future purchases will require a consideration of higher deposits. This truck will replace another vehicle that is being over used and isn't a big enough truck for town needs. Paying for this pickup truck through the operating budget or through a warrant article will save the reserve fund for future vehicle needs identified in the CIP. Additional information about the CIP will come to the Budget Committee soon.

Discussion took place about the proposed plan to hire both a Director of Public Works and an additional laborer, versus the prior single position of Road Agent. Mr. Koester asked to make sure the position salary listed in the operating budget was based on the actual proposed hiring timeline rather than a full year, if the persons wouldn't be hired until later in the year.

Chair Hadik asked about the significant difference in the 2017 budget versus expenditures in the Highway Hired Equipment Plowing account. Mr. Sterndale reported the town utilized plowing contractors as the town was not able to hire enough drivers for the early 2017 plowing season with holiday and weekend storms, the department continues to use private contractors to assist with plowing now, and this amount provides the town with a better idea of bad winter plowing costs.

Mr. Sterndale explained additional budget trouble was seen at the Highway Department due to unexpected needed repairs to the Grader that required a complete engine rebuild. Additional repair work was needed on the Loader shortly after the grader work was completed.

Mr. Koester asked if hiring contractors is because the town no longer has a Road Agent. Mr. Sterndale reported that is a factor now, but contractors were also used in early 2017 because the town was without regular plow drivers. The intent of the new laborer will assist with plowing, but will also provide the town a floating position for the Highway Department; this person will go where needed when needed.

It was stated the Recycle Center was fully staffed a week ago, but is now down a position. Interested persons should contact the town office.

Ms. Lee asked about the Financial Administration (FA) accounts and the notations that it includes Tax Collector amounts. Mr. Sterndale stated the account covers expenses for both the general town financial administration and the Tax Collector expenses. The Select Board will be making a future decision about allowing the use of credit cards for payments of property taxes by the Tax Collector, which accounts for some of the budget increases. It was stated if the Tax Collector starts acceptance of credit cards any applicable fees are applied to the users who utilize payment by credit card, but a company hasn't been selected and any fee amounts are unknown.

Ms. Levenson asked about the Auditor Fee amount and spoke to future audit requirements. Mr. Sterndale reported the amount is what is needed for the regular full audit and the newer liability pieces for retirement.

Ms. Levenson asked if there would be a savings if the town and school completed the audits through the same contract. Mr. Sterndale stated he would be willing to shop the terms to see if savings could be found, and he would contact the SAU for possible audit savings.

Chair Hadik asked if there were any changes to the proposed list of warrant articles. Mr. Sterndale reviewed the initial list of proposed warrant articles, which included articles regularly seen, such as

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Highway Construction/Reconstruction, Highway and Fire/Rescue department vehicle reserve funds, the 2020 property revaluation, and the HVAC, 300th Birthday, and Invasive Species funds. An additional article is included for breather apparatus needed by the Fire/Rescue Department.

Additional articles that have no tax impact are the Ambulance Fund, conservation easements, and the Contingency fund for any possible retirement expense to be paid from the Fund Balance. The Contingency fund is not a retained amount, does not build up in a separate fund, and if it is not used the amount stays in the fund balance.

Mr. Koester asked if the town was moving into a period of starting to work on paving dirt roads. Mr. Sterndale reported the town is in the process for revising the determination process and how the department and Select Board make decision on road paving and maintenance. The consideration of paving gravel roads will include more detailed work, including engineering for the new specification of road building.

Mr. White asked if traffic counts were completed. Mr. Sterndale reported studies were completed this prior summer; Ledge Farm, Poor Farm, Mitchell Road were some of the roads.

Mr. Sterndale reported the Select Board will hold another meeting about road maintenance on January 8, 2018. Mr. Dumas stated the Select Board has received a lot of information about changing road maintenance methodology, including how they can identify how to best maintain existing road and increase how many roads might be repaired.

Ms. Martin asked about the proposed fire truck purchase from the reserve fund. Mr. Sterndale reported the purchase would be entirely from the reserve fund. Mr. Dumas reported it would be a traditional engine and not the previously proposed Quint.

Chair Hadik asked about the amount in the fund balance. Mr. Sterndale reported the town expects to hold an approximate \$1.3 million dollars, which will be a 10% to 11% of the total town appropriation. The Select Board used some of the fund balance to reduce the 2017 tax rate, and that will be reflected in the year end change. However, the amount isn't large enough to pay for any large projects, but it puts the town in a position to eliminate having to borrow money to make regular payments as they wait for property taxes to arrive.

Mr. White asked about work force housing. Mr. Sterndale reported the town doesn't fit the profile for work force housing. However adjustments will be made for the Accessory Dwelling Unit requirements, but there are no other impacts.

General School Updates: Ms. Levenson reported the board continued their adjustments to the budget with additional cuts at their December 20th meeting. The board removed the proposed 6th grade 1 to 1 technology initiative until a more thorough review of the current 1 to 1 use could take place. Information will come to the Budget Committee when it becomes available.

The School Board asked for work to take place to determine why student counts are lowering at Dover and to determine what high school they move to. The board also received information about a reduction in grant funds that will reduce the total revenue amounts.

The School Board accepted the new Dail Transportation bid, and the new amounts will be included in the proposed budget. The Transportation Committee will continue to refine the contract terms.

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The new Dover Tuition rate was included for the next draft and the Nottingham School Board has requested to meet with the Dover School Board to discuss the tuition issue.

Ms. Levenson reviewed the current totals for the proposed and default budget amounts and the estimated tax rate.

Mr. White asked why the board reduced the Community Services account, why was it reduced to \$1.00. Chair Hadik stated the \$1.00 is a place holder so funds could be used if they become available. Ms. Levenson stated this was a new account addition, and the board will find other methods to fund community outreach. The school also continues to work on community related services, such as participating at the Senior Luncheon, handed out cookie baskets, work with the food banks, and other community outreach services.

General discussion took place about the outreach activities taking place at the school and between the school and the Nottingham Recreation Department.

It was stated the difference between the default budget and proposed budget is an approximate \$35,000.00 and support of the proposed budget should be expressed by the Budget Committee.

General discussion took place about how the School Board might be able to continue with plans for full day kindergarten even if the default budget passes. It was stated the School Board does have control of the bottom line budgeted amount, and as long as funds are utilized in existing budgeted accounts it would only be a shift of costs from one account to another; such as from transportation to teacher salary; funds can't be used from a zero account. It is the understanding of the board that they have authorization to make some changes to the budget, as long as they don't over spend the total budget amount. It was stated the board could not take action on any proposed warrant articles if the article is not passed; it must wait for the next budget year and budget approval. This would include the proposed world language initiative or library changes.

Approval of Minutes

Motion: by Mr. White, second by Ms. Lee to approve the December 14, 2017 minutes as amended.

Vote: 7 in favor; 1 abstained.

OTHER BUSINESS: Other:

CIP: Mr. Koester stated the CIP committee has almost finalized the report. Additional changes are being completed by Mr. Sterndale, and should be received in the next week or so, and when complete they will be forwarded to the Budget Committee. There are changes to the format of the report, specifically in how the total amounts are summarized for budget planning. Mr. Koester stated he noticed some spikes in a couple of the years and CIP committee discussion took place about trying to level out the spikes for more level operating budgets, specifically for the year 2020.

Concern was expressed that the amount being set aside into some of the reserve funds would not be enough to fully support the proposed future expenses and adjustments are expected. If the Select Board made the decision to increase the amount in the reserve funds it might help level out the later year impact.

Ms. Lee asked if the warrant article could be increased for 2018. Mr. Koester stated he made the recommendation to provide a more consistent flow of funds.

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Mr. Koester stated the funds proposed for deposits into the reserve funds will be included in the total fund balances being presented in the report.

Mr. Koester stated there are some significant purchases proposed for almost all departments starting in 2020.

Discussion took place about the use of Impact Fees. Ms. Levenson reviewed some of the suggestions being considered by the School Board to open up classroom space to address new education standards, such as STEM and STEAM. These changes could include possible re-allocation of the number of students in each classroom grade and shift of teachers to other needed subjects. Discussion has previously taken place about the potential build of a modular unit to add the additional space needed at the school.

Mr. Koester stated impact fees start to be returned to those who have paid the fee, and the rules for using the funds are very restrictive, as they can only be used for very specific capital improvements.

General discussion took place about the ability to use impact fees.

ROUNDTABLE: Chair Hadik reviewed the upcoming meeting schedule and asked the committee members which departments they would like to meet with. After discussion the committee decided to meet with the Police, Fire/Rescue, and Library department heads.

Chair Levenson stated the School Board is looking for methods to better communicate the specific reasons for budget increases, and the changing tuition expenses, which will include a significantly higher student count than what is presently seen. The Joint School Board will also meet to review the school and SAU audit and the proposal to refund some of the SAU and Pre-school surplus. The board did receive information about some of the specific reasons for the transportation increase. This is primarily due to an increase in bus driver salaries to try and hire new drivers and retain existing drivers. The transportation company did hire for the missing pink bus, but then another driver quit and the newly hired driver given that route and not the pink bus route.

ACTION ITEMS: None

ADJOURN: Having no further business,

9:11 PM Motion: by Ms. Martin, second by Ms. Maskwa.

Vote: 8 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough