

# *Town of Plaistow ♦ Budget Committee*

*145 Main Street ♦ Plaistow ♦ NH ♦ 03865*



## **BUDGET COMMITTEE MEETING**

### **Workshop Meeting: September 10, 2019**

**Call to Order:** 7:00p.m.

### **ROLL CALL:**

Maxann Dobson, *Chair Elect*  
Sam Cafiso, *Vice Chair Elect*  
Dennis Heffernan, *Budget Committee*  
Lisa Lambert, *Budget Committee*  
Laurie Milette, *Budget Committee, excused*  
Jay DeRoche, *Budget Committee*  
Katie Ingalls, *Budget Committee*  
Peter Bracci, *Budget Committee*  
Bob Hamilton, *Budget Committee*  
Greg Taillon, *Selectmen's Representative, excused*  
Francine Hart, *Selectman's Representative Alternate*

Also present was: Tim Moore, *Capital Improvement Program (CIP) Chair*

### **Agenda Item 3:**

#### **Pledge of Allegiance:**

M. Dobson lead the Committee in the Pledge of Allegiance.

M. Dobson appointed F. Hart as voting member in G. Taillon's absence.

### **Agenda Item 4a:**

#### **Review/Approval of Budget Committee Minutes for May 14, 2019:**

- **J. DeRoche moved, second by L. Lambert to approve the Budget Committee Meeting Minutes for May 14, 2019. There was no discussion on the motion. The vote was 8-0-1 (F. Hart abstaining).**

### **Agenda Item 4b:**

#### **Review/Approval of Budget Committee Minutes for June 18, 2019:**

- S. Cafiso moved, second by M. Dobson to approve the Budget Committee Meeting Minutes for June 18, 2019. There was no discussion on the motion. The vote was 4-0-5 (F. Hart, P. Bracci, K. Ingalls, L. Lambert, and D. Heffernan abstaining).

#### **Agenda Item 5:**

#### **Presentation of Capital Improvements Program (CIP) presented by Tim Moore, CIP Chair:**

T. Moore provided the Committee with a “CIP & Impact Fee Training” handout dated September 10, 2019.

T. Moore offered a review of the “CIP & Impact Fee Training” handout which included a review of:

#### **Capital Improvement Program (CIP):**

- CIP enabling legislation
- Advantages of having a CIP
- What types of expenditures CIP includes
- Plaistow’s CIP requirements and process
- CIP Document contents
- Project descriptions for Capital Reserve Fund deposits
- Project descriptions for expenses

#### **Impact Fees:**

- Impact Fee enabling legislation
- Impact Fee requirements and process
- Plaistow Impact Fee structure
- Defining waivers/credits for Impact Fees
- Methodology & fee amounts in the Plaistow Planning Board Fee Schedule
- Public Safety Impact Fee: two (2) subaccount
- Impact Fee status (updated methodology):
  - School: updated 10/16/16
  - Public Safety: updated 10/16/19
  - Recreation: updated 2018
  - New Road: TBD
- Current Impact Fees:
  - School District
  - Recreation
  - Public Safety Residential Uses
  - Public Safety Commercial & Industrial Uses
  - New Road

T. Moore asked if the Committee had any questions or comments.

### Discussion:

T. Moore offered that the Capital Improvements Program (CIP) has not been used for special studies yet.

There was a brief discussion as to what “resource assessments” are such as a natural resource study, wetland study, etc.

There was a brief discussion that a capital improvement must have a useful life of at least three (3) years and cost \$10,000 or more. It was also discussed that this cost figure used to be \$5,000.

T. Moore offered a brief discussion regarding CIP contents:

- Section 10: Capital Reserve/Other Funds Cash Flow Analysis - gives information on how cash flows are put together
- Section 12: Project descriptions by Department - shows some departments that don't currently have any projects available.

There was a brief discussion that a new Information Technology Capital Reserve Fund has been created and will be added into the CIP document.

M. Dobson initiated a brief discussion as to whether Impact Fees are deposited into an interest bearing account and if there is a way for the Budget Committee recommend that they be deposited into an account that earns a bit more interest if possible.

It was discussed that the Impact Fee and Trust Fund accounts are reviewed periodically and occasionally repositioned into accounts that earn a higher interest rate or rebalanced toward higher risk to get a better rate of return.

S. Cafiso initiated a discussion as to what happens to a warrant article or Capital Reserve deposit if Impact Fees have already been collected.

T. Moore offered that Impact Fees brought in will offset the amount of money that needs to be taken from the Capital Reserve Fund. This will allow the Capital Reserve Fund to build up quicker.

F. Hart offered that the CIP is a living, breathing document. The Board of Selectmen (BOS) can make the decision to reduce a deposit made to the Capital Reserve Fund or not make a deposit at all. The BOS can also decide if a warrant article is added or not, or if it's reduced.

F. Hart offered that she is going to ask the BOS to not vote for the warrant article for the Highway Department, as it is not currently needed. She offered that a warrant article for \$50,000 for the Highway Garage was not approved last year.

T. Moore offered that when a Capital Reserve Fund is created, they are broadened to allow for use by the department not just a specific item.

B. Hamilton offered that the Highway Garage will expand the life of all equipment and vehicles and that this is all taken into consideration.

T. Moore offered a discussion regarding the Highway Department dump truck. He explained that the salter/sander is rusted. However, the truck itself is in pretty good shape. Therefore, the salter/sander attachment has been separated from the value of the truck. The cost of the salter/sander attachment is figured in, but the life of the dump truck has been extended.

T. Moore offered that the New Road Impact Fee consists of mostly residential.

B. Hamilton initiated a discussion regarding \$10,000 of New Road Impact Fees that will be expiring soon. He asked if some of it can be used toward the funds needed for vehicle replacements or a sidewalk plow.

S. Cafiso asked if the New Road Impact Fees can be proportioned and used toward road maintenance as well as the construction of new roads.

T. Moore offered that Impact Fees have to be used for Capital Improvements, and cannot be used toward the Operating Budget or routine maintenance. He stated that using Impact Fees toward road maintenance is kind of a stretch and that they are to be used specifically toward new roads.

M. Dobson initiated a discussion regarding the warrant article for scuba tanks that is scheduled out for six (6) years. She asked what happens if the warrant article doesn't pass for the last year.

T. Moore offered that if the warrant article doesn't pass, it is possible to just take out the funds that have accumulated over five (5) years and only purchase the equipment that can be purchased for that amount of money.

There was a discussion regarding the process that takes place if Impact Fees are not used within six (6) years.

T. Moore offered a review of waivers/credits for Impact Fees. He offered that some are "to be determined" (TBD). He stated that some larger developments have the option to offset Impact Fees by making improvements. He also stated that Impact Fee methodology can be changed by having a Public Hearing.

P. Bracci asked if a company needs to be paid to update Impact Fees and are all Impact Fees up to date.

T. Moore offered that almost all Impact Fees are up to date and can be done internally without having to pay an outside company. He offered that the New Road Impact Fee is the only one that is in need of updating.

B. Hamilton stated that he understands that Mark Pearson, Town Manager, monitors Impact Fees to make sure that they are used before they expire. He asked if there an actual policy in place for reviewing Impact Fees.

T. Moore offered that there is no real policy for reviewing Impact Fees, it is just a combined effort between M. Pearson and the department heads. He offered that the CIP Committee will write a letter to the department heads for Impact Fees that will be expiring in 2020 and 2021.

T. Moore offered that in prior years, department heads would file a request with the BOS to use Impact Fees and the BOS would review the request and decide it was an appropriate use of the funds.

There was a brief discussion regarding Impact Fees that are expiring and if they can be used toward paying down the bond for the Public Safety Complex.

B. Hamilton asked if there are any Impact Fees that are due to expire in 2019.

T. Moore offered that there are no Impact Fees that are due to expire in 2019.

J. DeRoche asked if Impact Fees are included within the CIP itself and if the expiring Impact Fees can be allocated within the CIP.

S. Cafiso asked how it is communicated to the department heads when Impact Fees are collected.

T. Moore offered that at the end of each year the department heads receive a report where they can review the balance available and schedule the use of funds accordingly.

T. Moore offered that Impact Fees are not used to reduce the amount of a Capital Reserve deposit because it is not possible to predict how many Impact Fees will come in each year.

J. DeRoche asked if it would make sense to have a policy in place and a person assigned the responsibility of overlooking Impact Fees.

F. Hart offered that she would bring the topic of Impact Fees up to the BOS to see if they are in support of establishing a policy.

T. Moore offered that the CIP can draft up a policy for the BOS to review, but will first give a copy to the Planning Board for review and comments since the Planning Board oversees the CIP.

F. Hart offered that the Impact Fees that are due to expire soon have been earmarked for use toward the new ball field.

T. Moore offered a review of the current Impact Fees as shown in the chart provided to the Committee.

T. Moore asked if the Committee had any questions or comments.

B. Hamilton offered that this being the third year of having the CIP, he feels that T. Moore, being the driving force behind it, is doing a commendable job. He stated that even though the CIP

Committee only has approximately three (3) meetings per year the information that is made available is extremely helpful.

**Agenda Item 6:**

**Old Business:**

There was no old business presented.

**Agenda Item 7:**

**New Business:**

M. Dobson offered that Jill Senter, Trustee for the Trust Fund, will be presenting at the next Budget Committee Workshop Meeting.

M. Dobson stated that there needs to be a consensus to have the following departments present at future Budget Committee Workshop Meetings:

- Highway Department
- Fire Department
- Police Department
- Recreation Department

**There was a consensus to have the Highway Department, Fire Department, Police Department, and the Recreation Department to present at future Budget Committee Workshop Meetings.**

M. Dobson offered that there is an effort being made to compile population data from surrounding towns and towns with populations similar to Plaistow. She stated that the towns currently being looked into are Atkinson, Sandown, Hampstead, Epping, Kingston, Stratham, and Londonderry.

B. Hamilton offered that perhaps Bow, NH should be looked into as well because of it's population size and the amount of commercial and industrial properties within the town.

There was a discussion on whether or not the Budget Committee could get a copy of next year's preliminary budget.

F. Hart offered that she would ask M. Pearson and Greg Colby, Finance Director, to get a copy of the budget to the Budget Committee as soon as possible after the BOS has an opportunity to review it.

F. Hart offered that there has been a recommendation made to M. Pearson to reduce the 2020 budget by two and a half percent. She said that M. Pearson was open to the reduction and there are a number of items being reviewed to reduce the budget. However, the goal is to make sure that there are no critical services that are cut. She offered that warrant articles are also being looked into for a possible two and a half percent reduction.

M. Dobson asked if the Committee has any other town that they feel should be reviewed for population data.

D. Heffernan offered that perhaps the town of Windham, NH should be reviewed even though they are the only town included in that school district.

S. Cafiso offered that taking into consideration the possibility of attaining the total five percent budget reduction, it would be necessary for the Budget Committee to be able to review the warrant articles along with the budget information.

F. Hart offered that she will try to make sure that a copy of the warrant articles are included with the copy of the preliminary budget provided by the BOS.

B. Hamilton offered a review of Plaistow's Budget Operating Summary dated August 2019. He offered that 66.67% in the Expended column is the target. He offered a review of areas that are currently over budget.

F. Hart offered that she was looking at "Street Lighting" and something does not look quite right with the figure provided.

F. Hart offered a brief review of areas where some reductions have been made.

B. Hamilton asked if it would be possible for the Budget Committee to be given figures of what the average residential tax increase has been over the past ten (10) years as a measure of looking at the cost of living.

F. Hart offered that the Budget Committee only has input on twenty-five percent (25%) of the tax rate which includes the Municipal portion. She offered that the information that B. Hamilton requested is available within the Town Report. She offered that the cost of living is 1.42% which is considerably higher than surrounding areas.

B. Hamilton asked what it is about Plaistow that makes it more expensive to live in the Town compared to surrounding towns.

F. Hart that there are a lot of variable items that need to be taken into consideration and that it is a matrix, not just black and white. She offered that there is too much to look at right now, but it might be possible to revisit the topic again early next year.

F. Hart offered that the Town has purchased new assessing software and that assessing values have been brought up to ninety-seven to ninety-eight (97% to 98%). She offered that assessing figures are usually available approximately July of each year and that she will work on getting the figures to the Budget Committee once they are available.

F. Hart offered that commercial businesses wanted to be proportional with residents. Therefore, the Town had to give a reduction in tax rate for all properties within the confines of the law to avoid litigation.

There was a brief discussion regarding Patriotic and Cultural line items on the Plaistow Budget Operating Summary. It was discussed that money collected for programs such as Old Home Day goes into a Revolving Fund.

F. Hart offered that the BOS is looking into approving an Expendable Trust Fund for Old Home Day funds.

There was no additional business presented and the meeting was adjourned at 8:48pm.

Respectfully Submitted,  
Samantha D. Cote  
Recording Secretary