



**BUDGET COMMITTEE MEETING AND PUBLIC HEARING  
November 15, 2016**

**Call to Order:** 6:30 p.m.

**ROLL CALL**

Present: Dennis Heffernan, *Chair*  
Francine Hart, *Vice Chair*  
Sam Cafiso  
Laurie Milette  
Tricia Holt, *excused*  
Bob Hamilton  
Lisa Lambert  
Dean Nifakos, *excused*  
Martha Sumner, *excused*  
John Sherman, *Selectmen Ex-Officio*

Also Present: Sean Fitzgerald, Town Manager

The Pledge of Allegiance was led by Dennis Heffernan

**REVIEW/APPROVAL OF MINUTES**

***★L. Milette moved, second by S. Cafiso, to approve the minutes of the November 01, 2016 meeting.***

F. Hart noted a typo on page 3, second paragraph the word “copies” should be “copiers.”

***There was no additional discussion on the motion. The vote was 6-0-1 (Heffernan abstaining).***

**CAPITAL IMPROVEMENT PLAN (CIP) PRESENTATION – Tim Moore, Planning Board Chair and Greg Jones, Town Planner**

T. Moore and G. Jones offered a PowerPoint presentation on what the CIP is as well as how it was developed. It was explained that the CIP is a Planning Board document designed to level the municipal budget spending for capital items and prevent spikes and troughs in the budget process. It also allows the Planning Board to implement Impact Fees and monitor capital reserve and other fund balances to make sure sufficient funds are maintained. The process of developing/updating the CIP was explained. It was noted that there are three (3) parts to the CIP, the spreadsheet, which is the actual CIP; the word document, which gives detailed information regarding capital items in the CIP; and the cash flow analysis, which is a supporting document of the CIP.

D. Heffernan noted that there was a change in the threshold for the value of a capital item to be included in the CIP from \$5,000.00 to \$10,000.00. He asked what the reasoning was behind the change and if the CIP Committee had considered any additional changes to that threshold.

T. Moore responded that the threshold was \$5,000.00 in the mid 1990s, but after some time items that were more of an operating expense in nature were beginning to appear in the CIP because their value was increasing with the economy. That was why the threshold was raised so that only true capital expenses are considered.

S. Fitzgerald added that some communities are beginning to use \$25,000.00 as the threshold for their CIP and leaving lesser expenses to be part of the operating budgets.

T. Moore explained the different department requests throughout the CIP. Questions were raised and addressed throughout the presentation.

D. Heffernan asked about the ACO (Animal Control Officer) vehicle. There were questions regarding the age and the mileage on the vehicle.

S. Fitzgerald noted that the vehicle was purchased second hand and over ten (10) years old. He offered to provide the year and make of the vehicle.

T. Moore noted that the \$30,000.00 fingerprint system was once spread across two (2) years because there will be changes in the FBI equipment that will make the Town's current equipment incompatible.

D. Heffernan asked if this equipment was the same as what would be going in the new Police Station.

S. Fitzgerald explained that a grant had been applied for and was not awarded to the town. So at this point the existing equipment will be moved to the new building until funds are available to upgrade the equipment or a grant can be obtained. It was speculated that the grant was not awarded because the town has been putting money away for this purchase, which is an unusual reason.

J. Sherman added that usually towns are rewarded for putting away funds when being considered for grants. He noted that it prevents grant applications on a whim. He also noted that the current ACO vehicle is a 2002 Dodge Dakota.

B. Hamilton asked if Impact Fees would be considered for purchasing the equipment should a grant application not be approved.

S. Fitzgerald replied that there most likely will not be sufficient funds in the Impact Fee account for this purpose.

T. Moore explained about a CIP recommendation to put \$100,000.00 into a Capital Reserve Fund (CRF) for land/building acquisition. He noted that it was previously discussed that

proceeds from municipal land sales be deposited into the CRF but that became problematic from a bookkeeping standpoint. He added that any proceeds could first be deposited to the General Fund and then could be moved to the CRF.

S. Fitzgerald added that since the Board of Selectmen could change each year, putting the proceeds into a CRF could bind a future board from using proceeds in another other way, such as reducing taxes. He also noted that benefit of having a land acquisition CRF to allow strategic purchased of lands in the current fast moving economy.

F. Hart asked if any town-owned properties had been sold this year.

S. Fitzgerald noted that none have been sold. He added that there were a few parcels that could be sold and this was the right economy to get these properties on the tax roll. He noted that the Board of Selectmen is considering some purchase requests.

There was discussion over the Public Safety Impact Fees. It was noted that there is approximately \$115,000.00 in that account and the recommendation of the CIP Committee is that it be used towards the debt service on the new Police Station. It was noted that the funds have been collected over time to reach the \$115,000.00 balance, but the individual funds must be spent within six (6) years of when they were collected or they must be returned to whoever paid them. It was noted that while the CIP Committee can make a recommendation regarding how to spend the Impact Fees, it is the discretion of the Board of Selectmen to actually expend the monies.

J. Sherman noted that that Board of Selectmen had not yet formally decided how to spend the Public Safety Impact Fees, but he was confident that they would be spent within the required six (6) year period, whether it is towards the debt service or for other needs related to the expansion of the Public Safety Complex.

It was noted that the Town Manager in Londonderry, NH lost his job over not spending over \$1M in Impact Fees collected that had passed the six (6) year time limit and had to be refunded.

S. Cafiso asked if all the items recommended in the CIP were going to move forward.

S. Fitzgerald noted that the Board of Selectmen, with input from the Budget Committee, will determine which ones will move forward but ultimately it will be the voters who decide which ones are approved.

S. Cafiso, noting that he has been in the professional snow removal business a long time, suggested that instead of a \$22,000 tractor that the Building Maintenance Department purchase the best walk-behind snow blower that they can. He noted that the Highway Department already clears the front loop and the parking areas so a walk-behind would be sufficient for clearing the paths in Pollard Park. He offered that the tractor would not be sufficient for clearing the perimeter sidewalks that get covered from roadway plowing. S. Cafiso further suggested that the Highway Department clear the perimeter sidewalks at curb level as part of their day-after clean up as they have the proper equipment for that purpose. He noted that a \$22,000.00 machine was

not designed to do the job that is currently being asked for, adding that triple the money might get an adequate machine.

S. Fitzgerald noted that he's had such conversations with the Facilities Maintenance Supervisor and they are discussing options.

S. Cafiso suggested that the current New Holland machine was well suited for clearing the sidewalks. Other machines such as the CAT loader are too large to access the sidewalk.

D. Heffernan asked how old the current snow blower is and what the cost was.

S. Fitzgerald noted that it is seven (7) years old and does not have a lot of hours on it. He noted that he appreciated that input and would bring the discussion back to the department. He added that there may be after-market equipment available that would provide a solution.

S. Cafiso offered that he didn't think that after-market equipment was the solution, but more that it was being handled by the wrong department. He noted that you can purchase a \$100,000.00 piece of equipment that will do the job, but the department personnel may not be qualified to use it. He reiterated that it should be the Highway Department's responsibility to remove the heavy snow like the driveway and the sidewalks and the Building Maintenance Department would be responsible for the smaller areas like the sidewalks in the park.

S. Fitzgerald noted that he would take the suggestions under advisement. He added that the Highway Department was evolving into more of a Public Works Department.

B. Hamilton noted that the Building Maintenance Supervisor was an elderly gentleman and questioned if the town really wanted him out there doing this work.

S. Fitzgerald offered that when personnel are hired it is made sure that they understand and can handle the responsibilities of their position. He added that it is the Town's responsibility to give them the right tools.

S. Fitzgerald asked that any other suggestions be forwarded along.

S. Fitzgerald noted for the record that Paul Lucia is not elderly.

L. Lambert offered that she appreciated S. Cafiso bringing his expertise to the discussion as she would not have known how to evaluate these issues.

S. Fitzgerald added that he was considering many options, including collaboration with the Pollard School on a shared piece of equipment.

There was discussion regarding the comprehensive nature of the Plaistow CIP, which forms the basis for the Warrant Articles that the Board of Selectmen will be discussing. It was noted that other towns in New Hampshire have different approaches to the CIP process.

## **REVENUES**

S. Fitzgerald noted that DRA (Department of Revenue Administration) MS434 form that combines details the revenues extracted from the monthly BMSI revenue reports. He explained where the individual lines are combined and accounted for on the MS434 form. It was noted that these revenues are used in part of the calculation of taxes. Estimated revenues are conservatively estimated to prevent shortfalls in operating expenses. It was noted that we have already collected over our estimated annual revenues.

There was discussion regarding each revenue category and the year-to-date amounts collected. Estimated anticipated revenues for the remainder of the year were noted as well. It was offered that revenues are economy-driven and that the current favorable economy was the most likely reason why they are ahead of revenue estimates. Questions were asked and addressed as part of the discussion.

D. Heffernan noted that the revenue line in 2009 the line was only \$300?

S. Fitzgerald offered that some cells were not posting properly. He added that the amounts for current year-to-date figures were correct.

S. Cafiso questioned if the line for “parking violations” was all moving violation tickets or just parking tickets. It was noted that it was only parking violations fines; all other moving violation ticket fines are paid to the State.

D. Heffernan asked where grant monies, such as the Safe Routes to Schools project, are noted.

S. Fitzgerald explained that they are not accounted for in department revenues. He noted that Safe Routes to Schools project is reimbursement program. He offered to provide the Committee with information on grants (PARKING LOT ITEM). He noted that the MS434 is not the general accounting information, but it was related to the general operating information for the Town.

S. Fitzgerald noted some State funding, such as the Rooms and Meals tax, which are received by the Town on the last day of the year. He noted that sometimes the State will cut that the amount of funding right before disbursement so it was difficult to count on a certain amount of funds. The State provides proportioned amounts to communities based on monies collected state-wide.

S. Fitzgerald explained the importance of not spending the entire budget as soon as it is approved by the voters to insure that the revenues are going to meet estimates and cover the operating expenses of the Town for the entire year.

There was discussion of the rental of the District Court House rental and the revenues that are generated. It was noted that the Court was once scheduled to be closed, but negotiations were completed to keep it in Plaistow. Other communities were solicited to help keep the Courthouse open, noting that if officers have to go to a court in another town, not only is it increased costs to the communities, but officers are not available to provide mutual aid. The loss of the Courthouse

would mean a \$40,000.00 savings to the State but would cost the participating towns approximately \$250,000.00 in additional costs.

S. Fitzgerald noted that vagueness of the MS434 form. He explained that this is the form that DRA uses and revenue lines are compartmentalized to fit with the format that is used.

There was discussion regarding the \$35,000.00 dispatch contract with the Town of Atkinson. It was noted to have been recently signed thanks to the efforts of Police Chief Kathleen Jones.

B. Hamilton asked if the Town has ever applied for a Hazardous Waste grant to offset costs.

S. Fitzgerald replied that the State supports a hazardous waste grant, but likes to do so regionally. So the towns that participate with Plaistow seek that grant in a rotation fashion to offset the costs. He added that this is one of the many things that are done regionally to maintain lower costs.

S. Fitzgerald noted that there are departments, such as Recreation, where the bottom lines of their budget requests are reviewed without consideration of the revenues that they take in to offset funding of their departments.

L. Lambert asked what the Wal-Mart Police Officer agreement was.

S. Fitzgerald explained that an agreement was negotiated with Wal-Mart to provide funds for one full-time police officer with roll-up costs. He noted that efforts are being made to increase the amount of that contribution from \$61,479.00 to \$75,000.00.

L. Lambert asked if that Wal-Mart or plaza gets more police attention to that store because of the agreement.

S. Fitzgerald noted that they just get more attention as they are one of the busiest stores on the east coast, not because of the officer-funding agreement.

There was discussion regarding previous efforts of Wal-Mart to open a superstore in Plaistow, which did not go forward. It was noted that there is valuable property along Route 125 which may see development in the not-too-distant future.

L. Lambert asked if Wal-Mart was getting additional police circulation.

J. Sherman noted that they do not get any special attention based on payment of the fee; they get more attention because of the size of the store.

It was noted that the Town receives over \$100,000.00 for fire suppression line fees for commercial properties. Capital Reserve Accounts, Impact Fee Accounts and Fund Balance were noted in the MS434 form.

S. Fitzgerald noted that the conservative estimated revenue for 2016 is \$3,461,433.00, but the actual revenues may be as much as \$3.5M. He noted that the Town's tax rate has been set and is

down close to 7% which should reflect a small tax saving for residential properties. He noted that revenues needed to be understood as budgets are set as the rest of the operating monies are generated through property taxes.

S. Cafiso offered that he assumed all monies were held in interest-bearing accounts. It was confirmed that they are.

S. Fitzgerald noted that interest rates are still very low.

J. Sherman noted that the Town does rely on the State for some income, noting that he wasn't going to get political, but the recent elections may have an impact of how much money comes from the State in the form of the Room and Meals Tax, Highway Grants and other revenues may be affected.

There was discussion on how the State calculates how much funding is provided to the local towns.

### **BUDGET REVIEW AND WARRANT ARTICLES**

D. Heffernan noted that there were no Warrant Articles to be reviewed yet, but it was anticipated there would be some for the next meeting. He noted that Warrant Articles are generated by the Board of Selectmen. They are reviewed for wording suggestions by the Budget Committee. The Budget Committee also votes (recommendation) on any money-related Warrant Articles.

J. Sherman offered that the Warrant Articles have been drafted. It was noted the Board has not reviewed them for format, but has reviewed them for content, intent statements, etc. He noted that the earliest the Board of Selectmen will be reviewing them would be November 28.

J. Sherman reiterated that the Board of Selectmen are responsible for the wording of the Warrant Articles but gladly accept input from the Budget Committee. He offered that they try to make the language clear and understandable for the average voter; noting that some of the language is prescribed by the State. J. Sherman also noted that many of the Warrant Articles will resemble what was in the CIP presentation earlier in the evening.

L. Lambert asked who drafts the Warrant Articles.

S. Fitzgerald noted that he has drafted many of them, adding that the CIP drafts the initial round; some of the language appears in the CIP packet that was distributed. He noted that the Board of Selectmen then decides what will move forward, adding the Budget Committee will see all financial-related Warrant Articles.

J. Sherman pointed out an example of suggested Warrant Article language in the CIP information distributed earlier.

L. Lambert questioned about the years 2017-2022 noted in certain CIP recommendations. She questioned if that recommendation had to be presented to the voters each year or could it just be put out for vote for the span of years.

J. Sherman responded it had to be represented each year as one Town Meeting could not bind a future Town Meeting. It must be authorized each year. He noted there is a recent exception in the RSAs for multiple years for a bigger project, but the recommendation is that the voters should be able to decide each year.

F. Hart asked about the bottom line of the Warrant Articles and if that was the 10% rule, where they cannot exceed 10% of the budget.

S. Fitzgerald offered that he didn't think that was including the Warrant Articles.

J. Sherman explained that the 10% rule was the voters at Deliberative Session could not vote to increase what is approved by the Budget Committee by more than 10%. It wasn't clear if that included Warrant Articles as they have not ever come across the situation.

There was discussion regarding what percentage of the budget that are Warrant Articles. It was reiterated that the Board of Selectmen would determine which Warrant Articles to bring forward and the Budget Committee would decide whether or not to recommend them to the voters.

There was discussion about economic projections after the recent elections. The importance of flexibility was noted. It was also noted that infrastructure improvement is reported to be in the forefront which may bode well for Plaistow.

B. Hamilton asked that the current balances of Capital Reserve Account Warrant Articles be included in the Warrant Article presentations to the BudCom.

S. Fitzgerald noted that it was included in the PowerPoint presentation, and the figures are updated at the end of the year.

J. Sherman added that information was in the Town Report and will be updated for the Deliberative Session.

S. Fitzgerald offered that there are elected Trustees of The Trust Fund who are charged with insuring that the funds are spend for the intent expressed in the Warrant Articles.

D. Heffernan explained the procedure moving forward for continued budget review. He noted that each department's budget would be voted on individually and then a vote will be taken on the overall bottom line of the total budget.

F. Hart asked if there was a change up or down in any of the individual department budgets would the Committee have to justify the rationale for that adjustment. It was confirmed that would be done.



S. Fitzgerald noted that the Board of Selectmen has asked him to go back and reduce the budget, currently at a 4% increase, down to a 3% increase, not including the debt service. He noted that he has asked Departments to purchase additional supplies out of this year's budget to decrease costs for next year. He offered that there is a healthy fund balance and future economic trends that bode well despite the increase in debt service.

D. Heffernan asked if there were any particular departments that the Committee would like ask to come back to please let him know and he would coordinate with S. Fitzgerald.

There was discussion regarding ways to handle questions, simple things may be able to be handled via email or through S. Fitzgerald. More significant questions, or the need to address multiple questions of the same department, may be handled by asking that Department Head to come back in and assist the Committee. It was noted that many of the increases are related to contractual costs and beyond the control of the budget.

B. Hamilton noted that he was under the impression that the Committee would be reviewing the individual lines of each department three (3) times and as a Committee would be able to discuss areas where it was felt increases or decreases needed to be made.

J. Sherman offered that it was not law or RSA, but past practice that the budgets are reviewed three (3) times. He noted those three (3) times to be 1) initial presentation 2) any budgets where additional information was requested or if there were other questions 3) at the time of voting for approval in early January.

S. Fitzgerald added that the Board of Selectmen would likely see budget reductions at their next meeting. He noted those recommendation would then also be reviewed by the Budget Committee. He offered that there is every effort made to come to consensus between the Board of Selectmen and the Budget Committee.

F. Hart asked about the budget numbers noted as "approved" by the Board of Selectmen.

J. Sherman noted that they were voted as approved but the Board would be revisiting them.

S. Cafiso present information about salt usage on Plaistow roadways. He noted that Plaistow uses 33.5 ton/mile/year and the next highest user (Kingston) uses 23.6 ton/mile/year, which at +/- \$60/ton translates to an additional \$30,000.00 in salt per year. He questioned if better practices could be found to reduce that number.

S. Fitzgerald noted he would discuss the matter with Dan Garlington. He noted that D. Garlington's priority is public safety on the roadways. It was also noted that there may be concerns for salt usage affecting water quality. He added that there are always compliments about the conditions of the roads after a storm.

S. Cafiso offered that the amount of salt being used may be contributing to the need for replacing trucks every seven years.

J. Sherman questioned if the communities that were asked for information all used salt or if there was sand being used as well.

S. Cafiso replied that the numbers were for salt only; there are some communities that use sand. He noted that most towns use more sand than salt and the sand is approximately \$15/ton.

D. Heffernan questioned how the State roads factor in to the analysis.

S. Cafiso offered that the roads that the town maintains are much blacker than the roads maintained by the State.

It was noted that this would be an interesting discussion for further investigation and analysis, including through roads versus neighborhood roads. Current practices were discussed. It was noted that the RSMS (Road System Maintenance Service) was late coming this year. S. Fitzgerald will speak with D. Garlington for further explanation and efforts to conserve.  
(PARKING LOT ITEM)

S. Fitzgerald offered that the town contracts with private plow service providers to assist in snow removal. He noted our new insurance carrier requires the snow plow contractors to carry \$1M coverage, which some of the current contractors will not be able to afford.

#### New Meeting Dates:

The next meeting will be November 29, 2016. Additional dates are all Tuesdays in December and the first two (2) Tuesdays in January. It was noted that Deliberative Session is set by Board of Selectmen and Town Meeting (voting) is set by the State. It was noted that the date for the Budget Committee Public Hearing will be January 17, 2017, at 7:00 p.m. The Budget Committee will meet at 6:30 p.m. on that same day to discuss any last minute issues or Citizen's Petitions that may need to be addressed.

### **COMMITTEE REPORTS**

#### Public Safety Building Committee (PSBC)

D. Heffernan noted the PSBC had met the week before and there is much activity happening on the site. There was an approval to add a fire suppression system.

S. Fitzgerald noted that the Stanwood Road Extension will be "punched in" in the near future. It was also noted that the fund for the fire suppression system was taken from the monies collected on the existing fire suppression. S. Fitzgerald noted that construction was going on well.

S. Cafiso asked if there was money in the budget to put a roof on the building at the back of the property that houses the antique fire truck.

D. Heffernan noted that there was not. He added that area would be used as a staging area for the project.

S. Fitzgerald added that the Fire Association built the building and they take pride in the building and may be the ones to provide maintenance. There are still questions as to what will be happening with the building.

L. Lambert asked if there was an unassigned fund where money could be taken from.

S. Fitzgerald noted that Unassigned Fund Balance can be used for emergencies, but this would not qualify.

J. Sherman noted that it would be included in the Building Maintenance budget.

### **NEW BUSINESS**

D. Heffernan asked if any Committee members were going to be having discussions with individual Department Heads that they make him aware of it.

### **OLD BUSINESS**

#### **Parking Lot**

##### **Pending Items Resolved:**

- Item #17 - Highway Block Grant information
- Item #22 - Fire Call Log
- Item #23 - Information on Cell Phones and Usage
- Item #24 - Employee Roster by Department

J. Sherman asked that the year 1995 be added to the Fire Call log so that there are consistent five (5) year blocks for reference.

There was discussion about what the statistics provided by the Fire Call log and it was noted that fire-related calls are minimal compared to other calls. It was noted that the addition of the median strip on Route 125 has contributed to the decline in accidents on that road.

There was discussion regarding the cell phones, it was noted that the differences in rates are attributed to additional features and data plans for specific users as their position requires. S. Fitzgerald noted recent discussions with cell phone vendors to see if changes are warranted.

S. Cafiso questioned the Summer Recreation Director shown on the employee roster. It was noted to be 2.5 fulltime personnel equivalents. It was explained that the number was based on the hours that were allotted for that position(s).

##### **New Items Added:**

- Grant Information
- Information/Explanation from D. Garlington regarding roadway salting procedures

J. Sherman noted a number of things he was asked about that were not on the Parking Lot list. Note: These items have been added to the Parking Lot list, noted as resolved, for tracking purposes.

### Town Report

J. Sherman offered comparison page numbers between the Plaistow Town Report and the town reports for Hudson and Hampton. These are towns of similar size (population) and who also produce a quality town report. It was noted that these towns, as well as Plaistow, have been recognized in previous years by NHMA (New Hampshire Municipal Association) for the quality of the report. Plaistow has lower in page count number than either community.

S. Cafiso asked if every town did a town report.

J. Sherman responded that it was a requirement under the RSAs, which also included a list of 15-20 items required to be included in a Town Report.

### Terminology – General Fund vs. Unassigned Fund Balance, et al

J. Sherman shared emails between himself and B. Hamilton discussing providing consistency in the usage of terminology used to describe the General Fund to eliminate confusion. He noted that there is a difference between the General Fund and the Unassigned Fund Balance.

J. Sherman noted that some of the terms B. Hamilton expressed concerns about did not appear in the Town Report. He noted that the term “Unexpended Fund” was only used as part of the Warrant Article for the Cable Department and inconsistency were acknowledged in that Intent Statement. He added that the term “General Fund” is not used in the Town Report, but is used as part of the MS434 form.

J. Sherman noted that there was discussion about having a presentation on Fund Balance Policy that has been agreed to and perhaps that would be the best time to have a discussion on the different funds. He reiterated that Unassigned Fund was different than General Fund. He added that there are six (6) different funds if the General Fund is included.

Those funds are called:

- Non-Spendable Fund
- Restricted Fund
- Committed Fund
- Assigned Fund
- Unassigned Fund
- General Fund

S. Fitzgerald noted that there were different terms used by different agencies and the hope was that there could be some standardization.

### Unassigned Fund Balance

J. Sherman noted that he worked with Jim Peck to gather information from the DRA regarding the Unassigned Fund Balance for every town in the State. Ranges are from 50.99% to 0%, Plaistow falls slightly above average based upon percentage (9.64%) of unassigned funds balance compared to general operating fund. There were 110 towns with a higher percentage and 120 towns that have a lower percentage, with about 20 towns over 20%.

There was no additional business before the Committee and the meeting was adjourned at 9:23 p.m.

Respectfully Submitted:

Dee Voss  
Recording Secretary