



Town of Plaistow ♦ Budget Committee

145 Main Street ♦ Plaistow ♦ NH ♦ 03865

BUDGET COMMITTEE MEETING

November 07, 2017

Call to Order: 6:33 p.m.

ROLL CALL

Present: Francine Hart, *Chair*
Bob Hamilton, *Vice Chair*
Sam Cafiso
Laurie Milette
Tricia Holt, *Leave of absence*
Dennis Heffernan
Lisa Lambert
Dean Nifakos
Jay DeRoche
John Sherman, *Selectmen Ex-Officio*

Also Present: Mark Pearson, *Town Manager* and Greg Colby, *Finance Director/Assistant Town Manager*

The Pledge of Allegiance was led by L. Milette.

REVIEW/APPROVAL OF MINUTES

★D. Heffernan moved, second by L. Lambert, to approve the minutes of the October 17, 2017 meeting. There was no discussion on the amended motion. The vote was 9-0-0 U/A.

Budget Review

G. Colby noted that the budgets that had been provided to the Budget Committee (BudCom) included the Town Manager's recommendations. Mr. Colby reminded that the Town Manager was directed by the Board of Selectmen (BOS) to make adjustments to the budget so that the bottom line will be no more than a 3% increase.

It was noted that this is the first review of these specific budgets by the BudCom.

Insurance – Greg Colby, Finance Director/Assistant Town Manager

G. Colby presented the Insurance 2018 budget request noting the following:

Decreased Budget Lines:

- Deductible Prop-Liability (-\$1,000)	\$ 2,000.00
--	-------------

Increased Budget Lines:

- Property & Liability Insurance (+\$528) \$122,798.00

G. Colby noted that the bottom line insurance 2018 budget request was \$124,798.00.

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

There was discussion about the previous spike in the Liability Insurance due to some claims. It was questioned if the premiums were predicted to decrease with less claims. It was noted that the Town recently qualified for the cap program, which means that increases will be capped at 8% over the next three (3) years.

★D. Heffernan moved, second by D. Nifakos, to take the 2018 Insurance Budget under consideration in the amount of \$124,798.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

Zoning – Greg Colby, Finance Director/Assistant Town Manager

G. Colby presented the Zoning Department 2018 budget request noting the following:

Level Funded Budget Lines:

- Part-Time Position	\$ 1,800.00
- Notices & Publications	\$ 1,500.00
- Supplies	\$ 50.00
- Postage	\$ 1,000.00
- Books & Periodicals	\$ 25.00

J. Sherman noted that the BOS has not yet taken any action regarding the Town Manager's proposed adjustments. He recommended that the BudCom take the amount requested by the Department as the amount to be consistent with the BOS and previous review procedures.

D. Nifakos asked if once action is taken by the BOS on the Town Manager's suggested budget would there be someone available to the BudCom to explain the changes.

J. Sherman noted that nearly all the budgets will be reviewed and potentially adjusted to hopefully meet a 3% cap in increases.

D. Heffernan offered that it wasn't much different than in years past when the Town Manager would come back to the BudCom with suggested changes.

There was discussion regarding the process. It was noted that the BOS would try to get through as many of the revised budgets as possible at their next meeting, but it wasn't guaranteed that they would make it through all the budgets.

G. Colby noted that the bottom line Zoning Department's 2018 budget request was \$4,375.00.

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

G. Colby noted that the Town Manager's proposed budget does include a \$250 reduction in the Notice and Publications line. The reduction is based on a three-year historical usage average.

★J. DeRoche moved, second by S. Cafiso, to take the 2018 Zoning Department Budget under consideration in the amount of \$4,375.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

Solid Waste Disposal – Greg Colby, Finance Director/Assistant Town Manager

G. Colby presented the Solid Waste Disposal 2018 budget request noting the following:

Level Funded Budget Lines:

- Engineering	\$ 29,000.00
---------------	--------------

Decreased Budget Lines:

- Groundskeeping (-\$5,000)	\$ 5,000.00
-----------------------------	-------------

Increased Budget Lines:

- Overtime (+\$2,000)	\$ 13,000.00
-----------------------	--------------

G. Colby noted that the bottom line Solid Waste Disposal 2018 budget request was \$47,000.00.

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

G. Colby noted there had been discussion with Dan Garlington, Highway Supervisor, regarding the overtime needed at the landfill. It was explained that there are two (2) certified employees. There are always two (2) people present when the landfill is open and at least one (1) of them needs to be certified. This is necessary to monitor what is being brought onto the site.

It was noted that the Engineering included NHDES (New Hampshire Department of Environmental Services) mandated monitoring of the landfill cap. It was noted that there are puddling issues with the cap that need continued monitoring and possible mitigation. It was noted that the money had been requested in previous year's budget, but not used. While cap maintenance is much of the budget, there are monitoring wells and methane mitigation also included.

★D. Heffernan moved, second by D. Nifakos, to take the 2018 Solid Waste Disposal Budget under consideration in the amount of \$47,000.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

Human Resources/Personnel – Greg Colby, Finance Director/Assistant Town Manager

G. Colby presented the Human Resources/Personnel Department 2018 budget request noting the following:

Level Funded Budget Lines:

-	Performance Management	\$ 30,000.00
-	Employee Tuition Reimbursement	\$ 5,000.00
-	125 Caf. Plan Pre-Tax	\$ 600.00
-	Medical Services	\$ 1,000.00
-	Pre-Employment Screening	\$ 1,500.00

Decreased Budget Lines:

-	Unemployment (-\$1,467)	\$ 4,404.00
-	Workers Compensation (-\$3)	\$ 60,853.00
-	Notices & Publications (-\$999)	\$ 1.00

Increased Budget Lines:

-	Salary (+\$5,806)	\$ 5,806.00
-	Overtime (+\$4,000)	\$ 4,000.00
-	Training (+\$10,000)	\$ 10,000.00
-	Dues (+\$200)	\$ 200.00
-	Mileage/Expenses (+\$1,600)	\$ 1,600.00
-	Health Insurance (+\$38,175)	\$1,025,788.00
-	FICA (+\$3,538)	\$ 127,962.00
-	Medicare (+\$2,226)	\$ 53,117.00
-	New Hampshire Retirement (+\$42,877)	\$ 643,592.00
-	Town Manager Search (+\$1)	\$ 1.00
-	Employee Relations (+250)	\$ 750.00
-	Sick Leave Buy Back (+\$3,700)	\$ 30,000.00

G. Colby noted that the bottom line Human Resources/Personnel Department's 2018 budget request was \$2,006,174.

It was noted that this was the same amount approved by the Board of Selectmen.

Discussion:

C. Colby noted that this is the third budget where Lori Sadewicz's prorated salary is broken out. He explained that the Town Hall employee health insurance renews January 01, while the Police Department renews July 1. The estimates are based on census and those renewal dates. He noted a 21% increase.

L. Lambert asked who was receiving the Hepatitis B shots.

G. Colby replied that he wasn't sure.

F. Hart suggested it might be part of a health package offered to first responders.

D. Heffernan noted that the current Police CBA (Collective Bargaining Agreement) expires in April and questioned the different date for the health insurance.

M. Pearson confirmed that the CBA expires April 1, but the health insurance renewal date is July 1. He added that no changes were anticipated to health insurance with a new Police CBA.

There was discussion regarding the sick leave buyback program in the Personnel Plan. It was noted that there is a cap to the amount of sick leave that an employee can accrue. The Police Department work on an ETO (Earned Time Off) system, which has a different payback program.

M. Pearson noted that he has considered an ETO program for all employees. He noted that he has not done a deep financial analysis because the current program is not out of control. He added that there is a liability to the Town, particularly considering the number of long-term employees who could request a full buyout.

F. Hart questioned the overtime line for the Human Resources Department. She asked if L. Sadewicz was foregoing the part-time person previously requested and going with an overtime line.

G. Colby offered that he couldn't speak for Ms. Sadewicz, but it was his impression that she would prefer the part-time help.

M. Pearson added that Ms. Sadewicz frequently comes in early and leaves late without adding the hours to her time sheet, so she essentially does so unpaid.

F. Hart questioned if the Performance Management line was for all personnel or just union merit.

G. Colby noted that it was for merit and had been used in the past for bonuses at Christmas for all employees. It was noted that merit bonuses were not included in New Hampshire Retirement contributions calculations, but overtime pay is.

There was discussion of the tuition reimbursement program. It was noted that few employees were taking advantage of the benefit. M. Pearson noted that he encourages all employees to take advantage of as much free training as is available.

There was discussion about the health insurance opt-out stipend. M. Pearson noted that the BOS have approved a \$3,200 stipend for employees who opt out of the town's health insurance coverage. He added that they are one person opting out away from financial savings for the Town. He also noted that open season for health insurance hasn't not begun yet. Once it starts

he will better know who might be opting out. It was noted that the stipend would be annual and possibly increase the stipend as more employees opt out and bigger savings are realized.

F. Hart questioned if consideration had been given to going to a two-tier health insurance plan (single and family plan) instead of the current three-tier (single, two-person and family).

M. Pearson explained the way the current CBA is written switching to a two-tier plan might interfere with their “comparable” insurance clause.

L. Lambert asked if the Performance Management line was a year-end disbursement.

G. Colby noted that pay outs from the line can happen at any time during the year. He noted that the Police and Fire Chiefs were given merit awards early in the year for their work on the Safety Complex improvements. It was noted that Dean Zanello also previously received a \$2,000 stipend from this line, separate from his \$2,000 salary increase.

D. Heffernan asked how many employees are not part of the CBA. It was noted that there are approximately fifteen (15).

F. Hart questioned if there was anticipated turn over where pre-employment screening would be needed.

M. Pearson offered that he has been trying to predict potential turn over. He noted that there are approximately seven (7) employees with thirty (30) plus years of service. It was noted that it costs approximately \$500 for the physical, drug screening, fingerprinting and background check for each new hire.

★D. Nifakos moved, second by J. DeRoche, to take the 2018 Human Resources/Personnel Department Budget under consideration in the amount of \$2,006,174.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

COMMITTEE REPORTS

Town Report Committee

It was noted that the Town Report Committee will be meeting on December 11.

Public Safety Complex Building Committee

D. Heffernan noted that there is a meeting scheduled for Thursday, November 9 at the Library.

Capital Improvements Plan (CIP)

F. Hart noted that Tim Moore, Planning Board and CIP Chair, has helped her with a draft CIP program for the Energy Committee.

It was noted that the Planning Board still needs to adopt the final CIP document.

OLD BUSINESS

B. Hamilton presented his analysis of commercial property tax bills before and after a Statistical Analysis was done by the Assessing Department.

J. Sherman asked if Mr. Hamilton was presenting the information personally or as the BudCom Vice Chair.

It was noted that the information was provided at the request of some members during previous conversations where Mr. Hamilton had mentioned his research.

F. Hart stated that it was being offered by B. Hamilton as Vice Chair.

J. Sherman suggested that it was not an official document as it was opinion.

F. Hart replied that the attached tax bills were factual.

J. Sherman reiterated that it was not entirely factual as there was opinion within the document.

B. Hamilton noted that this was the same information that he had shared with the BOS. He reviewed each attached property tax bill and noted the decline in tax bills after a Statistical Analysis was done. Mr. Hamilton's analysis was that when a Statistical Analysis was done, which is based on only Plaistow property sales, the commercial tax bills decreased and residential tax bills increased therefore shifting more of the tax burden to residential property owners. This is different than when a Values Anew assessment is done every five (5) years where regional property sales are factored in to the assessment calculations, which brings commercial tax bills up. He added that there are always more residential property sales than commercial sales. He also noted that there were three (3) commercial sales in 2015 (Singer Subaru, Sawyers Banquet Hall and Skip's Garage) that were not allowed to be considered in the calculations by DRA (Department of Revenue Administration). B. Hamilton noted that it was unclear why DRA would not allow these commercial sales to be considered.

L. Lambert questioned why a revenues loss in the commercial district meant an increase in residential.

G. Colby explained because the Town needs to raise a set amount of tax revenues based on the budget.

D. Nifakos offered that since there are no commercial sales there needed to be an effective means to measure values.

B. Hamilton noted that when the Town did a Values Anew assessment there was an increase in commercial property tax bills, reiterating that the assessments are more regionally based. He

added that was why he is so opposed to a Statistical Analysis being done. It was also noted a Statistical Analysis is done at the discretion of the BOS.

G. Colby offered that a recent commercial property sold for less than the assessment. He added that if a Statistical Analysis is not done it is also difficult to capture decreases in residential property values which can shift assessments in the direction of commercial properties. He also noted that if values are not properly updated then commercial property owners will challenge that they are paying too much.

D. Nifakos offered that the same argument can be made by residential property owners.

M. Pearson passed out a spread sheet that explained the break down on the tax rate. It was noted that the Town's portion had either stayed level or decreased.

F. Hart offered that the tax rate may have been lower, but property values were assessed higher.

B. Hamilton added that there was a difference between property values and tax bills.

Building Funds

J. Sherman noted that Jill Senter, Trustee of the Trust Funds, informed him that only one of the Capital Reserve Fund (CRF) accounts thought to be related to Town Hall could be used to replace/repair the Town Hall doors. He noted that there is approximately \$20,000 in the account, which is not enough to fund the project. He also noted that there are plans to clean up the accounts that no longer serve a purpose and propose Warrant Articles to either re-purpose or close the accounts.

BOS Donation Policy

J. Sherman offered that the BOS has been reviewing the total operating budget which has put reviewing a donation policy further down the priority list.

Parking Lot

Old Parking Lot Items:

New Parking Lot Items:

NEW BUSINESS

There was discussion about when the Warrant Articles will be available for BudCom review.

J. Sherman explained the Warrant Article process, noting the Planning Coordinator, or designee, develops the Warrant Article language based on information in the CIP.

M. Pearson added that not all Warrant Articles are derived from the CIP. He added that there would be other Warrant Articles, such as for the potable water project, that would be on the ballot.

There was discussion about crafting the Warrant Article and the importance of the wording, especially for things such as new CRFs. It was anticipated that the BudCom would see at least some Warrant Articles by the November 28 meeting. It was suggested that they be displayed on projector and the language changed as needed in real time.

There was discussion about whether the Committee would rather stay later and push through any review or if they would prefer to schedule an additional meeting. The consensus was to play it by ear, noting there was plenty of time for adequate review.

There was discussion about taping a cable program to discuss the Warrant Articles. It was noted that is usually done, with the Town Manager, J. Sherman and the BudCom Chair after Deliberative Session.

D. Heffernan asked if the tax rate had been set.

G. Colby noted that final approval had been received and the tax bills were with the printer and anticipated to be mailed out by the 15th.

F. Hart asked if it was possible for the Town to take out a line of credit against the Unassigned Fund Balance (UFB)

G. Colby said that it was not. He added that the UFB was not a cash account and there are lots of components that go into its value.

S. Cafiso noted that it was difficult for him to determine how the budget represents the full cost to operate each individual department. He added with the personnel costs in one budget, and the utility costs in another one, it was difficult for him to assess whether the Town is getting their money's worth.

It was noted that customer service is the product of the Town government and it's difficult to quantify that value. It is also difficult to allocate building operating costs to individual departments. Trying to allocate personnel costs directly to the departments could be perceived as a HIPAA (Health Insurance Portability and Accountability Act) violation. It was reminded that the Town is a not-for-profit business, providing services at a level that people are willing to pay for.

There was no additional business before the Committee and the meeting was adjourned at 8:19 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary