



Town of Plaistow ♦ Budget Committee

145 Main Street ♦ Plaistow ♦ NH ♦ 03865

BUDGET COMMITTEE MEETING

November 28, 2017

Call to Order: 6:35 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 as well as a number of Department Heads.*

The Pledge of Allegiance was led by D. Nifakos.

REVIEW/APPROVAL OF MINUTES

★D. Heffernan moved, second by S. Cafiso to approve the minutes of the October 24, 2017 meeting. There was no discussion on the motion. The vote was 8-0-1 (Lambert abstaining).

★D. Heffernan moved, second by L. Lambert to approve the minutes of the November 07, 2017 meeting.

B. Hamilton noted that he had requested changes from the original draft viewed by the Budget Committee (BudCom) regarding his comments on commercial tax bills. The changes were to change the word “values” to “tax bills” which is how it appears in the draft seen at this meeting.

S. Cafiso noted that his response to a comment from J. Sherman was not recorded in the minutes, but he wanted it noted. The comment was that the Town is not a for profit business. Mr. Cafiso’s response was that the profit is in savings to the tax payers.

There was no additional discussion on the motion. The vote was 9-0-0 U/A.

The minutes from November 14, 2017 were tabled for additional proofreading.

Jill Senter, Trustee of the Trust Funds – CRF (Capital Reserve Fund) Accounts

J. Senter noted a list of all the CRF accounts and the most recent balance. She noted that some balances were as of November 20, 2017 and some were as of October 31, 2017. Ms. Senter also noted that all balances included any amounts approved at March 2107 Town Meeting.

There was discussion about some of the smaller balances, such as a Rec. Commission balance of \$4.30. It was explained that some of the smaller balances were for accounts where the purpose for the CRF was no longer valid. It was also noted that there are proposals for Warrant Articles for the upcoming Town Meeting vote to either dissolve or change the purpose of some of the CRF accounts. It was questioned if the funds in one CRF that is being closed could be transferred to another CRF account. It was explained that if the CRF is proposed to be dissolved it requires only a simple majority vote at Town Meeting and the balance would be returned to the General Fund. If the purpose of the CRF is proposed to be changed then the Warrant Article would have to pass by a 2/3 majority at Town Meeting. Funds cannot be transferred between accounts.

There was discussion about the interest numbers and how disbursement of fund has changed from spending the interest first to now spending the principal first since the Trustees have been working with an investment company. It was noted that year-end numbers should be available in mid-January depending on the investment company's holiday schedule. It was offered that the year-end information should be available before the Public Hearing on the Budget.

BUDGET REVIEW

F. Hart explained the differences in the proposed 2018 budget from past budgets. She noted that in 2017 there were Warrant Articles for a Highway Block Grant (HBG) and a Collective Bargaining Agreement (CBA) that have been added into the line items of the proposed 2018 budget. She added that simple comparisons of one year's budget to another's request isn't possible because of how approved Warrant Articles and other things approved in one year can affect a future budget. It was advised that the total budget including all Warrant Articles, etc. must be considered. When all is factored in this year's budget, if approved as is, represents an overall increase of 2.2%.

D. Heffernan noted that there could still be ebb and flow in the budget because changes can still be made at the Public Hearing as well as at Deliberative Session. He also noted that many changes in the budget can be related to the changes to the Public Safety Complex.

F. Hart stated that all votes on budgets will be tabled until the members have all had time to review all the changes that have occurred over the last four (4) weeks.

There was discussion about the voting procedure. D. Heffernan offered that he would prefer to vote when the discussion is still fresh in his mind. F. Hart reiterated that she would prefer that the committee take a step back and vote at a later date.

G. Colby explained the sheet included in the member folders that outlined the Board of Selectmen's (BOS) action on the changes made by the BudCom at their last meeting.

Finance – BOS approved reduction of \$280 as approved by BudCom.

Assessing – BOS did not approve the changes proposed by the BudCom. Those changes were to restore the \$9,000 funding for a part-time position and cut the assessor's contract line by \$10,000 that was earmarked for a statistical update of property values.

D. Heffernan asked if there was an explanation for why the BOS did not approve the BudCom change.

Lori Sadewicz, Assessing Clerk, Human Resources and Human Services Director, was present and offered to answer questions for the BudCom.

F. Hart recalled that the request was for additional help in the Assessing Department that would diminish the need for overtime in all three (3) departments that L. Sadewicz covers.

L. Sadewicz offered that she presented a budget that she felt was fair and the BudCom decreased it at their discretion and she will adapt accordingly. She added that the request for assistance was not only for extra help, but to provide redundancy and start to develop a succession plan.

D. Heffernan noted that they did increase the budget by \$9,000 for the position, but then decreased the assessor's contract by \$10,000 which ended up being a net loss of \$1,000 to the department.

J. Sherman offered that the \$9,000 reduction to the budget was at the Town Manager's recommendation, which the BOS reluctantly approved.

F. Hart reiterated that the BudCom restored the \$9,000 for assistance in the Assessing Office.

There was confusion with the terminology used in the action list between the BudCom and BOS. G. Colby explained the actions taken by each board.

F. Hart asked if there was the extra person would that allow L. Sadewicz to back off hours she devotes to the Assessing Office and allow the time to be used for Human Resources. She added that she wanted to make sure that L. Sadewicz had the tools to do her job.

D. Heffernan asked if the overtime line was just to be used for assessing, or only human resources.

L. Sadewicz replied that where the overtime is used depends on the day, the time of year and the services needed. She stated that the person (herself) needed to be taken out of the discussion and the needs of the department considered.

It was noted that the BOS did not approve the BudCom's reduction to the overtime line, which was intended to be offset by the restoration of the \$9,000 for additional assistance, but did approve a \$1,500 increase to the overtime line.

Solid Waste Disposal - It was noted that the BudCom had reduced the overtime line by \$3,000 and the BOS did not approve the same change.

F. Hart noted that the BudCom change was based on cutting back on hours at the landfill. It was noted that two (2) people were required for coverage at the landfill, but it was unclear if both had to be certified.

Dan Garlington, Highway Supervisor, was present to answer questions from the Committee.

D. Garlington offered that there had been recent changes in the rule for the coverage at landfills and he thought that one of the changes was that both attendants at the landfill had to be certified.

S. Cafiso asked if all the Highway Department personnel were certified.

D. Garlington replied that two (2) of the fulltime employees were not certified.

B. Hamilton noted that the reduction of the landfill overtime was proposed to eliminate Wednesdays in the schedule and result in a \$3,000 savings. He offered that there was confusion between what was reported to be the overtime rate of \$39.30/hour and what the BudCom had figured the rate to be, which was more in the \$30.00/hour range.

D. Garlington offered that his calculations were based on the overtime rate of the certified personnel.

F. Hart questioned if one (1) person could be certified and one (1) not.

D. Garlington offered there are times when he has staffed the landfill himself. He added that he uses the most experienced personnel because it's not just a "sit there and watch" kind of job; the attendants need to be able to deal with people using the landfill and operate a front-end loader. He also noted that his staff were all union and he cautioned that availability of overtime may have to be seniority-based to avoid a grievance being filed.

M. Pearson agreed that how overtime is scheduled could create a grievance situation.

D. Garlington added that he also needed to be able to schedule vacations because his staff is not allowed to take time off in the winter.

L. Lambert suggested that telling D. Garlington how to handle staffing is not within the BudCom's purview and is crossing a line.

F. Hart reminded that the recommended cut was proposed by the Town Manager and she had trust in his judgment.

D. Garlington offered that cut backs in the budget sometimes requires a cut in services.

F. Hart noted that to be a different philosophy than that expressed by L. Sadewicz who stated that she would adapt with any changes.

D. Garlington replied that people are getting services, but further cuts could impact those services.

M. Pearson stated that while D. Garlington himself is not in the union, his position is covered by the union.

S. Cafiso asked if this was the number that was proposed to the BOS and the BudCom then why is D. Garlington now trying to justify why the number won't work.

M. Pearson noted that he was asked to make cuts to reduce the budget to more than a 3% increase. He explained that couldn't be accomplished by cutting hundreds here and there, but only be cuts of thousands. He noted that there were twelve (12) cuts made to the Highway Budget alone. M. Pearson added that with the cooperation of the Department Heads nearly every budget was reduced. He also noted that all decisions where to cut were difficult and in this budget, it came down to cutting rakes and shovels and lines in the road.

F. Hart suggested that if the cut was not appropriate than another way could have been found to reduce the budget. She added that the BudCom were elected to advocate for the tax payer, as a check and balance to prevent a runaway budget.

J. Sherman questioned the "runaway budget" comment.

D. Heffernan asked if it would be possible to get clarification on the number of certified personnel required to man the landfill.

D. Garlington replied that he already had a call into NHDES (New Hampshire Department of Environmental Services). (PARKING LOT ITEM)

F. Hart noted the budgets from 2013 to 2016 noting that line items previously proposed as Warrant Articles in the past, HBG and CBAs would now be in the operating budget going forward to make it easier to compare year-to-year changes.

J. Sherman offered that he disagreed with the statement about runaway budget at 2.2%.

F. hart offered that she didn't think 2.2% was a deal breaker.

Health Department – The BudCom had approved a \$7,000 reduction in the mosquito control line with the intent of the money being put into an Expendable Trust Fund (ETF) for use when adulticiding is needed. It was noted that the BOS did not approve a similar change.

Dennise Horrocks, Plaistow Health Officer, noted that putting the money in an ETF would require a Warrant Article at Town Meeting, which opened the possibility of it being voted down.

With the “no means no” restriction on a defeated Warrant Article it was feared that money would not be available should adulticide be needed, which would be a public health issue.

D. Heffernan asked if some of the \$7,000 in last year’s budget had been spent.

D. Horrocks replied that it had and the rest was returned to the General Fund.

D. Nifakos questioned if the money wasn’t there (in the budget), where would the funding come from if there was the need to adulticide.

J. Sherman responded that it would have to come from some other budget line.

F. Hart offered that if it were presented to the voters as a health and safety issue she didn’t think that it would be voted down. She added that it wouldn’t make sense being that it was only \$7,000.

J. Sherman noted that the BOS didn’t feel it was worth running the risk of a Warrant Article being defeated.

S. Cafiso added that if it were to get voted down that would mean the people didn’t want it.

D. Horrocks noted that having a mosquito program was approved by the voters years ago. She added that if a public health emergency would arise there are other health regulations that would trump budget restrictions.

S. Cafiso offered that it sounds like trying to circumvent the voters, if the voters vote it down that means they don’t want it.

F. Hart reminded that this would be an emergency fund which wouldn’t keep being added to every year and not used like other accounts.

J. Sherman asked for an example of accounts that keep being added to without being spent.

F. Hart offered the drainage fund.

J. Sherman stated that the BOS didn’t feel that the EFT for mosquito adulticide was worth the risk of a no vote on a public safety issue.

B. Hamilton noted that he has always looked at historical spending when making his decisions.

J. DeRoche asked how long the mosquito program has been in place.

D. Horrocks replied since 2001.

J. DeRoche questioned if the money for adulticide had ever been used and if so, how many times.

D. Horrocks offered to provide the BudCom with the information regarding past adulticiding. (PARKING LOT ITEM) She noted that many of the mosquito borne concerns are cyclical and current the testing is for the ZIKA virus.

Recreation – It was noted that the BudCom approved the department's original budget request. The BOS restored the Recreation Department Budget and added an additional \$4,000 for senior transportation.

Christina Cruz, Recreation Director, noted that when there is no ticket cost for a senior trip, such as a Foxwoods trip, then the seniors pay the costs of the bus. However, when there is a ticket cost, such as going to the theater, then an added cost of the bus makes the event too expensive for most seniors to afford. She noted that there was a decline in seniors signing up for these trips which was resulting in events having to be canceled. It was also noted that when transportation is the only thing being paid for then it is processed through the revolving fund. It was noted that the revolving fund cannot subsidize ticket. It was further noted that \$5 must be paid in for \$5 to be paid out.

S. Cafiso asked how the \$4,000 increase for senior transportation would impact the trips.

C. Cruz noted that it would make trips affordable.

D. Nifakos asked how many trips have been canceled.

C. Cruz replied that they usually schedule twelve (12) trips a year and three (3) have been canceled this year and six (6) last year. She added that Foxwoods was an affordable event because all they pay for is the bus and everyone receives a buffet coupon and some Keno tickets.

F. Hart asked if there had been feedback from the seniors.

C. Cruz noted that there had been and it was the cost that was the issue for them.

Patriotic/Cultural – The BudCom had reduced the Old Home Day budget by \$5,600 and suggested that corporate sponsors be sought out to make up the difference. The BOS partially approved the change reducing the Old Home Day budget by \$3,100.

Wendy Bush noted that in previous years they had tried fundraising, but had been told by the then Town Manager and the BOS that they were not allowed to. She added that all the staff are volunteers with full-time jobs. She noted that fund raising alone was a full-time job. She also noted that if monies are cut from the budget it would most likely affect the fireworks.

D. Nifakos questioned why they weren't allowed to fundraise.

J. Sherman noted that there was no approved policy that allows for fundraising.

F. Hart asked if the BOS would be looking at that policy, or an update to the donation policy, by year's end.

J. Sherman offered that he would bring it to the BOS.

S. Cafiso asked if there were provisions that prohibit fundraising.

J. Sherman noted that it was an audit point.

G. Colby added that there were no controls over someone going out and fundraising using the Town's name.

S. Cafiso suggested that there could be a letter generated by the Town.

D. Heffernan noted there are struggles to get volunteers as is and to ask them to fund raise may make that more difficult. He recalled years when his children were in sports and always asking for money from the same local businesses.

B. Hamilton that a volunteer be solicited to specifically do fundraising. He noted that many local banks are usually more than happy to have their business promoted as a corporate sponsor of such an event. He added sponsorship benefits both the business and the event.

W. Bush explained that each year Old Home Day grows bigger and she gets more and more requests for vendor space. They are considering a cap on the number of vendors for space considerations. She added that the money collected for vendor space goes to the Historical Society.

F. Hart requested a copy of the Donation Policy (PARKING LOT ITEM).

L. Lambert reiterated an early concern that it is not the responsibility of the BudCom to tell committees how to run their committee or event. She added that it was great to make suggestions but without crossing the line to tell them how to operate.

There was discussion about the amount of money that had been raised by selling the vendor spaces.

S. Cafiso asked how the fundraising for the Police K=9 was done.

Kathleen Jones, Police Chief, noted that donations were solicited with the permission of the BOS and it was the BOS who accepted the donations. It was different than fundraising.

D. Nifakos noted the difference was that nothing was offered in return for a donation. There is often give and take, such as some kind of advertising, with a sponsorship situation.

B. Hamilton noted that the town of Hampstead uses corporate sponsors and had a nice write-up in the Carriage Towne News.

F. Hart asked G. Colby how they approach Old Home Day in his hometown of Bow.

G. Colby replied that he wasn't aware that Bow has an Old Home Day event.

F. Hart recalled a conversation with G. Colby regarding the sponsorship funding of fireworks in Bow. G. Colby could not recall the conversation.

Public Safety Building

Paul Lucia, Building Maintenance Supervisor, explained that with the new Police Station and renovations to the Fire Station there are new systems in place. New systems create new maintenance needs. As an example, he noted that with the additional septic loading and holding tanks for the Sallyport and the Fire Department bays that the number of times the system is pumped each year will be increased. Another example noted was the increase in the number of rooftop units from four (4) to seven (7) created a need for more preventative maintenance. He added that the number of fire extinguishers had doubled, which requires the number of annual inspections is doubled. P. Lucia added that with more square footage cleaning costs are increased to protect and preserve the investment. He noted that the days of turning up a thermostat were long gone; everything is managed by computers. It was noted that these are costs that are important but not always considered when planning out a new building.

F. Hart asked if there had been any utility bills yet for the new building.

P. Lucia noted that there may have been one, but that he doesn't see those bills as they are processed through the finance office. He added that the bills were not representative of normal usage yet as there was still so much construction going on with the renovations to the Fire Department side. He reminded that not everything is new, the septic, water treatment system, well and roof on the old building will eventually require maintenance or replacement.

Library

J. DeRoche noted that he would like to ask Cab Vinton, Library Director, to come back and answer some questions.

F. Hart noted that the Library is revising their CIP (Capital Improvements Plan) and will be presenting it to the BOS. She suggested that C. Vinton come after that so that the BudCom will have the benefit of all the information.

After discussion it was requested that D. Voss invite C. Vinton to the December 19 BudCom meeting. (PARKING LOT ITEM).

M. Pearson noted that there were still three (3) items at the bottom of the list that the BudCom had yet to discuss; prosecutor, cemetery maintenance and cemetery sexton and actions taken by the BOS.

DRAFT WARRANT ARTICLES

J. Sherman noted that the BOS was approximately half way through their review.

M. Pearson read through the draft language of the Warrant Articles that have been reviewed and approved by the BOS thus far.

The list is as follows:

P-18-01 – Slate of Open Town Officers

P- 18-02 – Operating Budget

P-18-03 – Leasing Town Property (Non-Monetary)

M. Pearson noted that this article was necessary, on recommendation of Town Counsel, to allow the BOS to enter into certain contracts that are longer than a one-year term.

P-18-04 – Leasing Space On The Telecommunications/Cell Tower (Non-Monetary)

M. Pearson noted that this was similar to P-18-03, but specific to Cell Tower leases.

P-18-05 – Collective Bargaining Agreement (Police Union)

The contract is still being negotiated and this is a place holder.

P-18-06 – Collective Bargaining Agreement Special Town Meeting (Police Union) (Non-Monetary)

This was noted to be in case P-18-05 is defeated and a new agreement is reached and needs to be voted on.

P-18-07 – Establishment of a Contingency Fund - \$80,000

The Town is allowed to establish a Contingency Fund that is equal to up to 1% of the budget. The request is for \$80,000. The RSA defines how these funds can be used for unanticipated expenses.

B. Hamilton asked if the money would be kept in an interest-bearing account.

M. Pearson explained that the money would be in an account. He added that they are also negotiating with different banks for better investments. He noted that these funds do not roll over year-to-year and must be annual reapproved. Any leftover monies would be returned to the General Fund annually.

D. Heffernan asked if this type of an account could have been used with the recent drainage issues on Chandler Ave.

M. Pearson noted that the monies should not be used for something already included in the budget.

P-18-08 – Winter Maintenance Expendable Trust Fund Creation and Deposit - \$25,000

Monies deposited into this account would roll over year-to-year. Funds in this account could be used to supplement the snow removal budget if there should be a particularly snowy winter and the operating budget is depleted.

P-18-09 – Fire Department Apparatus Capital Reserve Fund Deposit (CIP Reference F1D) - \$81,000

This was noted to be an ongoing CRF account.

P-18-10 – Self-Contained Breathing Apparatus (SCBA) Capital Reserve Fund Deposit (CIP Reference F2D) - \$42,400.

It was noted that this is Phase 3 of a six (6) year replacement program. It has yet to be decided what will happen to the CRF once the replacement is complete.

It was noted that P-18-09 is an ongoing CRF.

P-18-11 – Management Information Computer System Capital Reserve Fund Balance Creation and Deposit (CIP Reference P4D) - \$25,000.

This is to purchase a new hardware/software package for the Police Department. The current software is used by only one (1) other police department and is serviced by a one-person operation. The hardware has become obsolete and difficult to replace. Replacement costs are estimated to be \$75,000 and the proposal is for the money to be appropriated over three (3) years.

P -18-12 – Communications Radio Dispatching System Replacement (CIP Reference P1E1) - \$175,000 with \$140,000 from Communications Radio Dispatching CRF and \$35,000 from 2018 taxation.

M. Pearson noted that only \$35,000 is needed to be raised because additional monies had been obtained through Homeland Security Grants. He explained that the original plan had been to relocate the existing dispatch system to the new building. Those plans were abandoned when it was noted that there would be no guarantee that the existing system would work once relocated. It was also getting difficult to obtain parts due to the age of the system.

J. Sherman offered that the money for the dispatch system were a victory and praised the work of the Town Manager.

D. Heffernan agreed and noted that it was short-sighted planning on behalf of the building committee. He added that it was fortunate that M. Pearson knew the right people to call.

L. Lambert offered some spelling/grammar and formatting suggestions.

M. Pearson thanked Tim Moore, Chair of the Planning Board and the CIP Committee. He encouraged corrections, but noted that they were trying to keep the language consistent throughout all the Warrant Articles.

F. Hart noted that the “voter’s notes” would be pulled from the language of the Warrant Article and provided in a separate document.

There was discussion about additional Warrant Articles yet to be approved by the BOS. J. Sherman described many of them as “housekeeping” such as the ones designed to clean up unnecessary CRF accounts.

There was discussion about the order of Warrant Articles, which is noted to be dictated by the RSAs; bond articles are always listed first. It was noted that there is a 10% rule in that you cannot increase the budget by more than 10%. If Warrant Articles are over 10% then some must be deleted, in order of last approved, first deleted, until the increase is below 10%. It was noted that this has never been an issue in previous years.

J. Sherman noted that there were already a number of CIP proposed Warrant Articles that have been deleted from this year’s list.

T. Moore added that there were two (2) more Warrant Articles coming that would deal with perpetual care for the cemetery. The language is still being worked out.

COMMITTEE REPORTS

Public Safety Complex Building Committee (PSCBC)

No report

Highway Garage Committee

B. Hamilton noted the Highway Garage Committee discussed Warrant Articles regarding using the Penn Box site to locate a new Highway Garage. They plan to bring the information to the BOS at their next meeting.

Capital Improvements Plan (CIP)

No report

Town Report Committee (TRC)

No report

OLD BUSINESS

Parking Lot

New items added to the Parking Lot at this meeting:

- Health Officer D. Horrocks to provide information on the number of times that adulticiding has been done as part of the mosquito control program
- Highway Supervisor D. Garlington to provide information on the State's requirements for certified personnel at the landfill
- J. Sherman will provide the BudCom with a copy of the BOS Donation Policy
- D. Voss will invite Library Director Cab Vinton to the December 19, 2017 BudCom meeting
- J. Sherman will provide a 5-6-year history of the operating/default budget and HBG –

NEW BUSINESS

There was discussion regarding the HBG received each year from the State of New Hampshire and where it is best to include it in the budgeting process. In this year's budget it is being noted as revenue to the Highway Department; in previous years it has appeared as a Warrant Article. It was suggested that consistency was the key to being able to compare apples to apples from one budget year to the next. It was noted that in recent years the Town has been forced to take one budget items, such as employee retirement, that were once handled by the State. It was also noted that a large increase to the budget can from the bond for the new Police Station, which was approved by the voters. It was noted that M. Pearson and G. Colby have only had a limited amount of time for a learning curve with the Town's budget and had done an admirable job to keep increases to less than a 3% increase.

M. Pearson noted that all the Department Heads worked with him to bring cuts, some perhaps too deep, to their budgets. He expressed concern that services may have to be cut, but he was doing all he could to prevent that from happening.

S. Cafiso offered that he didn't want to see a cut in services either, but questioned if there was a point where the Town would be costing itself out of a service that has become too expensive. He asked if it might be worth not opening the dump on Wednesdays to have the cost savings and asked where the line would be drawn.

M. Pearson suggested that the \$3,000 reduction in the Solid Waste Disposal budget and the \$7,000 reduction in the Health Department's budget for mosquito adulticiding were insignificant in a \$9.5M budget and should not be getting stuck on. He offered that his office has fielded many calls from people regarding closing the dump on Wednesdays since it was suggested at a meeting, suggesting that this is a service that the residents want.

B. Hamilton offered that there hasn't been much change in the Town's population in the last ten (10) years. He added that assessments for commercial properties have not changed much either and noted that Plaistow is not growing like surrounding towns. He also noted that Plaistow does not have much land left to be developed, which should be another consideration.

J. Sherman suggested that going back ten (10) years is too far and the information is distorted by recessionary times. He suggested a 2010 to 2017 comparison would be more accurate. He offered to provide a 5-6-year history of the operating and default budgets as well as the HBG.

B. Hamilton noted that it was nice to have a consistent tax rate, but it was frustrating to see residential property assessments increase but not commercial ones.

There was no additional business before the Committee and the meeting was adjourned at 9:12 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary