



Town of Plaistow ♦ Budget Committee

145 Main Street ♦ Plaistow ♦ NH ♦ 03865

BUDGET COMMITTEE MEETING AND PUBLIC HEARING October 04, 2016

Call to Order: 6:32 p.m.

ROLL CALL

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

Also Present: Sean Fitzgerald, Town Manager

The Pledge of Allegiance was led by Scott Sullivan

APPROVAL OF MINUTES

★T. Holt moved, second by D. Nifakos, to approve the minutes of the September 27, 2016 meeting.

A clarification was offered for a statement on page 2 of the September 27, 2016 minutes attributed to S. Fitzgerald. It was recorded that S. Fitzgerald noted that the bond for the Safety Complex would not affect the “2017 budget” however; it is the “2016 tax rate” that will not be affected by Safety Complex bond.

There was also discussion as to how to amend minutes. The draft minutes stand as presented with corrections, clarifications and amendments are made when the minutes are discussed for approval. It was noted that this is why looking back at old minutes should be done with care to make sure that any changes made at future meetings are considered.

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

BUDGET PRESENTATION

Conservation Commission – Jill Senter, Chair

Jill Senter, Conservation Commission Chair, presented the Conservation Commission’s 2017 Budget request noting the following:

Level Funded Budget Lines:

| | | | |
|---|--------------------|----|--------|
| - | Part-Time Position | \$ | 400.00 |
| - | Mileage/Travel | \$ | 225.00 |

Decreased Budget Lines:

| | | | |
|---|------------------------------|----|----------|
| - | Water Testing (-\$730) | \$ | 6,000.00 |
| - | Training (-\$200) | \$ | 300.00 |
| - | Forest Maintenance (-\$1200) | \$ | 1,500.00 |

Increased Budget Lines:

| | | | |
|---|-------------------|----|----------|
| - | Dues (+\$25) | \$ | 400.00 |
| - | Supplies (+\$500) | \$ | 2,000.00 |

J. Senter noted that the bottom line Conservation Commission's 2017 budget request was \$10,825.00 (increase of \$1,605).

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

Discussion:

J. Senter noted that increase in supplies is based on the recent actual expenses, including signage for the water shed areas. She added once they are all purchased that line will be decreased.

J. Senter explained that there were as many projects going on in the Town Forest so that line was being decreased. She noted that money was being spent for water testing but there is some question as to which budget the money was coming out of. It was also noted that trees were purchased for Arbor Day.

S. Fitzgerald added that there may be a coding issue with MS4 water testing.

There was a discussing regarding the water testing and the EPA (Environmental Protection Agency) permitting process. It was noted that Normandeau Associates was involved with assisting the Town with MS4 compliance. Testing used to be done by the Conservation Commission and is now being done by Normandeau. Testing for 2016 has not been done yet. The map showing the testing locations was requested by the Committee (Parking Lot Item).

There was discussion regarding the maintenance of the Town Forest, especially the bridges. It was noted that the Boy Scouts and other volunteers have been maintaining and making repairs.

There was additional discussion regarding the water testing. It was noted that there was a frustration in some of the test results showing E.coli. It was noted that the source of the contamination could not be determined and may be coming from sources upstream and in other towns. The different times of testing were discussed, including DNA testing to determine if the contamination was human, indicating a potential septic issue, or animal. It was noted that there

were different prices for the different levels of testing. It was noted that road salt was not one of the items tested for.

★D. Heffernan moved, second by T. Holt, to take the 2017 Conservation Commission Budget in the amount of \$10,825 under consideration. There was no discussion on the motion. The vote was 9-0-0 U/A.

Government Buildings – Paul Lucia, Building Maintenance Supervisor

Paul Lucia, Building Maintenance Supervisor presented the Government Buildings Department 2017 Budget request noting the following:

Level Funded Budget Lines:

| | | |
|---|----------------------------|--------------|
| - | Custodian Overtime | \$ 7,500.00 |
| - | Uniforms | \$ 1,750.00 |
| - | Custodian Training | \$ 200.00 |
| - | General Supplies | \$ 4,400.00 |
| - | Gasoline | \$ 400.00 |
| - | Vehicle Maintenance | \$ 500.00 |
| - | Maintenance Equipment | \$ 500.00 |
| - | Tech Svc Contract | \$ 18,120.00 |
| - | Town Hall Electric | \$ 15,000.00 |
| - | Town Hall Heat | \$ 8,000.00 |
| - | Town Hall Maintenance | \$ 5,200.00 |
| - | Town Hall Repairs | \$ 5,000.00 |
| - | Safety Complex Electric | \$ 34,000.00 |
| - | Safety Complex Heat | \$ 18,650.00 |
| - | Safety Complex Maintenance | \$ 5,370.00 |
| - | Safety Complex Repairs | \$ 4,000.00 |
| - | Museum Electric | \$ 2,500.00 |
| - | Museum Heat | \$ 4,530.00 |
| - | Museum Maintenance | \$ 250.00 |
| - | Museum Repairs | \$ 500.00 |
| - | Courthouse Maintenance | \$ 500.00 |
| - | Courthouse Repairs | \$ 500.00 |

Decreased Budget Lines:

| | | |
|---|--------------------------------|-----------|
| - | Mileage Reimbursement (-\$800) | \$ 400.00 |
|---|--------------------------------|-----------|

Increased Budget Lines:

| | | |
|---|---------------------------------|--------------|
| - | Permanent Positions (+\$230) | \$ 46,676.00 |
| - | Part-Time Positions (+\$4001) | \$ 21,840.00 |
| - | Telephone/Communication (\$100) | \$ 1,100.00 |
| - | Museum Telephone (\$819) | \$ 1,155.00 |
| - | | |

P. Lucia noted that the bottom line Government Building's 2017 budget request was \$208,541.00 (increase of \$4350.00).

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

Discussion:

P. Lucia explained what items, such as the service contracts, were payable as 4th quarter expenses. He noted that the Library reimburses the Town for custodial services provided by the Town. He added that there was a promotion given to one of his workers accounting for the increase in the payroll related line.

P. Lucia noted that the decrease in the mileage line was due to the acquisition of a vehicle for the department. Adjustments to the telephone line were based on actual usage. It was noted that the telephone line increases in the Museum line are due to their security/alarm system.

P. Lucia noted that all utility lines were currently level funded, for all town buildings, and would be reviewed once Government energy projections for next year were available.

There was a discussion regarding the uniforms and what each employee received each year. It was noted that they take turns purchasing new boots.

It was questioned whether or not the Safety Complex maintenance line could be reduced in light of the new construction. It was noted that the maintenance line was still necessary for maintenance of the existing building, particularly the heating and cooling systems. It was noted that regular routine maintenance was done to the equipment but the units are old and there can be breakdowns. It was further noted that the maintenance line includes replacement of light bulbs and ballasts, including the exterior sodium vapor lights, which are very expensive to replace. It was offered that the fixtures will be replaced over time with LED ones. It was also noted rugs were maintained/repared under this line as are the generators.

It was noted that the Library maintenance needs are to maintain it as a proper warming station.

★F. Hart moved, second by T. Holt, to take the 2017 Government Buildings Budget under consideration in the amount of \$208,541.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

Zoning Board – Dee Voss, ZBA Administrative Assistant

D. Voss presented the Zoning Board's 2017 Budget request noting the following:

Level Funded Budget Lines:

| | | |
|---|------------------------|-------------|
| - | Minute Taker | \$ 1,800.00 |
| - | Legal | \$ 1,000.00 |
| - | Training | \$ 300.00 |
| - | Notices & Publications | \$ 1,500.00 |

- Postage \$ 1,000.00

Decreased Budget Lines:

- Supplies (-\$50) \$ 50.00

Increased Budget Lines:

- Books & Periodicals (+\$9) \$ 25.00

D. Voss noted that the bottom line Zoning Board 2017 budget request was \$5,675.00 (decrease of \$41).

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

Discussion:

It was noted that this budget is built assuming at least one application per month. Months where there are no applications balance off the extra work when there are multiple applications in a month.

There was discussion about the postage costs being considered a “wash item.” It was explained that the applicant pays the actual postage costs for sending out the legal notices for their application, therefore replacing the monies that are paid out for that purpose.

★D. Heffernan moved, second by T. Holt, to take the 2017 Zoning Board Budget under consideration in the amount of \$5,675.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

Debt Service – Sean Fitzgerald, Town Manager

S. Fitzgerald presented the Debt Service 2017 Budget request noting the following:

Increased Budget Lines:

- Payment on Bond due August 2017 \$279,600.00
- Interest Payments due on Bond \$318,398.00

S. Fitzgerald noted that the bottom line Debt Service 2017 budget request was \$597,998.00 (increase of \$597,998.00).

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

Discussion:

It was noted that the last time the Town had any debt was in 2009 when the last payment was made on the Library construction bond. This new debt service was related to the new Police Station that was approved at Town Meeting.

There was discussion about the possibility of prepayment on principle for the loan. It was noted that the bond was funded at a historically low rate of 2.86% and prepayment may risk availability of funding other projects that may come along. The Budget Committee requested a copy of the amortization table for the bond (Parking Lot Item).

★F. Hart moved, second by T. Holt, to take the 2017 Debt Services Budget, under consideration in the amount of \$597,998.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

Planning – Greg Jones, Planner/Tim Moore, Planning Board Chair

G. Jones and T. Moore were unable to attend this meeting. S. Fitzgerald, Town Manager presented the Planning Department 2017 Budget request noting the following:

Level Funded Budget Lines:

| | |
|-------------------------------|--------------|
| - Permanent Positions | \$ 51,000.00 |
| - Minute Taker | \$ 3600.00 |
| - Overtime | \$ 1,000.00 |
| - Engineering/Consulting Fees | \$ 3,000.00 |
| - Mapping | \$ 3,000.00 |
| - Education & Training | \$ 300.00 |
| - Notices & Publications | \$ 1,500.00 |
| - Dues | \$ 100.00 |
| - Equipment & Repairs | \$ 500.00 |
| - Books & Periodicals | \$ 100.00 |
| - Master Plan Update | \$ 5,000.00 |

Decreased Budget Lines:

| | |
|---------------------------------|-------------|
| - Attorney Fees (-\$500) | \$ 3,000.00 |
| - Telephone (-\$600) | \$ 300.00 |
| - Office Supplies (-\$150) | \$ 350.00 |
| - Postage (-\$500) | \$ 1,000.00 |
| - Equipment Purchase (-\$800) | \$ 200.00 |
| - Recording Fees (-\$200) | \$ 800.00 |
| - Impact Fee Updates (-\$5,000) | \$ 5,000.00 |

Increased Budget Lines:

| | |
|---|-----------|
| - Mileage & Expenses Reimbursement (+\$200) | \$ 500.00 |
|---|-----------|

S. Fitzgerald noted that the bottom line Planning Department's 2017 budget request was \$80,250.00 (decrease \$7,550.00).

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

Discussion:

It was noted that the GIS system, used for mapping, needed a major upgrade. The legal line was reduced as the legal assistance program at NHMA (New Hampshire Municipal Association) was being used more than private counsel. The telephone line was being reduced based on actuals.

S. Fitzgerald noted that the Board of Selectmen suggested that all telephone lines be centralized into a separate budget with cable as a Communications Budget.

It was also noted that the plotter, used by the Planning Department, was getting older and a decision would soon need to be made whether or not to continue to maintain it or replace it.

The Master Plan update line is level funded as keeping this document up to date is important for grant applications as well as updating the CIP (Capital Improvement Plan). It was also noted that the Impact Fee ordinance needed to be reviewed. It was questioned if Impact Fees could be used for payment of the consultants to review the Master Plan and/or Impact Fee review. It was noted that Impact Fees must be used on capital expenses. It was also noted that there was a description of the current Impact Fees and how they are calculated in the Town Report.

★D. Heffernan moved, second by T. Holt, to take the 2017 Planning Department Budget under consideration in the amount of \$80,250.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

Cultural – Sean Fitzgerald, Town Manager

S. Fitzgerald presented the Cultural 2017 Budget request noting the following:

Level Funded Budget Lines:

| | | |
|---|---------------------|--------------|
| - | Part-Time Positions | \$ 300.00 |
| - | Events & Activities | \$ 27,800.00 |

S. Fitzgerald noted that the bottom line Planning Department's 2017 budget request was \$28,100.00. (level funded)

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

Discussion:

It was noted that this budget, with assistance from the Lion's Club, funds the biggest event of the year, Old Home Day. There was discussion as to whether or not it was considered to solicit funding from local businesses for Old Home Day. It was offered that it had been considered, but businesses expressed that they were already overwhelmed with requests for donations.

There was discussion regarding how the fireworks display is arranged. It was explained the Old Home Day Committee works with the Fire Department of what is appropriate.

There was a discussion regarding the vendors who pay for space at Old Home Day. It was requested that the income (paid to the Town) from the vendors be provided to the Committee (Parking Lot Item).

★D. Heffernan moved, second by T. Holt, to take the 2017 Cultural Budget under consideration in the amount of \$28,100.00. There was no discussion on the motion. The vote was 9-0-0 U/A.

COMMITTEE REPORTS

Safety Complex Building Committee (SCSB)

D. Heffernan noted that there would be a ground-breaking ceremony at the site of the new Police Station on Saturday, October 8, 2016 at 9:00 a.m. He added that there was a discussion at the last meeting to provide weekly updates, including pictures, through the Town website.

NEW BUSINESS

Unassigned Fund Balance/Tax Rate Discussion

S. Fitzgerald offered a memo explaining the purpose of the Unassigned Fund Balance and the DRA's (Department of Revenue Administration) recommendations on how much a municipality should retain in their Unassigned Fund Balance. He noted that a healthy Unassigned Fund Balance allows the town to weather spikes in the economy and other emergencies. It also comes into consideration when the Town is seeking favorable bond rating for such things as the Public Safety Complex expansion or is competing for grant monies. The DRA's recommendation was noted to be between 8% and 17%, with Plaistow's percentage being 14.74%. The memo also provided a chart showing the Unassigned Fund Balance and monies spent to offset taxes over the past five (5) years. It was also noted that the Board of Selectmen will be considering what amount might be used from the Unassigned Fund Balance to offset future taxes.

There was discussion regarding how the percentage was calculated. It was noted that the recommended percentage to be retained in the Unassigned Fund Balance was calculated based on the entire statutory obligation/tax commitment, including county and school obligations, not the operating budget.

There was discussion regarding cash flow reports and how they are reflective of the reserves. It was suggested that other towns do not have the same types of reserves as Plaistow does. It was noted that information about other towns wasn't found to be available on the DRA website.

It was suggested that S. Fitzgerald email to his colleagues in other communities to see what their Unassigned Fund Balance percentages are.

There was discussion of the amounts that the Board of Selectmen have authorized to be used to offset taxes.

It was suggested that the process of underspending the budget, putting monies into the Unassigned Fund Balance and then using some of the money to offset taxes was akin to over taxing and then paying some of the money back. It was offered that it was because the budget was underspent the money was available to be returned.

There was discussion about what happened approximately eight (8) years ago when the Town did not have adequate reserves in the Unassigned Fund Balance that likened to a household rainy day fund.

There was discussion regarding the Board of Selectmen creating a policy that would establish the right level that should be held in the Unassigned Fund Balance. Consideration of that level should include allowance for fluctuations in the real estate market.

F. Hart offered that the population of Plaistow was getting older and young families were not moving into town. She cited population numbers from 2010 and in 2015, which were from Spurling (sp) and attributed that decline to hire taxes. F. Hart suggested the commercial businesses should be paying a little more for the privilege of doing business in Plaistow. She added that she wasn't suggesting that the "piggy bank" be opened, but the purse strings loosened and the money given back to the people who put it there.

J. Sherman questioned the source of the population data. He noted that Spurling only provided an estimate of population data in 2015, but noted the data from 2010 was based upon an actual census. He added that he felt they had developed a prudent budget for many years.

F. Hart noted that she was looking at the three year history in the budget overview, adding that some departments are consistently over and some are under.

S. Fitzgerald noted that they had not reconciled the tailings and encumbrances as yet. He added that it was always the intent to underspend the budget and manage the money as if it were our own.

D. Nifakos offered it was not being suggested that the budget be overspent but that the budgets be a little closer to what the actual expenses are.

S. Fitzgerald suggested that the Committee take a little time and digest the information provided to them. He added that he appreciated that the Committee wanted to dive into the numbers.

J. Sherman noted that some numbers were still unaudited. He added that in the last three years \$1M had been added to the Unassigned Fund Balance, but \$2M had gone back to the taxpayer in the same time period.

Budget Committee Operating Policy

J. Sherman noted that there was no current operating procedure and he was offering a draft policy for the Committee to review and consider. He added that his goal was to turn it over to the Committee.

S. Cafiso noted that it was similar to language on the DRA website.

J. Sherman offered that all Budget Committees are governed by the same State RSAs. He noted that everything in quotes in the draft policy was because it follows the process.

S. Cafiso asked what prompted the draft.

J. Sherman replied that it was in response to F. Hart's question if there was such a policy for the Budget Committee.

Discussion of the draft operating policy will be placed on the October 18, 2016 BudCom agenda.

Municipal Tax Rate Comparison

J. Sherman offered a chart with information regarding the tax rates in towns that have a greater valuation than Plaistow. He noted that the rates were all over the place.

There was discussion regarding potential reasons why the rates were differing, things like whether the town was considered a tourist attraction, are considered second home communities, or have large commercial areas. There didn't seem to be any logic to the comparison of the tax rates. It was noted that DRA does not recommend comparing town tax rates in this way.

OLD BUSINESS

Parking Lot

Pending Items:

- Finance Director Job Posting provided to members at meeting
- Memo Regarding Unassigned Fund Balance provided to members at meeting
- Y-T-D Revenues and Expense Reports distributed to members at meeting

New Items Added:

- MS4 Locations and Testing Sites – S. Fitzgerald
- Amortization Table for the Safety Complex Bond – S. Fitzgerald
- Breakdown of Old Home Day Vendor Income – S. Fitzgerald

There was no additional business before the Committee and the meeting was adjourned at 8:35 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary