

BUDGET COMMITTEE MEETING
November 17, 2015

Call to Order: 6:34 p.m.

ROLL CALL

Present: Martha Sumner, *Chair, Arrived 7:12 p.m.*
Dennis Heffernan, *Vice Chair*
Tricia Holt, *Excused*
David Gerns, *Arrived 6:45 p.m.*
Dean Nifakos, *Excused*
Sam Cafiso
Laurie Milette
Darrell Britton
John Sherman, *Selectmen Ex-Officio*

Also Present: Sean Fitzgerald, Town Manager

The Pledge of Allegiance was led by Sam Cafiso

D. Heffernan opened a workshop meeting of the Budget Committee in anticipation of additional members arriving to establish a quorum.

REVIEW OF WARRANT ARTICLES *(It should be noted that the numbering of these draft articles is for review purposes only. The articles that are ultimately brought forward to the ballot will be renumbered at that time)*

S. Fitzgerald noted that the Warrant Articles being reviewed as in a draft format. There were other Articles that the Board of Selectmen looked at that they are seeking additional information before being brought forward to the Budget Committee.

OPERATING BUDGET

Article P-16-02: Shall the Town raise and appropriate as an operating budget, not including appropriations by special warrant article and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling ?DOLLARS? Should this article be defeated, the operating budget shall be ?DOLLARS with certain adjustments required by previous action of the Town or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

(Recommended by the Board of Selectmen (0-0-0) and Budget Committee (0-0-0).

Discussion:

It was noted that once the proposed budget and default budget are finalized the numbers will be filled in this Article.

PUBLIC SAFETY COMPLEX EXPANSION BOND ISSUE- DEFERRED BY BOS

Article P-16-03: "Shall the Town vote to raise and appropriate the sum of \$11,000,000 for the expansion of the Public Safety Complex and to authorize the issuance of not more \$11,000,000 of bonds or notes in accordance with the provision of the Municipal Finance Act (RSA 33) and to authorize municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon? This expansion shall include all remaining design work, building construction and/or renovation, site work, permit fees, access road construction, and building interior equipage. This will be a non-lapsing warrant article under RSA 32:7, VI and will not lapse until the project is completed or by December 31, 2020, whichever is sooner. Passage of a bond warrant article requires a 60% majority."

(Recommended by the Board of Selectmen (0-0-0) and the Budget Committee (0-0-0). This bond request is in the Capital Improvement Program as approved by the Planning Board.)

[Intent: To finance the construction of a new Police Station and improvements to the existing Public Safety

Complex for the Fire Department. Currently, there are many serious deficiencies with the existing Police Station have been identified. Some examples are:

- Non-ADA compliant by Federal Standards
- No sight and sound separation for males, females, and juveniles as required by state and federal laws
- Holding cells pose undue safety hazard to detainees and police staff due to antiquated design;
 - Detective/investigative function located in a trailer behind existing building
 - Safety issues with prisoner separation from administrative staff and public
- Lack of storage – some evidence housed off site that poses safety and security risks
- Building does not meet standards to allow the granting of National Accreditation

Through a series of additional meetings with the Town and Public Safety Departments, the space needs analysis and conceptual plans were pared down to four key projects:

- Single Storey 15,500 +/- sq ft Police Station that would include significant upgrade for the Fire Department;
- Renovation to the existing Fire Station that would support future accommodation for 24/7 operations for the Fire Department;
- Construction of an access road adjacent to the cemetery leading to the rear of the property (which includes elimination of the drainage pond/attractive nuisance adjacent to the Safety Complex);
- Construction of a second entry to the Town Cemetery via new access road;
 - A community meeting room and training hall.]

Discussion:

The Board of Selectmen (BOS) has deferred this Article at this time. It was noted that final numbers are still being worked on regarding this Article. The Public Safety Expansion Committee is in the process of interviewing construction managers for the project to be able to get accurate costs.

There was additional discussion about the need to inform residents about the costs of the project and what those costs cover. There was discussion about the filling of the pond and other site work that will be involved and other costs to fit out the building.

D. Gerns arrived at 6:45 p.m. The quorum is established.

There was discussion regarding touring the current facility to see firsthand the Police and Fire Department needs.

It was noted that since this would be a bond issue Warrant Article that, by statute, it would be placed in the first position on the ballot.

HIGHWAY DEPARTMENT EQUIPMENT CAPITAL RESERVE FUND DEPOSIT

Article P-16-04: Shall the Town vote to raise and appropriate the sum of \$78,000 to be added to the existing Highway Department Equipment Capital Reserve Fund?

(Recommended by the Board of Selectmen (5-0-0) and Budget Committee (0-0-0); and this funding is included in the 2016-2021 Capital Improvement Program as approved by the Planning Board.)

[Intent: ~To continue to set aside money for future purchases of Highway Department vehicles, per the Highway Equipment Replacement plan as published in the Town Report. Putting funds aside each year will allow for the orderly replacement of highway vehicles while leveling the yearly tax impact. ~This money can only be spent by a future vote at Town Meeting. These funds will be invested in an interest bearing account.]

Available balance of the Highway Department Equipment Capital Reserve Fund is \$TBD as of December 31, 2015.

Discussion:

It was noted that the balance of all Capital Reserve Accounts, on all applicable Warrant Articles, would be updated at year's end.

S. Fitzgerald noted that this Article was on the ballot annually and the purpose was to provide for the orderly replacement of Highway Department vehicles. Putting money away annually saves spikes in tax impact and improves predictability of services.

There was discussion about the amount of money being requested and when the last time the requested amount was increased. It was noted that there was an increase in this year's request.

There was discussion about the service life of the Highway Department vehicles.

S. Fitzgerald noted that warranty and repair records are considered in determining when a vehicle should be replaced. Vehicles are frequently replaced once the warranty has expired. The replaced vehicles are then with traded-in or sold outright.

S. Cafiso offered that anyone would like to be able to replace a vehicle whose warranty has expired, but with the \$11M request for a new safety complex the Town might want to consider stretching the vehicle replacement out longer.

S. Fitzgerald noted that the replacement cycle of highway department vehicles is outlined in the Capital Improvement Plan (CIP) in order to replace vehicles in a reasonable fashion. He added that putting away funds to do so was a prudent. He added that a number of items had been deferred during the financial recession.

FIRE DEPARTMENT CAPITAL RESERVE FUND DEPOSIT

Article P-16-05: Shall the Town vote to raise and appropriate the sum of \$105,000 to be added to the existing Fire Department Capital Reserve Fund?

(Recommended by the Board of Selectmen (5-0-0) and Budget Committee (0-0-0). This funding is included in the 2016-2021 Capital Improvement Program as approved by the Planning Board.)

[Intent: To continue to set aside money for future purchases of Fire Department vehicles, per the replacement plan as published in the Town Report. Putting funds aside each year will allow for orderly replacement of fire vehicles while leveling the yearly tax impact. This money can only be spent by a future vote at Town meeting. This money is invested in an interest bearing account.]

Available balance of the Fire Department Capital Reserve Fund is \$TBD as of December 31, 2015.

Discussion:

S. Fitzgerald noted that this Article was similar to the Highway Department in that it allowed for the orderly replacement of Fire Department vehicles while balancing impact to the tax payer.

There was a discussion about the "interest bearing account." It was noted that as of last Town Meeting the Trustees of the Trust Fund have employed the services of an investment manager. The Capital Reserve Accounts are now invested in low risk a market account which has increased the interest amounts returned to the accounts.

S. Cafiso asked to see previous balances on the Capital Reserve Accounts. It was noted that information was available in the Town Report.

There was additional discussion as to the CIP process and the replacement of vehicles.

D. Gerns noted that the process is not conducted in a vacuum, department heads are consulted; repair reports reviewed and careful consideration is given as to whether or not it is more cost effective to replace a vehicle or continue to repair it.

J. Sherman suggested that the different capital reserve accounts be labeled the same in the Warrant Articles and in the Town Report for comparison.

SELF-CONTAINED BREATHING APPARATUS (SCBA) CAPITAL RESERVE FUND DEPOSIT

Article P-16-06: Shall the Town vote to raise and appropriate the sum of \$33,400 to be added to the existing Self-Contained Breathing Apparatus (SCBA) Capital Reserve Fund?

(Recommended by the Board of Selectmen (5-0-0) and the Budget Committee (0-0-0). These funds are in the Capital Improvement Program as approved by the Planning Board.)

[Intent: To set aside money for future replacement of the SCBA, cylinders, and masks. Putting money aside each year will allow for the orderly replacement of this equipment while leveling the yearly tax impact. This money can only be spent by a future vote at town Meeting. These funds will be invested in an interest bearing account. The total cost of replacement is \$200,000. This is the 2nd year of a 6 year deposit plan.]
Available balance of the Self-Contained Breathing Apparatus Capital Reserve Fund is \$TBD as of December 31, 2015.

Discussion:

S. Fitzgerald noted that this was must have equipment for the Fire Department. He added that in the past there had been State/Federal grants available for this equipment. Even though grant money is not as readily available those opportunities will still be pursued.

Note: J. Sherman noted whether or not the amount of this year's request for Capital Reserve Account Warrant Articles differed from last year's request for each Warrant Article discussed.

BUILDING SYSTEMS CAPITAL RESERVE FUND DEPOSIT

Article P-16-11: Shall the Town vote to raise and appropriate the sum of \$10,000 to be added to the existing Building Systems Capital Reserve Fund?

(Recommended by the Board of Selectmen (0-0-0) and Budget Committee (0-0-0); and this funding is included in the 2016-2021 Capital Improvement Program as approved by the Planning Board.)

[Intent: To replace funds spent in 2015 for emergency maintenance or repairs to Town-owned buildings and to continue to set aside money for future repairs of building systems in Town owned properties. Buildings are one of the Town's largest capital assets and these funds are used to maintain and repair systems such as heating and ventilation, electrical and plumbing. Monies from this fund would be used for repairs that are unanticipated prior to Town Meeting and that cannot wait until a future meeting. This money can only be spent with the approval of the Board of Selectmen. These funds will be invested in an interest bearing account.]

Available balance of the Building Systems Capital Reserve Fund is \$TBD as of December 31, 2015.

Discussion:

S. Fitzgerald noted that each year there can be costly unanticipated building maintenance costs which can wipe out budget lines. This account was established to offset those surprise items.

D. Britton questioned why the BOS vote was not recorded.

J. Sherman offered that they did vote, and it was not a unanimous vote. When asked to explain the vote he said he didn't want to get the reason wrong, but to the best of his recollection there was a member that didn't believe in the concept of this account and another felt the expenses might not be appropriate.

S. Cafiso asked if the new safety complex were approved would the requested amount change.

M. Sumner arrived at 7:12 p.m.

S. Fitzgerald offered that he didn't anticipate having to change the amount. He added that this did not include the Library. He noted that the Library was having septic issues, which could cost as much as \$30,000 to \$40,000 to

replace and their HVAC system was reaching its life expectancy.

D. Heffernan asked if the recent repairs to the Fire Department's overhead door were paid out of this account.

S. Fitzgerald replied that they were paid as part of an insurance claim.

CABLE DEPARTMENT CAPITAL RESERVE FUND CREATION AND DEPOSIT

Article P-16-14: Shall the Town vote to create a Cable Department Capital Reserve Fund to be used for the replacement and/or purchase of new equipment for the Cable Department and furthermore, shall the Town vote to raise and appropriate \$70,000 to be deposited in the Cable Department Capital Reserve Fund? This capital reserve fund is being established pursuant to RSA35:1.

(Recommended by the Board of Selectmen (5-0-0) and the Budget Committee (0-0-0). This expense is in the 2016-2021 Capital Improvement Program as approved by the Planning Board.)

[Intent: To begin to set aside money for funding future Cable Department Equipment. To replace the current message server and current production server with newer technology and an enhanced set of features. Cable franchise fees have been collected and as required placed into the General Fund. They provide the source of the money to be withdrawn from the Unexpended Fund Balance. Putting funds aside each year will allow for the orderly replacement of the Cable Department while leveling the yearly tax impact.]

Discussion:

J. Sherman offered that the table showing the funding to be from the Unexpended Fund Balance and not from taxation needed to be inserted into this Warrant Article.

S. Fitzgerald added that the noting the monies were from the Unexpended Fund Balance would be in the body of the Warrant Article as well.

There was discussion regarding the cable franchise revenues, noted to be 5% of the gross revenues, collected by the Town. It was noted that those funds are deposited into the General Fund.

D. Britton asked why the BOS couldn't just designate monies for cable equipment.

J. Sherman offered it was for accountability.

M. Sumner added that years ago the franchise revenue was placed in a separate account.

There was discussion as to how the Town came to put the franchise revenues in the General Fund in the past when there was a cash flow use and to help build the Unexpended Fund Balance. It was also noted the Cable was now included in the CIP making possible the establishment of a Capital Reserve Account.

J. Sherman noted that if the franchise revenues had continued to be put in a separate account there wouldn't have been a way to access those funds for Cable without their being a plan in place.

There was additional discussion regarding how monies were spent in the past on equipment that wasn't always needed because of how the monies were designated. It was also noted that the requested amount was to get the Capital Reserve Account established as wasn't necessarily the amount that would be requested to deposit each year.

CONSERVATION FUND DEPOSIT

Article P-16-15: Shall the Town vote to raise and appropriate the sum of \$10,000 to be deposited into the existing Conservation Fund as provided for in RSA 36-A?

(Recommended by the Board of Selectmen (5-0-0) and by the Budget Committee (0-0-0). This funding is included in the 2016-2021 Capital Improvement Plan as approved by the Planning Board.)

[Intent: ~To add funding to the Plaistow Conservation Fund. The Conservation Commission intends to purchase land, easements, and/or other land rights to preserve the natural environment. This money is invested in interest bearing accounts.]

***Available balance of the Conservation Fund is \$TBD as of December 31, 2015.
Available balance of the Forestry Fund is \$TBD as of December 31, 2015.***

Discussion:

S. Fitzgerald noted that this fund is established to continue to maintain responsible stewardship for conservation efforts throughout the Town.

RECREATION PLAN CAPITAL RESERVE FUND DEPOSIT

Article P-16-18: Shall the Town vote to raise and appropriate the sum of \$50,000 to deposit into the existing Recreation Plan Capital Reserve Fund?

(Recommended by the Board of Selectmen (5-0-0) and Budget Committee (0-0-0). This funding is included in the 2016-2021 Capital Improvement Program as approved by the Planning Board.)

[Intent: In 2012, the Recreation Commission completed a rewrite of the Recreation Chapter of the Plaistow Master Plan. The Recreation Department also developed a Strategic Recreation Plan that includes a list of the recreation projects that the Town should pursue in order to meet all of its recreational needs. Establishing this Recreation Fund will allow the Town to stabilize year_to_year variations in capital outlays for the various recreation projects and reduce or eliminate interest payments by having the cash on hand. Overall, this will facilitate the implementation of the Master Plan through the scheduling of proposed projects over a period of time in order to allow the Town to attain the goal of implementing the needed projects in order to meet the recreation needs of the residents of Plaistow.]

Available balance of the Recreation Plan Capital Reserve Fund is \$TBD as of December 31, 2015.

Discussion:

S. Fitzgerald noted that this Capital Reserve Account would fund things that impact the quality of life for residents such as neighborhood parks. The Recreation Commission and Board of Selectmen would work together to determine how the funds would best be spent.

D. Heffernan asked if there were Impact Fees that could be paid into this account.

J. Sherman noted that Impact Fees were a different account that the Town can spend out of.

M. Sumner added that Impact Fees were used to build PARC (Plaistow Area Recreation Complex).

There was a discussion regarding how Impact Fees are collected and spent. It was noted that they must be spent as described in the Impact Fee Ordinance. It was noted that there is information regarding Impact Fees in the Town Report.

HIGHWAY DEPARTMENT FRONT END LOADER REPLACEMENT

Article P-16-20: Shall the Town vote to raise and appropriate the sum of \$120,000 for the replacement of the 2001 Caterpillar 924 Front End Loader and to withdraw \$117,100 from the Highway Department Equipment Capital Reserve Fund and to withdraw \$2,900 from the New Road Impact Fee Fund for such replacement?

Appropriation:	\$120,000
Withdrawal from the Highway Department Equipment Capital Reserve Fund:	- \$117,100
Withdrawal from the New Road Impact Fee Fund:	- \$2,900
-----	-----

Amount to be raised by taxation:

\$0

(Recommended by the Board of Selectmen (3-2-0) and the Budget Committee (0-0-0). This expense is in the 2016-2021 Capital Improvement Program as approved by the Planning Board.)

[Intent: To replace the 2001 Caterpillar 924 Front End Loader as part of the replacement schedule for Highway Department vehicles. Timely replacement of vehicles ensures maintenance costs and vehicle downtime are minimized while driver safety is maximized. The Town will sell/surplus the Town's current Front End Loader.]

Discussion:

S. Cafiso asked why the loader was being replaced.

S. Fitzgerald noted that it was because of the age.

S. Cafiso noted that the machine was only fourteen (14) years old and he had known these machines to run for 20-30 years. He asked how many hours were on the machine.

S. Fitzgerald replied that he didn't know the number of hours on the machine, but he knew that there were concerns for the hydraulic systems.

The Committee asked that they be provided with the number of hours on the loader. (ACTION ITEM).

J. Sherman noted that there had been some discussion regarding putting the number of hours on the machine in the Warrant Article.

S. Cafiso questioned why a perfectly functioning machine would need to be replaced.

S. Fitzgerald responded that it was reaching its life cycle and it was scheduled to be replaced to not borrow trouble. Responsible replacement of aging vehicles ensure the Town is able to respond when needed.

D. Gerns suggested that knowing the number of hours is important but it might also be helpful to know what the costs of repairs have been or are anticipated to be.

S. Cafiso noted that heavy equipment leads a "posh life" in Town.

D. Heffernan asked if repairs were being done in house. It was noted that repairs for this equipment is not done in house.

S. Fitzgerald added that this was part of the normal replacement cycle outlined in the CIP.

There was additional discussion about the replacement of the loader. Consideration of how the equipment is used, hours on the machine, repair costs and replacement costs are all considered as factors. It was suggested that the Highway Supervisor could be brought back in to answer any of the Committee's questions regarding the replacement of the loader.

Other Discussion:

S. Fitzgerald noted that there may be more information about the Building Inspector's vehicle at the next meeting. He added that there may be additional Warrant Articles for review as well.

D. Britton asked if there was any State/Federal money that would be available for the proposed safety complex.

S. Fitzgerald replied that they had not been able to identify any. He added that he has contacted State Representatives for assistance in identifying any Federal funds that may be available.

APPROVAL OF MINUTES

D. Britton moved, second by D. Gerns, to approve the minutes of the October 20, 2015 minutes. There was no discussion on the motion. The vote was 7-0-0 U/A.

D. Britton moved, second by D. Heffernan, to approve the minutes of the October 27, 2015 minutes. There was no discussion on the motion. The vote was 6-0-1 (Gerns abstaining).

ACTION ITEMS

There was one action item added to the list from this meeting. That is the information regarding the number of hours on the Highway Department loader requested to be replaced by Warrant Article.

Outstanding Action Items:

- Explanation of new VOIP phone system – Still under review and will hopefully be presented to BOS at next meeting. Then can be sent to BudCom.
- Survey of other towns re: cable negotiating expenses – Having difficulty getting responses from other towns. Some towns have very little technical assistance. S. Fitzgerald is continuing to reach out.
- List of all town-owned cell phones and who has them – That list is being presented to the BOS at their next meeting and will then be provided to the BudCom.

There was discussion regarding the town-owned cell phones and services. It was noted that S. Fitzgerald is the only employee who receives a stipend for use of his personal cell phone for town business. It was noted that the new VOIP may provide the ability for Selectmen to be assigned individual phone numbers which would convert any messages to email and negate the need for a town-issued cell phone. It was noted that there could be concerns over right-to-know laws with use of personal cell phones or town-owned cell phones for personal use.

There was discussion regarding the BudCom meeting schedule. It was noted that the Budget Committee will meeting on December 1 to continue review of Warrant Articles; December 8 for a presentation on the proposed Public Safety Complex and on December 15 to finalize the Budget and Warrant Articles.

J. Sherman reminded that some lines in the Budget may still have to change after December 15.

M. Sumner noted that the Committee could still meet on January 5 as needed.

D. Heffernan added that the Committee usually meets early on the day of the Public Hearing to discuss any last minute changes and Petitioned Warrant Articles.

COMMITTEE REPORTS

D. Heffernan noted that the Safety Complex Expansion Committee (SCEC) has met the last two (2) Thursdays and have been reviewing packages submitted by those companies seeking to be the construction managers for the project. There was discussion of the process being used to make a construction manager selection. Getting a construction management firm onboard is critical to getting a more accurate number for the Warrant Article on the Safety Complex.

It was noted that there is now a Facebook page for the SCEC, administered by the Police Department.

D. Britton is now a member of the SCEC

S. Cafiso asked if there was any discussion on a new Highway Garage.

J. Sherman offered that he didn't think there would be anything happening with regard to a Highway Garage this year.

OLD BUSINESS

There was no old business brought forth at this meeting.

NEW BUSINESS

There was no new business brought forth at this meeting.

The meeting was adjourned at 8:05 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary