

BUDGET COMMITTEE MEETING
December 01, 2015

Call to Order: 6:34 p.m.

ROLL CALL

Present: Martha Sumner, *Chair*
Dennis Heffernan, *Vice Chair*
Tricia Holt
David Gerns
Dean Nifakos, *Excused*
Sam Cafiso
Laurie Milette
Darrell Britton, *Excused*
John Sherman, *Selectmen Ex-Officio*

Also Present: Sean Fitzgerald, Town Manager

The Pledge of Allegiance was led by Sean Fitzgerald

APPROVAL OF MINUTES

D. Heffernan noted that there was error on page 9, "2-30 years" should be "20-30 years."

D. Gerns moved, second by T. Holt, to approve the minutes of the November 17, 2015 meeting as amended. There was no discussion on the motion. 6-0-1 (Holt abstaining)

REVENUE REVIEW

S. Fitzgerald explained the MS-7 form, which outlines the estimated revenues that Town anticipates will be generated through a number of revenues collection categories. He used the more detailed BMSI report to explain which revenue lines contribute to each on the categories on the DRA (Department of Revenue Administration) form. The form is part of the calculations used by DRA to calculate and set the Town's tax rate each year.

Discussion:

It was noted in the "Revenues from Departments" section of the BMSI form the bottom line (1-3409-90) is noted to be "Filed" Usage. The question was asked if that should be "field" usage and if so, how is it different from line 1-3401-80, which is RC Field Usage (Fall Base/Softball) Clarification was requested by the Committee (ACTION ITEM).

There was a question about Walmart's funding to the Town for a police officer. The question was whether or not the contract allows for changes or COLA increases. (ACTION ITEM)

S. Fitzgerald explained the DRA tax rate setting process and timing.

J. Sherman offered that once that information has been received, the Board of Selectmen (BOS) can then decide if any monies will be proposed to be used from the Unexpended Fund Balance (UFB) to fund Warrant Articles and/or offset tax increases.

WARRANT ARTICLE REVIEWS

(Note: the number of the Warrant Articles is for review purposes only. All Warrant Articles will receive final sequential numbering for the ballot once final review of the BOS and BudCom is complete.)

The BudCom reviewed Warrant Articles that have been changed or added since their last review.

J. Sherman noted that the BOS started their review process with thirty-one (31) potential Warrant Articles to review and the list was pared down to eleven (11).

It was noted that the BOS was conservative in their selection of Warrant Articles to present in order to give the Safety Complex the best chance of passage. The monetary total of Warrant Articles brought forward is just under \$400,000 compared to \$700,000 last year.

P-16-03 related to the expansion of the Public Safety Complex is still deferred pending finalization of the value of the project.

UNMARKED POLICE VEHICLE CAPITAL RESERVE FUND CREATION AND DEPOSIT-

Article P-16-07 Shall the Town vote to establish an Unmarked Police Vehicle Capital Reserve Fund and further to raise and appropriate the sum of \$12,000 to be added to the Unmarked Police Vehicle Capital Reserve Fund? This reserve Fund shall fund all police vehicles and equipment trailers that do not participate in the annual cruiser replacement program funded through the Town Budget. This capital reserve fund is being established pursuant to RSA35:1.

(Recommended by the Board of Selectmen (3-0-2) and the Budget Committee (0-0-0). These funds are in the Capital Improvement Program as approved by the Planning Board.)

[Intent: To establish a fund to allow the Town to continue to set aside money for future purchases of unmarked Police Department vehicles. Putting money aside each year will allow for the orderly replacement of these vehicles while leveling the yearly tax impact. Note that although some of these vehicles can be purchased using Asset Forfeiture funds such vehicles belong to the Federal Government and not the Town of Plaistow. The money in the Capital Reserve Fund can only be spent by a future vote at Town Meeting. Reserve Funds are invested in an interest bearing account.]

Discussion:

There was discussion about the Federal Asset Forfeiture Program (AFP). It was noted that the Federal Government can take back vehicles that are given to the Town under the program if they have a need for them. The proposed Warrant Article is to fund other unmarked vehicles such as the Police Chief's, Animal Control Officer's and other non-cruiser Police vehicles.

S. Cafiso questioned why these vehicles weren't funded with the same budget lines as the cruisers. It was explained that they have a different (longer) life expectancy than the cruisers, which are run 24/7. If the non-cruiser vehicles were included it could lead to spikes in the operating budget in those years which could adversely affect tax rates.

J. Sherman added that marked police vehicles are replaced at a rate of 1-2 each year, while the unmarked vehicles could be on a three-year cycle. He noted that it was difficult to do that as part of the operating budget.

It was noted that replacement of unmarked vehicles was included as a function of the CIP (Capital Improvement Plan) process to level the tax impact.

LIBRARY CAPITAL RESERVE FUND CREATION AND DEPOSIT

Article P-16-12: Shall the Town vote to create a Library Capital Reserve Fund to be used for both internal and external library (building and site) capital improvements, renovations, and additions and furthermore, shall the Town vote to raise and appropriate \$50,000 to be deposited in the Library 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 Capital Improvement Program as approved by the Planning Board.)

[Intent: The creation of this capital reserve fund will allow for level funding of library capital improvements documented in the Infrastructure Evaluation Study for Plaistow Public Library prepared by the Castagna Group and accepted by the Library Board of Trustees. Putting money each year into a Capital Reserve Fund will allow for orderly improvements to the Library's capital assets while leveling the yearly tax impact. These funds will be invested in an interest bearing account]

Discussion:

It was noted that this is a new Capital Reserve Fund for capital improvements, renovations and repairs to the Library. It was noted that the Library has been having some issues with the sprinkler system and the septic is in need of repair. It was suggested that the word "repairs" be added to the body of the Warrant Article.

J. Sherman added the suggestion that it also be noted in the language that the first year repairs will be to the septic and sprinkler system.

It was noted that there is a report about what systems at the Library are in need to be repaired/replaced. The BudCom requested a copy of that report. (ACTION ITEM)

D. Heffernan questioned why this issue couldn't be addressed as part of another Warrant Article (Building Maintenance).

J. Sherman offered that the key difference is unanticipated expenses. Maintenance items that are known should be included in the budget.

There was discussion regarding damage due to flooding at the Library. It was noted that repairs were covered under an insurance policy. It was noted that the Library isn't treated the same as other town buildings for budgetary purposes, despite the fact that the Town does own the building. It was noted to be a gray area. It was also noted that there are other repair issues for the Library and priorities were being evaluated to tackle the items in the greatest need.

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 from

the unexpended fund balance to be deposited in the Cable Department Capital Reserve Fund? This capital reserve fund is being established pursuant to RSA35:1.

Appropriation:	\$70,000
Withdrawal from the Unexpended Fund Balance:	-\$70,000
Amount to be raised by taxation:	\$0

(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 equipment, as outlined in the Town's Capital Improvement Plan, while leveling the yearly tax impact.]

Discussion:

It was noted that the edits suggested by the Budget Committee were incorporated and the table illustrating the funding was included.

**TRANSPORTATION INFRASTRUCTURE CAPITAL RESERVE FUND CREATION
AND DEPOSIT**

Article p-16-19: Shall the Town vote to establish a Transportation Infrastructure Capital Reserve Fund for the level funding of transportation infrastructure projects including Preliminary Engineering expenses, Right-of-Way expenses, construction expenses, sources for matching state and federal funds, and further vote to raise and appropriate the sum of \$50,000 to be deposited into the Transportation Infrastructure 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 allow the Town to appropriate the money needed to hire a consultant to complete the required conceptual design and preliminary engineering for this intersection improvement.]

[Intent: This request to establish a Transportation Capitol Reserve Fund that seeks to begin to set aside money for public safety improvements, hazardous mitigation investments and traffic calming investments along Main Street as identified in the Main Street Traffic Calming Study. These funds will help support improvements to the Town's transportation infrastructure, including the Pollard Road drainage and realignment and the Main Street conceptual design and preliminary engineering for intersection improvements. Reserve funds are invested in an interest bearing account.]

Discussion:

S. Fitzgerald noted a PowerPoint presentation that outlined traffic and accident information as well as the Main Street Traffic Calming Study. The vision is for safer pedestrian traffic, more than just routine maintenance. Putting aside these funds will make the Town more competitive when grant monies are available as well as cover project related expense that may not be included in a grant. It was also noted that that traffic calming in the Main Street corridor is part of the Town's Master Plan.

ACTION ITEMS

Outstanding Action Items:

- The list of town-owned cell phone and the monthly costs (Item 17) was provided

Discussion on the cell phone information was held for the next meeting.

- Information on the hours and list of needed repairs for the Highway Department's front end loader (Item 18) was provided

S. Cafiso asked about the estimated costs of the listed repairs as well as how much the repairs would extend the life of the front end loader (ACTION ITEM). He questioned whether or not the equipment life that would be gained by repairing the loader would allow the replacement to be pushed out.

Added to the Action Items List:

- Clarification on the spelling in revenue line 1-3409-90 and the difference between that line and line 1-3409-80
- Clarification of the Walmart contract that provides for police officer salary and how increases (COLA etc) are handled, if at all
- PowerPoint presentation of Library Report (prepared by Castagna Group) on maintenance/improvement items needed
- Cost estimates for needed repairs/maintenance for the Highway Department front-end loader with estimates as to how much time the repairs would extend the life expectancy of the equipment

S. Fitzgerald noted that there were risks associated with deviating from the planned replacement schedule including costly unanticipated repairs, less trade-in value when the equipment is eventually replaced and the effect that potential breakdowns could have on services to residents.

There was discussion regarding the replacement of equipment and trade-in versus retention of equipment as back-up makes practical sense for the Town.

D. Heffernan questioned if there would be a Warrant Article to replace the Building Inspector's truck.

J. Sherman noted that it was going to be included in the operating budget.

S. Fitzgerald added that they were hoping to enter into a lease-to-own situation.

There was discussion about what would be covered at the next Budget Committee meeting.

M. Sumner offered that she was hoping to see all final changes (except fuel) to department budgets to be able to give approvals on December 15.

There was discussion regarding having the presentation on the Public Safety Expansion Project at the December 08, 2015 meeting.

COMMITTEE REPORTS

D. Heffernan noted that there were no meetings scheduled for the Public Safety Expansion Committee at this time.

It was noted that a company (Eckman) had been selected to work with the Town to narrow down the costs of construction of the project to be able to update the Warrant Article.

OLD BUSINESS

There was no Old Business to be discussed at this meeting.

NEW BUSINESS

M. Sumner asked if the Default Budget was ready yet.

S. Fitzgerald noted that he was still working with Greg Colby. He noted the elements that go into calculating the Default Budget.

It was noted that Steve Hamilton from DRA had an interesting presentation on how the tax rate is set and how commercial business taxes factor into that process. It was suggested that if he was to give the presentation again in the future that the Budget Committee be invited.

The meeting was adjourned at 8:23 p.m.

Respectfully Submitted:

Dee Voss
Recording Secretary