

Town of Plaistow ♦ Budget Committee

145 Main Street ♦ Plaistow ♦ NH ♦ 03865



BUDGET COMMITTEE MEETING

Meeting: October 5, 2021

Call to Order: 6:30pm

ROLL CALL:

Robert Zukas, *Chair*
Doug Thompson, *Vice Chair*
Richard Anthony, *Budget Committee*
Peter Bracci, *Budget Committee*
Christina Cruz, *Budget Committee*
Bob Hamilton, *Budget Committee*
Katie Knutsen, *Budget Committee*
Phil Spitalere, *Budget Committee - Excused*
Brian Stack, *Budget Committee*
Greg Taillon, *Selectmen's Representative*
Darrell Britton, *Selectmen's Alt.*

Also Present: Greg Colby, *Interim Town Manager - remote*

Agenda Item 4: Review/Approval of Minutes

The minutes of the September 28, 2021 meeting had been distributed in advance. R. Zukas noted the following corrections: Page 4 – Assessing budget – the amount approved was \$112,320; page 6 – first sentence on the page “completer” should be complete; Page 7 – in the motion for the Solid Waste Collection budget correct the spelling of collection; Page 8 – in the motion for the Human Services budget correct C. Taillon to G. Taillon.

Greg Taillon moved, second by R. Anthony to approve the minutes of the September 28, 2021 meeting as corrected.

The motion was approved 10-0-0

Agenda Item 5: Public Comment

Ch. Zukas invited public comment but there was none.

Agenda Item 6: Budget Review

The budgets for which the Committee had questions for G. Colby were reviewed:

Tax Collector: G. Colby said that the minutes stated the Tax Collector quit during the year but that is not true. He said that due to a Town Meeting vote the Tax Collector and Town Clerk receive a COLA raise usually estimated around three to four percent, but that due to COVID the cost of living was minimal and neither had a very large raise and that it was sufficient to carry forward the \$32,000 from last year to this year.

There were no other questions.

G. Taillon moved, second by C. Cruz, to approve the Tax Collector budget for \$50,418.00

The motion to approve passed 9-0-0

Planning: The question was about the Master Plan line item. G. Colby said this is a periodic expense with no set schedule which is why the 2018 and 2019 actual differed and there was no expense in 2020 or 2021. He said he received an email from the Planning Board saying they were looking into minor updates and that between studies and those updates the cost would be between \$3,000- \$4,000 but they requested \$5,000 for that line. G. Taillon asked if the work for that line item was contracted out and the scope of the work would determine the cost; G. Colby said that was his understanding.

P. Bracci said he felt the increase in the permanent positions line was excessive and asked why it went up. G. Colby noted that last year the Budget Committee decided to level fund the planning budget not considering that pay raises granted for the 2021 year, and that figure reflects two years of increases. B. Stack asked if this meant that the salary increases were not given or the increase was taken from another line. G. Colby said the increase was funded from a different line and referred to the bottom line budgeting concept of not overspending the entire budget. B. Stack asked if the same thing would have to be done again if the line item isn't approved and was told that is correct.

G. Taillon moved, second by K. Knutsen, to approve the Planning Department budget for \$106,994.00.

The motion to approve passed 8-1(P. Bracci)-0

Insurance: G. Colby said that when the Town renewed the contract with Primex it was for a multi-year contract in which they agreed to a cap on the premium for property liability. Each year the previous year's budget is initially increased by 8% and when the actual amount is

received around October 15th it may be adjusted the amount down. He said this is only the Town's portion; the Library also pays a portion.

B. Hamilton said the Committee should take the budget into consideration and wait until November to approve the budget as the actual bills will be coming in November.

Welfare: The Committee had questions regarding the miscellaneous assistance line increase to \$7,500 from \$450. G. Colby said there has been a large increase in requests for aid and they expect this to continue as moratoriums and the like expire, so this line was increased to have additional resources available should they be needed. G. Taillon asked if this money would cover all the areas covered by the individual line items and was told yes. G. Colby said he would allocate it out to the different line items if the Committee preferred. G. Taillon noted that the staff's expertise had been used to ensure that money was allocated because if it is not and the requests came in the money would have to be found regardless. C. Cruz asked if the \$7,500 was not approved, where funds would come from if needed. G. Colby said it would have to come from other areas of the budget that were underspent. He said he thought there might be authority to overspend this budget and he would have to look up the RSA.

There was discussion about the requirement to pay welfare requests and contingency funds. G. Colby note it is not an unforeseen expense, that a town expects to pay out welfare on a yearly basis whereas it does not expect to replace a failed heating system every year, that contingency funds are for unknown, one-time expenses.

There was discussion on how COVID has affected welfare. It was noted that many households suffered job loss and needed help; that COVID-instituted programs such as restricting landlords from evicting tenants are ending and the Town will be called upon again for help. B. Stack suggested that if the 2018 actual budget is approximately what is being asked for in 2022 couldn't the moneys be distributed through the line items in the same manner. B. Hamilton suggested that the Welfare Director use her long experience to make the distribution. There was considerable discussion about having miscellaneous funds line item vs distributing that amount across other line items.

G. Taillon moved, second by R. Anthony, to have the Interim Town Manager allocate the \$7,500 Miscellaneous Assistance line item correctly into the individual line items in the Welfare Administration & Assistance budget and then approve the budget for \$40,612.00.

There was further discussion on this matter. It was noted this is a bottom line budget, and that by RSA the Town has no choice but to meet the line items even if they go over budget. It was suggested leaving things as they are and at the end of 2022 we will be able to identify where the money was spent. G. Colby confirmed that if a line item is overspent it will reflect the amount spent, the amount spent will be recorded against it and the history will be correct.

The motion to approve passed 8-0-1(K. Knutsen)

Ch. Zukas asked G. Colby to make the distribution and bring it back to the Committee for review

There was discussion of the Unassigned Fund Balance and whether that money is being used to fund warrant articles versus lowering the tax rate, as well as budget surplus at the end of the year. P. Bracci noted that anything over the 7% Unassigned Fund Balance the Town is required to maintain can be used to fund warrant articles or the tax rate can go up to fund the warrant articles. G. Colby said warrant articles can be funded by using surplus or when the tax rate is set in the Fall the Board has the option of using some of the Unassigned Fund balance to lower the tax rate. It was noted the Town has not used surplus to lower the tax rate for the last three years. G. Colby said that over this year \$817,122.00 has been used to fund warrant articles rather than increasing the tax rate.

There was discussion about paying for warrant articles, the ambiguity of stating a warrant article will cost 0% by new taxation, and how to make residents understand the true cost of paying for warrant article. Ch. Zukas said that voters are more inclined to vote for the 0% new taxation article than by listing the actual cost. G. Taillon noted that some warrant articles are a combination of using the Unassigned Fund Balance and new taxation. He noted the solar panels on the Salt Shed were funded this way and they will be providing revenue to the Town for 40 years. He also noted that most of the Town's projects have been completed and the warrant articles this year are likely to be for funding the CIP for necessary expenditures such as replacing the fire truck.

B. Hamilton suggested that a good percentage of residents would like to see some of the Unassigned Fund be used to lower the tax rate. He noted there would be less unassigned funds to spend on warrant articles but it would give the residents a truer picture on the true costs of warrant articles and their effect on the tax rate.

G. Colby explained that at the end of the fiscal year they recognize all of the Town's assets less its liabilities and that gives the total fund balance amount from which it is put into different categories, such as a non-spendable category where funds have been committed and can't be spent for any other purpose, a committed and assigned fund balance for encumbrances or warrant article that are not un-lapsing, and that after everything has been accounted for the remainder is the Unassigned Fund Balance. He said the DRA and GFOA guidelines/policy is between 5-17% and that the 2020 amount determined by the state was \$30,053,484.00 which included Town, School and County. He said that at the end of 2020 the Town's Unassigned Fund Balance was approximately \$2.6 million and the Town's Fund Balance policy of 7% was approximately \$2.1 million.

R. Anthony asked how long the 7% figure has been used and was told at least five years and possibly early that 2013 and the amount may have been decided by the Board of Selectmen and Town Manager at that time. When asked if he would recommend a different percentage, G. Colby said yes, a higher percent. He noted the Unassigned Fund Balance is not a cash account per se, that there are receivables balances in it and payable amounts also. R. Anthony asked how the previous year's surplus is accounted for in the Unassigned Fund. He suggested a surplus like this could be used to lower the tax rate. G. Colby said that any surplus/budget surplus from expenditures rolls into the Unassigned Fund Balance when the books are closed once all the

commitments have been accounted for. It was noted that the Unassigned Fund Balance would be lower at the end of the year than the beginning and any surplus from the budget would go towards building it back up to the 7% level.

B. Hamilton said that when the Unassigned Fund Balance percentage was established by the selectmen, the primary reason for establishing it was to use it as a guideline to determine how much would be used to offset the tax rate. D. Britton said years ago the Town was using 5-6 % back in the mid 1980's. G. Taillon said that other than the safety complex there were no other substantial projects in the Town at that time and there was nothing on which to spend the money of Unassigned Fund Balance. He said that when the new Town Manager took over a lot of projects that had not been done were addressed, that money was allocated from the fund to get the projects done and that now the work is mostly complete.

R. Anthony asked what a warrant article to offset some of the tax burden on residents would look like. He suggested if there was something like a 4% increase to the budget it could be funded from the Unassigned Fund. G. Colby said he had never seen anything done like that in his years of assisting town government. D. Britton said he had never seen a Board make that motion and make it part of the budget. R. Anthony asked if the Unassigned Fund had ever been used to reduce the tax rate and was told yes.

Concern was expressed over funding the CIP initiatives since the taxpayers have voted down many of those warrant articles requesting complete allocation from tax income, and the need to use the Unassigned Fund Balance to help the Town save for necessary major purchases without using a bond. P. Bracci said that for the last three years the Town has been looking for projects to spend on, such as the landfill cap which was not mandated for the Town to do. He said these could have been put off to the future and the money used to help the taxpayer. Ch. Zukas said that the cost of projects increases over time and that projects had been put off for too many years.

Executive: G. Taillon noted the budget is \$104,807.00 less than last year, that telephone, rentals and leases, and the server costs went down. C. Cruz asked when the scanning project would be completed; G. Colby said the individual who was hired has left, he is unsure how much more needs to be done and they are still figuring out how to proceed. B. Hamilton said there had been discussion of hiring college students for this project.

G. Taillon moved, second by K. Knutsen, to approve the Executive budget for \$291,490.00.

The motion to approve passed 9-0-0

Town Clerk: G. Taillon asked if the increase to the budget is mainly salaries; G. Colby said yes and that they are adding back a part-time position. He said the Town Clerk's office brings in approximately \$1.5 million or more and this includes income from all the other departments such

as collections which are handled by this central collection in the Town Clerk's office. P. Bracci asked what is the hourly pay rate for the deputy and assistant clerks; G. Colby said he was unsure, that there is a wage schedule associated with them, and the rate may be approximately \$18/hour. B. Stack asked why the deputy and assistant's hours were reduced in 2019. G. Colby said this was around the time when the BOS had told the Town Manager to come in with a flat budget or a 3% increase and the position may have been open and not filled at that time.

C. Cruz moved, second by K. Knutsen, to approve the Town Clerk budget for \$130,244.00.

The motion to approve passed 9-0-0

Human Resources/Personnel: G. Colby said that all benefits are paid through this budget and that a large statutory retirement increase for the Police and Fire departments came into effect in July of this year so the full amount is being seen in the 2022 budget. P. Bracci asked why consolidate training Town wide if it is going to cost \$5,000. G. Colby said that all the training budgets for the Town were put in this line item and then each department requests training from the HR Director. He said the reason the line item is up is due to COVID had disrupted training opportunities for 2021 and that the increase restores the training budget to the pre-COVID number. P. Bracci asked why the NH Retirement rates went up over \$100,000; G. Colby said it is due to the statutory increases.

G. Taillon moved, second by C. Cruz, to approve the Human Resources/Personnel budget for \$2,085,517.00.

The motion to approve passed 9-0-0

General Government Buildings: C. Cruz asked what the three full time positions were; G. Colby said the building maintenance supervisor and two people under him. P. Bracci asked when the Town went to three full time positions; G. Colby said he would have to ask HR. P. Bracci asked if a warrant article has to be used when hiring full time positions and was told there is no RSA requiring that but that it has to be BOS and Budget Committee approved. C. Cruz noted that for the Custodian OT line the PARC summer recreation and other town events is already in the Recreation budget and should be looked at to see which budget it will fall under. G. Colby said he would look into it.

It was reported that the solar panels on the salt shed should come on line in November. G. Colby was unsure how the income from that would be reported in next year's budget but his initial thought is there will be a decrease in the appropriation with the amount spent.

No action taken

Cable: P. Bracci asked about the increase in hours and the hourly rate for the cable operator as he thought they received a certain amount per meeting. G. Colby said they have an hourly rate with a minimum of two hours per meeting. When asked what the hourly rate is he said he would have to get back with that information.

C. Cruz moved, second by G. Taillon, to approve the Cable budget for \$37,203.00.

The motion to approve passed 9-0-0

Other General Government: G. Taillon asked if almost all the Town's telephones and computers are being put in this budget; G. Colby said yes, that several years ago the consolidated the phones and computers instead of trying to break them out for each department. The only remaining telephone expense for any department is if they have cell phones for on call purposes or tablets for specific people.

B. Hamilton asked about the increase in telephones and internet from 2019 to 2020. G. Colby said a new phone system was put in in 2020 and there was a significant upfront investment in equipment. R. Anthony asked about the server related expenses which was discussed in another budget. G. Colby said there were expired leases out of the Police and Executive budgets, which were left in there because they started there, and all other computer and internet related expenses were moved to this line a few years ago.

B. Stack moved, second by R. Anthony, to approve the Other General Government budget for \$195,000.00.

The motion to approve passed 9-0-0

Fire Department: D. Britton asked if everyone had read the description sent by the Fire Department since it is very lengthy. B. Stack said the Chief did a good job of explaining what they do and how he thinks about the budget and improving services. D. Britton suggested tackling the Police and Fire budgets later, giving everyone time to go through their materials. It was agreed to have the chiefs in to answer any questions the committee has about their budgets. C. Cruz suggested tabling the Emergency Management budget also.

No action taken

Building Inspection: P. Bracci asked if there is a line item for inspections. D. Britton says that different inspections get different fees depending on size. G. Colby said the Town is required to show a budget on a gross basis and the bottom lines show the projected cost of the plumbing and electrical inspectors. The revenue projection for the department is \$65,000 which is in the revenue handout. Those who utilize the service pay the fees for the inspections. The inspectors receive \$40 per inspection.

G. Taillon moved, second by B. Stack, to approve the Building Inspection budget for \$119,822.00.

The motion to approve passed 9-0-0

Highway Department: G. Colby noted the budget increased because the department is having trouble hiring temporary labor during the summer so the Highway Supervisor is making a fundamental change and putting an RFP out of summer landscaping service work which will free his staff to handle the roads and bridges. He noted the temp labor line went down to \$1.00 but the grounds maintenance line increased. G. Taillon said that would also take care of the cemeteries perpetual care work which is now being done by the Highway department, which is funded through the cemetery trust fund. Ch. Zukas asked about the engineer line item of \$1.00. G. Colby said that the supervisor is not anticipating needing an engineer for 2022 as he has completed some necessary classes through the State and will be able to do some of the drainage and other work that might have been outsourced before.

P. Bracci questioned the \$70,000 increase in grounds maintenance for a landscaper contract. Ch. Zukas asked if it has gone out to bid yet and was told not yet. D. Britton said that one person at the highway garage is handling water related issues all week while still doing some highway matters, and the grounds are not being kept as well as they should. He said they are not sure what the figure will be for hiring a landscaper but needed to have a dollar number for the budget. B. Hamilton asked if the person doing water-related things is being paid out of the water budget; D. Britton said some but not all of it. G. Colby said the employee has a separate time sheet for his water work and it is billed to the water department, and the bulk of that is done on Fridays, his day off. B. Hamilton said for the last several years the Highway department has been mowing bit the recreation fields, Town Hall, Library and other areas. He asked if it has been determined what the landscaping company would be taking over. G. Colby said Town Hall, cemeteries, Ingalls, not so much of PARC, and the upkeep and mulching of all Town properties. Highway may do some landscaping for a special event if needed but would not be the primary mower of the Town grass. B. Hamilton asked if the Highway Supervisor would be responsible for overseeing the outside contractor; G. Colby said he would handle it the way he handles snow plowing and would track the quality of their work. B. Hamilton suggested asking Dan Garlington to come in and explain how he expects this to work. G. Taillon asked if the \$25,000 temporary laborer was also involved in cutting the grass and was told yes. He then suggested the \$70,000 would be more like \$45,000.

Ch. Zukas suggested holding off on the Highway budget and ask the Supervisor to come in.

No action was taken.

Recreation: G. Taillon reported that B. Coye said it is getting very difficult to get college kids for the summer recreation program as they can earn more at McDonalds so there is an increase there. G. Colby said there are two fundamental changes to the budget, one being a wage increase for the summer program staff which would be offset by an increased charge to campers, and the softball/baseball programs which should be self-supporting will be run through the Recreation Revolving Fund. He said these two changes are what have kept the recreation budget to a very small increase. The revenue for summer rec is in the area of \$50,000-65,000 depending on their ability to take campers.

Ch. Zukas asked for an explanation of the reduction in senior programing. C. Cruz said a lot of the programing had to be virtual due to COVID.

G. Taillon moved, second by D. Thompson to approve the Recreation budget for \$187,344.00.

The motion to approve passed 9-0-0

Conservation Committee: R. Anthony asked if there is any revenue received from forest management culling of trees. G. Colby said it is still ongoing and there will be some revenue that will be dedicated to the Conservation Commission. G. Taillon said that a lot of the cutting this year was due to diseased birch trees and the wood may not be as useful as if it was healthy. B. Stack noted that various groups help with maintenance such as the Boy Scouts

G. Taillon moved, second by K. Knutsen, to approve the Conservation Commission budget for \$7,200.00.

The motion to approve passed 9-0-0

Agenda Item 7: New Business/Old Business

B. Hamilton noted the \$800,000 for infrastructure the Town has in COVID relief and asked that the guidelines for how that can be used be emailed to the Committee. G. Taillon and D. Britton noted there is a lot of work to be done before deciding where to use it. G. Taillon also said the County has received money and some of that money might become available.

Agenda Item 8: Next Meeting

G. Taillon noted that General Government Buildings, Highway Department, Police Department and Fire Department budgets remaining. It was noted that the Committee is far ahead of where it had thought it might be and that perhaps it should change its meeting schedule. Ch. Zukas said due to the Monday holiday next week the Committee would not meet until October 19th and there are only five budgets still to be dealt with. D. Britton said that of those the Police and Fire Department presentations did not take too much time and could be handled in one meeting.

Ch. Zukas suggested having Highway, Fire, Police and Emergency Management on October 19th. G. Colby noted that Building Maintenance only required an answer on the overtime line. It was suggested we ask for a brief overview and then ask questions.

Agenda Item 9: Adjournment

There was no additional business presented. G. Taillon moved, K. Knutsen second, to adjourn the meeting. The meeting was adjourned at 9:04pm.

Respectfully Submitted,
Charlene Glorieux
Recording Secretary