TOWN OF DEERFIELD
MUNICIPAL BUDGET COMMITTEE PUBLIC HEARING & MEETING
January 16, 2015
MINUTES

Call to Order

7:00p - The meeting was called to order.

Pledge of Allegiance to the Flag

Chairman Verville asked all to rise and pledge allegiance to the Flag.

Moment of Silent Reflection

Roll Call

Present: Kevin Verville, Chairman; Jim Spillane, Vice Chair; Harriet Cady, Karen Cote, Jeff Kelley, Carol Levesque, Fred McGarry and Brendan O'Donnell Members; Maryann Clark, School Board Rep; Andrew Robertson, Select Board Rep

Absent: David Carbone Member

Public Hearing

Chairman Verville recessed the MBC Meeting and opened a Public Hearing to receive public input on the proposed Municipal and School budgets.

Municipal Budget

Chairman Verville reviewed the highlights of the Municipal Operating Budget, the Select Board has put forward a budget in the amount of $3,830,764 and the Budget Committee currently has a recommended budget of $3,828,823. Adjustments were made by the MBC to the Veasey Park Part-Time Employee ($2,000), Building Inspector Gas ($300), Building Inspector Enforcement ($200), Building Inspector Meetings, Seminars and Training ($200), Building Inspector Dues and Subscriptions (+$200), Solid Waste Disposable/Recyclables ($5,000), George B. White Telephone ($371) and Special Meetings and Elections (+$5,000) lines.

There was no public input on the Municipal Operating Budget.

School Budget

M. Clark reviewed the highlights of the proposed School Budget. A new packet was presented with further reductions of $94,141.52, bringing the School's proposed operating budget to $12,173,951. There were no changes made by the Budget Committee. M. Clark spoke that the further reductions came from the High School Tuition line. After readjusting the per student price and calculation formula with Concord High School, the tuition was reduced from $12,554 to $12,022.40 per student.

Municipal Warrant Articles

Highway Building - $73,000

Selectman Robertson presented attendees with a picture of the proposed building and its placement on the lot at the Highway Department. C. Levesque asked whether cost amounts for wood siding versus metal were available. Road Agent Mark Young spoke that wood siding would cost $4,000 more in materials and labor, not including the ongoing maintenance costs. The proposed plan is to have metal siding on three sides, with the 4th side having the overhead doors and trimmed out with wood. Vice Chairman Spillane asked whether including wood would affect the ability to relocate the building, M. Young answered that the plans call for a wood frame building, making relocating labor intensive and cost prohibitive. F. McGarry clarified that the expected cost is not for a steel frame building and M. Young confirmed no.

Capital Reserve Fund – Purchase of Police Vehicles, $40,000

Trustee of the Trust Fund Jim Sullivan spoke that the Trustees are required to administer the money exactly as stated in the Warrant Article. If the Town places $40,000 in the fund and spends $40,001 on a cruiser, he would be unable to release the money. If the Town put $40,000 into the fund and spent $30,000, the remaining $10,000 would carry over, but if the subsequent year had a Police vehicle in the Operating Budget that $10,000 could not be released. He found the wording to be complicated and felt that it would be difficult to administer the spending as written.

Transfer Station Storage Shed - $31,000

Citizen Erik Berglund spoke that he finds the language "space for a swap shop" to be ambiguous and asked what would prevent the new swap shop area from being just ten square feet? Selectman Robertson responded that he believes the plan is for the entire new building to serve the Swap Shop. Selectwoman Hutchinson spoke that, as a volunteer for the swap shop, she had no prior knowledge of the building plans. The concern was then, if the swap shop operations cease, how will the Transfer Station use this new space? F. McGarry asked about the planned construction and foundation of the building. Rick Pelletier answered that it will be a 30ft X 30ft building on a concrete slab, similar to the building that is already there, but smaller. It will have overhead doors at each end and windows along one wall. Deb Boisvert asked where the compost heap will be relocated to and R. Pelletier answered that the area is approximately 100 ft X 100 ft and that there is plenty of room for both. Vice Chairman Spillane asked why the Transfer Station was able to quote a weather tight building for half the cost as the Highway Department. Selectman Robertson responded that the Highway Department building was engineered to take the weight of the larger equipment, that the larger overhead doors would contribute significantly to the cost and that the Highway building is planned to be more than double the size of that at the Transfer Station.

Municipal Government Buildings Expendable Trust Fund - $25,000
J. Kelley asked why the Article had an associated tax impact amount if no money was to be raised from taxation. He expressed concern that poor wording would lessen the clarity for voters. M. Clark spoke that the School does not include tax impact estimates for items to come from surplus funds and Selectman Robertson agreed to recommend the Select Board remove the information in order to be consistent with the Schools format.

Creation of a Northern Pass Defense Fund - $10,000
Selectman Robertson spoke that a presentation for this Petition Warrant Article was made to the Select Board at its January 12th meeting and the Board voted 5-0 in support of the Article. He noted that it includes a companion article, Warrant Article 17 that would allow the Select Board to accept donations, grants and gifts into the Northern Pass Defense Fund. Resident and supporter of the Warrant Article Lisa Wolford provided an overview of the reasoning behind its proposal. She noted that in 2013 Deerfield voted to oppose the Northern Pass as it is currently proposed and that some thirty other Towns passed similar Warrants. An environmental impact study and scoping report has been conducted and since that time more than twenty alternative plans have been raised. As many as nine of those alternative plans involve Deerfield as the terminus for the Northern Pass, making it one of the Towns most impacted. Possible alternatives include lines buried along the right of way or a converter station being placed in Town. The next step is for the Northern Pass to file an application with the Site Evaluation Committee (SEC). It is the position of the citizens presenting this Warrant Article, and the Select Board agrees, that the complexity of the SEC process requires experienced legal counsel. $10,000 would represent approximately 40 hours of counsel.

J. Kelley asked whether the line replacement in 2014 along Old Center Road was in preparation for the Northern Pass. Ms. Wolford answered no, that the Northern Pass will involve massive steel structures and as many as 100 new poles in Deerfield. Selectman Robertson confirmed that the line upgrades were part of the PSNH D146 project, work that was completely separate from the Northern Pass.

F. McGarry asked whether the hiring of consultants and other topic experts could also fall under this fund. Ms. Wolford responded that the intention of the Article was to assist in covering any costs incurred in advocating the Town's position.

H. Cady spoke that she is strongly in opposition to the Warrant Article as she finds it to be a violation of the right of free speech. She spoke that it is against the law to use public money to support something not all the Town agrees with. Ms. Wolford responded that she has looked into Ms. Cady's position and believes that by law the Town can appropriate money for valid public purpose. She clarified that the intent of this money is not necessarily opposition, but is to advocate in the Town's best interest. Advocating for Deerfield before the SEC will be complicated and costly and Deerfield needs a voice in the process. H. Cady reiterated her position and Vice Chairman Spillane agreed that, while he appreciates the proactive advocacy, he believes the use of money to be in violation of the law. He shared concern that the Town will end up defending against lawsuits thus incurring costs greater than the $10,000 set aside. Selectman Robertson spoke that, regardless of the Towns position on the topic, that the Article has been placed on the ballot legally. Chairman Verville spoke that any appropriation has the chance for mishandling and that it would be up to the Select Board to determine how to spend the money within the parameters of the law. He sees that the Town has been invited to participate in a long and complicated legal process, and that this money represents the Town's ability to participate. C. Levesque asked how many other Towns have passed similar Articles. Erik Berglund spoke that of the 31 or 32 communities impacted by the Northern Pass, just about all have expressed opposition. The language for this Warrant Article was taken from Sugar Hill. Selectman Robertson noted that the Select Board's position is not straight opposition to the Northern Pass, but opposition to the project as currently proposed.

Jim Sullivan asked what would happen if Warrant Article 9 failed, but 17 passed as they tie into each other and 17 would then reference a fund that would not exist. Chairman Verville responded that Warrant Article 17 falls outside the scope of Budget Committee review and Selectman Robertson added that, as a Petition Warrant Article, there is no ability to change the language. H. Cady felt that the language could be amended during the Deliberative Session so long as it does not change the intent of the Article. She referenced personal research conducted with the DRA that supported her position.

Northwood Lake Milfoil - $6,000

Erik Berglund asked whether this appropriation would also be a violation of Free Speech as there may be some members of the community who like Milfoil and oppose its eradication.

School Warrant Articles

Operating Budget - $12,079,810 ($12,039,349 default)

H. Cady spoke that she has heard mention the Schools budget is only up $52,000, factoring in the $500,000 savings in High School tuition, she asked what is causing an actual $552,000 increase. M. Clark responded that the actual High School Tuition savings was projected to be approximately $385,000 and noted that the number of High School students is expected to climb from 182 this year to 191 next.

Playground Expendable Trust Fund - $35,000

Vice Chairman Spillane asked that the last sentence reading "to be raised from taxation" be removed, he felt it does not add value and is repetitive. Mr. Berglund asked what the estimated tax impact would be and Chairman Verville answered $0.06/per $1,000 in assessed property value. Chairman Verville noted that sketches of the proposed playground were available for the public's review.

Facility Paving Fund - $25,000

J. Sullivan voiced concerns that if, on June 30, $25,000 was retained for paving, but the Article were to fail that the money would be allowed to be retained under the 2.5% DRA Allowance. P. Aubrey spoke that expenditures from the 2.5% retainer must meet special circumstances and that paving would not satisfy those requirements. J. Sullivan followed by asking if the $25,000 Warrant Article were to fail, would the money go back to the voters and P. Aubrey confirmed that yes, it can. If at year end the School has a surplus it will then apply that money to any Warrant Articles to be funded from surplus, the remaining amount is then considered for the 2.5% retention decision.

A member of the community asked if there was a published paving plan or timeline for review. M. Clark responded that the paving at the School is scheduled to be completed over three phases. Phase I was completed in 2014, this installment will be Phase II to pave from the stop sign to the road, and Phase II will be to pave the parking lot. At this time there is no timeline for completion of Phase III.

H. Cady asked that the School explain the amount that is able to be retained each year from budget surplus. Peter Aubrey spoke that the amount allowed to be set aside each year is set by the DRA and stressed that the balance does *not* roll forward, nor does it accumulate year over year.

Chairman Verville thanked the members of the Public for their attendance and participation.

Motion: Vice Chairman Spillane moves to adjourn the Public Hearing
Second: F. McGarry
Vote: Yea 10, Nay 0, Abstained 0 – Motion Carries

Reconvene MBC Meeting – 8:20p

Approval of Minutes – January 10, 2015

Motion: Vice Chairman Spillane moves to approve the minutes as written
Second: F. McGarry
Discussion: M. Clark noted that on page 6, line 2, "…no impact next year." should read "this" year. On the same page, paragraph 7, line 4, "H. Clark" should be "M. Clark.
Vote to approve as amended: Yea 9, Nay 0, Abstained 1 – Motion Carries

2015 Municipal Operating Budget

H. Cady asked whether the $5,730 added to the Municipal Budget for the Special Election included a line for costs associated with the Supervisors of the Checklist, Vice Chairman Spillane answered yes.

Motion: H. Cady moves to reduce the Supervisors of the Checklist line.133 by $1,000
Second: M. Clark
Discussion: H. Cady stated that, after further review of the proposed budget and the $1,100 surplus remaining from 2014, she feels $1,000 can safely be removed from the budget. Selectman Robertson urged the Committee to stay with the original figure. H. Cady responded that there was a need for training and travel associated with 2014 expenditures that will not be necessary in 2015.
Vote: Yea 7, Nay 3, Abstained – Motion Carries

H. Cady spoke that she has reviewed the Select Board minutes and cannot find where it was voted to hire an Assessing Supervisor for 20 hours a week. She feels this is a new position and expressed concern with employment creep in Town. She did find in the minutes that, following a retirement, the Assessing Clerks salary was increased by $3/hour, but feels the creation of an Assessing Supervisor position was done outside of the public meetings and should not be funded. Selectman Robertson provided some background to the Town Office staffing, he stated that the Assessing Supervisor position came out of a realignment proposed by the former Town Administrator. The Book Keeper became an Assessing Clerk in 2013, that same position was re-titled to Assessing Supervisor with an associated pay increase in December 2014. He stated there was no addition of personnel, but instead was a realignment of titles.

> **Motion:** H. Cady moves to reduce the Assessing Budget bottom line by $126,708
> **Second:** J. Kelley
> **Discussion:** H. Cady spoke that in the Select Board minutes of September 15, P. Touchette provided the Board with a memo proposing the Avatar contract. She was upset that a piece of the assessing contract is for the updating of cards, particularly building permits and expressed displeasure with a personal experience she has had with the assessors and the abatement process. Selectman Robertson noted RSA 75-8-A that states that the Town is required to do a revaluation of property assessments every five years. If the motion were to pas he feels it would be doing a major disservice to the Town, property value rates would be skewed and it could potentially put Deerfield in violation of State Law.
> **Vote: Yea 1, Nay 9, Abstained 0 – Motion Fails**

Motion: Selectman Robertson moves to approve the MBC Bottom Line of $3,827,823
Second: F. McGarry
Vote: Yea 8, Nay 2, Abstained 0 – Motion Carries

<u>Municipal Warrant Articles</u>
Motion: Vice Chairman Spillane moves to waive the reading of each Warrant Article
Second: H. Cady
Vote: Yea 10, Nay 0, Abstained 0 – Motion Carries

> **Warrant Article 1 – Highway Shed – Yea 8, Nay 2, Abstained 0 – Committee votes to recommend**
> **Warrant Article 2 – Fire Apparatus – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**
> **Warrant Article 3 – Fire Command Vehicle – Yea 7, Nay 3, Abstained 0 – Committee votes to recommend**
> **Warrant Article 4 – GBW Building Improvements – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**
> **Warrant Article 5 – Capital Reserve Police Vehicles – Yea 3, Nay 7, Abstained 0 – Committee votes not to recommend**
> **Warrant Article 6 – Transfer Station Storage Shed – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**
> **Warrant Article 7 – Municipal Govt. Buildings – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**
> **Warrant Article 8 – Rescue Vehicles – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**
> **Warrant Article 9 – Northern Pass – Yea 5, Nay 3, Abstained 2 – Committee votes to recommend**
> **Warrant Article 10 – Milfoil – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**

<u>2015-2016 School Operating Budget</u>

> **Motion:** Vice Chairman Spillane moves to recommend
> **Second:** Selectman Robertson
> **Discussion:** M. Clark spoke to address some of the previous questions raised by H. Cady. She noted that yes, there was a major decrease in the High School Tuition line, however Health Insurance costs are up over $120,000, State Retirement costs are up over $100,000, and the School is recommending an additional teacher, this together with step increases in pay has a $179,000 increase in the salary line. These things combined more than offset the High School savings. H. Cady spoke that she dislikes the way in which contracts are being negotiated and feels the Employees and School Board need to do a better job in negotiating what is reasonable to the citizens of the Town.
> **Vote: Yea 9, Nay 1, Abstained 0 – Motion Carries**

<u>School Warrant Articles</u>

> **Warrant Article 2- Para-Educator Contract – Yea 9, Nay 1, Abstained 0 – Committee votes to recommend**
> **Warrant Article 3 – Playground Fund – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**
> **Warrant Article 4 – Facility Paving Fund – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**
> **Warrant Article 5 – Technology Fund – Yea 10, Nay 0, Abstained 0 – Committee votes to recommend**

<u>Old Business</u>
Chairman Verville addressed the question of Common Core funding touched on at the previous meeting. He spoke that all members of the Committee are encouraged to formulate questions and present them to the School Board in advance and did not find his questions to be out of order. He went on to say that, as Chairman, he discouraged members from making remarks that were

commentary only, but felt that his line of questioning around the Common Cord and Smarter Balance impacts on the School Budget was appropriate.

New Business

Chairman Verville noted that he will be absent from the January 31st Deliberative Session and that Vice Chairman Spillane will represent the Committee at that meeting. He reminded that the form MS37 will need to be signed prior to the deadline of January 22nd and encouraged members to make every effort to visit the Town Administrator's office to sign. The School form MS 27 will be made available in the same location for signatures.

Selectman Robertson noted that at the Select Board meeting held previously this evening the Board voted to ask that the MBC consider holding its Public Hearings at the new meeting space. He recognized that holding the meeting at the Town Hall has been encouraged in the past, but asked the Chair to consider relocating going forward.

H. Cady spoke to publicize the fact that the MBC does no review or approval of the Default Budgets.

Citizens Comments

Deb Boisvert spoke in favor of relocating the meetings to allow for them to be televised.

Adjourn:

Motion: Vice Chairman Spillane moves to adjourn the meeting of January 16, 2015
Second: B. O'Donnell
All in Favor – Motion Carries – Meeting Adjourned @ 9:03p

The Minutes were Recorded, Transcribed and Respectfully Submitted by Katie Libby.
Pending Approval by the Municipal Budget Committee