

Minutes
Nottingham Budget Committee Meeting
November 8, 2012

Members Present: Chair Donna Danis, Vice Chair Michael Koester, Chet Batchelder, Selectman Mark Carpenter, School Rep. Sue Levenson, Korey Ferland, Jason Marcotte, Gene Reed, Barbara Scannell, Jeff Wheeler, and Barbara Walder

Members Absent: Excused: Peter Perron with replacement of Sue Levenson

Other in Attendance: Secretary Dawn Wirkkala, Charles Brown, Town Administrator, Mary Bonser, Chair of Selectman

Chair Danis reviewed options for Town Budget Hearing dates and suggested January 31, 2013 as a possible date. This change would prevent two late night back to back meetings for school and town hearings. Chair Danis would discuss the date further with Mr. Brown to determine the best date. Mr. Brown stated he believed January 31 might be a good option and would be penciled in on the calendar.

OUTSTANDING MINUTES:

Motion: by Mr. Batchelder, second by Mr. Marcotte to approve the minutes of the October 18, 2012 meeting as amended.

Vote: 10 – 0 in favor. Ms. Walder abstained.

Action Item Review: Ms. Levenson stated Mr. Perron discussed the encumbrance issue with Mr. Markiewicz who stated if there was an obligation, such as purchase order or invoice, the “Encumbered” line was used. More of the amounts were included the following day, and more entries continue with work on the large ticket items for encumbrances.

Ms. Levenson stated the current bill has been received by Coe Brown for the 2012/2013 tuition. Mr. Reed asked if tuition is a onetime payment. Ms. Levenson stated the differential amount is due by the end of the school year to try and give some flexibility with how payments are made, and prevent unnecessary movement for a student from one school to another. If tuition isn't paid by the end of the year the student is transferred to Dover High School for the next year. There is currently a good process to collect the funds and the unpaid balance amount is at a smaller level now than in the past.

Chair Danis suggested offering a couple of payment plan options to parents to make it easier for full payment to be received. Ms. Scannell stated part of the decision for payment at the end of the school year allowed for some flexibility for a self determined payment schedule, but full payment of the differential should be received by the end of the year. Mr. Marcotte asked who is ultimately responsible for collecting a delinquent account. Ms. Levenson stated the Town makes payment of the full tuition amount to Coe Brown and then collection is completed by the SAU for the differential amount; there is a greater accountability for the collection than there has been in the past.

Chair Danis reviewed it was only a request by the Budget Committee to receive attendance report from each school for better understanding of how tuitions can change on both the elementary and high school levels. Mr. Batchelder stated the reports help understand it isn't such a simple process of counting students at the beginning of the year to establish tuition amounts. Mr. Carpenter suggested it might be helpful to look at the information over a historical period. Mr. Batchelder stated no matter how the information has been reviewed it has been a budget line that is always significantly over budgeted. Ms. Levenson stated estimates are calculated looking at the past

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42 percentage of students that go to each school to estimate future tuition amounts, but it doesn't
43 always follow a regular pattern; it's been 50/50 in the past but currently there is a 60% to Coe
44 Brown and 40% to Dover High School.

45 Mr. Reed asked about the elementary school attendance. Ms. Levenson stated it can be provided.
46 Chair Danis stated the more informed the committee is the better budgets can be.

47 Mr. Carpenter reported there are legal audit letters that have been provided before at no cost, but
48 this year had to be paid for. Mr. Brown stated the Auditor requests verification of any potential
49 liabilities from Town attorney, and this is the first year the attorney's have charged the town for the
50 review and letter of response.

51 Mr. Brown reported the extra funds in 2012 Construction/Reconstruction will pay for the design and
52 permitting process for the Town Sand Pit Bridge as planned.

53 Mr. Carpenter stated the highway fuel savings wasn't because of any specific plan but because of
54 the mild prior winter.

55 Mr. Keoster reported he was ready to set dates for the Default School Budget sub-committee and
56 would discuss the issue during round table discussion.

57 **Town:** Mr. Brown reviewed the new report format. Mr. Keoster asked about the date of the actual
58 expenses. Ms. Wirkkala explained the date of the expenses is listed in the top right corner of the
59 report but the header would be changed to reflect "YTD Expenses."

60 Ms. Walder asked if there was an across the board 2% salary increase for all employees. Mr.
61 Brown reported in most cases. As presented, the Town Administrator and Police Chief refused
62 increases, some police staff receive a higher rate based on position responsibilities, and the
63 Recreation Director receives 5%.

64 Mr. Batchelder asked about the status of the report and if it is close to finish or still had many
65 changes. Mr. Brown stated the Library budget hasn't been received but is expected mid November,
66 additional calculations are needed for FICA, taxes and retirement amounts, but the amounts in all
67 other areas should be considered mostly final.

68 Mr. Batchelder stated there should be a full review of all budget lines for the new members.

69 Mr. Carpenter stated some of the department heads will further refine some of the amounts, such as
70 fuel, when actual expenses are available closer to the end of the year. Mr. Brown reported there
71 was a significant 19.1% increase in health care premiums and Ms. Bonser stated plans and options
72 are being reviewed for a potential change. There was no specific budget plan, but there was
73 agreement to keep expenses down. Mr. Brown stated he is very happy with the budget as it stands.

74 Chair Danis asked if there were any specific guidelines given to department heads with establishing
75 budgets. Mr. Brown stated it is the same guidelines as the last few years; needs versus wants,
76 energy conservation, and level budgeting was encouraged. Ms. Bonser reported the board was
77 looking for decreases and not increases. Mr. Brown reported one selectman reported to all
78 department heads if salary increases were considered, other areas would need to be decreased.

79 Mr. Brown reviewed the Executive line. Chair Danis asked for clarification of the Secretarial line
80 narrative to clarify it is the individual already hired.

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81 Ms. Waldron asked about the significant difference between budgeted postage amounts and
82 expenses, feels there is an over budget on every department postage line and would like to see them
83 added together for an overall town budgeted and expense amounts. Ms. Waldron asked about the
84 Registry of deeds budget line.

85 Mr. Reed asked about the printing of the Town Report. Mr. Brown stated the number being printed
86 has been reduced over the previous year and having them on the internet has helped reduce the cost.

87 Mr. Brown reported two new additional PC's will need for 2013. Mr. Reed asked if the Town
88 disposal process for PC's is similar to how the school sells theirs. Mr. Brown reported they are
89 disposed of at the recycle center if they aren't able to be re-used in other areas at the town offices.

90 Ms. Waldron asked about the Broadcasting/Website line over expense. Mr. Brown reported the
91 amount is off set from revenues with the Comcast Cable franchise money and it provided the new
92 audio and video equipment at the Town Offices Conference Room #1.

93 Mr. Brown reviewed the Town Clerk line stating no narratives were provided. The increase in
94 salary and fees were noted and questioned. Mr. Brown reported he would request more information
95 from the Town Clerk about the salary and fee increases, as the staff and hours remain the same. Mr.
96 Brown reported publication spending is down with more internet usage. Ms. Bonser reported this
97 department brings in a large amount of revenue; however, the revenue amounts have decreased this
98 year.

99 Mr. Brown reviewed the Voter Registration line stating there were few changes in amounts. The
100 Moderator asked for a salary increase and is a recommended denial. Additional funds were also
101 requested on the equipment line for an equipment cart, but the Town has one which can be used and
102 is also a recommended denial. Mr. Reed suggested putting a request out to the public for a care to
103 be donated if another is needed.

104 Chair Danis asked about the training line for the Voter ID. Mr. Brown reported there was training
105 for 2012 and was told it would continue for 2013. There appears to be a trend for increases in
106 training and the committee asked why. Mr. Brown stated it might be for the voter machine
107 programming, but he would ask for the specific reasons.

108 Mr. Brown reviewed the Financial Administration line. Mr. Brown reported no change to the
109 Overtime line stating the Bookkeeper, Ms. Carlson, refuses overtime pay and volunteers any time
110 over 40 hours worked, although she should be paid. No increase for the Tax Collector and the
111 Treasurer salary is a stipend that hasn't been increased.

112 Mr. Brown reported the audit line is lower because the GASB report is valid for three years; there is
113 an increase in the Budget Committee secretarial line for more consistent coverage with Heidi and
114 Dawn, and other minor changes.

115 Mr. Marcotte asked about the possibility of insurance costs being included in each individual
116 account line to associate the actual costs for each employee and department salary and benefits
117 expenses. Discussion took place about getting a further breakdown of the actual benefit costs of
118 insurance for each employee. Mr. Carpenter stated providing more specific information would
119 allow specific plans to be associated to each employee, therefore identifying who is receiving more
120 coverage and is costing the town more, confidentiality becomes an issue with health insurance. Mr.
121 Marcotte stated there isn't anything regarding retirement.

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122 Mr. Reed stated some insurance information is available from the school on an individual basis but
123 it doesn't give specific plan information. Chair Danis stated the school provides generic
124 information. It was suggested each plan can be shown and the cost for each of those plans and how
125 many individuals are in each plan.

126 Training/Support is for software support for the Tax collector and Bookkeeper.

127 Mr. Carpenter asked about Dues/Conferences and verification of the actual amount as there is no
128 change from 2012 to 2013 and the narrative indicates a decrease of \$500.00.

129 Mr. Brown reviewed the Mortgage Research should be completed more consistently for 2013 with a
130 change of personnel.

131 Ms. Waldron asked about the payment for mileage and payment not being issued until the end of
132 the year. It was stated with agreement that there should be a more frequent distribution.

133 Mr. Brown reviewed the Property Appraisal line with decreases in the postage, Dues/Conference
134 and Office Supplies. Increases are seen on the equipment and software support as a new printer
135 may be needed. Ms. Scannell asked about the salary line. Mr. Brown and Mr. Reed reviewed some
136 of the tasks of the coordinator in comparison to the contract assessor.

137 Mr. Brown reported map changes depend on the total new sub-division requests submitted to the
138 town and can't always be planned for.

139 Mr. Brown reviewed there was no change to the legal expense line for 2013, despite being over for
140 2012 due to unexpected circumstances.

141 Mr. Brown reviewed Personnel Administration. Mr. Brown reviewed the Co-pay Assistance line.
142 Ms. Bonser stated this was included when the 2012 insurance premium was reduced with a change
143 of higher deductibles. Mr. Carpenter stated this line could probably be reduced if there isn't a
144 change in policy/premium type. However, it could remain the same amount if a higher employee
145 deductible/lower Town premium policy was used, just in case additional employees will then need
146 to use the assistance. It is currently an amount planned for the worst case scenario, but as it hasn't
147 been used in the past it might be changed to 60% of the total amount needed.

148 Mr. Reed asked about the total number of people being covered by health insurance. Mr. Brown
149 stated the number of employees covered has been reduced, estimated at 16 people, but the total also
150 includes the amount for a new employee expected to be hired at the Fire Department. Mr.
151 Carpenter stated the slight reduction of the Health Insurance Premiums has more to do with the loss
152 of two employees because it does include a 19% increase in premium expenses.

153 Mr. Brown reviewed there may be additional participation and funds needed with the Town
154 retirement plan as the Town matches up to 3% of each employee payment. The plan is otherwise
155 self-funded by employees. The 457 plan is similar to a company 401k plan.

156 Mr. Ferland asked about the police and fire retirement plans. Mr. Brown reviewed the plan
157 originally split the cost for their retirement plan with the state but has shifted 100% to the Town.
158 Police and Fire retirement is both employee and Town contributions established by the state.

159 Mr. Brown reviewed the tax, unemployment tax, and other charges are only estimates.

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160 Mr. Brown reviewed the overall decrease in the Planning Board budget. Ms. Waldron asked about
161 the off setting revenue line and why there is a budget line and amount included. Mr. Brown
162 reported the revenue is received by applicants when they file permits and plans, and the line is used
163 to pay for those services to support permit and plan review.

164 Mr. Keoster asked if individual printers are needed or can one larger one serve the needs of the
165 town. Mr. Brown stated the individual printers are needed, some for color which isn't used often
166 but occasionally needed, and each is used.

167 Mr. Brown reviewed the Zoning Board slight overall decrease. Secretarial salary is split between
168 the Planning and Zoning Board but is one person.

169 Mr. Brown reviewed the General Government Building line and Ms. Waldron asked about over
170 budgeting for the salary line. Mr. Brown reported the position is given 25 hours a week and she
171 may not typically utilize them all, but they could be used. Mr. Brown reported a new floor buffer is
172 being requested.

173 There are increases in the mowing/snow shoveling, and the older town owned buildings needing
174 some considerable maintenance. Mr. Brown reviewed he is waiting on completion for some
175 planned construction projects budgeted for 2012 and the installation of new gym doors will actually
176 take place this year and the planned budget amount will decrease.

177 Mr. Brown reported while there is some maintenance of the library grounds, they are working on a
178 fund raiser for improving the grounds; there is use of the old Town Hall for recreation programs;
179 there isn't enough history to provide actual numbers for the new highway garage. There is a
180 decrease in actual electric usage on the Town Office electric bill, but it isn't usual. Minimal electric
181 usage is expected at the Salt Shed; it was significantly used during the year of the collapse as the
182 storage location for the diesel vehicles, but isn't expected this year.

183 Mr. Brown reported the Cemeteries are supported by the trust fund but the needed road upgrades
184 will cost more than what is currently estimated. A decision about road work is still needed from the
185 Cemetery Trustee and he is also waiting on a material amount from the road agent. Mr. Carpenter
186 asked if the road work could be postponed and Mr. Brown indicated it probably couldn't, as access
187 to the cemeteries is becoming a problem.

188 Mr. Brown reviewed the Insurance Not Otherwise Allocated line stating there is a one time credit
189 for the workers compensation in addition to an expected refund from the LGC; they are calling it a
190 payment holiday. The insurance deductible payment is remaining level funded at \$3000.00 for
191 Town deductible needs.

192 Mr. Brown reviewed the Police budget. There is a decrease in the overtime amount due to changes
193 in court appearance time for the officers. Chair Danis asked about the service contract. Mr. Brown
194 reviewed there is a change by having the PD computers maintained on a monthly basis versus
195 whenever requested in the hopes of extending PC usage life.

196 It was stated the Police would be purchasing a Ford Explorer for 2013 and equipment is re-used for
197 the new vehicles when able.

198 General discussion took place about the ability to pull individual accounts, such as postage or
199 equipment, to determine the actual town total for similar items. It was stated the expense
200 information, if available, could be determined from the spreadsheets.

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201 Discussion took place about Fire Fighter staff and it was stated Nottingham appears to have a
202 competitive hourly salary line. Mr. Batchelder stated however, while the base hourly salaries may
203 be comparative to other communities, if other communities are offering significant over-time it
204 could give a much higher actual annual salary. The Nottingham base salary may not be enough to
205 cover the ability to keep full time staff.

206 There were minimal increases or decreases for the Fire Department and no additional questions
207 were asked.

208 The increase for the Ambulance is to cover the newly billed ALS services. Exeter Hospital has
209 started billing for those services to the Town for Medicare patients when they haven't done so in the
210 past.

211 Code Enforcement has increases in printing for permits and equipment for new file cabinets, but
212 decreases in publications, Training/Certificates/Conferences, and mileage.

213 There is no change for the Emergency Management line and it remains level funded. Mr. Brown
214 reported half dozen cots were purchased for the emergency management program in case an
215 emergency shelter is ever needed. Traffic cones were also purchase and were used during the
216 election process.

217 Highway has a slight overall decrease with minimal changes. The Town has had issues with the
218 portable radios in use and they have needed replacement to meet guidelines. Mr. Marcotte asked
219 about the number of staff. Mr. Brown reported there are three full time staff members and as many
220 needed part-time to cover winter shifts. Mr. Brown stated the Highway department does a great job
221 taking care of the number of roads with the minimal staff members. The Road Agent works very
222 hard and effectively.

223 Construction/Reconstruction will cover the cost for the sand pit bridge, with in house staff for
224 construction in 2013. Shim and seal coat has increased to take care of some additional road, where
225 he hasn't had increases in the past four years. It was stated the same account numbers are re-used
226 every year with the Account Names changing. Ms. Wirkkala will get the 2011 and 2012 Account
227 Names to review the actual roads worked on in the past.

228 Mr. Carpenter stated discussion with the Road Agent indicates there should be an average of 7 miles
229 of roads needing work every year, but he has only been completing about 4 miles and it is getting to
230 the point where the town may be falling behind. Mr. Marcotte asked if the PCI (Paving Condition
231 Index) was used to assist in determining when and which roads should be repaved. It was stated it
232 was not.

233 The significant decrease in the Recycle Center budget reflects the change to a three day a week
234 schedule and only part time staff. Chair Danis asked about the potential impact of the change.

235 Mr. Carpenter reported a study was completed over several weeks to track when and how many
236 visits were taking place. It was found the majority of visits take place on Saturday, Tuesday and
237 then Friday. The change gives a goal to absorb the additional people in a fewer number of days.
238 Nottingham will still have more days open than other larger communities and implementation of the
239 change will take place on January 1, 2013. Mr. Reed asked about the pay-as-you-throw program.
240 Mr. Carpenter stated the PAYT program option is something the Selectmen may still also consider.

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241 Ms. Walder asked if the any of the other line items should be reduced, such as solid waste, electric
242 and fuel. It was stated the volume of trash and equipment use would remain the same; it would be
243 more use in three days versus spread out over five days.

244 Mr. Carpenter stated the option may be to create a task force to review all the available options for
245 the Recycle Center to save money on solid waste disposal, such as single stream or the PAYT.

246 Animal Control, Health, and General Assistance all had no change to their budgets. Vendor
247 Payments will be on the warrant. Mr. Batchelder stated there should be a review to establish if
248 there are as many services provided to Nottingham citizens that is a match to the amount donated to
249 each agency.

250 Mr. Brown reviewed Recreation. The salary includes a 5% increase for the director. Mr. Ferland
251 asked if it was merit based, and Mr. Brown stated that was the case.

252 Ms. Bonser stated there would be a fund created for the Nottingham 300th birthday. The beginning
253 amount would start at \$5000 and as we get closer to 2022 the Town can re-evaluate if the amount
254 should increase.

255 Conservation Commission budget has a slight overall decrease.

256 Mr. Brown reviewed the Other Financial Uses indicating the Account name now includes the end
257 date of the loan with the remaining loan balance included in the narrative; both Principal and
258 Interest will remain level funded.

259 Mr. Brown reported there may be approximately \$100,000.00 less in revenue available for 2012,
260 but the actual amount will be seen when the tax rate is received.

261 Mr. Batchelder asked about the Mill Pond property. Mr. Brown stated the survey is being
262 completed and once complete discussion with the State can resume. Discussion with the State of
263 New Hampshire has continued but getting the issue resolved is harder than expected; part of the
264 hold up is an agreement on how much of the land will be placed into conservation. There may need
265 to be another warrant article to encumber the remaining funds to complete the process for 2013.

266 Chair Danis thanked Mr. Brown and all department heads for providing a good budget. Department
267 head meetings will take place in a couple of weeks. Budget Committee members should complete a
268 more thorough review for any additional questions.

269 **School Financials:** Chair Danis asked if there were any additional questions regarding the school
270 financials and there were none.

271 Mr. Batchelder asked to carry over the discussion until the next meeting. Chair Danis stated the
272 next meeting was to review the first draft of the school budget.

273 Ms. Scannell stated she didn't want to add to the school items being requested for review but
274 suggested utilizing the annual reports submitted by the schools to review attendance and tuitions.
275 Ms. Levenson stated the report may provide additional information about school plans for the
276 budget committee to review. Mr. Keoster stated he still wanted the monthly reports.

277 **NEXT MEETING AGENDA:** Discussion will take place about tax warrant impact at the next
278 meeting.

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280 **ROUNDTABLE / OTHER BUSINESS:**

281 Mr. Keoster asked who was participating on the Default School Budget and which night was better.
282 Jeff, Korey and Bunny were to participate and Tuesday, November 13 was selected at 7:15 pm.

283 Chair Danis stated there was great discussion about the Town budget, Mr. Brown provided great
284 information, and she is pleased with the new Budget Committee member participation.

285 Ms. Levenson stated it was good to see everyone.

286 Mr. Carpenter stated he would be unavailable for the next meeting but would still like a copy of the
287 material.

288 **ACTION ITEMS:**

289 1. Town answers to questions regarding the budget:

290 a. Date for Town Hearing w/ Chair Danis.

291 b. Department Head/Budget Committee Meeting Schedule.

292 c. Summary of individual account sections (postage & equipment).

293 d. Breakdown of Insurance plans and how many individuals in each plan.

294 **ADJOURNMENT:** Having no further business,

295 9:56 PM **Motion:** Motion by Mr. Marcotte, second by Mr. Carpenter.

296 **Vote:** 11-0 in favor.

297 Respectfully Submitted,

298 Dawn Wirkkala

299
300
301

**Approved as amended
11/29/2012**