

Minutes
Nottingham Budget Committee Meeting
December 6, 2012

Members Present: Chair Donna Danis, Vice Chair Michael Koester, Chet Batchelder, Selectman Mark Carpenter, School Rep. Peter Perron, Korey Ferland, Jason Marcotte, Gene Reed, and Barbara Scannell

Members Absent: Barbara Walder, Jeff Wheeler

Other in Attendance: Secretary Dawn Wirkkala, Charles Brown, Town Administrator, John Fernald, Jaye Vilchok, Sandra Vilchok, Jude Thibault, Robert Desrosiers, Heidi Carlson

Chair Danis called the meeting to order and introductions were completed.

OUTSTANDING MINUTES:

Motion: Motion by Mr. Koester, second by Mr. Marcotte to approve the minutes of the November 29, 2012 meeting as amended.

Vote: 9 – 0 in favor.

Action Items Review: Mr. Brown reviewed the action items from the last meeting. The library wage survey had been emailed to board members earlier in the week and any additional town budget summaries could be provided when requested.

Mr. Brown reviewed the health insurance premiums and the amounts for the plans were provided to the committee, individual, two-person, family, and Town Administrator plan. Mr. Brown stated the 2013 budget amount for insurance includes the planned hire for the Fire Department, which is also included in the counts of number of employees for each plan group.

Mr. Brown reported there was a 19% increase for 2013, and this change was after a plan change in 2012 to help reduce the insurance premium for 2012.

Mr. Brown reported insurance companies are providing a clause that if the employer is offering assistance to the deductible for employees the health plan would be cancelled. It appears this is in concern to Obamacare.

Mr. Marcotte asked what the insurance plan for New Hampshire was going to be in 2014 and if NH would offer state insurance. Mr. Reed stated he heard from a national source that NH was electing to rely on the federal government plan.

Mr. Brown stated he already had plans to go out to bid for insurance in 2014. His research and interviews for the 2013 budget indicated a reduction in premiums for the health insurance plan but the company couldn't match what is currently paid for long and short term disability and life insurances.

REVIEW OF FINANCIALS:

Highway: Mr. Fernald reviewed the second draft of his budget which had minimal changes from the first draft. There was an increase on salary to include a total of 2%, but there was no change to the overtime salary amount, and no changes to most all other lines. There was a slight decrease to the uniform line, radio maintenance, and engineering and consulting for any major projects that may come up. Smaller work can be completed in-house, but if there are larger projects the state requires an engineer, and the amount will cover that cost, such as any needed culverts over four feet.

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38 Mr. Koester asked about the significant expense in the 2011 Highway Misc. line. Mr. Brown stated
39 this was due to the collapse and this line shows the amount of the insurance claim that was paid
40 back out.

41 Mr. Ferland asked about the number of employees. Mr. Fernald responded that there were three full
42 time employees and the remaining were part-time employees, who are saved for winter snow
43 coverage only; his part-time staff is very reliable.

44 Mr. Ferland asked about the reduction in actual expenses for 2012 and it was stated the easy winter
45 was the reason; it is always a best guess amount but dependant on the weather.

46 Mr. Fernald reviewed the construction and reconstruction costs, and the amount included funds
47 from 2012 that would be carried over for the town sand pit bridge. The work on the bridge will be
48 completed with department staff in 2013, but there are needed engineering and permitting costs.

49 Mr. Reed asked what was located at the pit. Mr. Brown stated it is the Town sand and salt supplies
50 and potentially the future site for a new highway garage. Alternative bridge methods were
51 considered, but the concrete method was determined to be the best option with a longer service life
52 of 50-70 years. Mr. Fernald stated construction would take approximately 6 to 8 weeks to
53 complete; the only traffic is municipal employees and not the general public.

54 Mr. Batchelder asked about the expected life of the pit. Discussion took place about the expected
55 useful life of the pit, but an exact timeline wasn't given. Mr. Batchelder stated if there is the
56 assumption the life expectancy of the pit is ten years, does it make sense to spend funds for a long
57 term bridge, unless there is a plan for it to become the area for the town garage or to consolidate
58 town functions into one area. There should be consideration of the land being used for more than
59 just the gravel. Mr. Fernald stated the existing bridge plan will be more profitable in the long run,
60 whether it is a transfer of the location of town services to the lot or a potential sale.

61 Mr. Carpenter stated there is going to be a time where the current location of the Recycle center
62 won't be sufficient and there has been some discussion about moving the Recycle Center along with
63 the Highway department to this location; long term in the future plans.

64 Mr. Brown reported the shim and sealcoat line has increased for the first time in many years. Mr.
65 Carpenter stated there was good discussion in the past about how frequently the roads should be re-
66 sealed and asked Mr. Fernald to review the issue for the Budget Committee.

67 Discussion took place about the frequency of need to take care of the roads and different methods
68 when determining how and why a road should be re-sealed. Mr. Fernald reviewed there should be
69 an approximate 3 1/2 to 4 miles of roads re-sealed each year. However with newer housing
70 developments there are newer roads and most are holding up well. Mr. Fernald stated he is
71 comfortable with how the Town addresses the issue, in comparison to other towns.

72 Mr. Marcotte stated he brought up the concern and asked about Mr. Fernalds plan; is there an index
73 plan to address how frequently work needs to be completed. Mr. Fernald reviewed his plan per the
74 previously distributed information.

75 Ms. Scannell stated she approves of the method of taking care of the roads; the roads in her
76 development were not as good as other roads due to erosion. She felt there should be consideration
77 to the road on a more frequent basis instead of waiting until there are major problems.

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78 Mr. Reed stated he supports the statement by Ms. Scannell that the Highway Department does a
79 great job with the resources available.

80 Chair Danis thanked Mr. Fernald for coming.

81 **Fire/Rescue:** Chief Vilchok reviewed the budget line by line. There was an increase on the full
82 time salary line and no changes to most other budget lines. There was a decrease for
83 Lease/Purchase and slight increase in Dues, and Internet.

84 Mr. Koester asked about the current under spending on the Service Contract line. Chair Danis
85 stated 2011 showed a \$600 difference and could the amount be decreased. Chief Vilchok stated
86 the full amount hasn't been paid and Mr. Brown stated there is a review of the contracts every year
87 to make sure all are funded.

88 Mr. Perron asked about Dispatch account line and Chief Vilchok stated it is covered under the
89 County tax and Mr. Brown stated the line would be removed.

90 Mr. Carpenter asked about training. Chief Vilchok stated there were a high number of people
91 needing 2012 recertification; licensing is unpredictable and there is no control over who needs what
92 for re-licensing. The Department attempts to schedule group training classes or host training for a
93 discount on tuition when possible. Training funds will be found in the budget if needed.

94 Chief Vilchok reviewed the costs for outfitting a new fire fighter is approximately \$2400.00 and
95 EMT's \$1500.00. The budget also covers the cost of replacement protective gear. Mr. Reed asked
96 about current expenses. Chief stated there are bills not reflected in the current year to date expenses
97 and has other gear needing replacement before the end of the year.

98 Mr. Perron asked about permanent to part-time gear ratio. Chief stated there are items that are short
99 term and other considered long term, but accidents happen and sometimes long term gear needs to
100 be replaced due to accident. Mr. Perron suggested tracking the differences between purchases of
101 short term and long term gear.

102 Chief Vilchok stated staff is required to have mandatory inoculations for full time fire fighters;
103 tetanus, hepatitis, typhoid, and others.

104 Chief Vilchok stated the uniform cleaning is less than expected for 2012 due to lack of the new full
105 time fire fighter. A new hydraulic cutter is being sought for 2013 to handle the denser steel being
106 utilized in newer vehicles and the existing cutter is becoming obsolete. A complete new system
107 may be needed sometime in the future, but only the cutter is being requested for this year.

108 Chief stated the call volume is down this year; Mr. Brown stated diesel fuel cannot be locked in for
109 a fixed cost. There was a decrease on the lease/purchase line due to reduction in interest with a
110 lease end in 2014. No replacement portables radios were purchased for 2012; payment was made to
111 reprogram the existing radios, but expects new battery replacements for next year.

112 Chief reported there was a fire at Pawtuckaway and towns are only reimbursed by the state at 50%.

113 The increase on the internet line is the addition of a smart phone communication method for the
114 Chief. Chair Danis asked why the telephone and internet narratives both referenced the smart
115 phone. Chief replied it is the cost of the actual phone and annual telephone and internet coverage.

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116 Mr. Marcotte asked about building maintenance. Mr. Brown reviewed the maintenance and
117 building operational expenses for the building from the General Government Buildings budget.

118 Mr. Reed asked about the vacant position and if it would be filled. Chief reviewed staffing with one
119 full time member, one per-diem, and resumes have been received to fill the third position. The
120 department is considered an "accommodation" department; there are full time "career" hourly
121 positions and on-call members receiving a stipend.

122 Mr. Reed asked about the number of calls being reduced. Chief stated overall the call numbers are
123 down, but won't have exact numbers until after the end of the year.

124 Chief reviewed the Ambulance budget. Mr. Perron asked if the Ambulance fund is self funded.
125 Chief stated everything but labor is paid from the revenue fund; the amount spent and received is
126 dependant on the number of calls and is managed very closely every year.

127 Mr. Reed asked if the income typically exceeds expenses. Chief stated typically the income
128 exceeds expenses, pays for the purchase of an ambulance every four to five years or any other
129 needed equipment, but it isn't meant to be an account earning a significant income. The purchases
130 of new ambulances are planned for purchases with the use of revenue funds earned. There is
131 careful oversight of the amount of money and the available balance should be monitored to cover
132 the planned purchases.

133 Mr. Carpenter asked about the new ALS payments. Mr. Brown stated there is still discussion taking
134 place. Chief Vilchock stated this is a change from Exeter Hospital billing requiring separate
135 payment by the Town of ALS ambulance services for Medicaid patients. Medicaid can only be
136 billed once per call and that billing will now be done by the Town, and the Town will then pay
137 Exeter Hospital. It was stated this will be a difficult line to estimate, despite being off set by
138 revenue, because it is based on the number of calls. Mr. Carpenter stated less revenue may actually
139 be received, because Medicaid pays less; Mr. Brown stated the rates are under consideration.

140 Discussion took place about how and who set the rates. Chief stated there isn't the intent to make a
141 profit on the Ambulance line, only cover the expenses.

142 There were no changes to most Ambulance lines, slight increases to the Service Contracts and the
143 new ALS line for an overall \$3000 increase.

144 Mr. Reed asked about the warrant article and if it would be brought before the committee. Chief
145 reviewed the standard Fire Department warrant articles: the \$50,000.00 Capital Reserve Fund,
146 \$20,000.00 Ambulance Maintenance fund, \$35,000.00 Defibrillator Unit that is offset by the
147 Ambulance fund and the 2013 Ambulance that is also offset by the Ambulance fund. Chief stated
148 there is an estimated \$82,000.00 remaining in the Ambulance fund after the 2013 planned
149 purchases.

150 Discussion took place about the number of bids received for the new ambulance. Chief Vilchock
151 stated it was only one reply and Mr. Carpenter asked if there was a specific reason for only one
152 response. Chief stated there was no specific reason for receiving only one response for the new
153 ambulance. Mr. Carpenter suggested the possibility of working with other towns that need new
154 ambulances, in an effort to get a better multi unit price. This would be similar to a fuel consortium.

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155 **Solid Waste/Recycle:** Mr. Brown reviewed the recycle center budget stating there will be one
156 salary line for part time employees, there is a change making former part-time salary rates similar
157 for both inside and outside job duties, testing will be required for another 24 years at the old landfill
158 but the budget is reduced with one less test day to do, and solid waste collection fees are level
159 funded.

160 Mr. Brown reported the decrease in Household Hazardous waste costs are from having a
161 coordinated day between multiple towns, which is operated by the Town of Raymond. Payment
162 from Nottingham is based on the number of Nottingham resident participants.

163 Mr. Brown stated Equipment Maintenance is increased as he expects more repairs for next year.
164 Safety equipment is level funded but encouragement is given to use what is available. New signs
165 are needed on site with the change of hours. Specific training is required by the state.

166 Mr. Brown reported the fuel line is significantly reduced as it is only equipment fuel; electric and
167 building maintenance has been moved to General Government Buildings budget, a portion of
168 building heat is generated by waste oil.

169 Mr. Koester asked about the equipment lines being referenced in two places and if there might be a
170 consideration of combining the two lines into one. Mr. Brown stated he will remove the equipment
171 from line 500.

172 Mr. Marcotte asked about the recycling revenues and Mr. Brown stated the amounts have been
173 calculated and can be provided.

174 Chair Danis asked about having final budget amounts, final YTD expenses, tax impact and revenues
175 at the final Budget Committee Review. Mr. Brown stated it is his expectation to have YTD actual
176 expenses by the January 24 final review meeting.

177 Mr. Brown stated the Town is still in good shape and was happy to know the Town Budget is close
178 to level funded. Health insurance costs were difficult, with a 19% increase in health insurance
179 premiums, but the budget still remain in good shape with the planned amounts.

180 Chair Danis thanked Mr. Brown.

181 **School Budget Update:** Chair Danis asked for committee members to limit questions, concerns and
182 discussion during the update of the school budget information; many of the questions have been
183 expressed and the school board is hopefully considering what has been said. In addition, discussion
184 should take place about RSA 32:5V-b.

185 Mr. Perron stated the first draft was in a more preliminary state than what the budget committee is
186 typically used to. Due to the comments and questions of the Budget Committee additional work
187 sessions were scheduled to address them and trim the budget. The School Board addressed areas
188 where reductions could take place getting the budget to an approximate 8% increase. In addition,
189 the most interesting information received, was a first draft default budget at 4.9% and asked where
190 Mr. Koester was with the Budget Committee default budget.

191 Mr. Koester asked to receive the detailed information of the prior year default budget to better
192 establish a current default budget. Mr. Perron stated he would look for the information.

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193 Another working session is scheduled for next Tuesday with more work with the school
194 administration. The default budget may also be reduced and expects to have a better tool for review
195 by the budget committee.

196 Mr. Perron stated more work has taken place about getting the budget more into line with what is
197 expected. Comments from the School Board will be included with the 2nd draft and it will be
198 closer to what is typically seen by the Budget Committee. Work on the budget will continue to get
199 to a final draft.

200 Mr. Carpenter stated he is interested in establishing and understanding the possible strategy the
201 school is using for educating the students; what is the spending all about? The school board has a
202 mission to set the tone for what the objectives and plans are; there would be more comfort if he
203 could understand the plan and objectives of the School Board for better educating the students. Is it
204 overreaching for the School Board to supply answers for what all the spending is about. The intent
205 isn't to make drastic cuts, but to understand more about the spending.

206 Mr. Carpenter asked for the School Board to consider establishing a budget that is approximately
207 10% less than the previous year budget. This will help the School Board to know what items must
208 be funded, what can be adjusted, and what might be eliminated. This method might be preferred to
209 only adding to the current budget amounts.

210 Mr. Perron stated the annual goals were approved only last night, and stated it was a major
211 deficiency of not having them completed earlier, and it should actually take place to establish the
212 goals during April; goals in April will drive the strategy, and the task will take place for next year.
213 While some things may be considered ad hoc, there are things that are mandated and must be
214 addressed. There is a mandate to address some specific items but as the board progresses now it is
215 too late and difficult to back into a strategy for this year; backing into a plan would be obvious.
216 Administration has a plan but it doesn't necessarily match the strategy of the board. Mr. Perron
217 stated he would be willing to utilize the activity, but doesn't feel this is the budget for that because
218 of the time issue.

219 Mr. Perron reviewed some of the areas that are considered more important to the School Board,
220 with the current understanding that if things are added other things should be removed.

221 Mr. Carpenter stated he is comforted by the statements of Mr. Perron; that approach is similar to the
222 approach taken by the town. Mr. Perron stated compared to the Town, the School personnel count
223 is significant and larger scale.

224 Mr. Batchelder asked if there would be another School Board meeting. Mr. Perron stated there is a
225 workshop scheduled for next Tuesday. Mr. Batchelder asked in regards to presenting a 2nd draft of
226 the school budget if the School Board can summarize the more significant issues regarding the
227 budget it might make the best use of time at the meeting. Mr. Perron stated it will be obvious where
228 the focus has been, but will summarize that versus a line by line review.

229 Mr. Reed asked if the information regarding what budget lines were reviewed is reflected in the
230 latest School Board minutes. Mr. Perron stated he would be able to provide the minutes.

231 Mr. Batchelder reviewed the change that RSA 32:5 V-b now allowed the addition of the potential
232 tax impact on the warrant.

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233 **Motion:** by Mr. Batchelder, second by Chair Danis to recommend to the School Board that they
234 implement RSA 32:5 V-b and develop an article for the 2013 warrant.

235 **Vote:** 9 - 0

236 Mr. Perron stated no decisions have been made on any warrants. There has been discussion about
237 the warrant for books given the expense, but another discussion will be held.

238 Mr. Reed asked if the special school board meeting would air on Channel 22 and Mr. Perron stated
239 it should be.

240 Chair Danis reviewed the SAU budget hearing date for the following Monday. Chair Danis
241 mentioned the high SAU personnel budget and a possible considerable increase in the pre-school
242 budget. The costs are currently split between three towns, and now one may no longer participate.

243 Mr. Perron stated at the last joint school board meeting Strafford indicated they are seriously
244 considering withdrawing from the gentleman's agreement for the three town participation in the pre-
245 school; the total portion would now be split between Northwood and Nottingham. Strafford hasn't
246 made a decision yet due to some significant start up expenses, but it doesn't stop them from making
247 the decision to leave. Mr. Perron would keep the budget committee up to date on any decisions
248 regarding the matter.

249 Ms. Scannell asked if it were a requirement to have a pre-school. Mr. Perron stated he believed it is
250 a requirement for pre-identified special education students, but would check on the issue.

251 Mr. Carpenter asked what the actual benefit of the SAU is to Nottingham; what do they actually do
252 for the Town for \$1 million dollars.

253 Mr. Koester stated there was a question about fund raiser funds and doesn't feel it is appropriate for
254 the Budget Committee to look at any income received from a fund raiser. Mr. Reed stated it was his
255 email and didn't object to the opinion of Mr. Koester.

256 **CIP Committee:** Mr. Perron stated there was a meeting next week. Chair Danis stated she would
257 review who the Budget Committee representative is.

258 **ROUNDTABLE / OTHER BUSINESS:**

259 Chair Danis stated she would not be able to attend the SAU Budget Hearing, School Board or
260 Budget Committee meeting, and neither would Mr. Koester. Mr. Batchelder would cover the Chair
261 position at the next Budget Committee meeting.

262 Mr. Koester mentioned he was impressed with the presentation of the technology at the school,
263 specifically the smart board. There are some positive outcomes with the use of the boards.

264 Mr. Batchelder agreed with Mr. Koester about the smart boards.

265 Ms. Scannell stated it was impressive to see the school technology and how it pairs well between
266 student's free time and education. However, there was also the expectation of seeing the actual
267 short and long term school Technology Plan, and to show if there is responsible spending of the
268 town's dollars for technology spending. Ms. Scannell would like to see the plan with the final
269 school budget. Ms. Scannell thanked Mr. Brown and department heads.

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270 Mr. Ferland enjoyed the presentation at the school as well and expressed he felt fund raising funds
271 shouldn't be considered by the Budget Committee.

272 **ACTION ITEMS:**

- 273 1. Fire Department - What are the Fire Department Service contracts and the amount of each?
- 274 2. Mark Carpenter - Review the possibility of working with other towns that are also
275 purchasing an ambulance in an effort to get lower pricing.
- 276 3. Charles Brown - Recycling revenue totals.
- 277 4. Peter Perron - Provide the previous year detailed breakdown of the default school budget.
- 278 5. Peter Perron - Per student cost of the pre-school students.
- 279 6. Peter Perron - School short and long range Technology Plan.

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

281 9:52 PM **Motion:** by Mr. Marcotte, second by Mr. Carpenter.

282 **Vote:** 9-0 in favor.

283 Respectfully Submitted,

284 Dawn Wirkkala