

Minutes
Nottingham Budget Committee Meeting
Town Budget Public Hearing
February 6, 2014

Members Present: Chet Batchelder, Donna Danis, Anthony Dumas, Korey Ferland, Michael Koester, Jason Marcotte, James O'Brien, Jackie Snow, Mark Carpenter – BOS Representative, Peter Perron – School Board Representative

Excused Absences: Jeff Wheeler

Other in Attendance: Secretary Dawn Wirkkala, Town Administrator Charles A. Brown, Hal Rafter, Mary Bonser, Paul Colby, Jaye Vilchuck, Pat

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

Chair Batchelder reviewed the process of the public hearing. The Town budget cycle is a calendar year cycle, and starts January 1, 2014. The budget material will be reviewed; specifically the line items with more significant increases or decreases. The Budget Committee will try to answer any and all questions and the material is available for review by the general public. Once the public comment portion of the hearing is complete the Budget Committee will complete a final review and vote on recommendations. Town Meeting will allow the public to vote on the overall budget and warrant articles.

TOWN BUDGET PUBLIC HEARING:

Chair Batchelder reviewed the prior year and current year budget amounts, the difference between the two and pertinent notations for each account line.

The Executive accounts include a 2% COLA for salaries. The 2014 budget amount is \$158,110.00, a 2% increase of \$3,792.00. There was no significant increase or decreases in any account.

The Town Clerk accounts have increases in salary and fees and payment is made from the collection of vehicle registrations, dog licenses, new boat fees, and other received payments. There is an increase in Equipment Maintenance and Support and decreases in Equipment to zero and Telephone. The total 2014 budget amount is \$66,391.00, a 7% increase of \$4,105.00.

Chair Batchelder stated there are a total of three elections for 2014, the Town, National Primary and National Elections, causing an increase in printing and salary expenses, which drives up the total election costs. The 2014 budget amount is \$14,129.00, a 90% increase of \$6,704.00.

Financial Administration and Tax Collector accounts include a 2% COLA for the Bookkeeper and a Tax Collector Salary increase of \$1,000.00; the Bookkeeper overtime has been reduced by 33%. The Auditor account increased, it is the first year highest expense portion of the three year federal GASB accounting review. Postage decreased 50% and Equipment by 42%. The 2014 budget amount is \$103,908.00, a 4% increase of \$3,863.00

Property Appraisal account is requesting a change to a full time Assessing Coordinator but starting salary amount is slightly decreased, additional funds are included for Dues/Conferences for additional training, and Equipment has decreased 82%. The total operating budget for 2014 is \$70,465.00, a 2% decrease of (\$1,604.00).

Legal Expenses account has a total operating budget for 2014 of \$50,010.99, a 4% decrease of (\$2,090.00).

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The Personnel Administration account has increases in health insurance coverage with an approximate 7% increase in overall insurances premiums, as well as increases in retirement payments. The 2014 budget amount is \$511,964.00, an 18% increase of \$78,727.00

The Planning Board account has a total operating budget for 2014 of \$27,906.99, a 5% decrease of (\$1,334.00).

The Zoning Board account has a total operating budget for 2014 of \$3,082.00, a 8% decrease of (\$278.00).

Town Hall and Other Buildings accounts had increases in Cleaning Salary with the 2% COLA, as well as in some general building maintenance; decreases for the Grange and Fire Department and electric and heat expenses. Mr. Brown stated the vendors for shoveling and lawn maintenance have changed but they are doing a better overall job for the increased amount. Chair Batchelder stated the Recycle Center will receive a new roof with encumbered 2013 funds. Chair Batchelder asked about the Town Office Dumpster increase and Mr. Brown stated he is working with Waste Management to try and reduce the amount. The 2014 budget amount is \$142,154.00, an 8% decrease of (\$12,105.00).

The Cemeteries account total operating budget for 2014 increased 13% to \$9,000.00. However, the expenses are covered by the Cemeteries Trust Fund and not through taxation.

Insurance Coverages, such as workers compensation and property liability has a total operating budget for 2014 of \$65,495.00, a 14% increase of \$7,905.00. The insurance policies have seen increases because of submitted claims in the past couple of years, including the collapse of the Highway Garage.

Planning Associations remains level funded with a 2014 total of \$2,500.00.

The Police Department account has the standard 2% COLA as well as merit increases for officer salaries, including an increase in Part-time Salary to include a new part-time officer. Rockingham County Attorney expenses has a 16% increase; Chief Foss explained he will no longer be using the County Attorney Office and he has hired an independent prosecutor to work for the department. There is a 17% increase for Uniforms for the new part-time officer. The department will be trading in a much lower value Crown Victoria, where last year a higher value Expedition was traded, and the department is requesting to purchase another much preferred Ford Explorer. There is a decrease in Radio Repair. The overall 2014 budget amount is \$517,614.00, a 4% increase of \$18,704.00

Chair Batchelder stated the Fire/Rescue Department salary account includes the 2% COLA as well as merit increases. Chief Vilchok stated two full time fire fighters recently resigned to work at other fire departments. Chair Batchelder asked if offered salaries are competitive and Chief Vilchok replied salaries and benefits are competitive based on comments he has received and during the exit interviews; the staff resigned because of opportunities for advancement, overtime and additional training opportunities with other towns. Mr. Brown requested the salaries and insurances should remain the same because it is unknown who will be hired and what they might need for coverage. Mr. Koester asked if the full time salary will cover the additional part-time salaries and Chief Vilchok agreed it would, stating part-time staff has already started filling in at the station.

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78 The Breathing Apparatus account has a 78% increase of \$2,350.00 for needed additional service
79 testing. Ms. Walder asked about the testing increase and would the expense be reduced for 2015
80 budget. Chief Vilchok stated the budget will decrease, but only because of the bottle testing which
81 is required once every five years. Mr. Brown and Chief Vilchok reviewed that the Self Contained
82 Breathing Apparatus (SCBA) had a failure, and will need an approximate \$7,000.00 repair, which
83 will need to be added to the budget. There is an arrangement with other towns to fill the bottles
84 until the repair but not having the ability to complete the process in house requires additional travel
85 and employee time away from the department. Mr. Dumas asked if the machine is at the end of
86 useful life. Chief Vilchok stated this is the first time for failure and he believes the department is
87 well served by repairing the equipment. The Selectmen agreed they were in agreement to include
88 the additional \$7,000.00 increase for the needed repair.

89 Vaccinations/Testing does have a large increase, 1075% or \$6450.00, which will provide a
90 complete round of Hepatitis B, tuberculosis, and tetanus inoculation and testing for department staff
91 and volunteers for the first time in many years but the budget will decrease for 2015. Ms. Danis
92 asked if the inoculation and testing will be mandatory and Chief Vilchok stated it will be
93 mandatory. Vehicle Maintenance is increasing because of annual hose testing and testing of pump
94 testing. Hydrant maintenance has a significant increase with repairs to the Deerfield Road dry
95 hydrant, in addition to regular sign replacement, hardware and painting. Mr. Brown and Chief
96 Vilchok indicated this is the first significant repair to a dry hydrant. Radio maintenance does have
97 an 87%, or \$5,200.00, increase for needed radio replacement.

98 The overall 2014 Fire Department budget amount is \$305,072.00, a 21% increase of \$52,688.00.

99 The Building Department account has a 2014 budget of \$52,452.00, a 1% increase of \$294.00.

100 Emergency Management account is level funded at \$4,260.00.

101 Highway Department has increases in salaries with the 2% COLA. There is a 13% increase in
102 Equipment Parts for the overall increase in the cost of parts for department equipment: grader.
103 Loader, trucks, sanders, rakes and sweepers. The 2014 total budget is \$488,561.00, a decrease of
104 5% of (\$27,690.00).

105 Shim Sealcoat has a 4% increase of \$11,000.00 to \$245,092.00 to maintain the current road
106 maintenance schedule.

107 The Recycle Center accounts have increases in salaries by the 2% COLA, Safety Equipment,
108 Construction for a new cement pad to decrease road damage with removal of waste trailers,
109 department Equipment for two new storage trailers to increase the amount of materials being
110 recycled, and Supplies for the new stickers and signage.

111 Ms. Walder asked if the increase in fees being proposed for the center have been worked into the
112 expenses amounts. Mr. Brown stated the revenue's may increase, but the actual amounts are
113 unknown. Ms. Bonser stated the Selectmen haven't considered the possibility of revenue's
114 increasing significantly with the change in fees and will know more only if they are adopted for the
115 next year.

116 The total 2014 Recycle Center budget is \$188,100.00, for a 5% increase of \$9,410.00.

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117 The accounts for Animal Control of \$4,860.00 and Health Officer of \$675.00 remain level funded.
118 Public Assistance, or General Welfare, has a \$50.00 increase for a total 2014 amount of \$15,920.00.
119 Recreation Department includes increases for the 2% COLA in salaries and consideration of an
120 increase in base salary for the Assistant Recreation Director. There is a decrease in Office
121 Equipment. The 2014 budget amount is \$91,231.00, a 3% increase of \$2,429.00.
122 Library salaries include the 2% COLA as well as a new part-time Children's Librarian and an
123 overall 3% increase in the Operations/Appropriations. The 2014 budget amount is \$151,153.00, an
124 8% increase of \$11,441.00.
125 Historical Society remains level funded at \$10.00.
126 Conservation Commission has a total 2014 budget amount of \$1,820.00, a 3% increase of \$60.00.
127 The Debt Service Interest and Principal amounts are repayment of the long term debts; principal
128 amounts remain level funded at \$141,476.00 and interest has decreased \$5,034.00.
129 Chair Batchelder stated the remaining account lines are warrant articles which will be reviewed
130 after the operating budget total.
131 Chair Batchelder indicated the total proposed 2014 Operating Budget is \$3,527,486.00, a 4.81%
132 increase of \$162,037.00.
133 Chair Batchelder reviewed the actual 2013 and estimated 2014 revenues from the MS-7 form.
134 Mr. Koester asked about the impact fees. Chair Batchelder stated he believed the amounts collected
135 from impact fees are placed into a special account, similar to a capital reserve account, and isn't
136 considered a revenue; use of impact fees are very task specific and have limited use.
137 Mr. Perron asked about revenue account #3190, Interest on Delinquent Taxes, and what amount will
138 be received from the USA Springs Property. The Selectmen responded they did not believe the
139 bankruptcy process would conclude in 2014, the amount could be included in revenues when it
140 appears it might be paid, but it can also be included as unanticipated revenues when received.
141 Ms. Danis asked about the increase in revenue account #3210, Business Licenses and Permits. Mr.
142 Marcotte and Mr. Brown indicated it is the payment of cable franchise fees.
143 Chair Batchelder requested to have a tax impact cheat sheet to further help the public understand the
144 actual impact in possible increase in the tax rate. Discussion took place about how the wording can
145 and might be included on the warrant. Chair Batchelder reviewed each of the individual warrant
146 articles.
147 Article 2 is the total operating budget.
148 Article 3 is for Construction and Re-construction of Berry Road and Lincoln Drive in the amount of
149 \$199,060.00.
150 Article 4 is for \$50,000 to the Highway Truck Capital Reserve Fund.
151 Article 5 is for \$50,000.00 for the Fire Department Vehicle Capital Reserve Fund.

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152 Ms. Danis asked if the Selectmen voted on recommendation and if they were in agreement for
153 supporting the warrant articles. Chair Rafter stated the Selectmen were in agreement to support the
154 warrant articles. Mr. Brown stated they would be voting on them the upcoming Monday.

155 Article 6 is for \$24,850 for the Ambulance and Equipment Replacement Special Revenue Fund.

156 Article 7 is for \$20,000.00 to purchase a new boat, motor and trailer for the Fire Department.

157 Article 8 is for \$20,000.00 to the Revaluation capital reserve fund.

158 Article 9 is for increases in the elderly exemption amounts offered to qualifying residents; which
159 includes increasing the income amounts needed to qualify.

160 Mr. Brown stated the exemptions and credits have not been changed since 2006.

161 Article 10 is to increase the disabled exemption amounts offered to qualifying residents; which
162 includes increasing the income amounts allowed for qualification. Mr. Ferland asked who might
163 qualify for the exemption. Mr. Brown stated a qualifying person has documentation from Social
164 Security documenting the disability; income is documented with a review of bank statements and
165 tax returns. The exemption amounts are deducted from the total property assessment.

166 Article 11 is to increase the amount offered for those who receive the Blind exemption.

167 Article 12 is to add \$5,000.00 to the Tri-Centennial non-capital reserve fund for the 300th
168 Nottingham Birthday.

169 Article 13 is for \$25,000.00 to demolish and clean up the buildings located on the Marston
170 Homestead to start the process of planning for public use.

171 Article 14 creates an Expendable Trust Fund for Heating and HVAC, and Electrical in the amount
172 of \$3,000.00 for any possible needed repairs. The Town Office has a 25 year old furnace, which
173 while operating well at this time, may need replacement at anytime in the near future. The ETF will
174 allow the town to make repairs as needed. Discussion took place about the type of reserve account
175 and how this differs from a capital reserve account and it was stated the funds are available when
176 they are needed without additional warrant articles. Mr. Dumas asked if the school could access
177 these funds and the answer was they could not.

178 Article 15 is for \$26,966.00 for supported Social Service Agencies.

179 Article 16 is for \$4000 for the inspections of boats at the State Boat Launch at the Fundy and
180 Pawtuckaway State Park Boat Ramps to remove fragments of exotic species attached to boats,
181 preventing the spread of species from water body to water body. The warrant article is submitted
182 by the Pawtuckaway Lake Improvement Association.

183 Mr. Dumas asked about the boat inspection program; how it is funded and participation of the
184 association. Ms. Danis reviewed the boat inspection process and how the activities are managed
185 and planned.

186 Articles 17 and 18 are not items the Budget Committee will vote to recommend or not recommend.

187 Chair Batchelder asked for final questions from the audience.

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188 Mr. Koester asked about the road repairs for the Cemeteries. Mr. Brown stated the Highway
189 Department is working with the trustees to complete repairs using existing town supplies and when
190 he has time available. The trustees could take more action but they will need to be contacted for
191 further details, however hiring a private company to repair all the roads could be expensive.

192 Mr. Ferland asked about the legal expense amount and if there are any anticipated issues coming for
193 2014. Mr. Brown stated despite the lower than expected expense in 2013, there is the possibility
194 and always the expectation of legal issues.

195 **The Budget Committee took a break from 8:57 pm to 9:05 pm.**

196 Chair Batchelder reviewed each individual account line for any possible recommended changes by
197 the Budget Committee Members.

198 **Motion:** by Chair Batchelder to reduce the Town Attorney account line #01-4153.10-320 by
199 \$7,000.00, second by Mr. Koester.

200 Chair Batchelder stated he wants to decrease the legal amount by what is needed by the for Fire
201 Department equipment repairs. Mr. Carpenter stated the law suit the town was concerned about the
202 prior year has been delayed and could take place this year and does not recommend a change. Mr.
203 Marcotte stated he supported Mr. Carpenter's recommendation to leave the amount as proposed.

204 Chair Batchelder called the motion.

205 **Vote:** 5 in favor, 5 against. The motion carried.

206 **Motion:** by Mr. Koester to reduce the PA Copay/Ins. Blue Cross Blue Shield account #01-4155.10-
207 638 by \$1000.00, second by Ms. Danis.

208 Mr. Koester stated the history of use does not indicate keeping the amount at \$4000.00 with a
209 review of the expenses from the prior two years. Mr. Carpenter stated the amount is a pool to help
210 off set the increased employee deductibles if needed; Mr. O'Brien stated the town increased the cost
211 of employee health insurance deductible to help lower the overall cost of health insurance premiums
212 and it should remain. Mr. Perron stated the current amount covers eight employees and it could
213 cause a problem if reduced. Mr. Brown stated it is not for visit or prescription co-pays but for
214 medical procedures.

215 Chair Batchelder called the motion.

216 **Vote:** 4 in favor, 6 against. The motion failed.

217 **Motion:** by Mr. Perron to increase Breathing Apparatus account #01-4220.10-022 by \$7,000.00,
218 second by Mr. O'Brien.

219 Mr. Perron stated the committee should increase the amount based on the estimate for the repairs.

220 **Vote:** 10 in favor. The motion carried.

221 **Motion:** by Mr. Perron to decrease SWD Equipment account #01-4321.10-037 by \$2500.00, second
222 by Ms. Danis.

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223 Mr. Perron suggested postponing the purchase of a second trailer to better establish the amount of
224 the possible increase in revenue. Mr. Carpenter stated the purpose of two is to reduce the overall
225 cost of hauling by shipping full hauls as well as free up additional space to increase the amount of
226 recycle income, in addition to increasing more types of materials being stored. The trailers will
227 store both plastic and cardboard. Mr. Perron asked suggested phasing in the purchase to justify
228 purchasing a second trailer by seeing the potential savings. Mr. Carpenter stated the Selectmen
229 reviewed this issue and came to the conclusion to trust the recommendation of the Recycle
230 Committee and Director.

231 Chair Batchelder called the motion.

232 **Vote:** 1 in favor, 9 against. The motion did not carry.

233 **Motion:** by Ms. Danis to recommend the Operating Budget total of \$3,527,486.00, second by Mr.
234 O'Brien.

235 **Vote:** 10 in favor. The motion carries.

236 **Motion:** by Mr. Perron to accept the recommended estimated revenues and credits in the amount of
237 \$1,478,931.00, second by Ms. Danis.

238 **Vote:** 10 in favor. The motion carries.

239 **Motion:** by Mr. Perron to recommend Warrant Article #3 for road Construction and Reconstruction,
240 second by Ms. Danis.

241 **Vote:** 10 in favor. The motion carries.

242 **Motion:** by Ms. Danis to recommend Warrant Article #4 for the Highway Truck capital reserve
243 fund, second by Mr. Perron.

244 **Vote:** 10 in favor. The motion carries.

245 **Motion:** by Mr. O'Brien to recommend Warrant Article #5 for the Fire Department Vehicles capital
246 reserve fund, second by Ms. Danis.

247 **Vote:** 10 in favor.

248 **Motion:** by Mr. O'Brien to recommend Warrant Article #6 for the Ambulance capital reserve fund,
249 second by Ms. Danis.

250 **Vote:** 10 in favor.

251 **Motion:** by Mr. O'Brien to recommend Warrant Article #7 Fire Department Boat and trailer,
252 second by Mr. Dumas

253 **Vote:** 10 in favor.

254 **Motion:** by Ms. Danis to recommend Warrant Article #8 the Revaluation capital reserve fund,
255 second by Ms. Snow.

256 **Vote:** 10 in favor.

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- 257 **Motion:** by Ms. Danis to recommend Warrant Article #9 to change the Elderly Exemption, second
258 by Mr. Ferland.
- 259 Discussion took place about the possible tax impact with the increase of exemptions and credits and
260 it was stated the Town can not determine what the impact will be; it is unknown how many new
261 people might qualify with the change. The recommendation was to include some type of wording
262 in the warrant article about the unknown tax impact of changing the exemptions and credit amounts.
263 The wording change will be included to Warrant Articles 9, 10 and 11.
- 264 **Vote:** 10 in favor.
- 265 **Motion:** by Ms. Danis to recommend Warrant Article #10 for the Disabled Exemption, second by
266 Mr. O'Brien.
- 267 **Vote:** 10 in favor.
- 268 **Motion:** by Mr. Dumas to recommend Warrant Article #11 for the Blind Exemption, second by Ms.
269 Danis
- 270 **Vote:** 10 in favor.
- 271 **Motion:** by Ms. Danis to recommend Warrant Article #12 for the Tri-Centennial non-capital
272 reserve fund, second by Mr. Dumas.
- 273 **Vote:** 10 in favor.
- 274 **Motion:** by Ms. Danis to recommend Warrant Article #13 to demolish and clean up building
275 located on the Marston Homestead, second by Mr. Ferland.
- 276 **Vote:** 10 in favor.
- 277 **Motion:** by Ms. Danis to recommend Warrant Article #14 for the expendable trust fund for heating,
278 ventilation and air conditioning HVAC, second by Ms. Snow.
- 279 **Vote:** 10 in favor.
- 280 **Motion:** by Ms. Danis to recommend Warrant Article #15 to support the Social Service Agencies,
281 second by Mr. Koester
- 282 **Vote:** 10 in favor.
- 283 **Motion:** by Mr. Dumas to recommend Warrant Article #16 for Boat Inspections at Fundy and
284 Pawtuckaway State Park, second by Mr. Ferland.
- 285 **Vote:** 9 in favor, 1 abstain – Ms. Danis.
- 286 Mr. Carpenter asked about a recommendation for Warrant Article #17, acceptance of a road, which
287 will impact the highway budget. Discussion took place about the currently private road, which is
288 paved, approximately 1900 feet in length, and currently plowed by a private contractor. Chair
289 Batchelder reviewed the statutory reference and historical reference, stating the Budget Committee
290 did not vote on a recommendation in 2005 and did not vote on a recommendation in 2013.

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291 **OTHER BUSINESS:** Chair Batchelder requested scheduling another short meeting to review and
292 approve minutes prior to March.

293 There is a reminder about the move of the Deliberative Session to Friday, February 7 at 7 pm.

294 Mr. Koester asked about current expense reports, specifically regarding tuition amounts in
295 anticipation of possibly changing tuition amounts for the proposed budget during the deliberative
296 session. Mr. Perron stated he would provide enrollment counts to committee members and the
297 school board does not anticipate making any changes to the proposed tuition amounts.

298 The Budget Committee Members signed the cover/signature page of the MS-7 form.

299 Chair Batchelder thanked the committee members for their participation, work and an overall
300 positive budget preparing experience.

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

302 10:00 PM **Motion:** by Mr. Marcotte, second by Mr. Carpenter.

303 **Vote:** 10 – 0 in favor.

304 Respectfully Submitted,

305 Dawn Wirkkala