

**Minutes**  
**Nottingham Budget Committee Meeting**  
**December 11, 2014**

**Members Present:** Chet Batchelder, Anthony Dumas, Korey Ferland, Miska Hadik, Jackie Snow, Mary Bonser – BOS Representative,

**Excused Absences:** Doug Poulin, Jeff Wheeler, Eugene Reed

**Other in Attendance:** Chris Sterndale, Sue Serino, Janet Horvath, Charlie Brown, Mark Carpenter, Don Cinfo,

7:04 PM Chair Batchelder called the meeting to order and introductions were completed.

**Approval of Minutes:** Postponed until January 8, 2015

**TOWN DEPARTMENT HEADS 2015 BUDGET:**

**Recreation Department:** Mr. Sterndale reviewed the changes being proposed with the regular Town funded Recreation budget and the Recreation Revolving fund. The changes shift programs and associated expenses from the Town budget to the Recreation Revolving Fund. Items moving to the Recreation Revolving Fund are the revenues and instructors salary expenses for Swim Lessons, and some of the summer hours for the Assistant Recreation Director. The goal is to have revenues from fund based programs pay for some of the expenses created by those programs, with an estimated \$12,000.00 savings for the operating budget.

Ms. Snow asked about the changes taking place between the general fund and revolving fund, and if support of programs will be removed from the general budget. Mr. Sterndale stated the programs are not 100% self supporting, but some of the incremental expenses can come from the received revenues; to include the costs of the programs and an attempt to set the fees and eliminate Town subsidizing programs. There will be a more detailed review of the revenue and expenses associated with the programs to determine what shifts are needed for a more accurate cost accounting process.

Ms. Horvath stated she understands why the Selectmen are making the decision to move some of the expenses to the Recreation Revolving fund, but she is concerned about how some of the changes are taking place. She disagrees with how the Selectmen are interpreting the revolving fund warrant article and the change may limit how the fund can be used. She feels the revolving fund should be used according to the language used in the warrant article, and may end up making changes to the fees and expenses for the Summer Program without knowing exactly how the budget changes will affect the revolving account.

Mr. Brown stated he felt the changes may be micromanaging the Recreation Department and the warrant article wording was standard and based on the laws at the time, despite minor current changes to the language.

Ms. Horvath stated she made the recommendation to move the free programs to the revolving fund, those programs offered without a charged fee, but there is a question of the legality of the change.

Mr. Carpenter stated the decision to make these changes wasn't taken lightly, and a lot of analysis took place to determine how the changes might affect the revolving fund. The review indicated that moving the free programs to the revolving fund would deplete the fund, because it does not return any revenue. It was determined the revolving fund would not be depleted by including the salary amount of Assistant Recreation Director for the hours worked during the Summer Camp program only; the salary for regular administrative duties worked by the assistant will continue to come from

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the Town Recreation Department budget. There is no intention to micromanage the Recreation Director and no intention to deplete the revolving fund. There is an intention to review the Recreation Department budget, in a manner similar to the Recycle Center and other areas to help balance the Town budget. The changes do not limit the ability of the Recreation Department and if the Selectmen determine it is causing a problem the decision can be reversed. The Selectmen have the responsibility to be fiscally responsible in all areas of Town budgets, and account for how the Town operates including expenses and revenue and identify a level funding amount for the revolving account to make sure there is enough money to fund existing programs, add new programs when needed and this is the first step toward determining what may be correct.

Ms. Bonser read the portion of the Revolving Recreation Warrant Article under questions, "The Town Treasurer will have custody of all monies in such fund and shall pay out the same on order of the Recreation Director, with approval of the Board of Selectmen." The wording in this warrant article is similar to many other warrant articles where the Board of Selectmen give final approval for payments; providing for a checks and balance of Town funds, budgets, revenues and expenses.

Discussion took place about the amount of growth of the revolving fund, previously and in the future. The Selectmen stated the revolving fund should not be treated like a capital reserve fund; the current fund balance is approximately \$140,000.00, and grows higher every year.

Discussion took place about the current changes to add expenses the revolving fund and what additional expenses might be added to the revolving fund in the future. Mr. Sterndale stated there isn't concern about determining every little cost associated with each of the programs because that would become a very difficult task to complete. There is the intent to identify some of the costs associated to programs and have those expenses included in the revolving fund; the summer camp and martial arts are the two largest programs. Establishing the expenses for martial arts is easy, there is a fee to attend and payment to the vendor; summer camp isn't as easy with an estimated \$40,000.00 in revenue and an estimated \$27,000.00 of expenses being applied to the revolving fund; but the expense amount isn't accurate and the additional expenses are being subsidized from the general fund. Mr. Carpenter stated the fees to attend summer camp are being deposited into the revolving fund, but the expenses to run the summer camp program are coming from both the Town general fund and the revolving fund. Mr. Sterndale stated the fees should be set to pay for the programs; if the fees are too low additional money has to be used from the general fund to subsidize the programs and if they are too high the participants are then being unfairly taxed because they are paying for more than what they are getting; the cost side of the programs are not being accounted for correctly and is becoming part of the review and changes. Fee based programs should be included in the revolving fund accounting for the revenue and expenses and the free programs should be included in the general fund because it does not have any revenue to off set the expenses to the program. Ms. Bonser stated this was part of the discussion with the Department Head, as well as making changes next year if the revolving fund was being depleted too quickly.

Chair Batchelder asked about the other revolving funds and will other funds be reviewed in the same manner. Mr. Carpenter reviewed the Cable Franchise Fund used to purchase audio and video equipment for the Town and School, with current upgrades to both systems, and the Selectmen are recommending a warrant article change for 2015 to limit the amount the fund can hold to a maximum of \$30,000.00, returning more back to the general fund. Mr. Sterndale stated the Ambulance Fund is a special revenue fund, which is a bit different than the Recreation Revolving

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fund, supplies are purchased but salaries are included in the Fire Department budget and the fund only grows to raise enough funds to purchase an ambulance as it is designed to do.

Chair Batchelder asked, from the Budget Committees point of view, to see equity and fairness across the board to all funds if considering allocating how the expenses are applied. Mr. Carpenter stated the Selectmen are reviewing a variety of accounts, including the Conservation Fund for when and how funds are spent; no one department is being singled out.

**Library Department:** Mr. Eric Stern, the new Librarian, introduced himself and Ms. Medeiros, Library Trustee Chair, offered positive comments on the job Mr. Stern is doing.

Mr. Stern reviewed the library budget, most remaining the same as the prior year. There has been some change to the category break out, combining some of the information to give the library a little more flexibility with purchase and expenditures; such as combining Books, Magazines, Newspapers and Movies into one new Materials category.

Mr. Stern reported Continuing Education has increased by \$50.00, Library Automation decreased by \$100.00, Maintenance has a one year \$350.00 increase for inspection of the lift inspection that is completed once every five years, Programming is increasing by \$250.00 to offer one additional presenter during 2015, and Technology increased by \$500.00 so the Library no longer has to depend on volunteer IT expertise for department computers and upgrade to newer Windows operating system.

Discussion took place about the library landscaping; the Library pays for the garden maintenance but the Town pays for general grounds keeping and mowing.

Ms. Medeiros and Mr. Stern reviewed the salary changes; the new Children's Librarian has received higher than expected program attendance and additional work hours have been provided to account for the supported program needs including the summer reading program, and additional employee substitute hours have been added to help fill in when regular staff is out on leave and the planned retirement of the Assistant Librarian.

Ms. Medeiros stated the Library is very lucky to have a high number of volunteers and receives many donation of time in many areas for the Library and expressed her thanks to everyone for all they do.

Chair Batchelder asked if the Library Trustees were OK with the 1% COLA salary increase. Ms. Medeiros stated she thought the Town established the COLA percentage and does not agree with the amount. Chair Batchelder stated he would want to review the Library salary amounts after the Town submits the proposed salary change recommendations; it might be an area the Budget Committee reconsiders.

**Recycling Center:** Don Cinfo and Chris Sterndale reviewed the Recycle Center budget.

Mr. Sterndale stated the salary account has increased more than the average 1%, as it includes additional work hours for duties that staff should be completing when the department is closed; such as building maintenance, equipment repair, material pickups, etc. Chair Batchelder requested additional information in the narrative of the salary account to indicate the proposed additional hours for the extra work.

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Mr. Sterndale reported a decrease in the number of people visiting the center has been seen. Mr. Cinfo stated the new permit has reduced the number of people coming to the recycle center when they no longer live in Nottingham. Mr. Sterndale reported the weights appear to remain fairly constant, but there are changes in the total weights because of the new storage trailer requiring fewer pickups but a higher quantity of materials being transported.

Mr. Carpenter and Mr. Sterndale reported there has been an increase in the amount of recyclable materials being received, despite the lower recycling prices being paid. Mr. Carpenter stated he was pleased with the progress that has taking place at the Recycling Center after the work completed by the Recycling Sub-Committee and efforts of Mr. Cinfo and the center staff. Ms. Bonser stated some of the recyclable tonnage won't be reflected in 2014 because the material is being transferred in 2015.

Mr. Hadik asked to receive a copy of recycling articles previously submitted in the Nottingham Newsletter and stated he did not totally understand that the Recycle Center had the ability to become an income producing department. Mr. Cinfo stated he sees more people sorting materials better, recycling more and throwing away less recyclable materials.

Mr. Cinfo stated he hopes to purchase a new bailer, allowing the Recycle Center to process materials more efficiently, while reducing the cost to ship materials. One bailer will be specifically for cardboard, one for milk containers and one for soda containers. Mr. Sterndale stated the new bailer should cost an estimated \$11,000, and Mr. Cinfo will seek a possible grant reimbursing the Town for some of the cost.

**Administrative:** Mr. Sterndale provided the previously requested information about Town vehicles.

Chair Batchelder distributed copies and reviewed the information from the 2014 tax rate setting as established by the NH Department of Revenue Administration; \$21.82 per/1000 of property assessment. A similar process will be used in order to present information about the possible tax impact in 2015 with the new budgets.

Chair Batchelder reviewed the definition of "Overlay" indicating it is to refund possible property tax payment from approved property valuation abatements and/or appeals; such as the Fairpoint/NH Electric Co-op appeal.

Chair Batchelder reviewed the calculations used to establish the school taxes, both the state portion and town portion, are based on law and determined by NH Department of Education and NH Department of Revenue Administration. The Town has minimal control over the County Tax Rate.

Mr. Sterndale reported the Selectmen decided they would not use any of the fund balance to reduce the Town portion of the tax rate for 2014; the state determines the amount of money towns can keep in a fund balance, which in an ideal world would be approximately 10% of the proposed budget amount.

Chair Batchelder asked when the Selectmen would review the changes and amounts they are proposing for salary and benefit changes; surrounding communities are coming in to an approximate 1.3% salary increase. Mr. Carpenter and Ms. Bonser reviewed they continue to work on refining the process and are trying to find a method to keep the dedicated employees the Town currently has; the Town lost several great employees due to current salaries being offered.

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**School / Town General Updates:**

Ms. Bonser asked if the School Board is negotiating with Dover and Coe-Brown high schools to set new contracts and tuition rates. Mr. Carpenter asked if the Budget Committee has received an update of the language regarding the proposed change in statute based on the School Board's decision regarding tuition. Mr. Fernald reviewed the new language and Chair Batchelder stated it wasn't received.

**Sub-Committee Reports:**

Ms. Snow stated the committee will meet with Dale Transportation on Monday, December 15<sup>th</sup> regarding the transportation cost; reviewing how they established the costs for their bid.

Chair Batchelder stated the sub-committee continues to negotiate with Dale Transportation to try and come up with the best price possible.

**CIP:** Mr. Carpenter reported the committee continues to review the data.

**Other Business:**

Mr. Dumas asked about establishing a more unified method of maintaining computers and networks; it might be cost effective to consider combining support, ultimately saving the Town and School money by hiring one person/company to standardize equipment and software for both groups. Ms. Bonser and Mr. Carpenter stated they would be willing to review the issue to determine the best method to receive the best services for the Town and School.

Mr. Koester expressed his concern about bringing forward requests of funds for the Marston property at Town Meeting because of the different demographics of the group of people working to establish a plan for the property and those who show up at Town Meeting; they are two very different groups of people. Mr. Hadik stated the committee has a variety of representatives and has made an attempt to discuss the consideration of multiple groups as well; receiving input from general citizens on Nottingham Day, meeting with seniors during the Senior luncheon, as well as the public meeting with NH Listens. Mr. Carpenter stated the Selectmen will continue to work on the plan with the sub-committee once the report from NH Listens is received. Ms. Bonser stated she is confident about receiving support for plans that might be proposed.

**ADJOURNMENT:** Having no further business,

**8:42 PM Motion:** by Mr. Fernald, second by Mr. Hadik.

**Vote:** 7 – 0 in favor.

Respectfully Submitted,

Dawn Wirkkala