

**TOWN OF ATKINSON
BUDGET COMMITTEE MEETING
TUESDAY, FEBRUARY 6, 2018**

Members Present:

Bill Smith, Chair
Wendy Barker, Vice Chair (via phone)
Sue Carroll
Bob Malo
Peter Torosian
Bob Worden
Selectman Ex Officio Grosky

Others Present:

Barbara Snicer, Asst. Town Admin

Agenda: Review of Changes to the Fiscal Year 2018 Atkinson Operating Budget and Warrants

Chair Smith called the meeting to order at 7:35 pm.

Chair Smith reviewed the last-minute changes to the Atkinson 2018 Warrant and Operating Budget at the Deliberative Session on Saturday, February 3, 2018. Two warrant articles were amended. RSA 32-5-7 states that the governing body or the Budget Committee can change warrant article recommendations if the Deliberative Session has amended an amount. If the Operating Article is amended, the governing body and the Budget Committee can vote to recommend the amended article.

Before the Deliberative Session, the Budget Committee voted to recommend an increase of 4.44% in the budget. \$47,000 of amendments were added to the Budget at the Deliberative Session, making a 5.47% increase in the Atkinson FY18 Budget over FY17. The default budget is 2.47% more than the FY17 budget.

There were 6 lines of changes: a \$500 change in Planning and Zoning requested in November and overlooked; a \$20,000 amendment to the Town Hall Heating Repair line was passed; a \$2,500 amendment for a handicapped door at the Kimball House was passed; the street lighting contract was \$4,000 more than expected; a \$19,000 increase in Recycling passed; and two \$2,500 amendments to the Conservation Budget passed. All these amendments total \$47,000.

Ms. Snicer pointed out that \$19,000 of the budget increases will be reimbursed. She did not have time to prepare revenue for everybody, but the revenue is on the MS 737 with the comparatives. \$30,000 will be the net change from Town Meeting. Assuming that is the case, that makes about a 3.5 cent increase per thousand in the tax rate.

Member Worden stated that he did not vote for the changes in the recycling budget because he did not understand it, Plaistow gave the Town the numbers late and the \$19,000 is reimbursable. He was in favor of the emergency spending to fix the heating problem at Town Hall. It was a last-minute crisis; a strong analysis has been done on the problem and the total cost for the fix will be \$40,000. He is in favor of a capital reserve for emergencies with a means to pass an emergency request through the Board of Selectmen or the Budget Committee. He is opposed to the vote to restore \$1,000 to the Conservation Commission budget because they do not have any major projects.

Member Torosian stated that the Budget Committee went through warrants one or two weeks ago and then some last-minute changes occurred. Member Torosian stated that the Atkinson Budget is up 5.5% for FY 2018. The Town of Hampstead budget is up .43%, Derry has a 2% tax cap. The total value of the warrants is \$1.189 million 24.75% of the operating budget. The total value from taxes is \$960,000. The Budget Committee cannot make changes at this point, but can vote to recommend.

Chair Smith stated that the Budget Committee can vote to recommend the changes in the Operative Budget and on the \$10,000 increase in the warrant for the pumper truck.

Vice Chair Barker did not attend. She is disappointed in the last-minute presentations. She is concerned about the additional \$19,000 for recycling. It affects the bottom line of the budget. Vice Chair Barker asked the Highway Department Manager if it was Atkinson's turn to host and he said no. Then, it came up in the Deliberative Session. Vice Chair Barker's other concern is the \$40,000 for the HVAC repair. The building and maintenance costs were presented several times by the Town Administrator and the Maintenance Supervisor. It is difficult to believe that the issue came up just before the Deliberative Session. Ms. Snicer responded that the breakdown occurred during the cold spell. Vice Chair Barker is also concerned about the \$1,000 that was restored to the Conservation Commission budget because year after year, money is requested and not all is spent.

Vice Chair Smith pointed out that there was \$210,000 unexpended in the FY17 budget. First, the unexpended revenue can be used for unexpected expenses like the HVAC repair for Town Hall. Instead, the money will go back to the taxpayers and into the unexpended fund balance. This money can be used to lower taxes. Vice Chair Smith does not believe that Departments should be allowed to have extra funds because it would go into the unexpended fund balance. Chair Smith pointed out that the Conservation Commission asks for way more than it needs every year.

After Deliberative Session, the budget has a 5.47% increase. There are extenuating circumstances, especially the garbage contract which brought the budget up to 4.44%.

Selectman Ex Officio Grosky informed the Committee that the garbage contract will go into the default. Chair Smith stated that it is not a pre-existing contract because it was not existing in 2017 and it was not signed until after the deliberative. Town Counsel informed Ms. Snicer that it is an agreement and should go into the default. Member Torosian stated that the old contract should have been put into the default budget rather than the new one.

Member Torosian stated that the Budget Committee decided to put the cost of the new garbage contract into the default budget although he believes the old contract should have been in the default budget. Chair Smith stated that without the garbage contract, the default budget increase would have been less than 1% instead of 2.47%. There was a 4.44% increase already, then money was added to warrant articles at the Deliberative Session.

Chair Smith asked about the hosting that was added to the recycling budget under Recycling, Other Professional Services, Line Number 43234.390.00, which was increased to \$28,000. The Budget Committee asked if the Highway Department Manager meant a total of \$19,000 with a \$10,000 increase. Selectman Ex Officio Grosky informed the Committee that the total cost and request was \$28,000 and that some of that money will be reimbursed by each of the participating Towns and the grant. Vice Chair Barker requested an invoice or notice.

Member Carroll stated that she was not happy with the budget before the deliberative session and is not happy with the last-minute increases to it.

Member Torosian stated that the changes at the Deliberative Session were made by less than 1% of the voters and suggested more people participate.

Member Malo stated that last minute increases occur too often and that there should be a line item for a contingency fund. Member Malo stated that the mission of the Budget Committee should be a 0% increase. Member Malo also suggested that the Budget Committee work year-round on the Budget. Ms. Snicer stated that contingency funds are illegal. Member Malo suggested that a line item can be added for last minute expenses and removed if there is no need.

Member Torosian stated that the Budget Committee meets with Department Heads to work with them on their budget, but there are always some changes. Also, residents have the right to make changes at the Deliberative Session. The voters have a choice of voting for the proposed FY18 budget or the default budget.

Member Malo stated that the solution is to get the Department Heads to agree with the Budget Committee recommended amounts.

Selectman Ex Officio Grosky stated first, that he is not happy about a 5% increase, but feels it is justified. However, some of it is just numbers and some of it is just math. The Town has operated on a tight budget due to the Budget Committee, the Board of Selectmen and the Department heads. Another issue is that the Police Chief is leaving and the Town has to decide how to replace him. A search for a new Police Chief is not in the FY18 budget and could cost as much as \$15,000. The Town did not request money to hire outside consultants for the search and no money was spent on outside consultants in the search for a new Town Administrator a few years ago. The Board of Selectmen watches expenses very closely. The search is a justifiable cost.

Also, the heating system failure was a surprise. It was not something the Maintenance Manager and Town Administrator was trying to find. How to fix it has to be researched. It could cost as much as \$50,000. The new expense was not brought up until the Deliberative Session. To replace the current system will cost around \$40,000, if the Town decides to replace it with the same type of system. Several HVAC people have looked at the system.

Selectman Ex Officio Grosky pointed out that the expense for recycling will be reimbursed. The amount requested for the heating system was \$20,000 and the system will probably cost \$40,000 to replace. There is no maintenance capital reserve fund and the Budget Committee has been opposed to one. The trash contract is a significant increase and the Board of Selectmen has worked hard to find the best option for the Town. As far as trash collection goes, the Town got the best bid. One other option was to stop trash collecting for the Town. The budget also includes a new police officer and two full time fire fighters. Also, he feels that the Budget Committee can vote not to recommend the proposed budget, but the difference between the default budget and the one voted on at deliberative session is not that significant. Member Torosian was the only Budget Committee member who spoke out at the Deliberative Session. He spoke against the trash contract and the increase in the Conservation Commission budget.

Member Carroll stated that the Budget Committee never actually voted on the operating budget. She did not plan on voting for this budget before the changes. Chair Smith stated that the Budget Committee never voted on the Operating Budget.

Ms. Snicer pointed out that the Budget Committee has to vote for against the operating budget at the public hearing. Chair Smith stated that the Budget Committee voted on all the pieces, but not the original amount. Ms. Snicer also pointed out that no one in the Budget Committee spoke before the Deliberative Session.

Member Torosian stated that the Budget Committee has the right to revoke the operating budget because the dollar amount changed. The voters can make the final decision at Town Meeting.

Chair Smith requested a vote to recommend or not to recommend the FY2018 Town of Atkinson Operating Budget.

Article #2016-2, Operating Budget: Shall the Town of Atkinson raise and appropriate as an Operating Budget, not including appropriations by Special Warrant Article and other appropriations voted separately, the amounts set forth on the Budget posted with the Warrant, or as amended by vote of the first session, for the purposes set forth therein, totaling Four Million Seven Hundred fifty six thousand, five hundred eleven dollars (\$4,756,511); later amended at the Deliberative Session to Four Million Eight Hundred Three Thousand Five Hundred Eleven Dollars (\$4,803,511) . Should this article be defeated, the Default Budget shall be Four Million Six Hundred Forty thousand, eight hundred seventeen dollars (\$4,640,817) which is 1.90% higher than last year, with certain adjustments required by previous action of the Town of Atkinson or by law, or the governing body may hold one Special Meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised Operating Budget only.

Members Grosky, Worden and Malo voted in favor and Member Carroll, Member Torosian, Vice Chair Barker and Chair Smith voted not to recommend the operating budget. Vote: 3/4/1. Selectman Ex Officio Grosky did not vote.

The motion fails. The Budget Committee does not recommend the FY2018 Town of Atkinson Operating Budget.

Article #2018-6 Purchase Fire Department Mini-Pumper

Shall the Town raise and appropriate the sum of Two Hundred Thirty-Four Thousand Dollars (\$234,000) to purchase a new mini-pumper, such funds to come from the Fire Department's Capital Reserve Fund, as modified March 14, 2000 (Article #2000-28) for the purpose of acquiring fire equipment and vehicles, as outlined by the Board of Engineers' Capital Improvement Plan?

Discussion: The Article was amended to request \$234,000. The original article requested \$225,000. Member Worden explained that it was an increase but he feels that the Fire Chief worked hard to bring the price down. Also, the Firefighters Association contributed \$7,500 towards the cost. Member Torosian stated that the total increase for the Fire Department Budget will be \$714,000. He is also disappointed that the cost was added at the Deliberative Session. Also, the FY2018 budget is not the end of the world but there will be other opportunities to get things done. Chair Smith remarked that it was last minute. Selectman Ex Officio Grosky stated that most of the funds will come from the capital reserve. Member Worden stated that only about \$9,000 will come from the operating budget. Member Torosian pointed out that all

increases were done by department heads, there were no citizen warrants. There is \$222,000 in the Capital Reserve Fund now.

Ms. Snicer stated that the bids came in on a timely basis, the cost was more than anticipated but the Budget Committee has the Fire Department 10-year plan. The Budget Committee discussed if the \$9,000 extra cash needed to purchase the mini pumper could come from the \$90,000 requested to be added to the Fire Department Capital Reserve. Vice Chair Barker stated that there was a similar issue a few years ago. A truck needed to be replaced, the money came from the capital reserve fund and the contribution to the capital reserve fund increased for the next three years.

If the warrant for the truck does not pass, then the department will not get a new truck. If the warrant for the \$90,000 contribution to capital reserve does not pass and the warrant for the mini pumper does, then there will be a \$9,000 shortfall.

Chair Smith asked how urgent purchasing the mini pumper for FY18 is and if it could be deferred until FY19.

Selectman Ex Officio Grosky reiterated Chief Murphy's statement that a smaller, more versatile truck is needed for the Fire Department to improve their response. Also, the money for the pumper is coming from the Fire Department Capital Reserve, so no money will be saved.

Chair Smith requested a vote.

All members of the Atkinson Budget Committee voted in favor of Article #2018-6, Purchase Fire Department Mini-Pumper, shall the Town raise and appropriate the sum of Two Hundred Thirty-Four Thousand Dollars (\$234,000) to purchase a new mini-pumper, such funds to come from the Fire Department's Capital Reserve Fund, as modified March 14, 2000 (Article #2000-28) for the purpose of acquiring fire equipment and vehicles, as outlined by the Board of Engineers' Capital Improvement Plan? Vote: 7/0/0.

Discussion: Member Torosian stated that he would vote in favor as long as an increase is not requested for FY2019. Selectman Ex Officio Grosky stated that the fire chief could not take any more from the capital reserve than the warrant requested.

Member Torosian asked if the Selectman liaison has the right to vote at the Budget Committee. The Committee would like the RSA. Selectman Ex Officio Grosky suggested that Member Torosian check the statutes. In the past, some liaisons chose to vote and some did not.

Minutes: January 16, 2018, November 17, 2018, January 17, 2017

January 16, 2018

Member Carroll motion to accept the minutes of the January 16, 2018 meeting of the Atkinson Budget Committee as amended. Chair Smith seconded the motion. All members of the Atkinson Budget Committee voted in favor. Vote: 7/0/0.

November 21, 2017

Chair Smith made a motion to accept the minutes of the November 21, 2017 meeting of the Atkinson Budget Committee as amended. Member Torosian seconded the motion. All members of the Atkinson Budget Committee present at the November 21, 2017 meeting voted in favor. Vote: 6/0/0.

January 17, 2017

Member Torosian made a motion to approve the minutes of the January 17, 2017 meeting of the Atkinson Budget Committee as written. Member Carroll seconded the motion. All members of the Atkinson Budget Committee present at the January 17, 2017 meeting voted in favor. Vote: 4/0/0.

Member Torosian requested that voters get involved. There is a chance to attend the Timberlane deliberative and the second portion of the Town Meeting is March 13th and vote.

Member Torosian also suggested that the Budget Committee set a goal of no more than a 1% increase. Member Carroll suggested that the Budget Committee meet with the Director of Elder Services. Member Worden suggested a brainstorming session. Vice Chair Barker suggested March 27, 2018. The Committee agreed.

Member Torosian made a motion to adjourn the Tuesday, February 6, 2018 meeting of the Atkinson Budget Committee at 10:00 PM. Chair Smith seconded the motion. All members of the Atkinson Budget Committee present voted in favor. Vote: 6/0/0. Chair Smith, Vice Chair Barker, Member Torosian, Member Malo and Member Carroll voted in favor.