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APPROVED
TOWN OF PELHAM
BUDGET COMMITTEE - MEETING MINUTES
Thursday, January 11, 2018
APPROVED – February 8, 2018

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CALL TO ORDER – at approximately 7:30pm

PRESENT: Mr. Dave Cate, Mr. Michael Bailey, Mr. Bob Sherman, Ms. Daryle Hillsgrove, Mr. Dave Cronin, Mr. Brian Carton, Selectmen Representative Doug Viger, School Board Representative Megan Larson. Also present was Interim School Superintendent Betsey Cox, Business Administrator Deb Mahoney and Town Administrator Brian McCarthy.

ABSENT: Ms. Deborah Gibbons (not excused)

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PLEDGE OF ALLEGIANCE – Led by Cub Scout Pack 610

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MEETING MINUTES

Mr. Cronin asked for an update of the status of the application (to the State) regarding the roundabouts (at the Mammoth/Sherburne and Mammoth/Marsh intersections). Mr. McCarthy stated that they had been (unofficially) told that there is a high likelihood the Town would be awarded the CMAQ grant.

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November 20, 2017

MOTION: (Sherman/Cronin) To approve the November 20, 2017 meeting minutes as written.

VOTE: (8-0-0) The motion carried.

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BUDGET RECONSIDERATION

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School Budget FY2019

Mr. Cate explained that originally the modular was going to be part of a warrant article. During the November 13th meeting the Board questioned the legality of doing such. Research has been done and Ms. Mahoney received opinion from their counsel that the School Board (Governing Body) could include leased equipment, with a non-appropriation clause, through the proposed operating budget. Mr. Cate read aloud counsel's opinion. He then reviewed the proposal submitted by the School.

The School Board voted (December 14, 2017) to request an increase to the already approved budget in the amount of \$44,160. The increase is for the lease of a modular building at Memorial School to meet expanding program needs.

The proposed increase would be in the following areas:

Budget Line: 1012450000-441 PMS Building Acquisition, Rental/Lease +\$44,160

41 If approved budget will reflect the following:
42 Pelham Memorial School will change from \$4,785,633 to \$4,829,793
43 The General Fund will change from \$30,135,866 to \$30,180,026
44 The Total Operating Budget for FY2019 will change from \$31,980,811 to \$32,024,971
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46 Ms. Hillsgrove saw in the quote there was work and costs that would be the responsibility of the
47 School District. She asked if those costs were included in the figure provided. Ms. Mahoney
48 replied if the voters approve the article, the School Board would reconsider those additional costs
49 associated with preparing the land and area, within their current operating budget. The work would
50 be done during the summer and be ready for the next school year.

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52 Mr. Cronin questioned if the lease term was five years. Ms. Mahoney replied the original estimates
53 were five years, although they may be looking at a longer term based on different funding options.
54 Mr. Cronin wanted to know if it was a lease to own. Ms. Mahoney stated the estimate was based
55 on a lease to lease; the School Board would have discussion regarding this when determining how
56 they choose to fund it. Ms. Larson stated the intention was a lease to own. She said it was a matter
57 of finding the right funding to make it happen.

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59 Mr. Sherman asked if the voters would be able to review a photo of the exterior and interior of the
60 building. Ms. Mahoney replied they could work on getting something for review.

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MOTION: (Hillsgrove/Cronin) To add \$44,160 to the Pelham Memorial School operating budget.

VOTE: (8-0-0) The motion carried.

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63 The School Total Operating Budget for FY2019 will be \$32,024,971. It was noted that the Budget
64 Committee members would need to sign the MS27. Ms. Mahoney informed that the document
65 would be ready for signature as early as January 18, 2018 and located at the Pelham Police
66 Department for such. An instructional email will be forwarded to members. The document will
67 be posted January 26, 2018.

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69 The School District Deliberative Session will be held Wednesday, February 7, 2018 beginning at
70 7pm inside Sherburne Hall (at the Municipal Building).

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72 Library

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74 Ms. Lori Adams, Library Trustee came forward for the discussion.

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76 Mr. Cate explained that when the Board reviewed and voted on the Library budget they had made
77 an adjustment because he thought they could get funding (\$2,100) from Pelham Community Spirit
78 to pay for maintenance of the grandfather clock at the Library. Unfortunately, that funding didn't
79 come through.

80

81 Ms. Adams stated that the grandfather clock in the reading room had been donated to the Town in
82 1896 and was valued at \$20,000. She explained that the clock worked, but it was losing time. The
83 clock maintenance person indicated the original pins needed to be replaced. She noted there was
84 currently no money in the budget for them to fix the clock.

85

86 The proposed \$2,100 increase was to budget line 390 Equipment Repairs – Grandfather Clock
87 Maintenance.

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MOTION: (Bailey/Hillsgrove) To reconsider the Library budget.

VOTE: (8-0-0) The motion carried.

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90 Ms. Hillsgrove confirmed that the additional \$2,100 would be a one-time expenditure. Ms. Adams
91 answered yes.

92

93 Mr. Bailey questioned if the value of the clock would decrease if the pins were replaced this year.
94 Ms. Adams replied up until now it had been a working clock. She assumed that a non-working
95 clock was worth less than a working clock. Mr. Cronin wanted to know if the pin replacement
96 would permanently fix the clock. Ms. Adams replied the proposal was to replace all the original
97 pins with new pins for a total cost of \$2,100. She noted they had done maintenance and cleaning
98 every year.

99

MOTION: (Hillsgrove/Sherman) To add \$2,100 into the Library budget to fix the
(grandfather) clock.

VOTE: (8-0-0) The motion carried.

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101 **Town Operating Budget**

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103 Budget figure for reconsideration: \$15,566,331.

104 With the addition of \$2,100 for the grandfather clock repair at the Library the new figure for
105 reconsideration: \$15,568,431.

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107 The Board reviewed the items for reconsideration in the Town's budget.

- 108 1) Debt Service – increase of \$86,857 for Police cruisers;
109 2) Transfer Station/Highway Department – increase of \$20,551 for salary of Department
110 Director;
111 3) Insurance – decrease of \$49,516 for rate adjustment;
112 4) Cable Department – increase in fees \$840.

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114 Mr. Cate explained that the increase for cruisers was based on the final numbers being received
115 after Budget Committee vote in the fall. He then spoke to the increase in salary for the Transfer
116 Station/Highway Department Director. The increase was based on pay scales from the New
117 Hampshire Municipal Association along with other towns close in population and size to Pelham.
118 Mr. Cate stated there was a decrease in rates for insurance, so that budget line would be reduced.
119 The last item was an increase to the Cable Department due to an increase of Comcast fees.

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121 The total amount for reconsideration: \$58,731.

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MOTION: (Sherman/Hillsgrove) To reconsider the Town budget (increase/decrease) as
proposed.

VOTE: (8-0-0) The motion carried.

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MOTION: (Sherman/Hillsgrove) To accept the proposed increase of \$58,731 for the
Town's reconsidered budget.

VOTE: (8-0-0) The motion carried.

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The Town budget figure for approval: \$15,625,063 plus \$2,100 (Library increase) = \$15,627,163

MOTION: (Cronin/Hillsgrove) To approve \$15,627,163 as the 2018 Town operating budget.

VOTE: (8-0-0) The motion carried.

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WARRANT ARTICLE RECONSIDERATION

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Mr. Cate read aloud a proposed warrant article that would raise and appropriate \$660,000 for the purpose of replacing the existing boiler system at the Municipal Building. The project will be offset by taking \$260,000 from the unassigned Fund Balance. The remaining \$400,000 would be paid through a 10-year lease agreement. The agreement will contain a non-appropriation clause.

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Mr. Viger spoke to the proposed article and explained that the boiler was approximately 45 years old and in catastrophic condition. He said natural gas was being brought through town and they found an engineer that provided prices for the project. He noted they didn't have the figures when the committee was reviewing warrant articles.

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Mr. Sherman wanted to know if the Library and Fire Station would be included. Mr. Viger replied the Fire Department had remaining money for the project. Mr. McCarthy said the money was left over from a warrant article to offset the cost for the Fire Station and Library. He noted it would be a minimal cost for them to transfer over from propane to natural gas. Mr. Sherman asked about the status of the Senior Center heating. Mr. McCarthy replied that the Senior Center just got a new heating system approximately six months ago, which was oil based. He noted if the gas line was extended up Nashua Road he may come back to the Board.

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Mr. McCarthy discussed the efficiency of the new system which would allow individual zone control throughout the building. He noted that Liberty Utilities has offered to perform a free thermal audit of the building to ensure that the building was secure. They will also get the Town involved in a rebate program for the equipment.

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Mr. Bailey questioned if fuel cost savings had been estimated for the new system versus the old system. Mr. McCarthy replied he didn't know which system would be installed, but if the voters approve the article he would have information in the fall. Mr. Viger said gas was more efficient than oil, but the company wouldn't put information in writing until a system was installed.

MOTION: (Sherman/Hillsgrove) To reconsider the proposed warrant article.

VOTE: (8-0-0) The motion carried.

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MOTION: (Sherman/Hillsgrove) To recommend the article for the municipal building boiler replacement project.

VOTE: (8-0-0) The motion carried.

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164 **GENERAL DISCUSSION / CLOSING COMMENTS**

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166 Mr. Sherman wanted to know the status of the CMAQ grant. Mr. McCarthy replied the request to
167 accept the grant would be on the ballot. Mr. Viger said if they don't get the grant it might be too
168 late to pull it off the warrant; they didn't know yet. Mr. Sherman questioned if the Fire Department
169 had heard anything regarding the Safer Grant. Mr. McCarthy believed they would have the answers
170 to the questions about the grants within the next couple weeks. He said the warrant would be posted
171 January 29th and hoped to have answers by that time.

172
173 Mr. Cate inquired about the status of the Willow Street Bridge project. Mr. McCarthy replied the
174 bridge had gone out to bid. The plan was for construction to begin in spring, 2018. Willow Street
175 will be closed for eight months and reopen by the time school begins in September 2018.

176
177 Mr. Sherman was concerned about the number of vacancies on the Board for next year. Mr.
178 McCarthy stated January 22nd -February 2nd were the submission dates to running for office.
179 Anyone interested should fill out an application at the Town Clerk's office.

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181 The Town Deliberative Session will be Tuesday, February 6, 2018, 7pm at Sherburne Hall.
182 The School Deliberative Session will be Wednesday, February 7, 2018, 7pm at Sherburne Hall.

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184 The Budget Committee will conduct their organizational meeting April 19, 2018, 7:30pm at
185 Sherburne Hall.

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187 Mr. Cate thanked the Department Heads, Selectmen, School Board, Mr. McCarthy, Ms. Larson and
188 those involved with preparing the budgets. He announced that he would not be seeking re-election.

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190 The Board applauded Mr. Cate for his dedication and volunteerism with the Town. Everyone
191 wished him well.

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193 **ADJOURNMENT**

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MOTION: (Sherman/Hillsgrove) To adjourn the meeting.

VOTE: (8-0-0) The motion carried.

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196 The meeting was adjourned at approximately 8:13pm.

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198 Respectfully submitted,
199 Charity A. Landry
200 Recording Secretary