

TOWN OF ALLENSTOWN
Budget Committee
16 School Street
Allenstown, New Hampshire 03275
April 21, 2016

Call to Order.

The Allenstown Budget Committee Meeting for April 21, 2016 was called to order by the Chair at 6:00pm.

Roll Call.

Present on the Board: Dave Eaton, David Coolidge, Deb Carney, Carol Angowski, Melaine Boisvert, Keith Klawes, Kris Raymond, Fern Bissonnette, Tiffany Ranfos; Larry Anderson; Roger LaFlamme; Kyle Mallinger and Jeff Gryval. Fran Severance, Mike Frascinella

Excused: Deb Carney.

Others Present.

Residents of Allenstown: Lynn Bissonnette.

Others Present:

Other Public Officials:

Allenstown Staff: Shaun Mulholland, Town Administrator; and Cyndi Hetu, Minutes Clerk.

Election of Chairperson, Vice Chairperson, and Secretary

Motion. Mrs. Raymond made a motion to nominate Keith Klawes as chairperson. Mr. Coolidge seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Klawes-Abstained; Mr. Anderson – Yes; Mr. Pelissier – Yes; Mr. Bissonnette – Yes; Mr. Eaton – Yes; Mr. Coolidge – Yes; Mrs. Boisvert – Yes; Mrs. Raymond – Yes; Mr. Wilder– Yes; Mrs. Severance – Yes; Mr. Frascinella – Yes. The Chair declared the Motion passed.

Motion. Mr. Bissonnette made a motion to nominate Melanie Boisvert as vice chairperson. Mr. Coolidge seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Klawes-Yes; Mr. Anderson – Yes; Mr. Pelissier – Yes; Mr. Bissonnette – Yes; Mr. Eaton – Yes; Mr. Coolidge – Yes; Mrs. Boisvert – Yes; Mrs. Raymond – Yes; Mr. Wilder– Yes; Mrs. Severance – Yes; Mr. Frascinella – Yes. The Chair declared the Motion passed.

Motion. Ms. Boisvert made a motion to nominate Kris Raymond as secretary. Mr. Klawes seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Klawes-Yes; Mr. Anderson – Yes; Mr. Pelissier – Yes; Mr. Bissonnette – Yes; Mr. Eaton – Yes; Mr. Coolidge – Yes; Mrs. Boisvert – Yes; Mrs. Raymond – Yes; Mr. Wilder– Yes; Mrs. Severance – Yes; Mr. Frascinella – Yes. The Chair declared the Motion passed.

Review minutes

Motion. Mr. Coolidge made a motion to accept the minutes for January 16, 2016. Ms. Boisvert seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Klawes-Yes; Mr. Anderson – Yes; Mr. Pelissier – Yes; Mr. Bissonnette – Yes; Mr. Eaton – Yes; Mr. Coolidge – Yes; Mrs. Boisvert – Yes; Mrs. Raymond – Yes; Mr. Wilder– Yes; Mrs. Severance – Yes; Mr. Frascinella – Yes. The Chair declared the Motion passed.

What are the Duties, Responsibilities and Authority of the Budget Committee

The Chair gave a presentation on the duties, responsibilities and authority of the Budget Committee. He explained the purpose of the budget committee is to assist voters in the prudent appropriations of public funds. He stated this includes participating in the development of the annual budget, ensuring principles of sound fiscal management, ensuring appropriations are properly appropriated, review audit reports, attend meetings, and be committed to the welfare of the Town.

The Chair explained they need to know things such as the fact monies can transfer in departments so long as the bottom line is not exceeded. He stated they also need to know if there is a zero in a line item line, no monies can transfer in. He also stated they need to be familiar with the 10% rule. Mr. Mulholland explained the 10% rule is the voters cannot increase the budget any more than 10% than what the Budget Committee recommends. He stated there is a bill before the legislature to change the rule so it is 10% increase or decrease.

The Chair stated the budget training is very helpful and would recommend the members try to go to it. He also stated the budgeting process manual is helpful.

The Chair further explained the duties of the officers such as the chairman, vice chairman, and the secretary. He explained this includes running, scheduling, and attending meetings as well as signing documents. He stated they are also responsible for communicating between the committee members and the department heads. He stated if the chairman is not present, the vice chairman would take over for them.

The Chair reviewed the rules of procedure for the committee. He stated the rules include all meetings being open to the public unless majority vote otherwise (according RSA 91-A). He stated there needs to be a quorum present in order to have a meeting; a quorum is eight members. He stated emails are not be to sent to all members of the board except by the chairman.

The Chair reviewed the rules of order which included obtaining the floor, debate, motions, votes, point of information, and point of order. He discussed the importance of not talking over each other so they minutes clerk can hear who is speaking. He stated they could make motions to table a discussion if they feel they need more time to review something. Mr. Mulholland explained if they table something and then adjourn the discussion is done; therefore they need to recess to the next meeting.

Ms. Boisvert asked if all motions need to be affirmative. Mr. Mulholland stated there is no law which says they have to but they should make all motions in the affirmative.

The Chair explained point of order is when someone is speaking out of turn or is getting sidetracked they can ask to go back to the topic. He stated there is also out of order which is when things get out of hand and the Chair hasn't told someone they can speak.

The Chair stated they are professionals who volunteer and are elected. He stated they report to the citizens therefore they need to act in a professional manner.

Ms. Boisvert asked if the budget committee is at capacity. The Chair stated the budget committee is at capacity. Mrs. Raymond asked the Chair to distribute the presentation after the meeting. The Chair will distribute the presentation.

The Chair stated he had asked Mr. Mulholland if the budget committee needed to have a Rules & Procedures. He stated Mr. Mulholland sent him a copy of the town's rules and procedures which is where he got some of the information for the presentation. Mr. Eaton stated they have voted on rules in the past but they have not had an official policy. Mr. Frascinella stated he thinks the presentation would be a good starting point.

The Chair asked Mr. Mulholland how they move forward with creating Rules & Procedure. Mr. Mulholland suggested they take the presentation and make it something simple for the committee to vote on. Ms. Boisvert stated she thinks it would be a good idea to add a timeframe for the meetings. The Chair stated he will work on something and get it out to the members to review and discuss at the next meeting.

Mrs. Severance asked the Chair for his contact information in case she can't make a meeting. The Chair gave her his information. He also discussed the importance of turning their phones on vibrate during their meetings.

Account Code Presentation

Mr. Mulholland explained the account codes are a sequence of numbers for expenditures and revenue lines. He stated there are four numbers and gave the example 01.4130.20.110. He stated the Government Accounting Standards Board (GASB) sets the account codes and the state adopted them.

Mr. Mulholland stated the first number represents the funds; there are nine funds. He stated the first number in his example tells them it is from the general fund. He stated the second number represents the classification code and for this example the second number is for the Executive function.

Mr. Mulholland explained the third number is a sub-classification number which is to delineate the classification code. He stated the example shows a sub-classification for two salaries in the Executive function. He stated the last number is the object classification code which identifies similar activities across the entire budget. He stated this example represents regular salaries.

Ms. Boisvert asked if the Sewer Department has these codes. Mr. Mulholland stated they do not. Ms. Boisvert asked if they should have these codes. Mr. Mulholland stated they are required by law to have them.

Review Expenditure and Revenue Reports: Town, Sewer, and School Town Expenditures and Revenue Reports

Mr. Mulholland stated overall everything is where it should be and there are no areas of concern. He stated they are going to get close on storm water but should remain within budget.

Mr. Mulholland explained the titles on the Expenditure Reports. He stated the first column is the Account Codes, the next column is a four letter character to describe the budget item, then the GL (general ledger) budget which is the budget approved by the voters, next the year to date (YTD) budget, encumbrance, the budget balance, and last the percentage left in the budget. He explained the different four letter descriptions such as EXEC for Executive. He stated the library budget is not broken down because they have their own trustees who do the budget.

Mr. Frascinella asked why the library has Medicare. Mr. Mulholland stated in the past it would come out of the personnel line with all the other employees; however, it has been broken out because they have their own governing body.

Mr. Mulholland stated they have no bonds; no debt. He also explained there are some lines with zeros because they are previous capital outlay expenditures. He stated the bottom line shows how much the budget is for the town, how much has been spent, and how much is remaining.

Ms. Boisvert asked if they did a date range as of today wouldn't it populate what they spent today's last year to date. Mr. Mulholland stated he could provide a comparative report with different columns in there. He gave an example of a report with the last three years' YTD comparative. Ms. Boisvert asked if they could get YTD as of April 30, 2016. Mr. Mulholland stated he could do different columns with the comparative three year spread.

Ms. Boisvert asked why the Sewer Department isn't using this. Mr. Anderson stated they use QuickBooks but they are in the process of switching to the same software as the town.

Sewer Expenditure and Revenue Report

Ms. Boisvert asked where the Sewer payer's revenues are on the report. Mr. Anderson stated there are three revenues; hauled waste, residents, and Pembroke. Mrs. Raymond stated they probably haven't been paid yet for the year. The Chair asked when the Sewer bills go out. Mr. Anderson stated they go out every quarter.

The Chair asked what the budgeted sewer rents of \$17,086.62. Mr. Anderson stated it is from Allenstown.

Ms. Boisvert asked about the fact the Sewer projected to take in \$397,203.53 from Allenstown and they have only taken in \$110,000. Mr. Anderson stated the budgeted number is for the year. The Chair asked for some clarification on the numbers for the Sewer Report because they are a little confusing. Mrs. Ranfos explained page two is a continuation of page one. Mr. Anderson will get some clarification for them.

School Expenditure and Revenue Report

Mrs. Raymond stated Amber Wheeler is the new business administrator for the SAU. She stated page one shows the projected surplus as of June 30, 2016. She stated the school is projected to have \$125,000 surplus come June 30, 2016. She stated page two shows the revenue projection. She stated the middle of the page Fund 4 shows the food service with a surplus of \$19,000 in expenses and \$98,000 in revenues. She stated the third page shows a year over year comparison. She explained they are \$165,000 less surplus then they were at for the end of 2014-2015.

Mr. Frascinella asked if the terminology was something historical because he is thinking of under budget or over budget and they are talking about surplus. Mrs. Raymond stated they will be under budget by \$125,000 at the end of June if everything remains status quo.

The Chair asked if there were any major expenses the school district had to account for which weren't planned. Mrs. Raymond stated there were. She explained there is an asbestos issue at AES which will come out of Capital Reserve in the amount of \$14,000.

Mrs. Raymond stated the 2% has to be a catastrophic event. She stated they won't know the 2% yet because the school budget is on a fiscal year. She stated they will know better around August. Mr. Anderson asked about the windows. Mrs. Raymond stated the windows were already paid for. Mr. Anderson stated he hasn't seen a bill yet. Mrs. Raymond stated she doesn't have the final answer on it.

Mrs. Raymond stated they don't have it in Capital Reserve. Mr. Anderson stated they have \$32,000 and \$23,000. He explained they have \$21,166 in principle and in profit they have \$23,915. The Chair asked them to wait on the trust fund account and come back to it.

Mr. Pelissier asked what contracted services are. Mrs. Raymond stated contracted services are special education. Mr. Pelissier asked if all the code 1200s are special education. Mrs. Raymond stated he was correct. She stated she will get the codes for the next meeting.

Mr. Wilder asked about the tuition at risk line. Mrs. Raymond stated the tuition is what they send to Pembroke Academy. She stated she will have to get clarification on the "tuition at risk".

State of the Town

Mr. Eaton stated the Community Center is on schedule and under budget. Mr. Mulholland stated move in date is June 6, 2016 and the opening ceremony is June 14, 2016.

Mr. Eaton stated they are doing an LED conversation to save on electricity. He stated they also have a solar panel project for the fire station. He stated they are doing an update of the town's Emergency Operation Plan which is paid for by a grant.

Mr. Eaton stated the Fire Department Risk Assessment plan is under way. He explained they are rotating through the different departments. He stated they did Administrative Functions and Police Department last year and they are working on fixing the deficiencies.

Mr. Eaton stated there is a NH Charette planned for September 30, 2016 to discuss redevelopment of the downtown area. Mr. Mulholland explained it is a group of volunteers who come down and meet with citizens and business people to discuss the different things in the downtown areas. He stated once they have a plan they can apply for grants. He stated it is a two day event September 30, 2016 and October 1, 2016. He stated they will do a media release on the event when they get closer.

Mr. Coolidge stated a Chinese company bought the mill. Mr. Mulholland stated they are concerned it will be just left there. Mr. Coolidge stated they are down to a skeleton crew and have had several layoffs since Christmas. Ms. Boisvert asked if they can use Rehabilitation Tax Credits for it. Mr. Mulholland stated there are a variety of grant funds but they need to have a plan in place first.

Mr. Eaton stated House Bill 1244 passed the House and Senate. He stated this bill will allow towns to enter into agreements with other entities to provide a cemetery. Mr. Mulholland stated this will take effect July 1, 2016. Mr. Coolidge asked how this will work for the property which is designated for the cemetery. Mr. Mulholland stated it is not designated for the cemetery.

Mr. Eaton stated the MS-4 Storm Water permit should come through July 1, 2016. Mr. Mulholland explained the Clean Water Act affects the urban area and they are considered part of the Manchester urban area. He stated it requires regulations such as street sweeping, catch basin cleaning, how much salt in the water, and what type of chemicals can be in the water. Mr. Mulholland explained it requires a lot of things which are expensive and doesn't apply to everyone. He stated it applies to Pembroke and Hooksett as well as Allenstown but doesn't apply to Epsom. He stated they are part of the new permit because the 2010 census places the Town in the Manchester urban area. He stated it also puts requirements on development. He stated if they don't comply with it the fines can be large. He gave an example of Plaistow not doing it and having to pay \$65,000.

Mr. Mulholland explained they have fought the permit and asked for several changes. He stated they have been told the permit will be very different then the first one. He stated they already have two violations which they are trying to clean up before the permit comes through.

Ms. Boisvert asked if this has anything to do with drinking water. Mr. Mulholland stated it does not. He stated all of the testing and results are on the website.

Ms. Severance asked why they are responsible and Epsom is not. Mr. Mulholland stated it is one of their arguments.

Ms. Boisvert asked about the state roads and the salt limitations. Mr. Mulholland stated they are going after the state as well. He stated the town's problem is the state uses a lot of salt and the town doesn't.

Mrs. Raymond asked how long the permit is good for. Mr. Mulholland stated they have to have a permit and it is good forever. He stated they will be given a two year period to fix any violations. He stated the coalition has been fighting a lot of the requirements. He explained they were part of the initiative which buried them in reams of paper.

Mr. Eaton stated they have a Public Works Committee for the town garage. He stated they have met once and are working on different tasks.

Mr. Eaton stated the 2016 SVRTA Health Insurance Review will be starting in May. Mr. Mulholland stated the town heads it up. He stated they will be doing a review to find out what plans are viable.

Mr. Eaton stated there is road work planned for 2016: Ferry St, Reynolds Ave, River Rd, and Turnpike St. He stated the DOT will be paving part of Main St and School St. Mr. Mulholland stated most of the downtown will be paved. Ms. Boisvert asked if it was part of the Safe Routes to School. Mr. Mulholland stated the Safe Routes to School is done; this will be done with federal funding.

Mr. Eaton stated the BOS is in negotiations with the School Board about the SRO.

Mr. Eaton stated there is an issue with the Police Academy funding which they are watching closely. Mr. Mulholland stated the Police Academy is paid for by penalty assessments on fines. He stated the fund has a surplus in it but the State raided it for other expenses and now they are going to have a shortfall. He stated the Police Chiefs favor the General Fund appropriation to cover it. He stated the NHMA is concerned about it because once they draw money from the fund they will be regulating how the police academy is managed. He stated the concern is the fees are going to be downshifted to the towns.

Mr. Eaton stated the Pole Tax Issue could be partially resolved. Mr. Mulholland explained this is the Fairpoint litigation. He stated there is a bill which has passed the House and is before the Senate. He stated this bill will say the life of the pole is 40 years. He stated they are trying to get it back up to 50 years because the poles can last up to 100 years. He stated if the bill passes as is it will cost them about \$35,000 in revenues.

Mr. Frascinella asked about solar panels for the fire department and how it got into the budget. Mr. Mulholland stated it is not in the budget. Mr. Coolidge stated he has looked into it and most of them are 20 year leases with no upfront cost. He stated they don't get their pay back until the last 8 years. He stated they (solar panel company) owns everything and they will replace it. Mr. Mulholland stated they won't own anything and the price for electricity will always be 10% below market price.

Mr. Coolidge asked how the commercial side of it works with the net metering. Mr. Mulholland stated they are not subject to the net metering piece. He stated the excess power will be used for the Library.

Mr. Pelissier asked if it would be better to purchase outright. Mr. Mulholland stated then they assume the maintenance and the risks. He stated they are taking all of the risks so it is a better deal.

The Chair asked about the budget for the Community Center and what will happen with the excess money. Mr. Mulholland stated there is \$2 million in grants, \$750,000 in tax credits and the rest are donations. He stated the funds will stay in the Community Center fund. He stated the Boys & Girls Club took out a loan to pay for some of the expenses.

Ms. Severance asked if there is any left to be used later on. Mr. Mulholland stated he doesn't know what their budget is. He stated they have to raise the money to do what they want. He stated the total spending for the project will be about \$3 million for everything. He stated only the \$2.1 million is off of the town's books. He stated they have enough money to build it but the Boys & Girls Club wanted lockers so they raised the funds for it.

Ms. Boisvert stated Meals & Wheels will be running out of the Community Center. Mr. Mulholland stated CAP applied for a grant to do a gardening program.

Ethics Training

Mr. Mulholland explained this is one of the things which came up on the Administrative audit. He stated it is the last thing they didn't do and is now done. He stated the purpose of this is to have a town wide Code of Ethics.

Mr. Mulholland stated the purpose of it is also to avoid issues of conflict of interest. He stated if someone has a monetary interest the Code of Ethic doesn't allow for the employees to be part of the process. He gave an example of a town employee having a business not being able to be part of the bidding process for a service or product he sells.

Mr. Mulholland stated page two and three discusses prohibited activities such as, bribery, improper influence, compensation for prior activities, and gifts to public servants. He gave an example of the town building a new playground and a member on the Budget Committee has a business which sells playground products cannot push the town to buy from any of those businesses.

Mr. Mulholland gave another example of a BC member voting for raises for an individual they are related to being a conflict of interest. He stated it is okay to vote on raises for all the town employees across the board.

Mr. Mulholland explained a town official couldn't represent their family member at a Planning Board meeting. He stated if there is a conflict, they are required to disclose it. He gave an example of him disclosing the fact he works for MRI whenever there is a contract before the BOS for MRI.

Mr. Mulholland stated they cannot accept gifts of more than \$50 and need to disclose it to the person giving the gift. He stated they also have an obligation not to release information from a non-public meeting.

The Chair asked what would happen to a BC member if someone were to accept a gift over \$50. Mr. Mulholland stated they can't remove the member because they are an elected official. He stated they could only remove him if he commits a crime.

Mr. Mulholland stated he needs everyone to sign off on the Code of Ethics.

Ms. Ranfos asked for them to fix the spelling of the town name on the litigation documentation.

Mr. Pelissier asked if he needs to excuse himself from voting for the Highway Department. Mr. Mulholland stated he would only disclose it if he was dealing with just the salary of his relative not if they are voting on the department as a whole.

Next Meetings/Tours o Sewer Plant o Town Garage o Community Center/ Boys and Girls Club

The Chair stated they have previously discussed meeting at different facilities so they could see what the operations and building were like. He asked Mr. Anderson if the smell at the Sewer Department was still an issue. Mr. Anderson stated it does not smell anymore; they just spent a lot of money to fix the smell issue.

Mr. Mulholland suggested they have their next meeting in August so they could review the status of the budgets. He stated the Community Center is better setup for the BC to meet for now on. The Chair stated they can discuss taking tours of the Sewer Department at a separate time. There was further discussion of a meeting date and a date for a tour.

The Board determined to meet on August 18, 2016 at 6:00pm at the Community Center.

Discuss of Trust Funds Balances

The Chair stated he had sent Mr. Anderson a list of questions. Mr. Anderson answered each question for the members. He stated there are three trustees of the trust fund plus the banker. He stated the trustees meet every quarter. He stated things only change when there is a deposit or withdrawal.

The Chair stated it looks like some of the funds have lost some money when they review the Trust Fund Statement for cash gains and losses. He stated he is looking at the Highway Garage and the cash gains or losses on securities. He asked if it was money lost through the stock market. Mr. Anderson stated the line to look at is the total of principal and income. He stated according to the statement the school has \$40,500.00. He explained one side of the statement shows what they have made profit wise and the other side is what they put in the fund.

Ms. Boisvert asked how diversified the portfolio is. Mr. Anderson stated they only have 20% in the stock market.

The Chair asked what the cash gains or losses on securities is. Mr. Anderson stated it is what they make on bonds or securities. Mr. Anderson stated there is a \$20,000 loss overall for the quarter. The Chair asked how often things are moved around to avoid the losses. Mr. Anderson stated the Wealth Manager comes in every quarter.

Mrs. Raymond stated she still doesn't understand the difference between the total of principal and income column and the total of market value column. Mr. Anderson stated if he sold the securities she would only get \$23,000. Mrs. Raymond stated they have voted \$29,000 to come out of the fund. Mr. Anderson stated they will take \$23,000 out of one side and the remainder from the other side. Ms. Boisvert stated they shouldn't be losing money out of the trust fund. Mr. Anderson stated there is only 20% in stocks and 80% in bonds.

Ms. Boisvert asked if they could get a breakdown of how the portfolio is split up. Mr. Anderson stated he gets a monthly breakdown. Mr. Mulholland suggested they put the monthly statements on the website.

Ms. Boisvert stated if they have a wealth manager reviewing it they should be keeping them from losing so much.

Mr. Anderson stated the Chair had asked what firm they invest with and how long they had been with them. He stated they invest with TD Bank and have been with them for a long time. He stated the fees are negotiated; they are paying less than anyone else in the area. He stated Citizens wanted to charge \$17,000 and TD Bank charges .04% as an administrative cost.

Ms. Boisvert asked what the year to date gain for the funds. Mr. Anderson stated he gets it on the report each month. Mr. Mulholland stated if the trustees agree to do so they can put the statements on the website. Mr. Anderson stated the next trustees meeting will be June 2, 2016 at 2:00pm.

Mr. Anderson stated every year he has to send a statement to the Attorney General and they are bonded \$2 million.

Ms. Boisvert asked Mr. Anderson to find out what assets are insured and what percent they are insured.

The Chair asked what the one, three, and five year returns for the town. Mr. Anderson stated he wasn't doing these five years ago. He stated they have only been investing since 2012. Mr. Mulholland stated the TOTF changed the investments from secure to more risky investments sometime around 2008. The Chair asked Mr. Anderson to bring the year-to-date returns since they started investing.

Motion. Mrs. Raymond made a motion to adjourn. Mrs. Severance seconded the Motion. There was no additional discussion.

A Roll Call Vote was taken: Mr. Klawes-Yes; Mr. Anderson – Yes; Mr. Pelissier – Yes; Mr. Bissonnette – Yes; Mr. Eaton – Yes; Mr. Coolidge – Yes; Mrs. Boisvert – Yes; Mrs. Raymond – Yes; Mr. Wilder– Yes; Mrs. Severance – Yes; Mr. Frascinella – Yes; and Mrs. Ranfos – Yes. The Chair declared the Motion passed.

The Chair declared the meeting adjourned at 8:17pm.

TOWN OF ALLENTOWN
BUDGET COMMITTEE
MEETING MINUTES
April 21, 2016

Signature Page

Original Approval:	
<i>Keith Klawes</i>	
KEITH KLAUES, CHAIRMAN	DATE

Amendment Approvals:		
Amendment Description:	Approval:	Date:
	<i>Keith Klawes</i>	
	KEITH KLAUES, CHAIRMAN	DATE