

Budget Recommendations Advisory Committee  
September 30, 2020  
6:30 PM  
Remotely via Zoom  
Draft Minutes

Members Present: Bob Kelly, Chair; Corey Stevens, Christine Soutter, Don Clement, Judy Rowan, Nancy Belanger, Anthony Zwaan, Amy Farnham, Christopher Zigmont, Kaley Briden, Kathy Corson, Enna Grazier, and Liz Canada

Members Absent: None

Others Present: Russ Dean, Doreen Chester, Niko Papakonstantis, Daryl Browne, and Molly Cowan.

Mr. Kelly called the meeting to order at 6:30 PM. Per RSA 91-A:2(3)b, this meeting will be conducted without a quorum of this body being physically present in one location. He welcomed the members of the public attending remotely, and said the usual rules of conduct and decorum will apply. All votes will require a roll call vote.

1. Budget introduction

Mr. Dean provided an introduction to the FY21 budget. In light of Covid, they looked at reducing the budget in areas such as travel reimbursement and rooms and meals. The tax rate was set at \$5.71 per thousand last year, a significant drop from the prior year due to the revaluation; 23.73% of that goes to the town. That number doesn't include abatements or Veterans Credits. The other 76% goes to the Schools, County, and State. Taxable value had a big increase last year, at 24.25%. The latest increase is around 1%. Riverwoods has filed for an abatement because of their valuation, which will go to Superior Court. Ms. Soutter asked what the impact of that abatement would be, and Mr. Dean said the difference in what the town is assessing and what Riverwoods feels they owe is \$230,000 in tax dollars. The town typically budgets \$150,000 for the overlay, so it will significantly impact what they set aside for abatements.

Mr. Dean said in the last 5 years, they've averaged a 2.67% annual increase; this budget is 2.19% over the prior year, so they're starting at a lower point. They're taking on the first year Library bond service in FY21. The dollar increase is about equal to the debt payment for the Library. They're assuming an 8.1% increase for health plans. Mr. Clement asked what last year's health increase was, and Mr. Dean said 8.7%. There are no new positions in this budget.  $\frac{2}{3}$  of the collective bargaining units expire in 2022; the Police contract could be a warrant article if they come to a successor contract. Several years ago retirement shifted to municipalities from the State, which is having an impact on the budget. The Town Manager's budget is up 1.43%. The Select Board is down. They renegotiated postage, so there are some increases in those lines. There are reductions in education, training, and travel. They're taking advantage of online trainings. In HR, they took the reclassification budget out; it had about \$21,000 last year. Legal

services stayed the same, those are hourly fees charged to the appropriate fund. IT is up \$300. IT audit funds are not in the FY21 budget. Internet decreased by \$10,340, but email/filtering/archiving is at \$14,100; this is a new line item to address Right to Know issues. Dr. Zwaan said he is surprised IT is level with the current environment. Mr. Dean said in a normal year, they may have come forward with a request for more IT personnel, but they've deferred that for now.

The Town Clerk's office is up 2.83%, primarily in the wage and benefit accounts. There were decreases in dog tags and office equipment maintenance. Next year, there's only one election, so there's a decrease to \$754 for the Town Moderator. Elections/Registration are at \$12,058, a decrease of \$18,543 from the previous budget. The Treasurer, which is a stipend, had no increase. Tax collection had a decrease in line items on property tax deeding and fees. Contract services are down because they have a newer employee, so there's no need to hire temporary help. Assessing had a decrease of 7.2%; they're working to renegotiate that contract at the end of 2020. Planning, Building, and Economic Development had a decrease of 0.58%. There will be no impact fee review in FY21, because that is happening in 2020. In Economic Development, they took out the part time wage line, as they will have no intern. The Boards and Committees for Land Use are all level funded.

There's a Police increase of 0.37%. General Police expenses were reduced by \$16,158, including a \$10,000 reduction in Prosecutor Services, which is now done in-house. Retirement costs had an increase of 10%. There was a net increase in Fire/Emergency of 1.7%. Dispatch had a decrease of \$19,602 or 4.7% due to retirements. Health had a decrease of 11.71%, due in part to James Murray renegotiating the mosquito contract. Ms. Rowan asked about increased Health or Inspection expenses in FY20 for Covid 19. Mr. Dean said they received back \$17,000 from FEMA. Supplies and PPE were given to the town by the State. Mr. Clement said if they choose another mosquito control company, they should ensure it's environmentally benign.

Mr. Dean said that the Public Works budget is at \$4,332,235, a decrease of 1.43%. Engineering had a 1.66% decrease. There was a reduction of \$24,999 in Contracted Services, due to the \$25,000 in the FY20 budget for garage design not being part of FY21. Highways and Streets had a reduction of \$100,000, as they reduced the paving budget and curb/stormdrain cleaning. Snow and Ice had a 6.98% decrease, but that's a budget they can't predict; YTD they've used \$170,000 from the current budget of \$340,000. The Solid Waste budget is increasing, and there's an increase in the blue bag budget. The E-Waste expense dropped. There's a reduction in the Brush Grinding line item, as they're planning two grinds instead of three. In Streetlights there's a small decrease. In Contract Cleaning, there's an expense line of \$11,000 for unanticipated Covid-19 expenses. In the Town Buildings budget, there's an increase for natural gas expenses. The town's electricity contract runs through 11/30/2021 with a kwh rate of 7.75 cents. They may renew the contract or let it expire to look for another contract.

Welfare and Human Services had an increase of 1.69%, which reflects a 2.8% increase in planned human service agency spending.

The Library had a \$46,000 increase due to wage and benefit changes. This budget is submitted by the Library Trustees to the town. The Debt Service is up \$319,000, for the first bond payment on the library.

In Vehicle Replacement/Leases, the last payment on Ladder 1 is coming up, and this budget will decrease by \$146,000 in FY22. There are two hybrid Police cruisers in the FY21 budget to address sustainability. \$10,000 is requested for a town-wide vehicle audit. This audit could be a contract or a temporary hire. Mr. Stevens asked if they would look at energy and fuel usage, and Mr. Dean said yes. Mr. Clement suggested they work closely with the Energy and Sustainability Advisory Committees.

In Benefits and Taxes, the Health Insurance Reserve has an 8.1% projected increase.

For the CIP, the Salem Street Area Utility replacement is currently in final stages of design; this is a project with Water/Sewer, drainage, and road components. The Public Works Facility Garage is in for \$150,000; this is a follow-up on the \$25,000 design done this year. There's a Public Safety Alternatives Analysis at \$200,000, which is a follow up on the study done this year. They want to look at developing alternatives for the Public Safety facilities. There's a Bike/Pedestrian study, and a Waterfront Seawall project with Sidewalk at \$25,000. The Parks Improvement Capital Reserve Fund is at \$41,350, reduced from \$100,000.

The Total General Fund Appropriations in FY21 are \$20,035,290. The Warrant Articles (General Fund) are at \$441,350. Total General Fund Appropriations in FY20 were \$2,153,701, so FY21 is up \$322,939 or 1.6%. The tax impact, not including any value increase, is 15 cents per \$1,000 of valuation.

In General Fund Revenues, they anticipate reductions in a few areas. Interest and Penalties on Taxes, based upon revenue generated this year, has been reduced to \$115,000. Current use tax is \$50,000. Motor vehicle is at the same amount for 2021, \$3,080,000. Building permits have been reduced to \$200,000. There are a lot of projects, but the revenue depends on what the projects are. Franchise fees and General Clerk revenue are the same. General revenue sharing is expected from the state. Meals & Rooms tax relies on hotels, and is yet to be determined. A Water Pollution Grant of \$25,000 is an offset for sewer projects. Income from departments is at \$1M, blue bags and the Transfer Station being the biggest portion. They're not anticipating any sales of town property in 2021. They no longer have a resident at 149 Kingston Road, as the Fire Chief has retired and moved, so there's no rental income; they're not sure of the future of that property. The Fund Balance was \$700,000 in FY20, and that's consistent in FY 21. Total revenues are projected at \$7,106,492.

Mr. Stevens asked about the costs associated with maintaining the rental house, and Mr. Dean said they were covered by the renter, and were fairly minimal. Ms. Rowan asked if they're anticipating any change in the bond rating with the strong financials. Mr. Dean said the auditors are looking at whether now is a good time to have the rating agencies review the town again.

Mr. Dean said that in Water and Sewer, the Water Fund request is \$3,784,894, a 6.53% increase. There were increases in meter replacements, building maintenance, the first year payment on groundwater/surfacewater assessment program, and capital outlay

increases for surface water treatment plant, which is an aging facility. In Sewer, the budget is \$7,034,980, a decrease of 8.48%. There are legal services related to the pending EPA permit, which greatly restricts nitrogen loading in Great Bay; the dredging of Clemson Lagoon is at \$75,000; and there are wage/benefit changes. Debt service has decreased, as the second year payment is less than first year. General expenses are down \$86,562 to reflect actual operating costs. In Water/Sewer Capital, capital outlay is up 39.5%. There's a pump replacement at the Surface Water Plant, a Pump Station pump replacement, and the clearwell recoating of surfaces at \$75,000. The Water Fund Bond articles include a groundwater source development project at \$1M, a lagoon cleaning at \$275,000, and Surface Water Treatment Plant Updates at \$400,000. The Salem Street Utility Improvements are at \$2.56M from the Water Fund.

In the Sewer Fund, there were increases in collection and administration, and EPA permit issues, as well as the Clemson Lagoon dredging. There were decreases in debt service and sewer treatment. If the State Aid Grant payment doesn't come in, they will have to pay a \$4.3M payment in December. The Sewer Fund piece of the Salem Street project is \$1,910,000. There's lagoon sludge removal. They're looking to decommission those lagoons; if they wait, it may need to be done at a higher cost. Dr. Zwaan asked if there were grant possibilities for this project. Mr. Dean said potentially. Mr. Sharples is also looking at a grant for a solar array on the landfill.

Mr. Dean discussed the Revolving Funds - CATV, EMS, Recreation. They've seen the EMS revenues recover somewhat. The Recreation Revolving Fund is an unknown due to Covid, and was very difficult to budget for FY21.

2. Minutes: August 12, 2020

**MOTION:** Ms. Soutter moved to approve the minutes of August 12, 2020 as presented. Ms. Belanger seconded. Ms. Corson abstained, as she was not present at the August 12th meeting. By a roll call vote, the motion passed 12-0-1.

3. Review Calendar

Friday October 16 is the General Government all day meeting; also November 9, 12, and 17. November 18th is available but may not be used.

4. Adjournment

Mr. Kelly adjourned the meeting at 8:30 PM.

Respectfully Submitted,  
Joanna Bartell  
Recording Secretary