

ADVISORY BUDGET COMMITTEE
MEETING AGENDA
5:00PM Town Office Meeting Room
Monday December 12, 2022

In attendance:

ABC:

- Community Members: Chair Patrick Fine, Lynn Arnold, and Linda Tanner
- Board of Selectmen: Sue Gottling (Vice Chair), Jeremy Hathorn and Carol Wallace
- Department Heads: Scott Hazelton (Via Zoom), Mindy Atwood (Via Zoom), Steve Bourque, David Bailey, Police Chief E. Niell Cobb, Fire Chief John Galloway, Frank O'Connor (interim Finance Director) and Joshua Boone

Other:

- Shannon Martinez-Town Manager, Allyson Traeger-Executive Assistant
 - Meeting began at 5:10 pm with ABC Chairman Patrick Fine referencing the agenda and focusing on the proposed warrant articles.
- 1. Budget Discussion
 - a. Review of Proposed Warrant Articles
 - Town Manager Martinez began with the Recreation Director warrant article. ABC Chairman Fine asked the reason the article only referenced the 9-month cost, it was recommended that the full year cost and tax impact be added to the article. Selectboard Vice Chair Gottling also clarified that the Rec Director will not be able to pay the full-time salary from January to March due to the vote not being established. Selectman Wallace recommended adding the language to clarify that the requested \$63,000 appropriation results from an additional 10 hours per week plus full benefits.
 - The Veteran's Field Proposed article was discussed. ABC Chairman Fine asked if it was possible to capitalize this expense through a long-term loan to reduce the impact of this warrant article in one year. Town Manager Martinez agreed that would be a good plan but would still require a warrant article. Further discussion suggested that this may not be the year to propose the article and it was referred back to the Board of Selectmen. Representative Linda Tanner advised against including the Veteran's Field warrant article on the ballot until it is better communicated to the public.
 - Town Manager Martinez proceeded to the warrant article regarding the purchase of the dump truck. Scott Hazelton (via Zoom) explained that the highway department is still waiting for a final quote, but the cost is expected to rise closer to \$220,000. He stated that this truck will replace the existing 4-wheel drive dump truck used around Perkins Pond Road. He said that the value of the trade will reduce the total cost to the town. Town Manager Martinez clarified that the cost of this truck is drawn out of the Highway and

Transfer Station Equipment Capital Reserve that is currently \$315,000. Mr. Hazelton clarified that \$195,000 of that amount has already been committed for another truck voted on, approved, and ordered in March. ABC Chairman Fine noted that the remaining unencumbered balance in the capital reserve fund is not sufficient to cover the estimated \$220,000 for the proposed new truck. Mr. Hazelton clarified that another warrant article requesting \$135,000 for the Highway Capital Reserve would, if passed, provide sufficient funds for the purchase. ABC Chairman Fine noted that this warrant article was not asking for new money, it was asking for approval to spend already appropriated funds. He recommended that the language in this warrant article should be revised to reflect that it is contingent upon the passage of the Highway Capital Reserve warrant article. Selectmen Wallace questioned why the language used in the warrant article asked to raise and appropriate funds when the warrant article is only asking to expend the previously raised and appropriated funds. ABC Chairman Fine agreed that this is confusing, given that the money was already appropriated. Selectboard Vice Chair Gottling offered that this is required language of the Department of Revenue Administration.

- Town Manager Martinez continued to the warrant article requesting approval to raise and appropriate \$25,000 for the Used Equipment Highway Capital Reserve Fund. ABC Chairman Fine asked when these funds will be used and at what rate? Mr. Hazelton stated that there is a plan and schedule in place that covers planned uses of the funds. It was decided that this warrant article would remain as stated.
- Town Manager Martinez went on to the warrant article to raise and appropriate \$115,000 to be added to the Fire Apparatus and Equipment Capital Reserve Fund. Selectman Wallace asked if anything was on order or funds were currently encumbered. Selectboard Vice Chairman also asked what the time span will be to spend these funds. Fire Chief John Galloway answered that there is nothing on order currently, but the fire department will be due for a truck in 2024 to replace the existing 1998 truck. He said that the department has already delayed purchase of a new heavy rescue truck by one year. He also noted that New London had recently ordered a similar truck at a cost of \$1.1 million. He continued that the Selectmen are the agents to expend on this reserve fund.
- Town Manager Martinez continued to the warrant article of raising and appropriating \$20,000.00 to be added to the Town Building Maintenance Capital Reserve Fund. ABC Chairman Fine stated that this was consistent with the Town's best practice, it was recommended to move forward.
- Town Manager Martinez moved on to the Town Road Bridges Capital Reserve Fund. Scott Hazelton said that this amount should be increased to \$100,000 due to the rise in bridge building costs. He also mentioned that State grants have closed for the year, but there could be future opportunities.

ABC Chairman Fine clarified that this increase would increase the tax rate by an additional \$0.03. Selectmen Wallace asked if the funds would be used in the upcoming fiscal year. Mr. Hazelton answered no, the work on the bridges will not proceed until the town has accumulated sufficient funds to pay for a bridge. ABC Chairman Fine asked why the amount was being doubled. Mr. Hazelton answered that the cost of repairing the targeted has doubled from \$300,000.00 to \$600,000.00. He said that the goal was to pursue State funding when it becomes available again. Town Manager Martinez asked if the Board of Selectmen were the agents to expend on this account. Mr. Hazelton answered in the affirmative. Selectman Wallace asked if the purpose of the capital reserve fund was to accumulate funds in order to fix and build bridges? Mr. Hazelton responded that a bridge plan was established in 2013 and bridges are inspected twice a year. ABC Chairman Fine questioned if Mr. Hazelton expects any issue with the voters seeing such a significant increase in the appropriation. Mr. Hazelton answered that he must focus on public safety and continuing the maintenance of the town's bridges. Selectman Wallace asked if there was any certainty of additional funds coming from the State. Mr. Hazelton responded that the opportunity is closed for this year, but historically for projects approved by the State, the State will reimburse 80% of the total cost. ABC Chairman Fine recommended that the Board of Selectmen decide if the total appropriation amount should be doubled or if a smaller appropriate would suffice this year.

- Town Manager Martinez continued onto the warrant article to raise and appropriate \$25,000 for the Dirt Roads Paving Capital Reserve Fund. Selectman Wallace recommended that the plan for the bridges and dirt road paving be made available for the voters to review. Town Manager Martinez answered that it can be added for the deliberative booklet, not the ballot.
- Town Manager Martinez moved onto the warrant article to raise and appropriate \$3,250.00 for the Cemetery Expendable Trust Fund for the general maintenance and care of burial lots. ABC Chairman Fine pointed to the current balance of \$69,155.06 and asked if this article was necessary. He continued to ask if there is a plan in place to expend this money that requires an appropriation this year. Selectboard Vice Chair Gottling answered that she expects that the biggest expenditure in the future would be to buy more land. Selectman Hawthorn said that it was discussed at the last meeting so he expects that land will be an issue in the future. ABC Chairman Fine recommended that the Board of Selectman look into the cemetery expenditure plan and decide if it is necessary to include this warrant article this year. Town Manager Martinez added that at the previous meeting they spoke about some deeds that will require attention as well as the addition of fill to the cemetery on North Road to expand and add additional plots.

- Town Manager Martinez continued onto the Conservation Commission Fund, this is regularly included warrant article to enable the town to buy land and maintain town-owned land. She continued that this money also goes towards tree maintenance and the Natural Resource Inventory. ABC Chairman Fine asked about the difference from last year when the amount appropriated was \$40,000. Town Manager Martinez answered that there is less revenue from the Town Forest than last year. Kris McAllister clarified that it is the Land Use Change Tax that is shared between the Town and the Conservation Fund. ABC Chairman Fine recommended the BOS reconsider the total appropriation amount.
- Town Manager Martinez continued onto the warrant article regarding the Milfoil Control Non-Capital Reserve Fund. The LSPA requested an increased grant from \$5,000 to \$8,000. Selectboard Vice Chair Gottling asked if the town is recommending moving away from the \$5,000. Town Manager Martinez answered not necessarily, this simply reflected the amount requested by LSPA. ABC Chairman Fine stated that this may not be the year to increase this appropriation due to the strains of inflation on the town.
- Town Manager Martinez moved onto the Elderly, Veterans, and Blind Tax exemption. Kris McAllister spoke to the Elderly tax exemption has not been evaluated or adjusted since 2017 and with the prospect of property values increasing in the summer, she believes that increasing the income threshold by 20% is appropriate. She stated that this is entirely asset and income qualified and that only four people qualified last year given the strict criteria. Representative Linda Tanner commented that the inflation on real estate and assessments has been increasing, noting that if you live in the same house the taxes can be extremely high. Kris McAllister clarified that this would adjust the income requirements and the amount that is taken from the assessed value of the structure to reduce the real estate tax to be paid by those who qualify. ABC Chairman Fine asked when this is presented to the voters will there be a number associated to the tax rate impact. Kris McAllister answered affirmatively but noted it would be based on historic numbers as it is not possible to know who will qualify. Frank O'Connor noted that the expected rate increase could be displayed as equal to or less than \$0.01. ABC Chairman Fine confirmed that all three of the tax exemption articles are understood and recommended by the ABC.
- Town Manager Martinez made note of a suggestion from Scott Hazelton to adjust the appropriation for the Building Capital Reserve Funds of \$40,000 to \$20,000 to offset, in part, the proposed increase in the Bridges Capital Reserve. ABC Chairman Fine stated that this would be a step in the right direction.
- Town Manager Martinez continued to the non-monetary warrant articles. She presented the article to close the dormant Sugar River account that has a

balance of \$33.00 and an obsolete TD Bank account for the new Library with \$0.08. There were no concerns expressed about closing these dormant accounts.

- She next presented a warrant article to seek approval for a Town Flag. ABC Chairman Fine confirmed with the group that there was no objection to asking voters about a Town Flag.
- Town Manager Martinez moved onto the conversation of the Fire Department warrant articles. ABC Chairman Fine stated that there are two components, one being the full-time position for the Fire Chief and the other being to increase the amount of money budgeted for per diem shifts. Town Manager Martinez clarified that these warrant articles have no relationship to the Firewards. The Firewards are strictly volunteer positions and that would not change with the restructuring of the Fire Department. Fire Chief John Galloway explained that per diem shifts are part time people who are brought in to respond to calls. The per diem firefighters/emergency responders receive no vacation or benefits. Representative Linda Tanner asked how this might work with mutual aid with neighboring towns. Chief Galloway explained that Sunapee typically uses New London for ambulance but there have been cases when Lebanon has been used. He continued for fire calls if Sunapee does not respond after about 15 minutes, then the next town over will receive the call. Town Manager Martinez also clarified that firefighters are the ones that respond to the EMS calls and motor vehicle accidents, while also responding to fires. She asked whether the ABC would want to put forward two separate warrant articles or combine the two components together. She read an email from the Firewards that recommended that the warrant articles should be separated. Selectmen Wallace asked if the management of the per diem positions requires a full time chief. Chief Galloway answered that currently there are per diem positions without a full time chief, but that the workload is substantial. Selectmen Wallace also mentioned that it would help to see the list of responsibilities of a full time chief and how these differ from the current situation. Chief Galloway stated that currently the department is not able to conduct all required inspections. Town Manager Martinez added that the additional workload associated with the increase in short-term rentals will place additional stress on the fire department without a full-time fire chief. Selectman Hathorn recommended that this proceeds as two warrant articles. ABC Chairman Fine concurred on behalf of the ABC.
- Town Manager Martinez continued to the final warrant articles from Water and Sewer. ABC Chairman Fine clarified that the first warrant article is intended to ask the voters to approve taking out long term debt through a bond. Selectman Wallace recommended making the plan and timeline for the work public at the deliberative session. Holly Leonard stated that there is a draft project plan that can be made available. ABC Chairman Fine

continued to the other two warrant articles, the new truck warrant article and replacement manhole article. He clarified that these funds have already been raised and are held in capital reserve funds. There was no objection to either of the articles.

- ABC Chairman Fine thanked all the participants and stated that the ABC would reconvene on December 27th at 5 pm to:

- b. Review General Fund Allocation
- c. Consider any other Budget Matters

ABC Chairman Fine adjourned the meeting at 7:02 pm.

Minutes reviewed by ABC Chairman Fine 12/20/2022

UPCOMING MEETINGS:

- December 27th at 5:00 pm
- Public Hearing January 10th
- Deliberative Session February 7th