

Francestown Budget & Advisory Committee Report on the 2016 Town Warrant

As required by a vote of the 1978 Town Meeting, the Budget and Advisory Committee shall “publish and post not less than 15 days prior to Town Meeting in two or more conspicuous locations within Town, its findings and recommendations with regard to each item of the budget and all articles proposing capital expenditures as they are approved by the Board of Selectmen.”

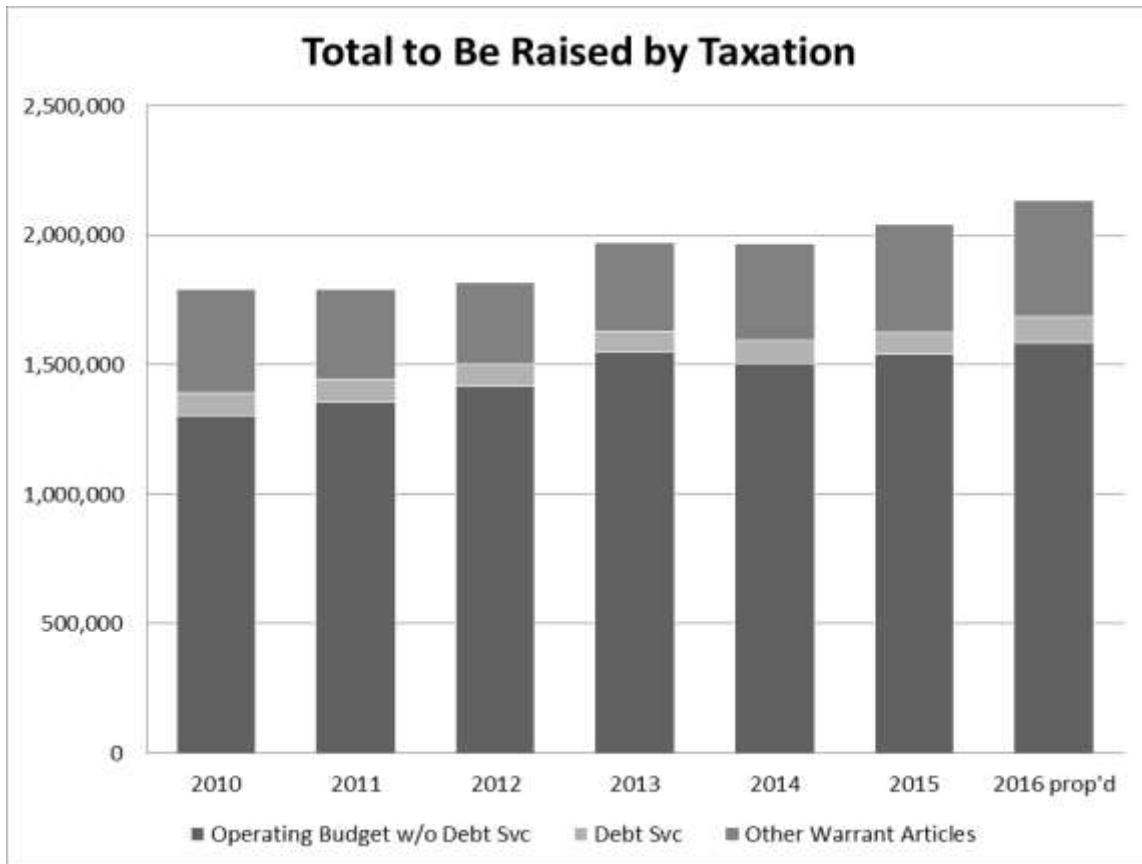
OVERVIEW

The creation of the 2016 annual budget began with our Town Administrator, Jamie Pike, consulting with Department Heads in order to draft an operating budget. Subsequent meetings were held by the Board of Selectmen to review budget proposals with the Budget & Advisory Committee (hereafter the Budget Committee) with the goal to maintain level services for the Town. In addition the Budget Committee met with the Town Administrator, Selectmen and Department Heads to review current year spending and proposals for the 2016 budget. The Budget Committee also held several meetings to review these proposals and discuss recommendations. All Budget Committee meetings are open to the public and held in the meeting room at the Town Offices; notices are posted in the Post Office, Town Offices and Town website. Interested parties are always encouraged to attend.

This year warrant article #6 proposes an operating budget of \$1,685,218. When considering Article 6 at Town Meeting, we will be voting for both the proposed operating expenses (\$1,573,821) and proposed debt service (\$101,397). These are amounts to be raised from taxation and represent an increase of \$62,018 or 3.82% over last year's appropriations. We will also vote on other warrant articles (#8, #16, #18, and #19) that include amounts to be raised from taxation (\$450,353) for an increase of 7.23% over last year's other warrant articles.

The Budget Committee supports the operating budget and other warrant articles, and believes that they represent a fair and balanced plan for meeting the needs of the Town for this year.

Note that operating expenses are those gross expenditures necessary to run the Town; debt service is for the conservation bond, entering the tenth of a twenty-year cycle, and the Town Hall bond, scheduled to begin when the remaining funds are raised and construction starts. The following chart shows the dollar change in the total amount to be raised by taxation:



The following issues remain on-going concerns for the Budget Committee:

- **Infrastructure: Bridges** – These are the biggest dollar issues facing the Town for the foreseeable future. Costs will be high even with the help of the State bridge-aid program (an 80%/20% State vs Town split). Through the CIP (Capital Improvement Plan) funds will continue to be set aside in our reserves for future bridge needs.
- **Infrastructure: Roads** – Bridges are a priority, but roads need to be maintained and rebuilt. The Road Study Committee provides useful information to support our road priorities.
- **Infrastructure: Buildings** – Great effort has been and continues to be made on tackling the deferred maintenance of the Town's buildings. Funds will need to be allocated through the budget and reserves to meet ongoing repairs and maintenance. The Budget Committee supports the current plan to continue to raise private funds for renovations to Town Hall.
- **Personnel Administration** – Increase to the cost of health insurance and state retirement contributions continue to put upward pressure on the operating budget. The Budget Committee asked that the Town Administrator investigate options for health insurance.
- **Fuel** - Reductions in fuel prices continue to have a positive effect on the budget. Lower prices are expected to continue for 2016 and into 2017, but the fuel markets will need to be monitored for future adjustments. Historical fluctuations make it difficult to predict future trends.

Article 6 – To raise and appropriate \$1,685,218 to pay for operating costs of the Town, such sums to be raised by taxation. The Budget and Advisory Committee recommends this article 5-0.

As previously noted, this year's operating budget, including debt service, represents an increase of \$62,018 or 3.82% over last year's appropriations. Some areas of special note:

- Revenue – Decreases are anticipated in Highway Block Grant funds and Transfer Station revenues.
- Election – This year we are budgeting for five elections. Additional elections this year are due to the Presidential Primary in March and State and Federal elections in November.
- Personnel Administration – Health insurance increases continue to be a concern. For the second half of 2016 a 20% increase in costs has been budgeted.
- Police – For 2016 budgeted patrol hours remain the same as budgeted for the past several years. Payroll will increase due to increases implemented in 2015 and the anticipated hiring of a full-time officer to fill the currently vacant position.
- Ambulance – Costs for 2016 have increased 59% over the prior year and 166% from 2014. Francetown contracts ambulance service through the Town of Peterborough, and costs are expected to continue to increase in future years. The Francetown Volunteer Fire Department has been investigating alternatives, which the Budget Committee encourages. The Committee also recommends that the Town Administrator assist in evaluating options.
- Fire Department – Increases to the Chief's stipend and the professional development expense line are both well deserved. The latter will enable members of the Volunteer Fire Department to receive valuable training. The Budget Committee believes that this is money well spent.
- Highway Department - The budgets for Highways & Streets represent 32% of the overall operating budget for 2016 and will decrease by \$7,650 due to lower fuel and salt costs over last year's appropriations.
- Transfer Station – Changes in recycling fees and a new disposal contract have increased costs for the upcoming year. The Budget Committee hopes that the Waste Disposal Committee, Town Administrator and our new vendor will work to find new alternatives and cost savings.

Article 7- To repurpose and rename the Future Town Building Improvements Capital Reserve Fund to the Future Town Facilities Improvements Capital Reserve Fund. Please note that a 2/3rds majority vote is required to pass this article. The Budget Committee unanimously recommends this article.

This article will expand the use of this fund to allow it to be spent for projects involving "facilities" in addition to buildings. An example would be the proposed concrete pad at the Transfer Station (See Article #17).

Article 8- \$597,500 to be added to various Capital Reserve Funds: \$165,000 from Undesignated Fund Surplus and \$432,500 by taxation. The Budget & Advisory Committee unanimously support this Article 5-0.

Replacement of equipment and infrastructure repairs are a main concern of the Budget Committee. The continued funding of Capital Reserves is an excellent way to save and meet future Town needs for major equipment and infrastructure. Unexpended funds remain in the applicable reserve account.

Article 9 – To classify Cressy Hill Road as a Class V, Town maintained highway, in accordance with RSA 231:22-1a, beginning at its intersection with Russell Station Road, and terminating at point approximately sixty (60) feet south of the bridge over Rand Brook.

This article does not propose any capital expenditure. Therefore, the Budget Committee did not consider it.

Article 10 – \$2,000 to be withdrawn from Undesignated Fund Surplus and added to the “Master Plan Update Fund”. The Budget and Advisory Committee unanimously recommends this appropriation 5-0.

This continues the funding of the expendable trust fund, titled “Master Plan Update Fund”, which will enable the Planning Board to continue updating the Master Plan. Unspent funds remain in this trust fund.

Article 11 - \$1,700,000 for replacement of Town Bridges such sums to be raised from acceptance of State Bridge aid funds in the amount of \$1,360,000 and withdrawal of up to \$340,000 from the Capital Reserve account entitled “Future Repair and Replacement of Bridges”. The Budget and Advisory Committee unanimously recommends this appropriation.

This article is for replacement of the S. New Boston Road bridge, anticipated to be completed in 2019. Approval of these funds will allow the Town to begin preparation for starting the project. Please note that a 2/3rds majority will be required for approval.

Article 13 - \$212,500 to purchase a rescue truck for the Fire Department such sum to be raised by acceptance of donations from the Fire Department Auxiliary (\$2,500) and Mt Crotchet Firefighters' association (\$20,000), and withdrawal of \$190,000 from the Fire Truck Capital Reserve. The Budget Committee unanimously supports this article.

On-going budget issues have been the increased ambulance costs and projected future increases. The Fire Department is considering options for future emergency/ambulance transport. The proposed rescue truck could be converted into an ambulance type transport. The Budget Committee thanks both the Auxiliary and Mt. Crotchet Firefighters for their generous financial support.

Article 14 - \$180,000 to purchase a payloador for the Highway Department such sum to be raised by withdrawal of funds from the Highway Equipment Capital Reserve Fund. The Budget Committee unanimously supports this article.

The purchase of a new payloador will replace the current fifteen year-old payloador as planned. The old payloador will be traded-in.

Article 15 – To raise and appropriate \$125,000 to finish the reconstruction of Pleasant Pond Road from where work was ended in 2014 to the Deering town line. Funds to be withdrawn from the Town Road Improvement Capital Reserve Fund. The Budget Committee unanimously supports this article.

This work will complete the reconstruction of Pleasant Pond Road.

Article 16 - \$1,800 to allow the video recording and broadcast of board and committee meetings via live and recorded webcast. For 2016 the \$1,800 will be raised from taxation, but in future years will become part of the general operating budget. The Budget Committee recommends this article by a vote of 4-1.

This is a monthly service for \$200 a month through a company that will allow for the live streaming of meetings. If approved the service will be tried out and, according to Town Administrator, may be cancelled at any time. A minority of the Budget Committee feels that this is an unnecessary expense.

Article 17 - \$91,000 from “Future Town Building Improvements Capital Reserve” for various Town building maintenance projects and equipment upgrades. The Budget and Advisory Committee unanimously supports this Article 5-0.

This article allow the funding of multiple projects: a new solar wall at the Fire Station, geo-thermal improvements at the Library, Police Station needs, restoration and repair of Library windows and Transfer Station facility needs. Each of these projects, if approved, would be subject to further review by the Board of Selectmen and any funds not used would remain in the reserve account. The Budget Committee supports the annual effort to continue work on building and other infrastructure needs.

Article 18 - \$21,755 for the treatment of Milfoil in Scoby Pond such sums to be raised from acceptance of a grant (\$8,702) and by taxation (\$13,053). The Budget and Advisory Committee unanimously recommends this appropriation 5-0.

The Budget Committee believes that it is important to continue this treatment program to protect one of the Town’s important natural resources and the Town Beach. The Committee continues to encourage the active, additional involvement of the Scoby Pond community.

Article 19 - \$3,000 to fund Milfoil prevention efforts at Pleasant Pond such sums to be raised by taxation. The Budget and Advisory Committee unanimously recommend this appropriation 5-0.

These funds will supplement individual donations and State grants. The Budget & Advisory Committee appreciates the efforts and contributions of the Pleasant Pond Association to keep Milfoil out of Pleasant Pond.

Respectfully Submitted,

Francetown Budget & Advisory Committee

Charles M. Pyle
John Thalhauser

Stewart Brock

Henry Kunhardt
Nick Wilder

February 19, 2016

Posted:

Francetown Post Office
Town Office Bulletin Board

Bixby Memorial Library
Town Website