

Francestown Budget & Advisory Committee Report on the 2017 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.”

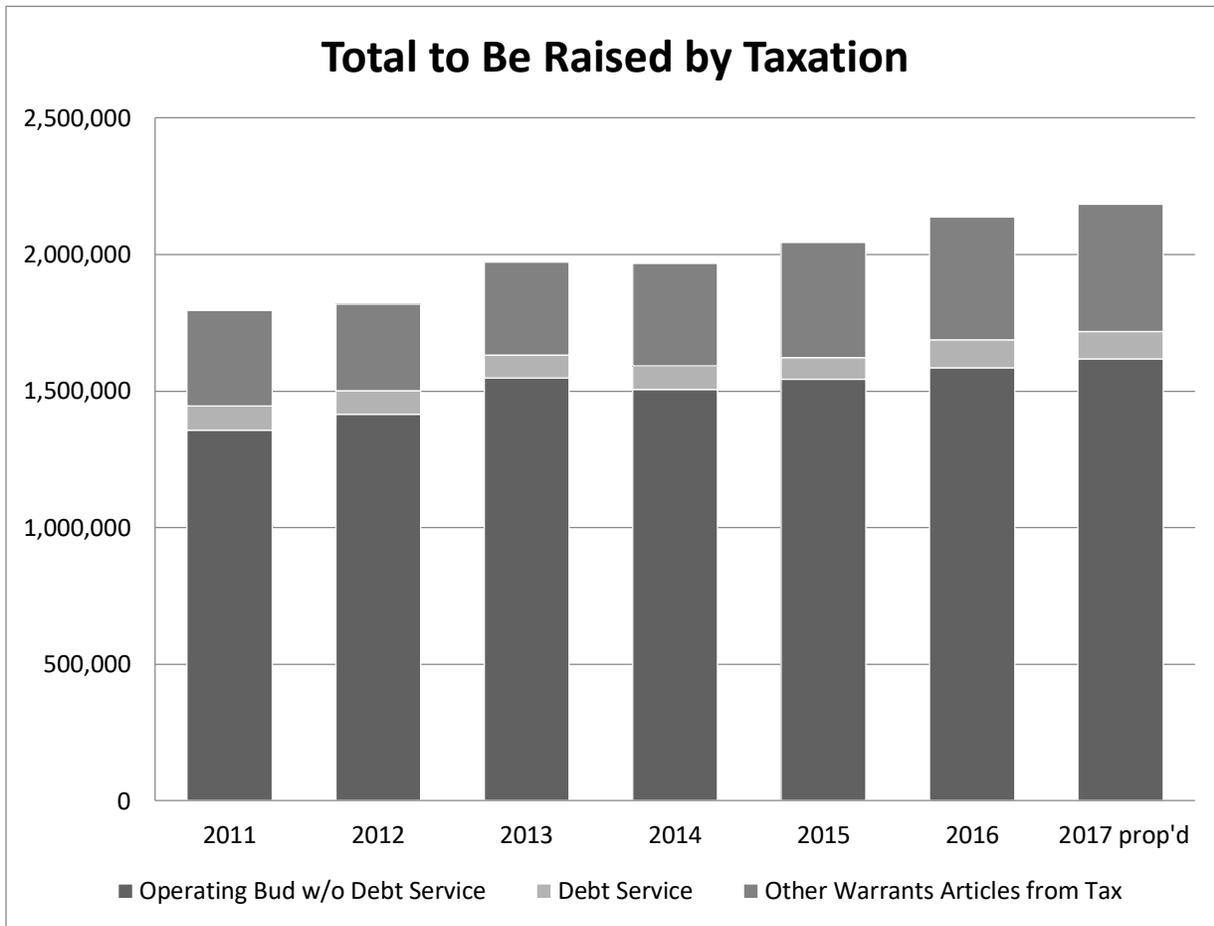
OVERVIEW

Work on the 2017 operating budget began last Fall when Jamie Pike, Town Administrator, the Selectmen and the Budget Committee met to discuss goals, which included maintaining the current level of services and minimizing any increases. During the following months, the Budget Committee met with the Town Administrator, Selectmen and Department Heads to review current year actual spending and proposals for the 2017 budget expenses. The Budget Committee also held several meetings to review and discuss budget 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. Meetings are also available on Francestown TV, accessible on the Town website. Interested parties are always encouraged to attend or watch.

Principles that guided the Budget Committee:

- Review of actual expenses and budgets for the past three years to determine trends, which led to adjustments in fuel costs and reductions in Highway Department overtime.
- Maintain the same level services.
- Acknowledgement that every budget contains several items outside of budgetary control. For 2017 these included the legal fees for utility defense, ambulance expenses and welfare costs. Other annual costs that fit into this category include dispatch services, some personnel administration expenses, and contracted services.

This year's Article 3 proposes an operating budget of \$1,717,070, which includes operating expenses (\$1,617,741) and debt service (\$99,329), and represents an increase of \$31,851 or 1.89% over last year's appropriation. In addition, Articles 4, 16 and 17 also include amounts to be raised from taxation (\$467,728) for a total estimated increase of 2.22% over last year.



Article 3 – To raise and appropriate \$1,717,070 to pay for operating costs of the Town, such sums to be raised by taxation. The Board of Selectmen recommends this article 3-0 and 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 \$31,851 or 1.89% over last year’s appropriations.

- Revenues: No major changes in the amount of budgeted revenues expected for 2017.
- Executive: Net increase of +\$2,091 primarily from the video services (Francestown TV) as approved at last year’s Town Meeting.
- Elections: Fewer elections reduces the budget by -\$7,000.
- Legal: Reductions in both the utility defense and regular legal expenses of -\$5,000.
- Personnel Administration: An overall increase of +\$14,162, which includes added NH retirement contributions for a full year for our full-time police officer, health insurance increases, and pay increases for both full and part-time employees. This will be the first pay increase for full (1.5%) and part (2.5%) employees in two years and is supported by the Budget Committee.
- General Government Building: Reductions in janitorial services, fuel, repairs and contracted services of over -\$7,000, offset by increases to Town Hall electricity and Library geo-thermal services of +2,000.

- Police: Increases to payroll expense (+\$23,228) and professional development (+\$2,400). The Department has been working towards the stability of staff by the hiring of a full-time and part-time officer, the latter dedicated to Frankestown. Expenses also include training and pay rate adjustments. The goal remains patrol hours of approximately 96 per week.
- Ambulance: Increase of +\$9,351. Frankestown contracts its ambulance from the Town of Peterborough and costs are expected to continue to increase for the next several years. Other options continue to be reviewed; however, these alternatives so far do not yield a lower cost.
- Highway & Streets: Decrease of -\$3,950. Reductions in overtime, fuel and cutting edges, offset by a positive adjustment to wages and the addition a new line item for vegetation control to begin a new program to treat invasive plant species.
- Transfer Station: Decrease of -\$8,340 with lower estimates for haul charges for paper and co-mingled (tin, plastic) and no hazardous waste day.
- Health Administration and Agencies: An added +\$1,000 to the Grapevine for the Avenue A Teen Center.
- Welfare: Increase of +\$13,000 due to increases in monthly costs. The passage of Article 5 and the creation of an expendable trust fund for legal and welfare expenses should help in the future with welfare expense fluctuations.
- Debt Service: Decrease of -\$2,068.

Article 4 - \$629,900 to be added to various Capital Reserve Funds: \$162,000 from Unassigned Fund Balance and \$447,500 by taxation. The Board of Selectmen recommends this article 3-0 and the Budget & Advisory Committee recommends this article 5-0.

This article continues the funding for various capital reserve accounts and is an excellent way for the Town to save for the future. Any funds not used for a purchase or project remain in the applicable capital reserve account

For more information about the capital reserves and the Town's long term (six year) spending plan, readers are encouraged to look at the Planning Board's CIP report in this year's Town Report or attend future CIP hearings.

Article 5 – To establish a Legal and Public Assistance Expendable Trust Fund pursuant to RSA 31:19-a, for the purpose of supporting unanticipated expenses related to legal expenses and to provide financial public assistance (welfare): funded by \$25,000 from Unassigned Fund Balance. Further to name the Board of Selectmen as agents to expend from said fund. The Board of Selectmen recommends this article 3-0 and the Budget & Advisory Committee recommends this Article 5-0.

This article proposes to create a trust fund to lessen the impact of large, unanticipated expenses on the budget. It is difficult, if not impossible, to anticipate public assistance expenditures. They are mandated by statute and if that budget is overdrawn, funds from other department budgets must be used to cover the shortfall. Legal expenses are similar, since the cost to defend against litigation is impossible to predict.

Article 6 - \$2,400 from Unassigned Fund Surplus to be added to General Cemetery Maintenance Trust Fund, an Expendable Trust Fund. The Board of Selectmen recommends this article 3-0 and the Budget and Advisory Committee recommends this article 5-0.

These funds represent one-half of the proceeds the Town receives from the sale of Cemetery plots. The other half has been included in Article 5 to add to the reserve fund "Future Cemetery Improvements".

Article 7 - \$125,000 from the Town Facilities Capital Reserve Fund for Police Station facility improvements. The Board of Selectmen Recommends this article 3-0 and Budget and Advisory Committee does not recommend this article 1-4.

Passage of this article will permit renovations and improvements to the Town Annex. With the anticipated completion of the Beehive project this summer, FIHS has stated its intention to vacate the building by the end of 2017. It has been known for the past dozen years that our current Police Department does not have adequate facilities to meet current standards and practices. This includes secure areas, separation of public and department areas, locked offices, equipment room and up-to-date building code requirements.

While the Budget Committee supports the Police Department and its need for improved facilities, it did not originally support this article due to the lack of plans and estimates. At the time of the vote on whether to recommend, or not, this Article, the Budget Committee had received no detailed information on the proposed renovations. Since early February, the Budget Committee has met with Selectmen Henry Kunhardt to learn about more about project details. While a majority of the Committee members now support this Article, some members believe that an alternate scope of renovations should be considered and construction cost estimates should be obtained.

Article 8 – \$2,000 to be withdrawn from Unassigned Fund Balance and added to the "Master Plan Update Fund". The Board of Selectmen Budget and Advisory Committee recommends this appropriation 5-0.

This article proposes to continue funding the Master Plan process. Funds will be used to engage subject matter experts, consultants and pay for materials.

Article 9 - \$750,000 for rehabilitation of Town Hall, such sums to be raised from withdrawal of \$125,000 from Unassigned Fund Balance and the acceptance of up to \$625,000 in grants and donations. The Board of Selectmen recommends this article 3-0 and the Budget and Advisory Committee recommends this article 5-0.

Article 9 will allow the Selectmen to authorize the total appropriation for the project (up to \$1.1M) and to withdraw \$125,000 from undesignated funds balance. If you total up what has already been funded, committed in pledges, and donated, you would have \$817,578. Add to that the \$125,000 in this warrant article and you are now at \$942,578. Current estimates to complete the project is \$1,039,640, subtracting completed work, \$29,861, and the \$941,700 leaves an unfunded gap of \$67,241. That is the new goal for additional fundraising activities.

Current estimates to complete the project is \$1,039,640, but in order to provide for contingencies, a standard construction practice for a project of this scope, it has been recommended to fund up to \$1.1M.

Delay will put the LCHIP grant in jeopardy of being pulled as well as certain pledges being withdrawn and the Budget Committee strongly supports this article and renovations to Town Hall.

Article 10 - \$15,000 from unfunded surplus for pre-construction and other costs related to the Town Hall Rehabilitation. Should Article 9 pass, Article 10 would be tabled. The Board of Selectmen recommends this article 3-0 and the Budget and Advisory Committee recommends this article 5-0.

This is a fall back article should Article 9 not pass. The Town has incurred some preconstruction costs that will need to be paid. Previously authorized funds and grants have already been used; Heritage Commission grants and donations will be available once actual construction commences.

Article 11- To repurpose and rename the Future Replacement of Fire Trucks Capital Reserve Fund to the Future Replacement of Fire and Rescue Trucks Capital Reserve Fund. A 2/3 vote is required under RSA 35:16 The Board of Selectmen recommends this article 3-0 and the Budget Committee recommends this article 5-0.

This Article adds the words "Rescue Trucks" to the title of the Fire Truck Capital Reserve Fund to ensure that rescue and emergency vehicles are covered by this fund. This Article was recommended by the NH Department of Revenue Administration.

Article 12 - \$10,000 to purchase Self-Contained Breathing Apparatus by withdrawing \$8,000 from the Future Replacement of Fire Equipment Capital Reserve Fund and accepting a \$2,000 donation from the Mt. Crotched Firefighters' Association. The Board of Selectmen recommends this article 3-0 and the Budget Committee recommends this article 5-0.

The Fire Department's 14 existing SCBA units no longer comply with current NFPA guidelines which were revised 2013. It is intended to purchase two (2) new units each year beginning 2017 and continuing thru 2023. The existing SCBA units will be discarded as new ones are purchased. Due to improvements in design, the new SCBA units will offer better protection to our firefighters when they are worn in Hazardous environments.

Article 13 - \$3,200 from Unassigned Fund Balance to purchase a mobile radar speed detection unit. The Board of Selectmen recommends this article 3-0 and the Budget Committee recommends this article 5-0.

The radar speed sign proposed for purchase features portability and flexibility of use at a cost much lower than the trailer mounted speed signs. Vehicle speed is detected by a Doppler radar unit inside the post mounted speed sign casing and displayed to drivers along with an appropriate message (slow down, danger, thank you...). In addition, traffic data (number of vehicles, speed ...) is collected and downloadable for analysis.

Purchase and use of this speed sign will address shared concerns of Francestown residents and the Police Department relative to speeding through and around Town.

Article 14 – To raise and appropriate \$170,000 to perform necessary engineering, preconstruction and reconstruction activity for a portion of Bible Hill Road. Such funds to come from the Future Town Road Improvements Capital Reserve Fund. This is a special non-lapsing appropriation pursuant to RSA 32:7, VI and will not lapse until the project is complete or until December 31, 2018, which is earlier. Funds to be withdrawn from the Town Road Improvement Capital Reserve Fund. The Board of Selectmen recommends 3-0 and the Budget Committee recommends this article 5-0.

Passage of this Article would be the start of a multi-year reconstruction of Bible Hill Road by the Francestown Highway Department. It is anticipated that during 2017 engineering, drainage and other early construction work would begin. The Selectmen have designated this as a special article, which means that it will continue until the project is completed or December 31, 2018. It is anticipated that a similar Article will be presented at the 2018 Town Meeting that would allow the first phase of reconstruction of Bible Hill Road.

Article 15 - \$175,000 to purchase a dump/plow truck by withdrawal of \$175,000 from the Highway Equipment Capital Reserve Fund. The Board of Selectmen recommends this article 3-0 and the Budget Committee recommends this article 5-0.

This article proposes to replace the 6-wheel International dump truck purchased new in 2005. Since its acquisition, it has suffered continual problems particularly with regard to the turbo charger and activator. It has also required the installation of a new engine while under warranty, but a new cam shaft had to be installed at town expense. While most of the costs of repair were covered by the 5-year warranty purchased with the vehicle, costs to the town after the warranty expired have exceeded \$15,000. The chassis is in good condition. The body would have to be replaced in 2018 at a cost of \$20,000. The vehicle does have some value as a trade to be applied to the purchase price of a new vehicle, but retaining this vehicle is economically impractical.

Article 16 - \$24,611 for the treatment of Milfoil in Scoby Pond such sums to be raised from acceptance of a grant (\$7,383) and by taxation (\$17,228). The Board of Selectmen recommends this article 3-0 and the Budget and Advisory Committee recommends this article 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 and additional involvement of the Scoby Pond community.

Article 17 - \$3,000 to fund Milfoil prevention efforts at Pleasant Pond such sums to be raised by taxation. The Board of Selectmen recommends this article 3-0 and the Budget and Advisory Committee recommends this article 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,

Franeestown Budget & Advisory Committee

Tom Anderson
Charlie Pyle

Stewart Brock
John Thalhauser

Judi Miller

February 22, 2017

Posted:

*Franeestown Post Office
Town Office Bulletin Board*

*Bixby Memorial Library
Town Website*