

## Francestown Budget & Advisory Committee Report on the 2018 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

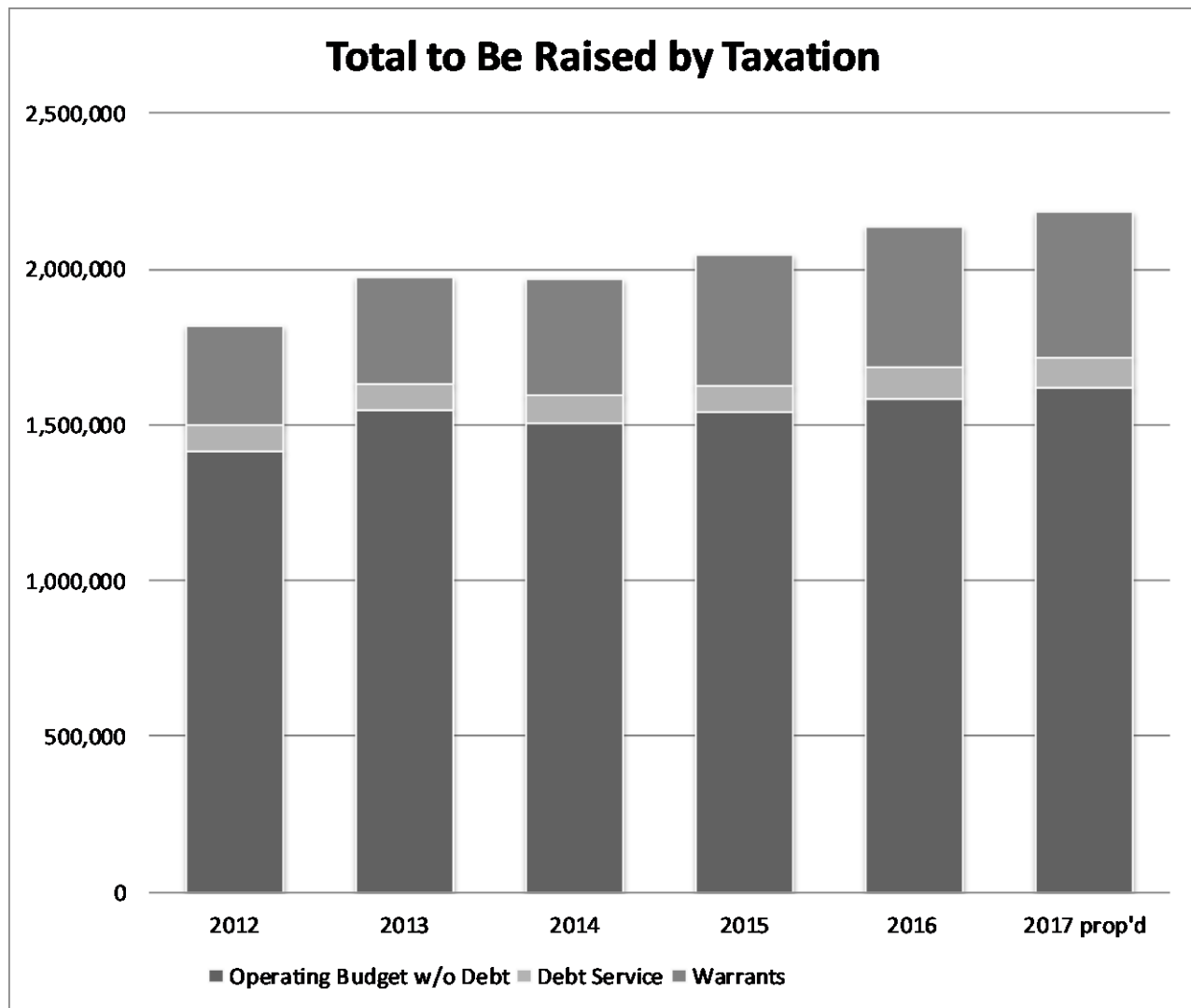
Work on the 2018 operating budget began last Fall when Jamie Pike, Town Administrator, the Selectmen and the Budget Committee met to discuss goals, which included maintaining the current level of services and minimizing any increases. During the following months, the Budget Committee met with the Town Administrator, Selectmen and Department Heads to review current year actual spending and proposals for the 2018 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.

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 2018 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 2 proposes an operating budget of \$1,793,460, which includes operating expenses (\$1,683,131) and debt service (\$110,329) and represents an increase of \$48,779 or 2.8% over last year's appropriation. In addition, Articles 3, 13 and 15 includes amounts to be raised from taxation totaling \$413,100, which represents a \$54,728 or 11.7% decrease from 2017. Finally, revenues, especially from grants and donations are expected to decrease in the amount of \$490,928.

What do all these numbers mean? Your Town Report includes a copy of MS-626 detailing expenses, revenues and funding for various warrant articles. At the end of the MS-626 there is a Budget Summary. The bottom line indicates that the amount to be raised from taxation is projected to increase by \$14,483 or 0.65%.



**Article 2 – To raise and appropriate the sum of \$1,793,460 to pay for general municipal operations. This article does not include appropriations contained in special or individual articles addressed separately. The Budget and Advisory Committee recommends this article 5-0.**

This year's operating budget, including debt service, represents an increase of \$48,780 or 2.80% over last year's appropriations.

- Without debt service the increase to the operating budget is \$37,780 or 2.3%
- For the first time Scoby Pond milfoil treatments and contributions to the Pleasant Pond Lake Host program are being included in the 2018 operating budget.

Significant changes, non-discretionary:

- Elections – increase of \$3,271 due to three scheduled elections.
- Property Liability Insurance - decrease of \$4,865.
- Ambulance – increase of \$9,810

- Debt – increase of \$11,000. Town Hall bond begins mid-year less a decrease in payments for the conservation bond.

Significant changes, discretionary:

- Legal – decrease of \$5,000
- Personnel Administration – decrease of \$25,182 due to not filling the full-time police officer position, which will not be filled in 2018, saving health insurance, retirement and other related costs
- General Government Building – increase of \$16,300. Approximately \$7,890 is related to Town Hall operating expenses: fuel, electricity and telephone. \$7,000 represents the increase in janitorial and general maintenance payroll. Much of this cost is due to Town Hall.
- Fire – increase of \$4,000 for Fire Department officer stipends
- Highway & Streets – increase of \$ 3,390 for full year pay increases approved last year and \$4,075 for an increase to the diesel fuel budget.
- Solid Waste Disposal – increase of \$4,800 due to a scheduled hazardous waste day (\$6,000)
- Welfare – increase of \$10,000
- Library – increase of \$5,025 for payroll
- Milfoil – increase of \$7,769.
- Debt – increase of \$11,000. Town Hall bond begins mid-year less a decrease in payments for the conservation bond.

#### **BAC Positions**

1. Janitorial and maintenance services for Town Hall. The BAC questioned the amount needed for these services. THE BOS indicated that the various systems associated with the renovated Town Hall required additional oversight, including individuals on-call during events and activities
2. Fire Dept. Stipend. The BAC suggested that the BOS ask for a plan for any future Fire Dept. stipends. A letter dated February 14, 2018 was sent from the Selectmen's Office to the Fire Department.
3. Highway. BAC members discussed a reduction to the overall Highway & Streets budget between \$3,000 and \$5,000.
4. Solid Waste. BAC suggested that the proposed solid waste day be postponed to 2019, a current year savings of \$6,000. The BAC understands this was the proposal of the Waste Disposal Committee. This proposal was rejected by a majority of the Selectmen.
5. Parks & Recreation. The BAC suggested that the stating stipend for a new Recreation Director be less than the current \$4,000.

**Article 3 - \$602,800 to be added to various Capital Reserve Funds: \$200,300 from Unassigned Fund Balance and \$402,500 by taxation. 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 4 - \$12,300 from Unassigned Fund Surplus to be added to the following Expendable Trust Funds:**

<b>\$10,000</b>	<b>Legal &amp; Public Assistance Trust Fund</b>
<b>\$2,000</b>	<b>Master Plan Trust Fund</b>
<b>\$300</b>	<b>General Cemetery Maintenance Trust Fund</b>

**Budget and Advisory Committee recommends this article 5-0.**

This article funds various expendable trust funds:

- The Legal & Public Assistance Trust Fund was created by a vote at last year's Town Meeting and will help lessen the future impact of large, unanticipated legal and public assistance expenses.
- Funds for the Master Plan Trust Fund will be used to engage subject matter experts, consultants and pay for materials involved in the master plan process.
- Funds for the General Cemetery Maintenance Fund represent one-half of the proceeds 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 5 - \$215,000 from the "Town Facilities Capital Reserve Fund" for Police Station improvements (\$170,000) and Town Hall Exterior Painting and Other Improvements (\$45,000). The Budget and Advisory Committee recommends this article 3-2.**

Last year's Town Meeting approved \$125,000 for renovations and improvements to the Town Annex. With the completion of the Beehive project, FIHS vacated the building and the Town secured multiple bids, all of which were well over the approved \$125,000. The Selectmen presented a plan to the Budget Committee with an estimated cost of \$170,000, including a 10% contingency. A majority of the Budget Committee believes that no more than \$170,000 should be spent on the building and is concerned that the warrant article as written allows for more to be spent.

The BOS have now earmarked \$170,000 of the \$215,000 in this article for Renovation of the Town Annex and have expressed confidence that this will sufficiently fund the project while the remaining \$45,000 will be reserved for various Town Hall projects, including but not limited to exterior painting, the purchase and installation of an emergency generator transfer switch and minimal heating for the basement. In the event any amounts in addition to \$170,000 are needed for the renovation project, the BOS have committed to notify and have discussions with the BAC prior to committing to such additional expenses.

While the Budget Committee supports the Police Department and its need for improved facilities, some members of the BAC continue to withhold support of the article because alternate solutions (i.e., a new building) were not explored and estimated for comparison, and because the Article now includes two Town Facility Projects, whereby funds intended for Town Hall could be used for the renovation project, should it need more than \$170,000.

The BAC expectation is that at Town Meeting comparative estimates will be presented, i.e. a new building versus renovations.

**Article 6 - \$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 Budget Committee recommends this article 5-0.**

The Fire Department's existing SCBA units no longer comply with current NFPA guidelines which were revised 2013. This article continues the plan begun last year to purchase two (2) new units each year 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 7 – To see if the Town will vote to change the terms of Fire Wards and the Public Assistance Administrator from one year to three years beginning with the 2019 election. The initial terms if the Fire Wards shall be staggered so that no more than 2 elections occur annually.**

This article will change the terms for the above elected positions to multiple staggered years. The BAC supports this article.

**Article 8 - To raise and appropriate the sum of \$52,000 to purchase and outfit a police cruiser such funds to for rehabilitation of Town Hall, said funds to come from "Future Replacement of Police Vehicles Capital Reserve Fund". The Budget and Advisory Committee recommends this article 5-0.**

This article proposes the purchase of a new cruiser (completed outfitted, including a new computer) to replace the 2011 Tahoe police cruiser (with over 91,000 miles) in accordance with the Capital Improvement Plan (CIP) schedule. Funds will be withdrawn from the applicable capital reserve fund up to \$52,000. No current year funds will come from taxation.

**Article 9 - To raise and appropriate the sum of \$75,000 to purchase a dump/plow truck, said sums to be withdrawn from the "Future Replacement of Highway Equipment Capital Reserve Fund". The Budget and Advisory Committee recommends this appropriation 5-0.**

This article proposes the purchase of a new dump/plow truck to replace the 2005 Ford F-350 1-Ton truck. Current truck has over 82,000 miles with extensive repair expenses. Funds will be withdrawn from the applicable capital reserve fund up to \$75,000. No current year funds will come from taxation.

**Article 10 - To raise and appropriate the sum of \$25,000 to purchase replacement emergency communication radio units and components. Such sum to be raised by the acceptance of a donation of up to \$5,000 from the Mt. Crotchet Firefighters' Association and the balance of \$20,000 to be withdrawn from the "Future Replacement of Fire Equipment Capital Reserve Fund". The Budget and Advisory Committee recommends this article 5-0.**

This article will permit an upgrade of the Fire Department radios. This is the first of a multi-year replacement plan. Funds will be withdrawn from the applicable capital reserve fund up to \$25,000. No current year funds will come from taxation.

**Article 11 - To raise and appropriate the sum of \$50,000 to purchase a backhoe, said sums to be withdrawn from the "Future Replacement of Highway Equipment Capital Reserve Fund". The Budget and Advisory Committee recommends this appropriation 5-0.**

This article proposes the purchase of a used backhoe for use by the Highway Department. Long planned in the CIP; a backhoe should provide some operating budget savings and more flexibility to the Highway Department and Transfer Station. Funds will be withdrawn from the applicable capital reserve fund up to \$50,000. No current year funds will come from taxation.

**Article 12 – To raise and appropriate the sum of \$170,000 to perform necessary engineering, preconstruction and reconstruction activities for a portion of Bible Hill Road. Such funds to come from the "Future Town Road Improvements Capital Reserve Fund". The Budget Committee recommends this article 5-0.**

This article continues the multi-year reconstruction of Bible Hill Road by the Francestown Highway Department that began in 2017 with engineering, drainage and other early construction work. Funds will be withdrawn from the applicable capital reserve fund up to \$170,000. No current year funds will come from taxation.

**Article 13 – To raise and appropriate the sum of \$5,600 to purchase, outfit and operate an electronic ballot counter, said funds to come from general taxation. Future expense related to the operation of the ballot counter will be included in the general operating budget. The Budget Committee recommends this article 5-0.**

This article was proposed by the Town Moderator and supported by various ballot clerks. An electronic ballot counter will eliminate the manual counting for a faster more efficient election day process. Future budget costs will involve annual updates for electronic ballots (approximately \$2,000 in odd years and \$4,000 in even ones). This is an independently Town run system and not on-line.

**Article 14 – To raise and appropriate the sum of \$3,750 to contribute up to 50% of the cost of the new basement floor at the Heritage Museum. Such sums to be raised by the withdrawal of \$3,750 from the “Future Town Facilities Improvement Capital Reserve Fund”. The Budget and Advisory Committee recommends this article 5-0.**

Currently the basement of the Thulander Museum has a dirt floor. The curators have expressed the need for a concrete floor to better store the artifacts, vehicles, equipment, etc. in the collection. Funds will be withdrawn from the applicable capital reserve fund up to \$3,750. No current year funds will come from taxation. The remaining funds will be withdrawn from the Thulander Museum trust fund.

**Article 15 – To raise and appropriate the sum of \$5,000 to rehabilitate recreational fields, said funds to come from taxation. The Budget and Advisory Committee recommends this article 5-0.**

This article will permit renovations primarily to the baseball infield and much needed rehabilitation of the recreational fields.

Respectfully Submitted,

Franeestown Budget & Advisory Committee

Tom Anderson

Charlie Pyle

Stewart Brock

John Thalhauser

Judi Miller

February 20, 2018

*Posted:*

*Franeestown Post Office*

*Bixby Memorial Library*

*Town Office Bulletin Board*

*Town Website*