

## Francestown Budget & Advisory Committee Report on the 2019 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

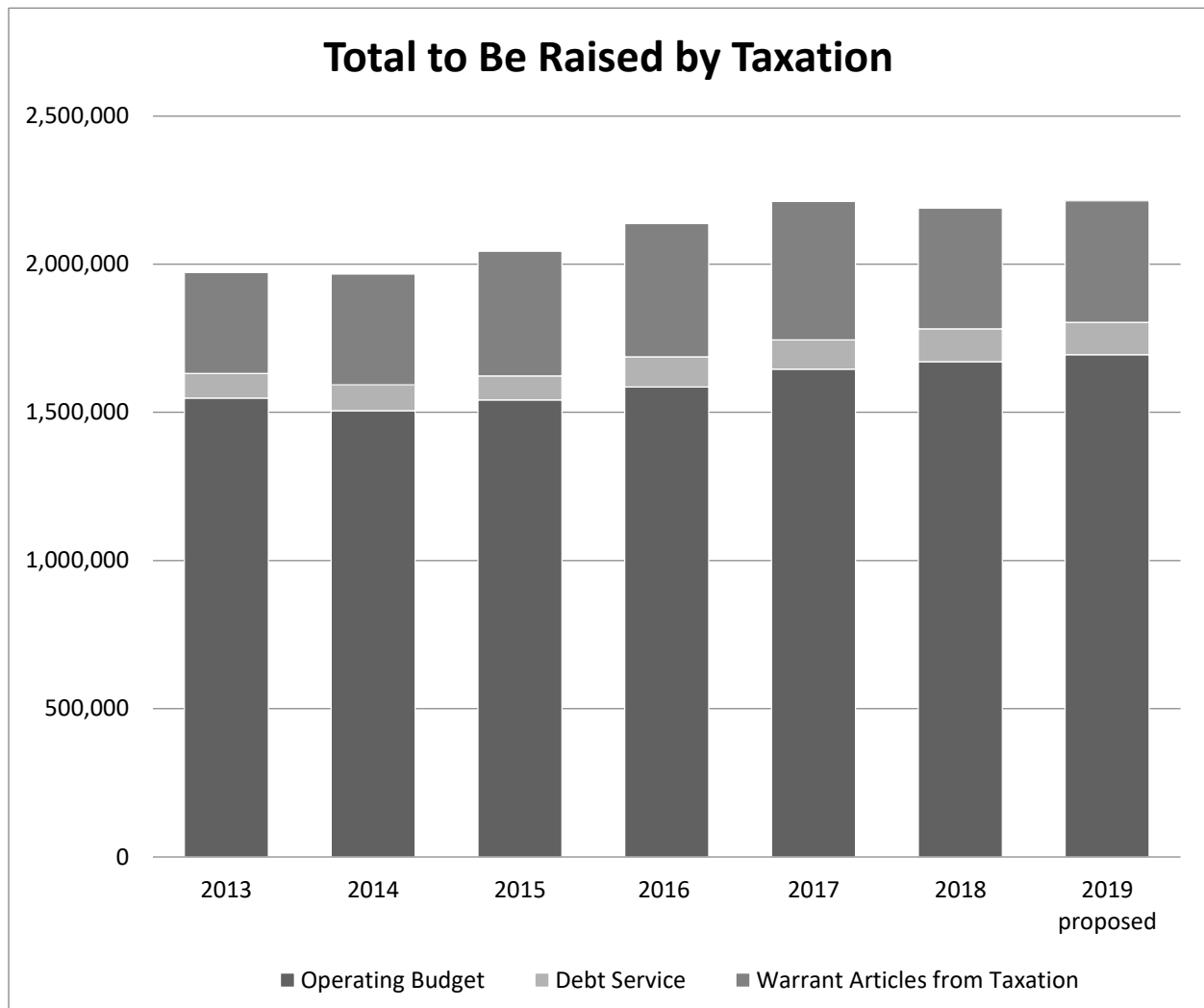
Work on the 2019 operating budget began last Fall when Jamie Pike, Town Administrator, the Selectmen and the Budget Committee met to discuss goals, which included maintaining the current level of services and minimizing any increases. During the following months, the Budget Committee met with the Town Administrator, Selectmen and Department Heads to review current year actual spending and proposals for the 2019 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 2019 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 \$1,803,412, which includes operating expenses (\$1,694,883) and debt service (\$118,529). The proposed operating budget for 2019 represents an increase of \$21,852 or 1.23% over last year's appropriation. In addition, Articles 3 (funds for capital reserves) and 8 (additional Radar Speed Sign) includes amounts to be raised from taxation totaling \$411,100, a decrease of \$2,000 from 2018 amounts to be raised from taxation. Finally, revenues are projected to increase nominally.

What do all these numbers mean? Your Town Report includes a copy of Form MS-626 detailing expenses, revenues and funding for various warrant articles. On page 18 of the 2018 Town Report you will find a Budget Summary for Form MS-626 there is a Budget Summary. The bottom line indicates that the amount to be raised from taxation (Town portion of the tax rate) is projected to increase by 1.38%.



**Article 2 – To raise and appropriate the sum of \$1,803,412 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 \$21,852 or 1.23% over last year's appropriations. Without debt service the increase to the operating budget is \$23,652 or 1.42%. Significant changes:

- Executive – increase of \$2,500 due to increases to the Town Administrator's salary and website costs; offset by a decrease to video service fees.
- Elections – decrease of \$3,046 due to fewer scheduled elections.
- Revaluation – decrease of \$5,200. Most assessing issues will be picked up as part of the revaluation process.
- Legal – increase of \$5,000 due to utility value defense.
- Personnel Administration – increase of \$3,894. Increases to health insurance, worker's compensation and a 2.5% across-the-board pay increase was offset in part by decreases to FICA (social security/Medicare) and the health stipend.

- General Government Building – decrease of \$2,015. Decreases: Town Hall fuel expenses (down \$3,200) and the janitorial and general maintenance (down \$4,000); increases: IT Contract, up \$1,380, and Pest Control, up \$3,200.
- Cemetery – increase to groundskeeping contract by \$2,212.
- Police – increase of \$17,212 to total payroll: decrease of \$12,480 to the Chief's wages and increases of \$29,692 to part-time officer wages and \$4,000 to professional development for the new Police Chief.
- Ambulance – increase of \$2,409.
- Fire – increase of \$4,540 primarily for equipment maintenance.
- Highway & Streets – increase of \$9,057: for additional culverts/grates in the amount of \$5,000, equipment rental of \$1,700 and asphalt of \$3,000.
- Solid Waste Disposal – decrease of \$3,175: Increase for municipal solid waste (MSW) of \$4,250 and decreases to container packing of (\$2,500), recycling of #1 & #2 plastics of (\$2,500) and no hazardous waste day of (\$4,000).
- Welfare – decrease of \$5,000 to direct assistance.
- Parks & Recreation – net increase of \$2,700: Increases of \$1,800 for lifeguards for an anticipated longer season and of \$2,125 for additional programs; a decrease of \$2,450 for Little League costs.
- Milfoil – decrease of \$12,988.
- Debt – decrease of \$1,800.

#### Additional BAC Commentary

1. Discussions have begun between the Fire Department and Board of Selectmen, concerning a Department stipend. Town Administrator, Jamie Pike, has researched area Town's, which have initiated similar plans. The Budget Committee continues to encourage the ongoing discussions between the Fire Department and Town Administration as to the viability and details of any future Fire Department stipend plan.
2. Francestown continues to recycle at an admirable rate. However, rising costs and no market for end use make recycling a challenge. The Waste Disposal Committee, Town Administrator and Selectmen, along with the Budget Committee, all continue to monitor this issue.

#### **Article 3 - \$408,100 to be added to various Capital Reserve Funds: funds to be raised 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 (pp 98-100) or attend future CIP hearings.

#### **Article 4 – Discontinue the Future Library Building Capital Reserve Fund created in 1976. Said fund, with accumulated interest to date of withdrawal, are to be transferred to the municipality's general fund. The Budget & Advisory Committee recommends this article 5-0.**

This fund was created to fund renovations and expansion of the Bixby Memorial Library. With the completion of an addition and substantial renovations to the original brick building completed, this fund is no longer necessary. Approximately \$2,500 remains in the fund and will be transferred to the Town's general fund. In turn, \$2,500 from undesignated fund surplus will be used to pay a portion of the Library brick repointing in Article 6. Future repairs to the Bixby Memorial Library will be paid from annual general operating budgets or withdrawals from the Future Town Facilities Capital Reserve Fund.

**Article 5 - \$10,600 from Unassigned Fund Surplus to be added to the following Expendable Trust Funds:**

<b>\$5,000</b>	<b>Legal &amp; Public Assistance Trust Fund</b>
<b>\$5,600</b>	<b>General Cemetery Maintenance Trust Fund</b>

**The 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 the 2017 Town Meeting and will help lessen the future impact of large, unanticipated legal and public assistance expenses.
- 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 6 - \$12,000 for Town Facility projects as follows:**

<b>\$5,000</b>	<b>Police Station Parking Lot Engineering</b>
<b>\$7,000</b>	<b>Library Brick Repointing</b>

**Funds to be raised by withdrawal of \$2,500 from unassigned fund balance and \$9,500 from the "Town Facilities Capital Reserve Fund". The Budget and Advisory Committee recommends this article 5-0.**

Police Station Parking Lot Engineering - Up until several years ago a power pole located at the intersection of Poor Farm Rd and New Boston Rd (Rte. 136) and directly in front of the police department at the apex of its triangular parking lot established the proper travel lane for vehicles turning onto either road. The pole's removal now allows traffic to regularly transit the parking lot. The pavement is not designed to withstand continued traffic and is breaking up. With the newly completed renovation to the police station an aesthetically pleasing solution to clearly defining the roads and parking lot is necessary.

Library Brick Repointing - The repointing of the library's brick facade is absolutely necessary to prevent water from penetrating and staying behind the brick, continually freezing and thawing and eventually forcing the bricks to loosen and fall.

**Article 7 - \$73,200 to be withdrawn from the Revaluation of "Real Estate Capital Reserve Fund". The Budget Committee recommends this article 5-0.**

As required by the State, all properties in Town will be reviewed and valued. All funds will be withdrawn from the capital reserve fund, as previously planned. Town Assessors have already begun the process of reviewing residential property in Town.

**Article 8 - \$3,000 from general taxation radar speed sign. The Budget Committee recommends this article 5-0.**

Many of you have undoubtedly seen the Radar Speed Sign, as it has been placed at various locations through-out town. The Police Department has received quite a bit of positive feedback as well as good data on rates of speed both coming towards and going away from the sign. Some of you have even made suggestions as to where to put the sign. Based on the positive feedback, the Police Department has requested that we purchase another Radar Speed Sign. The funds will come from taxation.

**Article 9 - To raise and appropriate the sum of \$40,000 to purchase and outfit a replacement sidewalk tractor, 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 warrant article provides funds to replace the Town's Kubota tractor and implements. The tractor, which is used for snow removal, roadway maintenance and street cleaning is about 13 years old. The tractor cab has been repaired multiple times and modified in attempt to provide the cabin heat for the operator and to keep the windshield defrosted. The existing tractor will be replaced with a new one of improved design and will include factory installed heating and ventilation. New implements will include a snow thrower, a blade, a brush, a bucket and a drop spreader, which is designed for more precise placement of salt and sand.

**Article 10 – To raise and appropriate the sum of \$10,000 to construct a new equipment storage shed at the baseball field, said funds to be raised by withdrawal of \$5,000 from the "Recreation Trust Fund" and \$5,000 from the "Future Town Facilities Capital Reserve Fund". The Budget and Advisory Committee recommends this article 5-0.**

This warrant article provides funds to construct a new equipment storage shed at the Town baseball field. Currently, there is no permanent structure that can be used to safely and securely store equipment for various sports. The money will come from both the trust fund and the capital reserve fund and not from taxation.

**Article 11 - \$45,000 to purchase Self-Contained Breathing Apparatus filling station by withdrawing \$25,000 from the "Future Replacement of Fire Equipment Capital Reserve Fund" and accepting a \$20,000 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 and are currently being replaced. This article continues the plan by purchasing a new filling station, a "breathing air compressor and fill station" that will be used to refill the new SCBA units. This compressor will be generating 6000 PSI. With that high amount of pressure, there needs to be a containment system to ensure that no one is injured or worse, if there is a catastrophic event.

**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 is the third phase of the project. The condition of the road bed on this one (1) mile portion is arguably the worse of the two reconstruction phases and desperately cries out for completion.

**Article 13 - To raise and appropriate the sum of \$50,000 to repair or replace major elements of the Library HVAC system, said funds to come from the “Future Town Facilities Capital Reserve Fund”. This is a special non-lapsing appropriation and will not lapse until the project is complete or December 31, 2024, whichever is sooner. The Budget and Advisory Committee recommends this article 5-0.**

The Library HVAC system consists of multiple components, including but not limited to a geothermal well, associated piping, heat exchangers, compressors, dehumidifier, sensors and controls. Failure of one or more of these components could require expenditures beyond a typical budget for routine repair and maintenance. As such, this warrant assures that appropriate funds are available to accommodate an unexpected component or system failure.

**Article 14 (By Petition) – To see if the Town will vote to adopt the provisions of RSA 79-E which authorizes the Selectmen to provide community revitalization tax incentives for property owners who intended to substantially rehabilitate or replace a qualifying structure, as defined in the statute. If adopted the property tax for substantial rehabilitation of qualifying structures, which provide a public benefit and which meet all other criteria, may not increase for a period of up to five (5) years after the project completion, with additional relief of up to four (4) years possible for projects providing additional residential or affordable housing. A Majority of the Budget and Advisory Committee recommend this article.**

RSA 79-E provides an incentive for property owners looking to rehabilitate historic structures that meet statutory criteria and are deemed by the Selectmen to be of “public benefit”. Properties may be granted a temporary moratorium on a portion of property taxes for increased value of renovations. This moratorium is not a reduction in taxes, just a temporary delay for a limited number of years. Per the RSA, the Board of Selectmen will designate the area of the village center for consideration. A complete copy of RSA 79-E may be found on pages 10-16 in the 2018 Town Report.

*Respectfully Submitted,*

*Franeestown Budget & Advisory Committee*

*Tom Anderson*

*Stewart Brock*

*Judi Miller*

*Charlie Pyle*

*John Thalhauser*

*February 28, 2019*

*Posted:*

*Franeestown Post Office*

*Bixby Memorial Library*

*Town Office Bulletin Board*

*Town Website*