

Francestown Budget & Advisory Committee Report on the 2020 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 2020 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 2020 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.

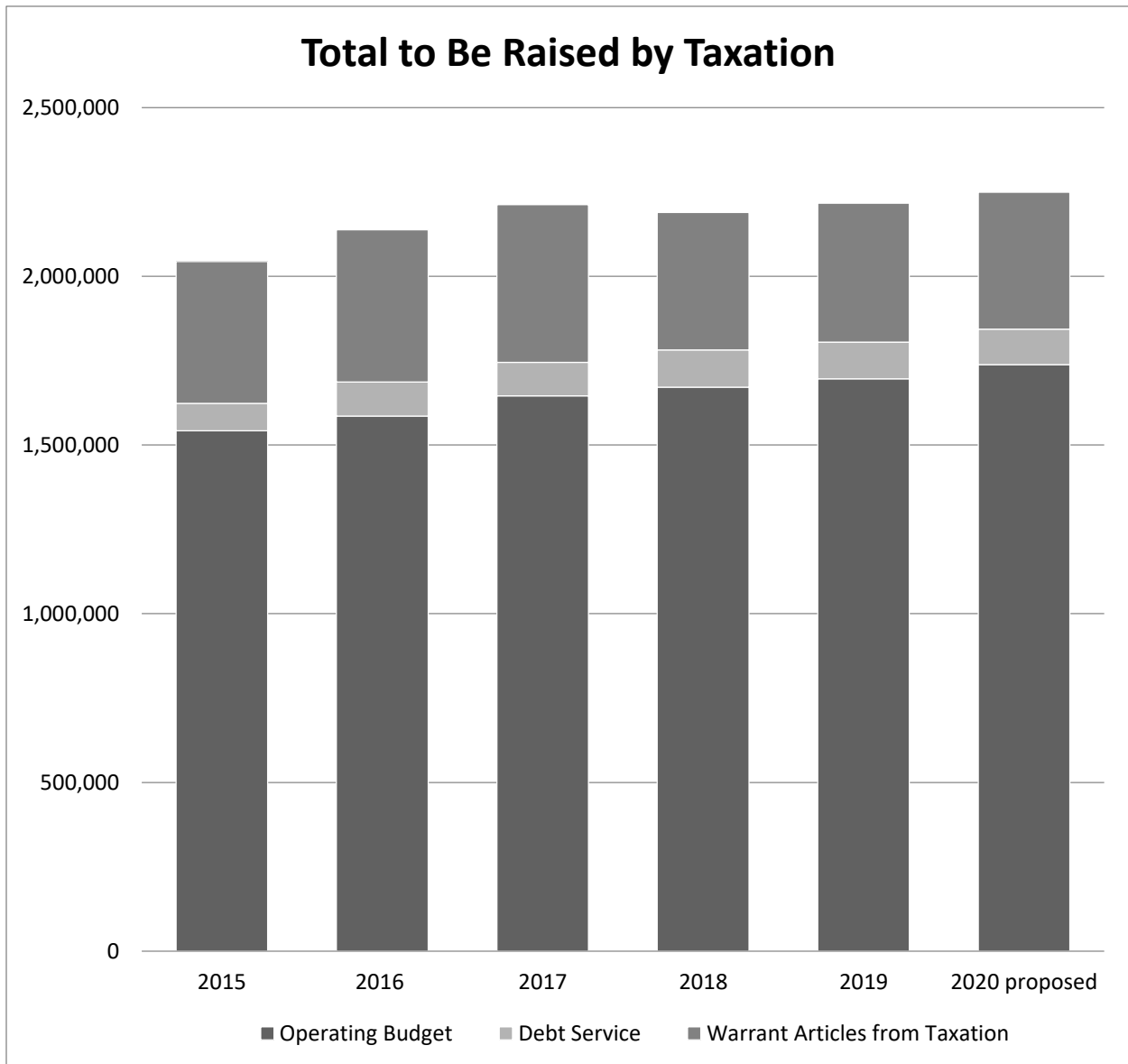
Principles that guided the Budget Committee:

- 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 items outside of budgetary control. For 2020 these include expenses for personnel administration, legal fees for utility defense, ambulance costs, emergency dispatch services, various contracted services and welfare costs.

Article 6 – To raise and appropriate the sum of \$1,842,858 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 Article 6 proposes an operating budget of \$1,842,858, which includes operating expenses of \$1,737,692 and debt service of \$105,168. The proposed operating budget for 2020 represents an increase of \$41,159 or 2.43% over last year's appropriation. The total operating budget, including debt service, represents an increase of \$37,846 or 2.1% over last year's appropriation. In addition, Articles 7 (funds for capital reserves), 9 (stipend for the Fire Department) and 10 (250th Anniversary Celebration) include amounts to be raised from taxation totaling \$405,000, basically no change from last year's \$405,500. Finally, general revenues are projected to decrease by \$24,874 or 4.3%.

The following chart shows the annual expenditures by taxation for the Operating Budget, Debt Service and Warrant Articles from 2015 to the proposals for 2020. The average annual increase for the period 2015 through 2020 is 2.86%. However, the recent trend is lower: 1.34% for 2019 and 1.48% for the 2020 proposed operating budget.



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 10 of the 2019 Town Report you will find a Budget Summary for Form MS-626. The bottom line indicates that the amount expected to be raised from taxation (Town portion of the tax rate) is projected to increase by 2.28%.

Significant budgets lines for 2020:

Increases

- Executive – increase of \$12,625, primarily due to increase to the wages for the Administrative Assistant. Following a review of town wages and a comparison with other towns in the State, it was determined that a significant adjustment was required. The remaining increase is due to new charges by the Registrar of Deeds for printing costs and the cost of a two-year state program for the Town Administrator to earn a Certified Public Manager designation.
- Elections – increase of \$4,670 due to five (5) election days in 2020: the presidential primary, Town Meeting Parts I & II, state primary and the general election.
- Revaluation – Increase of \$5,000. Last year this same line item was reduced by \$5,000 as most assessing issues were picked up during the revaluation process. This increase returns the line to its normal level. In addition, starting in 2019, the state legislature mandated that all towns start a five (5) year program to calculate the value of utilities properties and equipment using a new formula.
- Police – increase of \$1,828. Increase to the Chief's salary (\$3,330) is offset by reductions to part-time officer wages, heating oil and automobile fuel (\$2,092).
- Ambulance – increase of \$6,882. The Town's share of the cost of the contract for ambulance services from Peterborough Ambulance is mostly attributable to Greenfield leaving to contract with Wilton Ambulance in 2019.
- Transfer Station – increase of \$5,910. \$4,000 is attributable to the biennial Household Hazardous Waste Day, currently scheduled for August 15th. The balance is due to 2019 payroll increases and additional costs for solid waste.
- Highway Department – Net increase of \$3,468. To offset the cost of hazardous waste day, the budget for bridges was reduced by \$4,000. Other decreases in the budget were for propane costs and equipment rentals. The asphalt line was increased by \$3,500 to cover increased paving costs. This will allow the Department to maintain the same crack sealing and pavement overlay as in previous years. Further increases were for the removal of hazardous ash trees (\$2,000), estimated increase in diesel fuel prices for the 2nd half of 2020 and the 2019 pay increase of 2.5%.
- Library – increase of \$7,986. During 2019, the Library Trustees conducted a wage study of Libraries within our area, which resulted in their recommendation for wage increases for the entire staff of approximately 20%.
- Personnel Administration – no change (decrease of \$16). Increases for FICA, NH Retirement and long-term disability were offset by decreases for unemployment insurance, worker's compensation and employee retention (no appreciation dinner). This budget line does include a 2% across-the-board wage increase for most town personnel. The Budget Committee and the Board of Selectmen agreed on the 2% increase based on annual increase Dec 2018 to 2019 of the Northeast Urban CPI (CPI-U NE) of 1.9%, as reported by the NH ELMB and US DOL. The Annual CPI-U NE was 1.6% for 2019. Historically, the average CPI-U NE

from 2000 to 2019 was 2.19% and the Town's average annual pay increase was 1.81%.

Decreases

- General Government Building – decrease of \$1,000. Reductions totaling \$9,500 for decreases in janitorial and maintenance payroll, fuel, facility painting and Geothermal System Service, offset by a \$500 increase to the IT service contract and \$7,500 for a replacement to the Town's file server. The latter is six (6) years old and recommended for replacement and upgrading last year.
- Parks & Recreation – decrease of \$1,080. Reductions in the lifeguard's payroll of \$1,150 due to a shorter 2020 season and \$2,375 for the landscaping and field maintenance contract are partially an increase of \$1,000 for the new beach lease (\$4,000/year for five years).
- Milfoil – decrease of \$12,000. This past Spring and Fall surveys completed by the Department of Environmental Services found no milfoil growth. This Spring NHDES will perform a survey of Scoby Pond. If yes, the Town will use Diver Assisted Suction Harvesting (DASH) to treat those areas. The budget of \$7,500 includes six (6) days of harvesting. The Town will also be reimbursed \$3,000 by a 40% State grant.
- Debt – decrease of \$3,363 to the interest payments on the Conservation Bond and Town Hall Note.

Article 7 – To raise and appropriate \$450,100 to be added to various Capital Reserve Funds: funds. Funds to be raised by withdrawal of \$65,000 from unassigned fund balance and \$385,000 by general 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 81-83) or attend future CIP hearings.

Article 8 – To raise and appropriate \$5,000 to be added to the following Expendable Trust Funds:

\$2,000	Master Plan Update Trust Fund
\$3,000	Legal & Public Assistance Trust Fund

Said funds to come from the unassigned fund balance. The Budget and Advisory Committee recommends this article 5-0.

This article funds various expendable trust funds:

- The Master Plan Update Trust Fund is to enable the Planning Board to hire professionals and consultants to assist in updating the Master Plan.

- 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.

Article 9 – To raise and appropriate \$10,000 to expand coverage of the stipend plan for the Fire Department, said funds to come from general taxation. If approved, future years will be included in the operating budget. The Budget & Advisory Committee recommends this article 4-1.

This warrant article is going to address the Fire departments need to retain and recruit Volunteers. We all acknowledge and appreciate the hard work, dedication, and risks that our volunteer Fire department members demonstrate year after year. The membership of the Fire department feel very strongly that they should remain a volunteer department, even though other departments have made different choices. In order to provide some sort of compensation for the time and travel, as well as to try and recruit new members, the leadership and rank and file are requesting a yearly stipend. In order to provide a stipend, various labor laws and policies had to be addressed, to ensure that an action taken would not make the Department members become Town employees. The final result of many months of work, was to provide a stipend, that would be given based on accumulation of various certifications. Currently budgeted stipend covers the Fire Department Leadership only. This warrant would add \$10,000 to the current \$9,500 budgeted line item, totaling \$19,500. This line item could increase as more members join or achieve higher certification or could decrease as members leave.

Article 10 - To raise and appropriate the sum of \$275,000 to purchase a new 6-wheel dump truck, said sums to be withdrawn from the “Future Replacement of Highway Equipment Capital Reserve Fund”. Further, to authorize the disposal of the existing truck as best serves the Town. The Budget and Advisory Committee recommends this appropriation 5-0.

This appropriation article proposes to replace the 6-wheel Freightliner purchased pursuant to a 2006 warrant article. At that time the vehicle was projected to be replaced this year and it has served its purpose. In 2018 the town paid approximately \$9,000, and in 2019 approximately \$4,000, to obtain a sticker certifying its roadworthiness, thus rendering its continued repairs both un-economical and unsustainable.

Article 11 – To raise and appropriate \$65,000 to complete Town Facility projects as follows:

\$35,000	Town Hall Roof Replacement
\$15,000	Police Station Parking Lot Engineering
\$15,000	Horse Shed Repairs

Funds to be raised by withdrawal of \$65,000 from the “Future Town Facilities Capital Reserve Fund”. The Budget and Advisory Committee recommends this article 5-0.

This appropriation article proposes to fund three (3) projects:

The existing roof at Town Hall, which is approximately 30 years old will be replaced. The original rehabilitation project for Town Hall intentionally excluded roof replacement as it was

deemed more important to raise funds for basic construction requirements. Contractor estimates for the new roof have been obtained.

Refurbishment of the police station was completed in 2019. Condition of the parking area pavement has deteriorated, and it is poorly graded. An Engineering firm has prepared a preliminary design to regrade and repave the area. The plans also include methods to discourage people from crossing the parking area as they travel between Poor Farm and New Boston Roads.

The majority of funds to repair the horse shed will be used to repair vertical support columns which will also improve roof alignment. A project to be funded at a later time will be to replace the roof.

The Budget Advisory Committee voted in support of this article, 5-0

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 appropriation article represents the final phase of a 4-year project to repair, reclaim and re-pave Bible Hill Rd. from Rte. 136 to the intersection with Bible Hill Extension (commonly referred to as "the mailboxes"). This phase includes shoulder work, full depth reclamation, changing elevation where necessary, and application of 1-3/4 inch asphalt base and 1-1/4 asphalt wear surface. All cross culverts were replaced in phase 1. The continuation of Bible Hill Rd to Poor Farm Rd is deemed in reasonable condition and is excluded from the project.

Article 13 - To raise and appropriate \$10,000 to fund the Town's 250th Anniversary celebration, said funds to come from general taxation. The Budget and Advisory Committee recommends this article 5-0.

This warrant Article will provide initial funding for the Francestown 250 Anniversary Committee. The Committee has been formed to ensure that the 250th Anniversary, in 2020, will be a fabulous celebration of our wonderful Town. It is important that we start things off on the right foot. This sum of \$10,000, is going to be the opening balance, future funds will be raised and donated over time, this will be the responsibility of the Committee. This sum, it is felt would cover expenses for a firework's display, similar to our last fantastic fireworks over the town fields during FIHS's 100th Labor Day Celebration in 2017.

Respectfully Submitted,

Francestown Budget & Advisory Committee

Tom Anderson

Stewart Brock

Judi Miller

Charlie Pyle

John Thalhauser

February 25, 2020

Posted:

*Fracestown Post Office
Town Office Bulletin Board*

*Bixby Memorial Library
Town Website*