

Fracesttown Budget & Advisory Committee Report on the 2024 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 2024 operating budget began last Fall with the Board of Selectmen asking Town Departments to submit budget requests to Town Administrator, Jamie Pike. Beyond the baseline the cost of fuels and utilities, material prices, salary increases and increases in some of our contracted services, i.e. IT, waste/recycling hauling, were all expected to add to the 2024 budgets. During this past Fall, the Budget & Advisory Committee (hereafter BAC) met with the Town Administrator, Selectmen and Department Heads to review current year actual spending and 2024 budget requests. The BAC also met to review and discuss budget recommendations. All BAC 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.
- Maintain the same level services.
- Acknowledgement that every budget contains items outside of budgetary control.

Article 02-Operating Budget

To see if the Town will vote to raise and appropriate TWO MILLION ONE HUNDRED SIXTY-EIGHT THOUSAND SIX HUNDRED NINETY-EIGHT DOLLARS (\$2,168,698) for general municipal operations. This article does not include appropriations contained in special and individual articles addressed separately.

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

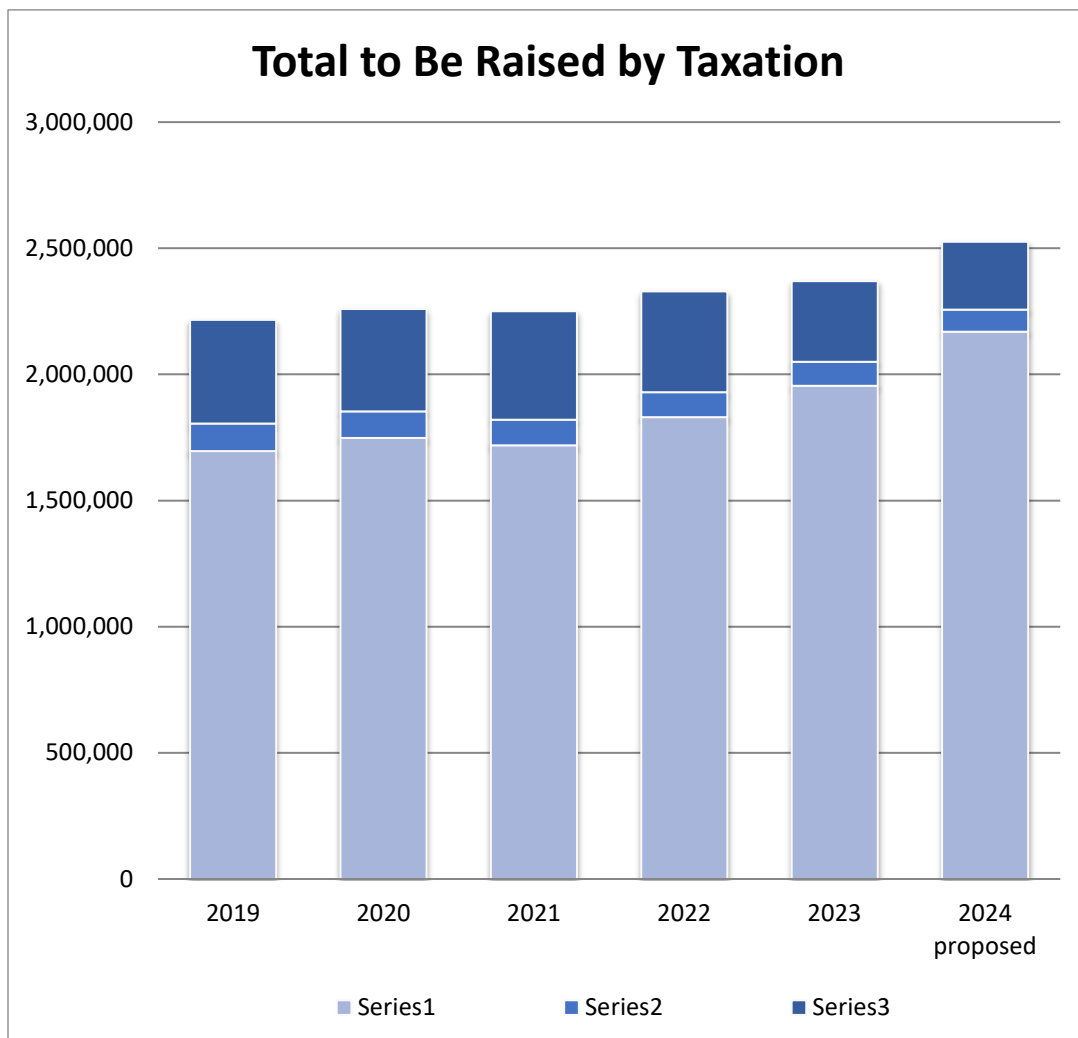
This Article proposes an operating budget of \$2,168,698, which includes operating expenses of \$2,081,207 and debt service of \$87,491. This represents an increase of \$118,472 or 5.78% and follows last year’s increase of a 6.28%.

Significant budget changes for 2024 (unless otherwise noted, comparison is to the 2023 budget):

- Salaries – In accordance with past practices the Select Board and BAC the annual CPI (Northeast Urban CPI-U) from NH ELMB and US BLS published in early January, 2024. Both Committees agreed to a wage increase of 3.5%.

- Utilities – The budget reflects a decrease in the cost for electricity for all departments, except street lighting that increased \$600
- Legal Expense–Utility Abatement defense increased by \$10,000 as the Eversource case is now moving through the courts
- Fuels – All fuel costs have declined this year as prices have come down and begun to stabilize. The BAC utilizes EIA US Energy Information Administration projections for its review.
- Elections – An increase of \$7,031 because we will have 5 elections this year compared to only two last year This budget increases every other year (even years) due to primaries and general elections.
- Revaluation – No change
- Personnel Administration – Increase for 2024 of \$16,133, a 7.06% increase
 - NH Retirement – A \$2,203, or 4.18% increase from the 2023 appropriation
 - Wages – an increase of \$33,500, this is a 3.5% cost of living increase for 2024. In addition to last year’s COLA adjustment, wages have increased 20.1%, since 2021. The Budget & Advisory Committee track the Annual CPI for the Northeast Urban Region (CPI-U) as published by the NH ELMB and US BLS, as published in January. For 2024 this number was 3.5% and for 2023 7.0% (10.5% total for the two years).
 - FICA – Social Security and Medicare costs increased \$4,530 or a 9.51% increase.
 - Health Insurance - \$9,880 or 13.29% increase.
- Property & Liability Insurance - \$2,945 or a 9.0% increase.
- General Government Building – A \$2,052 decrease. This is driven by lower utility and fuel costs across.
- Cemetery – A \$,837 increase for groundskeeping.
- Police – A \$401 decrease due to staffing levels.
- Fire Dept – \$1,485 increase, 1.58% increase. Driven mostly by dispatch services and pump maintenance line
- Ambulance Services–Increased by \$25,882, which is a 34.71% increase year over year
- Highway Department – The \$22,000, a 3.77% increase, divided between an asphalt increase by \$5,000, and the tree cutting line was increased by \$6,500 due to the amount of cutting. The rest of the increase that has been identified as the 7.0 the 2023 wage increase. The 2024 COLA increase has been included under Personnel Administration (see above) and will be allocated to various employee salaries after Town Meeting.
- Solid Waste – Up 9% over last budget. A \$13,050 increase for 2024, \$6,200 is the cost for the new contract for solid waste disposal and recycling. Electricity is up \$960. The rest is from Salaries increases due to staffing changes necessary for the staff to complete their responsibilities a well as the COLA increase.
- Public Assistance – An increase of \$110.

- Parks & Recreation - \$5,511, a 10.21% increase mostly from increases in the number of programs offered. There is a \$1,320 increase for a swim instructor. It is important to note that the program expenses are offset by the revenue generated by these important programs resulting in no impact on your taxes
- Library - \$9,665 increase or a 9.36% increase. There is a \$1,415 increase for contracted IT and copier services, as well as COLA increase, representing \$7,475. Software support had a \$760 increase and digital subscription services a \$500 increase.
- Milfoil - \$11,350 a \$300 decrease over last year. This year's milfoil budget will be matched dollar for dollar by the State.



AMOUNT TO BE RAISED BY TAXATION

The 2024 proposed operating budget, not including debt, is a 6.50% increase over last year's budget, and the combined increase for the past two years (2023-2024) of 13.25%. This

increase is partially offset by reductions in debt services of 8.82% and the amount of funds raised by taxation for other warrant article.

The amount to be raised by taxation is affected by offsetting revenues and the use of fund surplus. Revenues come from many sources: local (fees, permits, auto registrations) and State (shared revenues and grants). Fund surplus represents any excess in actual revenues and expenses versus prior year appropriations and is available for catastrophic events (with DRA approval) and to apply to warrant articles or taxes. The proposed 2024 warrant articles propose fund surplus be applied to the appropriations for Capital Reserve Funding (Article 7), General Cemetery Maintenance Trust Fund (Article 8). For more information see the following discussion of those articles.

A copy of Form MS-636 may be found in this year's Town Report starting on page 8, further detailing expenses, revenues, and funding for various warrant articles. What do all these numbers mean? The chart of page 3 shows the annual expenditures by taxation for the Operating Budget, Debt Service and Warrant Articles from 2019 through the proposed budget 2024. When the three factors are combined, the average annual increase for the five-year period 2019 through 2023 is 2.68%; the three-year (2021-2023) average increase is 3.95%.

Finally, inflation is the one common denominator throughout this year's budget. As everyone knows, the rising cost of goods and services has hit everywhere and everything. For the past 18 months the CPI, as published by the U.S. Department of Labor, Bureau of Labor Statistics, has been below 4.0% for the last 8 months, yet expenses have not been declining as well. Despite these constraints, the BAC believes this is a fair budget that does not decrease services, eliminate programs and/or reduce hours of operation.

Article 07 Capital Reserve Funding

To see if the Town will vote to raise and appropriate FOUR HUNDRED FORTY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$443,500) to be added to the Capital Reserve Funds in the following manner:

Future Replacement of Fire Equipment \$10,000

Future Replacement and Purchase of Highway Equipment \$50,000

Future Cemetery Improvements \$ 3,500

Future Replacement of Police Vehicles \$20,000

Future Replacement of Fire Trucks \$150,000

Future Town Facilities Improvements \$20,000

Future Revaluation of Real Estate \$10,000

Future Town Road Improvements \$180,000

And authorize the withdrawal of ONE HUNDRED FIFTY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$153,500) from the unassigned fund balance and the balance of TWO HUNDRED NINETY THOUSAND DOLLARS (\$290,000) to be raised by general taxation. **The Budget & Advisory Committee unanimously recommend 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 beginning on page 68 or attend future CIP hearings.

Article 08 Cemetery Maintenance Trust Funding

To see if the Town will vote to raise and appropriate THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500) to be added to the General Cemetery Maintenance Expendable Trust Fund, said funds to be withdrawn from the unassigned fund balance. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

This article funds the General Cemetery Maintenance Trust Fund with \$3,500 withdrawn from the unassigned fund balance. This fund is used for maintenance expenses only

Article 09 Adopt Community Power (RSA 53-E)

To see if the Town shall vote to adopt the Frankestown Community Power Electric Aggregation Plan pursuant to RSA 53-E:7, which authorizes the Select Board to implement Frankestown Community Power as described therein. There is no impact on taxes and there is no obligation to participate. The plan's goal is to help ratepayers save money on their electric bills by providing a new default electric supply rate. Variable rate tiers for increased renewable energy may also be provided. The plan may only be implemented if the default provider (Eversource's) rate is higher than can be obtained through aggregation. **The Budget and Advisory Committee did not vote on this article.**

This warrant article will allow Frankestown to negotiate lower electricity rates for residents by combining the electricity buying power of the town and residents. Eversource will remain the deliverer of electricity, but the supplier would be whichever company offers the lowest price. Resident participation is completely voluntary. This article has no impact on taxes.

Article 10 Purchase and outfit 1-ton Highway Truck

To see if the Town will vote to raise and appropriate ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000) to purchase and outfit a new 1-ton truck for the Highway Department, said funds to come from the Future Purchase and Replacement of Highway Equipment Capital Reserve Fund, and to further authorize the disposal of the existing 2014 truck and equipment as best serves the Town. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

The existing 2014 is 10 years old and needs to be replaced as it has reached the end of its useful life. Subsequently, additions to the Capital Reserve Highway Equipment Fund have been made from time to time in anticipation of funding a replacement for the vehicle this year. The projected cost is \$120,000 fully equipped but it is impossible to set an exact price due to the rising cost of steel. The current vehicle will be sold along with the equipment for town purposes.

Article 11 Statistical Revaluation

To see if the Town will vote to raise and appropriate THIRTY-EIGHT THOUSAND DOLLARS (\$38,000) to perform a statistical revaluation of the Town, said funds to come from the Future Revaluation of Real Estate Capital Reserve Fund. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

RSA 75:8-a requires a statistical revaluation of the town be conducted every 5 years. This is a review of sales trends. No visits to residences are contemplated except possibly to look at homes sold to determine valuation.

Article 12 Town Facility Projects

To see if the Town will vote to raise and appropriate FOURTEEN THOUSAND DOLLARS (\$14,000) to complete Town Facility projects generally outlined as, but not limited to: Carpet Replacement at the Police Station \$4,000, and General Improvements at the Transfer Station \$10,000. Said funds to be withdrawn from the Future Town Facilities Capital Reserve Fund. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

There is a need for new carpeting at the Police Station and this article will take monies from the General Town Facilities Capital Reserve Fund to accomplish this project.

The Transfer Station is also in need of general improvements. Which include a new floor for the battery room, upgrades in the aluminum and plastics recycling area, and roof repair A sum of \$10,000 is being requested in order to complete some of the projects that need to be undertaken. In both cases the appropriation will be taken from the Capital Reserve General Town Facilities Funds which have been accumulating monies over the last several years to cover such expenditures.

Article 13 Storage Sheds for Cemetery and Recreation

To see if the Town will vote to raise and appropriate THIRTY-THOUSAND DOLLARS (\$30,000) to construct two storage sheds, one at Cemetery #3 and one at Underhill Field. Such funds to be raised by the withdrawal of FIVE THOUSAND DOLLARS (\$5,000) from the General Cemetery Maintenance Expendable Trust Fund, the withdrawal of TEN THOUSAND DOLLARS (\$10,000) from the Recreation Expendable Trust Fund, and the withdrawal of FIFTEEN THOUSAND DOLLARS (\$15,000) from the Future Town Facilities Capital Reserve Fund. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

This warrant article provides funding for a replacement storage shed at Cemetery #3 and a new equipment storage shed at the town baseball field, Underhill Field. The current storage shed at Cemetery #3 is falling in, the floors are old, and has been deemed unusable and unsafe. Additionally, there is no permanent structure to securely store equipment for various sports at the rec fields. Two previous articles, in 2019 and 2021, were approved to construct a new equipment storage shed but the funds lapsed before construction. The money will come from both cemetery and recreation trust funds, as well as the capital reserve fund.

Article 14 Tennis Court Refurbishment

To see if the Town will vote to raise and appropriate THIRTY THOUSAND DOLLARS (\$30,000) to resurface and perform other repairs to the two tennis courts on Old County Road South leased from the Francestown Improvement & Historical Society. Such sum to be raised by the acceptance of TEN THOUSAND DOLLARS (\$10,000) from the Francestown Improvement & Historical Society and the withdrawal of TWENTY THOUSAND DOLLARS (\$20,000) from the Future Improvement of Recreation Lands Capital Reserve Fund. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

This article funds the professional refurbishment of the Town tennis and pickleball courts which are currently in very poor condition. The Francestown Improvement and Historical Society (FIHS) has offered to donate \$10,000 towards the expected cost of this project with the remaining \$20,000 to be raised from the Future Improvement of Recreation Lands Capital Reserve Fund.

Article 15 Preliminary Road Engineering

To see if the Town will vote to raise and appropriate FIFTEEN-THOUSAND DOLLARS (\$15,000) for preliminary engineering work for the replacement of the large diameter culvert on School House Road, said funds to come from the Town Roads Improvement Capital Reserve Fund. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

Dinsmore Brook passes beneath School House Road at the intersection with Bennington Road (State Highway 47). The 5' culvert through which it passes has deteriorated significantly at the base. The engineering work is intended to determine if the culvert can be replaced with another culvert or if the construction of a bridge is warranted. Because the brook flows so closely to Bennington Road, it is important to determine how to stabilize the roadbed during any construction, as well as any impact to School House Road's grade is intended to be part of the study.

Article 16 Police Cruiser Replacement

To see if the Town will vote to raise and appropriate SIXTY-THOUSAND DOLLARS (\$60,000) to purchase and outfit a new cruiser for the Police Department, said funds to come from the Future Replacement of Police Cruisers Capital Reserve Fund, and to further authorize the disposal of the existing 2018 cruiser and equipment as best serves the Town. **The Budget & Advisory Committee unanimously recommend this article 5-0.**

The Police cruiser has a shelf life of approximately 5 years therefore the current 2018 vehicle needs replacement. Monies have been paid into the Capital Reserve Police Department Fund from time to time in anticipation of funding this replacement vehicle. The current vehicle will be sold along with the equipment for town purposes.

Article 17 Appointment of Public Assistance Administrator

To see if the Town will vote to change the position of the Public Assistance Administrator from an elected officer, to an officer appointed by the Select Board. Such change shall take effect at the conclusion of the 2025 Town Meeting. **The Budget and Advisory Committee did not vote on this article**

Managing public assistance requires a certain expertise and the learning curve is sharp. The NH Local Welfare Administrators Association estimates the vast majority of cities and towns in the state have transitioned from elected to appointed welfare administrators in order to maintain continuity and maximize that expertise without jeopardizing the unimpeded or unbroken flow of assistance to clients in need. All of our abutting towns appoint rather than elect their welfare administrators or overseers of public welfare.

Article 18 Class A Trail Classification

To see if the Town will vote to change the current designation of the portion of Driscoll Hill Road beginning at Old Highway Road and ending at a point 130 feet North-West of Russell Station Road as depicted on Tax Map 2 from a class six road to a class A trail pursuant to RSA 231-A:1. **The Budget and Advisory Committee did not vote on this article**

The current situation at the end of the road is that vehicles continue to operate and use the class six road in ways that are prohibited. There has been use and excessive traffic using the class six trail going to the Town forest, and now, by designating this as a trail more appropriate uses will continue.

Respectfully Submitted,

Francestown Budget & Advisory Committee

Tom Anderson

Marsha Dixon

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February 23, 2024

Posted:

Francestown Post Office

Town Office Bulletin Board

Bixby Memorial Library

Town Website