

Francestown Budget & Advisory Committee Report on the 2021 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 2021 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. To reach those goals with the uncertainty of the current pandemic and the expected reduction in shared State revenues from Rooms & Meals Tax and Highway Block Grant, Department Heads were asked to reduce their 2021 budget requests by 2%. During the following months, the Budget Committee met with the Town Administrator, Selectmen and Department Heads to review current year actual spending and 2021 budget requests. 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.

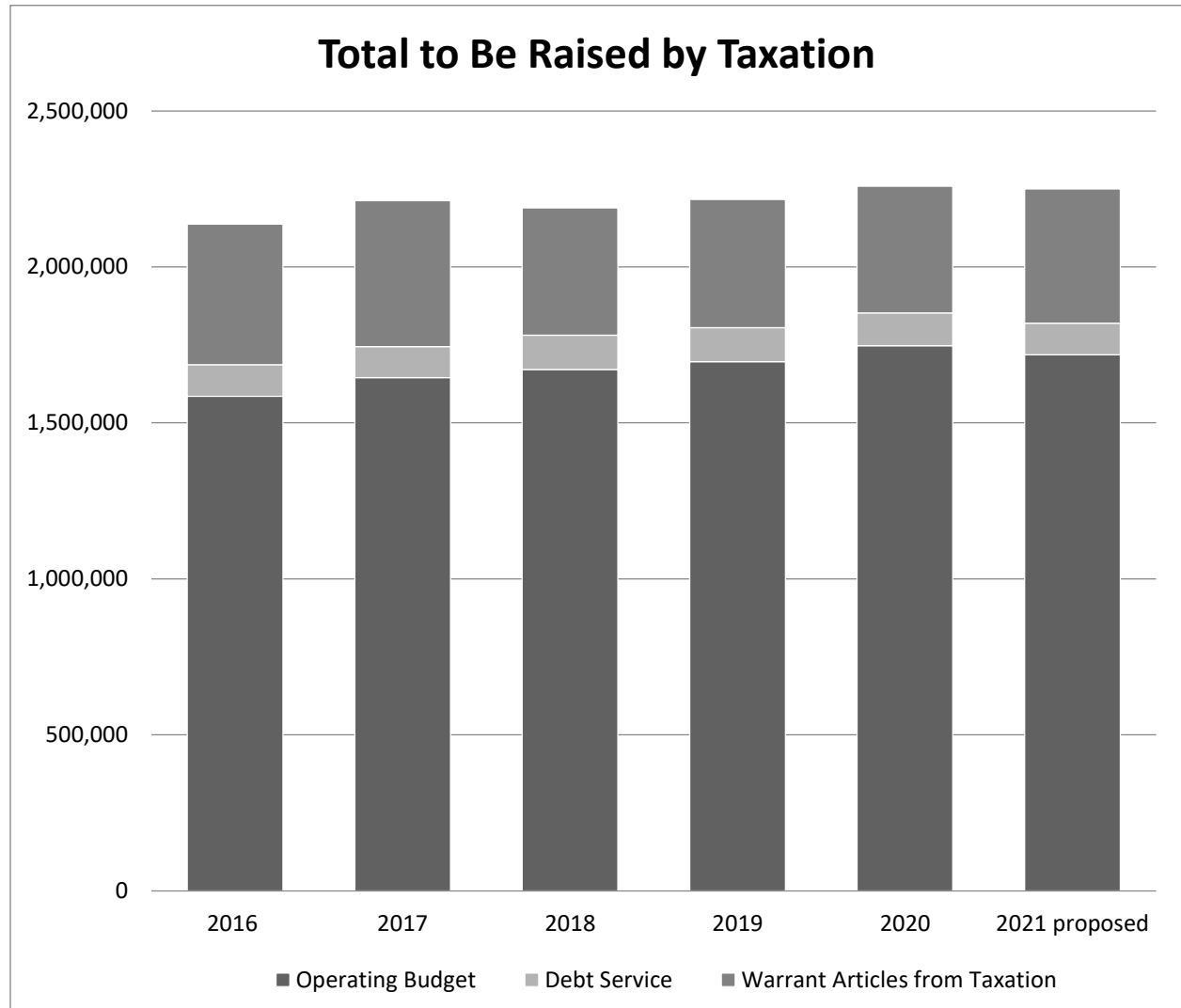
Principles that guided the Budget Committee:

- Review of actual expenses and budgets for the past three years to determine trends.
- Maintain the same level services (see note below on Solid Waste Disposal).
- Acknowledgement that every budget contains items outside of budgetary control. For 2021 these include expenses for executive, general government buildings, personnel administration, legal fees, highways and streets, solid waste disposal, library, and various contracted services.

Article 2 – To raise and appropriate the sum of ONE MILLION EIGHT HUNDRED TWENTY THOUSAND SEVENTY-NINE DOLLARS (\$1,820,079) 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 2 proposes an operating budget of \$1,829,079, which includes operating expenses of \$1,718,275 and debt service of \$101,804. The proposed operating budget for 2021 represents a **decrease** of \$29,467 or -1.68% over last year’s appropriation. The total operating budget, including debt service, represents a **decrease** of \$32,779 or -1.77% over last year’s appropriation. This year only Article 3 (funds for capital reserves) proposes raising funds (\$430,000) from taxation, increase from of \$24,500 from last year.

The following chart shows the annual expenditures by taxation for the Operating Budget, Debt Service and Warrant Articles from 2016 through proposals for 2021. The average annual increase for the five-year period 2016 through 2021 is 2.22%; the three-year average increase is 0.93%.



These are the gross budget and warrant articles to be funded by taxation. The Town will also receive revenues from various sources, including the State of New Hampshire. Revenues from the State (specifically the Meals & Rental Tax and Highway Block Grant) are expected to decrease by approximately \$34,000. A copy of Form MS-636 may be found in this year's Town Report (pp. 10-13), further detailing expenses, revenues, and funding for various warrant articles. What do all these numbers mean? After applying anticipated revenues to the above amounts the expected amount to be raised from taxation (Town portion of the tax rate) is projected to increase by 2.97%.

Significant budget changes for 2021:

Increases

- Personnel Administration – increase of \$15,056. Increase is due to the anticipated addition of a full-time officer to the Police Department, adding benefit costs for health insurance (\$3,600) and NH Retirement (\$6,900). The remaining increase is due to the proposed increase of 2.89% in the required employer contribution to the NH Retirement fund and is for the remaining four full-time Town employees.
- Police – increase of \$4,418. Net increase of \$7,058 from 2020 salary increases and anticipated staffing changes by year-end - the expected transition from a part-time to full-time officer offset by a reduction in professional development costs of \$3,000.
- Ambulance – increase of \$4,416. The Town's share of the cost of the contract for ambulance services from Peterborough.

Decreases

- Executive – Decrease of \$3,935 to executive office payroll primarily from a decrease in hours for the Administrative Assistant.
- Elections – Decrease of \$5,620 due to fewer elections - two in 2021 versus five in 2020.
- Legal services – Decrease of \$10,000. Addition of \$7,000 to the Legal & Public Assistance Trust (see Warrant Article #4) will increase fund to \$50,000 (the initial funding goal), which should be sufficient to meet any unanticipated expenses in 2021.
- General Government Buildings – Decrease of \$8,549 from reductions to fuel, IT contract and geo-thermal servicing.
- Fire Department – Reductions to various budget line items totaling \$1,599.
- Total Highway – Decrease of \$10,030: increase to payroll (+\$2,750) offset by reduction to culverts/grates (-\$5,000) and fuel (-\$8,030). Due to an excess of winter sand left over from the 2019/2010 winter season \$10,000 was moved from the gravel processing to asphalt.
- Landfill Testing – Reduction of \$3,100 due to decrease in 2021 testing and maintenance of the Tri-Town landfill in Bennington.
- Public Assistance – Reduction of \$2,000 to direct assistance (see Legal Services above).
- Library – Net decrease of \$1,728: increases to payroll (+\$2,264) offset by reductions to multiple line items (-\$3,992).
- Milfoil Control – Decrease of \$3,750. No growth was reported in 2019 and 2020. Budget is for five days of harvesting with a NHDES grant for 40% of the total costs.
- Debt – decrease of \$3,362 in the interest payments for the Conservation Bond and Town Hall Note.

Other

- Departments are commended for their efforts to meet the 2% budget reduction challenge. Met by most, some were confronted with fixed costs beyond their control.
- Waste Disposal – Overall a modest budget increase due to Municipal Solid Waste

(MSW) and Construction and Demolition (C&D) contracts. Increase will be partially offset by a Staff recommended reduction in summer hours, based on community input.

Article 3 – To raise and appropriate FIVE HUNDRED FORTY-SEVEN THOUSAND SEVEN HUNDRED DOLLARS (\$547,700) to be added to various Capital Reserve Funds as follows:

- \$14,500 - Future Replacement of Fire Equipment
- \$100,000 – Future Replacement of Fire Trucks
- \$170,000 – Future Replacement & Purchase of Highway Equipment
- \$20,000 – Future Replacement of Police Vehicles
- \$45,000 – Future Town Facilities Improvements
- \$175,000 – Future Town Road Improvements
- \$3,200 – Future Cemetery Improvements
- \$20,000 – Future Revaluation of Real Estate

Funds to be raised by withdrawal of ONE HUNDRED SEVENTEEN THOUSAND DOLLARS (\$117,000) from unassigned fund balance and FOUR HUNDRED THIRTY THOUSAND DOLLARS (\$430,000) 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. 77-80) or attend future CIP hearings.

Article 4 – To raise and appropriate TWELVE THOUSAND TWO HUNDRED DOLLARS (\$12,200) to be added to the following Expendable Trust Funds:

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| \$2,000 | Master Plan Update Trust Fund |
| \$7,000 | Legal & Public Assistance Trust Fund |
| \$3,260 | General Cemetery Maintenance 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 to help lessen the future impact of large, unanticipated legal and public assistance expenses. When originally created the goal was to eventually fund the Trust Fund with \$50,000, which will be achieved with the appropriation of \$7,000.
- 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 3 to add to the reserve fund “Future Cemetery Improvements”.

Article 5 – To establish a contingency fund for the current year for unanticipated expenses directly related to the Covid-10 pandemic and to raise and appropriate SEVENTEEN THOUSAND DOLLARS (\$17,000) for the fund. Said sum to come from unanticipated fund balance. Any funds remaining at year end would lapse and remain in the general fund. The Budget & Advisory Committee recommends this article 5-0.

Several years ago, the New Hampshire legislature enacted RSA31-98-a, Contingency Fund, for cities and towns to meet the cost of unanticipated expenses that may arise during the year. The maximum amount that may be appropriated for this fund is “1% of the amount appropriated by the town for town purposes during the preceding year, including capital expenditures and amortization of debt”. Based on 2020 expenditures the maximum allowable amount for 2021 is \$17,000.

Article 6 - To raise and appropriate the sum of FIFTY THOUSAND (\$50,000) to purchase and outfit a police cruiser, said funds to come from Future Replacement of Police Vehicles Capital Reserve Fund, and to further authorize the disposal of the existing 2013 police cruiser as best serves the Town. The Budget and Advisory Committee recommends this article 5-0.

This article proposes the purchase of a new cruiser (completely outfitted, including a new computer) to replace the 2013 Ford Explorer police cruiser (with over 81,000 miles) in accordance with the Capital Improvement Plan (CIP) schedule. Funds will be withdrawn from the applicable capital reserve fund up to \$50,000. No current year funds will come from taxation.

Article 7 - To raise and appropriate the sum of TWENTY-FIVE THOUSAND (\$25,000) to complete repairs to the roof and associated structural and trim details of the Town Horsesheds. Said funds to be raised by the acceptance of TWO THOUSAND (\$2,000) donation from the Francestown Improvement and Historical Society (FIHS) and TWENTY-THREE THOUSAND (\$23,000) to be withdrawn from the Future Town Facilities Capital Reserve Fund. The Budget and Advisory Committee recommends this appropriation 4-1.

Following the Town Hall and the building housing the police department, this might be considered the third and final stage in improvement to the Town Common. The horse shed's roof shingles and underlayment were last replaced in 1989. Currently, the roof leaks and there is some evidence some of the underlayment and fascia need replacement. An estimate for replacing the shingles is less than \$20,000; the remainder to cover unanticipated structural repairs.

Article 8 – To see if the Town will vote to raise and appropriate THREE HUNDRED FORTY THOUSAND (\$340,000) to complete a full-width overlay of the 2nd NH Turnpike South from Lyndeborough Town line to the intersection at NH 136 (New Boston Road), said funds to come from the Future Town Road Improvements Capital Reserve Fund.

This article will provide funds necessary for the upkeep and on-going maintenance of this important road. We all realize and recognize the need to keep our roads in good working condition. The Highway Department does outstanding work every day. A lot of discussion and research has gone into how and when our roads are rebuilt, re shimmed, repaired, or left alone. The Highway Department feels that it is important to aggressively maintain this well-traveled road and approving this article will support that decision. This Warrant article, using Capital reserve funds, and thus not impacting taxes, will support that work.

Article 9 – To see if the Town will vote to raise and appropriate TEN THOUSAND DOLLARS (\$10,000) to construct a new equipment storage shed at the baseball field. Such funds to be raised by acceptance of donations from the Recreation Trust Fund in the amount of FIVE THOUSAND (\$5,000) and the withdrawal of up to FIVE THOUSAND DOLLARS (\$5,000) from the “Future Town Facilities Capital Reserve Fund”. The Budget and Advisory Committee recommends this article 5-0.

This warrant Article is identical to the 2019 Town Meeting Warrant Article #10, which was approved. The selected contractor was unable to begin construction during the designated timeframe and the 2019 warrant article lapsed.

The 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 a trust fund and the capital reserve fund and not from taxation.

Article 10 - To see if the Town will vote to raise and appropriate ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$175,000) to purchase replacement Fire Department radios. Such sum to be raised by the acceptance of grants and/or donations in the amount of ONE HUNDRED SIXTY-SIX THOUSAND TWO HUNDRED FIFTY DOLLARS (\$166,250) and the withdrawal of EIGHT THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$8,750) from the Future Replacement of Fire Equipment Capital Reserve Fund. *If the grant application is denied in full this article shall become null and void.* The Budget & Advisory Committee recommends this article 4-0.

The Fire Department wishes to purchase 25 portable radios, 1 base unit radio and 9 (perhaps 10) vehicular radios to replace the existing radios that were purchased in 2005, are now failing and for which the manufacturer is no longer providing parts and service to repair. In addition, the new radios will meet current NFPA and FEMA recommended specification for radios used by Fire Departments.

The Fire Department is submitting a \$166,250 grant application to FEMA, which if approved in full and combined with \$8,750 from the Town’s Capital Reserve Fund (equivalent to 5% of the total cost) would provide sufficient funds to purchase the radios. If the grant application is rejected and no funds are made available, this warrant article becomes null and void.

Article 11 - To see if the Town will vote to raise and appropriate THIRTY-SIX THOUSAND DOLLARS (\$36,000) to purchase replacement radios for the Fire Department. Such sum to be raised by the acceptance of up to FIFTEEN THOUSAND DOLLARS (\$15,000) from the Mount Crotchet Firefighters' Association and the withdrawal of TWENTY-ONE THOUSAND DOLLARS (\$21,000) from the Replacement of Fire Equipment Capital Reserve Fund. *Should the grants and/or donations from Article 10 be awarded in full, this article shall become null and void.* The Budget & Advisory Committee recommends this article 4-0.

This Warrant Article will provide up to \$36,000, an amount sufficient to purchase 10 portable radios for the Fire Department, in the event no funds are made available through the FEMA grant application.

If funds in the amount of \$175,000 are made available through donations, the FEMA grant and the 5 % match from the Town as described in article 10, then this article shall become null and void.

If a portion of the funds requested through a FEMA grant are made available, including a 5% match from the Town's Capital Reserve Fund, this warrant article will provide additional funds, up to \$36,000 to purchase radios for the Fire Department.

Article 12 - To see if the Town will vote to raise and appropriate SIX THOUSAND DOLLARS (\$6,000) to replace and outfit the floating swimming platform at Scoby Pond, said funds to be withdrawn from the unassigned fund balance.

This article will provide funds to pay for construction of a new floating platform at Scoby. Currently there is a pressure treated platform that has been used for many years at the Pond. It has been noted that there needs to be different materials used for this type of device. Also, the current floating platform is very heavy and requires many volunteers to pull it out and then it is left near the beach. This new lighter platform will be easier to remove and store as well be better for the lake.

Respectfully Submitted,

Francestown Budget & Advisory Committee

Tom Anderson

Charlie Pyle

Stewart Brock

John Thalhauser

Judi Miller

February 23, 2021

Posted:

Francestown Post Office

Town Office Bulletin Board

Bixby Memorial Library

Town Website