

## Francetown Budget & Advisory Committee Report on the 2022 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 2022 operating budget began last Fall with the Board of Selectmen asking Town Department to submit budget requests to Town Administrator, Jamie Pike, with the proposed 2020 budget as the baseline. For 2021 with the uncertainty of the pandemic and possible reductions in shared State revenues, Department Heads had been asked to reduce their 2021 budget requests by 2%. During this past Fall, 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 met 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 2022 these include insurance, service contracts, legal fees, ambulance service, solid waste disposal fees and fuel costs.

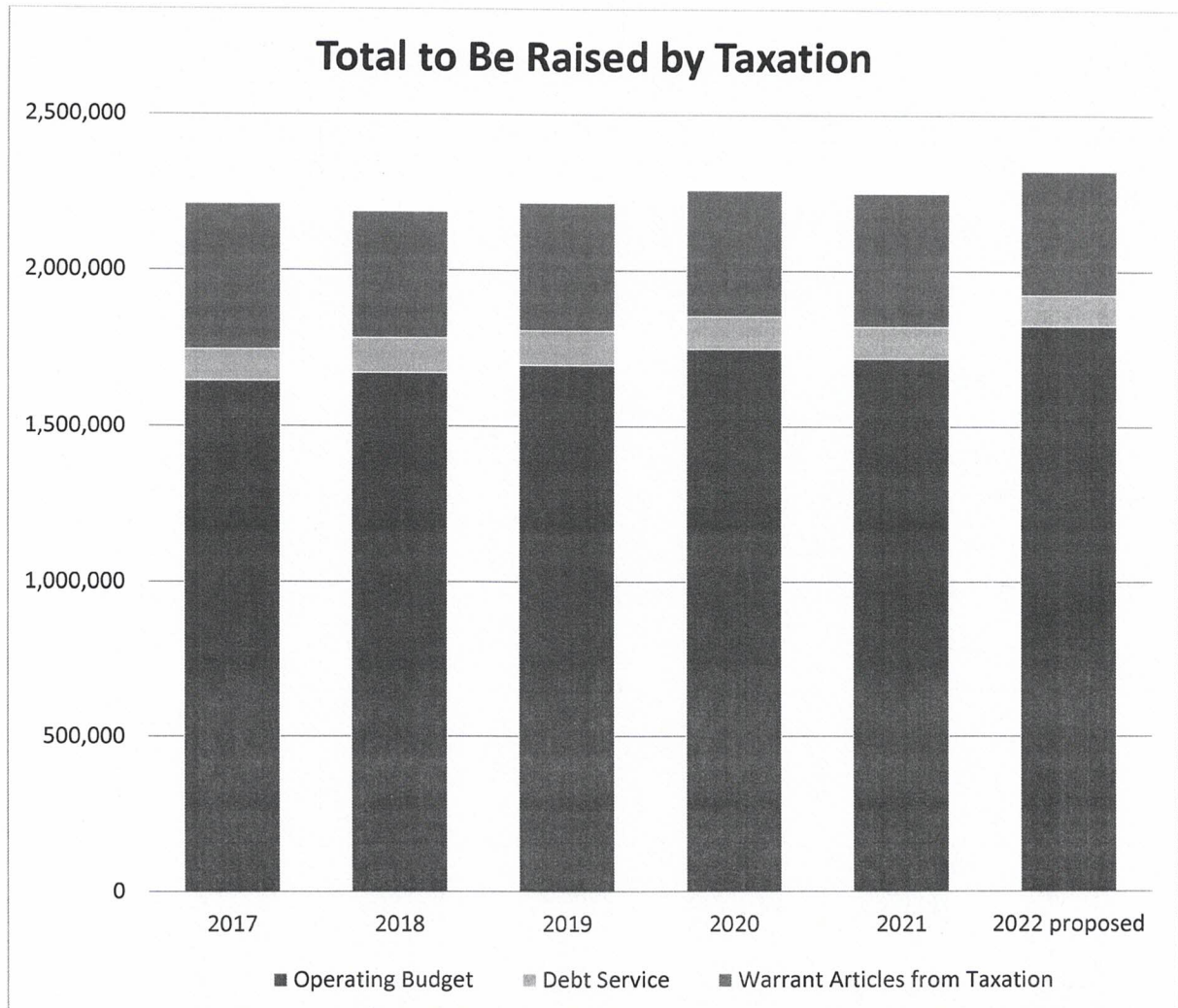
**Article 11 – To see if the Town will vote to raise and appropriate the sum of ONE MILLION NINE HUNDRED TWENTY-THREE THOUSAND ONE HUNDRED THIRTY-NINE DOLLARS (\$1,923,139) for general municipal operations. This article does not include appropriations contained in special or individual articles addressed separately. The Budget and Advisory Committee recommends this article 5-0.**

This Article proposes an operating budget of \$1,923,139, which includes operating expenses of \$1,847,693 and debt service of \$98,379. It represents an increase of \$107,385 or 6.28% over last year's appropriation. The total budget, including debt service, is an increase of \$102,960 or 5.66% over last year's total appropriation. Considering the affect the pandemic had on 2021 budget considerations, 2020 might be a more comparative baseline year. The 2022 budget is a 3.79% increase over the 2020 budget.

Significant budget changes for 2022:

- Elections – Increase of \$3,760. Every other year, Frankestown, like other NH cities and Towns, is faced with a substantial increase in election expenses. In 2022 primary and general elections will be held for both state and federal elections.
- Personnel Administration – Increase of \$23,088 from:
  - NH Retirement, a \$17,610 or 50% increase from 2021 to 2022 due to a) increases to required Town contributions and b) the transition to a full-time police officer, and
  - A 4% COLA (cost-of-living) increase (\$9,000) for Town employees. For many years, the Town has based COLA increases on the annual change to the Northeast Urban CPI from NH ELMB and US BLS.
- Property & Liability Insurance - \$3,618 increase.
- Police – A net \$8,142 (\$3.5%) increase to overall Police payroll. The transition to a full-time officer is partially offset by a reduction in part-time wages. A new part-timer will not be added to payroll until Spring.
- Ambulance - \$5,564 increase (8.09%). Town's share of contract cost for Peterborough ambulance service. This line item has increased 28.95%, since 2019
- Fire Dept – \$3,983 increase driven primarily by fuel (see below), maintenance and equipment, uniforms, and internet with offsetting reductions to dues and professional development.
- Highway Department - \$17,245 increase. 77% of the increase is from fuel (see below). The remaining portion is almost entirely salary increase as voted at the 2021 Town Meeting. \$10,000 was saved by maintaining the same level of spending for gravel (\$11,500) as in 2021 and not the \$21,000+ budgeted for gravel from 2012 to 2020. This line item will need to be increased in future budgets.
- Parks & Recreation - \$2,943 increase mostly attributable to increases to lifeguard wages, training, and recruitment.
- Library - \$7,557 increase primarily for additional staff hours and wages for the Children's library staff and alternates.
- Milfoil - \$31,750 increase. The 2021 dive harvesting indicated a substantial increase to milfoil. The final budget is a reduction from the original proposal with the elimination of previously proposed diving services.
- Fuel - \$18,765 increase. Increase to fuel costs for all types (heating fuel/oil, propane, gasoline, and diesel) affects the General Government Buildings, Police, General Highway and Solid Waste budgets. This year's proposed budget is a 42.74% increase from the 2021 budget and 70.35% increase from 2021 actual expenditures. This year's total budget for all fuels is the largest, since 2015, and reflects current pricing.
- Other Changes – An increase in groundskeeping of \$1,836 for the General Government Building, Cemetery and Parks & Recreation budgets; reductions of \$1,499 to Land Use Clerk and \$1,500 to General Maintenance Payroll.

The following chart shows the annual expenditures by taxation for the Operating Budget, Debt Service and Warrant Articles from 2017 through proposals for 2022. The average annual increase for the five-year period 2017 through 2022 is 2.22%; the three-year (2020-2022) 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), which are expected to remain the same as last year. A copy of Form MS-636 may be found in this year's Town Report (pp. 13-16), 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 1.70%.

**Article 12 – To see if the Town will vote to raise and appropriate FIVE HUNDRED SEVENTY-ONE THOUSAND EIGHT HUNDRED DOLLARS (\$571,800) to be added to various Capital Reserve Funds as follows:**

- \$20,000 - Future Replacement of Fire Equipment
- \$175,000 – Future Replacement & Purchase of Highway Equipment
- 1,800 – Future Cemetery Improvements
- \$20,000 – Future Replacement of Police Vehicles
- \$100,000 – Future Replacement of Fire Trucks
- \$45,000 – Future Town Facilities Improvements
- \$10,000 – Future Revaluation of Real Estate
- \$200,000 – Future Town Road Improvements

**And authorize the withdrawal of ONE HUNDRED SEVENTY-ONE THOUSAND EIGHT HUNDRED DOLLARS (\$171,800) from unassigned fund balance and FOUR HUNDRED THOUSAND DOLLARS (\$400,000) to be raised 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. 87-90) or attend future CIP hearings.

**Article 13 – To see if the Town will vote to raise and appropriate THREE THOUSAND EIGHT HUNDRED (\$3,800) to be added to the following Expendable Trust Funds:**

- \$2,000 Master Plan Update Trust Fund
- \$1,800 General Cemetery Maintenance Trust Fund

**Said funds to be withdrawn 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.
- 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 12 to add to the reserve fund “Future Cemetery Improvements”.

**Article 14 – To see if the Town will vote to adopt the provisions of RSA 202-A:4-d, to authorize the library trustees to accept gifts of personal property, other than money, which may be offered to the library for any public purpose. Such authorization shall remain in effect until rescinded by a vote of a future town meeting. Prior to the acceptance of any gift valued at over \$5,000, the library trustees shall hold a public meeting on the proposed acceptance. The Budget & Advisory Committee unanimously supports this article.**

This article will authorize the library trustees to accept non-monetary gifts. This is a housekeeping measure as this authority was given to the Select Board in 1994. For any donations valued over \$5,000, a public hearing will have to be held.

**Article 15 - To see if the Town will vote to raise and appropriate the sum of THREE HUNDRED THOUSAND DOLLARS (\$300,000) to purchase and outfit a new 10-wheel dump truck, said funds to come from the Future Replacement of Highway Equipment Capital Reserve Fund, and to further authorize the disposal of the existing 2007 dump truck and equipment truck as best serves the Town. The Budget and Advisory Committee recommends this article 5-0.**

Article 10 found in the 2007 Town Warrant authorized the appropriation of \$165,000 to purchase a 10-wheel dump truck fully equipped with the necessary apparatus to conduct all highway department operations. That truck is now 15 years old and has reached the end of its useful life. Subsequently, additions to the Capital Reserve from time to time have been in anticipation of funding a replacement for this vehicle this year. The projected cost is approximately \$300,000 fully equipped but it is impossible to set an exact price due to the rising cost of steel.

**Article 16 – To see if the Town will vote to raise and appropriate ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) for replacement of Town Bridges, such sums to be raised from acceptance of grant funds in the amount of ONE MILLION TWO HUNDRED THOUSAND (\$1,200,000) and to authorize the withdrawal of up to THREE HUNDRED THOUSAND (\$300,000) from the Future Repair and Replacement of Bridges Capital Reserve Fund. This is a special non-lapsing warrant article until the project(s) are complete or until December 31, 2027, whichever is sooner, pursuant to RSA 32:7(VI). The Budget and Advisory Committee recommends this article 5-0.**

This article authorizes the replacement of the temporary 50' bridge over two 12' culvert pipes spanning Collins Brook on Old County Road North. The bridge has been on the State's red list for several years, and, as with similar listed bridges, 80% of the cost

(\$1,200,000) will be funded by a state grant; in return, the State will determine engineering, design, and construction. The State's portion is anticipated to come from the Federal Infrastructure Investment and Jobs Act; the town's \$300,000 share will be withdrawn from capital reserves. Any unused funds will be applied to future red lined bridge projects.

**Article 17 - To see if the Town will vote to raise and appropriate NINETY-FIVE THOUSAND DOLLARS (\$95,000) to purchase replacement radios for the Fire Department. Such sum to be raised by the acceptance of up to FIFTY THOUSAND (\$50,000) from the New Hampshire Locality Equipment Purchase Program, the use of FIVE THOUSAND DOLLARS (\$5,000) of American Rescue Plan Act revenue loss funds, the acceptance of up to FIFTEEN THOUSAND DOLLARS (\$15,000) from Mount Crotchet Firefighters' Association and the withdrawal of TWENTY-FIVE THOUSAND (\$25,000) from the Future Replacement of Fire Equipment Capital Reserve Fund. The Budget & Advisory Committee recommends this article 5-0.**

Today in public safety reliable radio communications is very important. The Fire Department gets notified of an emergency via radio, reports the acknowledgment of the emergency via radio, initial report of the extent of the emergency is transmitted via radio and Fire officers give instructions via radio. So, the importance of good reliable radio communications in rural areas such as Frankestown is essential to the safety of all involved. This year's article 17 funds such replacement of the Fire Department radios so they can continue with reliable radio communications.

**Article 18 - To see if the Town will vote to raise and appropriate TWENTY THOUSAND DOLLARS (\$20,000) to rehabilitate the pavement at the Transfer Station said funds to be withdrawn from the Future Town Facilities Capital Reserve Fund. The Budget and Advisory Committee recommends this article 4-1.**

Included in the Capital Improvement Plan a few years ago, this is a town facility maintenance project of pavement restoration at the Transfer Station. There is approximately a ½ acre of asphalt at the station and some areas of the pavement have seriously deteriorated requiring some replacement. This will not be an entire re-paving of the transfer station, but a repair of those areas in the worst condition.

**Article 19 - To see if the Town will vote to raise and appropriate FOUR THOUSAND FIVE HUNDRED (\$4,500) to hold a Household Hazardous Waste Collection event at the Transfer Station. Such sum to be raised by the use the American Rescue Plan Act revenue loss funds. This is a special non-lapsing warrant article until the project is complete or until**

**December 31, 2021, whichever is sooner, pursuant to RSA 32:7(VI). The Budget and Advisory Committee recommends this appropriation 5-0.**

This item was removed from the budget this year to offset the funding of both HWD and Federal elections in the same year. This article, however, proposes to use American Rescue Plan Act funds received from the Federal government to conduct the event this year, with the goal of returning to odd years in the future. The last HWD was conducted in 2020.

*Respectfully Submitted,*

*Francetown Budget & Advisory Committee*

*Tom Anderson*

*Stewart Brock*

*Judi Miller*

*Charlie Pyle*

*Scott Quilty*

*February 19, 2022*

*Posted:*

*Francetown Post Office*

*Bixby Memorial Library*

*Town Office Bulletin Board*

*Town Website*