

**TOWN OF ENFIELD
BOARD OF SELECTMEN & BUDGET COMMITTEE JOINT MEETING**

DATE: May 19, 2020
TIME: 7:00 PM
LOCATION: via Zoom Teleconference

PRESENT:

Board of Selectmen: Katherine D.P. Stewart, John W. Kluge, Meredith Smith

Budget Committee Members: Mike Diehn, Erik Russell, Jean Patten, Shirley Green, Sam Eaton, Phil Shipman, Nancy Smith, Dominic Albanese

ADMINISTRATIVE STAFF: Ryan Aylesworth, Town Manager

OTHERS: Emily Curtis, recording secretary; Dan Kiley, Cecilia Aufiero, Lindsay Smith, Annabelle Bamforth, Dr. David Beaufait

CALL TO ORDER

Ms. Stewart brought the Selectboard portion of the meeting to order at 7:01pm

Mr. Eaton called the Budget Committee portion of the meeting to order at 7:02pm.

Virtual Meeting Preamble

TOWN OF ENFIELD BOARD/COMMITTEE COVID-19 ELECTRONIC MEETING CHECKLIST

As Chair of the Selectboard for the Town of Enfield, due to the COVID-19/Coronavirus crisis and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that this is a virtual meeting only, as authorized by the Governor's Emergency Order. However, in accordance with the Emergency Order, this is to confirm that we are:

a) Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means;

We are utilizing the Zoom platform for this electronic meeting. All members of the Board/Committee have the ability to communicate contemporaneously during this meeting through the Zoom platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone # and using the password provided or by clicking on the following website address: that has been provided in email.

b) Providing public notice of the necessary information for accessing the meeting;

We previously gave notice to the public of how to access the meeting using Zoom, and instructions are provided on the Town of Enfield's website at: <https://enfield.nh.us>.

c) Providing a mechanism for the public to alert the public body during the meeting if there are problems with access;

If anybody has a problem, please call 603-309-6379 or email at: raylesworth@enfield.nh.us.

d) Adjourning the meeting if the public is unable to access the meeting.

In the event the public is unable to access the meeting, we will adjourn the meeting and have it rescheduled at that time.

At this time, I also welcome members of the public accessing this meeting remotely. Although this meeting is being conducted in a unique manner under unusual circumstances, the usual rules of conduct and decorum apply. Any person found to be disrupting this meeting will be asked to cease the disruption. Should the disruptive behavior continue thereafter, that person will be removed from this meeting.

I will follow the agenda items in order unless otherwise explicitly stated and ask the Board and town department and/or committee stakeholders for input first. Then I will specifically ask for public comment. I will ask you to unmute and will call on members of the public. I ask that you endeavor to not speak over one another or interrupt in the interest of fairness to all present in the call and to our minute taker. I acknowledge timing is a challenge and there will be occasional, intentional lags to allow for responses from participants. Please be patient and the meeting will flow along nicely.

Please note that all votes that are taken during this meeting shall be done by Roll Call vote.

Let's start the meeting by taking a Roll Call attendance. When each member states their presence, also please state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law.

Administrative

Mr. Eaton began the meeting with the Budget Committee's approval of meeting minutes from their meeting on February 5, 2020.

Mr. Albanese made a motion to accept the minutes of February 5, 2020. Ms. Green seconded.

Ms. Patten made a request to add page numbers and the date of the meeting to the pages.

Ms. N. Smith stated that on page 6, Sam made a motion to change the budget amount. She noted that there was significant reaction from observers and that the public portion of the meeting had closed at the time of his motion and is not accurately represented in the minutes.

Mr. Diehn agreed with Ms. Smith's assessment and noted that the information is not reflected in the minutes.

The Budget Committee discussed whether it was the public comment portion of the meeting or if the meeting in its entirety had been closed at the time of the motion.

Mr. Aylesworth noted that his recollection was that the issue pertained to a lack of discussion during the public hearing about as to where the adjustments would be made.

The Budget Committee discussed how to correctly reflect the discussion.

Mr. Shipman recommended that the minutes be tabled until the minute taker could revise the recording of the meeting to update the minutes.

Ms. N. Smith made a motion to table the approval of the minutes until the discussion can be further clarified. Mr. Albanese seconded. A roll call vote was taken. Vote unanimous in favor of the motion (8-0).

New Business

Planning for the Future in the Midst of COVID-19/Review of YTD Revenues and Expenditures

Mr. Aylesworth began the meeting by discussing revenues and expenditures thus far in 2020.

Mr. Eaton inquired if the expenditures presented include raises for municipal employees.

Mr. Aylesworth stated that they do not because no raises have been administered at this point. Although under more normal circumstances these adjustments would have gone into effect on April 1 of a given budget year, any adjustments in employee rates of pay in 2020 will not take effect or be implemented until a budget is approved. He noted that there are two full-time positions that are currently vacant including a police patrol officer and the DPW grounds crew leader position. He noted it is possible the positions will remain unfilled for the remainder of the year, and that an operator in the highway division is being planned to split their time between highway and grounds to help address the lack of staffing in the buildings and grounds division. He added that, under normal circumstances, things would be moving quickly to fill the vacancies; however,

Mr. Kluge noted that a lot of residents who are facing personal and financial difficulty in the current pandemic, may not support using taxes to give employees a raise. He noted that employees deserve a raise, and he would recommend raises being returned to employees as soon as we are passed the current circumstances, but that the current pandemic increases concern for balancing finances.

Mr. Aylesworth acknowledged Mr. Kluge's perspective, and noted that employees have been working every day through the current circumstances and are dedicated to serving the town and may not feel their work and the risks they've taken on are appreciated if raises are passed over.

Ms. Stewart noted that it would be worth inquiring what other towns are doing in light of current circumstances.

Mr. Eaton said he agrees with Mr. Kluge's views.

Mr. Albanese said he generally agrees with Mr. Kluge, but does not want to do anything too draconian.

Ms. M. Smith said she agrees with Mr. Kluge. We are in uncharted waters. She finds it disconcerting that any municipal employees would feel disrespected by not getting a raise at a time when many people are without work. She suggested that municipal employees should "have an attitude of gratitude" to have a job when others in the community have lost theirs.

Ms. Patten indicated she agreed with Mr. Kluge. Ms. Patten said that if municipal employees feel unappreciated by not getting a raise they need to recognize that working in the real world will often require sacrifice and not getting everything you want.

Mr. Eaton, Mr. Albanese, and Ms. M. Smith agreed with Mr. Kluge's concern for the budget and the merits of refraining from implementing municipal employee raises at this time.

Members of the Budget Committee and BOS discussed the costs involved with pay raises for all municipal employees and possible budget implications.

Mr. Aylesworth noted that each .5% increase in pay across the board adds approximately \$6,000 in the municipal budget, so a 2% raise would be about \$24,000.

It was expressed that, during the current economic crisis, the Budget Committee and BOS have made it a priority to have no layoffs and ensure job security for all municipal employees. They also discussed details of enhanced unemployment benefits being administered by the state, as well as the first responder stipends being administered to active members of police, fire, and ambulance. These stipends range from

\$50 to \$300 depending on a given first responder's employment status, and the payments cover a roughly 8-week period beginning in early May and extending through the end of June.

The BC and BOS discussed impacts of COVID-19 on the revenue side of the budget including: motor vehicle registration fees, meals and rooms tax, building permit and land use application fees, ambulance fees, and recreation program revenue.

Mr. Aylesworth noted that the income from the meals and rooms tax comes in the form of revenue sharing with the state, and the Town likely won't know its 2020 allocation until just before the end of the year. Mr. Aylesworth indicated that many communities have indicated they are planning for their allocation of meals and rooms tax revenue to be cut by as much as 50%. Most communities are assuming that they will receive their customary Highway Block Grant annual allocation. He also noted in several instances of local revenue sources there is less income but also less expenditures, such as less income for recreation, but less expenditures due to the absence of staff needed to administer programs as a result of cancellations stemming from COVID-19.

Mr. Albanese inquired about the TIF payment and the possibility to double the principal on the TIF sewer bond.

Mr. Aylesworth noted that whether we double up on the principal payment or not, it doesn't change the tax rate. Making a double payment toward principal simply has cash flow implications.

Mrs. N. Smith inquired if, once we get past Town Meeting, if the Town has enough money to support a possible increase in absentee ballots for the September primary and November general election.

Mr. Aylesworth noted that he had requested that the Town Clerk review the budget numbers in light of current circumstances and she noted that she would not change any of the current calculations.

Ms. Patten inquired that, if there was an event that more money was needed to support an influx of absentee ballots, that money could be moved to support the needs.

Mr. Kiley inquired if there was a large influx of absentee ballots if it could be COVID reimbursable.

Mr. Aylesworth noted that it seems that added election costs would be deemed an eligible expense as it is an indirect effect of COVID-19.

Mr. Kiley noted that if there was enough cash flow at the end of the year, the TIF payment could be made on December 31st if the money was available.

Mr. Albanese suggested that the Committee could discuss in the fall if they want to proceed with the TIF payment.

Federal and State Relief Funds Available to Municipalities

FEMA Public Assistance

Mr. Aylesworth noted that FEMA Stafford Act Public Assistance funds were available with regard to purchase of PPE for first responder personnel and are reimbursable at the 75% level. We are coming up on the date our initial request for reimbursement under FEMA Public Assistance and the forms will be reviewed soon. He added that there is also a First Responder Stipend which is available for full time or on call members. He noted that the monetary amount is different for full-time and part-time members, and they are available for all active members, whether they respond to an emergency or not.

NH Dept. of Safety-First Responders Stipend

Mr. Aylesworth noted that stipends had been previously discussed and offered further detail to the stipend amounts being offered for full-time, part-time, and on call department members.

- *GOFERR Municipal Relief Funds*

Mr. Aylesworth noted that there is also a GOFERR Municipal Relief Fund which is administering \$32 million statement using a population-based formula. Enfield's allocation is roughly \$111,000. The costs must be indirect costs associated with COVID-19 including: increased welfare costs, technology expenses, increased election costs, wages and benefits in the form of sick leave, legal fees, modifications to municipal facilities, etc. Mr. Aylesworth noted that part of the CIP plan was a large portion of IT improvements; however, all of the improvements can be potentially covered based off of the need for employees to be able to work from home during the current circumstances.

Ms. Patten inquired if the money received would go into a specific account.

Mr. Aylesworth noted that the funds applied for would be deposited to the Town's operating account and in the revenue report it would show up in State of New Hampshire Misc. Grants line item. He added that the additional expenditures for COVID-19, including the 25% that will likely not be recouped by grants, will need to be absorbed by the town.

2020 Town Meeting – Status, Date, Format, Alternatives

Mr. Aylesworth stated that the New Hampshire Municipal Association has made an advocacy push to allow towns to bypass a Town Meeting and roll with a default budget. The Town of Enfield has indirectly supported this effort. He added that the Governor may be receiving feedback from the Attorney General's Office that state law may not support any ability to bypass a Town Meeting due to requirements that the Town's legislative body, which is Town Meeting, act to approve an annual budget.

Mr. Aylesworth noted that the school district in Bow, NH completed a drive through vote which involved a paper ballot for each warrant article. He noted it was not ideal as it did not include the deliberative process, and added that there were further questions if the budget failed on the first vote and needed to be brought to a second vote. He added that he can see push back from both sides of the situation, both in moving forward with a Town Meeting and people not feeling safe due to their risk factors for attending as well as concerns that the votes cast at Town Meeting are therefore not truly representative.

Ms. L. Smith presented that there are currently two options for hosting Town Meeting, either in the high school auditorium or the garage at the DPW. It was noted that the DPW has 4,400 square feet of space available. Regardless of location, it will involve social distancing practices, with family units seated together, and would need to be choreographed to facilitate. She noted that drive through options are being explored so some residents could stay in their cars. She noted that it will cost about \$200 to broadcast through radio on 88.9. They are also looking at the possibility to livestream the meeting so people could watch from home and go at a later time to add comments and vote. She noted that voting would only take place once and not in between each article and that voting would be open for a number of hours so residents could come, check in, and show ID.

Ms. L. Smith noted that there is a budget and resources available and she is doing her best to keep in within the budget, but that there may be some additional costs.

Mr. Albanese inquired about what happens if Town Meeting is not held.

Mr. Aylesworth stated it is currently unknown what consequences there would be, but that it is clear one must be held unless the Governor issues official guidance to the contrary.

Dr. Beaufait noted that the team is trying to be as creative as they can be and use technology and drive through combinations to accommodate the circumstances, but there may be technologic and sound related additional expenses over the base costs. Since we are at the beginning of the process, there are no clear ideas as to those costs.

It was noted that it is a challenging situation to try to navigate and the Town Moderator and her team are doing a great job at reviewing all possibilities to ensure safety and accessibility for residents.

- NHMA Request to Governor – Default Budget Option

Proposed 2020 Operating Budget Adjustments (Submitted by Town Manager; April 30)

Mr. Aylesworth noted that he looked at potential revenue shortfalls from the budget as discussed in February of 2020. At present he is forecasting up to a \$136,000 shortfall in revenue relative to what had been initially included in the proposed 2020 budget. This would place total revenue at a level very close to budgeted revenue levels in 2019. He looked for opportunities to amend the expenditure side of the operating budget to achieve a similar commensurate reduction. This would include the possibility of leave vacant positions open and not backfilling until 2021. Mr. Aylesworth identified approximately 70 different line items in the expenditure budget that could be adjusted that collectively added up to \$140,000 in reduction to expenditures. He added that one step further would be finding a path to reduce the tax rate through other means such as using funds from Undesignated Funds Balance to offset the annual appropriations to the Capital Improvement Program, and to cover the cost of this year's appropriation to the Retiree Benefits Trust Fund. It would be a one-time usage, but would allow a leveling of the property tax rate or potentially a very slight reductions, but would work to prevent an increase in property tax rates being affected.

Mr. Aylesworth noted that he was trying to zero in on a level-funded budget.

He noted his proposal submitted in April included annual appropriation to the CIP Fund of \$448,368, and he is proposing to use \$60,000 to offset the taxes.

Ms. Patten asked Mr. Aylesworth to confirm if we were to not have a Town Meeting and go to a default budget what would that budget number actually be.

Mr. Aylesworth stated that the bottom-line budget would be \$6,677,736, which is what appeared on Town Meeting 2019. He noted that how we get there is all determined by the governing body. He noted that a default budget does not look promising as an option. He noted that the tax rate is highly influenced by the assumed appropriation levels, and many towns are somewhat inflating their local revenue assumptions to ultimately raise less revenue from taxes than they really need in order to fund the approved budget.

Mr. Aylesworth noted that some towns that already had their Town Meeting and approved budgets at a certain level are now looking to formally amend their appropriations downward after the fact based off of concerns over local revenues and the health of the economy. They are looking for the DRA to allow them to legally change their budget, but, since this is not an approved practice after Town Meeting has been completed, they are still looking for further guidance with no clear answers.

Mr. Albanese inquired if Mr. Aylesworth was looking for consensus on his general recommendation to stay at \$6,677,736 for the budget.

Mr. Aylesworth noted that the specific number was not as much the focus as it was to arrive at a level funded budget. He noted that Lebanon is looking to reduce their budget by \$800,000, which represents about 2% of their \$3 million budget, which would level it.

Mr. Kluge stated that he agrees with the numbers but expressed concern with what we wish to take out of Undesignated Funds when we may well need it more in the future.

Ms. N. Smith and Mr. Eaton agreed with Mr. Kluge.

Mr. Eaton noted that when the Undesignated Funds were dipped into in 2008, it quickly became a snowball effect into a deficit.

Mr. Russell stated that he was very encouraged by the meeting, and noted that, while it is a terrible situation, we are hearing nice things from people in town about the planning ahead. The budget has never been a spending 'target' but a spending 'limit', and we should continue with that ideal and being careful with how Undesignated Funds are utilized, and it should not be the first tool – but the last tool that is dipped into.

Ms. Patten and Ms. N. Smith expressed their agreement with Mr. Russell.

Ms. Stewart saw the utilization of Undesignated Funds as a replenishment cycle to manage funds so that the overall tax rate remains level for residents, which is important.

Mr. Aylesworth noted that he believes strongly with growing the Undesignated Funds and we are not at the targeted funding level yet, but that last year about \$500,000 was added. He noted the objectives were to accomplish keeping the tax rates level, and where we got into trouble in the past was when we borrowed more than we put in. If we put in \$500,000 in 2019 and borrow the \$60,000, then there is still a net gain of \$460,000.

Ms. Green inquired if there was a way that we can we influence the DRA with regard to accepting a default budget.

Ms. Stewart noted that the BOS discussed sending a letter to the governor that it was agreed that the BOS would meet with the Budget Committee and have a consensus prior to sending out the letter.

Mr. Aylesworth stated he would be happy to draft a letter and inform Mr. Eaton when it was ready.

Mr. Diehn spoke to the debate over using Undesignated Funds after the 2008 recession, and while he doesn't believe we are there, he cautioned that they should be transparent with residents about what and how it is happening. Communication with the public and periodic updates with respect to 2008 to set expectations for the public. He added he was not aware we were one of a few towns in this situation and bringing it to the Governors attention would be important.

Mr. Aylesworth stated that there were 12-15 communities in the same position, and may not be the Governor's first priority, so bringing attention to it would be helpful.

Mr. Albanese suggested that, due to the current timeline, perhaps can we could discuss Undesignated Funds again in the fall. He added that it was ultimately a decision to be made by Mr. Aylesworth and the Board of Selectmen, and would be better discussed.

Mr. Aylesworth expressed he would like a consensus, but it did not require a vote.

Ms. Stewart inquired if any members had concerns if Mr. Aylesworth sent a letter on behalf of the town.

Mr. Eaton requested to review the letter before it goes out if it has the Budget Committee name on it.

Mr. Aylesworth noted he would have a letter drafted for review by 9am tomorrow.

Public Comment

Ms. Stewart opened the floor for public comment.

Mr. Kiley stated that he agrees with Mr. Kluge that going after Undesignated Funds is not the way to start and added that the 2008 recession was actually 3-4 years long.

Mr. Diehn questioned Mr. Aylesworth's notes to add \$10,000 into the Emergency Management Budget and \$2,000 into the Welfare District Assistance. He inquired if this request was required by a Governor's order or if it was by judgement based on current circumstances.

Mr. Aylesworth noted that the \$10,000 is where costs were anticipated for PPE, and the \$2,000 was modest increase in consultation with the Human Services Director, who has not seen an increase as of yet, but it was thought more might come forward by the end of the year based on changing circumstances – including the eventual suspension of the enhanced \$600/week unemployment pay at the end of July.

Any Other Business

Ms. Stewart offered for comment on other business.

No other business was brought forward.

ADJOURNMENT

Board of Selectmen: Mr. Kluge made a motion to adjourn the meeting at 8:58pm. Ms. Smith seconded. A roll call vote was taken. Vote unanimous in favor of the motion (3-0).

Budget Committee: Mr. Eaton made a motion to adjourn at 8:58pm. Mr. Russell seconded. A Roll Call vote was taken. Vote unanimous in favor of the motion (8-0).

The meeting was adjourned at 8:59pm.

Katherine D. P. Stewart, Chair

Meredith C. Smith

John W. Kluge
Enfield Board of Selectmen