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## **Enfield Budget Committee Public Works Facility, 74 Lockehaven Rd, Enfield, New Hampshire Meeting Minutes February 8, 2018 6:30 PM (Draft)**

Present: James Buffington, Eric Crate, Mike Diehn, Sam Eaton (Chair), Shirley Green (Vice Chair), Nancy Smith, Holly West

Excused: Fred Cummings, Mark Eisener

Others: Annabelle Bamforth (minutes), Bob Cusick, Dan Kiley, John Kluge, Meredith Smith

Sam called the meeting to order at 6:30 PM.

Shirley motioned to open the public hearing at 6:30 PM. James seconded. Public hearing opened at 6:30 PM with a 7-0 vote.

Sam presented the budget committee's informational slides. The slides, to be presented at town meeting, provided the committee's 2018 budget objective and process, a summary of the previous budget season, budget considerations for 2018, and the committee's operating budget proposal.

### **ENFIELD 2018 BUDGET PLAN**

#### **Process:**

- Committee meets throughout summer, fall, winter
- Committee meets with town departments
- Committee examines budget requests, revenues

#### **Objective:** To prepare a responsible budget for the Town

- Maintain core services
- Support Enfield's QoL experience
- Reinforce and encourage town efficiencies
- Make responsible budget decisions to minimize impact on taxpayers

## **2018 Budget Considerations**

### **Overall Town and Regional Economy**

- Economic recovery continues
- Low unemployment rate in NH and UV

**Initial Target:** Formulate the recommended budget to keep estimated tax rate increase around 2%

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## **2018 Budget Considerations**

### **NPTR continuing upwards trend in certain areas**

- Car registrations:
  - 2008, \$578K
  - 2015, \$918K
  - 2016, \$974K
  - 2017, Over \$1 Million
- Conservative 2018 NPTR projections

### **Cost Centers Required Significant Funds**

- Employee benefits (e.g. retirement, workers' comp, healthcare)
  - Healthcare premiums went down
- General cost of doing business

### **Continued capital needs (infrastructure, equipment)**

- Long-term CIP/TIF in place and working well
- Keeping up and getting ahead on road maintenance

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## **2018 Final Operating Budget Proposal**

### **Estimated Tax Rate\***

|                                      |           |
|--------------------------------------|-----------|
| Operating Budget Appropriations*     | \$5.40M   |
| CIP-CRF/Gen. Fund SWA Appropriations | \$406K    |
| Projected NPTR from Gen. Fund        | - \$1.76M |

To be raised from property taxes: \$4.05M

\*Does not include water/sewer operating expenses or TIF debt service

### ***Projected Tax Rate***

- \$7.58 per \$1000 valuation
- 2.71% over 2017 actual rate
- Tax rate is set by State of NH with input from Selectboard and Town Manager

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## **Highlights of Proposed 2018 Budget**

- **Near level operating spending across departments**
  - Conservative projection of NPTR
  - No adjustment for likely increases in property values
  - All core town activities and services maintained
  - Maintains existing staffing levels (maximal 2% merit-based salary and wage increases for existing personnel)

- **Continued funding of CIP**

- Appropriating \$320K into CIP in 2018 has the same "bottom line" effect as appropriating \$396K into the CIP-CRF (7<sup>th</sup> annual 5-cent tax increase to support CIP 15-year plan) if the \$76K for strategic planning and municipal finance upgrades were being funded from CIP-CRF as opposed to via a separate special warrant article.

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## 2018 Enfield Budget Proposal

The Budget Committee recommends a budget of \$6.430M with an estimated tax rate of **\$7.58 per \$1000 property valuation** (includes CIP and other special warrant article appropriations from the general fund)

- 2.71% rate increase vs 2017 actual rate
- Approx. \$20 per \$100K in assessed property value

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Sam explained that last year's approved budget estimated a need to raise \$3.8M through property taxes; the actual property tax levy was \$3.95M due to actual non-property tax revenue (NPTR) falling below initial estimates.

|                                       |           |
|---------------------------------------|-----------|
| Operating Budget Appropriations:      | \$5.40M   |
| CIP-CRF/Gen. Fund SWA Appropriations: | \$406K    |
| Projected NPTR from Gen. Fund:        | - \$1.76M |
| To be raised from property taxes:     | \$4.05M   |

Sam said that the projected tax rate for 2018 is \$7.58 per \$1000 valuation, a 2.71% over the 2017 actual rate. Sam noted that the final tax rate is set by the state with input from the Board of Selectmen and the town manager.

Sam said that the budget committee and town manager noted a conservative approach applied to non-property tax revenue (NPTR) projections for 2018, which had a role in the tax rate increase. He added that a high rate of property tax receipts continued in 2017, and the Board of Selectmen and the town manager had worked to establish a concrete strategy to improve the general fund and address the growing sewer deficit.

Sam pointed out that car registrations hit \$1 million in 2017, but the town manager and budget committee projected a conservative estimate for 2018, as it's typically a number that is not easy to predict.

Sam noted that health care premiums went down about 6%, and added that overall the cost of doing business rises regularly. He said that operating costs across all departments are near level.

## Public comment

Bob Cusick asked about the cost of the regional recreation. Ryan explained that some of the director's position had been grant-funded; the grant was "seed money" to encourage regional recreation offerings, and is set to expire. This grant had been applied directly to the budget line, making the cost of the director's salary appear low.

Bob asked about the difference between Canaan's share and Enfield's share of the cost for the director. Ryan said Canaan pays \$7500 to put toward the position. He further explained that Enfield collects all of the revenue from the regional programs.

Sam asked where the \$7500 paid by Canaan would appear in the budget. Ryan said it was likely credited to the budget line as well.

Ryan noted that January was a difficult month for vehicle registrations.

Ryan went on to provide an overview of the Capital Improvement (CIP) plan. He highlighted completed projects and vehicles and equipment upgrades.

Ryan summarized the warrant articles for town meeting.

Sam asked if members of the public had any more comments; as there were none, Sam closed public hearing at 7:11 p.m.

*Article 5: (Lease without Escape Clause) To see if the Town will vote to authorize the Board of Selectmen to enter into a long term lease/purchase agreement in the amount of \$215,000 payable over a term of seven (7) years for the purpose of leasing one police cruiser (\$35,000) and one dump truck (\$180,000).*

Nancy moved to vote on Article 5, and Shirley seconded.

Article 5 recommended by the budget committee (7-0).

*Article 6: To see if the Town will vote to raise and appropriate the sum of \$117,500 for Crystal Lake Road improvements (\$58,000), Fire Station and Shedd Street Garage Furnace and Insulation Upgrades (\$20,000), Huse Park Basketball Court Improvements (\$15,000), Whitney Hall Parking Lot Resurfacing (\$15,000), Transfer Station Office Trailer Replacement (\$6,500) and Community Building Security/Locks Upgrades (\$3,000), to authorize the issuance of not more than \$117,500 of bonds or notes in accordance with the provision of the Municipal*

*Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon.*

Mike moved to vote on Article 6, and Eric seconded.

Committee members shared concerns about the bundling of several items together in one article. Ryan explained the bundling occurred in part because of removing the buildings study from financing, and that the intent was to stretch dollars a bit more.

Article 6 recommended by the budget committee (6-1).

*Article 7: To see if the Town will vote to establish an Employee and Retiree Benefits Trust Fund under the provisions of 31:19-a for the funding of employee and retiree benefits and further to raise and appropriate the sum of \$25,000 to be placed in this fund, and to appoint the Town Manager as agent to expend from the Employee and Retiree Benefits Trust Fund. If Article 8 is approved by the voters the Operating Budget (Article 8) shall be decreased by \$15,000 to offset the impact of this appropriation.*

Mike moved to vote on Article 7, and Shirley seconded.

Sam asked what would be an appropriate level for this fund. Ryan noted that within 5 years there will be a number of employees eligible for retirement; he said he is hoping to fund this around \$150K for best preparation.

Article 7 recommended by the budget committee (6-1).

*Article 8: To see if the Town will vote to raise and appropriate the Budget Committee recommended sum of \$6,429,592 for general municipal operations.*

Shirley moved to vote on Article 8, and James seconded.

Article 8 recommended by the budget committee (7-0).

*Article 9: To see if the Town will vote to authorize the Board of Selectmen to purchase the real property known as Mascoma Lakeside Park from the State of New Hampshire, identified in the Town's tax records as Tax Map 32, Lots 44 & 46, with the purchase price to be funded entirely from private gifts, legacies, grants, or other devises.*

Shirley moved to vote on Article 9, and Nancy seconded.

Ryan explained that the Board of Selectmen set up a trust fund and a committee has been authorized to raise funds. He noted that the NH DOT is still doing an appraisal, and it's still unclear what the final price will be. He further noted that if the sale doesn't happen, funds will be returned to donors.

Shirley noted that she wouldn't support this project if a private entity was buying it. She said that public access to the lake is important.

Holly said she was not in favor of this article due to lack of information regarding specific costs after the acquisition of the property.

James asked whether there is a timeline or deadline to raise funds. Ryan said the state is set to sell these parcels. Eric asked the approximate cost of the parcels; Ryan said that the number has not been finalized. Ryan noted that the NH DOT paid \$700K, and the town has the land assessed at \$118K. John Kluge noted that the road going through the properties has limited its value.

Ryan said he would like to see flexibility, but is open to being amenable to use restrictions to help with negotiation.

Holly said that there should be a 5-7 year plan that addresses costs.

John said that some people have shared worry that a future Board of Selectmen may push for further development. He added that there are no plans for developments that would raise the tax rate. He said that some other Board in the future might, but the current Board cannot limit future actions taken by voters.

Holly said that the community building was a gift to the town, and maintained that there has not been enough cost transparency. Ryan said that there would be an informational session held soon.

Sam said there have been issues similar to this such as the furnace on Shedd Street, an example of taxpayers bearing the cost of heating a building full of gifts to the town.

Ryan said the committee will not be closing the door on fundraising, and could hold a fundraising drive every year.

Eric asked what the cost is now; Ryan said there is \$4K budgeted for mowing, plowing and other maintenance, as well as a port-a-potty at a shared cost with the sailing club and rail trail association.

Eric asked what would happen if the state gives a high sales price. Ryan said that park advocates and the state would negotiate in front of a legislative committee.

Article 9 recommended by the budget committee (6-1).

*Article 10: To see if the Town will vote to raise and appropriate the sum of \$76,000 for the purpose of funding a strategic planning and governance project and the purchase and implementation of municipal finance and permitting software.*

Nancy moved to vote on Article 10, and Eric seconded.

Article 10 recommended by the budget committee (7-0).

*Article 11: To see if the Town will vote to raise and appropriate the sum of \$395,968 to be placed in the Capital Improvement Plan Capital Reserve Fund.*

James moved to vote on Article 11, and Eric seconded.

Ryan clarified that Article 11 would be amended upon approval of Article 10.

Article 11 recommended by the budget committee (7-0).

*Article 12: To see if the Town will vote to raise and appropriate the sum of \$30,000 for wastewater asset management and planning, and to authorize the issuance of not more than \$30,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon.*

James moved to vote on Article 12, and Shirley seconded.

Ryan explained that the cost is essentially \$600 for a 30K “loan” that offers a 2% interest rate and full principal forgiveness. He said that the study would include inventory, a capital improvement plan, rate study, and a feasibility study regarding moving from Lebanon’s system to its own wastewater management system.

Article 12 recommended by the budget committee (7-0).

*Article 13: To see if the Town will vote to raise the sum of \$1 for the purpose of reducing the general fund deficit pursuant to RSA 41:9, V.*

James moved to vote on Article 13, and Nancy seconded.

James noted that Ryan had explained this article earlier in the meeting. Ryan said the amount is a placeholder signifying commitment to address the deficit, if there is one.

Article 13 recommended by the budget committee (7-0).

*Article 14: To see if the Town shall raise and appropriate the sum of \$2,400 for deposit into the Cemetery Maintenance Expendable Trust Fund with said funds to come from the unassigned fund balance.*

Mike moved to vote on Article 14, and Eric seconded.

Ryan noted that the budget committee will no longer need to vote on this article again, based on the state's RSA.

Article 14 recommended by the budget committee (7-0).

*Article 15: To see if the Town will vote to authorize the Board of Selectmen to enter into a 20-year electric power purchase agreement with Barrington Power LLC, of Barrington, NH who will install, own and maintain a solar energy system on the Department of Public Works shed, and to grant a lease and easement for access to the location of the system. The Town will purchase the local solar energy at \$0.12/kWh the first year, with a 2% increase each year, and includes an option to purchase the system. The Board of Selectmen would be authorized to negotiate terms and enter into said agreement through December 31, 2018, at which time the authorization would expire and necessitate additional Town Meeting approval.*

Mike moved to vote on Article 15, and Nancy seconded.

Sam noted that the agreement doesn't specify how much power is to be purchased. Ryan said the Board of Selectmen has the ability to turn down the agreement if they do not approve of the final terms.

Eric asked what "option to purchase" means. Ryan said the town has not received a completed draft of the agreement.

Sam asked whether the town has done comparison figuring; Ryan said that 3 companies offered proposals and Barrington's was most favorable.

John noted this article was approved by the Board 3-0.

Article 15 recommended by the budget committee (7-0).

### **Approval of Minutes**

James motioned to approve the minutes of the January 30 meeting, and Mike seconded.

Holly pointed out where her name was not capitalized in the minutes.

The minutes were approved with that correction.

Public comment:

none.

### **Adjournment**

Sam closed the meeting at 8:32 p.m.