

**TOWN OF ENFIELD
ENFIELD BUDGET COMMITTEE
MEETING MINUTES February 1, 2024**

TIME: 6:30 PM

**LOCATION: Dept. of Public Works Facility & Teams Videoconference
74 Lockehaven Road, Enfield**

COMMITTEE MEMBERS PRESENT: Jane Plumley, Dan Kiley, James Fickett, John Kluge (ex-officio), Shirley Green (Vice-Chair), Dimitri Deserranno (Chair, via Teams), Tina Stearns (via Teams), Brad Rich

COMMITTEE MEMBERS EXCUSED: Nancy Smith, Mike Diehn

STAFF: Ed Morris (Town Manager), Alisa Bonnette (Assistant Town Manager), Whitney Banker (Recording Secretary)

MEMBERS OF THE PUBLIC: Roy Holland, Jean Patten, Steve Patten, Wendy Huntley, Rob Taylor, Jim Taylor, Tracy Young, Dan Regan, David Beaufait, Sharon Beaufait, Craig Sanborn, Kevin Marker, Kate Plumley Stewart,

CALL TO ORDER

Vice-Chair Green called the meeting to order at 6:30 pm.

BUSINESS

Budget Review

Mr. Morris said that there was a mistake in the Property Tax Revenue figure for 2023. He reviewed the corrected figure. The corrected figure brings the percentage increase to 15.01% for the town portion.

Mr. Morris confirmed that the other numbers reviewed on Chair Deserranno's spreadsheet last week remain the same.

Mr. Kiley asked if the collapsing trust funds could go into the CIP (Capital Improvement Program) fund and be used to lower the tax effect for one year. Mr. Morris said this could be done; however, it would only push the increase out by one year. Mr. Kiley commented that this would mean the Select Board (SB) must make faster decisions about selling properties (such as Shedd Street, Johnston Drive, etc.)

Mr. Rich commented that he did not feel they could push a 15% increase to the town taxpayers. Mr. Morris said this was presented with the building projects at town meeting, so it is anticipated. Mr. Kiley said that the presentation included a discussion of grants which have not been realized. Mr. Rich agreed that he believed many taxpayers were anticipating grants. Mr. Morris reminded members that many grants cannot be used toward new buildings. He said they worked on the projected numbers and anticipated an increase in figures for that presentation. In 2023, the town applied for \$2.3 million worth of grants; the total awarded was \$1,096,726.00. 1/9 of the budget was returned in grants. The efforts to apply for grants have significantly increased in recent years. Vice-Chair Green said it had been known for many years that Whitney Hall needed to be renovated and expanded. The project was pushed forward until it could no longer be pushed forward.

Members agreed that the large percentage increases last year and this year are not sustainable for community members.

Chair Deserranno said that the Undesignated Fund Balance (UFB) expected number has come down, and they are now proposing to spend more out of the undesignated fund that is being added to it. He said he would not suggest spending more out of the UFB than is being added. Mr. Kiley agreed and said this is why he suggested rolling the trust fund balances into CIP. Mr. Morris suggested the possibility of putting the CIP on the warrant as written and putting an amendment to the CIP.

Ms. Patten asked what the recommended raise for all employees is. Mr. Morris said this is different for every employee, as proposed. He has a two-year plan based on the compensation study. The average is 2.2% on top of the 2.8% COLA (Cost of Living Adjustment).

Ms. Patten asked if any new positions are being proposed and what the costs are if so. Mr. Morris said that no new positions have been proposed.

Ms. Patten said it appears the town is paying extra for things taken to the transfer station in addition to the curbside pickup. She asked if there is any way to charge for transfer station drop-off so that the town does not pay twice for the same household's trash disposal. Mr. Morris said there had been some discussion about a fee for the transfer station.

Mr. Regan asked, referring to the meeting two weeks ago, the jump was stated to be 11.6%, and it is now 15% - what changed? Mr. Morris said they had initially used the proposed number for the percentages, which had not been updated on the spreadsheet. There is no tax change; it was just represented by an anticipated number versus the actual number.

Mr. Regan asked if the overall tax increase was discussed as about 6%; what is it now? Mr. Morris said it is closer to 7%. Mr. Morris clarified that last year's increase was 5.4%.

Chair Deserranno asked, how are we paying twice for trash disposal? Mr. Morris said there would be excess fees for tonnage pickup from the transfer station. Mr. J. Taylor noted that the tipping fees for the curbside and transfer station are the same, but the difference is that the items collected at the transfer station have a separate trucking fee to take away and bring back the container. Mr. J. Taylor clarified that excess trucking would cost about \$10,800 per year. Mr. Kluge said that this would make little difference in the budget.

Mr. Patten said that he felt they would be better off if the town could save even small amounts here and there.

Ms. Patten said that there was a recent meeting where the special paint job for the pumper truck was discussed, and a SB member questioned if it was necessary. She said that while the cost was small and wouldn't impact the budget, community members witnessing that the town is trying to save money here and there makes a difference. She said having positive PR for the community is important, even if the small numbers won't affect the tax rate.

Ms. Beaufait said that she felt it was about the attitude. She said that community members have to make decisions daily about budgets, where to spend, and where to cut. She said that anything passed on to the taxpayers is a difficult squeeze – especially with two years in a row of significant increases. It is compounded. She said those on sewer and water have also had 7% increases in these costs. She said fiscal responsibility for the town is important in making decisions. Ms. Beaufait stated her concern for what costs may create increases next year, the impact this will have on community members, and whether

members can continue to live in the community. She also said that there was a previous history of community volunteer efforts for some things needed when funds were not available.

Mr. Holland asked what percentage of the 7% is from the new buildings if it is about half, 3.5%? He said that the majority of taxpayers already agreed to spend that money. He said that he felt committee members and community members who attended earlier meetings agreed that the proposed budget was at a point where to lower it would mean what services would the town want to cut? Mr. Rich said that he felt a more extensive discussion was needed and that it would not necessarily be cutting services.

Ms. Stewart said that at last year's town meeting, they were adamant that they would do their best to apply for grants (and the town has), but no promises were made that grants would be received. They were cautious to be clear about what the bottom-line cost was and that grants were not guaranteed.

Mr. Beaufait asked if any grants were in the pipeline and likely to be funded. Mr. Morris and Mr. Holland confirmed some were in the pipeline but did not know about the funding. Mr. Morris said that some grants are almost guaranteed (such as the generator grant for the Public Safety building; however, it has already been factored into the budget). He said they can't guarantee any grants but will continue to apply aggressively.

Ms. Patten said there was some discussion about taking \$100k to lower the tax rate, and we know this cannot happen annually. She asked if the 15% included the \$100k. Mr. Morris said that it did include it.

Ms. Patten asked, for the CIP, what amount is going into that fund this year? Mr. Kiley said it is \$604k. Ms. Patten wanted to know if there is a possibility to reduce the amount that goes into the CIP fund. She said that she understands what that money is used for but that putting less away would not reduce services. Mr. Morris said this could be done, which Mr. Kiley had suggested earlier in the meeting. It is possible but would shift the tax impact to next year (not remove it).

Me. Regan said that he learned a lot two weeks ago by attending the meeting. He said that he felt good about the work done for the budget after that meeting, but based on today's discussion, he is worried about the numbers and how community members will react. He cautioned that there may be a "pendulum swing" toward cutting as many things as possible.

Mr. Beaufait said that the trust funds were each established at different times in the past with very specific purposes for their existence. He said he felt the money from those funds should be returned to the taxpayers. Mr. Kiley said that one was a land acquisition, the largest portion.

Chair Deserranno said, one correction to an earlier comment, that the 47% of the tax rate increase in the operating budget is from the new building loans only. Adding the building loans, Casella, and health insurance is 76% of the increase.

Ms. Stewart cautioned everyone about getting excited about percentages. She said that this year is a full-year re-evaluation and that how the numbers are adjusted is impossible to predict. She said the percentages are not linear. Mr. Patten said that if we reevaluate and all properties increase in value by a lot, even if the percentage is smaller, taxpayers will still pay the same amount; it will still take the same amount of money to run the town.

Mr. Young said he came to this meeting with the same suggestion Mr. Kiley had made, putting the \$111k from collapsing trust funds into CIP. He felt that using that, combined with the \$100k from the UFB, would make it fair to say to taxpayers that they will see a reduction of nearly \$200k. Chair Deserranno said the UFB \$100k is already included in the equations. He asked if the committee wanted to spend more

of the undesignated compared to 2023. Mr. Morris said this could not happen yearly but could be done in years with abnormal expenses.

Mr. Morris said that adding \$100K more would take the tax rate increase to 13.6%. Mr. Kluge commented that this had symbolic value. Mr. Young commented that the Methodist Hill and Shedd Street properties will hopefully bring money in for 2024.

Ms. Patten asked if there is any dollar amount in the current budget to allow for the completion of the Shedd Street remediation. Due to the recent situation with Hammond's and NH DES (Department of Environmental Services), she asked if there is a contract in place and if it will be impacted. Mr. Morris said a contract is in place, and the work is included in the price.

Ms. Beaufait asked for clarification on the 15% and 7% percentage differences. Mr. Morris said that the town portion of the tax rate is the 15% being discussed, but it is a smaller portion of the overall tax bill. The school and state/county rates contribute to the overall tax bill.

Mr. Kiley asked board members if they wanted to use the \$100K, as Chair Deserranno had asked the board to decide. Mr. Kluge felt that as a one-time use, this would be fine. Mr. Morris agreed that this year's increase is more significant than normal and is an extenuating circumstance. Mr. Young said that he viewed it as a one-year effort to stabilize the tax rate by providing \$100k from the UFB and \$100k from collapsing the trust funds for a total reduction of \$200k.

Ms. Patten commented on the Listserv about community members not attending the meetings. She said many people feel well informed, even without attending the public hearings.

Vice-Chair Green asked board members if they agreed to overspend the UFB by showing their hands. She also asked members if they agreed to use the collapsing trust funds toward reducing the tax rate. A consensus was confirmed for both; Chair Deserranno will add this to the presentation. Mr. Morris will send an overview to Chair Deserranno, and a list of grants received last year to include in the presentation.

Vice-Chair Green moved on to the next agenda item with no further comments or questions.

Presentation Review

Mr. Morris asked Chair Deserranno if there were any parts of the presentation he wished to show. Chair Deserranno said he received some minor feedback from committee members. He will finalize the presentation by this Sunday, February 4, and send it to members.

Vice-Chair Green moved on to the next agenda item with no further comments or questions.

Draft Warrant Review

Ms. Bonnette said that the SB still needs to set the warrant but wanted to provide members with a review of items that will be part of the hearing. The order of the draft is not necessarily the order that the articles will be in; SB will set the order of articles.

Mr. Kiley asked for the article that proposes to discontinue trust funds if the \$111,813 is available to spend. Mr. Morris confirmed that it was.

Mr. Young asked if the BC would vote before Tuesday's SB meeting. Mr. Bonnette said that Tuesday would be for the SB to vote, and that the BC would vote at their meeting on Wednesday (the SB can change their vote at that BC meeting if needed, as it is also posted as an SB meeting).

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206 Vice-Chair Green moved on to the next agenda item with no further comments or questions.

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208 **OTHER BUSINESS**209 **Public Comments**210 Ms. Patten asked if money was given to the Mascoma Community Health Center (MCHC) program this
211 year. Mr. Morris and Vice-Chair Green said they did not, and MCHC did not apply.

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213 Mr. Beaufait commented that he felt voters would be forthcoming that cuts are needed.

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215 **Any Other Business**

216 Ms. Stewart said tomorrow is the last day to file for public office by 5:00 pm.

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218 With no further business, Vice-Chair Green moved on to the next agenda item.

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220 **NEXT MEETINGS**221 **February 6, 2024, presentation to Select Board, 6:30 PM, Public Works Facility & via Teams**
222 **videoconference**

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224 **February 7, 2024, Public Budget Hearing & Budget Committee meeting, 7:00 PM, Public Works**
225 **Facility & via Teams videoconference**

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227 **ADJOURNMENT**228 Mr. Kiley made a motion to adjourn at 7:42 pm. Mr. Kluge seconded. Vote unanimously in favor of the
229 motion (8-0).

230 The meeting was adjourned at 7:43 pm.