

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
December 11, 2019
Minutes**

Members Present: John MacDonald, Chairman, Bob Tougher, Vice-Chairman, Paul O'Brien, Selectmen's Representative, Linda Murray, Selectmen's Representative, Steve Johnson, Bob O'Brien, John Burt, Robert Loughman, Bob Moholland, Brian Black, Members.

Staff Present: Jim Pineo, Town Manager, Troy Neff, Finance Director, Lee Ann Hendrickson, Administrative Secretary, Matt Sullivan, Director of Planning & Development, Pat Waterman, Town Clerk, Brenda Lapointe, Tax Collector.

Other Present: Tim Goodwin, Wolfeboro Community Television.

Chairman MacDonald called the meeting to order at 6:35 PM at the Great Hall.

The Committee participated in the Pledge of Allegiance.

GENERAL GOVERNMENT

EXECUTIVE

Bob Tougher stated that it doesn't appear that the clerical salaries reflect the 2% wage increase.

Jim Pineo agreed with such.

It was moved by Bob Tougher and seconded by John Burt to increase Part Time Wages 01-41301-112 to reflect the 2% wage increase for the Budget Committee secretary, Agricultural Commission secretary and the Heritage Commission secretary. All members voted in favor. The motion passed.

Troy Neff stated he would provide updated figures.

Robert Loughman recommended reviewing the consolidation of legal expenses.

MISCELLANEOUS OPERATING EXPENSES

No changes.

FINANCE

John Burt questioned consultants.

Troy Neff stated such relates to services provided by Brenda Vitner and reviewed the backup information for the funding request.

Jim Pineo stated the Town Manager and Finance Departments are still in a learning phase and Ms. Vitner has been an asset to help navigate day to day, month to month and year to year operations. He stated the funding request reflects her services one day/week.

Troy Neff stated \$17,000 has been expended in 2019 for her services; noting the funding request for 2020 has been reduced to \$15,000.

Bob Tougher noted the Finance budget is down 14.33%.

It was moved by John MacDonald to decrease Audit Services 01-41501-301 from \$28,000 to \$25,000. John Burt seconded.

Discussion of the motion:

John MacDonald stated traditionally the cost for such has been \$25,000.

Troy Neff stated the request for \$28,000 reflects a cost estimate from the current auditor for the 2019 audit that will occur in 2020. He noted the service will be bid out in 2021.

It was moved by John MacDonald to decrease Audit Services 01-41501-301 from \$28,000 to \$25,000. John Burt seconded. Robert Loughman, Tom Bell, Matt Plache, Bob Moholland, Steve Johnson, John Burt, John MacDonald voted in favor. Bob Tougher, Brian Black opposed. The motion passed.

TECHNOLOGY

Referencing computer maintenance, specifically State Police On-line Telecommunications, John MacDonald stated the Town no longer has to pay the State for such and recommended removing such from the budget.

It was moved by John MacDonald and seconded by Steve Johnson to decrease Computer Maintenance 01-41990-425 by \$4,500 from \$177,245.58 to \$172,745.58. All members voted in favor. The motion passed.

BREWSTER BUILDING

John Burt expressed concern regarding the energy inefficiency of the building.

Matt Sullivan agreed there is inefficient energy use of the building. He noted the building is being used more which creates additional heating and cooling costs.

Robert Loughman asked if there is a way to measure the usage of the zones.

Matt Sullivan replied no.

Matt Plache questioned the income for the use of the Great Hall.

Matt Sullivan stated the Town averages three paid bookings per week at \$50/booking and noted he would confirm the revenue for the building. He stated the staff time associated with each event and use of the building far exceeds the \$50.

PLANNING

Matt Sullivan noted the addition of a new line, outside services, in the Planning budget to reflect a grant opportunity to perform a study of the Lehner Street corridor.

PLANNING BOARD

No changes.

ZONING

No changes.

CODE OFFICER

No changes.

TOWN CLERK

No changes.

Robert Loughman recommended that any election related purchases be placed in the Election budget line.

TAX COLLECTOR

No changes.

ASSESSING

Referencing 75:8-a Title V Taxation, Bob Tougher stated by law the revaluation is required to be done every five years. He stated that by having a warrant article for the cost of the revaluation a person thinks it is a choice when it is not a choice. He expressed concern if the warrant article fails and questioned if such happens where the Town would get the money for the revaluation.

Jim Pineo stated he is putting faith in the language of the warrant article; noting the article language includes “statutory obligation” and “no tax impact”. He stated the Budget Committee can put the money back into the budget.

John Burt disagreed that there is no tax impact and stated he believes the funding should be in the operating budget.

Jim Pineo stated the assessor has backed out of the revaluation and the Town is currently trying to find a vendor. He stated that when the tax rate is set the Town can use the unrestricted fund balance to pay down the taxes. He noted that the Department of Revenue recommends maintaining ten percent and the Town’s policy states “strive to not exceed ten percent.”

Bob Tougher stated he believes the funding should be in the operating budget.

Matt Plache questioned the penalty if the Town doesn’t conduct the revaluation.

Paul O’Brien stated he believes the Town will be held harmless if a vendor cannot be found.

John MacDonald asked what the increase would be if it is included in the budget.

Jim Pineo stated it would depend upon the cost of the revaluation.

John MacDonald questioned the percentage increase if the cost is \$180,000.

Troy Neff replied 1.34% for the General Fund.

Steve Johnson recommended the funding be placed in the operating budget.

Robert Loughman stated he supports a capital reserve account for such.

Jim Pineo stated the Town participates in a cyclical update; noting the Town reassesses one quarter of the Town each year for four years and then the data is compiled in the fifth year. He stated such is standard practice around the State.

It was moved by Bob Tougher and seconded by John Burt to maintain \$180,000 in the operating budget for Property Revaluation 01-41503-392 (rather than proposing a warrant article for such).

Discussion of the motion;

John MacDonald stated he is opposed to such; noting a warrant article provides the opportunity to take \$180,000 from the unrestricted fund balance to pay for the revaluation. He stated he feels the BOS should make a commitment to use the unrestricted fund balance to pay down taxes.

Brian Black stated there should be a capital reserve account to pay for the revaluation costs. He stated he believes the cost would be more palatable to the taxpayer if it were presented through a warrant article.

Bob Tougher stated the assessed value of the surrounding towns has increased and Wolfeboro's assessed value will more than likely increase therefore, there are enough people that will think there is a choice to do the revaluation.

Steve Johnson stated that if the Budget Committee is split on the warrant article vote that such could influence the taxpayer's vote.

Bob Tougher stated he doesn't understand how mandatory spending can be through a warrant article.

Matt Plache stated he agrees with the notion and understands it is a mandatory obligation however, will vote against the motion because the true cost of the revaluation is not known. He noted the penalty is also not known.

Tom Bell asked what will happen if the warrant article fails.

John MacDonald stated he doesn't believe it will fail.

John Burt stated that anything that is done that puts out the impression there is no tax impact is wrong.

Jim Pineo stated in 2016 the tax rate was bought down \$402,524; noting a \$1 million fund balance. He stated in 2017 the tax rate was bought down \$200,000; noting a \$1,119,621 fund balance. He stated in 2018 and 2019 the tax rate was not bought down; noting a fund balance in 2018 of \$1,567,000 and in 2019 of 2,704,271. He stated that if the funding for such is placed in the operating budget it would be his intention to set the tax rate in 2020 by what the assessment is determined to be. He stated a capital reserve fund should be established in 2021.

It was moved by Bob Tougher and seconded by John Burt to maintain \$180,000 in the operating budget for Property Revaluation 01-41503-392 (rather than proposing a warrant article for such). Bob Tougher, Tom Bell, Bob Moholland, John Burt voted in favor. Robert Loughman, Matt Plache, Steve Johnson, John MacDonald, Brian Black opposed. The motion failed (4-5).

The Committee agreed to vote in favor of the warrant article.

TOWN MANAGER

No changes.

Capital Outlay

WCTV Equipment Upgrade; \$19,932

Tim Goodwin stated the equipment is outdated and in need of an upgrade to improve the quality of video service. He distributed a revised funding request that reflects a decrease in the request from \$34,932 to \$19,932; noting the Wolfeboro Fund has contributed \$15,000 toward the project contingent upon Town funding for the balance of the project.

John MacDonald asked if the revenue from the cable company could be used to fund the upgrade.

Jim Pineo replied no and noted that the revenues continue to decrease every year. He stated the contract will be up for renewal in 2021.

It was moved by Bob Moholland and seconded by Bob Tougher to decrease WCTV Equipment Upgrade Capital Outlay project from \$34,932 to \$19,932. All members voted in favor. The motion passed.

Code Department Vehicle; \$26,054

Matt Sullivan stated the current vehicle is a 2010 Ford Escape with 55,000 miles and the Town's mechanic reported the vehicle is in need of substantial repairs. He stated without the repairs the vehicle will not pass inspection.

John MacDonald asked the Town to consider a lease purchase or second hand vehicle. He asked if there is any remaining funds in this year's budget to cover the cost of the vehicle.

The Committee requested the following;

- Cumulative balance of unexpended funds of Department's 2019 budgets
- Trade-in value of existing vehicle

Other Business

Troy Neff distributed budget sheets for the Enterprise Funds technology budgets, estimated revenues and Default Budget.

John MacDonald noted the information would be discussed at the Committee's 12/12/19 meeting.

It was moved by John Burt and seconded by Steve Johnson to adjourn the December 11, 2019 Budget Committee meeting. All members voted in favor.

There being no further business before the Committee, the meeting adjourned at 9:26 PM.

Respectfully Submitted,
Lee Ann Hendrickson
Lee Ann Hendrickson

****Please note these minutes are subject to approval and amendments at a later date.**