

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
APPROVED MINUTES
December 14, 2023**

I. Call To Order

Chairman MacDonald opened the meeting at 6:06 pm at the Wolfeboro Public Library.

Members Present: John MacDonald, Chairman, Bob Tougher, Vice-Chairman, Bob Loughman, Brian Black, Paul O'Brien, Bobbi Boudman, Tom Bell, Matt Plache, Members, Brian Deshaies, BOS Representative, Linda Murray, BOS Alternate Representative.

Member Absent: Bob Moholland, Member (excused).

Staff Present: Jim Pineo, Town Manager, Kathy Carpentier, Finance Director, Lee Ann Hendrickson, Administrative Assistant.

II. Pledge of Allegiance

The Committee participated in the pledge of allegiance.

III. Public Comment

Suzanne Ryan stated she listened to the Committee's December 12 meeting; noting she did not appreciate the tone of the members. With regard to the issue of making up the shortfall, she stated that as a taxpayer she does not want the Committee touching the Electric, Water and Sewer Funds and questioned whether such is permitted. She requested the Town to find another source and the Friends of Pop Whalen that caused this issue should be part of the solution.

IV. 2024 Budget Presentations

General Government

Insurance

Paul O'Brien asked if the insurance is driven by claims.

Kathy Carpentier replied no.

Executive

Referencing Cable Channel, Paul O'Brien confirmed the increase is associated with salaries and questioned whether consideration has been given to raising franchise fees. He stated the existing model is not working and the matter needs to be rethought. He noted the residents of Browns Ridge Road are paying the franchise fee however, is not getting Community Television.

Bobbi Boudman asked if there is income received from the ads being placed.

Jake Cantrall stated no revenue is made from the You Tube ads.

John MacDonald questioned the increase in milfoil treatment.

Linda Murray stated a chemical treatment is proposed next year; noting the cost of the chemical and application of such has increased.

Town Manager

John MacDonald questioned the increase in consultants.

Jim Pineo stated a townwide (except for the Municipal Electric Department employees) Wage and Benefit Study is proposed; noting the last study conducted was ten years ago.

Town Clerk

Bob Loughman questioned the increase in part-time wages.

Jim Pineo stated there are five elections in 2024.

Assessing

Jim Pineo stated the Assessor originally requested funding to continue the cyclical data collection however, the BOS removed the funding for such because they made a decision to conduct a full revaluation.

John MacDonald questioned cyclical data collection.

Jim Pineo stated data is collected annually for approximately 25% of the Town; noting the assessor verifies what is noted in the record is what is on the ground.

Bob Tougher stated the Town's assessed value has increased over the last three years; noting approximately 1,100 permits have been pulled each year.

Tavis Austin stated there have been approximately 1,100 in 2023 as well.

Tax Collector

Brenda LaPointe stated the office is in the process of changing its software for billing.

Kathy Carpentier stated tax bills are due January 8.

John MacDonald questioned the impact of the revaluation.

Brenda LaPointe stated the impact would be shown on the second bill of 2024.

Revaluation of Property

Jim Pineo stated the Town put out an RFP and received one bid for the revaluation; noting the bid is in line with the proposal. He stated an additional \$12,000 needs to be added to the funding request for postage and handling for the project (2 mailings).

It was moved by Paul O'Brien to increase 01-41520-380 Outside Services by \$12,000 from \$200,000 to \$212,000. The motion was seconded by Tom Bell. All members voted in favor. The motion passed (9-0-0).

Bob Loughman confirmed the next revaluation (after 2024) would be 2029 and questioned whether the revaluation could be put off one year.

Jim Pineo stated it could be pushed out however, he does not recommend such.

Bob Loughman confirmed the BOS has decided that the revaluation will be done this year and asked if the BOS has the authority to make the decision without input from the Budget Committee.

Jim Pineo replied yes however, would receive legal opinion regarding such.

Bob Tougher read RSA 75:8-a. He reviewed the current assessments of local towns; noting Wolfeboro is assessed at \$2,452,650,429 in 2023 and \$2,420,748,144 in 2022. He stated per the NH Assessor Manual, the State of NH requires that property subject to a tax based on value be revalued at least every five years. He stated NH acceptable ratios that determine success in a revaluation is a median assessment/sale price ratio between .90 and 1.10. He stated he would be opposed to removing the revaluation in 2024.

Legal Expenses

No changes.

Personnel Administration

Jim Pineo stated the budget includes health insurance, life and disability insurance, dental insurance, employment compensation, and workers compensation.

Kathy Carpentier stated dental increased 4% and health increased 10% in 2024 (both for the second half of the year).

Miscellaneous Operating Expenses

No changes.

Health Officer

No changes.

Debt Service

Paul O'Brien questioned the debt associated with the Public Safety Building.

Kathy Carpentier stated the Town was authorized \$13 million however, the Town only took out \$7 million.

Bob Tougher confirmed the total debt service as of 12/31/24 is \$32,520,472 and as of 12/31/25 the Town will be approaching \$40 million in net debt service.

Linda Murray confirmed when the Town receives a State Revolving Fund such is not included in the debt statements.

Sewer Fund Operating Transfer

No changes.

Planning & Zoning**Zoning Board**

Paul O'Brien questioned the increase in advertising.

Tavis Austin stated the ZBA recently made a decision to only use the Granite State News for public notices as well as publishing the ZBA's Notices of Decision; noting the latter is not legally required. He stated the Department will request the BOS to increase fees to offset the additional cost of this line. He noted a decrease in travel and meetings, specifically mileage (travel) to conferences (such are available online).

Planning Board

The Committee discussed impact fees.

Planning

No changes.

Brewster Building

No changes.

Code Enforcement

No changes.

Finance & IT**Finance**

No changes.

Technology Services
No changes.

V. Other Business

Letter to Department of Revenue Administration

Jim Pineo reviewed the letter to the DRA requesting permission to perform a line item transfer from the Electric Fund to the General Fund; noting such needs to be signed by the BOS and Budget Committee. He stated the Town is asking for consideration to over expend the 2023 fiscal year operating budget by a not to exceed amount of \$175,000.

John MacDonald expressed concern for taking money from the Electric Fund and asked if the Town would pay the Fund back with interest.

Kathy Carpentier stated the hope is that none of the money will be needed. She stated the Fund has \$6 million in fund balance. She reviewed the events that led to the disallowance.

Paul O'Brien confirmed that the electric rates would not increase as a result of the request.

Bob Loughman stated language "should it be necessary" should be added to page 2 of the letter, 1).

Matt Plache stated the letter does not explain the unusual circumstance that exists and asked if the DRA has the authority to approve the request.

Kathy Carpentier stated the letter was discussed with the DRA and the Town was notified to move forward with the letter. She reviewed the events that led to the letter.

Brian Deshaies stated DRA does not look into the specifics of the Town's budget until the audit is completed and repeated Kathy Carpentier's explanation of the events that occurred regarding the disallowance.

Bobbi Boudman stated the Budget Committee should have been updated at the time the BOS were aware of the issue. She stated she feels the Town is to blame. She stated in 2021 the Budget Committee knew that the unassigned fund balance was \$4,235,156 and also knew the Board put a warrant article forward for \$100,000 for Town Road Upgrades (Warrant Article 25). Referencing page 10 of the audit, it states the balance was down. She stated the Committee is supposed to know these numbers and know what is coming in, going out, and where the funds are. She reviewed the minutes of the August 2 BOS meeting. She stated she does not believe the letter reflects the course of the events. She stated the MOU the Committee has is dated 2021 which is based on a prior warrant article and the Committee does not have the MOU for the Friends of Pop Whalen that was based on the repairs for the \$2.7 million. She stated she is uncomfortable signing the letter and would like to make a motion to table signing the letter until Monday so that the Budget Committee can look into the matter and write a letter that the Committee feels is appropriate.

It was moved by Bobbi Boudman to table signing the letter to the DRA until December 18 and the Budget Committee draft their own letter. Tom Bell seconded the motion.

Discussion of the motion:

John MacDonald stated he agrees with Ms. Boudman with regard to tabling the signing of the letter however, the Committee should not be writing the letter; noting that Town counsel should write the letter.

Matt Plache stated he is not interested in the Committee drafting the letter. He stated the statute allows for unusual circumstances and does not believe the letter addresses such.

Paul O'Brien stated he agrees that the Committee should not write the letter and asked whether Mr. Plache and Ms. Boudman could provide guidance to the Town Manager to provide to counsel to draft the letter.

Bobbi Boudman stated she feels it is the responsibility of the Budget Committee to contribute to the content and agrees the letter should be drafted by a lawyer. She stated the Committee has to do its due diligence.

Kathy Carpentier reviewed Exhibit A which states 1. This is a letter is an emergency request letter prior to expenditure signed by a majority of the Selectmen and by a majority of the Budget Committee, if applicable, the letter must indicate the reason for the emergency as well as the amounts, purpose, and source of revenue. 2. Signed minutes from a hearing held under RSA 32:11, no hearing is required if there is an official Budget Committee and a request is signed by a majority of the Budget Committee. She noted the letter has been reviewed by legal counsel.

Bob Loughman questioned whether the letter is date sensitive.

Kathy Carpentier replied yes, prior to December 31.

Jim Pineo reviewed the criteria for granting, Section 2; requires request prior to expenditure.

Bobbi Boudman questioned the balance of the unassigned fund balance.

Kathy Carpentier stated such is not known because the Town has not finished spending the appropriations.

Bobbi Boudman questioned the balance of the Pop Whalen Enterprise Fund.

Kathy Carpentier stated it is in the negative.

Linda Murray confirmed the money received from the Friends of Pop Whalen went into the General Fund and not the Pop Whalen Enterprise Fund.

Jim Pineo reviewed the criteria required by DRA.

Bob Loughman confirmed that numbers 1-7 noted in the letter to the DRA cite the unusual circumstances that are generating the request to overspend the Electric Fund of \$175,000.

Roll call vote: Bobbi Boudman – yes, Bob Tougher – no, John MacDonald – no, Tom Bell – no, Brian Black – no, Matt Plache – no, Bob Loughman – no, Paul O'Brien – no, Brian Deshaies – yes. The motion failed (2-7-0).

Paul O'Brien asked Brian Deshaies if he voted for the letter as a BOS.

Brian Deshaies stated he found out information recently that is making him want to re-evaluate the letter.

Paul O'Brien asked how recently.

Brian Deshaies replied today. He stated he was explained that the DRA allowed the Town's warrant article, Article 25, for \$850,000 based on what they saw as an unassigned fund balance on December 31, 2022. He stated the unassigned fund balance as of 12/31/22 had the donations listed as received however, they were not received until 2023.

Paul O'Brien confirmed that when a donation is received as an expense such goes into the books of the Town and questioned whether such occurred.

Kathy Carpentier replied yes, in July or August 2023. She stated the money was not booked as money due to the Town.

Jim Pineo stated the Selectmen directed him to draft a letter and present such to the Budget Committee.

Paul O'Brien questioned the voting of the BOS on the letter; noting that if Mr. Deshaies voted no here at this meeting, then he must have voted no at the BOS meeting or is changing his vote.

Brian Deshaies stated the BOS have not voted on the letter and the Budget Committee's vote is supposed to be tonight.

Linda Murray stated the BOS asked the Town Manager to draft a letter to submit to the Budget Committee. She stated the BOS have not called a meeting and thought the Budget Committee would approve the letter and then it would go to the BOS for signature. She stated the BOS will have to either call an emergency meeting or address the letter at their meeting on Wednesday (December 20).

Jim Pineo reviewed the minutes of the December 6 BOS meeting and stated Selectman Deshaies made the following motion under the direction of the BOS the Town Manager will initiate procedures necessary under RSA 32:11 for emergency expenditure and overexpenditure. He stated the motion was seconded by Select Board member Linda Murray and the motion passed 5-0. He stated he took the liberty to start the process which includes the letter and backup documents.

Bobbi Boudman stated she is not against the letter, rather, she is against the Committee rushing into this exact letter. She stated it would be advantageous for those people who are elected in this room to have until Monday to review the information because it is their signatures going on the letter. She stated as elected officials they are representing the citizens of Wolfeboro in something that could potentially be a difficult sticky situation.

Matt Plache stated he is not against waiting until Monday, rather, he is against the Committee drafting the letter.

Bobbi Boudman stated the letter should be simplified.

Tom Bell confirmed the letter has been reviewed by Town attorney.

It was moved by Bob Tougher that the Budget Committee sign the letter to the NH Department of Revenue Administration, dated December 14, 2023, requesting the overexpenditure of the 2023 operating budget in the amount not to exceed the amount of \$175,000 to be taken from the surplus in the Electric Enterprise Fund. Paul O'Brien seconded the motion.

Discussion of the motion:

Bobbi Boudman stated the Committee just received the letter at the beginning of this meeting and does not believe the Committee has had time to fully review the letter and noted the Committee works for the citizens of Wolfeboro.

Tom Bell confirmed the last paragraph is the only thing that changed in the letter from the letter received on Tuesday.

Bob Loughman disagreed with Ms. Boudman.

John MacDonald stated he will vote against the motion because every time the Budget Committee has received something the Committee has always sent it to the BOS first for their vote and does not feel the process should be changed. He requested the Committee receive, in writing, approval from the Town attorney that states the letter is acceptable to send to the DRA.

Matt Plache stated he will vote no for the same reasons that Mr. MacDonald stated and expressed concern that the letter does not enumerate what the criteria are for granting the request and demonstrate that we comply with those criteria.

Paul O'Brien recommended the motion be amended to include a letter from Town Counsel and include that the Committee is confused why the BOS did not sign the letter.

Bob Tougher stated he is not going to adjust the motion.

Linda Murray stated the BOS will call an emergency meeting prior to the Budget Committee meeting on Monday (December 18).

Brian Deshaies stated that as a Selectman member yes, he recommended writing the letter, yes, he still thinks a letter is needed however, he did not understand all the circumstances around it. He stated he has been trying to do as much research as he could and figure it out. He stated he needs to understand everything before he signs it.

Jim Pineo stated the letter the Committee received was forwarded to the Town attorney who sent recommended changes to the letter (in track changes).

John MacDonald asked the Town Manager to ask Town Counsel if taking money from the enterprise fund is allowed.

Roll call vote: Bobbi Boudman – no, Bob Tougher – yes, John MacDonald – no, Tom Bell – no, Brian Black – no, Matt Plache – no, Bob Loughman – no, Paul O'Brien – yes, Brian Deshaies – abstain. The motion failed (2-6-1).

It was moved by John MacDonald to address the letter to the NH Department of Revenue Administration on December 18, 2023. Matt Plache seconded the motion.

Discussion of the motion:

Kathy Carpentier confirmed the Committee is requesting a letter from the Town attorney approving the letter to DRA.

John MacDonald requested

Roll call vote: Bobbi Boudman – yes, Bob Tougher – yes, John MacDonald – yes, Tom Bell – yes, Brian Black – yes, Matt Plache – yes, Bob Loughman – yes, Paul O'Brien – yes, Brian Deshaies – yes. The motion failed (9-0-0).

VI. Approval of Minutes

The Committee tabled such.

VII. Public Comment

Suzanne Ryan stated Kathy Carpentier is the best Finance Director the Town has had for the past twenty years; noting she is efficient and organized.

VIII. Adjournment

It was moved by Bob Loughman to adjourn the December 14, 2023 Budget Committee meeting. Paul O'Brien seconded the motion. All members voted in favor. The motion passed.

Next Budget Committee meeting is scheduled for December 18, 2023 at 6:00 PM at the Wolfeboro Public Library. Agenda to include the warrant article reviewed and voted on by the BOS. Default Budget and Estimated Revenues rescheduled for December 28.

There being no further business before the Committee, the meeting adjourned at 8:44 PM.

Respectfully Submitted,

Lee Ann Hendrickson

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