

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
MINUTES**

January 4, 2021

Great Hall, Wolfeboro Town Hall and Virtual Access

Chairman MacDonald opened the meeting at 4:41 pm.

I. Preamble and Roll Call of Members in Attendance

Good evening and welcome to the January 4, 2021 meeting of the Wolfeboro Budget Committee.

Due to the COVID-19/Coronavirus crisis and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order #2020-04, this Board is authorized to meet electronically. However, the Committee has jointly decided to proceed with a 'hybrid' meeting format allowing for members of the public and Board to attend and participate in the meeting in-person or virtually. In accordance with RSA 91-A: 2, III, the Board has 5 members joining the meeting remotely, which a public body has the authorization to allow.

At this time I would like to take a roll-call vote of ALL members present. For those participating virtually, please indicate why your attendance is not reasonably practical and if you have any other individuals present in the room with you.

Budget Committee Members Present (In-person): John MacDonald, Chairman, Bob Loughman, Matthew Plache, Steve Johnson, Bob Moholland, Members.

Budget Committee Members Present (Virtual): Bob Tougher, Vice-Chairman (indicated he is at his residence and no one is present), John Burt (indicated he is at his residence and no one is present), Tom Bell (indicated he is at his residence and no one is present), Linda Murray, BOS Alternate Representative (indicated she is at her residence and no one is present).

Votes taken during this meeting will be via roll call vote for ALL members.

In accordance with Emergency Order #12, for members of the public, this is to confirm that we are:

1. Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means through GoToMeeting. All members of the public and Board have the ability to communicate contemporaneously during this meeting through the GoToMeeting platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone #+1 (646) 749-3122 followed by the audio access code 918-242-429, or by video following the directions on the Town of Wolfeboro Website posted on the home page under the Virtual Town Meeting Login Information page.
2. Providing public notice of the necessary information for accessing the meeting; we previously gave notice to the public of how to access the meeting in-person or using GoToMeeting and in, and instructions are provided on the Town of Wolfeboro website at wolfeboroh.us on the Virtual Town Meeting Login Information page.
3. 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 accessing the meeting via phone or computer, please immediately call 603-486-2692 OR email hendrickson.jeeann@gmail.com. In the event that the public is unable to access the meeting, we will adjourn the meeting and have it rescheduled at that time.

Members Absent: Brian Black, Member (excused), Paul O'Brien, Selectmen's Representative.

Staff Present (In-person): Jim Pineo, Town Manager, Lee Ann Hendrickson, Administrative Secretary.

Staff Present (Virtual): Kathy Carpentier, Finance Director.

The Committee participated in the Pledge of Allegiance.

II. Warrant Articles

Article X: Police Vehicle Purchase

\$57,077

John MacDonald read Article X.

Steve Wood stated article is part an annual request for a police vehicle until the Police Department gets to 11 cruisers. He stated once there are eleven cruisers the Department will then begin to rotate one out as one is purchased. He stated the Department lost four vehicles in a period of two years.

Bob Loughman questioned the language in the warrant article that states “from the General Fund”.

John MacDonald stated a small amount of money will be used from the capital reserve account and the remainder raised through general taxation.

John Burt questioned the number of vehicles the Department currently has.

Steve Wood replied 9. He stated the Department has been suffering without a full amount of vehicles to respond to calls. He stated the officers can’t manage the scenes and such is not acceptable to the Police Commission; noting it is an operating decision based on data.

Article AA: Water Resources Capital Reserve Fund \$50,000

John MacDonald read Article AA.

Jim Pineo stated such is a new capital reserve fund request under the Trustees and the BOS are the agents to expend. He reviewed the language of the article.

Bob Loughman questioned whether such is a duplication of effort given the funding for such in the Executive budget.

Jim Pineo stated the Executive budget reflects specific tasks outlined by the Wolfeboro Waters Committee.

Linda Murray stated the fund would be in place for grants to be sought by the Town. She stated once the Wolfeboro Bay Watershed Assessment is complete the Town can apply for grants to assist with funding projects. She stated the funding for the Wolfeboro Waters Committee addresses supplies, website development and public relations efforts. She noted \$15,000 of last year’s warrant article went to 319 grants. She referenced the Birchmont project.

Matt Plache asked if last year’s \$50,000 appropriation was spent.

Jim Pineo stated the project is actively taking place.

Matt Plache stated Article 26 from last year specifically included language relative to two grants however, this year’s warrant article is open-ended.

Jim Pineo stated last year’s warrant article was for a specific project.

Bob Loughman asked if other towns are doing the same thing.

Linda Murray stated the Lake Winnepesaukee Association has taken over the watershed and developing management plans for individual towns.

Steve Johnson questioned the balance of last year’s warrant article.

Jim Pineo stated he would retrieve such.

Matt Plache asked how such fits within the RSA (35-1) allowing towns to establish capital reserve funds. He recommended someone looking into such.

Article L: Milfoil Eradication Public Capital Reserve Fund

John MacDonald read Article L.

Jim Pineo stated there is no funding associated with said warrant article.

Article E: Public Works Vehicle and Equipment Capital Reserve Fund

\$180,000

John MacDonald read Article E.

Jim Pineo stated the amount of the contribution was increased from \$175,000 to \$180,000 due to the price of the vehicle.

Article N: Building Maintenance Capital Reserve Fund

\$75,000

John MacDonald read Article N.

Steve Johnson questioned the difference between the warrant article and the funds appropriated for building maintenance in the operating budget.

Jim Pineo stated the warrant articles addresses repairs/improvements to Town owned buildings such as painting the Clarke House complex, Fire Substation roof replacement, etc.

Article Q: Wastewater Treatment Plant Capital Reserve Fund

\$175,000

Jim Pineo noted that this warrant article was removed last year and traditionally the request is \$125,000.

Steve Johnson questioned the balance of the capital reserve fund.

Dave Ford replied approximately \$20,000 encumbered. He stated an electrical wiring upgrade is scheduled for next year; noting this is the last year of an eight year program. He stated the Town put off the construction of a \$12 million facility by implementing a program for upgrades to the facility. He stated the Town established the capital reserve fund as a short term solution. Following the completion of the eight year plan he will analyze and present to the Town either another long term plan for facility improvements or a total repair. He noted the facility was constructed in 1975.

John Burt stated the balance of the fund per the Trustees of the Trust Funds report states \$545,000.

Dave Ford stated there are encumbered funds and the money hasn't been transferred.

John Burt asked when the funds would be transferred.

Kathy Carpentier questioned the date of the report.

John Burt replied 10/31/2020.

Kathy Carpentier stated as of 11/30/2020 the balance is \$178,000.

Bob Tougher asked if the State has a designated lifespan for Wastewater Treatment Plants and whether there is a flat plan for when a new plant is built.

Dave Ford replied no, stating it is up to the owner to make the decision. He stated the Town is currently compliant for treatment.

Article J: Bridge Falls Path Lighting Capital Reserve Fund

\$20,000

John MacDonald read Article J.

Jim Pineo stated this fund was established last year with \$20,000. He stated an estimate will be developed over the next year so that the project can be completed next year. He stated Barry Muccio would be providing input regarding the matter.

Bob Loughman reviewed the costs presented to the CIP Committee.

Article K: Abenaki Ski Area Capital Reserve Fund

\$20,000

John MacDonald read Article K.

Jim Pineo stated the request reflects an increase; noting prior requests were approximately \$16,000. He stated Christine Collins has seen an increase in the cost for products and recommended an increase to the contribution.

Article V: Fire Trucks and Apparatus Replacement Capital Reserve Fund

\$196,000

John MacDonald read Article V.

Jim Pineo stated such is a level contribution to the capital reserve fund. He stated the contribution is in addition to the purchase of the Ladder truck in 2021 and the balance of the fund is \$930,000.

Article W: Dispatch Equipment Capital Reserve Fund

\$150,000

John MacDonald read Article W.

Jim Pineo stated the language has changed; noting the contribution remains the same at \$150,000 however, \$100,000 would be coming from the unassigned fund balance and the \$50,000 would be coming from the General Fund under general taxation.

John MacDonald questioned the interpretation of the language noted in the article “other related equipment”. He asked what that would include.

Jim Pineo replied filters, wires, connections, antennae and maybe some electrical.

Dean Rondeau stated there will be antennae, wires and ancillary parts that will have to be fixed or replaced.

Bob Loughman asked that the word “directly” be inserted between the words “other” and “related”; noting such would make it more explicit as to the related equipment.

Jim Pineo stated he has written down the recommendation.

Article Treasurer – Transition to an Appointed Treasurer

\$2,500

John MacDonald read said article.

Jim Pineo stated the current Treasurer would like to retire and the Town has been working with counsel to make such happen. He stated the current Treasurer will run for Treasurer this year and once the position is posted the Treasurer will assist the Town in the hiring process of the new individual and work with the individual until that person is transitioned as the appointed treasurer.

John MacDonald asked why the Town is changing from an elected treasurer to an appointed treasurer by the Town Manager and BOS.

John Burt stated there won't be anyone who will want the job for \$5,000/year and proposed the warrant article.

Jim Pineo stated Mr. Burt feels the position should be an appointment and the only two options are either elected or appointed.

John MacDonald asked what the issue is with the position being elected by the people.

Jim Pineo stated there are no applicants for the position and Mr. Burt is currently working up to 50 hours/month. He stated they are working with counsel to come to the best solution.

Kathy Carpentier noted that an elected treasurer has to be a resident of Wolfeboro and an appointed treasurer can be from surrounding communities.

Bob Moholland questioned the salary being considered for the appointment.

Jim Pineo replied the current salary. He stated the \$2,500 noted in the article is for the training process of the new individual.

John MacDonald questioned the salary the current treasurer receives.

John Burt stated he receives a stipend of \$5,000/year.

Matt Plache feels the benefit of an elected treasurer is independence from the BOS and Town Manager which would be lost if the position is appointed.

Jim Pineo stated he doesn't believe the independence is lost because the RSA's clearly lay out that the treasurer, although appointed, work with a high level of autonomy. He stated there is a specific process for removing a treasurer from office.

John MacDonald stated he feels the treasurer is an important position and would prefer it be a resident of Wolfeboro and elected by the people; noting such is a good checks and balance.

Linda Murray she struggled to find a deputy treasurer and is concerned about not being able to fill the position.

III. Other Business

Recreational Dock Repairs and Expansion Project

John MacDonald read the following email he received from Mike Hodder, member of the Capital Improvements Program Committee; *"Please remind the Budget Committee this afternoon of the following. In reference to the recreational boat dock repairs and expansion, the budgeting for extending the docks was not scheduled for 2021 by the Capital Improvements Program Committee. The CIP Committee recommends this project be scheduled in 2024 following dock and seawall upgrades. Capital projects should not line jump while jeopardizing the whole budgeting process. The CIP Committee has held public hearings on dock expansion and upgrades and voted unanimously 5-0 with one abstention, who was Selectman Paul O'Brien, to recommend to the Selectmen and Budget Committee that the docks and seawall be replaced and upgraded first before any dock extensions were undertaken."*

Kathy Eaton, Chair of the Economic Development Committee (EDC), stated the EDC recommended to the BOS to move up the timeline for the expansion of the town docks to be done at the same time as the repairs. She noted the importance of revenue and local employment. She stated a study was done and as a result of that study, the EDC projects a minimum of \$500,000 revenue coming in (conservative estimate) in the first year following the extension of the four center finger docks. She stated the Committee drew on figures from the NH Department of Economic Development and Department of Tourism. She stated the \$500,000 was based on a 39 day, weekend only, 2 person per boat usage calculation. She stated the people coming in on those boats are coming to Wolfeboro to spend money. She stated the EDC is currently in the process of conducting a survey of those businesses within walking distance of town and have identified close to 200 businesses. She stated the EDC is in favor and supports the project. She stated it is important to bring those with expendable income to town. She stated when a boat comes into town a car does not; noting the traffic and congestion is another issue.

Linda Murray stated both the EDC and the Dock Ad-hoc Committee support the dock expansion project.

Kathy Eaton questioned the cost for only the dock expansion.

Jim Pineo replied the cost is \$280,000 without Dock F.

Bob Loughman questioned the fiscal advantage of the expansion to the taxpayers of the town.

Kathy Eaton stated it supports jobs for the people who work in the Town of Wolfeboro.

Bob Loughman stated the letter submitted by the EDC to Brad Harriman and BOS states that roughly \$600,000 of increase revenue is going to be realized by the dock expansion. He stated it sounds like a good investment for the businesses in the Town and questioned why the businesses aren't raising the money for the expansion. He stated the benefits of the expansion are going to the business owners and not to the taxpayers of Wolfeboro.

Kathy Eaton disagreed stating the people who work in the shops are taxpayers and the business owners pay taxes in Wolfeboro. She stated there are hundreds of people that rely on their jobs downtown that are citizens of Wolfeboro that work for those businesses. She stated there are hundreds of citizens that shop in the businesses downtown. She stated it is a proper investment with an excellent return.

Matt Plache stated repairing the existing docks would preserve the existing jobs. He asked if anyone has quantified the number of jobs that are going to be created by the expansion.

Kathy Eaton replied no and noted the EDC is currently in the process of doing a survey so that the Committee can determine the impact to the number of individual people and jobs. She stated the EDC conducted a Business Retention and Expansion survey in 2014; noting it is to the benefit to help an existing business to either expand or retain its business. She stated if there is expansion there are more jobs.

Bob Loughman questioned the interest on \$1.5 million.

Jim Pineo replied 2.5% interest on a 20-year note (\$632,000), 1.5% interest for a 10-year note (\$230,000). Relative to tax rate impact for such, he stated year one of the 10-year bond would be thirteen cents per thousand and year one of the 20-year bond would be eight cents per thousand.

Linda Murray provided a funding and warrant article history of the dock repairs and expansion projects.

Steve Johnson questioned how the estimate of \$1.5 million came to be; noting the figures presented for the repairs and upgrades do not add up to that amount.

Jim Pineo referred to the costs noted in the bid opening documents.

Bob Loughman stated the CIP Committee's recommendation of phasing the dock repairs and pushing out the dock expansion for two years continues to be ignored.

RIB Project

John MacDonald asked when the project would start.

Dave Ford stated the project is currently out to bid; noting the bids will be received prior to the Deliberative Session. He stated the contract would be issued spring 2021 with the project beginning summer 2021 and completion anticipated by year end 2021.

John MacDonald asked if there is a sufficient amount of money to complete the project.

Dave Ford replied yes.

John MacDonald asked Mr. Ford if he would be involved in the monitoring of the project.

Dave Ford replied yes and noted he would be on site 3-4 times per week. He noted a full time engineer would be overseeing the project.

John MacDonald asked if there will be a Clerk of the Works for the project.

Dave Ford replied no, there would be a resident engineer on site to ensure the project is being constructed in accordance with the plans and specifications. He noted the cost for such is included in the project.

John Burt stated the engineer will take a tremendous load off of Mr. Ford.

Fire Department Capital Outlay Request

Refurbishment of 9-Boat-1 \$35,000

Norman Skantze stated the refurbishment includes repowering the boat with two 150 horsepower Mercury outboard motors including the controls and installation. He stated the motors that are in place now are in need of service. He stated he contacted Dover Marine to see if the Town qualifies for a State bid however, has not received a response back. He stated that when it comes time to purchase the motors he would follow the Town's procurement policy and retrieve three quotes.

John Burt questioned the number of hours on the boat.

Frank Bellefleur replied approximately 1,000 hours and noted the motors are becoming less reliable. He noted the motors would be traded in.

Final Budget Review

John Burt stated he is disappointed; noting the process has been so chaotic that he doesn't know the final numbers/totals of the budgets.

John MacDonald stated the Budget Committee spent the last several weeks reviewing all the Town budgets and have made decisions based on information provided by the Town Manager, BOS and Department Heads. He stated some of those decisions resulted in a reduction to lines and items of certain budgets. He asked the Town Manager if there is anything in the 2021 budget that he feels will have a negative impact on the performance of any Town department or any related projects or obligations the Town has and if so, please name them. He asked the Town Manager if there was any reduction made by the Budget Committee that would affect the health and safety of any employee or resident of the community by not allowing them the same fine service that they have had over previous years.

Jim Pineo stated the budget before the Committee is the bare minimum for the Town to safely and effectively deliver the similar services to the community. He stated the budget for Fund 1 is up \$619,415 from last year for a total of \$14,867,684. He stated the total budget across all funds is \$28,653,102 (increase of \$565,117 or 2.012%). He stated the Budget Committee has reviewed the budget and reduced it by \$92,712. He noted the following drivers in the Fund 1 budget; health insurance increase of \$136,198, NH Retirement increase of \$131,234, Debt Service increase of \$239,543, property liability insurance increase of \$21,060 and capital outlay increase of \$39,675. He noted a reduction in the sewer department debt service of \$125,293. He stated he feels the budget is a good budget, will provide services to the community and keep people safe.

John MacDonald asked if the BOS present would like to comment on the budget.

Linda Murray stated Mr. Pineo summed it up and feels the only issue the Town will have is the warrant article for the Public Works and Water and Sewer Head.

Brad Harriman stated he concurs with Ms. Murray and Mr. Pineo. He stated it is a good budget for the Town and not inflated. He requested the Budget Committee support the budget.

Referencing the Debt Service and dock repairs and expansion warrant article for \$1.5 million, Steve Johnson questioned whether things should be done differently rather than getting deeper into debt.

Jim Pineo discussed the bundling of the dock repairs and dock expansion.

IV. Public Comment

None.

It was moved by Bob Loughman and seconded by Steve Johnson to adjourn the January 4, 2021 Budget Committee meeting. Roll Call vote: John MacDonald – yes, Bob Tougher – yes, Bob Loughman – yes, Steve Johnson – yes, Tom Bell – yes, Matt Plache – yes, John Burt – yes, Bob Moholland - yes. The motion passed (8-0).

*****The Budget Committee meeting originally scheduled for January 7, 2021 has been cancelled.***

*****A virtual and in-person Budget Committee meeting has been scheduled for January 12, 2021 at 5 PM at the Great Hall, Town Hall.***

There being no further business before the Committee, the meeting adjourned at 6:21 PM.

Respectfully Submitted,

Lee Ann Hendrickson

Lee Ann Hendrickson