

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
APPROVED MINUTES
December 12, 2023**

I. Call To Order

Chairman MacDonald opened the meeting at 6:00 pm at the Wolfeboro Public Library.

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

Members Absent: Brian Deshaies, BOS Representative, Matt Plache, Bob Moholland, Members (both 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

None.

IV. 2024 Budget Presentations

Agencies

Starting Point; \$6,901

Raetha Stoddard reviewed the program and services provided.

John MacDonald noted a slight increase in the budget and questioned if the agency is serving more cases in Wolfeboro.

Raetha Stoddard replied yes and stated the agency has serviced 43 cases; noting the funding request is based on a 3-year average.

John MacDonald asked Ms. Stoddard to provide the agency's phone number.

Raetha Stoddard replied 603-447-2494 or 1-800-336-3795 (24 hours/7 days per week).

Kingswood Youth Center; \$5,000

Zachary Porter reviewed the program and services provided and noted the request is level funded. He stated the agency serves 100 teens. He stated the agency receives funding from New Durham, Tuftonboro, Ossipee, and the School District. He stated the District no longer provides transportation for the teens; noting staff has taken on such. He stated they have an agreement with the Hope House that any 7-12 grade student that is housed at the Hope House can participate in the programs and transportation is provided for those students.

Water Fund

Personnel Administration

No changes.

Technology Services

No changes.

Water Distribution

Bob Loughman questioned the increase in building maintenance.

Rod Dempsey stated the increase reflects re-shingling of the Pressure Reducing Station and a pump station building.

Bob Loughman questioned the increase in maintenance supplies.

Steve Randall stated the cost of brass has increased.

Paul O'Brien stated there is data available in the water enterprise fund that answers the question relative to extending water lines into developing areas of the Town.

Water Treatment

Bobbi Boudman questioned hourly wages; noting the 5-year average is approximately \$100,000.

Rod Dempsey stated one of the employees is seeking their Grade III Treatment license so the funds were transferred from Distribution to this account.

Jim Pineo stated there is a 14% decrease in the Distribution budget as a result of such.

Bobbi Boudman questioned the increase in travel and meetings.

Steve Randall stated a new primary operator took over last year and requested to attend the conference noted in the budget.

Sewer Fund

Personnel Administration

No changes.

Technology Services

No changes.

Sewage Collection

Bobbi Boudman questioned the increase in outside services.

Linda Murray stated the BOS removed a capital outlay request (Sewer Main inspection for \$15,000) and placed it in the operating budget.

Bob Loughman questioned the increase in maintenance supplies.

Steve Randall stated the crushed gravel was removed from the Highway budget and placed into the Sewage Collection budget; noting the funds are now properly allocated.

Wastewater Treatment

Bob Tougher confirmed the Town received a new permit from NH DES to operate the basins and asked if the numbers changed in the permit. He questioned the length of the permit.

Jim Pineo stated the numbers did not change and noted the permit is valid for five years.

Linda Murray noted NH DES toured the plant.

Paul O'Brien confirmed there are no further issues with the breakout issues.

Public Works

DPW Administration

No changes.

Highway & Streets

Bob Loughman questioned outside services; noting the 5-year average is \$97,492 and questioned whether such could be decreased to \$125,000.

It was moved by Bob Loughman to decrease 01-43120-380 Outside Services from \$135,526 to \$125,000. Tom Bell seconded the motion.

Discussion of the motion:

Bobbi Boudman asked what services would be removed if the motion passes.

Steve Randall stated he would remove the \$10,000 from the bottom line of the budget rather than the outside services line specifically.

Roll call vote: Bobbi Boudman – no, Bob Tougher – no, John MacDonald – no, Tom Bell – no, Brian Black – no, Bob Loughman – yes, Paul O'Brien – no, Linda Murray - no. The motion failed (1-7-0).

Bridges

Jim Pineo stated Bridges is a new budget. He stated the State of NH made funds available last year to communities for bridge repair work; noting the Town has seven municipal bridges. He stated the funds were used to purchase a trailer and equipment; noting the funds are now in a stand alone account. He stated the funds will be used for bridge maintenance. He stated the account balance is \$130,000.

Steve Randall stated the funds do not include dams.

Public Works Garage

No changes.

Building & Grounds

Jim Pineo noted a significant increase in the budget due to the movement/shift of an employee that focuses on ground and building maintenance.

Paul O'Brien asked if there is a list of buildings associated with each department.

Linda Murray replied no.

Paul O'Brien recommended an inventory of such.

Solid Waste Disposal

Bob Tougher noted a spike in tipping fees.

Steve Randall stated he will be reviewing the rates and discussing a long term plan with the BOS.

Bobbi Boudman questioned the revenue offset.

Steve Randall replied \$141,665 (as of mid-November); noting the Town has paid out \$341,000.

The Committee further discussed the matter.

Capital Outlay

Hydrant Replacement; \$20,000

Jim Pineo stated there are approximately 20 lead joint hydrants in Town that need to be replaced per NH DES mandate; noting such is the first of a four-year plan to replace the hydrants.

Skidsteer; \$98,000

Jim Pineo stated the purchase of such is a 50/50 split between the Water Department and Highway Department and noted such was presented as a CIP project.

Steve Randall stated the skidsteer would be replacing an existing piece of equipment (tractor) and noted half of the cost would be funded through the capital reserve account and half would be covered by user fees (Water Fund). He noted the tractor being replaced is past its life expectancy.

Tom Bell confirmed shared usage between two departments.

The Committee discussed a lease program option, requested such be reviewed, and agreed to re-visit the request.

Solid Waste Dumpster Replacement; \$10,000

Steve Randall stated the existing dumpsters are owned by Casella Waste; noting that when the dumpsters are damaged the Town has to pay Casella. He noted the original request was for two dumpsters however, the BOS decreased the funding for only one dumpster.

V. Other Business

2023 Budget Overexpenditure

Jim Pineo stated NH DRA has disallowed Warrant Article #18; noting as a result of such the Town is short \$547,000. He stated per the letter from NH DRA, they reduced the voter appropriation from \$51,331,109 to \$50,763,346. He stated the BOS at their December 6 meeting motioned to authorize the Town Manager to initiate proceedings under RSA 32:11 for emergency expenditure and emergency overexpenditure. He stated the motion was made by Brian Deshaies and seconded by Linda Murray and passed 5-0. He stated the procedure in the RSA states “such action shall be made prior to making any such expenditure. No such authority shall be granted until a majority of the Budget Committee, if any, has approved the application in writing. He stated the 2021 audit report noted an unassigned fund balance of \$4,236,656; noting that prompted the Town to go forward with a warrant article of \$850,000 on the 2023 warrant for Town road repairs. He stated the article passed by a margin of 88.2% of the voters casting their ballot. He stated the BOS engaged into an agreement with the Friends of Pop Whalen for a donation of \$2.7 million. He stated the project passed by 67% and the project was completed on budget. He stated on August 3, 2023 the BOS met with the Friends of Pop Whalen who asked for an extension of time for the full donation. He stated a motion was made by Dave Senecal to grant a one-year fundraising extension to the Friends of Pop Whalen with fundraising during that time to be paid down against a \$569,829 of the Town of Wolfeboro as the funds are received. He stated to date, the Town has received \$2,190,000; noting on July 30 the Town received \$2,050,000. He stated that as the 2022 audit was published in late October it identified a fund balance of \$302,000 which also showed a shortfall of the anticipated revenues of \$2.8 million. He stated a large portion of that is the timing related to the donation that came in from the Friends of Pop Whalen. He stated the Town identified that they had some problems and were engaged with NH DRA; noting NH DRA disallowed \$547,000 in Warrant Article #18 which prompted a spending freeze (balance in the account at that time was \$71,426). He noted a portion of those monies were used in July 2023 for damage and repairs incurred from storm events. He stated a grant opportunity has been identified in the Town’s pending revenues through FEMA for \$1.1 million; noting the Town would receive 75% of such (revenue of \$896,481 for the July storm). He stated the Town itself can account for \$109,745 of costs for materials and equipment rented; noting an additional \$18,000 of staff overtime was identified. He stated the Town is currently short \$113,000 to close the shortfall. He stated there are 3 weeks left in December and expressed concern for potential storms and costs associated with such. He requested the Budget Committee consider applying to NH DRA to over expend the 2023 operating budget by not more than \$175,000 (such accounts for the \$113,000 shortfall and any potential

storms through December). He stated the Town could ask NH DRA to consider allowing the Town to utilize the donations which have been accounted for at \$2.19 million or ask for a transfer from the enterprise funds (per 2022 audit there is a balance of \$8.1 million in the enterprise funds). He stated there is a possibility that if the Town does not close the shortfall that the Town would have an item in its audit report that it was a bad year because the Town over expended the budget due to planning failures. He stated the Town does not have any warrant articles in 2023 that would utilize the unassigned fund balance. He stated he drafted a letter on behalf of the Budget Committee and requested the Committee review the matter.

Bobbi Boudman asked when the Town paid the contractor for Pop Whalen; noting she would like to know when the payment was made versus when the Town received the donation funds.

Jim Pineo stated the Town was incrementally paying the contractor through the end of the project.

Bobbi Boudman confirmed the Friends of Pop Whalen had \$1.6 million going into the warrant article (at the time of the Deliberative Session).

Linda Murray stated the Friends of Pop Whalen had the amount in pledges. She noted all of the expenses occurred in 2022 however, the payment did not come in until July 2023.

Paul O'Brien asked what would happen if NH DRA does nothing.

Jim Pineo stated the Town has the money in the bank to pay the bills. He reviewed the balances in the enterprise funds as of the end of 2022.

Bob Tougher stated this has happened once before; noting the Town was awarded a lawsuit (\$7.5 million) regarding the Rapid Infiltration Basins. He stated the attorneys informed the Town that once their legal fees were paid the lawsuit funds would be released. He stated the former Finance Director put a package together to the NH DRA and recalled the following items required to be included/addressed per the RSA; a request had to be made, the reason for the request had to be stated and the source of the financing had to be identified. He stated the draft letter appears vague with regard to fulfilling the requirements of the RSA; noting the source of the financing has not been identified. He stated he would be in favor of voting on the letter. He stated the NH DRA agreed to release the money from the surplus fund to the attorney's office.

Bob Loughman agreed with Mr. Tougher that the funding source should be identified.

Jim Pineo requested action on the letter on December 14.

Bobbi Boudman questioned what the Town is doing to make sure that when the Town moves forward with projects that the Town has something in writing that ensures they will not go down this road again.

Linda Murray stated in the future the BOS will require more pledges in place.

Bobbi Boudman asked if the BOS is going to put into writing that this will not happen again.

Paul O'Brien asked moving forward, how is the Town going to ensure that if a donor is making a pledge that it is bankable.

Linda Murray stated the BOS will not use the unassigned fund balance for a warrant article; noting the unassigned fund balance will be used to buy down the tax rate.

Jim Pineo stated that if the Town is aware of a donation coming forward the Town will have to have the conversation of whether to bond the full project. He asked whether the Committee would like to identify the funding source or whether they would like him to do such.

John MacDonald requested the Town Manager to identify the funding source.

Health Insurance Rates

Jim Pineo stated the health insurance rates increased 10% and noted a Healthcare Committee has been established to review increasing co-pays and contributions to alleviate the impact. He noted there is a \$25,000 request in the Town Manager's budget to perform a wage and compensation study in 2024 to align with Union negotiations and health insurance adjustments if needed.

VI. Approval of Minutes

The Committee tabled such.

VII. Public Comment

None.

VIII. Adjournment

It was moved by Bob Loughman to adjourn the December 12, 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 14, 2023 at 6:00 PM at the Wolfeboro Public Library.

There being no further business before the Committee, the meeting adjourned at 8:36 PM.

Respectfully Submitted,

Lee Ann Hendrickson

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