

TOWN OF FRANCONIA
BOARD OF SELECTMEN BUDGET HEARING
FEBRUARY 10, 2020 AT TOWN HALL

Board Members Present: Jill Brewer, Eric Meth, Jeff Blodgett

Others Present: Holly Burbank, Jenny Monahan and approximately 25 residents and town employees.

The meeting was called to order at 7:01pm.

Chairman Brewer opened the meeting and after a brief welcoming statement opened the floor to questions.

Lydia Cumbee commented that she didn't think the meeting was scheduled for a very good day being that it was the day before the Primary Election and not convenient for Town Clerk Carol Wills. Chairman Brewer apologized for any inconvenience and said the meeting was planned for that day and there wasn't any feedback stating that it was problematic for anyone.

Karen Foss then asked the Board to provide an overview of what the Town's priorities were with the presented budget. Chairman Brewer said the Board worked to develop a budget that allowed continued funding of the town's operations and for improvements without being burdensome to the taxpayers. She said there were some increases such as the possible addition of another full-time police officer and an improvement to the employee retirement plan. Selectmen Meth also responded, stating that the Board worked to trim the budget while taking into consideration the department head's input regarding their needs. Selectmen Blodgett said he has concerns with deferred maintenance in town buildings and the town should be looking ahead to address those items.

Dawn Steele inquired about the proposed 5% match for employee's retirement plans and whether it was a match plan with the town matching the percentage of the employee contribution up to 5%. Chairman Brewer confirmed. Dawn also asked whether the insurance projections for 2020 were made with the same employee plans as were in place last year. Town Administrator Burbank said yes that is how the projections were calculated.

Lydia Cumbee asked if the employee insurance plans were still covered 100% by the town for single plans. Chairman Brewer said that was changed for this budget so that all employees will pay 25% towards their plan.

Russell Cumbee asked if the \$45,000 increase in the Personnel Administration budget was related to the \$45,000 cut made in the budget at last year's town meeting. Town Administrator Burbank said those two figures were not related and the increase is due to a health insurance increase from the provider of 7%, the proposed increase in the employee retirement plan and a significant increase in worker's compensation because the town received a \$12,000 rebate last year that offset costs and that rebate was not received this year.

Robert Peraino asked why there is a 30% increase in the Town Clerk's budget. Town Administrator Burbank said that last year one of the Town Clerk's software fees were not included in her budget, so it looks like a significant increase. Robert also asked if there are companies that provide that service at a lesser cost and suggested that be looked into.

Dawn Steele commented that the Life Squad brought in a lot of money last year and asked whether the surplus goes back to the Life Squad to offset their equipment costs or into the general fund. Town Administrator Burbank said the Life Squad's earnings currently go into the general fund.

Russell Cumbee asked if the Board was aware that the CPI for 2019 was 2.3% and the Social Security benefit increase was 1.6%. He commented that Franconia is not a wealthy town in spite of how its property values make it appear so and request that the Board factor that into their financial decision making. Chairman Brewer thanked Russ for his comment and said the Board is aware of that as taxpayers themselves.

Chris Cullman said he agreed with Russ's comment and would also like to point out that NH has no income tax and the CPI is not as applicable to property tax increases.

Kathryn Palmer asked the Board about the town's revenues and if a breakdown was available. The Board did not have that information available but said Kathryn could ask Town Administrator Burbank about that at a later time

Dawn Steele commented regarding the Building Inspection revenues, stating that the town spends almost twice as much as is brought in by the fees. Town Administrator Burbank said there was a bit of a building boom and the town took in more applications last year than in previous years. She said the application fee could be increased if the building trend continued.

Lydia Cumbee asked who pays for the building inspections, the town or the applicant. Town Administrator Burbank said there are fees assessed for the application and the permit that are based on the nature of the construction.

Robert Peraino asked why the Recreation budget is increasing by \$5,000. Recreation Director Kim Cowles said the increase is mainly for the maintenance of the van and an increased contribution for a replacement van. She said there is also an increased expense for the new water meter at the skating rink which requires the town to now pay for the water used for flooding the rink.

Russell Cumbee asked about the "Funded" and the "Recommended" sections on the budget spreadsheet. He asked the Board to confirm that last year's budget was under spent by \$124,000 in spite of the \$45,000 cut made by floor motion at last year's town meeting. Russ then said the Selectmen voted to reinstate those funds at the selectmen meeting, which Chairman Brewer disputed, saying those funds were not reinstated. Russell asked where the funds came from to provide the funding for the items that were suggested cuts in the floor motion. Dawn Steele spoke to the question, saying that the funds came from several different budgets and in spite of the budget cut, the selectmen were able to meet the bottom line without going over budget.

Mary Grote then stated that the budget cuts last year were not used in the ways that were suggested by the motion maker and those funds will now go into the unassigned fund balance and can be used in any manner the Selectmen want. This statement was disputed by Dan Walker who said those funds cannot be used in such a way. Town Administrator Burbank also spoke to the question, stating that funds in the unassigned fund balance can only be used for certain purposes, such as to offset the tax rate or by town meeting vote to fund a project. She said it can also be used for emergency response with approval from the Department of Revenue Administration.

Dawn Steele asked if the requested funds for the Recreation van are a warrant article. Kim Cowles said the funds have to be voted into the Capital Reserve Fund.

Karen Foss asked why the Board creates their annual budget using last year's Recommended budget figures rather than last year's Actual expenditures. Chairman Brewer said the Board meets with all department heads to determine their funding needs and begins crafting the budget from those recommendations. Selectman Meth said a significant part of 2019's under spent budget was the Bickford Hill Bridge project that was not completed last year and will be done this year.

Thad Presby asked for more information on the proposed addition of a new full-time officer and if that would mean increased coverage times. Police Chief Cashin spoke to the question and said there would be some extension of coverage hours but not 24 hour coverage. He also said there would be increased response

efficiency. Chief also explained that his overtime budget would be significantly decreased were the new officer proposal approved by voters but he has still requested the overtime funds on his budget proposal as it would be needed if the proposal for the new officer was not accepted by voters. Chief also clarified for Lydia Cumbee that he has asked for the cost of the new officer for the full year in spite of the fact that a new officer would only work part of the year due to not being hired until after town meeting. Lydia thought he should only request the funding for the portion of the year that the officer would be employed in 2020. Chief Cashin said he thought it was better to have the full cost of the annual position approved by voters. After a brief discussion on the topic, Chairman Brewer said the Board would look into the possibility of changing the warrant article.

Steve Plante asked if the \$82,000 for the new officer includes all expenses such as insurance contributions, retirement, etc. Chairman Brewer confirmed it does. Steve said a 30% increase considering the low crime level is hard to justify. Chief Cashin explained that the nature of police investigation has become more time consuming and a fourth officer would allow for more patrolling and increased police presence.

Trevor Presby asked it would be better to instead hire an administrator for the Police Department. Chief Cashin responded that an additional person that could do police work rather than just paper work would be more beneficial to the department.

Russell Cumbee asked the Board what the cost of living raises recommendation is for this year. Chairman Brewer said the Board is requesting a 2.5% increase for cost of living increases.

Karen Foss asked about offsetting revenue Actuals, which show a decrease of \$30,000 in motor vehicle registrations on the Town Clerk budget. Town Administrator Burbank said those numbers are taken during tax setting time in September so may be a little low but she can check on it and increase that projection to be closer to the full year's revenues if needed.

Although not budget related, Robert Peraino asked if the Board has ever discussed investigating hydropower as the river runs directly through town. Selectman Meth said the Energy Commission had planned to meet with a representative from Freedom Energy Logistics to discuss the Community Choice Aggregation program, which may include hydro power, but the representative had to reschedule for a later date which is pending.

Lydia Cumbee commented that she thinks the Town Administrator position should be required to move to Franconia within a certain period of time after being hired.

With no further discussion, the meeting was adjourned at 8:10pm.

Respectfully Submitted,

Jenny Monahan
Administrative Secretary