

**Town of Franconia  
Board of Selectmen  
2024 Proposed Budget Hearing  
February 5, 2024 at 6:30PM  
at Lafayette Elementary School**

\*\*\*\*\*

**Board Members Present: Jill Brewer, Eric Meth, Dan Walker  
Others Present: Libby Staples, Jenny Monahan, various members of the public**

**The hearing was called to order at 6:35PM**

The hearing began with a slideshow presentation that reviewed the town’s assessed valuation, a five year history of the town’s tax rate, the town’s tax rate setting since the revaluation with a sample property example showing the effect on taxation, a review of the 2023 Operating Budget and explanation of significant unspent appropriations (staffing for Highway, Police and Buildings & Grounds, Executive for unspent ambulance appropriation that was paid in 2022). General notes on the 2024 proposed budget include a 3% COLA increase for employees and town employee recruitment and retention. The 2024 Proposed Operating Budget includes an increase of \$236,260 that is comprised of an increase to Police Wages of \$50,000, the first payment on the new fire truck of \$58,000, an increase in gravel for Highway Department of \$10,000, a \$13,000 increase to Buildings & Grounds Operating Budget (town hall maintenance and wages lines) and a \$95,000 increase to the Personnel Administration Budget.

Chief Cashin spoke to the proposed increase to the police budget. He said the department has been operating at half-staff for the past 7-8 months with two full-time officers since the departure of Officers Pilotte and Barnum. He said police staffing across the state is suffering as there is a decline in recruitment to the profession which has led to an extremely competitive hiring environment. His attempts to attract new hires to Franconia PD have been difficult due to a lag in wage increases over the years as he tried to maintain a level budget while other towns offered much higher annual increases as well as deficiencies in Franconia’s benefits offering. A new hire started in November and is currently attending academy. He has a potential hire that would like to come on board pending the adoption of a more competitive benefits package. He said the PD is at a crossroads and does not feel the status quo is sustainable. Chairman Brewer stated the board’s support of the police department’s proposed budget.

Chairman Brewer continued the slideshow presentation with a review of the Personnel Administration Budget increase of \$95,000. The proposed increase includes the addition of short-term and long-term disability insurance, life insurance and dental insurance and a 15.6%

increase this year from HealthTrust. A sliding scale is proposed of single coverage being a 90% town/10% employee contribution split, two-person coverage being an 85% town/15% employee contribution split and family coverage being an 80% town/20% employee contribution split.

Virginia Mike asked if the added benefits could be opted into or if employee participation is mandatory. Town Administrator Staples said dental can be opted into but the other components are mandatory participation and is a 100% town contribution. The dental plan would follow the same town/employee contribution split as the healthcare plan. Selectman Walker said the goal is to retain employees and attract necessary hires in the local hiring environment where everyone around us offers these benefits.

Carol Walker asked if approximately \$45,000 of the Personnel Administration increase is for the proposed benefit additions. Chairman Brewer confirmed and said the 15.6% increase from HealthTrust is across the board for all member towns. She said the tax impact of the proposed added benefits is ten cents per thousand of valuation which equals about \$45 a year for a property valued at \$450,000.

Mike Betley asked if giving a 3% COLA increase for everyone disincentivizes employees from doing their best and if there is a model for merit increases instead. The board stated its support for all town employees receiving a 3% COLA (Cost of Living Adjustment) and confirmed that it is not performance based. Dawn Steele commented that a merit-based increase program would typically be based on an average percentage increase with an up or down percentage variance based on performance.

The board next reviewed the proposed contract with the Town of Littleton for EMS & Ambulance. The proposed cost is \$648,699 which is offset with forecasted income of which Franconia will receive 85% credit for all paying calls. For budgeting purposes, the revenue was forecasted low as there were only three months of data to evaluate. This appropriation would have a tax impact of \$1.53 per thousand dollars of valuation.

Russ Cumbee commented that over Old Home Day weekend an associate of his waited a long time for Littleton EMS to arrive but was feeling better before they arrived anyway. Fire Chief Gaudette commented that the fire department has worked with Littleton EMS extensively and their response time has been very good. Another resident asked about the cost for running the town's volunteer-based ambulance, which the board stated was minimal but is no longer available.

Dawn Steele asked about the Planning & Zoning Budget including \$12,000 for rewriting the town's zoning ordinance and last year there being \$14,000 approved for North Country Council working with the Planning Board on the Master Plan update. She asked if those funds are

carried over in the proposed budget for 2024 (the answer was no, the service was prepaid before the end of the year).

Monica Laflamme said that the Planning Board did not anticipate the amount of hands-on work that would be required for the Master Plan update and some of that work was delayed due to issues needing to be addressed with the zoning ordinance. She said the funds approved by voters in 2023 were well spent.

Dawn Steele asked if bids should have been sought before entering into a contract for the updates to the Master Plan and Zoning Ordinance. Dawn also asked if services should be prepaid. Virginia Mike said bids should have been sought for anything over \$5,000.

Mike Betley commented that the projected revenue for PAYT bags should be higher as the change to the town's recycling policy means more plastic will go into trash bags which will drive more bags being purchased. Jan Cole said the last five months of the year after the PAYT bags pricing increased is what was used to set the projected revenue.

Russ Cumbee commented that tax increases can cause people of more modest means and young people to consider leaving Franconia.

Lydia Cumbee asked if the board could provide what the total tax increase would be if all the warrant articles were approved. The board said the tax impacts for the individual warrant articles would be available on the warrant at town meeting. Jayne O'Connor commented to suggest the board have the total tax impact for all warrant articles collectively for town meeting. There followed a discussion among members of the public speculating what the total tax impact may be if the 2024 Proposed Operating Budget is approved. Jan Cole said forecasted revenue still needs to be finalized before the total tax impact of the proposed budget can be determined.

Jon Peabody asked why the town changed its plastics recycling policy and no longer accepts as many types of plastic as it did previously. He said the point of the recycling program was not to create revenue but to keep plastics from being put in the landfill. The board responded that it was determined that the recycled plastics were not being recycled and were being landfilled instead, unbeknownst to the town.

Virginia Mike asked what was being done to lower taxes and said she doesn't get raises every year and is someone that may have to leave town due to increased property taxes. She said the board is giving out raises like crazy and never tries to lower the budget.

Jayne O'Connor suggested the town try to lower taxes by increasing revenue by way of seeing if short-term rentals can be taxed as businesses rather than residences.

Russ Cumbee said it would be nice if the town was able to get more grant funds.

Mike Betley asked about “prepaid services” and if departments are looking at their budgets at the end of the year and then increasing spending to validate asking for the same amount in the following year, or pre-buying materials for the same reason.

There were no further questions from the public. With no further discussion the hearing was adjourned at 7:15pm.

Respectfully submitted,

Jenny Monahan  
Executive Assistant