

**Town of Franconia  
Board of Selectmen  
2023 Public Budget Hearing  
Tuesday, February 13, 2023 at 7pm  
at Lafayette Regional School**

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**Board Members Present: Jill Brewer, Eric Meth, Dan Walker**

**Others Present: Town Administrator Sharon Penney, Administrative Secretary Jenny Monahan, various public attendees**

**Chairman Brewer called the hearing to order at 7:08pm.**

The board reviewed a slideshow presentation that provided information on Franconia's assessed value, the tax rate for years 2018-2022, the town's tax rate setting process & individual tax components, a 2022 Operating Budget review and the 2023 Proposed Operating Budget. The presentation showed the 2023 Proposed Operating Budget to include an increase of 8% , approximately \$152,000, over the 2022 Operating Budget. Contributing to the 8% increase total are increases in Executive, Personnel and Highway department budgets.

Chairman Brewer also reviewed the town's Unassigned Fund Balance (UFB) and the policy & procedures developed for it's maintenance in the recommended percentage span, as well as funds used from the UFB in 2022 which totaled about \$337,000.

Chairman Brewer made the following points about the 2022 actual budgets spending:

- There were \$12,000 of unused appropriations in the Highway Department budget which were budgeted for salt, sand and gravel and contracted services. The board is not completely sure where the contracted services deficit stems from.
- The Police Department budget shows to be underspent in wages but this is primarily due to Special Duty income offsetting the wage expenses.
- Insurance was underspent, which may have been due to an incorrect figure being budgeted for 2022, which has been corrected for the 2023 budget.
- The welfare budget included \$5,000 intended for hiring a Welfare Officer but as a candidate was not hired those funds were not spent.
- The Fire Department was underspent by about \$9,000 in wages and the Life Squad was underspent by about \$35,000 due to operations ceasing about midway through 2022.
- Buildings & Grounds was overspent by about \$12,000 due to fuel price increases. Buildings maintenance and wages were also overspent.
- The legal budget was overspent by about \$7,000 due to several legal issues the town was faced with during the year.
- Personnel Administration was overspent by about \$21,000.

- Payroll Tax and Health Insurance were overspent. This may be due to being incorrectly budgeted or a combination of factors that have not yet been determined.

The proposed 2023 operating budget is \$2,045,105, an increase of approximately \$152,000. Chairman Brewer said the board is proposing a 3% Cost of Living increase for employees. She said fuel costs and supply prices have increased. Hauling fees for the transfer station are increasing significantly, but the town is looking at other options for waste disposal. There are additional slides for EMS and Ambulance that will be discussed later.

Other Contributing factors to this increase include:

- Executive budget wages include two full-time employees (town administrator and administrative secretary) rather than one full-time secretary and part-time town administrator. The board has budgeted \$72,000 for a full-time town administrator.
- Health Insurance has increased over 11% for 2023 and payroll taxes increase with increased wages.
- Fuel prices increased and salt, sand and gravel have increased.
- The agreement with Littleton for EMS services ends March 31<sup>st</sup>. The board meets with Littleton's board on February 22<sup>nd</sup>. There will be an article on the warrant to address this.

The board thanked Janice Cole and Karen Foss for their help with budget work.

After the information review, the floor was opened for questions.

Steve Schwartz asked why the proposed COLA for employees is 3% when national inflation is 5%. Chairman Brewer said 5.5% was done last year and the board received feedback about that being too high. She said the board could consider 5% based on public feedback at this hearing. Dawn Steele said the town should look at where Franconia's salaries are compared to other town's and that other raises were given for position changes in 2022. Town Administrator Penney said she would advocate for more and that she hopes the 3% proposed is not disheartening for employees but it is a difficult year with many uncertainties in market fluctuation.

Steve Plant asked about the increase in police wages being greater than the 3%. The board said this is due to prosecutorial services being moved to the wages line from contracted services.

Jayne O'Connor asked for more details about the increase in Personnel Administration. The board said this budget includes health insurance, payroll taxes, employee retirement, unemployment, workers compensation all being in one budget rather than individual department budgets. Jayne also asked if the prosecutor is being paid as an employee or a contractor. The prosecutor will be paid as an employee so they will be under the town's liability insurance, and that the board learned that this is similar to how others towns in the area handle it.

Mike Betley asked if a decision has been made in regard to dental insurance being added for employees. Chairman Brewer said it is not in this year's budget.

Larry Plate asked if health insurance is through the same company as prior years (yes) and if the town has shopped around for better rates. Town Administrator Penney said this should be looked at

periodically and hopefully the next full-time town administrator will be able to address things of that nature.

Selectman Walker said the board learned at the regular meeting earlier tonight that there needs to be an addition to the Executive Budget in contracted services. He said the town is required to complete GASB #75 (General Accounting Standards Board) reporting biennially, as informed by the town's independent auditors very recently. He said this needs to be added in the amount of \$3,350. It was briefly discussed that this type of financial reporting is on post employment benefits provided by the town and their associated liabilities. The \$3,350 will be added to the budget.

Planning Board member Monica Laflamme commented that the proposed budget does not include funding for contracting with North Country Council for assistance completing the updated Master Plan. Selectman Meth and Town Administrator Penney spoke to the request and both recommended moving forward with NCC with the Master Plan. Monica said the cost ranges with services selected but would be as high as \$14,000. She said the expense would be offset with the updated fees required as part of the revised Short-Term Rental registration process. After a brief discussion the board agreed to add \$14,000 to contracted services in the Executive Budget for this purpose.

Jayne O'Connor asked what the expense will be for the previously discussed software change from Quickbooks to something better for municipal use. Town Administrator Penney said this has been discussed very basically but there has not been time to adequately research and plan for this year. No amount has been discussed. Jayne also asked for additional details about the proposed bookkeeping service that would assist town office.

Mike Betley said the big piece not being accounted for in the proposed operating budget is the additional expense that will come with contracting out the town's EMS services on a long term basis, and if a plan cannot be negotiated quickly enough, if there is any consideration of delaying town meeting. Chairman Brewer said there has been no consideration of delaying town meeting and that a warrant article will be drafted to fund EMS services for the town.

There were no further questions from the public. With no further discussion, the hearing was adjourned at 7:41pm on a motion from Chairman Brewer and a second from Selectman Walker.

Respectfully Submitted,

Jenny Monahan  
Administrative Secretary