

TOWN OF FRANCONIA
BOARD OF SELECTMEN'S PUBLIC BUDGET HEARING
FEBRUARY 23, 2021 AT 6PM AT LAFAYETTE ELEMENTARY SCHOOL

BOARD MEMBERS PRESENT: Eric Meth, Jill Brewer, Jeff Blodgett attended via Zoom.

OTHERS PRESENT: Kim Cowles, Jenny Monahan, Carol Wills, Dawn Steele, Mary Grote, Peter Grote, Virginia Mike, Lynn Terres, Karen Foss, Ann Foss, Steve Plante, Darrel Dietlein, Jim Walker, Carol Walker, Chief Mac Cashin, Thad Presby, Jayne O'Connor, Janice Cole, Kevin Johnson, Rick Gaudette, Tyler Gaudette, Jeremy Hall, Sandy Kellogg, Corey Rush, Paul Schmucker, Monica Laflamme.

The meeting was called to order at 6:09pm.

Chairman Brewer opened the hearing and confirmed with the other selectmen and Town Administrator Cowles that Town Meeting will be held on April 9th at Profile School at 6:00pm. She next thanked Town Administrator Cowles for keeping updated department budgets on the website for the public's viewing and making efforts to be as transparent as possible. Chairman Brewer said that depending on the length of the budget hearing, there may be time to discuss the warrant articles as well.

Chairman Brewer remarked that the bottom line of the 2021 Proposed Budget is nearly identical to that of the 2020 Operating Budget after the \$100,000 budget cuts were instituted. She said that in the *Executive Budget – Wages*, there are notable savings from having a part-time Town Administrator and that wages for Municipal Resources Inc. are reflected in the *Executive Budget - Contracted Services*. She also said that the *Legal Budget* has been reduced from \$12,000 to \$6,000. Chairman Brewer also said that in the *Personnel Administration Budget*, employee health insurance increased by 6.4% due to an increase from Healthtrust. In Buildings & Grounds, the Heating Fuel line item is \$9,000 more than what was spent last year but is still \$6,000 less than what was budgeted for in 2020. Then the floor was opened for questions.

Dawn Steele asked about the increase in property liability insurance. Town Administrator Cowles said that as she learned from inquiring with Primex, the 9% increase to the property and liability program is the result of the costs associated with recent nationwide disasters such as wildfires, earthquakes and hurricanes, as well as pandemic related causes.

Virginia Mike asked if there has been an effort to research other companies for employee health insurance due to the increases for the past several years. Town Administrator Cowles said we have not yet looked at other companies but that could be considered.

Karen Foss asked about the increase in Building Inspection from \$4,000 to \$10,000 and if there are offsetting revenues. Town Administrator Cowles said yes, there are offsetting revenues to include \$10,619 in permitting fees and \$800 from Short-Term Rental registrations to offset the fee of \$14,000 charged by Building Official Allan Clark this year.

Karen Foss asked if there is a comprehensive "revenue minus expenses equals net" report available for 2020. Town Administrator Cowles invited Karen to come to the office for this information so she can ensure that she gets the information she is looking for that is presented in the way she prefers.

Carol Walker asked when the town report would be available. Jenny Monahan said it will be available about a week before town meeting. Karen Foss said that is too late to do anything with the 2021 budget and asked why the 2021 budget is the same proposal as last year when the budget was under spent by \$128,000 in spite of the \$100,000 budget

cut. Town Administrator Cowles said there were savings last year from the town not having a town administrator for several months and costs that were not incurred due to changes in operations caused by the pandemic. Dawn Steele commented that getting the town report a week prior to town meeting is not enough time to analyze the data. Chairman Brewer suggested that she reach out to Town Administrator Cowles for specific information. Town Administrator Cowles said that information is posted on the website in the departmental budgets.

Virginia Mike commented that she feels department heads are not budgeting as closely to their prior year's expenses as they should be while the resident's taxes are increasing.

Next, Janice Cole read a lengthy statement about Unassigned Fund Balances. To summarize, the statement says the Unassigned Fund Balance has increased over the past five years due to over budgeting causing excess funds to go into the fund balance, and lamenting the lack of a formal fund balance policy. Chairman Brewer said the board would be happy to add the Unassigned Fund Balance topic to a select board agenda in the future to discuss these concerns and develop a policy, but this is not a budget hearing topic.

After Janice's statement, there was a long discussion about the Unassigned Fund Balance, with multiple residents expressing concern with the lack of an Unassigned Fund Balance Policy and the balance of the account being too high at the expense of the taxpayers.

Kevin Johnson suggested using the fund balance to fund all the warrant articles rather than raising any money through taxation.

Peter Grote asked if the board had ever done an analysis of the surplus of the department budgets at the end of the year. He mentioned the informally titled "Infamous Fund" that was a tri-town fund for the Transfer Station, asking where that money had gone, but it was determined that the fund was eliminated and the money returned to the towns respectively.

A resident pointed out a discrepancy with the layout of the Tri-town Transfer Station budget. Town Administrator Cowles said she will fix the issue and repost the corrected budget on the website.

Monica Laflamme expressed her discontent with the balance of the Unassigned Fund Balance and said she would like to see it closer to the recommended minimum and funding for projects and equipment expenditures to be programmed for rather than funded by surplus funds.

Jayne O'Connor commented that it is a good idea to lower the fund balance and using funds from the fund balance for warrant articles is the right thing to do as well. Jayne then thanked the board and all town volunteers for the work they do and thanked Town Administrator Cowles for making all the budgets and other documents available online.

As there were no further questions about the budget, Chairman Brewer shifted the meeting to questions about the warrant articles. Karen Foss asked about Article 19 – Fire Department Air Tanks, which seeks to raise \$104,000 for 10 SCBA air tanks, masks and packs, using \$50,000 of the Capital Reserve Fund and the rest coming from taxation. Chief Gaudette said he did not want to eliminate the entire fund as the tanks now have a shelf life and will need to be repurchased in ten years for an anticipated increased per unit.

Karen Foss also asked what the purpose of Article 18 is: Transfer Funds to the Fire Department Heavy Equipment Capital Reserve Fund. Chief Gaudette said that was money that was left over in his budget and rather than have it go to the Unassigned Fund Balance it is proposed to go to the CRF instead. Karen suggested that it should be considered that every department do the same.

Dawn Steele commented that employee raises total \$17,000 for the year, including the proposed \$6,000 stipends for select board members, and of the total \$17,000, 66% is for the two administrative employees and the selectmen.

Dawn said that for some employees, the recommended amounts are fine, but some employees are not being paid at market value. Chairman Brewer said the selectmen's proposed stipends should not be part of that consideration and is for the voters to decide.

Regarding the article proposing more funding for the Welcome Center, Virginia Mike asked if any competitive bids have been sought, or if the cost is a general estimate. Town Administrator Cowles said the proposed cost is generalized at this time, as getting bids during the pandemic is unreliable, due to increased materials costs. Virginia also asked if a committee had been formed, the answer to which was not yet but perhaps in the future. About the same article, Karen Foss commented that she felt it was too early to be voting on the Welcome Center and more public input was needed. Darrel Dietlein voiced his agreement. Chairman Brewer said \$100,000 was approved by voters at last town meeting and this year's warrant article proposal is for the voters to decide as well. Jayne O'Connor commented that she has heard plans and discussion at public meetings multiple times and feels the proposal has been transparent and well discussed. Darrel said he thought the pandemic affected voting last year. In support of the Welcome Center proposal, Jayne said she would like to see improved bathroom facilities available as there have been issues with the lack of facilities.

Mary Grote commented that she thought the town hall infrastructure issues should be addressed before a new building is considered because the town hall can't be used. Chairman Brewer and Town Administrator Cowles said that the town hall has been vastly improved over recent years with many issues cited by the Fire Marshall being addressed and the town hall can be used.

Peter Grote commented that he thinks suitable bathrooms should be built at the transfer station prior to any other bathrooms being built. Buildings and Grounds supervisor Corey Rush said the transfer station employees do have access to adequate facilities at the Highway Garage. Chairman Brewer said a tri-town committee of the three board's selectmen has been discussing the topic.

Virginia Mike asked if concrete plans have been made to address the issues at town hall and make it safe again for occupancy above 50 people. Town Administrator Cowles said the issues have been addressed with the exception of the basement ceiling needing a two hour fire wall if the basement garage was still going to be used as a garage. However, the basement garage has been changed into storage so that it is no longer a violation. Town Administrator Cowles said that maximum occupancy of the town hall is 110 people, not including tables and chairs, and an assembly permit is required for occupancy above 50 people. But in order to get an assembly permit, the two hour fire wall is required. Town Administrator Cowles said the fire wall will eventually be addressed.

Dawn Steele asked if there is an estimate for the sidewalk paving project. Town Administrator Cowles said the estimate is \$247,000 and was received by NHDOT, but it has not been formally put out to bid yet.

There were no other questions from the public. With no further discussion, the hearing was adjourned at 7:35pm.

Respectfully Submitted,

Jenny Monahan
Administrative Secretary