

DRAFT UNAPPROVED

Note: Please find the following **DRAFT** minutes of the Budget Committee. These **DRAFT** minutes are subject to being amended, extended and approved by the Budget Committee during it's next meeting.

ENFIELD BUDGET COMMITTEE (EBC) MINUTES (DRAFT Unapproved)

THURSDAY, JANUARY 26, 2012

DPW BUILDING 6:00PM

Members Present: Doug Pettibone (Chair), Fred Cummings (Ex-Officio), Gail Malz, Sam Eaton (Vice Chair), Annabelle Bamforth, Shirley Green, Gayle Hulva, Lori Saladino, Paul Mirski, Janet Shepard

Others: Steve Schneider (Town Manager), Lee Carrier, Bob Cusick

Administrative: The minutes of the January 19, 2012 were not completed: therefore, there was no discussion concerning them.

New Business:

2012 Budget: Discussion of Draft Warrant Articles

We were given a handout listing the draft warrant articles that the Committee needs to act on as they stand today. Petitioned articles are due by February 7th. None present were aware of any petitioned warrant articles that may come before the Committee. We are taking the opportunity to review the current 'monied' articles and decide whether we will support them or not support them.

Article 1 (Election of Town Officers) will be voted on during the first session of the Town Meeting on Tuesday, March 13, 2012.

TIF water/Sewer Line Article: The first article for Town Meeting on Saturday, March 17th on the warrant deals with the extension of the sewer/water lines along Route 4 from approximately Baltic Street to the Enfield/Canaan town line. Per RSA, articles dealing with borrowing must appear first on the warrant. Voting for this article requires a paper ballot and the polls must be open at least an hour. The Town did receive several bids including one received on Tuesday that falls in line with the

proposals they have requested from banks based on \$3.2 million bond or note. There is a 10% contingency built into that proposal for unseen circumstances. The engineer did look at it and recommended negotiating with the low bidder. It has already been decided that if the financing doesn't make sense or if it has an impact on the tax rate this will not be presented at Town Meeting. It does look that it will go forward at this point. This project will be presented in two parts: 1) to authorize the debt and 2) to pay for it with TIF money. A super majority is required for this to pass; however, it is not clear whether it has to be 2/3 majority or 60% of the votes. The State of NH was scheduled to repave this section of Route 4 in 2011; however, that was postponed in anticipation of this project.

The Board of Selectmen have agreed that residents along this section of Route 4 will not be required to connect to the new system unless they have a system failure. A question was raised that if someone has a system failure do they have the option of connecting to this system or repairing their own was not answered. At this point the cost of connecting to the system is \$1500 for sewer and \$1500 for water; however, this will be waived if they get connected while the work is being completed.

An informal straw poll indicated that the Budget Committee is in favor of this article (Voted for, 10 to 0, if there is no impact on the Tax rate) .

Article for General Fund Appropriation: An article to approve the Committee's recommended appropriation of \$4,713,278 for the Town's General Fund was discussed. A handout was provided giving an overall look at the budget process; however, this amount will be adjusted slightly by a reduction of the funding of the RA's to meet the policy target of 1% of the general fund appropriation. The reduction is about \$4500. The municipal tax rate will be \$6.10/\$1000, an increase of 2.5%.

A straw poll indicated that the Budget Committee is in favor of this article (Voted for, 10 to 0).

Land Acquisition Article: This article appeared on the warrant last year and there is no change from last year's article. It is a request from a taxpayer for the Town to purchase a State property and swap that parcel for a parcel that he owns near a Town wellhead. There is no impact on the tax rate since the monies requested (\$46,100) will come from the Land Acquisition Capital Reserve Fund. It may benefit the town by removing developable land from near one of the Town's wellheads. It

was believed at Town Meeting last year that the wellhead property was protected and therefore the swap would have no benefit for the Town, so the article did not pass. There is some question now of whether this land can actually be developed and therefore may be beneficial to the Town after all. This information should be available by Town Meeting. It appears that most EBC members think it would be difficult to support this article if the facts have not changed. No straw poll was taken.

Ambulance Article: There was another lengthy discussion concerning the benefits and costs of changing the ambulance service to a 24/7 stand alone operation. To add two additional full-time employees to the Town's payroll in addition to paying people to be on call during off hours would have an impact of 30 cents/\$1000 on the tax rate for a 12 month period (or \$60 per \$200K property). The article in question is to fund 2012 for only 9 months (\$117,362) because the new plan is proposed to start April 1. The actual cost to the Town will be lower because billing for transport calls will be instituted to offset. It is unclear, however, how much the billing revenue from the service will reduce the overall cost to the Town, so the specific appropriation in the article is for the sum with no revenue offset. It was mentioned that perhaps the Town could cover any shortfall from undesignated funds during the transition in 2012. We did recognize that the majority of the current budget for the ambulance does go to Lebanon for contracted mutual aid and that the Lebanon response time is longer than anticipated if the service was covered entirely from Enfield. Although there are no known instances of adverse medical outcome issues with the current service, it is just common sense that having the service provided from Enfield will reduce response times and should improve quality of service to the Town. Whether the reduction in response time, however, is enough to be medically relevant is uncertain. The Budget Committee narrowly showed support of this article. Opposition to the plan was mainly because of the uncertainty of the cost and level of expected benefit of the proposal. Straw poll: 6 in favor: 4 against.

Articles for CIP (Capital Improvement Plan Reserve Fund): There are several articles concerning the CIP Committee's long-term capital financing plan. This plan will have a yearly impact of 5 cents on the tax rate (\$10 on a \$200,000 home) into the future and is one-third of the proposed 2,5% rate increase for 2012. Included in the appropriations for the plan is financing by equipment leasing and long term notes or bonds for infrastructure projects. The plan will be reviewed annually and adjusted as appropriate. The CIP has put a lot of work into looking into the needs of the Town over the next fifteen years. There was a

unanimous decision from the EBC to support the CIP plan (straw poll vote: 10-0 in favor). The CIP plan is to be funded by three parts: the \$.05 increase of the tax rate each year, the amount carried over from the 2011 budget of the retired debt service for the DPW building (\$125,000/year) and a carryover of \$63,000/year from the 2011 budget used for capital equipment. A warrant article will be presented to create a reserve account set up for specific capital purposes and this fund will source the CIP plan for its duration. This plan is a change in philosophy to plan the funding of the capital needs of the Town over the long term instead of year-to-year. There was some question for the town attorney concerning the wording on the article to establish one capital reserve fund for this plan: it cannot be vague as to where the dollars can be applied.

If this initial article passes in support of the creating and funding the CIP Capital Reserve Fund, other articles will deal with leasing a police cruiser and two International trucks (GVW 25,100) for 2012. The trucks will have a longer life expectancy than the current trucks in use by the DPW because they are heavier. There are two articles on leasing for each: one with an escape clause to get out of the lease if necessary, and one without. The article without an escape clause would be put to a vote first. It will require a 2/3 majority and capital reserves can be used to fund the payments for the entire leasing term. If that does not pass and the voters approve the article with the escape clause, then the annual leasing appropriation will have to be voted for every year. There are still some decisions that need to be ironed out concerning the police cruisers (the length of the lease vs. the life of the cruiser, and whether to lease all new cruisers at once or one new vehicle every year). It is projected if they sell the current vehicles that money will pay for the first year of the lease and therefore have no impact on the tax rate.

Cemetery Article: A similar article appears every year on the warrant and there was no discussion.

Public Comment: None

Old Business: None

Meeting was adjourned at 8:20pm. There are no additional scheduled Committee meetings. The next meeting will be the Public Hearing meeting on February 8, 2012 at 6:00pm at the DPW building.