

ENFIELD BUDGET COMMITTEE
February 3, 2011
DPW Building – 6:00 PM

Members present: Sam Eaton, Judy Finsterbusch, Shirley Green, Paul Mirski, Lori Saladino, David Stewart (Vice Chair)

Excused: Fred Cummings, Gayle Hulva, Gail Malz, Doug Pettibone

Administration: Steve Schneider (Town Manager)

Others: Margery Carr, Lee Carrier, Bob Cusick, Dan Kylie, Doug Smith, members of the public who were not identified

The meeting was called to order at 6:14 PM.

PUBLIC HEARING

It was moved by FINSTERBUSCH, seconded by SALADINO, to open the public hearing. The Committee voted unanimously in favor of the motion.

STEWART and Schneider walked the group through an overhead slide presentation of the following:

(1) 2011 Enfield Budget Proposal
PUBLIC HEARING
February 3, 2011

(2) ENFIELD 2011 BUDGET PLAN

End-2010 Town Economic Backdrop

~ Entering 4th year of economic downturn

~ Upper Valley unemployment at 3-4%

~ Revenue appears to be stabilizing; future State contributions uncertain

[State contributions are subject to budgetary approval every two years. In 2010, the Town received \$216,000 from the Rooms & Meals tax and \$150,000 from DOT.]

~ Overall financials fundamentally sound

[The Town has savings and is retiring debt.]

Objective: To develop a responsible budget for the Town

~ *Maintain services and quality of life*

(3) 2010 Town Meeting Summary

BC and BOS proposed budget with level tax rate (5.51/\$1000)

Two Warrant Articles were passed:

~ *2 pieces of DPW equipment (\$190K)*

~ *To fund RAs (\$48K)*

Result: 8% increase in tax rate to 5.95/\$1000

(4) FACTORS AFFECTING 2011 BUDGET ALAN

- *Flat Non-Property Tax Revenue*

[This includes interest earned on investments. The Town invests over \$1 million/yr and is earning only 1.6%. Revenue from Motor Vehicle registrations was higher than expected in 2010, but is still about \$50,000 to \$60,000 less was collected in 2006 and 2007.]

- *Uncertain State Revenue*

- *Weak Economic Recovery*

- *State Retirement*

[The State reduced its contribution to the employee retirement fund and increased the Town's contribution by \$50,000. Employee contributions are dependent on the class of employee; Police and Fire employees contribute more. The Town typically pays \$150,000 to \$160,000 annually. It will pay \$215,000 in 2011. This applies to current employees only. The Town is not responsible for retirees' contributions. Schneider said the Retirement Fund is improving. He suggested it is underfunded 25%. There are no changes proposes to Enfield's workforce.]

(5) 2011 Budget Process

Target: *To maintain level tax rate vs. 2010*

~ *\$5.95 per \$1000 assessed value*

2011 Draft Budget (end-Oct)

~ *about \$300K higher vs. 2010*

~ *translated to 8% increase in tax rate over 2010*

(6) Adjustments in Draft Spending Plan

[Adjustments were made with the help of the Town Dept Heads who were

asked to cut their individual budgets to meet the Committee's budget target. Another adjustment related to the Town valuation, which is at roughly \$541,000. The Committee feels it is safe to assume the valuation will increase \$1 million by way of home improvement projects, the 14 new single-family houses permitted in 2010, and changes in business values.]

- *2010 Spending Levels*
- *9 months of Community Development Director*
- *Limited Capital Outlay*

[The proposed budget does not include a bunch of equipment purchases. The Committee is looking at whether large capital purchases should be bonded. The Town does not have a lot of money saved up in Capital Reserve accounts. It may be cheaper to borrow money for the larger purchases.]

(7) 2011 Budget Process

Final Budget Proposal*

Total Appropriations \$5.071 M

Expected revenue (non-property tax) - \$1.896 M

Adjustments (tax abatements, VA credits) + \$0.077 M

To be raised from property taxes: \$3.252M

** incl. water/sewer*

Tax Rate = \$5.95 per \$1000 valuation (0% increase)

(8) 2011 Budget Highlights

- *Replace Police Cruiser*
- *Tractor - Replaces Holder -sidewalk snow plow*
The Town has asphalt that can be used again.
- *Asphalt Re-claimer*

[This is a trailer with a heater, designed to hold & reheat hot top for reuse. The Town does a lot of patchwork of decaying asphalt. The Town has a supply of old asphalt that can be used again. Lee Carrier asked if a buy-back option was considered. Schneider said no but it could be looked into.]

- *Up to 2% merit raise for Employees*

[A question was raised about what other local municipalities are providing their employees in terms of raises in 2011. Schneider said most of the other local towns' employees are represented by unions, which guarantee pay increases. The proposed 2% increase will keep Enfield competitive.]

- *Regional Association Funding*

1% of General Fund Operating Budget

[STEWART said the Town now has a process in place for fair review of RA funding requests which has significantly reduced the time the Committee must spend discussing them. A Budget Committee subcommittee that included Bob Cusick, EATON, Diane Heed, MALZ, MIRSKI, and Bart Thurber met over the summer to create the new process. They obtained input from the United Way. The subcommittee recommended RA funding in the amount of 1% of Town's operating budget. Their recommendations were then adopted by the Budget Committee. Bob Cusick stated that each of the RA's will pretty much receive what they requested. STEWART explained that the Red Cross' funding request was submitted late; so their funding request is not included in the proposed budget. Schneider said the 1% limit is in line with the Town's historic funding levels. He further announced that the Town has not received any petitioned articles for changes to the proposed RA funding requests.]

(9) Recent Enfield Tax Rate History

Tax Rate = per \$1000 property valuation

2006 / 2007 / 2008 / 2009 / 2010 / 2011

6.64* / 6.65* / 6.86* / 6.81* / 5.95** / 5.95**

5.31** / 5.35** / 5.36** / 5.51** //

****old town 2004 valuation***

*****new town 2009 valuation***

Tax rates: increase of 2.4%/yr over last 5 years

[STEWART said the Town has done a good job of keeping the tax rate level over the years. Dan Kylie agreed but pointed out that the rates in 2006 included depositing money into capital reserve accounts, which has not been a part of recent years' budgets. The Town may have to bond for future capital purchases because conscious efforts have been made not to fund capital reserve accounts. Schneider reported that this is the third year the Town will not be contributing to capital reserve accounts. STEWART reiterated that bonding for large purchases would keep things level and avoid creating tax spikes. Schneider said that \$120,000 of debt service would be freed up in 2012. A member of the public pointed out that the Town has argued for capital reserve funding in the past, and against it now, both in efforts to maintain a stable tax environment. Mr. Cusick agreed and stated the Town needs to make a decision on how it wants to fund large equipment purchases. It does not make sense to reserve funds one year, and suggest bonding the next. A

member of the public questioned the percentage of the total tax bill coming from the Town tax. Schneider said 20%, which represents one-quarter, which is pretty standard.]

(10) Town financials are still fundamentally sound

Low debt level

- ~ \$1 M loan for DPW bldg to be paid off 2011
- ~ annual debt service, \$120K will be released

Undesignated Fund at low-end, but acceptable

- ~ \$754,000 (6.2% retainage: NH guideline 5-15%)

Comparably high rate of property tax receipts (96%) in 2010

[STEWART said the Undesignated Fund has also been used over the years to keep the tax rate level. The 2011 proposed budget does not include use of any Undesignated Funds.]

(11) Issues Facing Town Budget for Near-term (next 5 years):

Equipment Needs:

- Fire Dept - 2 engines, Rescue
- Public Works -
Salt/Sand Shed

Bridges - Boys Camp, Shaker Blvd

Pavement Maintenance [has been lacking over the last few years]

State Budget [Revenue sharing over the next few years is questionable]

Mascoma Lake Park - Old Motel/Old Marina

[Dan Kylie suggested adding the sewer line relocation project to this list. Schneider said the State has paid half of the Town's \$280,000 share for that project. He said the Town has not yet been asked to pay back the balance. The Town could bond for it when asked to do so. Paying \$140,000 over 20 yrs will not create a huge impact to the tax rate. The balance could also be paid by the users and not affect the tax rate at all.]

(12) Summary: 2011 Enfield Budget Proposal

The Budget committee recommends Town budget with no increase in property taxes.

The tax rate for the proposed budget is \$5.95 per \$1000 property

valuation.

(13) 2010-11 Enfield Budget Committee

Fred Cummings (Ex-Officio)

Sam Eaton

Judy Finsterbusch

Shirley Green

Gail Malz

Gayle Hulva

Paul Mirski

Doug Pettibone (Chair)

Lori Saladino

Dave Stewart (Vice-Chair)

Administration Liaison: Steve Schneider, Town Manager

Recorders: Beth Rivard, Wendy Huntley

The committee appreciates with thanks the Town Administration and Employees for their input, cooperation and dedicated service to the Town.

MIRSKI commended Schneider's efforts to meet the budget goals. Mr. Carrier commended the Committee on the new RA review program and congratulated the Committee on the overall job done.

It was moved by MIRSKI, seconded by GREEN, to close the public hearing. The Committee voted unanimously in favor of the motion. The public hearing closed at 6:53 PM. The regular meeting resumed.

REVIEW OF WARRANT ARTICLES

Article A: To see if the Town will vote to raise and appropriate the Budget Committee's and Selectmen's recommended sum of five million, thirty-three thousand, three hundred four and 001100 dollars, (\$5,071,304), for general municipal operations. This article does not include special or individual articles addressed. (Estimated tax impact \$ per \$1,000 valuation.)

It was moved by FINSTERBUSCH, seconded by GREEN to approve Article A as written. The Committee voted unanimously in favor of the

motion.

Article B: To see if the Town will vote to raise and appropriate the sum of forty-six thousand one hundred and 00/100 dollars (\$46,100) for the purchase of land currently owned by the State of NH, located in the Northern Rail Corridor adjacent to McConnell Road and identified on the Enfield tax maps as Map36, Lot 18, to authorize the withdrawal of forty-six thousand one hundred and 00/100 dollars (\$46,100) from the Land Acquisition Capital Reserve Fund to offset this expenditure, and to authorize the exchange of this parcel with an approximately 3-acre portion of the parcel of land owned by Robert A. LaCroix and Robert R. LaCroix, located on Lovejoy Brook Road and identified on the Enfield tax maps as Map 15, Lot 5 and located adjacent to the property on which the municipal Prior Well is located and within the wellhead protection area. The purpose of this property exchange is for acquisition of adjacent land which is otherwise subject to development. (This article has no impact on the proposed 2011 Tax Rate.)

It was moved by MIRSKI, seconded by SALADINO to approve Article B as written.

Schneider said this would permanently protect the Town's wellhead from development. Mr. Carrier asked who came up with the idea. Schneider said the Town's former DPW Director had expressed concern about it since that part of town is designated for commercial development. Schneider said Mr. LaCroix offered to swap land to protect the wellhead. The Town had the money in the Land Acquisition Capital Reserves. It makes sense to do it. Mr. Cusick questioned the appraised value of the land. Schneider said the State has appraised it at \$46,100. The land being swapped has not been appraised as it is part of a larger piece. The Town piece is more valuable and three times the size of the piece Mr. LaCroix is getting.

The Committee voted unanimously in favor of the motion.

Article C: To see if the Town will vote to raise and appropriate the sum of four hundred thousand and 00/100 dollars (\$400,000) for the purchase of the real property at 217 Main Street, [OLD GRAY'S MARINA SITE], also known as Map 32, Lot 48 of the Town Tax Map, for the purpose of developing, the site as an Enfield community educational and recreational facility, open to all residents of Enfield, and to authorize the withdrawal of seventy-one thousand five hundred and 00/100 dollars (\$71,500) from the Land Acquisition Capital Reserve fund to partially

offset this expenditure. The remainder of the appropriation shall be raised through general taxation. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the acquisition and development are completed or by December 31, 2012, whichever is sooner. (Estimated tax impact \$ _____ per \$1,000 valuation.)

It was moved by FINSTERBUSCH, seconded by SALADINO to approve Article C as written.

Mr. Carrier estimated the tax impact to be 11.9%, or \$0.69 on the \$400,000 appropriation, with an additional \$0.02 for the loss of tax revenue & water/sewer revenue. Schneider said in reality, the Town would not spend that much.

FINSTERBUSCH questioned the language “non-lapsing appropriation”. Schneider said that language is required by the NH Dept of Revenue Administration (DRA). It means that it is not tied to one year.

Doug Smith said this is a request for a one-time, big hit to the taxpayer for a capital investment to provide access to the lake for the people of Enfield. The shoreline is in private hands or developed in a way to make it inaccessible. Past opportunities to correct this were passed over. If the residents accept this Article, and the land is purchased, a group of volunteers will establish a non-profit or work with an existing non-profit to create and promote educational and recreational activities. The goal is to teach kids the values & skills they need for life through recreational activities including sailing, hockey, etc.

Public comments included:

- What is the width of the property?

It was reported as being 70–100’ wide but will provide 400’ of lake frontage.

- Where are sailboats currently located?

It was reported that they are at the old motel property.

- Linear frontage is not the issue. The issue is the depth of the water.

It was noted that the motel marina site is probably deeper.

- This spending is contradictory of the efforts made by the Budget Committee and Board of Selectmen to keep operating costs down.

- The Town has made statements in the past in opposition to taking on more land.

- Why not bond for the purchase and pay it off over 10 or 20 yrs?

Schneider explained there was not enough time to consider bonding per legal requirements.

- Once the tax rate is increased 12% that higher rate becomes the norm.
- This is a huge impact on the Town in its gestation period.
- Objections were raised for the Budget Committee or Selectboard to make recommendations on this article.

Schneider explained that their recommendations are required by the State because this is a moneyed article.

- The origin of the \$400,000 amount was questioned.

Schneider said that amount was negotiated between Mr. Bill and a committee of interested people.

Mr. Smith reported that the asking price for the property is \$490,000.

- The element of time was questioned, and whether this is moving too quickly at the expense of understanding the entire scope/implications before Town Meeting.

Schneider said public informational meetings will be held before Town Meeting.

- Additional funds are needed to make this viable.

Mr. Smith said those funds will be raised privately by 501C3 charities that have been very successful.

STEWART said it would be helpful to have letters of intent from those groups at Town Meeting.

A member of the public said there will be support from the sailing community outside of Enfield.

- State permitting will make development difficult.
- It was suggested that the motel property is more valuable to the Town. The Town should put its efforts toward obtaining that land instead.

Schneider said the NH DOT owns that property now. In 08/2012 it will become available to other state agencies. He suggested the NH Dept of Resources & Economic Development (DRED) may be the only State agency interested in it. They would probably keep it for parking and trail access. If no other State agency wants it, the Town will have the Right of 1st Refusal. Schneider said DOT is currently advising the Town that they intend to request fair market value for the land if/when it is up for sale.

It was noted that to make the hotel site usable for activities the Town would have to build a structure on it. The Bill property already has a structure on it.

It was questioned whether DOT would be interested in a land swap with the Town for the motel property.

- It was questioned whether a soil analysis had been performed on the Bill property.

• The mechanics and how this will work was questioned. If the Town owns the land and the non-profit covers development costs, who makes the decisions?

- A suggestion was made to fix up the house on the Bill property and

rent/lease it out.

- It was suggested that without the Town's contribution the funds cannot be raised in the private sector.
- A suggestion was made to use Undesignated Funds to lower the impact.

Schneider said Undesignated Funds can be used but cannot be included in the language of the Article per DRA. The Town is required to raise and appropriate the full amount.

- The Bill property will never be worth less than it is today.

MIRSKI spoke in favor of the proposal but against the proposed expenditure amount. He said this offers the community an anchor on the lake and a park for the community. The more attractive the lake can be, the better the benefit to the Town. This could lead to long-term development of the waterfront which would have an element of potential to improve the desirability to live and work here. MIRSKI said there are very few private points of access between the Bill property and the railroad bridge. If the Town does not take advantage of this, it will be a lot harder to do in the future. However, the proposed expenditure is too much for people to swallow. It should be reduced to a tax impact range of 30-35 cents. MIRSKI said the goal of the Committee was not to increase the tax rate. He questioned if there is a way to approve this subject to an acceptable finance plan that would not result in increased tax rate over a certain percent. Schneider said he would check with DRA whether an If/Then article is possible at Town Meeting.

FINSTERBUSH said there are too many variables. She said she does not think Town Meeting will approve an article with this large of an impact. Schneider said recent history has shown that Town Meeting is willing to raise taxes 8%.

STEWART spoke in favor of the proposal but against the expenditure. He said he is uncomfortable using Undesignated Funds for this. Those funds may be needed in the years to come to offset tax increases.

GREEN said she believes strongly that the water does belong to the people and everyone should have more access to it. She said she is thrown by the language of the article. GREEN said it is hard to propose this large increase after level funding the rest of the budget.

The Committee voted unanimously in opposition of the motion.

Schneider said if he is able to change the language, to incorporate an If/

Then variable, the Committee will need to meet again to act on the revision(s).

When asked, FINSTERBUSCH, GREEN, MIRSKI, SALADINO, and STEWART said they would pass this article if the rate could be reduced. EATON said he was not in favor of it, as it is his opinion that it should be left to the private sector.

A member of the public asked that the Committee members be prepared to speak at Town Meeting about their concerns and options that have been considered regarding lowering the tax rate.

It was moved by MIRSKI, that the Chair express the sentiment of what appears to be a majority of Committee in favor of the idea but not at the tax rate proposed and that if alternative financing is discovered, the Committee would support it.

Article D: Shall the Town raise and appropriate the sum of three hundred and 00/100 dollars (\$300) from the 12/31/2010 unreserved fund balance, for deposit into the Cemetery Maintenance Expendable Trust Fund, an expendable general trust fund previously established under the provisions of RSA 31:19-a for the purpose of maintaining cemeteries? This money represents 2010 revenue from the sale of cemetery lots in 2010 and is available to offset the appropriation. (This article has no impact on the proposed 2011 Tax Rate.)

It was moved by FINSTERBUSCH, seconded by SALADINO to approve Article D as written. The Committee voted unanimously in favor of the motion.

Article E: Shall the Town establish an expendable general trust fund under the provisions of RSA 31:19-a, to be known as the Enfield Trails Fund for the purpose of printing future copies of the Enfield Trails Map, future revisions of the Enfield Trails Map, maintaining trails located within the Town of Enfield and creating new trails within the Town of Enfield; to designate the Board of Selectmen as agent to expend; and to raise and appropriate the sum of three hundred seventy and 00/100 dollars (\$370) from the 12/31/2010 unreserved fund balance, for deposit into the Enfield Trails Expendable Trust Fund. This money represents 2010 revenue from the sale of Enfield Trails Maps in 2010 and is available to offset the appropriation. (This article has no impact on the proposed 2011 Tax Rate.)

It was moved by MIRSKI, seconded by GREEN to approve Article E as written.

Schneider said this creates a new expendable trust fund for trails maps. Revenue earned from the sale of trail maps will be expended to make additional copies of those maps. Currently the map revenue is deposited into the Conservation Fund.

The Committee voted unanimously in favor of the motion.

The State form MS7 was passed around for signatures.

OTHER BUSINESS: None

ADJOURN: The meeting adjourned at 8:29 PM.