

**BUDGET COMMITTEE  
FEBRUARY 4, 2008  
DPW – 6:00 PM**

**Present:** Lee Carrier (Chair), Judy Finsterbusch, Shirley Green, Gayle Hulva, Gail Malz, Richard Martin, Roberta Morse, Lori Saladino, David Stewart (Vice-Chair)

**Absent:** Curtis Payne (Selectman)

**Staff:** Steve Schneider

Committee Chair, Lee Carrier, called the meeting to order at 6:06 pm.

**PUBLIC HEARING**

**It was moved by SALADINO, seconded by MORSE, to open the public hearing. The Committee voted unanimously.**

CARRIER gave an overhead presentation of the proposed FY 2008 budget. He said the Budget Committee was committed to wisely spend taxpayers' money. Appropriations were up 16% over 2007, totaling \$764,000. The overall budget resulted with a higher increase than in recent years. \$214,000 had already been cut but the Town would still be spending well over \$500,000 over 2007.

The Bottom Line: The 2008 Municipal Tax Rate will be \$7.00; an increase of \$0.35 (5.3%) over 2007. The annual rate impact on a home assessed at \$100,000 is \$35, assessed at \$200,000 is \$70, and assessed at \$500,000 is \$175. Zero reserves will be used from the Unreserved, Undesignated Fund Balance to offset taxes other than the \$400,000 for the library.

3-Year Impact of Tax Increases: In 2006 the tax rate was \$6.64, an increase of \$0.05 (.8%) over 2005. In 2007 the tax rate was \$6.65, an increase of \$0.01 (.1%) over 2006. In 2008 the tax rate will be \$6.92, an increase of \$0.35 (6.2%) over 2006. The 3-year impact totals an increase of \$0.41 (6.2%). That calculates out to an \$82 increase for homes assessed at \$200,000. The tax rate over the last five years shows a big increase in 2005, stability through 2006 and 2007, and an increase in 2008.

The net general budget capital outlay for 2008 is \$424,000. It includes: \$128,000 for a 4 Yd Dump Truck, \$39,000 for a chipper, \$90,000 for a mechanics truck, \$112,000 for an ambulance, \$75,000 for side walk construction, \$22,000 for a water & sewer pick-up, and \$25,000 for tax mapping. The Water & Sewer accounts will be charged for half of the mechanics truck and all of the water & sewer pick-up. The \$75,000 sidewalk construction will be a wash because the town will be reimbursed by a developer for this work. This is the 4<sup>th</sup> year of funding the tax mapping project.

Capital Reserve deposits total \$98,700, a decrease of \$11,300 from 2007. They include: \$40,000 for Whitney Hall, \$5,000 for library technology, \$48,000 for fire equipment, and \$5,700

for emergency services. No funds will be reserved for bridges, ambulance, DPW equipment, or the Sand & Salt facility.

The budget did not include the library appropriation because it would not impact taxes. If approved, that funding would come from the Undesignated Fund Balance. CARRIER said the Budget Committee supported the current library proposal because the risk and tax liability to the Town and taxpayers had been significantly reduced from the previous proposal. The new proposal saves the taxpayers \$1,500,000 over the previous plan. It also eliminates the need for the Town to build new offices or lose an auditorium. It was suggested last year that it would cost \$1,000,000 to move the Town Offices to Whitney Hall. The new library plan allows for the Town Offices to occupy the old library space and to preserve the auditorium. The current library proposal requires the taxpayers to pay only 25% (\$400,000) of the total cost of the new library. The library fundraising committee must raise the remaining \$1,600,000. There would be no tax increase because the Town's savings will be used toward the Town's \$400,000 commitment.

### **CARRIER opened the floor to public comment**

Bob Pollard asked why the DPW dump truck was so expensive. CARRIER said \$128,000 was the quoted price for a truck with a full plow with wing and sander. Mr. Pollard asked if the plow & sanding equipment on the Town's current truck could be mounted to the new truck. Don Crate, Selectman, said no, sanders were now built into the new trucks.

Kimberly Witherow, of the Enfield Fast Squad (hereafter "Squad"), asked why the Town was not depositing into the Ambulance Capital Reserve. CARRIER said it was customary not to add to reserves the same year a large purchase was made. The Town would begin saving next year for the next ambulance.

Ms. Witherow questioned the \$112,000 appropriation for the new ambulance. She said she had been quoted \$132,000 for the vehicle. Rebecca Stewart, Selectman, said the \$112,000 appropriation was the Budget Committee's recommendation. The ambulance purchase would be a warrant article up for discussion at Town Meeting. If the Squad was insistent on purchasing the \$132,000 model the taxpayers could vote to amend the article at Town Meeting. CARRIER said Schneider had advised the Budget Committee that the town he served in New York had purchased a new ambulance for \$88,000. The local distributor for the New York ambulance model provided CARRIER with a quote of \$92,000. Changing the New York model to include the specifications requested by the Squad would bring the price to \$121,000 including a \$4,000 rebate to trade in the current ambulance. CARRIER said reducing the cabinet count and the fancy paint job would bring the cost down to \$112,000. He said the Town of Bow had purchased one of these models and was very happy with it.

There was some discussion over the various ambulance manufacturers and the differences between them including paint, warranties, powertrain, maintenance, etc. Ms. Witherow argued the New York ambulance was not the same as the ambulance the Squad wanted. She said the Squad spent a year researching this before asking the Town for the funding. MARTIN added

that one of the manufacturer's had filed for bankruptcy while they conducted their research, so their products were not even considered by the Squad.

PAYNE said it was not the Budget Committee's job to spec out equipment. Schneider said CARRIER was asked by the Town Manager's Office to seek alternative quotes for the ambulance. He said the Squad professionals' expertise was in design and what would last them the next 15 years. Schneider's expertise was finding the best deal. Schneider said he agreed there were distinct differences between the ambulance purchased by his former employer and the one the Squad wanted. His goal was to find the best value for our money and CARRIER was very good at negotiating prices. PAYNE said he wanted to be sure everyone was comparing apples to apples. He wanted the Squad to agree on the purchase. GREEN agreed, the Squad should be part of the process of choosing the model. MARTIN said they had entered a non-binding Purchase & Sales agreement to buy the ambulance the Squad had researched.

Bob Cusick spoke very highly about a recent experience he had with the Squad at his home. He said the Town had huge fiduciary responsibility. They made the library jump through hoops with their proposal. Mr. Cusick questioned staff's expertise on the matter. He said the new ambulance must be completely functional to meet the needs of the Enfield community. However, that could be done without all the bells and whistles. Mr. Cusick said he agreed the Town has to get the best bang for our bucks. Selectman Stewart said everyone wants to provide the highest level of service at the lowest cost. CARRIER is looking for the best price; the Squad is looking for the best equipment. Selectman Stewart asked CARRIER and the Squad to meet and review the various proposals together.

Ms. Witherow said the Squad was not trying to back anyone into a corner. She said the Budget Committee does a wonderful job. The Squad tried to save the Town money too. All of the Squad members give a lot of their free time to the Town without requesting for compensation. Ms. Witherow said the Squad was a small group that did not ask for much. Their concern with the new ambulance was quality and service contracts. Schneider agreed stating that the Squad does this once every 10 years. He said it was rough to go through the budget process for big purchases when you don't have to do it often. FINSTERBUSCH said no one wants to feel as though their integrity is being questioned. The Squad is experts in their field and knows what they need. We need to meet those expectations at a decent price.

PAYNE said he favored saving money to allow the Squad to purchase the ambulance they wanted. STEWART, MARTIN, Schneider and Ms. Witherow agreed to meet and report back to the Committee.

PAYNE questioned a few budget numbers presented at the start of the meeting. The Budget Committee had not discussed a tax rate of 7.0. He said Schneider was asked to reduce the rate to 6.0. CARRIER said it had been reduced to 6.9 but an error was found earlier in the day that increased the tax rate to 7.0. \$33,000 in revenue was added in error. Schneider said the Committee would vote to support the budget proposal after the public hearing was closed. At this point they were just obtaining feedback from the public. SALADINO noted that the deadline for Warrant Articles was February 5. Schneider said there was time to change the ambulance article.

Cecilia Aufiero asked if there were any extra funds from the 2007 budget and whether those funds would be added to the Undesignated Fund Balance. CARRIER said the Fund balance was \$1,175,000 following the 2006 audit. That would be reduced by \$400,000 if the library article passed. Mr. Pollard asked why the Committee was squabbling with the Squad over \$20,000 when the Fund balance was so high. CARRIER said budgetary surprises come up. The Town has to have reserves. It was unwise to tap into the Undesignated Fund Balance for operational expenses. CARRIER suggested the Selectmen should agree on the percentage the Fund balance should be in relation to the Town's appropriations. The appropriations, including the school, county and state appropriations, total roughly 11,000,000.

Mrs. Aufiero asked what a "mechanics truck" was. Schneider said it was a utility truck with a crane and a lot of equipment a normal truck does not have. Selectman Crate said this purchase was necessary. He said if an employee were injured lifting a manhole it would cost the Town a lot more than the \$90,000 proposed appropriation. CARRIER added that this truck had been requested over the last 4 years. The Committee supported this purchase.

Mrs. Aufiero asked why a new chipper was needed. Schneider said the Town's current 4" chipper was not large enough. The new one would be 14". Mrs. Aufiero asked if the Town would sell the old chipper. Selectman Crate said the Town still needed it. Selectman Stewart added that the State had closed the Town's stump dump. Staff used to burn everything at that site that was over 4" in diameter. Brush was now collected at the DPW site but could not be burned there. The byproduct from the chipper would be made available to the community. Mrs. Aufiero asked if it would be more beneficial for the Town to purchase land for a new stump dump rather than buy new equipment and run the composting facility in the conservation area. Schneider said the equipment was still necessary, regardless of the facility location. He added that the Upper Valley Land Trust had opposed the use of the conservation area so the composting facility was relocated to the DPW building site.

Mr. Pollard said he did not want the Town to spend foolishly like it did on the Fire Department building addition to accommodate a new washing machine. Mr. Pollard said if the new school proposal was approved, more people would be delinquent on their taxes. The larger library would require additional staffing. He said it was a waste of money to spend \$33,500 annually on books. Mr. Pollard said he would prefer to spend money constructing a new building to relocate the Town employees currently housed in the basement. He said the Town would need a new safety facility soon. The new ambulance would be housed in a dump. Schneider said \$5,000 was spent to improve the basement area and a new roof was built over the ambulance building. Mr. Pollard asked what would happen if revenues fell short. He said he was speaking on behalf of a lot of retired people in town who were on fixed incomes. Their Social Security increases were not sufficient to counter the increasing cost of medical expenses, gas, groceries, etc. CARRIER said over 450 Enfield residents were at or below the poverty line. 300 people were already delinquent with their taxes. Tightening the budget required a lot of tough decisions.

Mrs. Aufiero asked about the **\$274,000 Community building parking lot and lighting** appropriation. Schneider said that appropriation would complete the funding for capital reserves

in this budget. It was not being funded this year. In 2007 the ramp and some lighting was finished.

Mrs. Aufiero asked about the balance of the Land Acquisition Fund. CARRIER said the balance was at \$115,000.

**It was moved by FINSTERBUSCH, seconded by MARTIN to recess the public hearing at 7:24 pm. The Committee voted unanimously.**

### **COMMITTEE REVIEW OF WARRANT ARTICLES:**

Schneider said the Committee would hold a separate meeting to approve the warrant article for the ambulance purchase.

**Article 7:** to raise and appropriate \$5,035,698 for general municipal operations. Schneider said the General Fund budget totaled \$4,849,000. To reduce the tax rate to 6.9 would require significant change in personnel, equipment or revenue.

CARRIER noted that Mr. Cusick had donated a generator to the Fire Department and suggested postponing the purchase of the new generator. Selectman Crate said the donated model was not big enough to meet the Fire Department needs. Schneider said Tim Taylor had estimated the Department needed 15 to 20 kW. The donated model has only 10 kW. Schneider said the State had said the Town was going to get a generator. Staff should have an answer from the State on that generator by the next meeting.

CARRIER said he'd received a lower quote for the mechanics truck. The Town could also put \$10,000 less in various reserve accounts.

SALADINO asked if the \$40,000 Whitney Hall painting project could be cut back. Schneider suggested it would be difficult to get that work done for \$40,000. He said the south side of the building was in rough shape. The shingles were deteriorating. If the building was not painted soon the Town would have to pay for structural repairs in the future. Economically, painting the entire building at one time saves money.

SALADINO suggested trimming overhead reserves. FINSTERBUSCH said proposing a high tax increase would defeat the library proposal. CARRIER said appropriations were increasing over \$500,000. The DPW and Ambulance reserves were being spent down to zero. The Revaluation reserve was at \$33,000. He said the Town could tap into the Undesignated Fund Balance to relieve this increase but that would jeopardize their ability to counter increasing rates 3 or 4 years down the road. STEWART said the Undesignated Fund Balance should be used in emergency purposes. The Fund balance was currently very healthy. STEWART suggested when it reached an agreed upon percentage, in relation to appropriations, any excess should be transferred to capital reserves.

CARRIER suggested the library's \$400,000 appropriation could be bonded. STEWART said he wanted to see the library project succeed but was worried that the Town would be crunched in a

year or 2 without these reserves. He suggested cutting the \$400,000 in half. CARRIER said in order for the library committee to succeed with their fundraising, they have to show that the Town is serious about its funding. STEWART said the Town was also transferring property over too which should be publicized. PAYNE said it was wrong to take way from the library. He said he would like to get the tax rate down to 6.9 without having to cut into the library budget this year. STEWART said the Budget Committee had not heard from the CIP group with respect to future expenditures the Town should be reserving funds for. CARRIER said the CIP group had determined that Town would need to reserve \$300,000 to \$350,000 annually to support capital expenditures.

Selectman Stewart said there needs to be a policy of not using funds from the Undesignated Fund Balance for operation expenses. Money for big item purchases should come out of current revenue. She said the Town should be building reserve accounts, not the Undesignated Fund Balance. Selectman Stewart said the Town was negligent in past years putting money into the Undesignated Fund Balance instead of reserve accounts. She said the Selectboard was in agreement that the Undesignated Fund Balance should be 7 to 9% of the annual appropriations. The State recommends 5%.

Selectman Stewart said a \$0.35 tax increase was unconscionable. We'll all lose our jobs. The emotional impact on the community will blow the library proposal out of the water. She said we spent the last 3 or 4 years keeping the increase to \$0.05 or less. The Town does not need to nickel and dime the Fast Squad, Fire Department or DPW. Money is available in the Undesignated Fund Balance. CARRIER said it was unrealistic to think that the budget could be kept at a 2 to 4% increase when employee pay increases, insurance and benefit costs were increasing at higher rates. The Town has to support its staff. At some point there has to be an increase. The only other option is to cut services. CARRIER argued the Town had not been negligible in the past. He said the Undesignated Fund Balance grows when Schneider under spends his budget or when there are revenue overages. Between 2002 and 2007 the Town deposited \$646,000 into the Undesignated Fund Balance and utilized \$716,000 from it. The issues at hand were where to use those funds and what the balance should be brought down to. Mr. Cusick said the Town should be very careful with the Undesignated Fund Balance; it was not a collection plate. It should be used for specific purposes. Mr. Cusick said if a material problem arose at the school, funding to address that problem must come from the Town. The equipment needs of the Town should be smoothing out. In theory, they should be less next year. With respect to the library, the Town is being asked to spend \$400,000 to get a \$2,000,000 library.

PAYNE said the Undesignated Fund Balance should not be viewed as a savings account. The fund was the barometer of the Town's infrastructural health. He said the Selectmen were in agreement that the fund should not dip below 7% of the annual appropriations. PAYNE said he was confident the Budget Committee would be able to cut \$33,000 from the budget. Reserve account balances could be adjusted next year.

Selectman Stewart asked what percentage the Undesignated Fund Balance was at as compared to appropriations. PAYNE said about 9%. Selectman Stewart said deducting \$400,000 for the library brings us below the 7% agreed balance. PAYNE said the Town was running smoothly; it

was financially sound. They should take a one-time hit to the Undesignated Fund Balance this year to get certain things done. Schneider said the Undesignated Fund Balance changed every year. More money would be going into it following the 2007 audit. Mr. Cusick cautioned that there would be fewer car sales and decreased house sales in 2008. The Town has to keep enough in there to cover us. Schneider said the proposed revenue figures reflected those projections.

Judy Kmon said the Town would only get a library if the library committee is able to raise the \$1,600,000 balance. She suggested the Town departments should fundraise for their equipment. CARRIER said the library committee would have an easier time because they were a non-profit organization.

Schneider asked the Selectboard what tax rate the Budget Committee should be working toward. PAYNE said 6.8. CARRIER said cutting \$70,000 would reduce the tax rate to 6.84. Mr. Cusick asked if the Town had any land to sell. Selectman Stewart said those revenue numbers were already included in the budget.

The Selectmen agreed to take \$70,000 from the Undesignated Fund Balance as a one-time deal. Schneider said that those funds would be applied to the DPW equipment purchases. MALZ asked what that would be the Undesignated Fund Balance down to. Schneider said close to 6%. The Committee supported the transfer.

**Article 6:** to raise and appropriate \$400,000 from the 12/31/2007 unreserved fund balance for the library (\$267,000 into a new Library Building Construction Reserve Fund, \$133,000 to prepare complete architectural and engineering plans for the library building and site). **It was moved by FINSTERBUSCH, seconded by GREEN, to approving Article 6. The Committee voted 9 in favor, 0 opposed, 1 abstained (STEWART).**

**Article 9:** must be reworded to include the \$70,000 transfer from Undesignated Fund Balance to help pay for the DPW equipment purchases

**Article 10:** to raise and appropriate \$29,926 for the acquisition of technology equipment and services. This will be defrayed by use of capital reserve funding. **It was moved by SALADINO, seconded by MORSE, to accept Article 10. The Committee voted unanimously.**

**Article 11:** to raise and appropriate \$98,700 to be placed into the following capital reserve accounts (\$40,000 into Whitney Hall Renovation, \$5,000 into Library Technology, \$48,000 into Fire Vehicle/Equipment). **It was moved by MARTIN, seconded by GREEN to accept Article 11. The Committee voted unanimously.**

**Article 12:** to raise and appropriate \$2,100 from the 12/31/2007 unreserved fund balance for deposit into the Cemetery Maintenance Fund. **It was moved by FINSTERBUSCH, seconded by STEWART, to approve Article 12. The Committee voted unanimously.**

**Article 13:** (by petition) to raise and appropriate \$15,700 to establish an Enfield National Historic Register District to provide economic incentives for the renovation of downtown

Enfield's important historic structures. **It was moved by GREEN, seconded by STEWART, to accept Article 13.** MORSE asked why \$15,700 was requested here. The Budget Committee had already agreed to fund \$5,700 of the Heritage Commission's original \$15,700 request. Schneider said this article was submitted by petition for the full amount. It could not be changed. A stipulation could be added to negate Article 14 if this Article is approved. MALZ spoke in opposition to allowing 2 articles that speak to the same issue. GREEN said the differences between the two would be explained in the narrative. **The Committee voted 1 in favor (STEWART), 9 opposed. The Motion failed.**

**Article 14:** to vote to establish a Capital Reserve Fund for the purpose of a National Historic Register District Designation and to raise and appropriate \$5,700 to be placed in said fund. **It was moved by MARTIN, seconded by GREEN, to accept Article 14. The Committee voted unanimously.**

### **PUBLIC HEARING (CON'T)**

**It was moved by CARRIER, seconded by MARTIN to reopen the public hearing at 8:42 pm. The Committee voted unanimously.**

**It was moved by PAYNE, seconded by MARTIN, to recess the public hearing to Tuesday, February 12, 2008 at 6:00 pm in the DPW Building. The Committee voted unanimously.**

**Adjourn: The meeting adjourned at 8:44 pm.**

Respectfully submitted,

Beth Rivard, Secretary