Budget Committee
Public Meeting
January 18, 2007

Chairman Carrier convened a business meeting of the Budget Committee in the Ilene P. Reed training room, located at 74 Lockehaven Road, Enfield, NH, at 6:02 pm.

PRESENT: Lee Carrier - Chairman, Gayle Hulva - Vice Chair, Eric Crate, Shirley Green, Richard Martin, Judy Finsterbusch, Bob Cusick, Lori Bliss Hill, Dominic Albanese – Selectman, David L. Stewart

ABSENT:

GUESTS:

- **Administrative**

Motion to approve minutes of January 9, 2007, by Lee Carrier and a second from Bob Cusick. All in favor.

Steve Schneider reviewed the 2007 tax rate handout
General discussion of the expenditures and revenues expected in 2007 followed by general discussion of school tax rate.

Steve Schneider spoke to the new budget proposed for 2007, that it is not a bare bones budget.

Eric Crate questioned if there is anything that was removed from the budget that will come back and hit us hard in the future?

Steve Schneider responded, no.

Lee Carrier asked about the need for a new fire truck?

Richard Martin responded that one is not necessary not for another couple of years.

Lee Carrier commented that the Town would probably bond for it. As far as the ambulance goes, the Town can get the bulk of the cost of a new one out of the capital reserves.

Dominic Albanese commented that the only vehicle that the Budget Committee deleted, that may be requested again, is the mechanics truck.

Steve Schneider commented, going into 2007, the sewer rates need to meet the expenses and then some. Because of the increase from Lebanon on the sewer rates, and the amount of rain we had this year, it had a big impact on the overall budget for the sewer.

Dominic Albanese added that the Board of Selectmen will be talking water and sewer rates again starting at Monday nights and will look at them annually.

General discussion of the Lebanon water treatment plant and the co-ownership status with Enfield.

Library/Town Office Renovation update

Steve Schneider met on Tuesday night with the facility group and the architects. There is a new thought on how to fund the project. It caps the bond amount at about $2,000,000, which would pay for the new structure. The existing Whitney Hall Building would have renovation costs covered by fund raising.

Dominic Albanese added that we'd ask for a $2,000,000 bond this March, and $400,000 would come out of undesignated funds and capital reserves. It would be a 2.4 million dollar investment by the Town. The fund raising committee consists of three high profile residents that all do fundraising and do regular foundation money requests.

Eric Crate questioned, where does that leave the undesignated surplus balance?

Dominic Albanese responded, around $700,000.

General discussion of process of building and funding of the Library/Town Office construction/renovation.

Lee Carrier stated that he is concerned about risk. Once you get the grant money, you have to develop what you signed up for. Some grants are matching funds grants. You have to account for the cash you need to fund this. But you really need up to 4,000,000 to fund this because they're not going to fund you till you show construction completion.

Dominic Albanese responded that, yes there is a risk but there all sorts of different types of grant.

Lee Carrier added that because of the commingling, there might be some difficult times for auditing.

Steve Schneider stated that it is not new library versus town office. It is old building and new building.

Shirley Green added, that sometimes funds need to be used by a certain date.

Lee Carrier cautioned that another risk would be that the fundraisers don't bring in enough and if we don't finish Whitney Hall then all the reasons for the library extension don't come to fruition.

Shirley Green asked, how about the contingency fund. Is that in the 2.4?

Dominic Albanese responded, yes.

Judy Finsterbush commented that it is rather small.

Bob Cusick suggested that the Town give the building to the Library Trustees and move the town offices. Put a warrant in for the library renovations including the cellar as library space. Then anything they raise can go into it.

Bob Cusick also had concerns regarding the fundraisers.

David Stewart commented that he concurs with Bob Cusick. It seems that the cost of this project has gone up.

Lee Carrier commented that what fundraisers need it to see a commitment from the Town. When the Town invests, then the fundraisers can go and make their requests.

David Stewart added that he thinks the town should also think about putting money into the Whitney Hall auditorium.

Lee Carrier added that the fundraisers say it will help to get money by having the auditorium there because of the arts.

David Stewart questioned if there strings attached to these donations?

Dominic Albanese answered that every grant is different. For the audit, you need to be able to show that the funds need to go to certain tasks.

David Stewart commented that he is just not really sold on this.

Judy Finsterbusch commented that she doesn't feel qualified to say too much. Instinctively she feels that the Town is trying to put a square peg into a round hole fast because town meeting is coming right up. I don't feel that we have all our eggs in the basket yet.

Shirley Green asked how much is the $2.4 going to affect the tax rate and for how long?

Lee Carrier responded that it could be about .34 cents, which translates to $40-50 bucks on the average $200,000 valued house per year.

Steve Schneider added that the bond will be only 2 million not 2.4. I have requested the payment schedule from the bond bank but have not gotten the numbers back yet.

Shirley Green commented that she would like to hear more from Trumbull Nelson to see how far 2.4 million can go. Need more information to make a final decision.

Richard Martin commented that he agrees with a lot of what has been said. As far as the contingency fund, what happens if you get started on the old building and something else happens? What happens then?

Gayle Hulva commented that she is confused about the numbers. The Town Office needs to get out of there. Short of having better information. I'm uneasy about this project.

Lori Bliss Hill commented that she personally is not in favor of this plan. There needs a better handle on the money. The concept needs to go forward. Should keep the Town Office and Library separate.

Eric Crate agrees that the projects need to be split up. People have been working hard on this but the amount hasn't really changed. The money has stayed the same, just moving the money around using different funds. The amount of the cost has to come down. I believe what Dominic says about the fundraising. It's hard to convince everyone on what may or may not happen with the fundraising.

David Stewart asked if this will sell at town meeting or would it be easier to come up with a figure for 78 Main and something else for Whitney Hall.

Dominic Albanese commented that we are caught between a rock and a hard place. We are waiting for the experts to come back to us with the final figures. By this time next week, we should have that information. I feel that we were given money to study renovations to Whitney Hall. I feel we are locked in to what was voted on for researching.

David Stewart asked if an alternate warrant article could be done if this gets shot down at town meeting?

Bob Cusick commented that we have tried to design the library to make it the best it can be. You don't always need the best. Just give the building to the library and ask for a figure to renovate for the library. Move the Town Office to new facility and then you can raise money to your hearts content for the library and the Whitney Hall Auditorium.

Shirley Green questioned if the Town Office were moved out could you renovate Whitney Hall with funds raised privately without a vote?

Dominic Albanese answered, no.

Steve Schneider commented that he appreciates the comments. This conversation is natural and part of the process. In terms of the end product ~ there are a lot of pros to staying at Whitney Hall and there are lots of pros to go to 78 main St. It's a 2/3 vote to bond. It's difficult to get 2/3s vote in a small town.

Lee Carrier asked if you rent a building would you still need 2/3sa?

Steve Schneider responded that he would have to check but he believes that you do. The bond hearing would not be the same night as the budget hearing.

Dominic Albanese added that the bond hearing should be before the budget hearing.

Lee Carrier commented that we had an EVA board meeting last night. We spoke about risk, and it is not clean cut. Approached the subject of moving to 78 Main St. for leasing as an option. We have a contractor coming in to tell us what it would cost to finish 78 main St.

General discussion of scheduling hearings and additional budget committee meetings.

Shirley Green questioned if 78 Main St. is ADA accessible?

Lee Carrier responded that yes, it would be.

Break 7:45 – 7:58

Judy Finsterbusch informed the Budget Committee of RSA 79-E which passed in the legislature and she recommends a warrant for the Town to be able to have the Select Board able to listen to requests to temporary abatements. (*See copy of RSA at end of minutes)

The warrant would be to get the Town to approve the Board of Selectmen using this RSA.

Steve Schneider added that it is an economic development tool.

General discussion of RSA 79E

Eric Crate questioned if the Board of Selectmen can abate taxes now?

Dominic Albanese responded yes, but they are abatements due to hardship.

Judy Finsterbusch asked if the Board of Selectmen were in favor of this warrant, would we need to get the 25 signatures?

Dominic Albanese responded that he would have Alisa research this.

Lee Carrier commented that the way the budget is set up now, we've hit our target with $6.69 for a tax rate.

Steve Schneider commented that there are two areas left to his discretion: salaries and benefits. We reduced some hours, but not below what we're currently serving. I reassigned positions in the Police Department, hiring a patrol officer instead of Wayne Agan's position. The grounds position was eliminated for an outside contractor bid. As far as the highway supervisor position, the department is going to review that position to see if it is better filled as another person in the field or as administration. We have budgeted for a light equipment operator. We budgeted nine months of salary because we will not be hiring before April 1st. The level of service will be maintained and increase our efficiencies. The discussion here had us look at our positioning in a different way.

Dominic Albanese commented that the Board of Selectmen disagrees with the Budget Committee about paving the DPW driveway. We will find it in the budget somewhere. The $25,000 is still there.

Bob Cusick commented that there is no practical reason to pave this driveway other than a few short weeks of mud. The $25,000 is a thorn in my side.

Steve Schneider responded that if the Town is going to have the stump dump relocated to the DPW facility then there the volume of traffic will be greatly increased.

Bob Cusick asked what happened to the mechanical gurney for the Fast Squad?

Richard Martin responded that it is out of the budget.

Dominic Albanese questioned where do we stand on the grant?

Lee Carrier motioned that Dominic Albanese and Steve Schneider find $10,000 in the budget for the mechanical gurney. Second from Bob Cusick. Eight members in favor. Two members opposed. Motion passed.

Dominic Albanese commented that if you want the Town to start charging for ambulance service, then one would need to put in a warrant article and you need 25 signatures.

Bob Cusick commented that he is going to put a warrant article together.

Dominic Albanese spoke about the Library Funds. The funds are reported in the Town Report under the library section and showing approximately $66,000. The other funds are the trust funds that are controlled by the Trustee of Trusts. There are not significant monies there and the funds are restricted.

Steve Schneider commented that the library has $44,000 plus the $66,000 that has the restrictions.

Action Items

Adjournment

Motion to adjourn came forward at 8:30PM from Lee Carrier with a second from Lori Bliss Hill. Motion carried.

CHAPTER 79-E

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

79-E:1 Declaration of Public Benefit.

I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.

II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.

III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures as defined in this chapter.

79-E:2 Definitions. In this chapter:

I. “Qualifying structure” means a building located in a district officially designated in a municipality’s master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter.

II. “Substantial rehabilitation” means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least $75,000, whichever is less.

III. “Tax relief” means that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof.

IV. “Tax relief period” means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program

I. Any city or town may adopt the provisions of this chapter by voting whether to accept for consideration requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.

II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.

III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.

IV. If a majority of those voting on the question vote “yes,” applications for community revitalization tax relief incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.

V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.

VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

79-E:4 Community Revitalization Tax Relief Incentive.

I. An owner of a qualifying structure who intends to substantially rehabilitate such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation, any changes in use of the property resulting from the rehabilitation, and an application fee.

II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether the proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.

III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

IV.(a) The governing body may grant the tax relief, provided:

(1) The governing body finds a public benefit under RSA 79-E:7; and

(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and

(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations.

(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.

V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.

79-E:5 Duration of Tax Relief Period.

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.

III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

79-E:6 Resumption of Full Tax Liability. Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

79-E:7 Public Benefit. The proposed substantial rehabilitation must provide at least one of the following public benefits in order to qualify for tax relief under this chapter:

I. It enhances the economic vitality of the downtown;

II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;

III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or

IV. It increases residential housing in urban or town centers.

79-E:8 Covenant to Protect Public Benefit.

I. Tax relief for the substantial rehabilitation of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted.

II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.

III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.

IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.

V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty.

I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.

II. Any tax payment required under paragraph I shall be payable according to the following procedure:

(a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.

(b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.

(c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.

(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

79-E:10 Lien for Unpaid Taxes. The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

79-E:11 Enforcement. All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80:1 – 80:42-a.

79-E:12 Rulemaking. The commissioner of the department of revenue administration shall adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

79-E:13 Extent of Tax Relief.

I. Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or

II. Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter.

79-E:14 Other Programs. The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.