

BUDGET COMMITTEE
December 6, 2007
Community Center – 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

Guests: Francine Lozeau, Bart Thurber, Dan Killey

Committee Chair, Lee Carrier, called the meeting to order at 6:00 pm.

1. Approval of Minutes: 11/29/07 and 12/01/07

It was moved by HULVA, seconded by MORSE, to approve the minutes of November 29, 2007. It was moved by FINSTERBUSH, seconded by SALADINO, to approve the minutes of December 1, 2007. The Committee voted unanimously.

2. 4130 Executive Office

CARRIER asked why the Exec Personnel appropriation was up 6.5% when the other department personnel lines increased only 4.5%. SCHNEIDER said some department salary lines were larger than others due to the seniority of their staff. He said lump sum bonuses were given for longevity.

3. 4131 Technology

SCHNEIDER said this was a new cost center. In the past, each department had its own Technology line. Combining all of the departments would enable better expense tracking. SCHNEIDER said the proposed budget numbers were not definite. More items may be pulled from the individual cost centers and added here.

SCHNEIDER said the Town was obtaining bids to replace the Town Office server which was 6 or 7 years old. He recommended offsetting the proposed \$9,000 server expenditure with Tech reserves. He also recommended offsetting the software portion of the DPW Hardware & Software expenditure (\$8,926) from reserves but operationalizing the hardware. CARRIER spoke in support of the proposed \$4,062 AutoCAD expenditure. SCHNEIDER agreed, stating it was absolutely essential for the DPW.

SALADINO asked if the GIS tax mapping would be added to this cost center. SCHNEIDER said it could potentially be added. It had been a capital outlay for a while. Renewals could come out of this appropriation.

4. 4140 Election & Registration

CARRIER asked why the Deputy Town Clerk's percentage of time spent in the Election & Registration area was increasing from 67% to 95%. SCHNEIDER said Sandy Romano was employed as both the Deputy Town Clerk and the Deputy Tax Collector. Her workload was changing to do more clerk duties and less tax collection. SCHNEIDER said this increase would be offset by a decrease to the Deputy Tax Collector line in the Financial Administration cost center. HULVA asked if Sandy's hours had changed. SCHNEIDER said no, she still worked just over 20 hours per week. He said both Sandy and Carolee Higbee, Tax Collector/Town Clerk, would like Sandy's hours to increase but doing so would lead to benefit eligibility. SCHNEIDER said the cost for single-person coverage was \$15,000 annually. The office floor plan did not allow for more than one staff person to assist customers.

CARRIER asked about the proposed \$5,150 increase to Ballots & Checklists. SCHNEIDER said that was directly attributed to the increased number of elections that would be held in 2008. He said the Town spent about \$10,000 more a year on the presidential election years.

5. 4150 Financial Administration

SCHNEIDER said the Treasurer Salary had been frozen at \$8,000 for years. CARRIER asked what other treasurers were paid. SCHNEIDER said it depended on the size of the town. He suggested Donna Schmanska's salary was in line with other towns. He said a big change occurred last year when Donna became a full-time employee, dividing her time between the elected Treasurer's position and a DPW position. CARRIER asked SCHNEIDER to research Town Clerk salaries and report back. STEWART asked if Donna's hours were stipend, no matter what amount she worked between her two positions. SCHNEIDER said she was paid an hourly wage for each job. STEWART asked if she received benefits. SCHNEIDER said yes.

CARRIER asked when the 2006 audit figures would be available. He said the Town should have an audit conducted every year. The firm the Town currently used was far behind due to the GASB implementation which occurred 2 years ago. SCHNEIDER said GASB 44 was difficult. Some towns were choosing to pull out of using it. CARRIER said it was critical to have the 2006 audit figures; without them, the Committee was forced to work with guess amounts for the Undesignated Reserves. SCHNEIDER said he had a pretty good idea what those amounts were. He suggested the Town would be changing auditors in 2008.

SCHNEIDER said the \$30,000 year-to-date expenditure for Tax Mapping would show up in Capital Outlay. It was listed in the wrong place. It should be in 4909-313 under the

Improvements cost center. He said there was a strong link between the Assessing Department and this tax mapping project.

6. 4152 Revaluation

CARRIER asked of the difference between “revaluation”, referenced in this cost center, and “reappraisal”, referenced in the Capital Reserves. SCHNEIDER said reappraisal involved the whole town. The next reappraisal was scheduled for 2009.

CARRIER asked if hiring Norm Bernaiche to conduct the revaluation work over the next 2 years would reduce the impact of the 2009 reappraisal. SCHNEIDER suggested the Town may not need to spend all of the \$66,000 (\$33,000 per year) for the revaluation. CARRIER asked if this position was needed for 2 years if a reappraisal was due in 2009. SCHNEIDER said yes. CARRIER asked SCHNEIDER to research the cost for the 2009 reappraisal.

CARRIER asked why there were no expenditures for 2007. SCHNEIDER said Mr. Bernaiche had been paid from Capital Reserves.

7. 4153 Legal

CARRIER said it was difficult to predict what the legal expenditures would be from year to year. He recommended keeping the total for this cost center at \$22,000. SCHNEIDER mentioned the \$20,594 spent in 2006, stating that the Town had been in some prolonged court cases that year.

8. 4155 Personnel Administration

SCHNEIDER said the budget included the benefits for all eligible town positions, even the vacant ones. He said it was standard business to have people float in and out. The Town carried benefits for all eligible positions assuming they would be filled year round. CARRIER suggested the actual expenditure in 2007 would be \$52,000 less than what was budgeted. He suggested reviewing this cost center in January when the actual numbers would be known. CARRIER said the proposed 6.4% increase to the entire cost center was the lowest he'd seen.

MORSE commented on the \$30,000 (8%) increase to Health Insurance. SCHNEIDER said anything below a 10% increase was customarily considered to be good. He said government employees shared a sense of entitlement with respect to their benefits packages because they are paid less than the private sector. He said the employees are of the mindset that the government is still responsible for taking care of them after they retire. SCHNEIDER said pension was still a defined benefit in New Hampshire. STEWART asked if he was speaking about the proposed \$144,176 Employer Paid Retirement appropriation. SCHNEIDER said yes, that amount was dictated by the State.

SCHNEIDER said the Town supported paying for quality employees. He did not want the issue of benefits to impact employees negatively. He said options were available to the

Town to bring down the bottom line figure, such as adjusting the employee copay contribution amounts or increasing personal day accruals. SCHNEIDER said he would have recommendations on employee comp options in January. GREEN asked how many personal days the Town currently offered. SCHNEIDER said 2 days per year. Employees were also able to accrue up to 600 hours of sick time.

9. 4194 General Government Buildings

CARRIER asked if the \$10,000 Center Hall painting project was back on. SCHNEIDER said that was a quote for painting. He questioned how much the Town would want to spend on a building that it had no plans for future use. SCHNEIDER said the building had been empty since the 1850's. It lacked water and sewer services and there was no room for parking. STEWART suggested window repairs were needed. MALZ said a small group of residents were very passionate about that building. CARRIER suggested leaving the proposed \$10,000 appropriation for now; maybe use some to repair windows and get the building maintained. SCHNEIDER said he did not want to spend any money until more was known about what was going to be done there.

SCHNEIDER said the \$550 increase to the Reservoirs & Dams expenditure was a State mandate. The Town now has to pay to inspect its dams.

CARRIER commented on the \$40,000 request for Whitney Hall – Special Projects. He said that building really needed to be painted. SCHNEIDER agreed the front and south-facing sides needed attention. He said he was seeking quotes for that work. HULVA said only one side had been painted at a time. STEWART suggested the entire building needed to be stripped and painted.

MALZ asked about the \$25,000 paving entry listed under DPW Garage Special Projects. SCHNEIDER said the proposal to pave the DPW entry was slammed at Town Meeting last year. Ken Daniels, Director of Public Works, would still like to have that project done. GREEN suggested the NH DES had issues with the project.

10. 4196 Insurance

CARRIER said this involved Property–Liability Insurance. \$51,000 had been budgeted in 2007. \$51,854 had been spent year-to-date. \$53,000 was proposed for the 2008 budget.

11. 4240 Building Inspection

CARRIER asked why the Building Inspection Personnel appropriation was down \$10,000 from 2007. SCHNEIDER said this was attributable to a reconfiguration of Donna Schmanska's duties.

SCHNEIDER said another major change involved the Mileage appropriation. He said the Town opted to keep an older police cruiser, rather than trade it in, and gave it to Phil Neily, Building Inspector/Health Officer/Fire Inspector. This will reduce the mileage reimbursement Mr. Neily would have been compensated for having to use his personal

vehicle to conduct Town business. SCHNEIDER said the cruiser should last another 2 to 3 years.

12. 4651 Economic Development

SCHNEIDER said the proposed budget was only \$500 more than the 2007 budget.

CARRIER said the Enfield Village Association (EVA) was going to take over the pamphlet project Jim Taylor, Community Development Director, started a year prior. He provided a draft copy of the pamphlet. SCHNEIDER said he was on the fence about the "Heart of the Mascoma Valley" reference. FINSTERBUSCH said she did not like the use of the heart symbol. It could be misconstrued as being linked to the Red Cross. SALADINO agreed, "heart" should be spelled out.

CARRIER said the 2008 Economic Development activities included: installing brackets on the lamppost in town to hold flower baskets and holiday lighting. The brackets were backordered. The lampposts were rewired this week. EVA collected money to have 2 20' docks brought in on the Mascoma Lake. The Town had entered an agreement to sell 78 Main Street to a developer. The island was not part of the deal. Covenants would include public parking access, public trail access, and additional parking in the back. CARRIER said EVA should net \$160,000 from the sale which would be put back into Main Street. FINSTERBUSCH asked of the developer's name. CARRIER said he was not at liberty to say. The sale could still potentially fall through. STEWART asked of the nature of the businesses moving in. CARRIER said there was a plan to put in a pub.

CARRIER said a grant application had been submitted to the State for signs on Route 4. Historical markers would be affixed on Main Street houses and a brochure would be printed to direct people to them.

CARRIER provided a copy of the EVA balance sheet for January to November. He said EVA had invested over a half million dollars in the community over the last 5 years.

13. 4711 Debt Service

SCHNEIDER said the vast majority of the Town's debt was associated with the DPW building. It would be paid off in 2011. There was another annual \$12,000 sewer debt which would not be paid off until 2017. SCHNEIDER said the Town was allowed to carry a certain percentage of the total amount of evaluation. These figures did not come close to that.

14. 4721 Interest/Bonds/Notes

SCHNEIDER advised of a correction to the reported amount of the 2006 actual expenditure. It should read \$29,552.

HULVA asked if the Town should consider taking on new debt. SCHNEIDER said he considered taking on \$2 million last year for Whitney Hall. That would have calculated out to a \$120,000 annual payment.

15. 4550 Library

Francine Lozeau, Bart Thurber, and Dan Killey presented the Library budget.

CARRIER said the Library cost center was the biggest item in the 2008 budget with respect to appropriations. He walked the Committee through the following handout he drafted comparing the 2007 and 2008 library plans.

2007 Selectman's & Library Trustees' Plan vs. Their 2008 Plan			
	Approach in 2007	2008 Plan	Benefits of 2008 plan
1.	Renovate Whitney Hall and add new building for library & Office	Building new library then move Town office to 2 nd floor	De-couples 2 major projects Voters vote on merits of each Preserves historical building Keep The Hall for Theater
2.	Cost to Taxpayer \$2,400,000 at a minimum depending on fundraising	Library maximum cost to taxpayer \$900,000. Office cost est. under \$500,000	Taxpayer will save significant \$\$\$ In excess of \$1,000,000
3.	Ground breaking after \$1 million raised	Project cannot start until \$1.5 million raised	Eliminates most of the risk to the Taxpayer
4.	Town was voting on an "Opinion of Probable Cost"	Library going out to bid. Will receive a firm quote	Knowing cost of project significantly reduces the risk
5.	Fundraising for a library that is coupled with a Town office	One project the library	Facilitates fundraising and financial reporting
6.	Tax burden on a \$200K house \$1,620	A \$200K house would pay \$460	An average homeowner saves an estimated \$1,160
7.	Budget Committee did not agree with 2007 plan	Committees have made the recommended changes	Risk & Expenses have been minimized
8.	Reason BC rejected plan: a. Not an affordable solution b. Too risky c. Less costly options avail	Avg taxpayer saves \$1,160 Most risk factors eliminated by \$1 million plus was developed	Significant savings Gives comfort to taxpayer
9.	Library attached to Whitney	Library detached from Whitney	Share parking but lose minor synergies. Looks more like a campus setting
10.	Since last year the water/foundation problem at Whitney Hall has been addressed. A new furnace has been installed and the employees have consistent heat. Whitney auditorium has new lighting, curtains, comfortable chairs and was painted. The 2008 budget includes funds to paint the outside of the building and expose the beautiful stain glass windows. All of this completed work reduces the cost to turn this building into a Town Office with theater space.		

Mr. Thurber provided a handout of Proposed Funding and Estimated Architectural & Engineering Fees. The proposed funding involved a \$400,000 transfer of undesignated funds into a newly created capital reserve fund. \$140,000 of these funds would be spent in 2008 for architectural and engineering fees. Fundraising efforts would commence after the \$400,000 appropriation is approved. The goal would be to raise at least \$1 million. If the \$1 million goal was not reached, the Library Trustees would return to Town Meeting to ask for the balance of project funding. Mr. Killey mentioned some funds that could potentially be available from the \$500,000 Town Office renovation project and the DPW building debt payment which would end in 2011. He said the Town could extend the DPW building loan to pay for the balance of the library project and office renovation project without having to impact the tax rate.

Mr. Thurber said they were at the very beginning of establishing a non-profit organization to act as the principal fundraiser. They were researching grant options. He provided a list of a few local corporations who had contributed to similar projects in nearby towns. Mr. Killey suggested the Town may want to make a donation.

MALZ asked if the site plan had been finalized. SCHNEIDER said the Library Committee had meet with the Selectmen to discuss locations. The Selectmen spoke in favor of locating the library in the area behind Whitney Hall not knowing the specific positioning. It would cost less to be there. Parking would be an issue when the theatre was in use, elections occurred and during the end-of-month tax rush.

Mr. Thurber advised of grant funding they had received from the Byrne Foundation totaling \$12,500. This money would be used to develop plans to present to Town Meeting. They needed a line item to carry over the Byrne Foundation grant. FINSTERBUSCH asked how long the grant funding would remain available. Mr. Thurber said most grants were typically offered for a 24-month period. He said grants were allocating a year ahead.

CARRIER suggested the Trustees would have a tough time presenting a financial plan if there was not a 60/40 fundraising to tax payers' contributions. He said he would not vote for this if the Trustees were not able to increase their \$1 million fund raising target to \$1.5 million. Mr. Thurber expressed concern for committing to raise \$1.5 million and promising not to return to Town Meeting if they fell short. He did not want to be haunted by a promise not to ask for more money.

CARRIER suggested fundraising half of the \$140,000 design funding request. Mr. Thurber said he would not object to that but said that money would be the toughest to raise.

STEWART spoke in favor of the current plan but said a lot had already been spent on plans the town's people had already rejected. That money had been wasted. Mr. Thurber said the money was not wasted, they would continue to use the same architect. Some planning had been made.

STEWART asked if the Trustees were less confident about their ability to raise \$1.5 million. Mr. Thurber said the status of the current economy made him less secure about anything. STEWART said he was uneasy about spending an additional \$5,000 not knowing what would result. There were other things in Town that money could be used for. SCHNEIDER said the CIP would identify the need. He said the Town always put things off to allow for advancements in other areas, such as the school. He said a majority

of the funding comes from property taxes. If the library were the only building to consider it would be easier to decide. Possibly having to fund a new jail and school make this much more difficult. SCHNEIDER said he had apathy toward town projects that were not unique to Enfield.

HULVA said the current proposal was much more satisfactory, it was passable. She agreed the bond issue for the new school would be the big thing for most people.

SALADINO agreed the current proposal sounded a lot better than the one presented for the 2007 budget. She asked if the Enfield Village School had a library. SCHNEIDER said yes. SALADINO asked of the relationship between the school kids and the public library and whether there was justification for utilizing academic time for elementary students to visit the library. Ms. Lozeau said her class visited the Town library twice a month. It was a great experience for the children. She said the Town library offered a greater selection of books. FINSTERBUSH said it was exciting for the kids to take the trip to the library. GREEN said it also taught children that libraries can be enjoyed throughout their lifetime. It was not just for kids.

STEWART asked why it took so long to establish the non-profit Friends of Enfield Library group. Mr. Thurber said it was an enormous task to complete the paperwork to necessary to create a non-profit organization. There were also fees involved. Mr. Killey added that they had to have a plan to be sure there was a need to do the fundraising. If there was no interest in the project, there was no need for fundraising.

Mr. Thurber said his personal goal was to send a signal to potential donors of the Town's commitment to the library project. He said the Town's and Library's actions to allocate resources would demonstrate the political will and commitment for this project. It would be an enormous incentive to other donors if the Town ponied up the \$400,000 (20% of overall cost). Mr. Thurber said the larger the majority of the vote speaks volume to potential donors.

CARRIER encouraged the group to hit the \$1.5 million fundraising target and allow a portion of the fundraising to pay for a larger part of the required up front architect's money. He said that he would want to know of the proposed building location by Town Meeting.

GREEN said the plan had come a long way. It would be hard to come up with a less costly plan for the taxpayers for what they were gaining. Mr. Thurber agreed adding that the Town would gain a \$1.8 million to \$2 million building for less than half the price.

FINSTERBUSCH said she was very encouraged. She said she would rather spend money on a library than on a jail. She suggested the Trustees get involved with the school budget committee. FINSTERBUSH said the current proposal had a good chance of being supported by the town.

MARTIN agreed the plan had vastly improved. He asked when they would be getting hard numbers. Mr. Thurber said the conceptual sketch was due by January. They should have more guestimates by the architect before the Budget Committee disbanded.

MORSE said it was a great proposal. She was impressed with the work that had gone into it. She said she would like to see grants awarded to similar projects

CARRIER said he would like everyone to be in sync, the Selectmen, the Library, and the Budget Committee. He said the Warrant Article wording would be critical. He asked to see the article before the Budget Committee takes a final vote. CARRIER said the article should state that the transfer would sit in the reserve account until Town Meeting approved its expenditure with the exception of the current financial commitments. They cannot expend more than \$140,000 in 2008. It should also read that the \$400,000 cannot be spent until the \$1.5 million fundraising goal is met. SCHNEIDER agreed; other money does not get spent until the fundraising goal is achieved. CARRIER said if the fundraising attempts failed, Town Meeting would have another chance to review the issue before more tax money would be spent. STEWART cautioned that they would still be spending \$140,000 on a project that could potentially fall through. He said he agreed with CARRIER'S suggestion to cut that in half and getting the other half elsewhere.

Mr. Thurber said he was hoping to have a public meeting in January to present the architect's plans. He said Paul Mirski had suggested locating the building in a way that it would not prohibit future growth of Whitney Hall.

CARRIER asked about the proposed \$20,000 Special Projects appropriation. Mr. Thurber said this was to upgrade software, monitors and the photocopier. This would be reimbursement from the Library Trust.

16. Discussion on Misc. Items

Meeting Agenda:

SCHNEIDER said the Committee had only the Capital Reserves, Fire Department and Revenue portions of the budget left to review. He said he was close to completing the revenue numbers. CARRIER suggested canceling the Committee's 12/11 and 12/15 meetings to allow the CIP group to finish its budget planning/review. Review of the Fire Department budget was move to Thursday, 12/13.

17. Action Items

- CARRIER asked SCHNEIDER to research Town Clerk salaries and report back
- CARRIER asked SCHNEIDER to research the cost for the 2009 reappraisal.
- CARRIER asked to see the Warrant Article for the library capital reserve transfer.

Adjourn: It was moved by MARTIN, seconded by FINSTERBUSCH, to adjourn the meeting at 8:30 pm. The Committee voted unanimously.

Respectfully submitted,
Beth Rivard, Secretary