

**OFFICE OF SELECTMEN  
6 HOLLAND STREET  
PO BOX 139  
MOULTONBOROUGH, NH 03254**

**Selectmen's Public Hearing**

**January 27, 2011**

**MINUTES**

Present: Selectmen: Joel R. Mudgett, Chairman, Karel A. Crawford (absent with prior notice), Edward J. Charest, James F. Gray (absent with prior notice), Betsey L. Patten; Carter Terenzini, Town Administrator; Hope K. Kokas, Administrative Assistant.

**I. CALL TO ORDER:** Joel called the meeting to Order at 7:03 P.M.

**II. PLEDGE OF ALLEGIANCE:**

Joel opened the Public Hearing for the 2011 Roads Program and Budget. He asked Jean Beadle, Chair of the Advisory Budget Committee to give the ABC's Recommendations and Comments for the 2011 Town's budget. Ms. Beadle told the audience that the ABC worked collaboratively with the Selectmen and Administration. In addition to a total of twenty meetings in the course of a year, four full days were spent going over proposed budgets in detail with the Selectmen and meeting with each department head. Ms. Beadle stated that for the third year in a row, the budget is flat, despite rising costs. The ABC supports the 1.5% COLA increase and the step raises for those employees scheduled to receive them. The members of the ABC support merit pay and the Selectmen continue to work towards this. Payroll has been consolidated to bi-weekly which will hopefully lead to outsourcing in the future. The ABC favors tax billing quarterly, which increases cash flow. Ms. Beadle stated that the argument against this from the Tax Collector is that it will require quarterly dunning for delinquent payments. The ABC continues to work with the Selectmen towards going to a fiscal year. Over this year there has been consolidation of shared services in the Department of Public Works, the school system, and the Waste Management Facility. The ABC feels that there is more room for improvement in this area. They also support the study to explore the feasibility of combining the Recreation Department with the School's Athletic Department. Ms. Beadle stated that the ABC recommends that work flow studies be done for the Town's departments to increase efficiency. The members of the ABC support the Selectmen's 2011 budget. She concluded by saying that the ABC reviews the Town, School and Library budgets on a quarterly basis. 1) Hollis Austin asked how much the ABC has saved the Town, and if any further discretionary costs could be cut. Ms. Beadle replied that their role is not to just save dollars, but to be a second set of eyes. She added that it is hard to give a dollar amount, as it is a collaborative effort between the Selectmen, Administration and the ABC. Most discretionary costs had been cut previously, while costs continue to rise. She said that the fat has been cut out of the budget. Ms. Beadle cited that job sharing and increasing employees' share for benefits are two ways that have saved money. 2) Al Hume recalled that last year, the amount of the retired bond of \$483,000 was used for the Roads Program. He asked what the result would be if the same amount was deducted from this year's Roads Program. Ms. Beadle replied that roads are not discretionary and it is a matter of "pay me now or pay me later". Mr. Hume expressed his concern of the increased cost of becoming a donor town while increasing the Roads Program. Joel responded that in previous years the Town spent less money on the roads and the quality of the roads have lost ground, which required reconstruction, which is much more expensive than shimming. Mr. Hume said that while he appreciates the job that is being done on the roads, he is concerned about becoming a donor town and the new Carroll County Nursing Home while increasing the Town's costs.

Joel told Mr. Hume that the Selectmen have cut the budget by freezing a police officer position. They had planned on cutting a firefighter position (Red Hill Tower) and then after hearing from the volunteer firefighters of the need for a second firefighter/EMT position, reinstated it as such. By using part-time dispatchers at the Public Safety Building, costs have been reduced. In addition they have explored using the Carroll County Dispatch. They have since learned that despite already paying 25% for county dispatch, the additional cost to the Town would be excessive and it was uncertain if the county could provide adequate coverage. If the Town were to go back to the “worst roads list”, eventually we would need to bond to reconstruct the roads. Joel added that it doesn’t make sense to pay for twenty years, at which time the road would need maintenance and eventual reconstruction. As an example, Joel stated that last year they rejected buying a new fire boat. During a house fire on one of the islands the old boat was not working and they had to have the aid of another town, but it was too late. The cost of that same boat, which the Town needs, has now increased.

II. Carter proceeded to review the proposed warrant articles. He explained that the articles have not been assigned a number as of today’s date, the Planning Board must finalize their process and citizens’ petitions are still coming in with a deadline of February 1, 2011.

**ARTICLE ??**

To see if the Town will vote to appropriate the sum of Seven Hundred Thirty Three Thousand dollars (\$733,000) for a road improvement program as generally illustrated below, and to meet said appropriation with funds from a NH Department of Transportation Highway Block Grant of One Hundred Forty Three Thousand dollars (\$143,000) and the balance of Five Hundred Ninety Thousand dollars (\$590,000) from taxation.

<b>Project</b>	<b>Budget</b>
Sheridan Road (Reconstruction of 1,500 +/- lf & Shim & Overlay 1,700 +/- lf)	\$275,000
Eagle Shores Shim & Overlay (6,300 +/- lf)	\$216,000
Birch Lane – Shim (3,300 +/- lf)	\$88,000
Engineering	\$100,000
Contingency	\$54,000
<b>TOTALS</b>	<b>\$733,000</b>

Note: Inclusion of any road on this list was based upon a condition assessment and budget estimate prepared in November of 2010. It is no guarantee of work being undertaken on the identified roadway. Final construction decisions are made upon detailed engineering and actual bids received with work deletions or additions based upon the final bids.

Carter reported that the 2011 Roads Program has been increased by 2.5% of the Town’s contribution. If the Town was to defer maintenance, then the paving condition index (PCI) would fall behind. At this increase, the PCI remains flat. To advance the PCI the cost would be \$1.25 million. Carter recommended people visit the DPW’s website that has a PowerPoint presentation that explains the PCI. Highway Agent and DPW Director, Scott Kinmond explained that the Town is using the Road Surface Management System (RSMS) which is a program through UNH. Based on a study done by LRPC interns, using UNH’s software, the roads were scored. Working through this program extends the 15-20 year life span of a road. Reconstructing roads has the highest cost. This program focuses on preserving the roads. Reconstruction is occurring on small sections of roads. Russ Wakefield expressed his concern that he felt using the retired bond amount of \$400,000 last year was a one-time occurrence. Scott replied that wasn’t the case nor was it every portrayed that way. In fact, for the program to continue, it needs to be similarly funded. If the Town goes back to the previous program, the roads will deteriorate. Scott stated that he had estimated \$1.25 million in order to increase the

PCI. Mr. Wakefield asked if they should expect the budget for the roads with the state grant to be at the \$733,000 - \$800,000 level. Scott replied that it should increase 3% each year to maintain the PCI. At the proposed amount the PCI stays the same. Ed announced that he is running for reelection, adding that it isn't often, but in this case he agrees with Al Hume. He said that although he wasn't comfortable with the budget for the roads last year, he went along with it. However, the increase will increase taxes. Ed stated that even while the budget is level funded, taxes have gone up. While Ed thinks highly of the Highway Agent, he disagrees, and feels the Town needs to hold off until the economy improves. The discussion of the pros and cons of the 2011 Road Projects continued. Betsey expressed her belief that donor towns will not return, which will require redefining the cost of an adequate education. She stated that good roads make a difference and brings people to Town. While she is opposed to spending money at the state level, she is in support of taking care of her home town. Betsey cited that the Selectmen have taken steps to cut the budget. Joel responded to a question regarding the steps the Town will take if donor towns return by asking what services (Fire Department, Schools, Library) should be eliminated. He stated that there isn't anything to cut and there is no way to eliminate the \$1.25/\$1,000 from the tax rate. Carter responded that if the \$400,000 was cut from the Roads Project budget, the effect on the tax rate would be 15¢, which translates into \$3 on \$200,000 assessment, \$4.50 on \$300,000, and \$10 on \$700,000.

**ARTICLE ??**

To see if the Town will vote to appropriate the sum of Three Hundred and Twenty Eight Thousand dollars (\$328,000) for a program of capital improvements and expenditures, and equipment as generally illustrated below, and to meet said appropriation by a withdrawal of Fifty Five Thousand dollars (\$55,000) from the Highway Equipment Capital Reserve Fund and the balance of Two Hundred and Seventy Three Thousand dollars (\$273,000) from taxation.

a.	Fire Dept. (Turn-Out Gear)	\$	15,000
b.	Fire Dept. (Fire Boat)	\$	163,000
c.	Highway Dept. (6 Wheel Dump Truck w/Plow & Wing)	\$	<u>150,000</u>
	<b>Total</b>	<b>\$</b>	<b>328,000</b>

Carter explained that the cost for the fire boat last year was \$112,000. The dump truck last year also cost less. Betsey added that last year the Selectmen were not in support of purchasing a new fire boat. This year the Selectmen have received a petition of support from non-resident island owners for the purchase of a new fire boat. She feels that the Town needs the new fire boat for these property owners and those with lakefront. She reminded everyone that non-residents do not use all Town services, i.e. schools. Chief David Bengtson reported that the life span for the fireboat is 25 years. Carter added that there were nominal insurance costs for this new boat and property owners' insurance may increase without it. Betsey said she felt that the new Capital Improvement Program Committee was very important as they will be able to predict these needs. Joel agreed and said that the CIPC will have a report for next year. Dick Geden asked for the capital funds year-end balance. Carter replied that he doesn't have the figure, but will get it to him.

**ARTICLE ??**

To see if the Town will vote to raise and appropriate the sum of Two Hundred Twenty Seven Thousand and Five Hundred dollars (\$227,500) and to deposit the same in the following Capital Reserve Accounts.

Personnel Liability CRF	\$	14,500
Community Substance CRF	\$	9,500
Communication Technology CRF	\$	22,500
Reappraisal CRF	\$	24,000
Firefighting Equipment CRF	\$	75,000
Police Communications CRF	\$	7,000
Highway Equipment CRF	\$	75,000
<b>Total</b>	<b>\$</b>	<b>227,500</b>

Carter gave a detailed accounting for each item. Mr. Austin asked if each of these will be separate articles. Joel replied they would not. Betsey added that a motion can be made at Town Meeting to amend any of these items.

**ARTICLE ??**

To see if the Town will vote to raise and appropriate the sum of Two Hundred and Twelve Thousand dollars (\$212,000) and to deposit the same in the following Maintenance Trust Fund Accounts:

Milfoil	\$	200,000
Lee's Mills	\$	2,000
Dry Hydrant	\$	10,000
<b>Total</b>	<b>\$</b>	<b>212,000</b>

Carter reported that unlike last year, the Selectmen decided to make the request to fund the milfoil program. There is \$30,000 left from the 2010 budget. Russ Wakefield said that he thought the milfoil expense was just for last year and asked if this will be a recurring expense. Joel replied that it is a multiyear program. Peter Jensen, Chair of the Milfoil Committee said that in order to eradicate and then to keep the milfoil under control, they have been told by the state that it is a 5 year program and for the first two years to expect the same cost, and on the third year the hope is the cost will begin to decrease, with a "guesstimate" of \$50,000 to \$75,000 to just maintain. Mr. Jensen said during the presentations that were given last year, it was explained that it was multiyear program. Mr. Jensen reminded everyone that the Milfoil Committee will be holding an informational meeting on February 7<sup>th</sup> and also on February 28<sup>th</sup>, both at the Library, on the role of the volunteer for this program.

**ARTICLE ??**

To see if the Town will vote to discontinue the so-called Recreation Revolving Fund (Article 50 of the 1994 Town Meeting) with the balance of One Hundred Sixty Three Thousand Three Hundred and Twenty Two dollars (\$163,322) as of December 31, 2010 and said sum, together with any accrued interest or additional principal due thereto at the time of discontinuance, being credited to the General Fund.

Carter explained that this is a rescission article to discontinue this fund with \$163,000 plus interest. He added that the Recreation Department is adequately funded and the money from the fund will return to the general fund. Mr. Austin asked what other mystery funds like this does

the Town have. Carter replied that the fund was not a mystery or newly discovered. The origination and purpose of the fund was researched. He added that the Selectmen have done away 3 to 4 similar funds after reviewing them for relevancy. Ed said that he was not at the meeting when this was discussed. He felt that the fund should stay for the Recreation Department's use, but it should be capped. Donna Kuethe, Recreation Department Director, stated that the purpose was to fund Recreation activities and she asked that the fund remain for one year to allow a review. She understands the Selectmen's purpose in eliminating this fund, but asked that it maintain user funds. Donna added that the big increase came through the sale of the WMF/Beach permits. Russ Wakefield stated that returning \$163,000 to the general fund will not have a big impact and supports keeping the Recreation Revolving fund for the future. Carter said that in seventeen years only \$5,000 has been withdrawn, adding that the money can only be used for programming and not capital improvements. Joel added that in order to make a withdrawal the Recreation Department would have to make the request to the Selectmen. He said that the department is fully funded by taxes. Any profit the department makes from trips, etc., goes into this fund and it is not being used. Ed felt that the fund should remain but be capped. Joel reminded everyone that in 2009 the Selectmen used \$2 million to offset the tax rate. In 2010 they were only able to offset the tax rate by \$160,000. Tom Howard said that the fund was regulated through a state RSA and was in favor of keeping the fund, but reducing it. Carter replied that the RSA specifies that a portion can't be moved to the general fund. Donna said that the funds can be used for staff, supplies and equipment, adding that one town purchased a vehicle. Betsey said that the Recreation Department has always been funded by the Town. Donna agreed that the Town and community has always been supportive of the Recreation Department, but would like to see the funds stay in existence to explore how best to use it. Jean Beadle agreed with Betsey that the department hasn't run short and if needed will be funded.

**ARTICLE ??**

To see if the Town will vote to amend its action under Article 10 of the 2010 Annual Town Meeting, relative to the appropriation for Fox Hollow Road intersection improvements, by striking the amended date of December 30, 2011, at which time the appropriation was to lapse, and inserting in lieu thereof the date of December 30, 2013.

Carter reported that every article lapses on December 30<sup>th</sup> and last year this was amended to December 30, 2011. The state will be taking a more active role in this project (increased funding and land acquisitions), but won't be able to make a request for bids until 2012. The net cost to the Town remains at \$261,000, while the cost of the project has gone up dramatically. Joel added that the Selectmen have learned a lot in this project. Betsey added that the neighbors weren't willing to cooperate. The state will now acquire the land by eminent domain. She added that in the future any project involving an intersection with a state road will involve eminent domain.

**ARTICLE ??**

To see if the Town will vote to allocate Twenty Five Percent (25%) of the collected land use change tax revenue, but not to exceed Twenty Thousand dollars (\$20,000) per year, pursuant to RSA 79-A and deposit said money in the Conservation Fund already established, in accordance with RSA 36-A:5, III as authorized by RSA 79-A:25, II.

Carter reported that presently the Land Use Change Tax (LUCT) stays in the general fund. The Conservation Commission is requesting a portion of the LUCT go to the Conservation Fund which is used for acquisitions. In order to expend these funds a request must be made to the

Selectmen and a public hearing must be held. Marie Samaha, Chair of the Conservation Commission said that there were no immediate plans. However, the Master Plan focuses on maintaining the quality of the lake and in particular the phosphorous level and the commission has been working on this. The Master Plan also cites the need to identify wildlife corridors and purchasing easements to maintain them. Ms. Samaha told the Selectmen that Moultonborough is the only lake town not doing this. Presently there is \$20,000 in this fund. Tom Howard expressed his concern that capping the fund to \$20,000 will not allow the Conservation Commission to purchase easements or once obtained, to maintain stewardship of the land. He also felt that 50% of the LUCT should go to the Conservation fund.

**ARTICLE ??**

To see if the Town will vote to raise and appropriate, subject to any and all changes made at this meeting, the sum of Seven Million Eight Hundred Fifty Sixty Thousand Two Hundred and Sixty Eight dollars (\$7,856,268) to pay the expenses of General Government, Public Safety, Highways and Streets (including Cemeteries), Sanitation, Human Services, Visiting Nurse Service, Culture and Recreation, Development Services and Debt Service.

Carter reviewed the "Budget at a Glance". When asked about the carryovers from 2010 to 2011, he explained that all of the projects, except for Fox Hollow, will be finished in the spring.

**ARTICLE ??**

To see if the Town will vote to raise and appropriate the sum of Four Hundred Forty Four Thousand and Sixty dollars (\$444,060) to pay the expense of operating the Public Library.

Carter asked Jean Beadle to report on the Library. Ms. Beadle said the budget for 2011 has been reduced by \$6,500. She explained that the Library is regulated by its own RSA and is independent from the Town. The ABC is not in support of the salary increases and recommends increasing their use of technology. Phyllis Prouty, Chair of the Library Trustees, reported that the Library's success is due to its staff. Circulation and patronage have both increased without hiring new staff. Last year the Library staff did not receive a pay increase. The \$6,500 reduction is due to the Childrens' Librarian going to part-time and this allowed the pay increases.

Carter reported that he has received one submitted comment, an email from Chuck Badzmirowski, expressing his concern about rising costs, asking that employee benefits be reduced.

Joel and the Selectmen discussed recessing the Public Hearing to their next scheduled meeting, February 3, 2011 to allow the absent Board members, Karel and Jim to be present for discussion. In addition, it was suggested to extend the deadline for citizens to submit their comments to 4 p.m. on Thursday, February 3, 2011. The Board agreed by Consensus.

- III.** Betsey Made the Motion to Recess the Public Hearing to Thursday, February 3, 2011, 7 p.m. and to extend the deadline for citizens' to submit written comments to February 3, 2011, 4 p.m. Ed Seconded the Motion. The Motion Carried Unanimously. Joel recessed the meeting at 9:35 p.m.

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Approved

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Date  
Respectfully Submitted  
Hope K. Kokas, Administrative Assistant