

Public Budget Hearing
Wednesday, February 8, 2017

At the Public Hearing for the 2017 Budget was held on Wednesday, February 8, 2017 at 6:30 p.m. the following people were in attendance: Mark Lufkin, Peter Corey, and Wendy Hersom.

The following people were in attendance: Shawn White, Ed Samson, Bob Herman, Claire Herman, Maynard L'Heureux, Roy Birard, John Tholl, Jr.; Kelly Smith, Thomas Ladd, John B. Ross, Jr., Kathy Dunlap, Sandy Holz, Rick Wright, Scott Burns, Sandra Brekke, Elaine Wiseman, Jeffrey Wiseman, Marsha Lombardi, Frank Lombardi, Edie Worcester, Kate Lombardi, Eddie Platek, Martha Hardiman.

The Public Hearing was called to order at 6:30 p.m. by Chairperson Hersom.

The General Government expenditure requested for 2017 is \$463,660. The largest increase is for \$24,500 for our legal expenses. The litigation cases are with Northern Pass; we are in tax appeals with PSNH and Fairpoint; we have a planning board decision appeal pending in Superior Court, and the costs associated with the changes to the Comprehensive Development Guide.

The Public Safety expenditure requested for 2017 is \$768,817, an increase of \$8,752.

Highways, Streets, Bridges & Sanitation expenditure requested for 2017 is \$924,537, a \$69,021 increase over 2016. More than half of this is the proposed project for turning our street lights over to LED lights. We will receive money back, in the form of a rebate for changing over the lights and it will cut our street light bills in half. Marsha is wondering if it is necessary because the taxes are going up so much. Wendy said that if we wait too long, we could lose the rebate. It comes in as a significant savings to do it now. It doesn't really cost us that much if we do it now. Mr. Ladd asked if any of the new lights have been put up. Shawn White replied that there are four. There is one across from Dunkin Donuts, one in front of the Allard Block, one at the intersection of Prospect Street and one on Holly Heights. The ones by Dunkin Donuts and Jefferson Road are 100 watts the ones on Prospect Street and Holley Heights are 25 watts. Shawn said we might make some changes.

Sandy Holz asked about sidewalks and if there was money budgeted to do work on the sidewalks. Wendy said there were some improvements to the sidewalks, but not as much as we had planned. We were hoping to get a TAP grant and use some of the money we had in the capital reserve as a match, but we did not receive the grant funds. We do have a warrant article to appropriate money in the sidewalks capital reserve account and hope to continue working on the sidewalks.

Elaine Wiseman asked if the increase in the tax rate assumes that warrant articles all pass. The projected tax rate impact that we have projected does assume that.

The Health & Welfare expenditure requested for 2017 is \$26,577, the same as 2016.

The Culture & Recreation expenditure requested for 2017 is \$77,495, an \$8,508 increase. This includes additional programs added to the Recreation Program. Wendy and Kelly explained that the programs which generate income are now included in the expenditure budget, ski program, basketball, baseball, and soccer are included in the operating budget at the request of the auditors. We are offsetting those

expenditures by the revenues generated from those programs. In reality the programs are not going up – It is how we are budgeting for it. It is an accounting item we had to change. It is more of an accounting change. Frank Lombardi asked about the cost savings on the ski bus, and that is reflected in the bus line item.

Sandy Holz said it appears that every year town departments are going over their budget amounts. Sandy said every department submits a budget and the library stays within their budget and not have all these overages. If you have a budget, they should be encouraged to stay within the budget. Wendy said the Town does not overspend the budget. Things happen, things come up. Kelly said when we plan for the budget in the winter for the summer recreation program, you do not know how many kids are going to sign up. If you get more kids than anticipated, you need to hire additional staff. Kelly explained that we took over the after school program for the first time in the fall of 2016. We were not told accurately of the costs and income of the program. We are figuring it out as we go along. Wendy said overall the departments do a fairly good job of staying within their budgets.

Police Chief, Ed Samson explained that their budget is over expended but they had overtime that was not anticipated and special detail duties that actually bring in extra money than what is being spent. Public Works Director, Shawn White, explained his budget is comprised of four departments and if he goes over in one, then he tries to cover it in another one.

The Conservation Commission expenditure request for 2017 is \$2,500, the same as 2016.

The Economic Development expenditure request for 2017 is \$75, a decrease of \$4,925. The Economic Development Corporation has become defunct, so we decreased that budget line item. There is some efforts to get it re-established again.

The Principal Long Term Notes expenditure request for 2017 is \$114,576, an increase of \$1,086.

The Interest Long Term Notes expenditure request for 2017 is \$34,168, a \$3,279 decrease.

The Tax Anticipation Notes expenditure request for 2017 is \$7,500, the same as 2016.

The Library expenditure request for 2017 is \$41,650, a \$300 increase.

The Cemetery expenditure request for 2017 is \$30,000, the same as 2016.

The Airport expenditure request for 2017 is \$9,000, the same as 2016.

Duncan asked about the airport budget being overspent. Wendy explained the status of the airport commission over the past few years. The prior commission had entered in to a project to do a runway remarking and resurfacing. It comes in two parts and the first one was the engineer and design. They did not raise the money to pay for it and they did not bring it to the town so we are stuck with that bill. The work is already done so we had to pay for it. Wendy said there was money left in the 2016 budget. The next part of the project is the construction. There are significant cracks in the airport runway, and it is a safety issue. We really have to do it. This is the big hitch, if we don't do the construction part the grant money we received for the design we have to pay back in the amount of \$80,000. It is a huge safety issue, the markings on the runway are not visible and the cracks are just getting larger. Wendy said the Commission has undertaken some of the project itself to save the town \$5,000. The other towns don't kick in for the cost of projects, but Lancaster, Littleton, Sugar Hill, Dalton chip in for the

operating expenses. The Town is the owner of the property so we are responsible for any improvements.

Mr. Wiseman asked how long ago the SCBA's for the fire department were purchased and if there were plans to start replacing those. Fire Chief, John Ross, Jr., replied that the SCBA's were bought two years ago, and John said he is going to upgrade a couple each year out of his operating budget.

The Water & Sewer Department budgets are self-sustaining and do not impact the tax rate.

The Water Department Expenditure request for 2017 is \$258,918, a \$28,278 request.

The Sewer Department Expenditure request for 2017 is \$209,770, a \$25,025 decrease.

Capital Reserve Account Funding is proposed as follows:

Highway Equipment Replacement - \$47,500

Fire Department Equipment Replacement - \$40,000

Revaluation - \$15,000

Police Cruiser - \$0 – There will be warrant article requesting to purchase the cruiser this year and use the capital reserve funds to go towards the cost of the purchase.

Bridges/Town Buildings - \$45,000

Recycling Center Equipment Replacement - \$17,500

Sidewalks - \$20,000

Ambulance - \$20,000

Road Projects - \$40,000

For a total requested of \$250,000, a \$31,500 increase.

It was asked why the increase in the revaluation capital reserve account. The CIP committee put together a list of projects and it was felt this amount had to be increased. Every five years we are required to have our values adjusted. Depending on ratios and values, etc. the state may require a complete revaluation or a statistical update. In 2014 we had a complete revaluation, in 2009 we had a statistical update, and in 2004 we had a complete revaluation.

Wendy said that our two big items this year are the proposed Sewer Treatment Plant upgrade bond and the Water System Improvement project bond.

The treatment plant is regularly violating their permitting requirements and EPA stepped in and said you have to fix this. They had originally given us 18 months which was not possible. We were able to push these time frames out. We have until 2020 to complete the project.

Interest rates are low and Horizons has put together a plan for us. The current plant is 10 years beyond its expected life expectancy. We have been told we are the number 1 priority for a project to happen. The \$6.5 million is what it is. Right now if we get a 45% grant from the federal government we would be looking at \$3.75 million on a bond, which equates to .88 cents on the tax base. The water project is a mirror image of that. We were also told that in reference to the water rates, the town of Whitefield water/sewer rates are very low. We are in the bottom 1/3 for our rates. Over the last seven or so years we have been slowly raising the rates, but so has everyone else. The important thing is being in the middle of the pack. If our rates are too low, the federal government won't give us the grant money. In respect to the people who are benefiting from the program, they expect us to be in the median range to

qualify for the grant funding. We haven't been able to get those rates high enough. The average water bill they want to see is \$500 a year. Our average water bill is \$300 a year. We are just not there. In order for us to qualify for the grant funding, we need to get those rates up. If the rates get to where they need be, it won't affect the tax base, it will affect the users. Wendy has played with numbers. It is complicated. If we put it on the tax base, we were told they will take that in to consideration being wide spread. We can't get a commitment, but we feel we would qualify for more grant funding if we put the costs on the users.

Elaine Wiseman said she would rather pay more on the semi-annual water and sewer bills and get more grant money. Sondra Brekke said she feels it is important that we know how it is going to be paid for before we vote on this at town meeting. Wendy said we have not decided yet. We just got the numbers before the public budget hearing and have not met since then. We know we have to do something on the sewer project and we have until 2020 to do it. Wendy said her inclination is to do the sewer project no matter what we get for grant funding. Wendy said on the project we could possibly say if we don't get at least 45% grant we won't do the project.

Judy said we heard the following from USDA on January 31st in reference to our applications and grant funding: We have received quite a number of water and sewer applications. We will start the underwriting process within a week. I would hope we can work something up by every one's town meetings, but cannot guarantee that.

Elaine said couldn't we raise the rate for a while, and then let the rates come back down. Wendy said we already asked that and we can't.

John Tholl asked isn't it a fact that it will take 2-3 years to get it done. If we don't do it now we would be beyond the administrative order. We don't have a choice for the sewer. Wendy said she feels we need to do the sewer project.

Wendy explained some numbers we ran to determine impact. She said this is basing on assumptions that we would bond \$3,575,000 (which assumes 45% grant and 2.75% interest rate) the impact on home in Whitefield with four residents with an assessed value of \$121,600, their property taxes for a year would increase by \$214. Using that same home and based on their usage their yearly water bill would increase \$156.42 (from \$281.40 to \$437.82) and their sewer bill would increase \$166.65 (from \$313.60 to 480.25), a yearly increase of \$323.07.

Someone asked about the Morrison, and they would pay for the water/sewer they use—just like they do now. The tax-exempt status was discussed and it was explained it is something that will be reapplied for and renegotiated every year.

The water and sewer project is a big deal and it is complicated.

The Warrant Articles for 2017 are as follows:

Purchase a new Police Cruiser - \$42,752 (\$18,500 to come from capital reserve)

Master Plan Update - \$8,500

Replace Library Roof - \$20,000

The road grader lease, the final payment, was paid from the 2016 budget. The backhoe lease is included in Shawn's operating budget. The C.I.P. was completed in 2016.

The Petition Articles, which are put on the warrant by petition of 25 registered voters of Whitefield, are:

Northwoods Home Health & Hospice – \$11,513

Ammonoosuc Community Health Services - \$4,000

White Mountain Mental Health - \$2,919

Caleb Group - \$4,000

North Country Home Health Agency - \$3,400

North Country Transportation/Senior Wheels - \$4,000

Meals-on-Wheels - \$2,800

Northern Gateway Chamber of Commerce - \$1,019

Coos Service Link Resource Center - \$1,760

St. Paul's Church Backpack Program - \$800

Civil Air Patrol - \$600

Someone asked what Coos Service Link Resource Center does, and Sondra Brekke replied that she and her husband have utilized that service. She said it is a Coos program that helps senior citizens and veterans getting on Medicare, Part D. Sondra thinks it is a wonderful program. It is no fee service and they find programs for you. They help you find other things. It is not just senior citizens it can be for disabled people as well. Someone asked what the St. Paul's Church Backpack Program is, and Judy replied that this is run through the Saint Paul's Episcopal Church in Lancaster and they provide backpacks for students at the Whitefield School (an average of 23 children each week) to have a backpack to bring home on the weekends with food and snacks as well as a vouch for a ½ gallon of milk each week.

The total operating budget and warrant articles, including water and sewer budgets, is \$16,327,306, and we are anticipating revenues to be \$14,783,935, with a projected net town appropriation of \$1,685,871, a \$71,399 increase from 2016. We are projecting the tax rate to increase by 36 cents, from \$8.06 to \$8.42.

Elaine Wiseman asked about the health insurance premiums. She feels they are very expensive. She asked what the employees pay for the insurance. Wendy replied that the health insurance did increase this year. The employee pays \$425 a month (family plan) towards the cost of their health insurance. The family plan actually increased \$203 a month and the employee picked up \$125 of that increase with the town picking up \$78 a month. The total cost a month for a family plan is \$2117.94 a month, which includes the employee contribution.

Someone asked about retirement rates. The N.H. Retirement System dictates how much the employee has to contribute to the retirement and how much the employer pays. These rates are set by the state and we don't have control over it. It would be best if you talk to your state representatives and senators and say this is crazy. The police retirement contribution is increasing to 29.43%.

Sondra Brekke asked what the prosecution line item is for in the Police Department budget. Ed said that in 2014 we added the prosecutor position instead of having one of the officers do it on a part-time basis. We use Wendy Hersom for this position. She is a sub-contractor for the Town for this service. She is full-time with Lancaster Police Department, and contracts with Whitefield, Twin Mountain, and Groveton to do their prosecution services. Ed said we have found that we needed an attorney to step in and fill that

role. We were fortunate that Lancaster hired Wendy, and we were able to get the position at a decreased rate. Ed said the court process has become overwhelming for just an officer to do. Sondra asked if it is a conflict, and Wendy said we checked with Municipal Association at the time and it is not. Wendy does not make decisions on that particular line item.

Sondra Brekke asked what the Fire Rescue Equipment, \$8,000 increase was for? Mossy said we are looking at an AED a hose tester to get our hose in compliance which has to be tested yearly and we can contract it out but if we buy the house itself it saves us a lot of money, and we are buying new cot pads for our stretchers.

The Public Budget Hearing adjourned at 8:00 p.m.