

**WATERVILLE VALLEY, NH
BOARD OF SELECTMEN
BUDGET AND BOND ISSUE PUBLIC HEARING MINUTES**

DATE: February 8, 2017

MEMBERS PRESENT: Chairman Mike Aronson, Margaret Turner, Bill Larsen.

MEMBERS ABSENT: None,

OTHERS PRESENT: Mark Decoteau, Jim Mayhew, Chris Hodges, David Noyes, Sharon Charron, Brooke Wakefield. About 20 members of the public were also in attendance.

1. The meeting was called to order at 6:00 PM by Selectmen Chair Mike Aronson.

2. Privilege of the Floor

The Chairman of the Board of Selectmen, Mike Aronson, welcomed everyone to the meeting and turns the meeting over to the Town Manager, Mark Decoteau.

3. Public Hearing on the Fiscal Year 2017 Budget

The Town Manager, Mark Decoteau, states that this is a budget hearing for fiscal year 2017. He continues by defining several terms for the audience he will be using in the hearing; operating budget, revenue, and appropriation. Mark then reviews the impact on the town's portion of the tax rate to a \$250K, \$500K, and \$750K properties as examples. Those increases are \$9.25, \$18.50, and \$27.75 respectively

The proposed operating Budget is \$3,918,671. There are no new bonds for 2017. The special warrant articles total \$235,000, which is an increase of \$24,783 over last year. These special warrant articles will be voted upon at the Town Meeting. In comparison to the 2016 Budget, the total increase for the proposed 2017 budget, including all warrant articles and capital programs, is \$170,022.

Revenues as proposed, which include the use of Fund Balance, are increasing from 2016 in the amount of \$157,694 (from \$1,164,212 in 2016 to \$1,321,906 in 2017). The individual departmental revenues are going down, and the \$157,694 increase is primarily due to two things which are from a 50/50 matching grant (\$60K) with the use of Fund Balance (\$60K), and the remaining is for warrant articles which are also using fund balance. The amount to be raised by taxes for 2017, after estimated revenues, is \$2,831,765 which is an increase of \$12,328 over last year.

Mark then reviews the 4 major impacts to the FY2017 budget and they are as follows:

1. Personnel: 1.5 Cost of Living Adjustment for full time employees and Health Insurance increases of about 8%.
2. Insurance: Substantial increases in insurances of Worker's Compensation and Property Liability as a result of loss experience and lack of a premium holiday.
3. Capital Improvements: Water and Sewer recommended projects and regular vehicle replacement schedules.
4. Revaluation Project: \$31K for the complete revaluation of properties in town.

The history of fund balance usage is reviewed. The Town Manager explains that using fund balance, which is the surplus from cumulative year's unspent funds, reduces the amount of taxes to be raised in a given year for which it is being used. Fund balance is used throughout the year for cash flow to reduce the use of Tax Anticipation Notes (TAN). The Town also uses its fund balance to pay for one-time capital items. For the 2017 budget, the proposed use of fund balance is \$110,000. Since 2011 the town has used \$1,083,000 of fund balance to offset the tax rate. The current Fund Balance is close to 1 million dollars at the time after the 2016 audit was completed. The state recommendations for the percentage of fund balance retained to total budget is in the range of 5%-17%, and we are currently on the higher end of that range at 16%. Fund balance also allows the town to operate between tax payments due date and eliminates the need for Tax Anticipation Notes (TAN's).

The Town Manager reviews the Debt Service for Capital Improvement Plan as well. He explains that the capital plan is a function of the Planning Board, which has a sub-committee, and has been spread out and that the town has been able to retire old debt before new debt is taken. The current Capital Improvement Plan goes through the year 2022. The Selectmen review the proposed CIP plan and review funding for the proposed budget year. It is explained that the Debt Service for 2017 is below the 4 million dollar level. There are state limits for the maximum amount of debt a town can have, that is 3% of town's total valuation and 10% of the valuation for the Water department. The sewer department is not limited as we are under federal regulations. In the current plan, we are using almost 10% of the available town debt and about 4.5% of the water debt.

- Resident Tom Myrick asked about the need for the emergency generator at the Wastewater Treatment Plant after the purchase of an emergency generator for the Department of Public Safety/Town Hall building last year. BOS Chairman, Mike Aronson, answered it was investigated if it was possible to connect the DPS/Town Hall generator to the WWTP. However but the treatment plant requires a much larger capacity (480 volts) and the DPS/Town Hall one (220 volts). The current generator at the WWTP is about 40 years old.

The Town Manager then reviewed the proposed Special Warrant Articles including as follows:

- Our Town Grant Project for \$120,000 (50/50 matching grant with Federal Government)
This is the same article, which was proposed and passed, at the 2016 Town meeting. The grant was not awarded to the town, and we are reapplying this year and have updated the application. Mr. Decoteau explains that the Pedestrian Village Study (PVS) report recommendations included many items. A resident group called the Town Core Working Group (TCWG) was formed to review the findings and to develop a plan for implementation of the PVS and this grant is the 1st step in that process. The grant would cover 50% of the \$120K and would enable the town to install signage for trails and pathways in town, as well as provide a "sense of arrival" sign at the town's entrance. The remaining \$60K of the project cost would come from Fund Balance.

Resident Mike Koppel asked we knew why the grant was turned down last year. The grant writer did review the application with the agency. Then agency does not list where we fell in the selection and was told that there were 150-200 applications and only granted 40 of them. The application has been modified after speaking with the agency and it was thought best to try a 2nd time. If the grant is awarded, public hearings will be

held to discuss the proposed plan and designs as proposed. Under the grant requirements, the town will have 2 years to spend the funds awarded.

Selectman Aronson comments that this project will unify signage throughout town and will include directional signs to trails, nature and historical facts and promote the pedestrian pathways in town.

The Town Manager then reviews the Special Warrant Articles, which are as follows:

- 50th Anniversary “Old Home Day” Celebration (\$10,000)
Mr. Decoteau explains that 2017 is the 50th anniversary of the town changing its name from Waterville to Waterville Valley. An “Old Home Day” type celebration will be planned, if approved, for the summer.
- Zoning Ordinance Update (\$10,000)
This is part of an ongoing review and update to the town’s Zoning Ordinance. There are 9 warrant articles on this year’s warrant to clean up the ZO. Additional work is still needed with professional assistance provided by the Town Attorney and a Professional Planner from the North Country Regional Planning Commission.

The Town Manager then reviews the Operating Budget – Capital Projects, which are as follows:

- Well #3 Evaluation (\$25,000)
Mr. Decoteau explains that this was the well that failed bacteria tests last summer and the well is still currently isolated from the water system. This is to bring in hydro-geologists to investigate possible contamination sources and make recommendations for repair options. It is believed that the investigation will be less than \$25,000 and the remaining funds will allow the town to begin to make repairs which will be needed. Next year, it is very likely there will be another warrant article to continue the repairs, but at this time we have no idea what they will entail in dollars or time.
- Sewer Treatment Plant Generator (\$80,000)
The current generator is original to the plant (1974) and is over 40 years old. There are not parts available to make repairs and the generator is required by our Federal and State permits.
- Water/Sewer Repairs Account (\$25,000)
This goes to the repair account for maintenance of water mains and structures, such as manholes, and brings the balance to \$36,924.

The Town Manager then reviews the Operating Budgets – Vehicles, which are as follows:

- Water/Wastewater Pick-Up (\$34,000)
This is a vehicle which will service both water & wastewater departments. A 4WD is needed to access well #4 and well #3. This has a 10 year life in our vehicle replacement plan.
- Police Cruiser Lease (\$14,162)
This is the 2nd year of a three year lease.
- Riding Lawnmower Lease for \$9,914

This is the 2nd year of a three year lease.

The Town Manager then reviews the Capital Reserve Accounts and their proposed funding:

- Corcoran Pond Capital Reserve is proposed to be funded \$20,000 to add to the existing funds thus bringing the total of the fund to \$130,556.
- Ladder Truck Capital Reserve is proposed to be funded \$20,000 to add to the existing fund thus bringing the total to \$50,091.
- Road Repair Capital Reserve is proposed to be funded by \$20,000 to add to the existing fund thus bringing the total to \$40,087.
- DPW Backhoe Capital Reserve is proposed to be funded by \$10,000 to add to the existing fund thus bringing the total to \$20,044.
- Fire Vehicle Capital Reserve is proposed to be funded by \$10,000 to add to the existing fund thus bringing the total to \$20,044.
- Police Vehicle Capital Reserve is not proposed to be funded this year. The current balance is at \$25,109.
- Toxicity Correction Capital Reserve is not proposed to be funded this year. The current balance is at \$16,982.

The Town Manager then reviews the Town operating budget and items specifically noted in personnel included Health Insurance Premiums increase of 8%, Retirement increases varying from 1.9% to 11.6% and these are state mandated and are dependent upon each position. The full time employees cost of living adjustment (COLA) of 1.5% which is compared to the Boston Area Consumer Price Index. The Worker's Compensation premium increased over \$35K and this is attributed to increased loss experience and no premium return due in 2017. A prior incident stays for 3 years in determining the WC rates. Additionally, in past years there had been a premium holiday, there will not be one for 2017. The Property and Liability premium also increased.

Resident John Palmieri asked if there was any new debt for 2017, and that is answer is no. He asked for clarification of the debt retirement graph and it was explained that the graph shows potential debt, assuming future years of the CIP plan are approved as planned.

Resident Ray Kucharski asked about the cemetery decrease of \$9,500 from last year. It was explained that the increase last year was to establish a common memorial marker. During the excavation and construction of the new water treatment facility, large granite boulders were removed and relocated to the cemetery to be used for the common marker thus saving the expense of purchasing a marker. More design will be necessary to make them complete for markers, but the stone will not need to be purchased now.

Mr. Decoteau asked if there are any questions on the operating budget and only a few questions regarding were asked which were answered by the Town Manger or the Board of Selectmen.

Selectmen Bill Larsen comments that the Selectmen were presented with a Petitioned Warrant Article regarding the Dog Ordinance. The nature of the change is that all dogs will be required to be on leashes at all times.

The Chairman asked if there were any further questions on the FY2017 operating budget. Hearing none, he then closed the Budget Hearing for FY2017.

The Board of Selectmen then voted to approve the 2017 Warrant for Town Meeting as presented.

4. Adjourn

Margaret Turner motions to adjourn the meeting.

Bill Larsen and John Palmieri: 2nds.

The meeting was adjourned on a unanimous voice vote at 6:42 pm.

Respectfully Submitted,
Sharon Charron
Town of Waterville Valley