

**TOWN OF WATERVILLE VALLEY
BOARD OF SELECTMEN
SPECIAL MEETING MINUTES**

DATE: January 16, 2017

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

MEMBERS ABSENT: None.

OTHERS PRESENT: Terry Waite, Cyndy Piekos, Mark Decoteau, Chris Hodges, Jim Mayhew, Greg Campbell, Brooke Wakefield, Judy Rolfe and Sharon Charron.

1. The meeting was called to order at 10:00 a.m.

2. Budget Review FY 2017

Mark begins by reviewing the FY2017 budget summary which contains the updates from previous meetings with department heads. Key items which were highlighted and discussed include:

- Each \$1.00 on the tax rate raises \$335,896
- The overall projected budget increase is 0.47% (\$13,347), which represents \$0.04/\$1,000 of valuation.
- \$110K of Fund Balance is proposed to be used for FY 2017. FY2016 is returning the approximate amount of \$150K to Fund Balance.
- Non-tax revenues are estimated to be current revenues with Fund Balance use and Grant Revenues added in.
- Assessing revaluation project of \$31K is increasing that GL line item by \$26K. Part of the normal assessing work is covered in the revaluation costs.
- Zoning ordinance updates to parking and signage increases the Planning & Zoning GL line by \$10K for the services of a professional planner.
- Insurance is increasing by \$35,543 due to Workers Compensation and Property Liability premiums.
- Other General Government increasing by \$10,566 overall inclusive of \$10K for summer celebration of WV's 50th Anniversary. Decision made to move the \$10K to a separate warrant article to vote on at Town Meeting.
- Police is increasing by \$15,856 primarily due to retirement and health insurance cost increases.
- Water is increasing by \$12,507 due to annual costs of monitoring of well #4 as required by state permit.
- Recreation is increasing \$5,800 due to changes in personnel wages, and the increase is offset by increased revenues and the net amount to be used from taxes to support the department is decreasing \$2,820 from the tax rate setting numbers used in FY2016.

A brief discussion followed concerning the school budget. Mark has requested to the school board that they make copies of their proposed budget available in advance of their budget

hearing. The question was asked, for example, of how the school district manages their budget if more students go to the high school than budgeted. Mark answers that in that examples, they would overspend their budget and have to make it up the next year. The funds would end up coming from the town's fund balance during the interim time until the following school year budget.

Capital Improvement Plan discussion followed and included the vehicle replacement plan and the vehicle useful life, debt retirement plan, capital reserve funding, bonding versus paying cash for items and that impact upon the tax rate. Some projects in the CIP plan have been pushed back in the plan (Town Office building improvements, for example), and others have had costs lowered. These have both impacted the CIP plan and increased the amount of debt retired on a yearly basis which in turn lowers the debt servicing costs. The impact upon the tax rate for the CIP was presented as well showing the cash capital and debt service comparison from FY 2016 through FY2020.

The \$80K generator for the Waste Water Treatment Plant was questioned as being necessary. The board was informed by the Plant Operator, Greg Campbell, that in the event of a power outage without a functioning generator it would be a matter of minutes before holding tanks were overflowing with raw sewage during a normal weekend.

Concern was expressed to whether we are underfunding Capital Reserves and the impact of borrowing upon the tax rate and what is the best management practice to implement to maintain an even tax rate from year to year. Discussion followed concerning the different funding practices between funding the capital reserves from cash or borrowing and bonding items. Mark Decoteau commented that towns utilize both methods of funding, and that the way Waterville Valley has funded capital items places the expense of the item, and the benefit of its useful life, into the same time period. For example, if a 10 year taxpayer is paying towards a new capital item or project, and then sells their property, they never received the benefit of that particular capital item/project they supported for the past 10 years. In contrast, when an item is funded through borrowing and bonding, that same resident will get that benefit while paying for the debt for the same period of time. Discussion followed concerning the balancing of the CIP plan and the schedule of debt retirement in conjunction with the new capital items and unforeseen repairs.

A motion was made by Bill Larsen to move forward the budget summary as discussed to the public hearing on February 8th, 2017.

Margaret Turner: 2nds.

Motion was carried by a unanimous voice vote.

3. Adjourn

Mike Aronson motions to adjourn the meeting at 10:59am.

Margaret Turner: 2nds.

Motion was carried by a unanimous voice vote.

Respectfully Submitted,

Sharon Charron

Town Clerk/Town Office Assistant