

**TOWN OF WATERVILLE VALLEY
SELECTBOARD
MINUTES OF BOND/BUDGET HEARING**

DATE: February 7, 2024

MEMBERS PRESENT: Richard Rita, Chairman; Bob Fries, Vice-Chair; and Wendi Rathgeber, Member.

MEMBERS ABSENT: None

OTHERS PRESENT: 26 Community Members and Town Employees Mark Decoteau (Town Manager), Dave Noyes (Public Safety Director), Patrick Payer (Police Chief), Brooke Wakefield (Recreation Director), Megan Boobar (Public Works Director), Steve Royer (Administrative Services Manager), and Sharon Charron (Town Clerk Assistant).

1. The meeting was called to order at 6:15 pm by Chair Richard Rita.

Richard Rita, Chair of the Board, calls the meeting to order and states that this is an in-person budget/bond hearing for the Town of Waterville Valley. The Town employees and department heads are introduced. Three handouts are available to the attendees; 1. Bond/Budget Hearing Packet, 2. Bond Issues Packet, and 3. Operating Budget Packet.

2. Presentation of the FY 2024 Budget/Bond

The Bond Hearing is opened officially at 6:19 pm by Chair Richard Rita.

Mark Decoteau, Town Manager, explains that State Law requires a Bond Hearing. For FY2024, there are two Bonded Warrant Articles (Articles 12 and 13). These articles must be voted on by written ballot at the deliberative session of the 2024 Town Meeting on March 12. To pass, the articles must each get a 3/5's majority approval from the voters who are present at the meeting.

For Town operations the current allowed debt limit is 3% of the total town valuation. For Water Projects, the allowed debt is 10% of the total town valuation, and for sewer projects there is no debt limit. The current and proposed debt limit is reviewed.

The Capital Improvements Plan (CIP) is a 6-year plan and is updated annually and developed by the CIP Committee, Planning Board, Selectboard, and Town Staff for Capital Projects. In addition, the current Debt Service amount and forecasted amounts are reviewed, along with the current bond payment schedule.

Warrant Article #12 is a Bond Authorization for \$690,000

Warrant Article #12 is a Bond Authorization for \$690,000 for the purchase of a new Fire Engine/Pumper Truck.

Dave Noyes, Public Safety Director, states that the replacement schedule for this type of truck is 25 years. The current Engine #2 Truck is a model year 2000. Chief Noyes reviews the reasons, other than age, for replacing Fire Engine #2. These include 1) Current #2 engine is old and showing its age, 2) the timeline for new truck delivery can be up to 3 years, 3) the Fire Truck industry has seen cost increases up 23% in recent years, 4) the price of \$717K was locked-in in 2023 with 5% down and additional 5% due on 4/1/24, 5) E-One manufacturer will keep the fleet consistent for maintenance and training purposes, and 6) new engine emissions standards change in 2024 and will increase engine costs \$120K for new trucks in the future.

Mark Decoteau added that the authorization, proposed as Article 12 on the 2024 town warrant, is for \$690K with funding of \$645K from bonds and notes and \$45K from the existing Fire Apparatus Maintenance Fund. The current Engine #2 will be sold and proceeds will be used to reduce the bond authorization amount.

The public asked questions about the fire truck including, but not limited to, truck use, department staffing, mileage of #2 truck, number of calls for service, mutual aid calls, and ISO insurance ratings.

The questions were answered by Chief Dave Noyes, Mark Decoteau (Town Manager) and the Selectboard. After all the questions were answered, Warrant Article #12 was presented.

Warrant Article #13 is a Bond Authorization for \$500,000

Warrant Article #13 is a Bond Authorization for \$500,000 for the purchase of a new Ambulance and associated equipment.

Chief Dave Noyes, Public Safety Director, states that the replacement schedule for the ambulance is 10 years. The current ambulance is a model year 2014. 2024-2025 was designated as the replacement timeframe. All of the equipment in the current ambulance is moved to the new ambulance, except the power cot. The timeline is 2-3 years out for delivery and it will have the same specs/manufacture as the current ambulance. Chief Noyes shared the average revenue generated by the ambulance the past two years is \$135K/year. The \$500K proposed amount includes \$38K contingency amount for pricing increases, as the price is not locked in until the chassis order date. Mark Decoteau added that the Capital Account for ambulance maintenance was funded by \$40K last year and these funds can be put towards purchase or left in place for future maintenance costs. The current ambulance will either be sold or traded against the new ambulance.

Questions were asked by the public attendees and answered by Chief Noyes, Mark Decoteau and the Selectboard. The questions included overall ambulance use, the percentage of calls to the ski area versus other town locations, costs to patients being transported, mutual aid use/calls and insurance payments.

The Special Warrant Articles 14-18 are presented and discussed. Questions from the public were asked and answered by the Town Manager, the Selectboard, and/or the appropriate Town Department Head. The articles are as follows:

- Article 16: \$62K for purchase and equipping of a new Public Safety Police Cruiser. This is a non-bonded purchase with funding to come from general taxation. The cruiser being replaced is a model year 2018 and currently has 92K miles. Police cruisers are on a 6-year replacement cycle and the delivery timeframe is 9-12 months from the order date. The proposed vehicle is a Dodge Durango which is the same as the newer cruiser replaced in 2023.
- Article 14: \$75K for the purchase of Self Contained Breathing Apparatus for the Public Safety Department. \$71,250 of this funding will come from the Assistance to Firefighters (AFG) Microgrant Program and the balance of \$3,750 from general taxation. Chief Noyes explained that there have been unsuccessful attempts for grant funding for larger amounts. A total of 8 packs have been replaced (4 in 2022 and 4 in 2023) using the authorized 5% of town funds per grant applications requirements. The remaining eight packs need to be replaced.
- Article 15: \$62K for the purchase and installation of a replacement Self-Contained Breathing Apparatus Compressor in the Public Safety vehicle bays. This is a non-bonded purchase with funding to come from general taxation. This piece of equipment is not grant-eligible. The current compressor is out of service and air packs need to be filled at the Campton Fire Department.
- Article 17 and 18: Capital Reserve Account Funding
 - Article 17: \$100K is to establish a Snows Mountain Engineering Capital Reserve Fund for planning, maintenance and repairs to Snows Mountain Road, and the existing water main as well as the planning, engineering and design of a new sewer collection main along the road.
 - Article 18: \$25K is to be added to the Municipal Solid Waste Truck Capital Reserve previously established for repairs costs of the trash truck and/or towards a new trash truck.

Amy Saulnier, Chair of the Trustees of the Trust Funds, speaks to the public about Capital Reserve Accounts. She explains the differences between borrowing (or bonding) and cash purchases through annual funding of the Capital Accounts. She explains the benefits in saving interest costs if high-cost purchases are funded through annual funding of the Capital Accounts. Interest costs change and sometimes borrowing is better due to lower interest rates, but that is not always the case. A healthy discussion followed between the public, Ms. Saulnier, and the Selectboard about the different approaches to funding items by bonds versus savings.

Mark Decoteau asked for any further questions, and upon hearing none, a motion was made by Wendi Rathgeber to officially close the 2024 Public Bond Hearing at 7:43pm. The motion was seconded by Bob Fries and a unanimous voice vote carried out the motion.

A motion was then made by Bob Fries to officially open the 2024 Public Budget Hearing at 7:43pm. The motion was seconded by Wendi Rathgeber and a unanimous voice vote carried out the motion.

Mark Decoteau, Town Manager, begins the 2024 Budget presentation and asks the attendees to save their questions for the end of the presentation. The terms "operating budget," "revenues," and "appropriation" are defined and explained.

Mark Decoteau provides updates for three ongoing town projects.

1. Road Project: Improvements were completed on Valley Rd., Tecumseh Rd. and Snows Brook Rd. The final topcoat and drainage work on a portion of Snows Brook Rd. will be completed in spring 2024. Design engineering is planned for Boulder Path Rd and Snows Mountain Rd.. A contract extension was given to Piper Construction for Jennings Peak Rd. (complete rebuild), Osceola Rd. (reclaim/repave), Golden Heights Rd. (reclaim/repave), and the intersection of Jasinski Rd & Snows Mountain Rd. (maintenance). FEMA has evaluated damages due to storm damage in December, 2023 and repair estimates were obtained. The town is waiting for notification about what amount, if any, of the damages will be covered under disaster declaration.
2. Wastewater Treatment Facility Project: The former engineering firm had fallen behind on the project timeline and the Selectboard decided to end the contract. A new engineering firm (Black & Veatch Engineers) was hired in September, 2023. The new firm (B&V) will review and complete the Basis of Design (BOD) in 2024 for the location and plant design. The completion of the BOD and the 30% of final design plan will be completed by April, 2025. A subsequent contract and project schedule extension is planned for 2025.
3. Transfer Station: Due to changes in the Wasterwater Treatment Facility plan, the sludge drying bed will have continued use and will delay the relocation of the Transfer Station (TS). The TS will stay in the present location for an undetermined amount of time and the town again will need to address controlled access, operation hours, collection of construction debris and large waste items (appliances, tires, electronics and metal).

The Budget Summary, Significant Impacts, Fund Balance, Bond Warrant Articles.

The 2024 proposed budget reflects an increase of \$524,683 over 2023 in the amount to be raised in taxes. The 2023 amount was \$3,843,041, and the 2024 proposed amount is \$4,367,724. The 2024 proposed new Bonds total is \$1,190,000, and the other Special Warrant Articles total \$688,487. The proposed 2024 Operating Budget is \$6,390,824, which is an increase of \$776,850 over 2023 amount of \$5,613,974. The Operating Budget (\$6,390,824), New Bonds (\$1,190,000), other Special Warant Articles (\$688,487) combine to a total appropriation amount of \$8,270,811. The 2024 Estimated Revenues, including the use of Fund Balance, totals \$3,903,087. The use of Fund Balance reduces the amount of taxes to be raised in a year. The amount of fund balance used in 2023 was \$200K and the proposed 2024 Fund Balance use amount is \$201,500.

The proposed budget will increase the amount of taxes to be raised on the Town portion of the tax rate. As proposed, it will be an increase of \$1.06 per \$1,000 of property valuation, though it is unlikely that the full amount of the increase will be necessary due to projected increases to property values and new construction. Mark Decoteau shared that property sale prices in town are continuing to rise related to property assessed values. In 2024 the town will perform a Statistical Update of all property prior to the final tax bills issued in October 2024. The 2023 Sales Ratio Study, as determined by the NH-Dept. of Revenue Administration, is 73.5%, which is below the acceptable range of 90%-110%.

Mark Decoteau reviews the operating budget breakdown by department and the major changes. There are three primary changes and their amounts are:

1. Personnel - \$490,591
2. Debt Service - \$90,418
3. Other Operating Costs - \$105,423

Personnel – increase of \$490,591 There are new full-time (F/T) and part-time (P/T) positions. In the Solid Waste Dept., a P/T position was upgraded to a F/T position, and a new F/T was added. In the Water/Wastewater Dept., a new F/T position was added. In the Public Safety/ Code Enforcement Dept. a F/T administrative position was added. In the Town Office, a P/T administrative position was filled that had been vacant. Returning employees will receive a wage adjustment of 3.2% (November CPI) and a seniority-based retention program was initiated. The Solid Waste and Water/Wastewater positions are needed to meet state-required specific staffing requirements and provide succession planning. The F/T Code Enforcement position will shift some administrative work away from the department heads, and the P/T Administration position will provide assistance within the office in finance tasks.

Debt Service – increase of \$90,418 The total 2024 Debt Service budgeted amount for Principal and Interest is \$874,597. This includes Principal and Interest on existing debt and one year of Interest payments on the January Bond for Road Repairs.

Other Operating Costs – increase of \$105,423 The Other Operating costs is a combination of all line items in each department except personnel/benefits and include materials/supplies, outside contracts, reduced contingency allowance, legal expenses, assessing services and solid waste disposal costs. Mark Decoteau states that department heads are doing a great job keeping operating costs consistent but product costs have increase across all departments.

Warrant Article 19 provides funding for the Rey Center's Curious Cottage Pre-School Program for a total of \$90K in a 3-year non-lapsing account. The intention is to have the \$90K broken down into three yearly amounts of \$30K. A written agreement will be in place between the Selectboard and the Rey Center Board outlining the disbursement dates. Steve Larkin, a Rey Center Board member, provides additional information on current and projected enrollment, staffing and fundraising activities. Privately operated pre-school programs can operate with greater efficiency and reduced costs versus publicly operated preschool because of different guidelines.

Questions were asked throughout the presentation and answered by the Town Manager, the Selectboard, and/or the appropriate Town Department Head.

The presentation concluded, and there were no further questions from the audience.

3. Adjourn

Richard Rita motions to adjourn the meeting at 8:53 pm.

Bob Fries: 2nds.

A unanimous voice vote carried out the motion.

Respectfully Submitted,
Sharon Charron
Town Clerk/Executive Assistant