

Budget and Bond Hearing

Town of Waterville valley
Fiscal Year 2019
TOWN BUDGET & BOND HEARING
Wednesday, February 6, 2019
6:00 pm
Recreation Department Multi-Purpose Room

Definitions

- **Operating Budget**– Expenditures for Department Operations which does not include Bonding, Special Warrant Articles, or Capital Reserves
- **Revenues** – Fees and income other than Taxes (only an estimate at Town Meeting time)
- **Appropriation** – An amount of money which Town Meeting authorizes to be spent during the fiscal year

Tax Impact of Proposed Budget Decrease

- **Increase** in The Total Taxes to Raise as proposed is:

\$111,613

- **Increase** in Taxes on a \$250,000 property is:

\$84.48

- **Increase** in Taxes on a \$500,000 property is:

\$168.96

- **Increase** in Taxes on a \$750,000 property is:

\$253.44

2019 Budget Overview

	Fiscal Year 2018	Fiscal Year 2019	Change + / (-)
Operating Budget	\$3,726,006	\$3,982,499	256,493
New Bond Projects	\$1,030,000	\$1,300,000	\$270,000
Other Warrant Articles	\$385,800	\$290,100	(\$95,700)
Total Appropriations	\$5,141,806	\$5,572,599	\$430,793
Estimated Revenues (including FB Use)	(\$2,353,750)	(\$2,672,930)	319,180
Estimated Taxes to be Raised	\$2,788,056	\$2,899,669	\$111,613

2.

Major Impacts

- **Capital Improvements** – We are proposing to replace two key vehicles in 2019 – the Fire Department Ladder Truck and the DPW Trash Truck. Other area of major Capital Improvement is Trail Maintenance and New Construction
- **Operating Expenses** – Increases due to Health Insurance Premiums, Succession Planning in Wastewater Department, New Recreation Staffing & Programs and New Debt Service Payments

Use of Fund Balance

	2013	2014	2015	2016	2017	2018	2019
Fund Balance Used	155,000	316,300	195,000	41,914	195,870	102,500	126,100
Taxes Raised	2,454,094	2,759,511	2,871,536	2,819,437	2,898,097	2,769,423	2,899,669

- Using Fund Balance (Surplus) reduces the amount of taxes to be raised that year
- Fund Balance has been used (and is recommended this year) to pay for one time, capital items

NOTE: All numbers are actual except for 2019 which are proposed

Special Warrant Articles

- **12 Continue Lease of Ladder Truck - \$100,300**
 - Only if Article 9 Defeated
 - Fund Balance Use \$71,500
 - New Taxes \$28,800
 - Not included in budget calculations because it is a contingent warrant article

- **13 Lease New DPW Backhoe - \$34,000**
 - Total Lease Cost \$136,000

Special Warrant Articles (con't)

- **14 Lease New Recreation Bus - \$22,000**
 - Total 3-year Lease Cost \$66,000

- **15 Purchase Land - \$89,000**
 - Tax Map 108, Lot 043
 - Land Between Beach and Golden Eagle Lodge
 - \$88,300 for Conditional P&S, \$700 for Legal and Administrative Fees

Special Warrant Articles (con't)

- **16 Repair Exterior of Library - \$75,000**
 - Repair/Replace All Exterior (Siding, Roof, Windows)
 - Address Insulation if Possible
 - Inspect and Repair Foundation as Necessary
- **17 Create Capital Reserve Account for Curious George Cottage - \$10,000**
 - Town Owns Building and is Responsible for Capital Maintenance
 - Previously All Repairs Have Come Out of Town Buildings Operating Budget
 - Had to Replace Heating System in 2018 - \$7,000

Special Warrant Articles (con't)

- **18 Second Year of DPW Plow Truck Lease - \$30,100**
 - Second Year of Three-Year Lease
- **19 Add to Road Repair Capital Reserve - \$20,000**
 - Current Balance \$39,291
 - Funds Used for Emergency Repairs to Roads, Sidewalks and Drainage

Special Warrant Articles (con't)

- **20 Additional Engineering for Dam Project Engineering - \$10,000**
 - Weather Has Caused Additional Engineering Costs
 - Recommend Funding From Fund Balance
 - Any Unused Amount Will Be Returned to Fund Balance

Operating Budget – Capital Projects

- **WWTP Carbon Replacement Project- \$35,000**
 - Second Year of Three-Year Planned Project
- **Add to Wastewater and Water Repair Account - \$20,000**
 - Current Balance in Account - \$4,484
 - Used For Emergency Repairs to the Water Distribution and Treatment Systems and the Wastewater Collection and Treatment Systems

Town Operating Budget

- Personnel
- Other Budget Lines

Personnel

- Cost of Living Adjustment
 - Compared to Boston Area Consumer Price Index
 - 2.3% Across the Board Adjustment
 - Adjusted Pay Plan Minimum and Maximum Points
- Health Insurance Premium Increase 14.6% effective July 1, 2019
 - Changing plan status for some employees
- New Position in Recreation Department

Personnel (con't)

- Succession Planning in Wastewater Treatment Operations
 - Expected Retirement for One Position on December 31, 2019
 - Need to educate and train replacement operator
 - Back-up position for Water Treatment System
 - Second Full-time position

Other Budget Lines

- 4150 – Administration
 - Wage Adjustments
 - Add 5 hours/week to Part-time Position
 - Health Insurance Premium Increase
- 4191 – Planning & Zoning
 - Continuation of Zoning Ordinance Review
 - Planning Consultant for Large Projects
- 4193 – Information Technology
 - Software Updates
 - Additional Costs for New Internet/Phone Services and Monthly Price Increases
 - Improvements to On-line Payment Services (Clerk Works)

Other Budget Lines (con't)

- 4199 – WVAIA
 - Additional Trail Maintenance
 - Complementary to Recreation Department New Programs
- 4210 – Police Department
 - Health Insurance Premium Increase and Change in Coverage
 - Wage Adjustments/COLA
 - Part-time Wage Reimbursement for Police Academy Attendance
- 4323 – Solid Waste Collection
 - Wage Changes
- 4324 – Solid Waste Disposal
 - Change in Tipping Fee From Recycling to Trash

Other Budget Lines (con't)

- 4326 – Wastewater
 - 2nd Position Wages and Benefits in Department
 - Wage Changes/COLA
 - Health Insurance Premium Increase
 - Heating Fuel
- 4399 – MSD Reserve Personnel (Decrease)
 - Continued Succession Planning
 - Partial Year for One Full-Time Position at Treatment Plant
 - Also Will Back Up Water Department Operations
- 4520/4525 – Recreation and Parks Services
 - Brooke Presentation
- 4711/4721 – Debt Service Principal & Interest
 - New Bonds From 2018

9.

Non-Monetary Warrant Article

- Non-Denominational Chapel on Town Land
- Selectmen's Ordinances
 - Ordinance 20 – Solid Waste Disposal
 - Ordinance 21 – Solid Waste Container Enclosures
- Petitioned Warrant Articles

Questions

Any questions regarding the Town Operating Budget?

10.

Bond Hearing Information

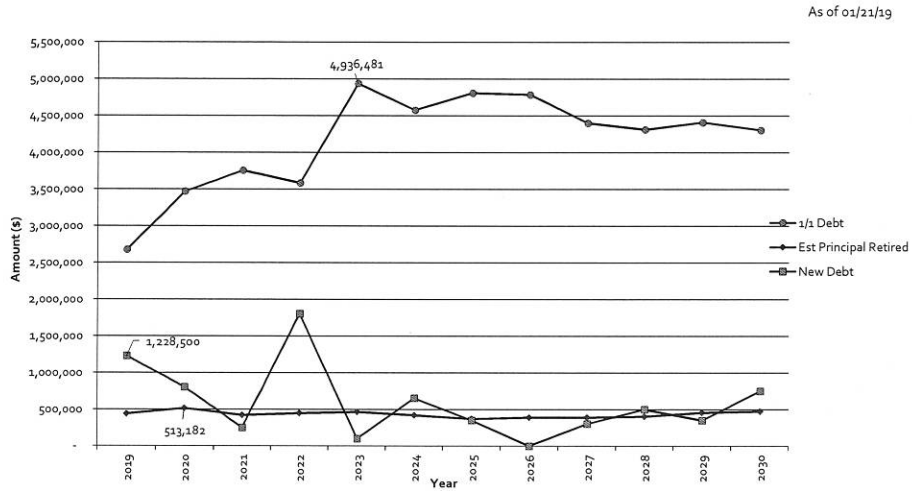
- Hearing Required by State Law
- Three Warrant Articles Which Include Bonding (Borrowing)
- All Three Must Be Voted on By Ballot
- All Three Take 2/3 Approval to Pass

Town Capital Improvements Plan

- Planning Board and Selectmen Develop the Capital Improvements Plan (CIP)
- Historically We Have Had a 6-Year Plan – Now Have Developed 30-Year Detailed Plan
- Includes All Current Capital Needs as Determined by Planning Board, Selectmen and Town Staff

11.

Debt Service – FY18 CIP & Current Debt



Bond Warrant Articles

- **9 Ladder Truck Replacement-** \$900,000 for Purchase
 - Bond Issue - \$828,500
 - Capital Reserve - \$71,500

- **10 Trash Truck Replacement -** \$250,000
 - Bond Issue - \$250,000

- **11 Trail Improvements and Signs-** \$150,000
 - Bond Issue - \$150,000

Fire Department Ladder Truck

- Chris Presentation

Public Works Trash Truck

- Jim Presentation

Trail Improvements

- Town Core Working Group Presentation

Questions

Any questions regarding the Proposed Capital Projects Including Funds from Bonds/Notes?

Town of Waterville Valley, NH
Capital Account Balances

Audited Balances 1/23/19

12/31/2018

<u>Account/Purpose</u>	<u>Starting Balance</u>	<u>Spent</u>	<u>Balance</u>	<u>Recommended Action</u>
New Cruiser Purchase	45,000.00	31,476.19	13,523.81	Close and Funds to Undesignated
Mower	9,915.00	9,649.23	265.77	Close and Funds to Undesignated
Plow Truck Lease	30,800.00	30,042.90	757.10	Close and Funds to Undesignated
Old Cruiser Lease	14,163.00	14,161.85	1.15	Close and Funds to Undesignated
Town Building Engineering and Repairs	80,000.00	48,442.87	31,557.13	Retain to FY19
Town Entrance	250,000.00	107,665.76	142,334.24	Retain to FY19
Music Festival	10,000.00	-	10,000.00	Close and Funds to Undesignated
WWTP Upgrades/Repairs	130,000.00	74,344.41	55,655.59	Retain to FY19
Water/Wastewater Repair Account	20,000.00	15,516.01	4,483.99	Retain to FY19
Corcoran Pond Dam Repairs	630,000.00	211,992.84	418,007.16	Retain to FY19
Well #3 Evaluation	150,000.00	17,009.64	132,990.36	Retain to FY19
Nature Trail Grant	3,696.00	-	3,696.00	Retain to FY19
Pick-up Truck Purchase	6,801.21	6,660.54	140.67	Close and Funds to Undesignated
Reserve for Arena Maintenance	102,474.41	36,274.16	66,200.25	Retain to FY19
Engine 2 Repairs	1,233.00	1,233.00	-	Close
Tecumseh Road Sidewalks	15,000.00	9,600.00	5,400.00	Retain to FY19
Solar Lights Installation	5,499.00	-	5,499.00	Retain to FY19
Fire Apparatus Capital Reserve	11,913.77	11,657.20	256.57	Retain to FY19
Backhoe Capital Reserve	20,587.76	-	20,587.76	Retain to FY19
Cruiser Maintenance Capital Reserve	427.90	-	427.90	Retain to FY19
Toxicity Correction Capital Reserve	17,193.61	-	17,193.61	Retain to FY19
Trash Truck Capital Reserve	10,150.19	-	10,150.19	Retain to FY19
Road Repair Capital Reserve	41,175.59	1,885.00	39,290.59	Retain to FY19
Ladder Truck Capital Reserve	71,660.20	-	71,660.20	Retain to FY19
Ladder Truck Lease	103,200.00	100,236.95	2,963.05	Close and Funds to Undesignated

Amount of balances to Undesignated FB	27,651.55
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15.

1/30/2019

Per 12/31/18 Audit Results

Fund Balance Use FY2012 to FY2019(est)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Fund Balance Start	713,089.00	929,105.00	926,513.00	812,975.00	820,997.00	943,418.00	976,862.00	932,318.00
Fund Balance Use - Voted at Town Meeting	-	(155,000.00)	(240,000.00)	(195,000.00)	(9,914.00)	(110,000.00)	(205,700.00)	(126,100.00)
Fund Balance Use - Set Tax Rate	-	-	(76,302.00)	-	(32,000.00)	(85,870.00)	-	-
Net Change in Fund Balances - Audit/YTD	216,016.00	152,408.00	202,764.00	203,022.00	164,335.00	229,314.00	161,156.00	-
End of Year Fund Balance	929,105.00	926,513.00	812,975.00	820,997.00	943,418.00	976,862.00	932,318.00	806,218.00

Fund Balance Returned 2011-2018

(1,109,786.00) Not counting 2019 Proposed

Fund Balance Guidance From DRA (2018 Tax Rate Setting)

17% Retained (Maximum Recommended)	1,037,740
10% Retained	610,435
8% Retained	488,348
5% Retained (Minimum Recommended)	305,218

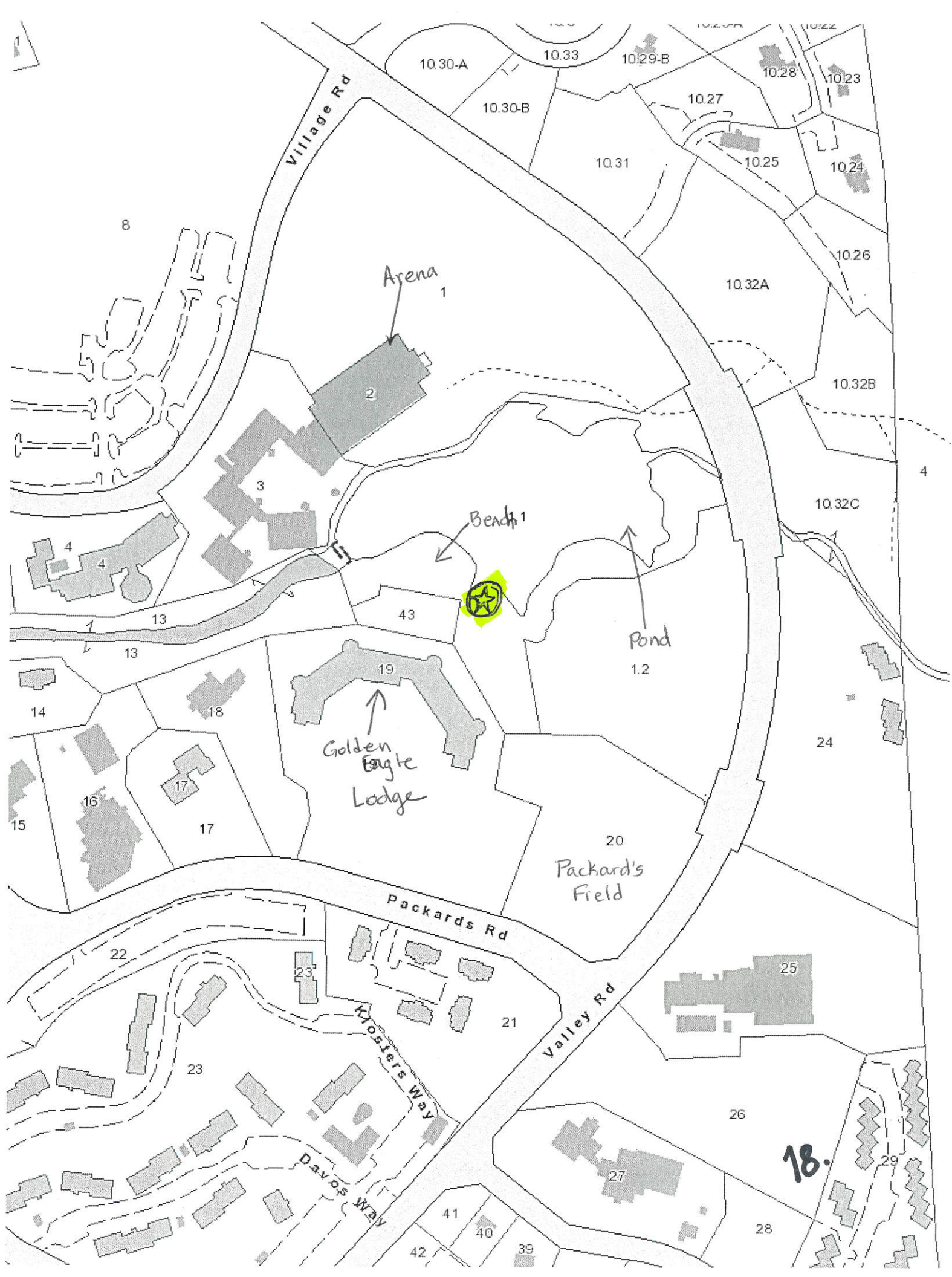
Retained as of 2018 Tax Rate

Retained as of 12/31/18	771,162	12.63%
Estimated Retained FY2019	932,318	15.27%
	806,218	13.21%

16.

Town of Waterville Valley, NH
Town Tax Effort Comparison
FY2014 to FY2019(Proposed)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Appropriations	4,339,070	4,247,593	3,970,458	4,153,671	5,141,806	5,572,599
Non-Tax Revenues	(1,657,043)	(1,395,497)	(1,122,271)	(1,401,353)	(2,353,750)	(2,672,930)
War Service Credit & Overlay	18,512	19,044	41,914	12,336	15,315	-
Amt of Taxes to Raise	2,700,539	2,871,140	2,890,101	2,764,654	2,803,371	2,899,669
Total Appropriations W/O Bonds	4,103,270	4,267,033	3,970,458	4,153,671	4,111,806	4,253,048
Town Operating Budget	3,698,270	3,805,593	3,024,059	3,823,671	3,726,006	3,928,848
Total Valuation	333,199,380	334,833,178	335,895,878	327,435,357	330,335,625	330,335,625
Municipal Tax Rate	8.10	8.57	8.60	8.44	8.49	8.78
Change in Municipal Tax Rate		0.47	0.03	(0.16)	0.04	0.29



Town of Waterville Valley, NH Department of Public Safety

Ladder Truck Replacement Discussion
Town Budget & Bond Hearing
February 6, 2019

Need for a Ladder Truck

- Ten High-Occupancy Buildings 3-Stories or Higher
- Five Buildings With a Potential Occupancy of 100 or More People
- Reach Issues for Some Residential Properties on Small Uneven Lots
- Staffing Limitations
- Mutual Aid Time Factor

Ladder Truck Maintenance Issues

- Our Former Truck was a 1985 LTI 85' Ladder. Initial expected useful life was 25 years.
 - Life Extended in 2012 and Each Year Through 2018
 - Truck Failed Safety Inspection in May, 2018
 - Repairs Estimated at \$150,000
 - Truck Taken Out of Service in May, 2018
- Selectmen Requested Emergency Appropriation in August, 2018
 - 1-Year Lease (9/18 to 9/19) of 2017 E-One 100' Ladder Truck
 - \$103,100 Annual Payment for 12 Years to Own
 - Non-Appropriation Clause

Options

- Continue Lease of Current Truck
- Purchase Used Truck With Bond Issue
- Buyout Current Truck Lease With Bond Issue

Continue Current Lease

- Factory Warranties
- Meets All Current NFPA Safety Regulations
- Fits Into Vehicle Bay at the Fire Station
- Annual Payments Continue at \$100,300 for Eleven More Years
- Total Cost of Lease - \$1,103,300

Purchase Used Truck

- Example 1 – 2007 Pierce 100' Platform
 - \$550,000
 - 9,606 Miles and 1,286 Engine Hours
 - Too Large for Our Current Vehicle Bay
- Example 2 – 2014 Pierce 100' Platform
 - \$700,000
 - 44,072 Miles and 5,370 Engine Hours
 - Too Large for Our Current Vehicle Bay
- Pros
 - Less Capital Investment in Truck
 - Vehicle May Be Available Immediately
- Cons
 - One-Year, Limited, Maintenance Warranty
 - Need to Build New Bay or Change Current Building – Designed and Built by September
 - May or May Not Meet Current Safety Standards
 - Shorter Useful Life
 - Dependent on Model Year and on Previous Service and Maintenance History

Buyout Lease With Bond Issue

- \$828,500 Bonded Over Entire Useful Life
 - Property Owners and Visitors Who Use the Truck Pay For It
- Annual Payments Fit Into Long-Range Capital Program Debt Plan
- Fits Into Existing Fire Bay
 - A Less Expensive Used Truck That Doesn't Fit Into the Current Station Will Cost the Same in Total When We Have to Pay to Modify The Fire Station
- Total Cost of Bond and Interest \$1,170,862

Recommendation

Approve the Bond Issue for the Purchase
of a 2017 E-One 100' Aerial Platform Fire
Truck for the Waterville Valley
Department of Public Safety

Town of Waterville Valley, NH Municipal Services Department

Trash Truck Repair/Replacement Discussion

Town Budget & Bond Hearing

February 6, 2019

Trash Truck Maintenance Issues

- The Truck is a 2006. Initial expected useful life was 8 years.
 - Life extended to 10 years in 2014
 - Truck entering 12th year of service
 - Truck has 143,000 miles and approximately 10,750 hours on the engine
- Truck has broken down five times for a day or more since December 1, 2018
- Truck is currently out of service and cannot be driven for any extended distance – Parts are on order

23.

Options

- Repair Current Truck and Continue in Service
- Purchase Used Truck
- Purchase New Truck

Repair Current Truck and Continue In Service

- Diagnosed with Radiator Issue and Possible Belt Alignment Issue
- Replacement of Radiator is Outside Repair Work
 - \$6,000 Estimate to Repair Radiator and Inspect Belts
- Possible Additional Cost to Repair Belt Issues Found During Inspection
- Does Not Address Other Potential Maintenance Issues
 - All six sets of brakes are original (\$2,000 to \$3,000 per set to replace)
 - Hydraulics
 - Other Engine Issues
 - Packer Body has been repaired on several occasions

Purchase Used Truck

- Whitcher 2017 Truck
 - \$125,000
 - 20-yd Packer
 - 33,800 miles
- Example Used Trucks
 - 2017, 25-yd, 74K mi, \$149,500
 - 2014, 27-yd, 96.5K mi, \$138,900
- Pros
 - Less Capital Investment
 - Available Immediately
- Cons
 - No long-term Maintenance Warranty
 - Shorter Useful Life
 - 6-Years for a 2017 model
 - Start Maintenance Reserve in 2022

Purchase New Truck

- Cost Between \$225,000 and \$250,000
- CIP as Approved by Planning Board included \$350,000 for Truck Replacement in FY2022
- FY19 CIP Re-calculated with \$250,000 Estimated Replacement Cost in FY19
- Talking to Five Dealers in IL, VA and NH for Pricing

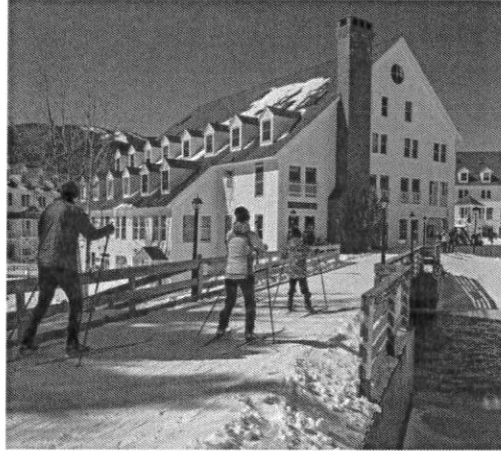
Recommendation

- Add an article for \$250,000 to the 2019 Town Meeting Warrant
- \$250,000 to be Bonded for expected life of the truck
- CIP Financial Calculation Based on 10-year note at 4% interest

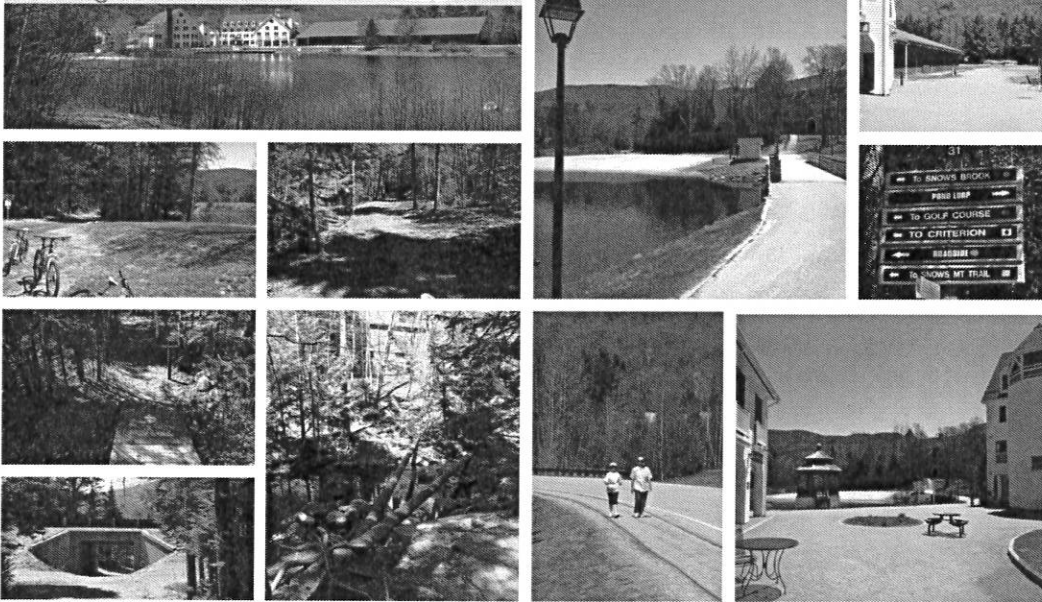
Town of Waterville Valley Town Square Trails & Wayfinding

Introduction/Purpose

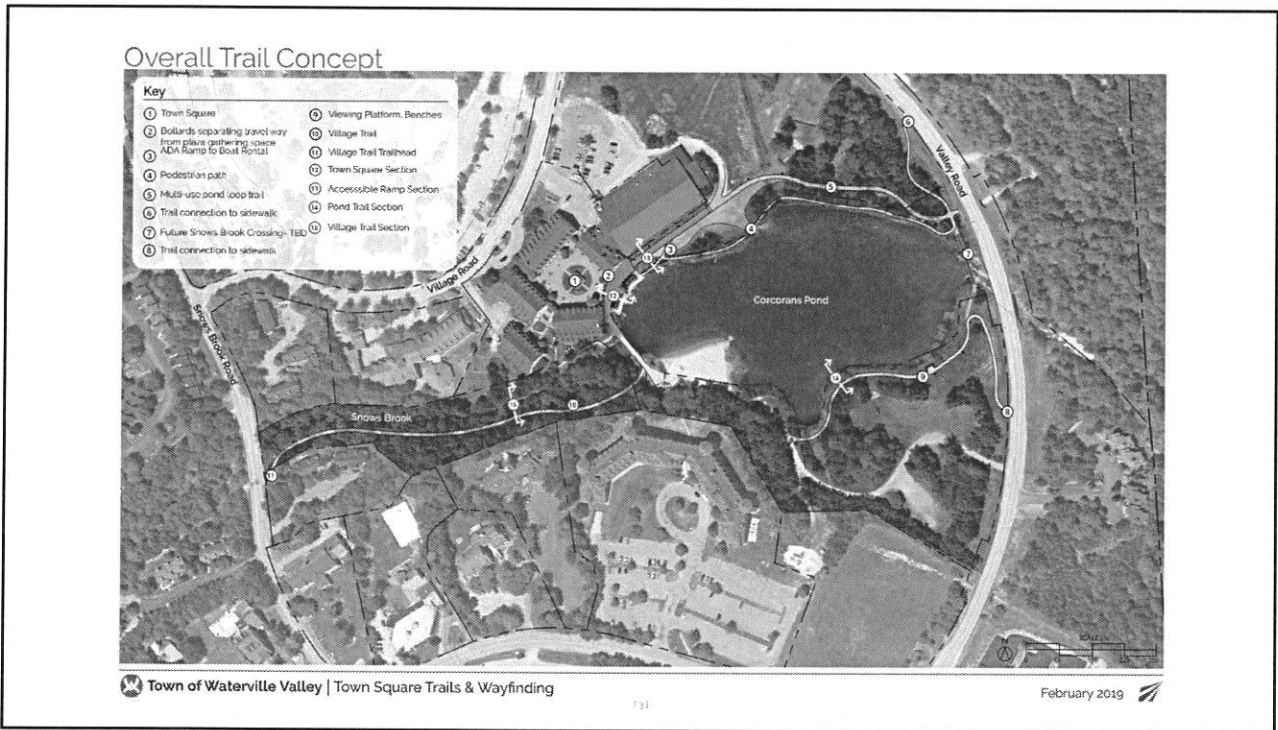
- Take a closer look at the existing features surrounding Town Square and Corcoran's pond and build upon the preliminary recommendations developed as part of the 2015 Pedestrian Village Revitalization Study.
- Address circulation patterns, trails, pedestrian signage (wayfinding), and lighting to improve the recreational connections, navigation, and cohesive branding of the area around Town Square and Corcoran's pond.
- The initial phase of the project provides conceptual improvements to the existing trail network, establishes trail signage character based on the recently completed Town Gateway Sign, and makes recommendations for proposed additional lighting within the Town Core.
- With Town approval, elements of this concept plan will be prioritized and further refined and developed for construction.



Existing Conditions Photos

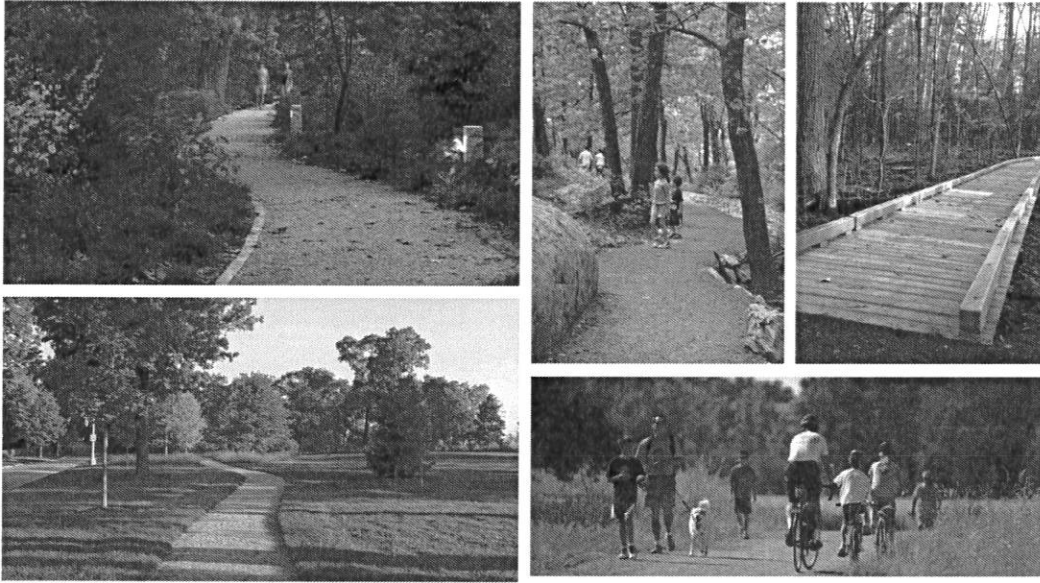


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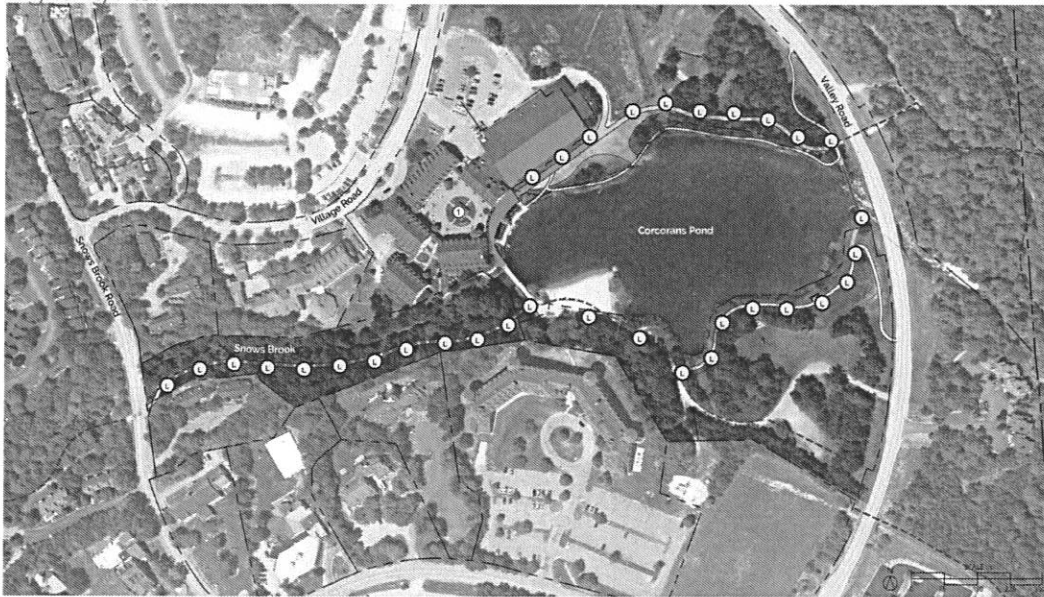


28.

Concept Character- Trails



Lighting Plan



Concept Character - Lighting



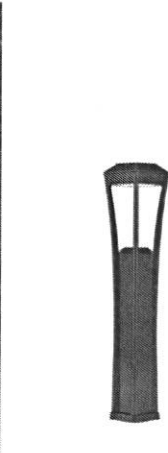
Existing Light



Pedestrian Light



Granite Bollard Light



Bollard Light

Wayfinding Signage Plan

