

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

DATE: February 5, 2020

MEMBERS PRESENT: Chairman Mike Aronson, Margaret Turner, Rich Rita.

MEMBERS ABSENT: None.

OTHERS PRESENT: Mark Decoteau, Jim Mayhew, Chris Hodges, Dave Noyes, Sharon Charron, Brooke Wakefield and Judy Rolfe. Twenty-five 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. Mike then turns the meeting over to the Town Manager, Mark Decoteau.

3. Public Hearing on the Fiscal Year 2020 Budget

The Town Manager, Mark Decoteau, states that this is a budget hearing for fiscal year 2020. He explains that tonight there will be 2 public hearings; one for the operating budget and a second one for the bond issues. There are presentation handouts and copies of the proposed budget on a table in the back of the room. There are updated pages if people have brought along the previously distributed packets, in addition to the fully updated packet. He continues by defining several terms for the audience that he will be using tonight; operating budget, revenue, and appropriation.

The proposed operating Budget is \$4,243,247. There are new bonds for 2020 totaling \$1,150,000 for the Water System Improvements (\$1,000,000) and the Town Wide General Engineering (\$150,000). The special warrant articles total \$375,100 which is an increase of about \$85,000 over 2019. The bonds and special warrant articles will be voted upon at the Town Meeting. The appropriations total is \$5,768,347 which is an increase of \$195,748 over 2019. The estimated revenues total \$2,773,758, which includes the use of Fund Balance in the amount of \$310,100. When the revenues are applied against the appropriations, the remainder is \$2,994,589 which is the amount to be raised by taxes. This is an increase in the amount of \$98,126 over 2019 and amounts to an increase of .30 cents on the tax rate. 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 \$75.00, \$150.00, and \$225 respectively.

The major impacts to the budget for 2020 are Debt Service Principal & Interest and Operating Expenses.

The Debt Service & Interest is tied to the first-year payment of the 2019FY issued Bonds for the Fire Department Ladder Truck, the DPW Trash Truck and the Trails Project. The Operating Expenses involve increases due to health insurance premiums, a full-year funded staff position in the Recreation Dept, and a part-time Transfer Station Attendant in Public Works.

The use of Fund Balance was reviewed. Fund balance is defined as the money saved from previous budgets or revenues that were collected in excess of what was budgeted. The estimated Fund Balance Change at the end of 2020 is approximately \$160,00 higher than 2019 due to the proceeds from the sale of the Ice Arena. There is a current verbal agreement for the sale of the Ice Arena in place and we are expecting a signed P&S in the next week or 2. Bill Larsen asked if a Town vote is needed to sell the Ice Arena. Mark answered that in 2011, voters approved a lease agreement which contained a sales clause, and the Selectmen are following that sales clause so another Town Meeting vote is not necessary. There will be opportunity in the future to hear from the future owners and to let them hear voters concerns and questions. The proceeds from the sale will go to the 2020Y Fund Balance and will help for the current Capital Projects. The amount to be returned to fund balance in FY2020 is projected to remain at the 14.1% of the Operating Budget.

The Fund Balance use for FY 2020 is proposed at \$310,100 and will be used for Capital Project. The list is reviewed by department and totals 14 items as listed below.

- 1. Public Works Department – Total of \$111,100**
 - Backhoe Lease (Yr 2) \$34,000
 - Plow Truck Lease (Yr 3) \$30,100
 - New Plow Truck Lease \$35,000
 - Guardrail Replacement \$12,000
- 2. Water and Wastewater Department – Total of \$95,000**
 - Sludge Drying Bed Maintenance \$15,000
 - Collection/Distribution System Repairs \$20,000
 - Aeration System Improvements \$25,000
 - Emergency Repair Account \$35,000
- 3. Recreation Department – Total of \$22,000**
 - Bus Lease (Yr 2) \$22,000
- 4. Public Safety Department - \$32,000**
 - Thermal Imaging Device \$10,000
 - Ambulance LifePak AED \$22,100
- 5. Grants – Total of \$85,000**
 - Water Facilities Assessment \$40,000 (50/50)
 - Wastewater Facilities \$45,000 (100%)

Mark explained that in 2019 at the Wastewater Treatment Plant had a Facilities Review of the system due to more gallons being treated in Wastewater than what the Town was producing. This review uncovered that groundwater infiltration and areas identified and leaks were sealed to capture an estimated 60% of the infiltration. There is also the 2nd year of the Replacement of the Carbon Filters in the Wastewater Treatment Plant, which is being funded through the Operating Budget. Capital Reserves additional funding for the Road Repair Account was proposed at \$30,000 and funded through Fund Balance Use.

Mike Furgal asked if the School Board should consider putting their Insurances out to bid as well. In the past, the School and the Town have had the same carrier, Primex. But now the Town is covered under Traveler's for all policies (Liability, Automobile, Facilities and Worker's Compensation), and the School remains with Primex. Mark replied that the School could look into comparing other carriers and offered to pass along the contact info for Traveler's.

Jan Sweeney asked about the status of the Beach Pavilion which was discussed last year. Selectman Aronson replied that the current proposed Town-wide Engineering RFQ will aid in development those plans and costs that can go out to bid in the future with the anticipation of 20/21. This will also need to consider the Chapel project location.

The Town Manager then reviews the Town Operating Budgets and key items noted included:

- Personnel
 1. 1.5% COLA - Cost of Living Adjustment for full time employees.
 2. Health Insurance premium increase of 3.9% effective 7/01/20. The plan type was changed from last and reducing increases by over 50% above the 3.9% increase.
 3. Position in Recreation Dept. is funded for a full year versus a partial year in 2019. The full-time position is to implement programs in the expanded Recreation and Parks Department.
- Other Budget Lines
 1. 4150 Administration – Wage adjustments were made for full time employees. Health Insurance premiums also increased.
 2. 4196 Insurances – Policies were put out to bid and a new policy carrier was selected and offered a substantial savings over staying with the previous carrier and increases in their proposed plans.
 3. 4199 Other General Government - Rey Cultural Center Funding Request - Leah Elliot, Rey Center Director, speaks to the need of the additional funding request of \$10K for 2020. There is currently \$25K in the Town Operating Budget, and a separate Warrant Article for \$10K for a total of \$35K. The Town's support of the Rey Center has not changed in the amount of \$25K over the years and Leah explains that operating costs have increased. She also mentioned that they hope to install an outdoor classroom area for their programs.
 4. 4199 Other General Government – Historical Society Funding Request - Reggie Breeckner, President of the WVHS, speaks to the \$10K funding request is for plans to assess the collection and develop plans to catalog, preserve and display historical items from the valley. She also stated that a renting a space in Town Square would be temporary location and that there are future plans being discussed to construct a museum on the Library property.
 5. 4210 Police Dept –Part-time wage increases to cover full time staff vacation and Retirement funding increases.
 6. 4312 Highways - Health Insurance premiums increased due to plan changes and coverages.
 7. 4323 Solid Waste Collection – Part-time wages for the Transfer Station Attendant. This position has captured lost revenue dollars from the Transfer Station use and the additional revenue collected just about cover the costs of the position. Cameras have also been installed in the dumpster area to capture any illegal dumping of items on the weekends by people attempted to avoid paying. Joan Sweeney asked about installed a brush pickup periodically or opening the area on select weekends. Jim Mayhew suggested tying that in with the town-wide cleanup day in May.
 8. 4326 Wastewater – Personnel changes to replace Greg Campbell who retired December 2019. Currently both operators are fully licensed and very experienced. Heating improvements costs are planned.

9. 4332 Water Department - Health Insurance premiums increased due to plan changes and coverages. Contracted services for testing at Well #4. A request was made to DES to terminate this requirement. Until we hear back the amount needs to stay as part of the budget, though it may not be needed.
10. 4520/4525 Recreation and Parks Service – There are 2 parts to the Department; Recreation and Parks Services. There has been a reallocation of wages from Recreation to Parks and includes the full year funding of the Parks position in the Parks line (4525). Brooke Wakefield reviews the Parks portion which is focusing on the guided hiking/snowshoe programs, beach & field rentals, special events, waterfront rentals, skills workshop and trail/field maintenance. Revenues for the respective programs have also been moved accordingly. The Redliner 125 Patch Program has been very successful and Brooke is working on another type of patch. A new trail guidebook for WV is expected by the summer. Additional questions were asked by the attendees and answered by the presenters. Bill Larsen commented that the Recreation Department runs at a deficit which is supported by the taxpayers, and has increased over the past few years. Mark commented that the Rec Dept is doing much more than 5 years ago. There are more programs and diversity now and the actual revenues exceeded the budget last year by \$9K. Mark added that every Town department is subsidized by taxpayers and that the Recreation Department does over free programs to residents and property owners.
11. 4711/4721 Debt Service & Principal - The Town Manager reviews the Debt Service Principal and Interest Payments which will increase by \$85,500 in Principal Costs in 2020 and \$32,150 in Interest costs. This is due to payments on 3 bonds which were approved in 2019 for a total of \$1,300,000 in accordance with the CIP Plan generated by the Planning Board. These Bonds had interest rates of 1.54% for 30 years for the Ladder Truck, 2.5% for 15 years for the Trash Truck and the Trails project bond at 1.42% for 20 years. The total debt for the Town presently is just over 4 million dollars. The total debt chart was reviewed, along with the debt service payment plan for years 2020 through 2035. The goal is to keep the payments as flat as possible, so as to not have large fluctuations, which have impact to the tax rate. There always will be some waves in the line, between retiring old bonds and taking on new ones.

Mr. Decoteau asked if there are any questions on the operating budget and there were none.

Mike Aronson closes the Budget Hearing at 7:25pm and opens the Bond Hearing at 7:25pm.

Mark reviews the requirements for the Bond Hearing and the two warrant articles for 2020. Each article must pass by a 2/3's majority vote for approval on a written ballot. The Capital Improvement Plan is a function of the Planning Board, which has a CIP sub-committee and the plan is spread out to enable the town to retire old debt before new debt is taken. The current Capital Improvement Plan is now a 30-year plan. The Selectmen's role is to review the proposed CIP plan and review funding for the proposed budget year.

Mr. Decoteau reviews each of the two bond articles:

- Art. 4 Water Improvements – (\$1,000,000) Mark Decoteau explains this project is to connect water wells #2 and #3 to the new Treatment Building on West Branch Road and the installation of new water lines crossing the Mad River.

- Art. 5 General Engineering Services – (\$150,000) This article is for General Engineering Services for the Town. An RFQ (Request for Qualification) had been issued to firms and responses have been received and a firm selected by the Selectmen. The firm would then review and assess current needs in Town; roads, buildings, trails, and water/sewer. They will then develop plans which would combine and breakdown projects so that competitive contractor bids could be received. The issue in the past which has made competitive bids troubling is that the Town only had funds to do Engineering Plans on a project after the funding was approved. This created difficulty for the contractors and many would choose not to bid without engineering plans in advance. Mike Aronson adds that by having engineering plans, smaller projects could be combined to create larger projects, which may entice more contractors to bid.

Mark Decoteau adds that next Wednesday, 2/12/2020 there will be an information session, with the Engineer, to go into more detail on the Water Line project. Discussion followed and stressed the need due to the current condition of the water line crossing the Mad River. The Town's operating water wells are all located on one side of the river, and the reservoirs, along the majority of the Town's water customers, are on the opposite side. Thus, the deteriorating condition of the single water line crossing the Mad River is of great concern. Additionally, bringing Well#3 back online after work was completed to correct groundwater infiltration after positive e-coli contamination. Due to Well #3 having multiple hits of e-coli the past few years, DES will not allow the Town to reconnect the well the same way. DES has stated that Well#3 water requires more contact time for treatment before being released into the distribution system. The Town has submitted Grant Applications to assist in the cost and will know in April those results.

The Road Repaving Project will be placed on hold for another year as the Water Improvements are more important at this time. The Engineering Services will be able to prepare plans to address the road projects in the next few years.

Tom Myrick speaks to the roads and that the road work will be very expensive and urged the Board to be cautious in taking on new debt each year. The CIP Plan has other projects slated in the next few years that can be pushed back. The CIP Plan is reviewed each year and adjustments made based upon the Town's current and future needs.

Mr. Decoteau asked if there are any questions on the Bond Articles at this time. He reminded those present that the Engineer will be here next week on 2/12/2020 to go review the current condition of the system and the proposed upgrades.

A motion was made by Mike Aronson to close the Bond Hearing at 7:42pm.
Rich Rita: 2nds. Motion was carried by a unanimous voice vote.

Additional discussion followed concerning recycling. Mark Decoteau stated that the Town has had consultants on-site to review our Trash/Transfer Station areas and determine what options are available with respect to recycling. It was determined that a sorting facility is not possible due to the lack of space available to sort and store items in a weatherproof area. Glass recycling was the best possible option, but was still considered a poor option as prices are down and the occurrence of contamination is likely very high. The State is looking at recycling issues and there

are current bills before the State Legislation that if passed will be able to assist Towns. Other items which were considered were aluminum, paper/cardboard and composting and with the way we are set up these are just not possible. Other facilities to take for single stream recycling to were also considered, but now that the contamination percentage requirements are so low (less than 1%), there are additional charges above normal trash fees. Being that the Town only has one truck to transport, there will usually be contamination rates over 1%. Mark adds that this is affecting all towns in the state. Additionally, Mark states that 50% of trash disposed into NH landfills comes from out of State, mostly from Massachusetts. That was a surprise to all present. The Bethlehem landfill, where we currently take our trash, is trying to get permitted for more space. If there are unsuccessful, that landfill is slated to be closed next year in 2021. At the time, we will need to transport our trash to Berlin or Rochester, NH or to VT, if a contract can be secured as other Towns using Bethlehem will be looking for new sites as well. Tim Smith asked about the costs for single-stream recyclables. Jim Mayhew answered that in Tilton the rate is \$135/ton, and if contamination is present, \$160/ton. The rate we pay for trash presently is \$65/ton. The town typically runs 900 tons/year and when single stream recycling program was active, the highest rate WV generated was 19.4%.

4. Adjourn

Mike Aronson motions to adjourn the meeting.

Margaret Turner: 2nds.

The meeting was adjourned on a unanimous voice vote at 7:50pm.

Respectfully Submitted,
Sharon Charron
Town of Waterville Valley