



TOWN OF NORTHWOOD, NEW HAMPSHIRE

**BUDGET COMMITTEE**

818 First New Hampshire Turnpike, Northwood NH 03261  
(603)942-5586 Extension 211 Facsimile: (603)942-9107

January 15, 2020

Chair Ginger Dole called the meeting to order at 6:41 PM

**PRESENT:**

Chair Ginger Dole, Vice-Chair Tom Chase, Dan McNally, Brad Hall, Michael Moore, Ted Wilkinson, Cove Village District Representative Michael Jobin, Water District Representative Robert Young, Selectmen's Representative Hal Kreider, Paul Tudor, and Eric Buckland

**ABSENT:**

**(Excused)** Steven Robinson, Betty Smith **(Unexcused)** Brandon Albert

**Town Staff:**

Land Use Assistant Susan Austin and Heather Thibodeau

**Selectmen**

Matt Frye and Hal Kreider

**Work Session**

**Article 15: 2020 OPERATING BUDGET**

Shall the Town raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling **three million eight hundred forty thousand five hundred eighty-six dollars (\$3,841,586)**. Should this article be defeated, the default budget shall be **three million six hundred eighty-one thousand three hundred ninety-two dollars (\$3,681,392)** which is the same as last year, with certain adjustments required by previous action of the town or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. **(Tax Impact \$0.33) (Majority vote required) (Recommended by the Board of Selectmen 5/0)**

**Mr. McNally made a motion to recommend Article 15. Mr. Chase seconded. Motion carried 12/1. Selectman Kreider voted no.**

***Chair Dole opened the public hearing***

**Town 2020 Warrant Articles**

**Article 16: FIRE APPARATUS LEASE/PURCHASE**

To see if the Town will vote to authorize the Selectmen to enter into a five-year lease/purchase agreement in the amount of **five hundred fifty-one thousand two hundred thirty dollars (\$551,230)** for a Tanker Truck, to raise and appropriate **three hundred thousand dollars**

**(\$300,000)** for the first year's lease payment, with said funds to come from the Fire Rescue Vehicle Replacement Special Revenue Fund established for this purpose. This purchase is in accordance with the Town's Capital Improvement Plan. Subsequent lease payments will be in the amount of fifty-six thousand six hundred seventy-two dollars (\$56,672). This lease shall contain an escape clause. **(No Tax Impact) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 13/3)**

### **Jim Vallencourt**

Mr. Vallencourt asked what the balance was of the Special Revenue Fund that the funds are going to be coming out of? If it's required to have the Trust Fund Balances on the warrant, why can't the Special Revenue balances be on the warrant as well? As a voter, he would want to know. He stated that on the CIP, over the period of 2020 to 2023, there is 1.7 Million dollars of fire requests to come out of this fund. Chair Dole stated that the amount she received from the treasurer was \$540,978.55 as of 12/31/19. The breakdown was as follows; Ambulance \$119,377.82, Fire Trucks \$421,600.73. Mr. Vallencourt asked if anyone had done a cash flow of what the \$1.7 million worth of fire equipment and the inflows of this fund? Mr. Kreider stated that as it relates to this purchase and the pumper, those have been done. He stated that what he felt needed to be recognized is that the CIP can adjust where the funding comes from, so they don't look at it too far out. They may decide to bond some of those purchases. Mr. Vallencourt stated that the Chair just stated that the total is \$421,600 for fire trucks. This warrant is \$551,000. Have they done a cash flow to see that over the span of these 5 years, the cash flow will support that? Mr. Kreider stated that both of these have an assumption of receiving in a total of \$90,000 into the revenue fund of which \$63,000 was going to go into the fire fund.

### **Article 17: FIRE DEPARTMENT THERMAL IMAGER**

To see if the Town will vote to raise and appropriate the sum of **ten thousand dollars (\$10,000)** to replace one of the two Fire Department Thermal imagers. The current thermal imager is 10 years old. This purchase is in accordance with the Town's Capital Improvement Plan for 2021. **(Tax Impact \$0.02) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 14/0)**

### **Article 18: AMBULANCE LEASE PURCHASE**

To see if the Town will vote to authorize the Selectmen to enter into a seven-year lease/purchase agreement in the amount of **two hundred seventy-three thousand dollars (\$273,000)** for a new, equipped ambulance, to raise and appropriate **one hundred thousand dollars (\$100,000)** for an initial deposit payment under the lease, with said funds to come from the Fire Rescue Vehicle Replacement Special Revenue Fund established for this purpose. This lease will commence in 2021 with seven subsequent annual payments of twenty-nine thousand three hundred fifty-nine dollars (\$29,359). This lease/purchase will replace a 2007 ambulance. This purchase is in accordance with the Town's Capital Improvement Plan. This lease shall contain an escape clause. **(No Tax Impact) (Majority vote required) (Recommended by the Selectmen 5/0) (Recommended by the Budget Committee 16/0)**

### **Article 19: COMMUNICATIONS EQUIPMENT PURCHASE**

To see if the Town will raise and appropriate the sum of **thirty-three thousand dollars (\$33,000)** for the acquisition of communication equipment pursuant to the first year of the three-year Fire Department Mobile Communications Equipment Replacement Plan. The plan will replace all our portable and mobile radios over the next three years. Our current stock of radios are approximately 15 years old. This purchase is in accordance with the Town's Capital Improvement Plan. **(Tax Impact \$0.07) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 15/0)**

**Jim Vallencourt**

Mr. Vallencourt stated that he wanted to reference Article 20, even though they were not going to address this tonight.

**Article 20: EXPENDABLE TRUST FUND DEPOSITS**

To see if the Town will vote to raise and appropriate the sum of **XXX** to be placed in the following existing expendable trust funds created under RSA 31:19 - a. These amounts represent the amount of user fees deposited in the general fund in 2019 for these purposes, and the appropriation shall be funded by the withdrawal of the sum from the unexpended fund balance as of December 31, 2019.

Mr. Vallencourt stated that if they remember a comment that he made on the floor of the Deliberative Session last year, that this was \$17,000. He stated that he asked why it was only \$17,000. The answer that came back was that they went from MetroCast to Atlantic Broad Band, and the town didn't receive 2 payments in 2018, only one, but the second would come in 2019. This is only two \$17,000 payments. Where is the second payment for 2018? He would expect that this number would be \$17,000 higher. He would like some one to look into that. Selectman Kreider stated he would look into it.

**Article 21: VESTED BENEFIT EXPENDABLE TRUST FUND DEPOSIT**

To see if the Town will vote to raise and appropriate the sum of **fifteen thousand dollars (\$15,000)** to be added to the Benefit Vested Time Expendable Trust Fund previously established. Current balance as of December 31, 2019: \$25,247. **(Tax Impact \$0.03) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 15/0)**

**Jim Vallencourt**

Mr. Vallencourt stated that he needs his neighbors to have the right information to vote on these warrants from year to year. What's missing here is what is our liability? That is always in the auditor's report. He stated that he asks every year that it is added to this warrant.

**Article 22: HIGHWAY DUMP TRUCK LEASE**

To see if the Town will vote to raise and appropriate an amount of **twenty-six thousand one hundred six dollars (\$26,106)** for the second year's lease payment of the seven-year lease/purchase agreement that was approved at the 2019 Town Meeting. The lease agreement contains an escape clause. **(Tax impact \$0.05) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 15/0)**

**Article 23: HIGHWAY EQUIPMENT CAPITAL RESERVE FUND**

To see if the Town will vote to raise and appropriate the sum of **eighteen thousand five hundred dollars (\$18,500)** to be deposited into the previously established Highway Equipment Capital Reserve Fund. Current balance as of December 31, 2019: \$88,447. **(Tax Impact \$0.04) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 14/1)**

**Article 24: POLICE EQUIPMENT CAPITAL RESERVE FUND**

To see if the Town will vote to raise and appropriate the sum of **six thousand dollars (\$6,000)** to be deposited into the previously established Police Equipment Capital Reserve Fund. Current balance as of December 31, 2019: \$20,274. **(Tax Impact \$0.01) (Majority vote**

required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 14/1)

#### **Article 25: LAGOON MAINTENANCE AND REPAIR EXPENDABLE TRUST FUND**

**Need BC Vote      Need BOS Vote**

To see if the Town will vote to raise and appropriate the sum of **thirteen thousand eight hundred seventy-five dollars (\$13,875)** to be placed in the Lagoon Maintenance and Repair Expendable Trust Fund and to fund this appropriation by authorizing the withdrawal of that amount from the Lagoon Special Revenue Fund held by the Northwood Treasurer. Current balance as of December 31, 2019: \$103,612. **(No Tax Impact) (2/3 vote required) (Recommended by the Board of Selectmen) (Recommended by the Budget Committee)**

#### **Article 26: FACILITIES COMMITTEE EXPENDABLE TRUST DEPOSIT**

To see if the Town will vote to raise and appropriate the sum of **twenty-five thousand dollars (\$25,000)** to be deposited into the Facilities Committee Expendable Trust Fund previously established for the maintenance, improvement, repairs, and replacement of general government buildings including the Chesley Memorial Library. Current balance as of December 31, 2019: \$52,952. **(Tax Impact \$0.05) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 15/0)**

#### **Article 27: COMMUNITY BUILDING WARRANT**

To see if the Town will raise and appropriate the sum of **forty thousand dollars (\$40,000)** to be deposited into the Facilities Committee Expendable Trust Fund previously established for the maintenance, improvement, repairs, and replacement of general government buildings for the purpose of restoration of the former Center School. Current balance as of December 31, 2019: \$52,952. **(Tax Impact \$0.08) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommend by the Budget Committee 14/2)**

#### **Article 28: NORTHWOOD'S 250TH ANNIVERSARY EXPENDABLE TRUST**

To see if the Town will vote to raise and appropriate the sum of **five thousand dollars (\$5,000)** to be deposited into the 250th Anniversary Expendable Trust Fund to support efforts to recognize the Town's 250th Anniversary in 2023. Current balance as of December 31, 2019: \$6,682. **(Tax Impact \$0.01) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 15/0)**

#### **Article 29: HIGHWAY DEPARTMENT BACKHOE LEASE/PURCHASE**

To see if the Town will raise and appropriate the sum of **twenty thousand two hundred ninety-seven dollars and seventy-nine cents (\$20,297.79)** for the third of five yearly payments for the lease/purchase of the backhoe. This lease agreement was approved in 2018 and does contain an escape clause. **(Tax Impact \$0.04) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 14/0)**

#### **Article 30: ROAD CONSTRUCTION/RESURFACING/PAVING AND DITCHING**

To see if the Town will vote to raise and appropriate the sum of **three hundred fifty thousand dollars (\$350,000)** to be used for the construction, reconstruction, paving, and ditching and/or resurfacing of town roads, and the refurbishing of ditches and culverts as recommended by the Board of Selectmen, the Road Agent, and the Highway Advisory Committee. This would include all Town Road Projects including paving on Tasker Hill Road and Ridge Road. **(Tax Impact \$0.73) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 16/0)**

#### **Article 31: AQUATIC INVASIVE SPECIES PREVENTION EXPENDABLE TRUST FUND**

To see if the Town will raise and appropriate the sum of **seven thousand dollars (\$7,000)** to be deposited into the previously established Aquatic Invasive Species Prevention Expendable Trust Fund. Current balance as of December 31, 2019: \$3,234. **(Tax Impact \$0.01) (Majority vote required) (Recommended by the Board of Selectmen 4/0) (Recommended by the Budget Committee 15/0)**

**Article 32: AQUATIC INVASIVE SPECIES TREATMENT AND CONTROL EXPENDABLE TRUST FUND**

To see if the Town will vote to raise and appropriate the sum of **twelve thousand dollars (\$12,000)** to be deposited into the previously established Aquatic Invasive Species Treatment and Control Expendable Trust Fund. Current balance as of December 31, 2019: \$284. **(Tax Impact \$0.02) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 15/0)**

**Article 33: TERRESTRIAL INVASIVE SPECIES EXPENDABLE TRUST FUND**

To see if the Town will vote to establish a Terrestrial Invasive Species Expendable Trust Fund for the purpose of mitigation and control of terrestrial invasive species and to raise and appropriate **one dollar (\$1.00)** to put in the fund. **(No Tax Impact) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 15/0)**

**Article 15: 2020 OPERATING BUDGET**

Shall the Town raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling **three million eight hundred forty thousand five hundred eighty-seven dollars (\$3,841,587)**. Should this article be defeated, the default budget shall be **three million six hundred eighty-one thousand three hundred ninety-two dollars (\$3,681,392)** which is the same as last year, with certain adjustments required by previous action of the town or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. **(Tax Impact \$0.33) (Majority vote required) (Recommended by the Board of Selectmen 5/0) (Recommended by the Budget Committee 12/1)**

**Jim Hadley**

He stated that the total number in this warrant was incorrect. It should be the number recommended by the Budget Committee, not the Selectmen. This shows \$3,841,587. The recommended number should be \$3,841,586. Chair Dole made a note of it and stated that she will continue to take public comment, but they will have to go back into work session and revote on Tuesday.

Mr. Hadley stated that the overall proposed budget is increasing about 6.2% compared to last year. The default budget is increasing just under 2%. Social Security reported the COLA this past year is at 1.6%. He stated that he would support the default budget.

The electricity in the town hall buildings, he thought that the selectmen were in the process of signing on with Eversource to reduce the electricity costs. Selectman Kreider stated that there was a study that the town had done by Eversource that indicates they can save \$14,000 per year. They did not take the savings because they weren't sure if they would get that warrant passed. They did sign the PO for that. It will take a bit of time to get that implemented because they would have to get in line with everyone else. Once they implement it, they will see savings.

Mr. Hadley asked about the police vehicle purchase. He asked if that was to be postponed? Selectman Kreider stated that for 2019, there was a cruiser in the budget, and in the interest of saving money because of the default budget, Chief Drolet offered to hold off on the cruiser, with the thought that if there was any money left at the end of the year they would buy it then. Prior to the last meeting, Chief Drolet stated that they could just wait until 2020. There is also an option to pull money from one of the reserve funds to support a second one if needed.

Mr. Hadley asked if the purchase of police vehicles now funded by the revenue that comes in from the special duty? Selectman Kreider stated no, that was a budget item.

### **Jim Vallencourt**

Mr. Vallencourt stated that he removed the health and dental from the budget, including the new combined pooling account. He removed the paving from both budgets and he removed compensation. In doing that, the difference between the 2019 adopted budget and the 2020 adopted budget is \$17,000. The issues come down to that they have combined all of the health and dental into the pool account, \$380,000. He stated that he has a problem with that number. If you look at the 2019 budget and you add up all the health and dental, it is \$273,000. If you look at the actual, as it was in November and you calculate out the two remaining months, the cost was around \$200,000 for health and dental. Why is \$380,000 going into the pool? At his place of business, he has open enrollment from November 1 until November 15. He stated that he assumes the town does the same, so that in the first Saturday of November they would know exactly what people wanted for each one. The privacy part doesn't bother him, it's just that when they combine it all, they need to be combined accurately. He feels there is \$100,000 too much in this pool. He is hoping someone can help him understand why he can't find the \$100,000. Selectman Kreider stated that they have a worksheet that they used to calculate the cost out, and they did give allowance to people who could go from single to family. Ms. Thibodeau stated that open enrollment is in July. The health insurance is increasing to 9% and 4% on all of the figures. They have added 2 or 3 people at the police department and several people at the town hall. Last year they did not have full staffing at the police department or the fire department so there has been a significant increase and departments were not allowed to fill positions because of the default budget. If you are looking at all of the figures, that is where the difference is. Mr. Vallencourt stated that he took out all of the compensation, because there was a wage study done, and were implementing that wage study in the budget. That is an increase of \$208,000. What is interesting is that inside that is that the fire chief is \$65,600 of the \$208,000. The town moved the fire chief from a stipend of \$10,000 to a full-time employee. He stated that when the town wanted to move the Finance Administrator from part time to full time, it had to be a warrant article. The point was that it seemed to be the best practice used to be that when you wanted to create a full-time position, it was done in a warrant article. How did they get a full-time fire chief without a warrant? (and a full time Municipal Administrative Assistant) Selectman Kreider stated that they did combine the stipend with another employee. Mr. Vallencourt stated that the fire part time is \$24,000, The fire call went up 10,000, but yet there is a full time EMT reduction of \$36,000. He will accept those, accurately, correctly, he doesn't know. He is still left with a \$65,000 increase in the fire. Public Works went up \$65,000 because the town voted to create a Public Works Foreman position, but there is a reduction because it looks like they did away with a laborer 2 at \$40,000, so the net increase is \$25,000. There is \$25,000 added to the Municipal Administrative Assistant, and the library added \$18,000 to a library tech. Then everyone else gets the wage increase to come to \$208,000. Two questions are: Did they make a policy change about creating a full-time position? The fire chief is a full-time position, and that was a decision made by the Board of Selectmen, not a warrant article. The Public Works Foreman was created by a warrant article where it was voted to stop electing a Road Agent and the position was changed to a Public Works Foreman. The paving was moved completely out of the budget. What was the logic of moving the paving out of the

budget? Why wasn't paving a part of the normal caring for the town of Northwood? Selectman Kreider stated that they knew they didn't do the paving for Harvey Lake Road so they left it in the budget. Then they said it will be up to the town to decide if they want to do the rest of the paving. Mr. Vallencourt stated that they had a seven-year paving plan in 2012. That ran out in 2019. Interestingly, the three roads that are in the warrant are in years 1 and 5 of that plan. They don't have a plan anymore. You are asking the town to have a paving warrant article paving outside of the budget without plan. Are they just going to one off these from now on? Selectman Kreider stated that the assessment was right now the two on the warrant were the worst ones and needed to be fixed. He stated that his last point was about the sanitation going up and up. He stated that he knows they discussed a new plan to combine plastics with cardboard, but he noticed that the discussion was all about poundage. It's not about poundage, it's how much you can get in. Poundage is a result of what you do. You throw stuff into the compactor and compact what you can. He stated that he is happy to see that they are taking action because the sanitary budget is getting out of control. Selectman Kreider stated that he will send Mr. Vallencourt his spreadsheet that he worked out with Vena on those numbers, but without checking, he's pretty sure they kept the same number of hauls. If they did 22 hauls the first 10 months of last year, when they did their analysis to calculate the haul cost, they still used 22. So, it is the same number of hauls. They are not claiming any savings. There are some intangibles which they may or may not see, such as the average weight haul of cardboard and plastic, it's 5.8 tons. Jimmy thinks that they can get closer to 10, but they are not planning on that, they are planning on the same number of hauls as before. If they can improve things, for example, realign the box better so it presses a little better, maybe they will see the savings. Mr. Vallencourt stated that 4 years ago, the recycling committee wanted to do a test, because they were looking at the same idea. They wanted to see how much they could fit in that paper/cardboard compactor, and then dump it to trash. Like he said, he's glad they are looking into this.

### **Donna Bunker**

Ms. Bunker asked what about the Library line, under department requests, building maintenance. When they met with the budget committee that line was listed at \$34,579. Now it's \$26,779. She believes that it is the \$7,800 furnace and she's not sure which figures should be presented; they were asked to cut an additional \$10,000 so ultimately, they were left with \$16,779. Chair Dole stated that the committee doesn't have the sheet that Ms. Bunker was referencing. Ms. Bunker stated that she feels it's a housekeeping issue, so she just wanted to point it.

### **Gail Tobbe**

She asked, on Article 15, is the tax impact really \$.33 on an over 3-million-dollar budget? Chair Dole stated that it does seem to be off. Mr. Moore stated that the \$350,000 road paving tax impact was \$.73. Ms. Thibodeau stated that it's missing a decimal point, and she just needs to figure out where.

### **Work Session**

#### **Upcoming Meetings:**

Chair Dole scheduled a work session for January 21, before the rest of the public session. They will vote on minutes at that meeting.

**ADJOURNMENT**

**Ms. B. Smith made a motion to adjourn at 8:27 PM. Mr. Chase seconded. Motion carried 16/0**

*Respectfully submitted,*

*Susan Austin, Land Use Assistant*