

**Town of Moultonborough
Major Initiatives – FY 2014
Discussion**

This section describes the major appropriations of note, initiatives for the future, and changes proposed in past practice. When looking for potential cuts or major shifts in policy, your attention is directed here.

Focus of the FY 2014 Budget

Over the past several years we have concentrated on improvements in our financial, emergency and public works management capacities as well as creating planning capacity within the Office of Development Services. Our focus this year is the continuing effort to consolidate those gains. Our specific budget, legislative and administrative proposals are addressed in capsule form below.

Town Officers:

Town Officers: We have requested \$7,500 for an update of the compensation study last completed in 2008. While my original recommendation had been to do this every ten years, the economy of the last five years has seen our peers use a wide range of approaches to their compensation and fringe benefit packages. It is important to make sure we have not outpaced those. This study will also provide us with the data needed to enter collective bargaining talks with the Police for FY 2015.

We have also requested \$150,000 for a contingency. This includes sufficient funds for a 2% Market Adjustment Factor (MAF) to the wage schedule. The actual CPI-U for New England for the period that we follow is only 1.17%. However, we had promised the Police Union that we would not trigger the increase in the employee contribution rates for 2015 if the 2014 MAF (COLA) was not at least 2%. This trigger is estimated to save us roughly \$10,000+/- per year and compounds at 8%+/- year on year. The cost for the .8% added MAF would be about \$15,000 and compounds at only 2.5%+/- per year. You will also note that the Town’s 12 year MAF runs below actual CPI.

Administration & Finance:

Administration: We have requested \$4,000 for Video on Demand implementation. This covers the maximum contract amount for EZ-Stream and a possible upgrade to our internet speed. We will not trigger the upgrade unless it proves necessary.

Assessing: We have requested \$13,200 to retain a so-called “Utility Appraiser”. Based upon Gary’s research, we expect this specialized appraiser can yield us new taxable value of \$15,000,000 raising our current \$10M value to \$25M. Had this added value been on the books this year the tax rate would have been lowered by approximately 3¢ as follows:

	2013	2013	
Valuation w/out Added Utilities	\$2,686,898,771	\$2,701,898,771	Valuation w/Added Utilities
Actual Tax Rate	\$8.687	\$8.653	Potential Tax Rate

Public Works:

Complement Restructuring: The Highway Agent/DPW Director proposes the discontinuance of one of the full-time Heavy Equipment Operator (HEO) positions recently left vacant by a retirement. He will instead use part-time personnel to carry out those duties. With dollars saved he is proposing to make the clerk's position full-time to be able to more efficiently carry out all of the administrative tasks in the Department. This is effectively a wash in terms of Full Time Equivalent (FTE) and Full Time Benefit (FTB) positions.

Facility Improvements: There are several planned repairs as follows:

a.) Playground Drive		
	Tennis Court Maintenance	\$5,000
b.) Playground Drive		
	Fencing	\$8,800
c.) Neck Fire Station:		
	Window Replacement	\$1,500
d.) Transfer Station		
	Repl. of Compactor #1 Roof	\$5,000
e.) Transfer Station		
	Painting of Buildings	\$5,500
f.) Transfer Station		
	Pole Barn - Asphalt Floor	\$5,000*
g.) Public Safety Building		
	Lighting Replacements	\$5,000*
h.) Community Center		
	Ceiling replacements	\$9,000*
i.) Town Hall		
	Parking lot Crack & Seal Coating	\$5,000*
j.) Town Hall & Public Safety		
	Flooring & Finishes	\$25,000
		Total \$74,800

[Note: * these items are carry-over from FY 2013 as they could not be completed due to time and attention focused upon other tasks such as the priority of the DOL ordered improvements at the offices of the Town Clerk and Tax Collector.]

Public Safety Building: We have budgeted \$2,500 for continued monitoring of the fire bay slab. At this time, we have extended our plan to only monitor this out through at least 2015 or beyond until such time as we are forced to act by dramatic new movement in the slab or we have been able to rebuild our capital reserves.

Highway Operating Equipment: We have budgeted \$6,000 for a weight scale for the front end loader to have accurate measures of material usage, \$2,500 for a wood splitter for smaller wood processing jobs to be done in-house as a filler and reduce the hired wood processor, \$2,300 for a skid steer grapple to move material as opposed to trying to use a set of forks or the small bucket, \$2,000 for a plate compactor to replace hired

equipment which costs \$75+/- per day, and \$1,000 for a lazer transit to reduce manpower now needed to set grades.

Transfer Station: The expense to dispose of medical wastes (e.g. needles) has been moved here from the Fire budget to more accurately reflect the unit generating the expense.

DPW Capital Equipment: We are recommending the replacement of several pieces of equipment:

Six wheel dump truck with plow, wing and sander (F550 @ 19.5 GVW)	\$95,000
Bucket Lift Truck	\$45,000
Skid Steer (replaces 1993)	\$55,000

Road Improvement Program: We maintained our commitment to road improvements with a 3.2% increase of \$25,000. This offsets lower increases as we round out to the 3% annual increase we have previously recommended. All of this is accomplished within the overall 5% cap on growth in the capital budget.

Lee's Mill Road – 1,660' Reclaim & Pave	\$100,000
Lee Rd (Old 109 to Lee's Mill) – 2,550' Reclaim & Pave	\$150,000
Wentworth Shores Rd – 2,550' Reclaim & Pave	\$105,000
Sawmill Rd – 1,950' Overlay	\$25,000
Red Hill Rd – 1,440' Shim & Overlay	\$37,500
Intersection: Shaker Jerry @ Wentworth	\$53,500
Intersection: Far Echo & Moultonboro Neck Rd	\$45,000
Chip & Crack Seal	\$70,000
Shaker Jerry 48" Culvert	\$25,000*
Engineering @ 15% (2014)	\$85,000
Contingency @ 10%	\$70,000
Engineering (2015)	<u>\$34,000</u>
Total	\$800,000

[Note: * This item is a carry-over from FY 2013 as the permit could not be obtained in a time to carry out the project.]

You will note that this is the first year we have been able to budget specific funds to commence the following year design as a formal part of the budget. This moves us closer to our objective of being out to bid on an April cycle instead of being deeper into the year to begin our roadwork. Also, with it looking like we will shortly have Fox Hollow settled and behind us, we can soon begin to spend down remaining dollars in the highway block grant that had been held in reserve for this.

Development Services:

GIS Layer & System: We are proposing to continue our five year build out, now in year two, of our Geographic Information System with the addition of tools, datasets and map layers for approximately \$11,900.

Dataset for Roads: signs, markings, lighting locations including type, date installed/changed, dimensions, detail sheets, shop drawings, photos \$3,400

Scanning and uploading to appropriate parcel's database of all deeds, septic plans, building permits, misc. permits \$5,000

Dataset for Roads-RSMS pavement condition locations including condition data by roadway segment, photos, deeds and survey sheets. \$1,000

Develop web-based GIS Tools such as radius measure and draw parallel lines, automatic legend creation and glitch fixes for draw lines and measure tools. \$2,500

Total \$11,900

Public Safety:

Fire Department: We continue to replace hose and equipment in accordance with plan. We have allotted \$7,800 to replace the motor on Boat 2 (17' at the Neck Fire Station). In the course of working through appropriate language revisions to the Dry Hydrant fund we came to the conclusion that we would be best served by developing an overall build-out plan for water resources. As you may recall, our hope to obtain a grant to underwrite much of this effort was not realized. We have therefore budgeted \$5,000 for engineering assistance for this effort. It will also be supported with some staff time from ODS and the GIS program.

The Fire Department has completed an analysis of its apparatus and – subject to your review and approval – will be moving toward a new configuration in its fleet. In simplest terms the new fleet puts more “water on wheels” within constant dollars of the Annual Required Contribution (ARC).

Emergency Management: The budget contains \$5,300 to fund the MOU with the Lakes Region Partnership for Public Health (LRPPH). This is offset by the elimination of further support of the Red Hill Fire Tower; an expense neither the Chief nor I believe we can continue to support.

Police: The vacant officer position has been eliminated at a savings of roughly \$75k. Please know this is only possible due to the change in philosophy of the department to a community orientation as being implemented by Chief Wetherbee. Should we drift back on this new culture that he is trying to implement to one more driven by statistics of traffic stops and the like, we may very well need to return to an increased complement. Other items of note are \$6,900 for the replacement of the failing and difficult to repair stalker radar units and \$4,500 to replace the mobile speed board.

Police Capital: We continue with our cruiser replacement program with the purchase of a new utility vehicle at a cost of \$50,500. We anticipate receiving about \$3,600 back in grants to help offset that cost. Once the new fleet is fully transitioned in, these costs will moderate as we will once again be able to re-use much of the add-on equipment.

Community Services Team:

VNS: As described previously at length in numerous meetings, this budget has been dramatically reduced to \$85,000. This allows for \$66,000 to fund the MOU by which our current services will continue to be provided by the Visiting Nurses of Meredith and Center Harbor. It allows for an additional \$19,000 for phase-out costs of unemployment, closing audit, telephone and fax forwarding services and the like.

The \$66,000 in payments is fixed for the next three years. We will still owe them the first two quarters of these annual payments even if the Town Meeting does not make the full appropriations recommended in your budget. Overall this approach provides a FY 2014 net savings of roughly \$160,000 in year 1. The savings in Year 2 and 3 would be approximately \$180,000/year and the savings in Year four and beyond would be approximately \$225,000/year

Recreation: The last of the revolving fund eligible items have been moved out of the tax levy budget. There are few other changes of note in the general operating budget. However, there are two capital requests of note.

The first is that I am again putting forward a capital request for \$17,500 to fund the proposed site study of the gym facility as proposed by the Blue Ribbon Commission on Community Services & Facilities. I believe their exemplary nine months of service to the community laid the groundwork for this and we should see the effort through. It also follows upon the approved “Sense of the Meeting” [Article 10 of the 2013 Town Meeting] that the “...the Town should “... pursue development of a facility that includes an indoor gymnasium, Recreation Department office, program and storage space that would be on existing school land or property adjacent to school facilities.” Finally, I believe this is a major policy question that the community must put to rest in one fashion or another in order to allow us to move forward on other matters of import.

The second capital item I am putting forward is \$37,500 for the continuation of retrofits to the Moultonboro Neck Pathway. While I understand the Pathway Committee may submit a citizen’s petition for a larger amount, I – quite frankly – fear it may well fail. Thus, after considerable thought, I have submitted this amount as planned. In response to a recent inquiry from the Capital Improvement Program Committee, I believe that two more cycles of this level (\$37.5k) can get us to a point where we can reduce the problematic maintenance level to that we consider acceptable.

Various Units

Purchase of the Adele Taylor Property: Upon your initiative I am requesting \$275,000 for the purchase, asbestos remediation, and association acquisition costs to purchase the Adele Taylor property. At the time of this writing we did not yet have the appraisal in hand so this figure may need to be adjusted. This expense will be offset by an application

of fund balance.

States Landing Initiative: In follow-up to our year long planning effort, I am requesting \$25,000 to initiate improvement efforts as generally outlined in the report now submitted as a single assembled document. A portion of this would be used to carry out the tree, mulch and barrier work as generally outlined in the report of the arborist and the proposal of Belknap Landscaping. I am further seeking your authority to commence discussion with Suissevale for a swap of Town owned lands within that complex and their donation of the overflow parking lands. Finally I seek your decision as to the proposed realignment of Castle Shores Road.

Other Legislative & Administrative Matters

Outside of the budget appropriations I am making several recommendations for changes which require approval from the legislative body or the governing body. These are:

Recommendation #1: Establish a Revolving Fund for Off-Duty Details.

In our FY 2013 submission we advised you that, “We will be looking at the Off-Duty Details and grant funding in FY 2013 now that we have completed our review and action on the COBRA & Retiree insurance accounts.” We are now prepared to move forward on the Off-Duty Details as provided for in RSA 31:95-h.

We currently budget anticipated off-duty details for the police and then take all revenues into the general fund. The issue here is that (a) the tax levy budget looks higher than it really is in that these dollars are not all going to direct services and (b) the department has budget authority to expend dollars even though they might not realize the actual revenue. In fact you may recall that in FY 2011 it was suggested by the Department that an over-run in one line item would be offset by an under-run in this line time. In FY 2014 we had a request for an added \$6,500 in new money as an estimate by the Fire Department of details they might be asked to cover. This warrant article – if approved in its proposed format by DRA and Town Counsel – would allow us to run those fire details through the revolving fund off-budget. With all the kinks worked out on that initial application we would then proceed to implement it for Police Details in FY 2015.

Recommendation #2: Eliminate the Personnel Liability Reserve Account

This was discussed at length in the course of our annual audit. By ceasing to make new contributions to this fund we opened up some \$15,000 in within the capital cap for other projects and increased contributions to the reserve funds. It allows us to return some \$105k+/- to the fund balance. It means we are dealing with the liability in the same manner as signed off on for the GASB-45 OPEB liability. The memo in which we laid all of this out initially is provided for you within your binder.

Recommendation #3: Cure the Defect in the Sale of Tax Deeded properties.

This follows on the 2012 discussion of policy questions related to tax deeded properties. At that time we advised you that there were issues with respect to RSA 80:80 III which

allows the Selectmen, "...by a specific article in the town warrant... to dispose of a tax lien...as justice may require.". This has not been accepted by Town Meeting since 2001 nor was it adopted in such a manner as to grant the powers "for an indefinite period" as is required under RSA 80:80.

Corrective action by the Town Meeting is required to address this matter. As you may recall from the 2013 budget workshops, given a variety of circumstances that occurred during that time of year, we were not able to fully develop the best approach in time for the 2013 meeting. We come to you now for the 2014 Town Meeting. The memo in which we laid all of this out initially is provided for you within your binder.

Recommendation #4: Cure the Acquisition Defect in the Evergreen Drive property.

In preparing for the FY 2013 Tax Deed Sale we found a defect in how the Town acquired this property (Map 107 Lot 61). Title was taken by the SelectBoard in 2000 without standing authority to do so as RSA 41:14-a was not adopted by the Town Meeting until 2003. The Memo referred to in Item #3 above covers this matter also.

Budget Requests Not Recommended

Administration & Finance:

Assessing asked for \$3,100 to convert from the newly implemented property record cards to a new version of the same now offered by Vision. Overall it has been a positive improvement. I cannot support spending \$3,100 annually – and the Assessor has now agreed – until we have spent more time with the system. As with any change there are always customers who have a bit of trouble adjusting. I also believe we can streamline the processing time we are now expending by undertaking part of the process overnight. As the result of conversations with CAI, other assessors and Vision, Gary also found that Vision was experiencing some of the same problems and that switching back to Vision on-line services will not correct these issues in the near term.

Public Safety:

Fire requested roughly \$7,500 for an undercarriage washer. This was reduced to \$700 in the hopes that the DPW and they can combine the new carrier and the current power washer to meet their joint needs. I also did not recommend some \$2,100 for the addition of rope loops to the new rescue truck. The Chief agrees this is his lowest priority and can be accomplished next year once the boat motor has been addressed.

Police was reduced by roughly \$3,500 in overtime and expenses in the belief the Canine will be retired about ¾ of the way into the FY.

Challenges Addressed

Looking Backwards – In Progress or Completed:

Last year we identified several challenges to be addressed during the Fiscal Year or beyond. This

is a brief recap of the major items:

❖ **Set Targets and Ceilings for Certain Unresolved Funds**

We have addressed the Personnel Liability Fund above in recommending that it be

abolished. We have calculated the recommended ARC, target, floor and ceiling for the Police Communications Fund and are wrapping it into a proposed financial policy to formalize the entirety of the work of the Town Fellow. Similar work on the Dry Hydrant led us to believe that we should first develop the water resources plan as budgeted for in the Fire Department's request. With that in hand we can then project out proper costing and rewording of the Dry-Hydrant fund.

❖ **Set a Long Term Plan for States Landing**

In my FY 2013 submission I suggested that this community resource has three major elements; the boat ramp, a potential swimming area, and seven acres of land and asked that we resolve what – if any – your plans and intent might be. Our compiled work and recommendations have been submitted as part of this FY 2014 budget request.

❖ **Implement or kill the Communications Technology Fund**

As noted in the FY 2013 submission, "I believe we need to develop a plan to use these funds or dissolve the fund." It was created in 2007 to "... promote development of communications infrastructure to under developed parts of town ...". To date we have had one request which ended up being authorized for installation by Time Warner without cost to us. There will be some \$160K in the fund by the FY end.

We continue to try to bring this issue to resolution. Most recently we have been submitted to the state effort as a pilot program in this region along with two other towns to develop build-out plans. I will now suggest we wait the results of that effort.

❖ **Implement a Boat Launch Fee on the Honor System**

Truthfully the mechanics of this were worked out and we simply had to set it aside to deal with numerous other administrative matters that arose during the year. The Chief and I certainly hope to be able to complete this in time for implementation by Memorial Day of 2014.

❖ **Set a Plan for the Community Substance Abuse Fund**

While the Chief was able to resolve a general approach to the fund he was not left with sufficient time to develop a full guidance memo or prepare programs for the upcoming year. We expect him to be able to complete this work in FY 2014.

Challenges for FY 2015 & Beyond

Each year we address major issues that we see on the horizon. These have a major impact upon not only your budget but the quality of life within the community.

- ❖ The Police dispatch will be under increasing pressure to develop a viable long term strategy at an affordable pricing. We originally anticipated the need to provide health insurance for all those working 30 hours per week to require us to reduce hours in 2014. Fortunately this requirement was deferred to 2015. However, we still need to deal with the need to develop a long term strategy for our Police dispatch services.
- ❖ An Insurance Advisory Group of 8 members has been formed to involve the employees to a greater degree on the matter of the cost of health insurance, the so-called “Cadillac Tax” and how it impacts the total compensation package. It will be some time before we see what fruit this effort may bear.

Finally, if you want to minimize staff and service reductions while maintaining needed investments in plant and capital you have several potential safety valves that you must explore seriously.

- ❖ Discontinue the K-9 program upon retirement of the dog if not sooner

Estimated Savings: \$25,000 and 200+/- hours of required annual training

- ❖ Explore privatization of certain Public Works Functions.

Estimated Savings: \$75,000+/-