



**TOWN OF GILMANTON
BUDGET COMMITTEE**

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November 9, 2022

APPROVED AS AMENDED

6:00PM – Academy Building

6:03 - CALL TO ORDER by Vice Chair Kirby

PLEDGE OF ALLEGIANCE

Committee Members Present: Chairman Brian Forst arrived at 6:15, Vice Chairman Anne Kirby, Members Rich Adams, Alec Bass, Grace Sisti, Joshua Mann, Ron LeClerc, School Board Rep. Michelle Hayman, and Selectmen's Rep. Vinnie Baiocchi.

Budgets tonight will be Executive, Town, and General Government but not warrant articles, as those will be at a later date. There are 15 budgets (Executive, Comp. Tech. Finance, Assessing, Legal, Planning Board, Zoning Board, Historic District Board (HDC), General Govt Buildings, Insurance, Building Inspector, General Assistance, P & R, Patriotic Purposes, and Conservation Commission (CC)) within those 3 categories.

TA Carpenter stated for time consideration she is going to go through what is being presented as a request and the difference. If you look at the summary you will see Dept. Head Request, Selectman Recommendation, and the difference between last year's budget to this year's request.

Executive

The recommendation for COLA is 7% across all wages, which is based on the current environment as Social Security Administration is over 8% and the Consumer Price Index for the Northeast Region is over 7%. This is an unusual request as previously it was 3.5% for a combination of COLA and merit. The last merit increase was in 2019 so we are addressing the cost-of-living increase in this request and not merit. Selectmen's Rep. Baiocchi asked if anyone had questions about why 7%. He explained the Selectmen and Budget Committee every year usually go with a COLA, whatever the northeast is. The CPI is usually 1.3% and now it is 9%. This year the Selectmen thought going with 7% was reasonable as last year employees got 3% even though the CPI was 6%. Member Bass asked if merit increases are on top of the COLA. TA Carpenter clarified there are no merit increases. Member Bass questioned that no one is getting a step. TA Carpenter stated they adjust the whole pay scale when COLA is given. No one is moving a step unless that was budgeted for, in the case of a promotion or if someone is in training this year and next year if the budget goes through, they will be moved to the step appropriate based on their completed training.

TA Carpenter stated the recommendation for Executive budget is \$450,511.00 with the difference between budgets being \$44,605.00. The largest increase is the 7% for COLA on the wages, as employees are the largest asset, along with infrastructure. Other minor things have increased and there has been a lot of upkeep in this building, supplies, and various other things but nothing substantial.

Vice Chairman Kirby asked why line 01-4130-370 Computer Expenses is \$15K less, is that because something was moved elsewhere or you don't have to do it? TA Carpenter explained the majority of that line has been moved to a separate tab under the computer tech expense. Two years ago, we agreed to an amortized contract for five years with our current IT company so every year it has required adjustments that are based on this schedule and not on department needs. The decision was to move this into its own budget as the departments have no control over the number. For security, Primex is not covering substantial amounts of loss so extra security will be needed. School Board Rep. Hayman asked for the health insurance if the town received their increase yet and TA Carpenter stated yes, it is 11.7%.

Vice Chairman Kirby mentioned the executive budget is up just shy of 11%, most of that is personnel. TC Carpenter stated most of the changes will be salary across the whole budget. In Assessing there is a rate

change for the contracted assessor. For Planning, Zoning, HDC, and Conservation Commission there are basic supply or software increases but because they are they are small budgets, you see a percent increase. You will see a significant increase in health and some of the software's have increased.

Computer Technology

The recommendation is for \$55,559 with the difference between budgets being \$34,920. Part of that increase is the security packages which was referenced in the Executive Office discussion. The full recommendation has not been gone through fully yet to see which ones are best for the Town. Vice Chairman Kirby asked if this was everyone's tech in the building and TA Carpenter replied it is everyone in the Town. You will see that line reduced in the other budgets. Member Bass asked if there is a way to make this change clearer and available for when people ask why the increase. TA Carpenter will see what she can do.

- ☐ Action Item – TA Carpenter to try and do a one-page fact sheet regarding the increase and where the decreases are

Finance

The recommendation is for \$125,044 with the difference between budgets being \$16,845. The increase is from software line 01-4150-370 with an increase of \$6,315. The audit contract price did go up as well as we finished with Melanson and are now with Plodzik & Sanderson. The increase went from \$13,500 to \$23,500 as there are not a lot of auditors for municipalities anymore.

Assessing

The recommendation is for \$58,415 with the difference between budgets being \$1,445. There was a rate increase from the contracted assessor. Vice Chairman Kirby confirmed the computer is less because it was put somewhere else. TA Carpenter stated the breakdown is Training - \$650, Contracted Assessor - \$48,000, Computer Expenses - \$4,765, Professional Tax Mapping - \$4,025, and Dues & Subscriptions, Office Supplies, Mileage and Recording Fees.

Chairman Forst stated we are still going to see the computer line everywhere and asked what the difference is. TA Carpenter replied you are going to see an IT line in the main budget and any computer line you see is software based. The software is individually based throughout the departments so that line is left in those departments. Chairman Forst stated at some point this has to be defended and you still see a computer line and there will be a concern about this \$55K and won't see that it went from \$75K to \$47K. TA Carpenter stated the notes are there but you won't be able to pick out the IT portion and software portion. Selectmen's Rep. Baiocchetti asked if it could say software rather than computer. TA Carpenter stated it is in the notes and she believes it can be changed but she needs to check with Finance.

- ☐ Action Item – TA Carpenter to see if the title can go from computer to software

TA Carpenter clarified for Chairman Forst the computer line vs the IT line that was discussed earlier. Chairman Forst stated he understands the move and supports it. It is now in a budget and it can't be used for anything other than that. Member Sisti stated that this helps shut down a perception that there is a very large increase when there wasn't a large increase it was just spread out and it helps with the transparency. TA Carpenter agreed and which is why we have presented these fact sheets this year.

Selectmen's Rep. Baiocchetti asked if this is going on the Town's Facebook and website. TA Carpenter stated it will be going under the Budget Resource page on the website. Chairman Forst asked how will the public be made aware this information. TA Carpenter mentioned they have already started on the Selectmen's side and it will go on the Budget resource link on the Website and on the Town Facebook page and someone from the community should share it on the community page. The difference this year is we began formulating the budget in August and that gave us some more time to solidify with the Selectmen in order to present the whole budget. In the past, the budget was done piecemeal by department, whereas this year it is the whole budget. We were lucky that some of our budget numbers we received two weeks earlier than expected as we don't normally receive them until November. Chairman Forst stated it will be interesting to see how this is received this year. He mentioned that TA Carpenter took great strides to provide this information. TA

91 Carpenter mentioned that this meeting was not on Facebook tonight due to the Election, the previous day, but
92 that will be available for the next meeting.

93 **Legal**

94 There is a \$10,000 increase on line 01-4153-320 as the retainer did increase this year. The additional increase
95 is in part due to code enforcement issues that were addressed this year. By being proactive we can get ahead
96 of the issues. There is only one outstanding litigation left, all the others have been addressed.

97
98 Chairman Forst asked where the Capital Reserves stand. TA Carpenter stated that information is on the blue
99 sheet. Vice Chairman Kirby stated it is \$54,928. Chairman Forst asked if the target was to keep it higher than
100 that. TA Carpenter stated if you read through you will see the recommendations and what will come in 2024
101 as she tried to provide a balance of need vs staying afloat.

102 **Planning Board**

103 The recommendation is for \$13,893 with the difference between budgets being \$1,083.

104 **Zoning Board**

105 The recommendation is for \$2,850 with the difference between budgets being \$425. Vice Chairman Kirby
106 asked why is it 17%. TA Carpenter wished percentages weren't present but some people really like them. If
107 you look at the 2022 budget of \$2,425 and an increase of \$425 makes it a larger percentage.

108 **Historic District Board**

109 The recommendation is \$660 with the difference between budgets being \$36.

110 **General Government Buildings**

111 The recommendation is for \$149,165 with the difference between budgets being \$42,945. TA Carpenter
112 explained the increase are the oil, propane, and electricity prices. This is the nuts and bolts between the
113 Academy Building and Old Town Hall. If you look at Old Town Hall repair & maintenance line 01-4194-930 it
114 was \$5K last year and is \$10K this year. It has bounced between \$5K and \$10K because of the condition of the
115 building. A warrant article was passed to restore the basement level and the main level of the building but not
116 the upstairs. Vice Chairman Kirby asked if they have done it and TA Carpenter stated they are doing it now. TA
117 Carpenter stated the paint should last 5-10 years depending on moisture level. The storm windows are being
118 restored, the floors refinished, the basement level regraded, plumbing, electric, paint, and handicap ramp.
119 The funds are made up of LCHIP, Mooseplate, and the funds the residents voted on. In the future, this line
120 item will increase because for LCHIP you have to promise to budget effectively for the use of that building to
121 protect and preserve. The plan for the use of the building is community-based for parties, rentals, meetings
122 and events.

123 Selectmen's Rep. Baiocchetti asked if that is the reason why line 01-4194-940 went from \$1 to \$2,200 for the
124 upkeep. TA Carpenter stated yes and it wasn't budgeted the year before due to the building being shut down
125 for safety concerns. The Academy building also went up \$10K as the sprinkler system had some issues with
126 pipes. We will have to start replacing those pipes and that is an expense that we need to get a better idea of.

127 Vice Chairman Kirby asked if the Loon Pond Dam thing is an ongoing item to pay for. TA Carpenter stated at
128 one point we didn't know if the dam was ours but have found out it is. In the past, volunteers used to do it but
129 were doing it too much. We have reverted to a company to do the maintenance of it, this is a contracted price
130 for annual maintenance.

131

132 **Insurance**

133 The recommendation is for \$111,867 with the difference between budgets being \$4,259 and the increase is
134 based on the prices they received.

135 **Building Inspector**

136 The recommendation is for \$47,785 with the difference between budgets being \$3,630. Due to legislation

changes, the code just went to 2018 so all books and periodicals had to be updated. Vice Chairman Kirby clarified that the salary is still in this budget and TA Carpenter stated it is. We just had a change in the inspector but the previous inspector will stay on in a deputy inspector capacity to fill in and that will utilize the contracted inspector line. We have done this to allow for this position to have a backup. We are currently working in the executive office to have backups for each position within the office as that hasn't been available in the past.

General Assistance

TA Carpenter stated when COVID hit we weren't sure where that line was going. Prior to the default budget, we felt \$100K was good for that line not knowing what resources we were going to have available. This year we have a firm grasp and history since 2020 and feel \$25K is a justifiable request. The stated recommendation is for \$25,400 with the difference between budgets being a decrease of \$33,363. The default budget number will look different because the original budget was \$100K. Once you start moving money around within the lines you have to justify that to DRA and once that happens that is your new default budget. That will look different from last year's default budget. Chairman Forst clarified once the budget was done shifting the default is \$58,763. TA Carpenter mentioned this did help in several areas of this year's budget where shortages were present. Vice Chairman Kirby appreciated that TA Carpenter reflected on what is needed. TA Carpenter stated that many years ago that line was \$100K+ due to the fact that the General Assistance position was contracted. It has gone back and many times and is currently in-house as there is more control even though that position consumes large amounts of time.

TA Carpenter mentioned we do try and re-coop money that is used for General Assistance, she checks the MLS and when a house goes for sale cross-reference the liens to make ensure we get back some revenue. When you work with other outside agencies to provide assistance to our residents who need it, that helps our budget. Chairman Forst stated if those agencies weren't available this number would be worse. TA Carpenter agreed and during COVID it was terrible as there was nowhere to place people except hotels. Chairman Forst asked if there is a cap on general assistance. TA Carpenter stated there is a warrant article for \$2K to be put into that fund and caps out at \$50,000 and feels that is two years' worth of budget so there is a buffer.

Parks and Recreation

The recommendation is for \$32,367 with the difference between budgets being \$1,240. This is the 7% wage increase and supplies. Vice Chairman Kirby asked if repairs and maintenance are not going to happen this year. TA Carpenter stated this year contractors are hard to get, but they are working on getting contractors for the unique projects and the park has been winterized successfully for the season. We will be working with DES this winter to put in an application for refreshing the beach.

Patriotic Purposes

The recommendation is for \$1,800 with the difference between budgets being \$1,260. There are several flags that need to be replaced and TA Carpenter likes ordering flags from the US which are more expensive rather than getting US flags from China.

Conservation Commission

The recommendation is for \$3,000 with the difference between budgets being \$-525.

TA Carpenter stated the overall operating budget request is \$5,251,470 without warrant articles. The Fire Chief will discuss his warrant articles and discuss the positions which have now been added to the budget. Vice Chairman Kirby asked when did they hire the two people. TA Carpenter stated they are in the process of hiring one person now. It is a hard market but Chief is working diligently on it.

Chairman Forst mentioned that next Wednesday Highway Dept and Transfer Station will be presenting their budgets.

Selectmen's Rep. Baiocchetti mentioned he was talking with someone at Old Home Day about moving back to town but Gilmanton had the second-highest tax rate in the county. As a stand-alone number that is not

186 correct but if you look at the municipal rate, we are 6th. For education, we are the highest and for total ranking
187 we are second. If you look at Gilford, where we send a lot of our money, they are ninth for education and
188 eighth for municipal. We have a small municipal rate for which we provide a lot of services. During the budget
189 season, we need to look at all aspects of the tax rate. Chairman Forst heard what Selectmen's Rep. Baiocchetti
190 was saying but when you look at Gilford's valuation of \$2 billion dollars our tax rate doesn't compare.

191 School Board Rep. Hayman stated if you look at Barnstead, which is comparable to us, is almost as high as us as
192 we don't have the lake property. Vice Chairman Kirby stated if you look at the numbers, we are high. Chairman
193 Forst stated we do have lake property just not multimillion-dollar lake property. School Board Rep. Hayman
194 stated Barnstead has lake property as well but not the high dollar. Member Sisti stated you will never have a low
195 tax base when you have a town with individual citizens and no business base who don't use the services but still
196 pay for them. Chairman Forst added or vacation homes that use them six weeks of the year and can't have it
197 both ways. Member Ron Leclerc stated the funding for how we support education hasn't changed in years.

198 We are reverting back to the 90's where it is the demographic data minus the State property tax that is your
199 preliminary grant. Since Gilmanton doesn't have a lot of free and reduced lunch kids we don't qualify for that
200 component. There was a small reprieve this year from the State property tax but will revert back next year.

201 Selectmen's Rep. Baiocchetti clarified that since we have a default budget there are resources we are required
202 to perform and if you continue to require these services and don't fund them then they won't exist. Last year
203 the default budget had some challenges but a default budget this year will require services to be cut and
204 people will have to understand.

205 Vice Chairman Kirby asked where is the biggest area we have to figure out. TA Carpenter mentioned the cost
206 of materials and projects are so much higher so everything had to be adjusted. Due to the default budget,
207 projects either didn't get done or had to be altered. Member Sisti suggested that some people may have not
208 noticed anything was different. Selectmen's Rep. Baiocchetti stated there were some issues due to the default
209 budget but if we have another default budget, there will be noticeable items that will be different. Member
210 Sisti suggested that knowing about this will help the committee explain that next year there will be differences.

211 Vice Chairman Kirby mentioned she was surprised Crystal Lake Road got more paved than she thought. TA
212 Carpenter stated that was a budgetary item and the Road Agent did extend that. The highway budget does
213 have a road spreadsheet of the projects and shows where the money is coming from. Vice Chairman Kirby
214 asked if Sargent Road was going to be paved. TA Carpenter stated Sargent Road will not be paved as that was
215 not the intention. The intention was to restructure, reshape and provide drainage which that total came to
216 \$461,375, of which \$70k will be coming from the road betterment fund and \$394,994 from the ARPA funds.
217 The next project that will be done is Meeting House Rd for \$285,375 with \$153,852 coming from the Road
218 Betterment and the remaining amount coming from Highway Block Grant. The remaining surplus that was
219 received from the state in the amount of \$87,062 can only be used for a bridge project. Meadow Pond Road
220 has a bridge so that money will go there and that cost will be over \$1M.

221 A member asked if we have capital reserves totals. TA Carpenter stated Planning Board is supposed to work
222 on CIP but they have not touched that. Our CIP is currently underfunded because it hasn't been reviewed. We
223 need to get back on track and readjust the numbers and use that as a good planning tool. Our debt service is
224 at currently \$0.

225 Member Mann asked how many of these capital reserve funds are dead in the water or a money trap. TA
226 Carpenter stated on the Town side nothing, as last year they cleared out some that had not been used. What
227 is in our operating budget is what supplies us. Anything above and beyond we are really out of luck except if it
228 is for a roof, septic or driveway, and equipment and those are underfunded. Chairman Forst stated he is
229 seeing on the capital reserve sheet line 57 is highway sheds. He remembers when it was created and there is a
230 new sand/salt shed at GYO and a new sand/salt shed at Iron Works so potentially do we need any other sheds
231 or is there a plan as the Planning Board is supposed to be doing the CIP by Statute, not the Budget Committee.

232 Selectmen's Rep. Baiocchetti stated there needs to be a line for when employees retire and we will be having
233 some of those coming up. There needs to be a line item with money going into that each year so the operating

234 budget is not hit with a big number when that happens. TA Carpenter stated there will be a warrant article for
235 that but wanted the budget committee to know what the current liability is vs what they are asking for.
236 Chairman Forst required clarification on the accrued liability concept, various committee members explained
237 it.

238

239 **Other Business**

240 Vice Chairman Kirby requested from the School Board Rep. the possibility of having their binders from the
241 School prior to the 14th for an initial look through because they don't get the school budget until the 14th and
242 they have the public hearing on the 4th. School Board Rep. Heyman stated that is the goal, we're trying to
243 schedule a series of meetings to get the total budget together.

244

245 **MOTION:** On a motion by Selectmen's Rep. Baiocchetti and seconded by Member Leclerc it was voted to
246 adjourn **(9-0)**

247

248 **ADJOURNMENT:** Time approximately 7:27 p.m.