

# **Town of Milford Budget Advisory Committee Report 2016**

## **INTRODUCTION**

The Milford Budget Advisory Committee (BAC) is comprised of nine citizens of Milford appointed by the Town Moderator. The Budget Advisory Committee was created in 1974 by a town vote to serve two primary purposes: 1) to advise the Board of Selectmen and Town Administrator on budgetary matters as they prepare the operating budget and warrant articles, and 2) to develop positions of support or non-support for the proposed budget and warrant articles, which are presented at the Deliberative Session and included in the Voters' Guide published prior to the town vote. The members of this year's committee are: Matt Lydon (Chair), Jim Roccio (Vice Chair), Karen Mitchell (Secretary), Cara Barlow, Paul Bartolomucci, Bert Becker, Chris Pank, Robert Courage and Peggy Seward.

In order to fulfill our dual roles, the BAC met with the Board of Selectmen, Town Administrator, Department Heads, Library Trustees, Souhegan Valley Transportation Collaborative (SVTC), Conservation Commission, Water and Sewer Commissioners, the School Budget Committee, and members of the community. The committee objectively reviewed the proposed operating budget and warrant articles, and after careful consideration, developed positions of support or non-support for each. Throughout our review process any questions about budget items were presented to Department Heads or the Town Administrator for clarification. All answers and any additional information requested were provided to the committee.

### **ARTICLE 3 - Library Building Project – BOND - \$5,618,000**

The Budget Advisory Committee voted 7-2 to support this Warrant Article

#### **Majority Report**

The majority supports the Library project for a number of reasons – the addition would provide appropriate space for library collections, programming and computers, it would maintain the Library presence as an anchor on the Milford Oval, it would enlarge the Library parking lot, providing parking for Library patrons and possibly for those patronizing Oval businesses, and would increase foot traffic on the Oval, supporting the vitality of our Town center. Libraries are important for economic development and are a sign of community health. Wadleigh Memorial Library supports lifelong self-directed learning for Milford residents, and is the only local entity that bridges the digital divide between those who have computers and Internet access and those who don't. The public computers and corresponding support the library offers grow more important each year as job applications, IRS filings, NH court filings and more move from paper to online forms.

#### **Minority Report**

The minority acknowledges that the existing library is in need of renovation or replacement; however the tax impact of this project at this time is just too much. Not including this article, if all budgets and warrant articles for the Town are approved by the voters, the projected Town only tax rate increase is 5.8%. This would be in addition to 16.5% growth in the Town Operating Budget between 2012 and 2015, the proposed school renovation bond and budget and in 2016 the scheduled 5 year revaluation of all homes and property. This rate of increase is not sustainable. The tax impact of this particular project would affect the tax rate starting in 2017 and will only exacerbate this already unsustainable trend. In addition, members of the Committee suggest phasing the project, to be funded over a few years, and to address critical repairs now.

## **ARTICLE 4 – Storm Water Video Inspection - BOND - \$216,000**

The Budget Advisory Committee voted 9-0 to support this Warrant Article

### **Majority Report**

Video inspection of approximately 30 miles of Milford's storm water sewers will identify existing and imminent failure spots, allowing for more complete prioritized sewer and street repair with less emergency expense and interruption. The future planned improvements needed would allow the Town to be proactive in addressing them before the Town is required to comply with future State and Federal Mandates. This project will be funded with a low-interest loan from a State of NH Revolving Fund that provides for 33.9% forgiveness of the loan upon completion of the project. This grant funding may not be available in the future. This is a timely expenditure that our Town needs to take advantage of.

## **ARTICLE 5 – UV Disinfection Replacement – BOND - \$950,000**

The Budget Advisory Committee voted 8-0-1, (1 abstain) to support this Warrant Article.

### **Majority Report**

This Article proposes the replacement of the existing 1991 Ultra Violet Disinfection System used to treat waste water effluent prior to discharging into the Souhegan River. The proposed article will have no tax impact to the Town Budget and will be paid for by the wastewater user fees.

## **ARTICLE 6 – Town Operating Budget - \$13,993,310**

The Budget Advisory Committee voted 7-2 to support this Warrant Article.

### **Majority Report**

The majority believes the proposed 2.3% increase in the Town Operating Budget is preferable to the Default Budget. A large portion of the increase over last year's budget is the result of Warrant Article items that were approved by voters in previous years and added to our Debt Service. Town departments are under considerable pressure to keep costs down. It is important to allow flexibility in the Town Budget to address items such as snow removal and road repairs. The majority recommends if unexpended funds appear at the end of the fiscal year that they be placed into a capital reserve fund or other restricted fund for future building needs such as Library or Fire Station.

### **Minority Report**

The minority does not support the proposed Town Operating Budget, and believes it would be fiscally prudent to use the Default Budget. With a Debt Service of almost 1 million dollars to be paid this year and many Town needs in our near future, it is felt that this year all departments must be extra judicious in their spending without eliminating necessities, hence, easing the financial burden on the taxpayer. The 2015 Tax Rate was \$7.19 per \$1,000 valuation. The estimated 2016 Tax Rate is \$7.61 per \$1,000 valuation. In review of historical data of budgeted vs. actual incurred cost, the BAC has noted a trend of under spending the Budget (-3.56% 2011)(-2.46% 2012)(-1.25% 2013)(-1.32% 2014)(2015 is pending). The proposed 2016 Operating Budget is 2.3% over the 2015 Adopted Budget. The proposed Default Budget is \$188,899 or 1.35% below the proposed budget. Given the historic trend of under spending the prior year's budget, the minority believes the Default Budget should be sufficient to meet the Town's obligations. Additionally, the Budget Advisory Committee has noted a propensity to transfer funds between various departments. For additional transparency, the minority suggests a more transparent budgeting approach and use of a contingency line item for funding and tracking of unanticipated expenses. As well, in 2015, a year of working with an Approved Default Budget by the citizens, the Town was able to purchase unanticipated equipment/vehicles, grant a 2% pay raise to all employees effective 7/1/2015, and encumber funds for purchases originally scheduled for the Proposed 2016 Budget.

## **ARTICLE 7 – Water Department Operating Budget - \$1,393,395**

The Budget Advisory Committee voted 8-0-1, (1 abstain) to support this Warrant Article.

### **Majority Report**

This budget reflects an increase of 0.8% increase over the prior year. This is funded entirely by water user fees with no tax impact to the Town Budget.

## **ARTICLE 8 – Wastewater Treatment Operating Budget - \$1,913,465**

The Budget Advisory Committee voted 8-0-1, (1 abstain) to support this Warrant Article.

### **Majority Report**

This budget reflects an increase of 0.9% over the prior year. This is entirely funded by sewer user fees with no tax impact to the Town Budget.

## **ARTICLE 9 – Bridge Replacement Capital Reserve - \$350,000**

The Budget Advisory Committee voted 6-3 to support this Warrant Article.

### **Majority Report**

The Capital Reserve Fund would continue the process begun last year to repair nine bridges that have been identified by the Department of Public Works as high priority projects for replacement or repair. 2016 Plans are for no bridge replacements, but for engineering plans for the replacement of two Mason Road failed culverts. Guardrail work on North River Road is also planned. For new bridge construction, beginning in 2023 the State may contribute 80% of the cost.

### **Minority Report**

The Capital Reserve Fund was funded with \$125,000 in 2014 and \$175,000 in 2015. Repair of Savage Road Bridge and Jennison Road Bridge and removal of the Green Bridge have depleted the Fund down to approximately \$137,000. The minority feels that a reduced funding request in 2016, when no bridge repairs are planned for, would replenish the fund adequately and allow planning for future years' work.

## **ARTICLE 10 – Sidewalk Tractor Plow - \$34,400 (Annual Payment \$34,400 Total Purchase Price \$162,000)**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

If this article is approved, funding will replace a machine that is sixteen years old, currently inoperable, and in need of extensive repairs. This unit, in combination with the 2013 sidewalk tractor plow, would be used to plow snow from the Town's thirteen miles of sidewalks, and represents a safety issue for both young and old to ensure safe walking for all citizens of the Community. The unit is scheduled for replacement in the 2016 Capital Improvement Plan.

**ARTICLE 11 – Dump Truck (8 Cubic Yard) 5 Year Lease/Purchase - \$35,800 (Annual Payment \$35,800 Total Purchase Price \$168,600)**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

**Majority Report**

If approved, funding will replace a machine that is 16 years old and is scheduled for replacement in the 2016 Capital Improvement Plan.

**ARTICLE 12 – Tractor-Backhoe-Loader – 5-Year Lease/Purchase - \$25,000 (Annual Payment \$25,000/Total Purchase Price \$117,500)**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

**Majority Report**

If approved, funding will replace a tractor/backhoe/loader that is 15 years old which is currently used at the Solid Waste Facility and has over sixteen thousand hours of use. Repairs over the past five years have amounted to \$61,183. This unit is scheduled for replacement in the 2016 Capital Improvement Plan.

**ARTICLE 13 – Kinder Morgan Pipe Line Legal Fees - \$40,000**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

**Majority Report**

By joining a coalition of several towns in opposition to this pipeline, the legal fees would be spread out among the towns affected by the pipeline. It appears that the Kinder Morgan pipeline issue will be a long drawn-out battle, and it is in the best interest of the Milford taxpayers to pool our resources with the other towns and keep the impact of the legal fees to Milford at a minimum rather than trying to mount an opposition to the pipeline on our own. As of 01/20/16, another area town has already expended \$104,221 in related costs to oppose the pipeline.

**ARTICLE 14 – Social Services - \$35,000**

The Budget Advisory Committee voted 9-0 to Support this Warrant Article.

**Majority Report**

The Budget Advisory Committee believes that in these economic times, our citizens continue to need assistance. These funds are allocated to 10 different agencies this year as decided upon by a committee to provide various resources to our citizens. Without these resources, the Town could possibly have to fund the full cost of those services.

**ARTICLE 15 – Non-Emergency Community Transportation Bus Services - \$27,700**

The Budget Advisory Committee voted 9-0 Support this Warrant Article.

**Majority Report**

The Budget Advisory Committee continues to believe that the Souhegan Valley Transportation Collaborative (SVTC) provides a valuable service to the Community. It provides transport for medical appointments and for other necessities to our residents.

## **ARTICLE 16 – Architect Fees for Fire Department Expansion Project - \$25,000**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

The current Fire Station built in 1974 needs major renovation including electrical code upgrades, facility renovation and expansion, and parking lot expansion. The Fire Chief has emphasized the need for architectural and engineering plans so work can proceed efficiently.

## **ARTICLE 17 – Conservation Land Fund - \$20,000**

The Budget Advisory Committee voted 8-1 to support this Warrant Article.

### **Majority Report**

Only 7% of the 16,000 acres of Town land is presently protected by Conservation Land. These parcels preserve wildlife habitats, rural water supplies, improve air quality, provide trails for recreational activities, and preserve natural beauty. Having money available in the Land Fund allows for the Town to take action quickly when suitable land becomes available. The Land Fund currently has approximately a \$50,000 balance. Since Milford does not provide funding through the land use tax, the Commission depends on taxpayer funding to purchase lands that come available for public use. The required public notice and approval by the BOS prior to expenditure will secure that opportunities may not be lost. Fundraising and grant applications will still be pursued. Protecting an area avoids development of housing that may require additional town services (such as roads, fire, police, schools) that could consequently increase future property taxes. Currently the Commission is looking at two parcels of land totaling about 55 acres that may become available.

## **ARTICLE 18 – Pumpkin Festival, Holiday Decorating’s and Plantings - \$23,000**

The Budget Advisory Committee voted 6-3 to support this Warrant Article.

### **Majority Report**

The Pumpkin Festival is an annual event that has been supported by the Community. This event garners publicity in various local and regional news outlets and draws attendance from residents of other towns in the region. The Article does not fund the entire cost of the Pumpkin Festival; rather it pays the cost of the support provided by Public Works, Police, Fire, and Ambulance Depts.

### **Minority Report**

In recent years, the approved funds have been completely used to cover the expenses for extra man-hours/support by DPW, Police, Fire, and Ambulance. Additionally, the detail expenses have run anywhere from \$2000-\$4000 over this amount, and the Town has contributed more than was approved towards paying the overage. The minority believes that the warrant article would be more appropriately represented by wording that this funding only covers DPW, Police, Fire, and Ambulance details. Some of the minority also believes it may be possible for the Pumpkin Festival to be self-sustaining and profitable after 25+ years running in the Town of Milford.

## **ARTICLE 19 – Band Concerts - \$9,000**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

The concerts provide culture and entertainment for all ages and is one of the many activities that make Milford a highly desirable place to live. This funding request has not increased since 2004, yet continues to provide 9 concerts.

## **ARTICLE 20 – Fireworks - \$8,500**

The Budget Advisory Committee voted 6-3 to support this Warrant Article.

### **Majority Report**

Fireworks are the culminating activity to a day-long celebration in recognition of the birth of our nation. This activity helps Community members of all ages to express our pride and patriotism for our great country.

### **Minority Report**

Fireworks are the lowest priority item on the Warrant in a year of more pressing needs and a tax rate increase. Past Fourth of July activities and bonfire at Keyes Field were memorable with or without Fireworks. Safety coverage by Police, Fire, Ambulance, and DPW for any event held that day are already included in the Town Operating Budget. This Article is only for Fireworks. Please be advised that Keyes Field may have altered access and parking this year due to the EPA Cleanup Site work on Elm Street.

## **ARTICLE 21 – Labor Day Parade (Bands and Musicians) - \$6,000**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

The Milford Labor Day Parade has been in existence since 1945. Originally established as a tribute to the strength, prosperity, and well-being of our country by the American workers, it has continued to be a favorite of residents in the Souhegan Valley. Traditionally bands, floats, antique cars, politicians, and the honoring of community organizations, sports teams, and local activities have spotlighted the end of the summer.

## **ARTICLE 22 – Memorial, Veterans & Labor Day Parades and Recognition – Town Support - \$6,000**

The Budget Advisory Committee voted 9-0 Support

### **Majority Report**

These events are well attended and popular with the community. The Article pays the cost of Public Works, Police, and other Town Department details for the safety of the attendees.

## **ARTICLE 23 – Gravel Pit Reclamation/Restoration & Sale or Other Disposition of Resources – \$0**

The Budget Advisory Committee voted 7-2 to support this Warrant Article.

### **Majority Report**

The majority supports this article as it would give the Selectmen authority to negotiate with contractors about removing materials from a delineated 43 acre parcel on the Brox property. The sale of resources is expected to provide future additional Town revenue.

### **Minority Report**

The minority has concerns that the projected revenue is fictional at this point as stated values for the sand/gravel material does not include whether the Town or the contracted operator would pay the expenses for surveying, permits, wetland delineation and mapping every 5 years, further engineering, removal of contaminated materials, removal of ledge and boulders, disposal of stumps, shoring, excavation tax, reclamation and reseeding. Also the operator would be asked to do the reclamation and restoring work on the gravel pit at his expense. The only RFP response with most of these included mentions that the town could receive approx. \$0.50/cubic yard. The Marketable Gravel Resource Area must include enough sand/gravel for the DPW to use now for edging and asphalt paving of our roads and for snow and ice removal. The plan is to have 175,000/cu.yds available for future Town needs, but only 125,000/cu.yds is projected to be available from the Town Gravel Resource Area which is not being processed in the near future. If Town increased revenue is a goal, it seems that the Industrial Section of the BROX property should be marketed, and retaining the sand/gravel on its present site could be a selling point for industry interested in construction as materials would be available and close by. It is further recommended that the Annual Town Report contain a BROX Property Report of the progress, town expenditures supporting this project, and revenue generated into the general fund, so citizens can be aware of progress towards completion of this project. The recently updated State Wildlife Action Plan and the Natural Resource Inventory of March 2015 should be included in the planning to protect our conservation interests. Also the Conservation Commission should review the proposed plan prior to implementation.

## **ARTICLE 24 – Modify Solar Exemption - \$0**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

In the early days of solar power the installation costs were much greater than today. The US Dept. of Energy outlined incentive programs to allow towns to encourage residents to install alternative energy systems by providing guidelines for tax exemptions. Presently the Milford exemption, only for solar, is based on 100% of installation cost being removed from taxed property value. The proposed exemption will only remove the value of the solar system from taxed property value. Presently there is also no maximum amount of the exemption specified. The Article's specified changes would level the playing field for all taxpayers and be within the intent of the statute.

## **ARTICLE 25 – Adjustment of Elderly Exemption - \$0**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

This adjustment allows the qualified elderly citizens of the Town to maintain status quo in their taxes. The qualifications are set by statute and are quite stringent. It does not appear there will be a spike in qualified citizens, but with the upcoming Re-valuation of homes and property scheduled in 2016, the proposed increase in exemption can coincide with any possible increase in assessed value and tax rate.

## **ARTICLE 26 – Discontinuance of Linden St. Extension - \$0**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

This Warrant Article discontinues a portion of the Linden Street Extension that is essentially a private driveway and limits public use of the extension.

## **ARTICLE 27 – Discontinuance of a Portion of Scarborough Lane - \$0**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

This Warrant Article discontinues the existing cul-de-sac located at the end of Scarborough Lane and enables the Board of Selectmen to transfer ownership interests to a private entity.

## **ARTICLE 28 – Hitchiner Town Forest Conservation Easement- \$0**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

All Town Forests provide recreation opportunities for the Town. Easements link existing conservation lands. Easements support timber management plans that provide income from selective cutting at planned intervals suited to the existing timber species allowing the forest to thrive. Perpetual easements foster planned timber harvests and endangered species habitat development.

## **ARTICLE 29 – Open Space Access - \$0**

The Budget Advisory Committee voted 9-0 to support this Warrant Article.

### **Majority Report**

The easement will allow the current and future owners of this Lot to build a driveway without blasting through rock ledge. The Land Owners will give the Town an eight acre conservation easement with a Trail Right of Way. This is a win-win proposition for both parties.

## **ARTICLE 30 – Pipeline Authorization Consent by - \$0 – by Petition**

The Budget Advisory Committee voted 9-0 **TO NOT TAKE A POSITION ON THIS ARTICLE**

## **ARTICLE 31 – Sale of a Portion of the BROX Property - \$0 – by Petition**

The Budget Advisory Committee voted **9-0 TO NOT TAKE A POSITION ON THIS ARTICLE**

## **ARTICLE 32 – New Hampshire Resolution to Get Big Money out of Politics - \$0 – by Petition**

The Budget Advisory Committee voted **9-0 TO NOT TAKE A POSITION ON THIS ARTICLE**