

Town of Andover Board of Finance
Regular Meeting/Public Hearing
Tuesday, April 23, 2019 – 7:00 PM
Town Hall Community Room, 17 School Road

MINUTES

Members Present: Eric Shevchenko, Adrian Mandeville, Rob England, Dave Hewett, Linda Fish, Jeff Murray

Members Absent: Dan Warren

Others Present: Town Administrator Joseph Higgins, Treasurer Barbara Griffin, Journal Inquirer reporter Christopher McDermott, AES Superintendent Sally Doyen, Elaine Buchardt, Don Keener, George Elliott, Anne Crème, Gerard Crème, Marc Brinker, Jennifer Reed, Julie Victoria, Jeff Ballard, Joan Foran, Paula King, Curt Dowling, Wallace Barton, Carol Barton, Georgette Conrad, Clyde Conrad, Catherine Palazzi, Michael Palazzi, John Handfield, Selectman Cathleen Desrosiers, Carrie Crompton, Meghan Lally, Dianne Grenier, Paula Bailey, Ed Kasacek, Jack Bailey, Eric Anderson, Selectman Jeff Maguire, Deborah Scanlon, Recording Secretary Linda McDonald and others.

1. Call to Order/Pledge of Allegiance: A. Mandeville called the meeting to order at 7:04 p.m.

A. Mandeville read the following 2019-2020 budget message into the record:

“The Board of Finance is proposing a Fiscal Year 2019-2020 budget of \$12,316,958.00, an increase of \$1,158,214.00 or 10.18% over FY 2018-2019, of which \$11,390,958.00 would be raised by taxes and \$926,000.00 would be funded through usage of unassigned fund balance. This proposed FY 2019-2020 budget results in a 1.04 mi rate increase which is 3.06%. The proposed increase in the RHAM budget is \$378,502.00 or 8.39%. This is offset by a proposed decrease in the AES budget of \$90,000.00 or negative 2.17%. The overall result is a net increase of 3.33% in education spending. The Town portion of the operating budget, which does not include capital and education spending, is \$64,017.00 lower than FY 2019. This is partly due to selective budget cuts that attempt to better align this budget with actual spending in prior years. The Town’s Grand List increased by \$7,292,353.00 or 2%, however non-tax revenue for FY 2019-2020 is estimated to be \$2,272,154.00. This is a decrease of \$287,000.00 from prior fiscal year due largely to a reduction in state funding for Education Cost Sharing. To be clear this budget has a lot of moving parts this year. The Board of Finance main goals were to address a growing fund balance issue. This was done in two ways. First was to align budgets with actual expenses and secondly to assign excess “unassigned” fund balance to Town capital needs and long-term planning commitments based on the long-term planning survey results. Last audited financial statements (2017), showed an unassigned fund balance of \$2,186,823.00 or 18.5% of total General Fund expenditures. The Town’s fund balance policy seeks to maintain a fund balance that is 10% of expenditures. This means there is a surplus in fund balance of approximately

\$1,000,000.00. This surplus was used to offset the capital expenditures. The capital items total \$983,615.00. “

Adrian Mandeville MOVED to open the public hearing for the Town of Andover Fiscal Year July 1, 2019 to June 30, 2020 Budget. R. England SECONDED. MOTION CARRIED 6:0:0.

2. Public Hearing for the Town of Andover Fiscal Year July 1, 2019 to June 30, 2020 Budget:

Cathleen Desrosiers asked what the \$250,000.00 proposed for the multi-use public building would be used for. She expressed concern that the Board of Selectmen (BOS) had a road survey done and found twelve roads deteriorated, six of which need drainage. She said the BOS approved some roads to be fixed in this year's budget and the \$200,000.00 allocated in the proposed budget for this work would be insufficient. A. Mandeville responded the total amount for road paving is 1.3 million, which would be broken up over there years. He said there are TAR funds of \$400,000.00 for this year, \$500,000.00 allocated for next year plus \$100,000.00 TAR funds, and \$200,000.00 in the third year which should complete all the road paving in three years. He said, with planning, the public works department could do some of the drainage work over the winter. A. Mandeville explained the BOF can't spend the money until the FY 18 audit is complete. C. Desrosiers said some projects are being funded while roads are not being done again.

J. Mallory of Lake Road questioned why the paving issue was not addressed last year so it could be done. E. Shevchenko responded that State budget funds (ECS) were uncertain last year as well as in prior years and all capital projects over the past three years have suffered as result.

E. Anderson questioned why the BOF cut the Planning and Zoning Commission Plan of Conservation and Development (POCD) budget and stated for the record the BOF has historically put approximately \$5,000.00 each year to fund the POCD, which is required to be updated every ten years at a cost of around \$50,000.00.

John Bailey of Sunset Lane asked about the timetable for completion of the audit. A. Mandeville responded the bulk of audit has been completed and should be done in May. J. Bailey commented the paving schedule is confusing and expressed concern with timing issues. He emphasized paving on Sunset Lane needs to be done before someone gets hurt.

Paula Bailey said Sunset Lane is so bad there are boulders exposed.

Deborah Scanlon asked what is 1 mil worth? AM responded it is appr 260,000.00- wants to know specifics about the multi-use building. Residents have paid taxes on the fund balance. Use fund balance to offset taxes. R. England responded that using fund balance to pay ongoing expenses is not a good idea. Use some of the multi-use building funds to pave more roads this year. AM gave explanation of use of fund balance. ES goal to having a decent facility for seniors - \$250,000 earmark funds toward future expenses. Use of a line item. DS would like to see more of the unused funds to offset the mil increase.

E. Anderson commented the community/senior center and rail trail were supported by most survey respondents in the LTPC survey.

E. Shevchenko spoke about student enrollment percentages at RHAM.

E. Kasacek (Public Works Foreman) said he is concerned that only \$200,000.00 is being allocated for 1 million dollars needed for all the road repairs. He said his department could do some of the road repairs but has other projects that need attention as well (basin cleaning, crack sealing). He said he is upset that PW tire budget was cut.

A. Mandeville responded the total PW budget is over-budgeted year after year and encouraged E. Kasacek to sit down with the Town Administrator quarterly to go over the Public Works department budget.

Dianne Grenier of Lake Road asked if there is money for a new Town website in the budget. A. Mandeville responded no but funds could be shuffled from Contingency. E. Shevchenko said technology upgrades at Town Hall were considered at a prior BOF budget meeting, but the board felt the capital budget was too high and this was cut. He said the BOF will re-visit this at the next budget cycle.

Paula King said the Long-Term Planning Committee held a focus group on what residents would like to see in a new website and asked how to keep things rolling on developing a new website as there is no funding in this budget.

A. Mandeville responded the BOF will discuss everything heard during the public hearing tonight.

D. Scanlon asked that the BOF review, for the audience, all line item increases over 10% in the proposed budget.

A. Mandeville explained the following line item increases above 10%:

- BOF legal – BOF added this line item so the board could fund BOF legal costs without having to go through BOS approval. This line item would probably be used infrequently.
- Tax collector salary – This is now a full-time position.
- Dog fund – increase for needed equipment.
- Fire Marshal – increase in salary line item for Fire Marshal and includes salary for Deputy Fire Marshal.
- Transfer Station – due to large contract increases in hauler tipping fees.
- Zoning agent salary – Salary for Zoning Agent had previously been split over more than one budget. Salary is now consolidated into another line item.

C. Desrosiers questioned why there is no line item for contingency and re-occurring expenses. A. Mandeville responded the board was aware of this omission and would address it after the close of the public hearing. C. Desrosiers stated she does not support the budget as she believes the budget is not addressing the needs of the town, including addressing the need for road paving. She said the BOF does not need a legal line item and should answer to the BOS.

E. Buchardt expressed concern with the cuts to the Public Welfare budget, specifically to the Social Worker's salary. B. Griffin responded the salary is being spent from another budget line item and has not been cut.

Joan Foran drew the board's attention to the proposed 47% cut in the Ground Care-Beautification budget. She said the Beautification Committee had been promised a free irrigation system at the Veterans Memorial Monument, but that never came to fruition. The \$1,300.00 being cut from the budget would have been used to replace top soil and seed once the irrigation system had been installed. She said the committee has been fiscally responsible and not spent the money on something else, but the committee will work within the proposed budget and seek donations. She requested that the BOF, for next year's budget, meet with the boards and committees for their inputs and insights into their budgets.

D. Grenier asked if there is any money to fix the gazebo. A. Mandeville recommended she talk to the Board of Selectmen and the Town Administrator.

A. Mandeville MOVED to close the public hearing for the Town of Andover Fiscal Year July 1, 2019 to June 30, 2020 Budget at 8:39 p.m. R. England SECONDED. MOTION CARRIED 6:0:0.

3. Recess: A brief recess was taken before resuming the regular meeting. The regular meeting resumed at 8:55 p.m.

4. Discuss and Act Upon Modification of Proposed FY 20 Budget: The following motions to modify the FY 20 budget were made:

- A. Mandeville MOVED to add \$1,200.00 to line item 1-100-01-0117-120 (Salary-Asst. Town Clerk). D. Hewett SECONDED. MOTION CARRIED 6:0:0.
- A. Mandeville MOVED to move \$20,000.00 1-100-11-1101-714 (Revaluation) and add \$20,000.00 to line item 1-100-12-1305-899 (Contingency). D. Hewett SECONDED. Discussion followed. MOTION CARRIED 6:0:0.
- A. Mandeville MOVED to move \$30,000.00 from use of fund balance to line item 1-100-12-1305-899 (Contingency). D. Hewett SECONDED. MOTION CARRIED 6:0:0.
- Mandeville MOVED to move \$20,000.00 from use of fund balance to be put into a technology fund for website development. R. England SECONDED. MOTION CARRIED 6:0:0.

Discussion followed on funding road repairs, open bid process for paving contract, and funding for the multi-use building.

- A. Mandeville MOVED to move \$100,000.00 from unassigned fund balance to line item 1-100-11-1101-451 (Road improvement/paving). L. Fish SECONDED. Discussion followed on the \$190,000.00 currently in Town Aid Roads (TAR). In response to a question from the board, C. Desrosiers said \$522,000.00 would be need this year to pave Townsend Rd, Ryan Terrace, Gilead Road, Wales Rd, Bear Swamp Road and Sunset Lane. There was no second on this motion.

- A. Mandeville MOVED to modify motion the previous motion to take \$130,000.00 out of unassigned fund and move to Road improvement/paving. R. England SECONDED. MOTION FAILED 3:3:0.
- L. Fish MOVED to switch funding for the multi-use public building to \$200,000.00 and paving and road work to \$250,000.00. D. Hewett SECONDED. Discussion followed. MOTION FAILED 1:4:1 with A. Mandeville abstaining.

5. Administrative Report

- 5.a FY18 Audit: B. Griffin reported the audit is not yet complete.
- 5.b Transfers: No transfers.

6. Approve Minutes

6.a March 19, 2019 Regular Meeting Minutes:

A. Mandeville MOVED to approve the March 19, 2019 regular meeting minutes as presented. R. England SECONDED. MOTION CARRIED 4:0:2 with Rob England and Jeff Murray abstaining.

6.b March 27, 2019 Special Meeting Minutes:

A. Mandeville MOVED to approve the March 27, 2019 special meeting minutes as presented. R. England SECONDED. MOTION CARRIED 5:0:1 with Jeff Murray abstaining.

6.c April 10, 2019 Special Meeting Minutes:

A. Mandeville MOVED to approve the April 10, 2019 special meeting minutes as presented. R. England SECONDED. MOTION CARRIED 6:0:0.

7. Adjournment: A. Mandeville MOVED to adjourn the meeting at 9:45 p.m. R. England SECONDED. MOTION CARRIED 6:0:0.

Respectfully submitted by Linda H. McDonald

Please see the minutes of subsequent meetings for the approval of these minutes and any corrections hereto.