

## **Guide to Warrant Articles**

### **Town Meeting 2024**

#### **Article 1 – Operating Budget – Town**

The operating budget was reviewed in detail by both the Board of Selectmen and the Budget Committee. The version approved by the Budget Committee represents a 10.7% increase over the operating budget for Fiscal Year 2024. Although the Board of Selectmen recommended a budget slightly higher than the Budget Committee's recommendation, the Board believes the difference between the two budgets does not impact critical operations; as such, the Board suggests adoption of the Budget Committee's recommended budget of \$5,657,161 as indicated in the warrant. The overall budget increase (sum of Articles 1-4) for FY25 is calculated to be 15.0% (Budget Committee recommendation).

#### **Article 2 – Capital Outlay**

The proposed Capital Outlays for FY25 has been reduced from \$79,001 (FY24) to a total of \$1 for FY25. The reason for the substantial decrease to \$1 is due to the town no longer making payments on the lease for a Highway Department truck, or on the breathing apparatus equipment for the Fire Department (note that a Warrant Article proposal for a new Capital Reserve Fund for the future purchase of breathing apparatus for the Fire Department is presented as Warrant Article 6). The \$1 appropriation remains in order to keep the "Town Roads" account active in the event it is needed for transfers at a later date, and is the same amount appropriated to that account in FY24.

#### **Article 3 – Appropriate to Capital Reserve Funds**

The proposed transfer to capital reserve funds results in a 43.2% increase from the FY24 budget, and reflects anticipated expenditures that impact critical to town operations and preserve Sanbornton's historical and natural resources. The "Fire Truck" line (\$125,000 for FY25, up from \$100,000 in FY24), "Police Equipment" line (\$92,500 for FY25, up from \$76,000 in FY24), and "Transfer Station Equipment" line (\$49,800 for FY25, up from \$35,000 in FY24) are all increased due to the significant rise in anticipated replacement equipment purchase costs beyond original projections due to overall market inflation, and to fund the Police Body Cameras Program (\$14,000, reflected in the \$92,500 mentioned). The increase in "Road & Bridge Construction" (\$950,000 in FY25, up from \$750,000 in FY24) accounts for the rise in road maintenance and improvement costs for raw materials, and an improved ability to increase the pace and scope of general road improvements throughout town. The line for "Reduce Phosphorous or Milfoil" (\$7000) is re-introduced for FY25 after being absent from this Article in FY24 and FY23 (in FY22 and FY21, \$5000 was appropriated); these funds contribute to combating both phosphorous and milfoil, which are known detriments to water quality with long-term negative environmental impacts to Lake Winnisquam. The "Town Revaluation" line funds an already existing account (\$20,585 for FY25; not recently used) to ensure the town is able to pay the "lump sum" portion of the new revaluation contract in five years by spreading out the tax burden into periodic payments instead of a larger lump-sum in the future. The "Town Building Improvement and Design" (\$25,000 for FY25, with no FY24 appropriation) and "Town Facilities (Maintenance and Operations)" (\$100,000 for FY25, up from \$50,000 in FY24) lines were increased to address deferred preservation maintenance concerns, as well as general maintenance, repairs, and improvements of the town's structures, including our iconic Old Town Hall.

#### **Article 4 – Appropriate to Expendable Trust Funds**

A new trust fund was created in 2020 to cover the payouts for unused sick time and vacation time to Town employees when they leave employment. Because this is designated as an Expendable Trust Fund, it has its own line in the budget and gets approved separately. Last fiscal year, the town did not have to

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utilize the trust and while the fund currently has \$32,000, the recommendation is to add \$20,000 this year (\$20,000 added in FY's '22, '23, and '24). The Town's total obligation in unpaid time is currently approximately \$264,344. The goal is to have enough to cover any large, unexpected expenditures caused by someone retiring or leaving – but not to have 100% of the obligated amount in the trust fund.

#### **Article 5 – Winnisquam Watershed Preservation**

This Article establishes a new Capital Reserve Fund to address pollutant contributors to Lake Winnisquam originating within Sanbornton as cataloged in the Winnisquam Watershed Network's "Lake Winnisquam Watershed-Based Plan" available online from both the Winnisquam Watershed Network and the NH Department of Environmental Services. The report lists 24 high priority sites in the Lake Winnisquam watershed that discharge excess sediment and nutrients into Lake Winnisquam (Table 13 of the report); of those 24 sites, the following 11 sites (almost half) were identified concerns within Sanbornton, and are the subjects of this Warrant Article: Doctor True Road and Maple Circle, Bay Road, Philbrook Road (2 locations), Chapman Road, Woodman Road intersection with Steele Hill Road, Woodman Road (2 locations), Lower Bay Road and Huse Road, Kaulback Road and Roxbury Road, and Eagle Ledge Road and Black Brook crossing. According to the report, Sanbornton hosts the TOP THREE contributors of sediment into Lake Winnisquam among Laconia, Gilford, Meredith, and Sanbornton: Doctor True Road and Maple Circle are number one and contribute 9273 kilograms of sediment into the lake on average every year, Bay Road is number two at 4990 kilograms, and the Woodman Road intersection with Steele Hill Road is number three at 3629 kilograms. Although the Winnisquam Watershed Network is using federal and state grants to "partner with the town to better manage drainage from Kaulback Road where it discharges into Black Brook, a tributary to Lake Winnisquam" (source: <https://www.winnisquamwatershed.org/watershed-management>), future grant funding to address the remaining pollutant sources is not guaranteed. Many grants require "in-kind matching" as a condition of acceptance; having proof of funds readily available to match grant funding displays an ability to meet in-kind matching requirements. The Sanbornton Master Plan and Master Plan Update Survey indicate a strong desire of Sanbornton residents to preserve the rural nature and natural and environmental resources within town.

#### **Article 6 – Self-Contained Breathing Apparatus Capital Reserve Fund**

Based on NFPA (National Fire Protection Association) standards, SCBA (Self-Contained Breathing Apparatus) has an "end of life" at 15 years of operation. In 2018, the SCBA's were replaced with the use of a "Lease Purchase" agreement through Franklin Savings Bank for \$183,364 and interest costs of \$16,000 for a total project cost of \$199,364 with an annual payment of \$39,900. During the town meeting discussion in 2018, the Fire Chief recommend the creation of a Capital Reserve Fund in year 6 (2024) in anticipation of the replacement in an additional 10 years. By funding a Capital Reserve Fund at \$25,000 annually, the town will save on interest costs or a large fluctuation in the tax rate when the units must be replaced. Included within the language to create the Capital Reserve Fund is a funding mechanism to also replace the station Breathing Air Compressor system when the time comes to replace that unit (the system does not have a specific "end of life" but is currently 15 years old, and is still in good working condition). The Breathing Air Compressor is used to fill the air cylinders with safe breathable air; and, air quality is tested annually to ensure safe operations.

#### **Article 7 – Tax Impact**

The Town of Sanbornton strives for transparency and open communication to the maximum extent possible regarding matters of overall resident interest and voter concern. In recent Town Meetings, residents have expressed considerable interest in knowing the tax impact of proposed appropriations

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BEFORE casting a ballot. This article, if passed, would require that the annual budget, as well as all special warrant articles that have an estimated tax impact (as determined by the governing body), contain a notation stating the estimated tax impact of the article. The “estimated” tax impact noted on a warrant article is based only on the amount of the appropriation in the article and the total 2023 property valuation (\$11,378,477 as April 1st) for the town. While the actual tax rate is set in the fall, and takes into account things like offsetting revenue and use of fund balance; the estimated tax impact shows what the rate would be assuming there is no revenue to offsets.

Potential articles that have an estimated tax impact for the FY25 are:

Article 1 – Operating Budget	Estimated Tax Impact: \$4.97
Article 3 – Capital Reserve	Estimated Tax Impact: \$1.40
Article 4 – Expendable Trust	Estimated Tax Impact: \$0.17
Article 6 – SCBA	Estimated Tax Impact: \$0.20