

**Town of Sanbornton
Guide to Warrant Articles
Town Meeting 2020**

Article 1 - Operating Budget – Town

The operating budget was reviewed in detail by both the Board of Selectmen and the Budget Committee. Overall, it represents a 2.7% increase over the operating budget for Fiscal Year 2020.

Article 2 - Modifications to the Life-Safety Building

As noted during the 2019 Town Meeting, the Life-Safety Building lacks adequate facilities to allow personnel to take showers following call responses, creating a health risk for employees and citizens they interact with. Additionally, there is inadequate security at the front door to properly control and monitor access to the building. Finally, the water supply to the building is not fit for drinking or showering, and it leaves harmful residue on the apparatus and turnout gear after they are washed. This Article proposes to add shower facilities, address the water quality with a filtration system, and add a secure entrance.

The modifications proposed are lasting and would not be impacted by any future decisions about Town building space. These changes would be a permanent part of any future lay out of the Life-Safety Building.

The Article requests approval to use funds from the Unassigned Fund Balance (UFB) to pay for the work. The UFB contains any appropriated funds that weren't expended by the end of a given fiscal year, plus any revenue above and beyond what was required to fund the approved budget. It is essentially money that was already collected through taxes or fees, and not needed to be spent in a particular year.

By law, the UFB can only be used to offset the tax rate (at the discretion of the Board of Selectmen) or for purposes approved by the Legislative Body. The State Department of Revenue Administration (DRA) recommends municipalities maintain a UFB that is between 5% and 16% of the total budget (including Municipal, School District, and County obligations) as a contingency. The Board of Selectmen adopted a policy to maintain a 10% UFB.

In 2019, the BOS voted to use \$123,000 from the UFB to offset the tax rate for 2020 and reduce it by ten cents per thousand dollars of assessed value. That left the UFB at \$1,466,566 or 12.73%. Approving the use of the UFB to fund these renovations would bring the UFB to 11.2% retained, which is still above the 10% threshold set by the BOS. The UFB would further be replenished in July by any remaining surplus from the FY20 budget, and any revenues above what was expected when the tax rate was set. Funding the work with the UFB will allow the necessary upgrades to be done without having any impact on the tax rate – while still maintaining a healthy UFB.

Article 3 – Capital Outlay

The proposed Capital Outlays for Line 4902 (Machinery, Vehicles, & Equip) reflect the Town's actual obligations under lease/purchase agreements previously approved at Town Meeting.

The funds proposed for Line 4909 (Town Roads) will be used to fund projects planned by the Highway Director as part of the ongoing maintenance program. Future projects will be informed by the results of the engineering study completed by Holden Engineering in 2019.

Article 4 - Police Cruiser

This Article provides approval to purchase a new cruiser, if required, in FY21. In keeping with best practices in law enforcement, cruisers are typically retired at around 100,000 miles of use. This is done to ensure the reliability and the safety of the vehicles for law enforcement work, as well as to obtain the maximum trade-in or auction value when the vehicle is decommissioned. It is expected that one cruiser will require replacement in FY21.

Article 5 - Trust Fund – Employee Severance Benefits

When employees leave the Town, they are entitled to a pay out for the accrued vacation time and sick time that they have earned but not used. This creates a liability to the Town which can be a significant unanticipated expense within the budget year. In order to reduce the impact of these payments, the Expendable Trust Fund was proposed to hold money specifically to cover these obligations. The Town liability, as of July 1, 2019, was \$167,353. The initial amount to be funded is \$30,000, with a goal of meeting the total liability in 5 years. After that, future funding would be adjusted as part of the budget process based on the calculated liability for the employees under contract. Those amounts should be minor adjustments to the CRF. The Article authorizes the Selectmen to act as the expending agent to approve payments from the fund when required upon an employee's end of service.

Article 6 – Transfer to Capital Reserve Funds

These items were proposed as part of the Town's Capital Improvement planning process. In the case of capital equipment (like the Fire Truck), the amount is based on a detailed asset replacement plan. This year's request includes an additional \$25,000 in Facilities Repair & Refurbishment for re-roofing of the Library, and \$35,000 to begin planning for the future replacement of the Town's heavy loader.

Article 7 - Amend Solar Energy Property Tax Exemption

When the Town adopted the provisions of RSA 72:62 in 1993, it included improper language which was not in accordance with the law. The current Town exemption policy provides homeowners with a 100% reduction in the assessed value of their property based on the purchase price of the qualifying solar system – regardless of age, condition, or actual assessed value. The State has told the Town that it must comply with the statute requirement, which is an exemption based on the assessed value. This Article proposes an amendment to the Town's exemption policy that will give owners a 100% exemption for the assessed value. In other words, if the solar system is assessed and determined to add \$15,000 to the value of the property, the homeowners will receive a \$15,000 abatement in the total assessed value of the property. Changing the exemption policy to be based on assessed value rather than purchase price is required under law (and the State will begin enforcing it, regardless of the Town's written policy). By choosing to abate 100% of the assessed value, the Town continues to try to incentivize homeowners to install and use residential solar systems by eliminating any "penalty" that placing a limit on the maximum amount of the deduction could create.

The Town acquired Map 3, Lot 25 in 2009 from a tax deed and it was designated as conservation land. The Conservation Commission sees no real conservation value in the land, and recommends selling it.

