

Budget Committee Minutes

January 18,2020

Budget Committee in attendance: Axl Prophett, Mary Fidler, Gary Finerty, Ray Donald, Rick Russman, Sean Murray, Annemarie Roth and Kim Donahue

Financial officer Cindy Kennerson was also in attendance

Selectmen in attendance: Kevin St James, Richard Wilson, Phil Coombs and Don Briggs

Axl called the meeting to order at 9:07 AM

Axl made a motion to correct Human Services Annemarie made second. Motion passed 8 to 0

Kristy Lacroix from DAD spoke on her request for \$3,500.00 and explained what the money was used for.

Mary made a motion to add \$3,500.00 to Social Services Budget second by Gary
Motion carried 7 yes 1 abstain Selectmen 4 to 0

Axl made a motion to take Warrants out of Order, Sean made second
Passed 8 to 0 Selectmen 4 to 0

Mark Furlong presented warrant for Fire Dept to raise and appropriate \$5,825,628.00 for the purpose of building a new fire station. There was discussion about

Tax impact of articles 5, 7, 8 and 9. There was a power point presentation done by the Fire Dept showing the plans for the new Fire Station. It can be expanded if needed. It is being built to last at least 50 years.

Ray made motion to accept article 5 Sean second, motion carried 8 to 0 selectmen 4 to 0.

Grant Pellerin stated due diligence was done these articles and thanked us for our support,

Axl made motion to discuss article 7 Sean Grant Pellerin spoke on articles 7, 8 and 9
Motion Carried 8 to 0 Selectmen 4 to 0

Mark Furlong said the Committee worked hard to get the best way to fulfill the Community's needs.

Sean made motion to accept article 8 Annmarie second
Motion carried 8 to 0 Selectmen 4 to

Axl made motion to consider article 9 Gary second

Matthew Steer asked if interest will be garnered and if the interest accrued will be added to the principal or used.

Mary Cyr spoke on the interest as well.

Ellie Alessio the interest annually has been used to reduce taxation.

Motion carried 8 to 0 Selectmen 4 to 0

Axl made motion to discuss article 9 Sean second

Grant spoke in favor of article 9
Axl made motion to accept article Sean second
Motion carried 7 to 0 Selectmen 3 to 1

Axl made motion to discuss article 10 Sean second
Rick made motion to accept article 10
Motion carried 8 to 0 Selectmen 4 to 0

Axl made motion to discuss article 10 Sean second
Rich St Hilaire spoke in favor of article 11
Rick made motion to accept article 11
Motion carried 8 to 0 Selectmen 4 to 0

Axl made motion to discuss article 12 Kim second
Rich spoke in favor of this article
Rick made motion to accept Sean second
Motion carried 8 to 0 Selectmen 4 to 0

Axl made motion to discuss article 13 Rick second
Rich St Hilaire said we need to confirm voters want to maintain Historical buildings.
Mary Cyr wanted to know if Nichols is included in RSA 79,
Phil Coombs stated it is included but felt the voters had a right to know the cost if we decide to keep up buildings.
Ellie Alessio said 79 has no bearing if we decide to keep up buildings.
Axl wanted to know if it is cost effective.
Kevin explained why we need to take care of these buildings.
Rick is in support of this article as it part of Kingston being Kingston celebrating the town,
Rich St Hilaire said he suggests this be done now. Rich suggests this be done now. It has been 50 years since it was repointed. The money will come from an existing fund.
Ernie Landry said it establishes our town as Historical and work is needed to keep it up.
Rick made a motion to accept article 13 Sean second
Article carried 8 to 0 Selectmen 4 to 0

Rick made a motion to discuss articles 14 to 28 Sean second

BUDGET COMMITTEE MEETING MINUTES – DRAFT

January 18, 2020 at Town Hall. Meeting called to order at 9:06am, Meeting Adjourned 2:01pm

- **Budget Committee in attendance:** Axl Prophett (Chair), Mary Fidler (co-chair), Sean Murray, Gary Finerty, Ray Donald, Rick Russman, Annemarie Roth and Kim Donahue (8 out of 10 voting members)
- **Selectmen in Attendance:** Kevin St. James, Phillip Coombs, Richard Wilson, Donald Briggs (4 out of 5 voting members)
- Cindy Kenerson in attendance as the Town's Director of Director of Finance

MINUTES: Minutes dated January 11, 2020 discussed. On page 11 there was an error noted. Social Services is listed \$25,908 which should have been \$26,908.

- **Motion:** Motion by Axl to accept minutes with the noted correction on page 11 to reflect the \$26,908 to the social services budget. Mary seconded the motion. All budget committee members in favor.
- ❖ Please note: Mary Fidler took minutes for Warrant Articles 5, 7, 8, 9, 10, 11, 12, 13 and for discussions around Drugs Are Dangerous (DAD).

Article 9: Create 2020 Town of Kingston Infrastructure Fund

Note: Kim's notes on vote and motion as Mary had stepped out

- **MOTION:** By Axl to recommend Article 9. Sean second.
- **VOTE:** Split vote. Budget Committee 7 yes, 0 no (one budget committee (Mary) member not present at vote). Selectman 3 yes, 1 no.
- ❖ Please note: Kim Donahue took minutes for the following Warrant Articles in order listed: 19, 20, 14, 15, 16, 17, 18, 25, 26

MOTION: Axl to offer motion to postpone discussion of Article 6 until all other money articles are discussed. Ray second. All in favor

MOTION: Axl Prophett motion to discuss articles 19 and 20 out of order. Sean voted to second. All were in favor.

Article 19 – COMMUNITY REVITALIZATION TAX RELIEF

- Axl Prophett read article aloud and then opened to public comment.
- Ms Electra Alessio NH RSA 79E to give tax relief short term for 5 years to revitalize a historic building. There are three questions that would be used to determine if a building would qualify. The questions are as follows:
 1. Is it a qualifying structure? Is it in the designated district?
 2. Is substantial rehabilitation? (at least \$75k or 15% of the current value of the property)
 3. Is it a public benefit? Benefits to the community.
 - She stated there is a reputable developer interested in the seminary property, Mr. Chinburg (sp?), who has proven work in the historic district. He has offered to buy seminary property for \$200,000. Building is currently in disrepair and there is liability involved right now. School has spent over a \$1,000,000 in maintaining property in past 5 years. If 79e is passed, she felt that we now have options.
 - She has asked the town to vote to adopt this RSA and states it will not cost tax payers money. Building has never been taxed as it was owned by the town. In future, if sold, it would be taxed and would benefit the town.
- Rick Russman (BC) made comment that he supported this prior year.
- Axl Prophett (BC Chair) inquired about legal concerns prior year? Selectman St. James felt that some education has taken place since then and now understands this RSA would be commercially focused.
- As this isn't a money article – should the budget committee be involved in a vote? As there is a dollar amount related to the discount, Selectmen felt that it would be appropriate for Budget Committee to vote.
- Sean Murray (BC). Asked if seminary gets sold and there is a cost to maintain – will we be able to reduce the budget accordingly? Selectman responded that in future budgets that would be the expectation once/if a sale were to occur.
- Selectman Wilson states that this is an economic development opportunity for the town.

Article 15: EQUIPMENT PURCHASE

- \$29,106 for acoustical panels for the Town Hall Meeting Room.
- Selectman St. James addressed this article. The Meeting Hall makes it difficult to hear comments due to the reverb rate of 7 seconds. Chief Briggs worked with acoustical person who said we can move it to 1 second for the \$29k. It was \$40k+ to get to ½ a second.
- Axl Prophett stated that he wondered if it is worth the investment due to lack of involvement from the residents in town. He asked if having this investment will encourage participation?
- Briggs stated by getting as close to curtain as possible helped but has not solved the issue. If approved, the Selectman will seek additional estimates.
- Public comment:
 - Ms. Electra Alessio.. She stated very challenging for those in the room to clearly heard what is discussed. She asked for us to support.
 - Ray (BC) also stated that he supports this as he struggles to hear as well.
 - Mark Furlong stated that he attends a lot of meetings in room and acoustics are horrible. He has to go home and rewatch meeting he has attended. Acoustic panels in library have proved beneficial.
 - Rick Rasmussen (BC) stated he felt that \$29k was a lot of money for this and we hope that the cost could be lower.
- **MOTION:** by Axl Prophett to support article. Seconded by Gary.
- **VOTE:** All in favor on budget committee with vote of 8/0 BC and 4/0 Selectmen vote. All in favor.

MOTION: Axl motioned to discuss Article 16. Shawn second, All in favor

ARTICLE 16: DISCONTINUE CAPITAL RESERVE FUND (FOR 325TH ANNIVERSARY)

- Public Comment: Karen Coombs. Where do requests come in from outside the fund for Kingston Days?
 - St James explained that the Kingston Days has its own fund separate from this anniversary fund.
- **MOTION:** by Rick to recommend article. Seconded by Shawn.
- **VOTE:** All in favor on budget committee with vote of 8/0 BC and 4/0 Selectmen vote. All in favor.

MOTION: Axl motioned to discuss Article 17. Sean second, All in favor

ARTICLE 17: DISCONTINUE CAPITAL RESERVE FUND (FOR ANNUAL CELEBRATION)

- Selectman St. James explained there are 3 funds: annual celebration, kingston days and 325th anniversary fund. The intent is Kingston Day fund will remain and a new 350th will be created with balance from the 325th.
- **MOTION:** By Axl to recommend article to discontinue. Mary second motion.
- **VOTE:** All in favor. Budget committee 7 yes and 0 no (one budget committee member out of room during vote) , Selectmen with 4 yes and 0 no.

MOTION: Axl motioned to discuss Article 18. Sean second, All in favor

Article 18: ESTABLISH CAPITAL RESERVE (350th ANNIVERSARY)

- Mary (BC) had question around 3 funds. Selectman St. James explained we are closing 2 and establishing a new 1 for the future 350th celebration . Article 16 funds move to article 18. No tax impact.
- **MOTION:** By Axl to recommend article to discontinue. Ray second, all in favor.
- **VOTE:** All in favor. Budget committee 8 yes and 0 no, Selectmen all in favor with 4 yes and 0 no.

MOTION: Axl motioned to discuss Article 25. Kim second, All in favor

Article 25: APPROPRIATION TO CRF (LAND ACQUISITION FUND)

- \$10k for land acquisition fund. Intent to reserve rural character,
- Public comment:

- Ernie Landry. This warranty article has been on ballet for last 22 years. Intent to have balance with development and open space. 21% preserved right now. Intent to have a fund in the event and expenditure comes up and money is available to spend. Goal is 25% preservation and funds are needed to purchase that open land to move from 21% to 25%. Working with state and other entities to conserve as much land as possible at minimal expense. Once we reach 25% we will not continue. Currently have \$459k. Can only spend funds to purchase by vote.
- Rick R (BC) added his comments and stated that this fund has saved the town money. Tax payers vote on purchase of piece of land. Look for larger parcels that could be used for housing developments to purchase rather than single lots.
- Gary (BC) asked if sale pending – Rick stated there was not. Rick explained balance approach and that they stay away from land on 125 and single lots. Goal is to have Kingston maintain rural character. Land is expensive and they do look for federal assistance when buying easements.
- **MOTION:** By Axl to recommend article 25. Ray second, all in favor.
- **VOTE:** Split vote in budget committee with 5 yes and 3 no, Selectmen all in favor with 4 yes and 0 no.

MOTION: Axl motioned to discuss Article 26. Mary second, All in favor

Article 26: APPROPRIATION TO HERITAGE FUND

- Public Comment:
 - Ernie Landry. \$18k in fund now and spent \$4k recently for survey at recreation center. They determined that site had been a Native American site previously. Archeologist came in and looked at site and said no significant artifacts found. We need grants from organizations to help support activities and they will want to know they have done due diligence. Some of the reserve fund and the \$18k has come from donations and it isn't all tax payer funded. Part of the money would be used for grants, historical surveys, to list buildings on national and state register. He stated they tried to leverage money through grants and did save town \$10k on recent project. States important fund to have when applying for matching grants. He stated that the Recreation building is not a historic building. Capital reserve fund designed to have money there when the cost occurs.
 - Gary (BC) stated that he felt that it was a little heavy as they can go to the selectman now for vote.
 - Axl (BC) made distinction that the funds are already raised and not new taxation. Also stated that 6% increase to budget and he is opposed to the timing of some of the asks for this. Axl asked if any pending grants right now – stated no.
 - Ernie Landry explained how grants work – normally 60/40 or 50/50 grant. Town needs to fund the portion of the grant in order to be eligible. Grandstand was funded by selectman not this fund.
 - Eileen Clifford from Heritage Commission. Stated that the money can't be spent unless approved by selectman. Heritage commission does more than just historic buildings. There are cultural items not mentioned.
- Sean (BC) mentioned line item in budget for matching grants. 4590-04 Matching Grants.
- Selectman St. James states he supports Heritage Committee. He states that he won't support this year due to increase in budget and increases.
- **MOTION:** By Axl to recommend article Ray second, all in favor.
- **VOTE:** Not in favor of article. Budget committee 1 yes and 7 no, Selectmen vote with 1 yes and 3 no.

❖ **Please Note:** Mary Fidler minutes below in regards to Warrant Articles 27, 28 and 6.

❖ **Please Note:** Kim Donahue minutes below in regards to Revenue Budget and Warranty Article 6.

Revenue Budget:

- Kim Donahue (BC) asked for a copy of the actuals through 12/31/19 as a basis to evaluate the 2020 Revenue. Cindy Kenerson, Finance Director, was able to provide copies of this information for review by the committee.
- Kim Donahue (BC) asked for additional information for items on page 10 of DRAFT document:
 - 3409 – “Other Charges”. Kim (BC) asked why there was \$130,000 listed in projected revenue for 2020 when there was \$0 earned in 2019? Determined that this belonged in 3509 and needed to be corrected. She will fix this. Cindy explained bulk of revenue was due to franchise fees from Comcast.

- 3401-3406 – “Income from Departments”. This line had revenue of \$200,000 listed for 2020 when actual from 2019 were \$225,385. Asked to understand why we anticipate a \$25,000 drop in revenue. During review, Cindy determined that \$30,000 was moved to a Recreation Revolving Fund (created in 2019) and income and expenses will go through this revolving fund instead. Actually this line should have been listed as \$160,000. After further discussion, it was determined it was low and agreed that it would be moved to \$170,000.
- 2018 was provided as basis of comparison \$212,000
- Axl (BC) discussed the anticipated increase in revenue from ambulatory services which the fire chief had brought up at budget review. Cindy stated that did not account for this potential increase as they did not have an estimate to base it on. Fire Chief did add this to his budget for emergency management.
- Cindy stated revenues are revised in the fall based on actuals.
- During this discussion Selectman Coombs stated they he believed there was an incorrect statement made that revenue from the infrastructure fund was used to offset taxes. Revenues come in beyond projections, this additional revenue used for the offset.
- Axl (BC) asked for an explanation of trusts. Cindy explained interest from trust funds goes to the general fund each year. Individuals donated money’s the town and they stated earning forms trust. Plus Millstream Cemetery has another trust set up and trustees request funds for cemetery and then they reimburse the general fund.
- Kim (BC) asked about 3502 – “Interest on Investments”. Kim asked why \$0 was listed in interest on investments when \$46,302 was earned in 2019. This was determined to be an error and Cindy will correct to reflect \$40,000.
- **MOTION:** By Axl to accept the revised revenue budget of \$13,818,323. Sean seconded.
- **VOTE:** All in favor. Budget committee 8 yes and 0 no, Selectmen vote with 4 yes and 0 no

MOTION: Axl motioned to discuss Article 6 Operating budget. Kim to second. All in favor.

Article 6 – OPERATING BUDGET

- Axl (BC) read article out loud. Operating budget is \$6,152,807 is the number stated in the article.
- Ray (BC) had question around what default budget is as the warranty article stipulates there could still be adjustments on top of the \$5,927,089 if this article doesn’t pass and default budget is used. This is the 2019 budget.
- **MOTION:** Rick motion to accept the warranty article. Axl second.
- **VOTE:** All in favor. Budget committee 8 yes and 0 no, Selectmen vote with 4 yes and 0 no

MOTION: Motion to adjourn at 2:01pm by Gary Finerty, Rick Russman seconded. All in favor

NOTE: NEXT MEETING on FEBRUARY 8th at 9am at Town Hall

Axl made motion to discuss article 27 Sean second

Mary spoke of article and recommended we support this. She stated that she will get in touch with someone from One Sky to come to Deliberative session and explain why we should approve this,

Ray made motion to recommend Mary second

Ray made motion to discuss article 28 Sean second

Don Briggs knows of So Rock. He will call So Rock to Deliberate session.

Axl made motion to recommend Sean accepted

Motion carried 6 to 2 Selectmen 2 to 2

Axl made motion to discuss Revenues Kim second

It was incorrectly stated that extra revenues go towards rate reduction of taxes.

New number Revenues is \$13,818,323.

Axl made motion to accept new revenues.

Motion carried 8 to 0 Selectmen 4 to 0

Axl made motion to accept operating budget Sean second

motion carried 8 to 0 Selectmen 4 to 0

Gary made motion to adjourn Ray second

Motion carried 8 to 0 Selectmen 4 to 0

Meeting adjourned at 2:01 PM