

Bakersfield Town Select board Informational Budget Meeting
January 28, 2020, 6:00pm

Meeting was called to order at 6:00pm by Lance Lawyer.

Members present: Lance Lawyer (Chair), David Houston, Sam Cribb, Josh Goss

Members absent: Gary Denton

Residents/Guests present: Abbey Miller (Town treasurer), Mac Newitt (Road Commissioner), Rosalie Williams, Erionah Williams, Willie Maynard, Stacy Maynard, Larry and Brenda Westcom, Sharon Lawyer, Tennyson Doane, Pat Debevac, Clem Paquette, Dennis Jewett, David Spencer, Terri Gates, Jack Carpenter, Paul and Sue Stanley, Tami Brennan

Abbey Miller provided handouts containing the 2020 municipal budget proposal (this does not contain the school budget), a report of the total road equipment repair expenses for 2019, and an example of the effect of the present and proposed tax rates on residential taxes. She then presented the Road budget readjustment plan proposed for the next two to three years. She explained to residents that for so many years the Road budget has been level funded in spite of rises in cost, and that each year the town has had to borrow funds from other accounts that were approved and designated for specific road expenses. This shuffling of accounts to maintain operations, which is technically illegal, places the town in the precarious position of having deficits in specifically funded accounts, which presents a problem when they are needed. The problem stems from the timing, since the town votes to approve the town budget in March for the current year of the vote, already three months into the year. Then the actual funds are not collected until October, and has left the town struggling to make ends meet for 10 months. This schedule has dropped the town further behind each year and when unpredicted weather or events take place, such as the flooding on Oct. 31, 2019, and all funds in all accounts are needed at once, the shortfall is a bigger problem. This year the town will have to borrow from a bank, instead of being able shuffle from accounts, to operate until October. The proposed budget plan, which the Select Board and Treasurer have developed together, is to adjust our budget funding schedule so that the Town votes in March for the following year, for example...instead of the present schedule where the vote in March 2020 is for the operating road budget for 2020, at the end of the two year budget adjustment with the additional six months funding each year, the road budget approved in 2022 will be for the operating road budget for 2023. That way, throughout the year of 2023, the town operates on the budget already approved and funded for that year, not having to struggle for the 10 months of waiting for collected funds. This entails a two to three-year plan of approving a vote for additional funding for a six-month period for the next two years to shift the towns voting schedule, with an option of a possible third year of a much lower amount that is hopefully not needed at all. Abbey also noted that the Library, Fire Dept. and Dispatch budgets are all doing it right and the Road budget needs to get on that schedule as well to operate in a secure manner.

Questions asked by residents included:

Would it benefit the town to collect taxes twice a year instead of just once?

Abbey said that discussions had taken place to consider that option, but it really doesn't solve the problem of how depleted the Road budget has become, which is literally almost a complete year behind, and biannual tax collection comes with its own complications due to the fact that the town does not receive the tax information from the state until July, so the town is unable to prepare property tax bills until after that. If we get on track for the appropriate schedule, then the collection of tax funds once a year should work fine.

Another concern was the tracking of interest paid for borrowing for road budget shortfalls and Abbey explained that the town has juggled accounts as much as possible to avoid paying interest, and along with that being illegal, it is no longer possible and the town will be applying for a short term bank loan next week to operate until October, especially since repairs due to damage from the storm are less than half completed. Our application to FEMA has been filed and is now at the State level waiting approval to submit it on the federal level. FEMA only reimburses up to 75% of what they consider to be approved damage expenses, not necessary what we have shown them to be. Nothing has been approved at this point. Expectations of the time of reimbursement would not be until summer or even the fall. Mac noted that FEMA did pretty well for us when we applied for funds due to the ice storm. A resident asked if the town has a plan for all the bridge and road work that is needed and was assured that the needed work had been assessed and sent to the state. It was noted that having our own gravel pit saved the town 25,000.00, just for this one storm. The gravel pit loan expense was brought up which will be paid off in 2023. Also, concern was expressed for the possible depletion of this phase of the gravel pit. We've used 4000 yards so far for this storm. Mac thought we would be able to have enough for what's needed to not have to apply to the State for an early Act 250 license to move into the next phase. Also, the trailer on the gravel pit property was discussed and all were assured that the town and the lease holder both have insurance on the property and the present tenant of the trailer will be the last one to be permitted to occupy the premises. One resident wanted to know why the town was not informed of the increasing shortfall and need for budget rescheduling before this point so we could have caught up earlier and was informed that nobody really wants to raise taxes, but since it has gotten to the point of not being able to manage and meet the towns needs without borrowing from a bank, the time for readjusting the budget schedule to put the Town on sound financial footing for meeting road needs, providing for preventative measures by having the funds to upgrade and support roads, culverts, etc., to better withstand damaging weather, has come. One concern expressed was the high expense paid out for equipment repairs and the undeniable fact that the older the equipment got, the higher this cost would become. Abbey said that the proposed budget has new equipment fund to be able to save for upgrading material before it gets too old, keeping repair

expenses lower and equipment down time shorter. The Select board tried to get approval last year to pay off a piece of aging equipment early, which would have saved the town 29,000.00, but was denied because the town felt we could still get parts for it, but the repair costs and down time didn't save the town any money. Repairs for 2019 tallied up to 48,351.49.

One resident asked if after the two to three-year budget schedule adjustment, would we then see a decrease in taxes and was assured that is indeed the plan. This is a temporary rise to fix a problem for the long haul.

Questions were asked about adding another road employer, possible leasing equipment long term, contracting out some of the damage and upgrade road work. All these were discussed. Mac said the long-term leasing was really a purchase. The trade in and some monies count as the down payment, we pay the lease and after the final lease payment, the equipment belongs to the town. Contracting professionals with the needed equipment for flood repair and road upgrades are being researched by the Select board, but that the hiring of an additional employee wasn't really needed at this point. We have already contracted out some of the work that has been done so far because we needed the additional drivers and equipment to speed the process of repair.

Road plowing times were addressed and Mac said that he begins the three-hour loop of plowing roads at 3:30 in the morning.

One suggestion was to share expenses with other towns according to Act 46, but this option was not considered feasible for service and costs.

The question was asked about how many tax paying households we have and Abbey thought it was in the 900's.

Concern was put forth about an aging population.

One resident suggested not fully funding the health insurance for the three town employees but was told that that would not save the town much money and the benefits package that the town offers is pretty thin, so they would like to provide the insurance, bearing in mind the desire for faithful and reliable service and not having to deal with a constant turnover of employees. The resident said we should keep looking for small budget cuts.

A question arose about the paving grants and paving account. The grants only reimburse for paving already completed so the Town needs to have the money ready in order to use the grants. With the loan we will have money for paving when the paving grants are approved.

The next budget informational meeting is set for Tuesday, February 18th, at 6:00pm. All are encouraged to attend:)

Meeting adjourned at 7:24pm.

Minutes recorded by Tami Brennan.

