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APPROVED

MINUTES OF THE MILFORD BOARD OF SELECTMEN MEETING

Work Session – October 18, 2010

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PRESENT: Tim Finan, Chairman
Gary L. Daniels, Vice Chairman
Mike Putnam, Member
Katherine Bauer, Member
Nate Carmen, Member
Guy Scaife, Town Administrator
Jack Sheehy, Finance Director

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1. CALL TO ORDER. The meeting was called to order by Chairman Finan at 5:30 p.m.

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2. APPOINTMENTS

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5:00 p.m. - 2010 Tax Rate Setting. Finance Director Jack Sheehy presented to the Board his recommendations regarding the setting of the 2010 Tax Rate. Mr. Sheehy provided several spreadsheets to the Board containing revenue sources (previous year, previous projected, current YTD and current year projected), Tax Rate calculations (2010 Deliberative Session projections, current projections), and Fund Balance History. Mr. Sheehy explained to the Board that non-tax revenues for 2010 are lower than original estimates, largely due to the poor economic conditions. Total Revenue is currently projected to be \$296,810 less than what was projected during the 2010 Deliberative Session. The largest components of this under run are Motor Vehicle Registrations (down \$173,862), Income from other departments (down \$82,792), and interest on investments (down \$48,000).

After accounting for the decrease in revenue and applying a projected budget under run of \$75,000 toward the tax rate, the bottom line tax rate would be \$4.68 per thousand, which represents a 4.7% increase over the 2009 tax rate. Chairman Finan asked Mr. Sheehy if there were any options available, other than applying more money from the Fund Balance that might help decrease the tax rate. Mr. Sheehy replied that using the Fund Balance is really the only thing that can be done at this point, however, he explained that the Fund Balance is now at the very lower limit (5%) of the range recommended by the DRA and he would not recommend using any more of it at this time.

Selectman Putnam expressed his frustration with the large increase in the tax rate and believes that the Board has to take a hard look at making cuts to core services and perhaps even personnel. Town Administrator Scaife cautioned the Board about taking any drastic actions that would hurt the town in the long run. He explained that expenses have been cut to the core and any further cuts would have to affect core services provided to residents. Mr. Scaife reminded the Board that the Welfare Office is running about \$38,000 over budget and the town is legally obligated to provide that funding and that this Board agreed to come up with additional funding to keep the Milford District Court open. All of these have contributed to the current situation.

Selectman Carmen moved to set the 2010 tax rate at \$4.68 per thousand (representing an increase of 4.7%). Selectman Bauer seconded for discussion. Selectmen Bauer wanted to know what Vice Chairman Daniels's thoughts were. Vice Chairman Daniels stated that he wished the Board had sat down earlier in the summer to discuss this possibility, when there was time enough to do something about it. However, he does not support taking any more money from the Fund Balance, so he sees no option other than to support the motion on the table. All were in favor. The motion carried 5/0.

5:30 p.m. - Joint Discussion with Water & Sewer Commissioners. Water Commissioners Bob Courage and Dale White (along with Mike Putnam) were in attendance to discuss Water & Sewer Issues with the Board.

Commissioner Putnam stated that one issue the Commissioners want to discuss is the need for a new well and their belief that it should be paid for by all taxpayers and not just the water & sewer rate payers. Commissioner White stated he believes we need to get past the "tax payers vs. rate payers" argument and do what is right for the town as a whole. Chairman Finan stated that he personally has no problem with tax payers contributing toward any expansion of the water and sewer system, however he feels that if the drilling of the new well is only for the benefit of the current users, then only the current users should pay for it.

**APPROVED MINUTES OF BOARD OF SELECTMEN MEETING WORK SESSION
- 10/18/2010**

1 Commissioner Courage gave a brief history of the water and sewer system in town. He explained that back in the
2 40s and 50s the general philosophy in town was that the whole town should pay for capital improvements to the
3 water and sewer system. By the 80s and 90s, however, the philosophy had changed and the mindset in town was
4 that the water and sewer users should be paying for the system that they use. Commissioner Courage explained that
5 there was a major upgrade to the system in 1980, building the Sewer Plant and adding many miles of water and
6 sewer lines, and the bond for that project went onto the general tax rate. Commissioner Courage explained that the
7 town currently pays a "hydrant rental" fee of \$325 per hydrant, which can be considered the town's contribution
8 toward the Fire Department use of town water when fighting fires.
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10 Vice Chairman Daniels asked the commissioners why we need to drill a new well. Commissioner Courage ex-
11 plained that water usage has increased to the point that the Town needs to purchase nearly half of its water supply
12 from Pennichuck. Vice Chairman Daniels did not understand why taxpayers who are not on the water system
13 should be paying for the increased water usage of those people who are on the system. Selectman Putnam reiterated
14 that the new well will provide future expansion capabilities and will benefit the entire Town going forward.
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16 Commissioner White stressed that these two Boards should be communicating more and should get together again
17 to discuss this issue. Guy Scaife thought that the Boards should also be in discussions with the Planning Board over
18 what their long term plans are as far as development in town, and that the two Boards should also investigate what
19 the water rates are in other towns and consider possibly setting aside a portion of those rates for future capital ex-
20 penses.
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22 Both Boards agreed that they should get back together sometime next spring to continue this discussion.
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24 **3. PUBLIC COMMENTS.**

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26 **4. SELECTMEN'S REPORTS/DISCUSSIONS**

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28 **a) FROM SPECIAL BOARDS, COMMISSIONS & SPECIAL COMMITTEES**

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30 **1. Legislative Update on District Court Funding.** Town Administrator Guy Scaife stated that although
31 he had been informed that legislation had been filed regarding restoring funding for the Milford District Court, Mr.
32 Scaife has yet to see this legislation. Vice Chairman Daniels stated that he has been told by Legislative Services
33 that a bill has been filed by Representative Leishman, but he has not seen the actual bill. Selectman Putnam took
34 the action item to contact Peter Leishman and get a copy of his bill.
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36 **5. NON-PUBLIC SESSION – Non-Public Session (RSA 91-A:3, II(c)) – Land Acquisition.** Selectman Put-
37 nam moved to enter into non-public session for a discussion about land acquisition. Vice Chairman Daniels
38 seconded. All members were polled individually and consented to enter non-public session at 7:15 p.m. The
39 Board came out of non-public session at 7:35 p.m. on motion made by Vice Chairman Daniels and seconded
40 by Selectman Carmen. Chairman Finan announced that in non-public session the Board discussed a possible
41 land acquisition. No votes were taken, no decision was made.
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43 **6. ADJOURNMENT.**

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45 There being no further business to come before this Meeting, Selectman Putnam moved to adjourn at 7:36 p.m.
46 Selectman Carmen seconded. All were in favor. Motion passed 5/0. The meeting was adjourned.
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49 Tim Finan, Chairman

Mike Putnam, Member

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52 Gary Daniels, Vice Chairman

Katherine Bauer, Member

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55 Nate Carmen, Member
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