

**TOWN OF WOLFEBORO
BUDGET COMMITTEE
PUBLIC HEARING
DRAFT MINUTES
January 18, 2024**

I. Call To Order

Chairman MacDonald opened the meeting at 6:06 pm at the Great Hall, Wolfeboro Town Hall.

Members Present: John MacDonald, Chairman, Bob Tougher, Vice-Chairman, Tom Bell, Paul O'Brien, Bob Moholland, Brian Black, Bobbi Boudman, Members, Brian Deshaies, BOS Representative, Linda Murray, BOS Alternate Representative.

Members Absent: Bob Loughman, Matt Plache, Members (both excused).

Staff Present: Jim Pineo, Town Manager, Lee Ann Hendrickson, Administrative Assistant.

The Committee participated in the pledge of allegiance.

II. Public Hearing Continuation – 2024 Operating Budget and Warrant Articles

John MacDonald noted the Committee continued the public hearing from January 9, 2024.

Warrant Article 12; Parks and Recreation Tractor

Jim Pineo stated the previous Budget Committee vote to recommend the article failed 5-3-0; noting that in the past the Committee has followed failed votes with a vote to not recommend. He suggested the Committee make such a motion.

It was moved by Bob Moholland to not recommend Warrant Article 12 Parks and Recreation Tractor. Tom Bell seconded the motion. Roll call vote: Paul O'Brien – no, Bobbi Boudman – yes, Bob Tougher – no, John MacDonald – yes, Tom Bell – yes, Bob Moholland – yes, Brian Black – yes, Brian Deshaies – yes. The motion passed (6-2-0).

Petition Warrant Article 24; 911 Ambulance Municipal Operations Contract (\$500,000)

Jim Pineo stated the Town received an opinion from NH DRA regarding such and noted the BOS voted to recommend the article on January 17, 2024 by a vote of 5-0. He read Warrant Article 24 (Petition Warrant Article). He stated both legal counsel and NH DRA have no issues with the article and approved such.

Paul O'Brien confirmed that if the voters say no to the article that it only applies to that warrant article. He asked if the BOS stated that if a default budget were to occur that they (BOS) would find the money to fund the ambulance service.

Jim Pineo replied yes to Mr. O'Brien's first question.

Linda Murray stated she made a personal statement that one of the first things the BOS would need to cover would be the ambulance service because of its service to the community and that other things would have to be cut because the Town could not be without an ambulance service.

Brian Deshaies stated the ruling allows the BOS to make line item transfers; noting there is a mechanism and desire for the BOS to supply ambulance care to the citizens as they have previously received.

Bob Tougher asked if funds in the unexpended fund balance could be used or whether said funds would not be available until the completion of the audit.

Jim Pineo stated the audit would have to be completed prior to using those funds.

It was moved by Paul O'Brien to recommend Warrant Article 24 911 Ambulance Municipal Operations Contract. Bob Tougher seconded the motion.

Discussion of motion:

Tom Bell confirmed there is money in the budget to cover ambulance services if there were to be a default budget.

Jim Pineo stated that if the Town goes to a default budget there is not money necessarily in the budget rather, there will have to be moves within the Town operations to cover the expense of ambulance services.

Linda Murray stated the warrant article makes the cost of the ambulance services whole if a default budget occurs.

Brian Black stated he feels that the funding request should be in the operating budget. He expressed concern that the article may set a precedent for issues down the road when a person wants a specific project and puts it in the form of a warrant article. He stated he understands the importance of the ambulance service however, feels that the Committee is not promoting the operating budget as the Committee should. He stated he does not want the Committee to promote a default budget.

Bobbi Boudman stated the citizens always have the right to submit a petition warrant article. She stated it is the Committee's responsibility to communicate to the citizens at the Deliberative Session why the Committee believes in the budget and why the citizens should pass the budget.

Paul O'Brien stated article could be construed as an end around.

Brian Deshaies stated the voters are going to vote for what they see as a necessity and feels the voters are smart enough to see the reason the warrant article is necessary.

Linda Murray questioned the difference between the operating budget and the default budget.

Jim Pineo replied \$1,071,297.

Bob Tougher stated the petition warrant article is going on the warrant whether the Budget Committee recommends it or not and feels that it is critical to support the article.

Bobbi will abstain as she initiated the petition warrant article.

Roll call vote: Paul O'Brien – yes, Bobbi Boudman – abstain, Bob Tougher – yes, John MacDonald – yes, Tom Bell – yes, Bob Moholland – yes, Brian Black – yes, Brian Deshaies – yes. The motion passed (7-0-1).

Assessing – Revaluation Discussion

John MacDonald stated an email was forwarded to the Committee from the Assessing office that speaks to cyclical values and asked if any of the members would like to comment on such.

Paul O'Brien stated he would have appreciated receiving the email earlier in the process.

John MacDonald stated he did not receive the email until last night.

Bobbi Boudman stated the budget the Committee is presenting to the citizens includes \$200,000 to correct the Town's valuation. She stated the Committee needs to communicate to the citizens how close the budget is to the default budget once this \$200,000 and the ambulance service funds are removed.

John MacDonald asked Ms. Boudman if she would be changing her vote regarding the budget.

Bobbi Boudman stated such is not open however, she hopes at the Deliberative Session it does.

Tom Bell stated it is his understanding that the email states it is within the Town's rights to postpone the assessment one year. He stated per the email the Town is getting close to all of the metrics that dictate that the Town should do the revaluation however, the Town can put it off one year.

The Committee discussed the contents of the email, see attached, and how the deferment of the revaluation would impact next year's budget.

Bobbi Boudman questioned the previous vote by the Committee to remove the \$200,000 from the operating budget; noting per the vote the funds were retained in the budget.

Paul O'Brien confirmed that because the Committee previously voted on such that now a motion by a member who previously voted in the affirmative would have to make a motion to reopen the entire budget for discussion.

Bobbi Boudman replied yes.

John MacDonald stated the Committee voted on the budget and the vote will stand as is unless someone who previously voted in the affirmative to remove the funds from the budget wants to change it.

Bob Tougher read the first paragraph and other excerpts from the Town Assessor's memo; noting the Town is at 57.9% which is below the minimum rate and the revaluation needs to be done whether it is this year or not. He stated the rule of the Budget Committee chair for many years has been to not initiate motions at the Budget Committee's public hearing unless brought to the Committee by a member of the public. He stated there is no public present therefore, by the rule of the chair the Committee cannot initiate any motions.

John MacDonald stated if someone would like to make a change to the budget at the Deliberative Session the Budget Committee would consider that change.

Bob Tougher stated the Committee would meet following the Deliberative Session to vote on any changes that occurred during the Session. He stated that if the \$200,000 is removed from the budget at the Deliberative Session that he would not recommend the operating budget.

John MacDonald recommended support for the budget. He questioned when the revaluation would impact the tax rate.

Jim Pineo stated if the contractor can complete the work, it would impact the tax rate setting in the fall of 2024.

The Committee discussed the impact fee funds that are provided to the school district and the credit received associated with such (the credit is used to buy down the Wolfeboro portion of the school tax rate).

John MacDonald asked for public comment (one person present).

No member of the public provided comment.

Pop Whalen Ice & Arts Center Locker Room Leases Warrant Article

Bobbi Boudman questioned why such is not going before the Budget Committee. She stated the article provides a lease for forty years and does not allow the Town to rent out the locker rooms for the eight months that hockey does not use the rooms.

Jim Pineo stated the article speaks to a lease of real property; noting such falls under the purview of the BOS. He stated it is not an expenditure therefore it does not fall under the purview of the Budget Committee.

Bobbi Boudman questioned whether such is considered a donation by the Town during the months the lockers rooms are not utilized.

Jim Pineo stated such is part of the original agreement of the breakdown of the \$2.7 million from the Friends of Pop Whalen based on the square footage calculations.

Bobbi Boudman stated the lease is with 3 different entities and not just the Friends of Pop Whalen.

Jim Pineo stated the two other entities are making their buy-in to the Friends of Pop Whalen which helps the Friends of Pop Whalen fulfill their commitment to the Town.

John MacDonald ended the discussion noting the best forum for the discussion of such is the BOS and redirected Ms. Boudman to the BOS to further discuss the matter.

Bobbi Boudman stated the warrant article has a fiscal impact on the Town and ice rink.

III. Other Business

Deliberative Session scheduled for February 6, 2024 at the Great Hall, Wolfeboro Town Hall at 7 pm. Snow date for such is scheduled for February 8. All information is available online and at the Town offices.

IV. Public Comment

None.

V. Adjournment

It was moved by Bob Tougher to adjourn the January 18, 2024 Wolfeboro Budget Committee meeting. Tom Bell seconded the motion. Roll call vote: Paul O'Brien – no, Bobbi Boudman – no, Bob Tougher – yes, John MacDonald – yes, Tom Bell – yes, Bob Moholland – yes, Brian Black – yes, Brian Deshaies – yes. The motion passed (6-2-0).

There being no further business before the Committee, the meeting adjourned at 7:54 PM.

Respectfully submitted,
Lee Ann Hendrickson
Lee Ann Hendrickson

Town of Wolfeboro
Wolfeboro Budget Committee Chairman John MacDonald
Office of the Assessor
assessor@wolfeboronh.us
Office phone 603-569-8152

*Dear Chairman MacDonald & Members of the Committee,
Thank you for allowing me to elaborate on why I believe performing cyclical data collection & more importantly conducting a town-wide re-assessment in 2024.*

The goal of the town and its assessors is to ensure the tax burden is distributed fairly among the taxpayers in Wolfeboro.

As you may know the NH Department of Revenue Administration conducts an annual ratio study comparing the assessed value to the selling price of the properties that sold during the year, primarily to determine the apportionment of shared budgets. Additionally, they provide statistics that show the performance of the towns' assessments.

The 2023 equalization sale sample period was from October 1, 2022, through September 30, 2023. During that period there were 154 qualified sales used. The result is a weighted mean ratio of 53.6%. This is the statistic used for apportionment. The median ratio was 57.9%. This statistic is used to assess current use, telecommunication properties, utility properties and for abatement. The NH ASB standard is an assessment to sale ratio of between 90% and 110% assessment to sale ratio.

The statistics that are used to measure assessment equity (fairness) are the coefficient of dispersion (COD) which was 19.5%. This means you can expect the assessments for the sale sample to be between 38.4% and 77.4% of their selling price. As you can see the range is a wide range therefore indicates a lack of equity. Albeit, the NH Assessing Standards Board has determined that the COD should be under 20% which it currently is just by .5%, which is negligible.

The other statistical measure of assessment performance is the price related differential (PRD) which shows where the assessment bias is. In 2023 the PRD is 1.12 which is well outside the ASB's indicated range of .98-1.03. What this means is there is a significant bias towards the higher valued properties (they are assessed at a lower percentage of selling price).

The Town of Wolfeboro is mandated by the state constitution and RSA 75:8-a to "value a new" at least every five years. Since the last town-wide assessment update was completed in 2020, it must be done again in 2025 (there is no choice).

The NH Assessing Standards Board has adopted standards that mirror the International Association of Assessing Officers (IAAO) standards. According to the IAAO, having good data helps ensure the assessments are more accurate since the system is data driven. The adage "junk in junk out" is analogous to "bad data bad assessments".

The IAAO Standard on Mass Appraisal to maintain the assessing data states there should be periodic follow-up inspections done every four to six years. Since we in New Hampshire are typically on a 5-year assessment cycle the town of Wolfeboro has adopted a data maintenance plan (cyclical review) to re-inspect all

properties within that five-year cycle to ensure all taxpayers are treated fairly. This will also spread out the cost over multiple years, rather than completing a full town-wide measure and list project in the same year as the value update which was common two decades ago.

The NH ASB has not made the periodic data inspections mandatory. However, the NH Department of Revenue Administration does complete a random data quality check as part of their Assessment review that also happens every five years. Additionally, the NH Board of Tax and Land Appeals (BTLA) has been known to order re-assessments based on lack of accurate data. If this were to happen the cost of the revaluation project would increase exponentially.

In closing, if you chose not to update the town's assessments in 2024, I urge you to consider appropriating funds to complete the data verification process (cyclical) in anticipation of the town-wide value update in 2025.

Sincerely,

Todd B. Haywood, RES, CNHA

Cc town manager