



Budget Committee

Meeting Minutes

Monday, February 8, 2021

Approved

Jason Hood, Chairman (2021)	Present	Marcia Murphy, Vice Chair (2023)	Present
David Kelly (2021)	Present	Bill MacDuffie, Sr. (2022)	Present
David Merwin (2022)	Present	Sandy Miller (2022)	Absent
Salvatore Morgani (2021)	Present	Velvet Sweeny (2023)	Present
Marcus Zuech (2021)	Present	Brett Walker, Selectman Ex-Officio	Present
April Rollins, Town Administrator (Zoom)	Present	Kimberley Edelman, Minutes	Present

Selectmen Present: Chair John Herbert, Jim Hoyt, Brett Walker

Several members of the public were present in the room and remotely via Zoom including Kelly Cote, Rose & Yvan Cote, Gayle Landry, Harvey Peter, Bill MacDuffie Jr, Sharon MacDuffie, Peter Mason, Dave & Dora Rapalyea, David Shaw, Gene Shaw, Dot Swenson, and Leann Wesoja

Chairman Jason Hood opened the JOINT MEETING of the Budget Committee and Selectboard at 6:30 pm.

1) Review Prior Meeting Minutes

The meeting minutes of January 11, 2021 were reviewed. David Kelly made a **motion** to accept the minutes as presented. David Merwin **seconded**. The **motion passed** with all in favor.

2) Franklin VNA

Due to the tie at the previous meeting, Chair Hood asked the committee to review the request for \$2000 to be added to the budget as a donation to Franklin VNA. He noted a lengthy discussion took place at the prior meeting. Bill MacDuffie made a **motion** to add \$2000 to the budget for Franklin VNA. Brett Walker **seconded**. The **motion passed** with 6 in favor, 2 opposed.

3) Town Meeting - Budget Adjustments

Chair Hood noted that the Selectboard had decided to hold the 2021 Town Meeting in public. At the prior meeting, a remote Town Meeting was being considered and the budget was adjusted accordingly.

Brett Walker made a **motion** to lower the Town Clerk Postage line back to \$1000. Selectboard Chairman John Herbert **seconded**. The **motion passed** with all three Selectmen in favor.

4) New Warrant Articles

a) \$156,000 Fiber Option Installation

Selectman Jim Hoyt spoke about the Warrant Article 2 for \$156,000 to have fiber optics installed for North Road, Flaghole Road, Humphrey Road and Montgomery Road. This would take care of the remaining residents in town who did not have fiber. TDS had said they would be contributing some funds towards the project, but hadn't said how much. Senator Harold French also said he would be looking into some sort of compensation. By Town Meeting, it was hoped the amount would be reduced. To get the Warrant Article in, the full amount must be shown.

Selectman Hoyt noted that the financing for the project would be done via a note over the course of 10 to 15 years depending on what the rates were. Chairman Herbert added that because a loan was involved, the Warrant Article had to be the first considered at Town Meeting.

Selectman Walker added that the total project price was provided by TDS. Pursuit of grant money would also be done.

Marcia Murphy asked if the town had a letter from TDS with the \$156,000 quote. Selectman Hoyt said he would be getting that. Ms. Murphy also doubted TDS would have much incentive to help cover costs once the town agreed to pay \$156,000. She recalled when Comcast had visited Salisbury and the cost talked about then was much higher.

Ms. Murphy wondered what the cost to the homeowner would be to have fiber run from the street to the house. Selectman Walker noted that the \$156,000 was to get fiber run on the street. Whatever the normal installation costs would apply. Selectman Hoyt said it would be the same as if you had just purchased the house and requested fibre to be installed.

A member of the public asked how many houses were impacted. Selectman Hoyt replied that it was 35 homes. Another asked how many of those homeowners had approached the town looking for a solution. Chairman Herbert believed it to be about 25 homeowners at the recent Selectboard meeting.

A member of the public asked if the whole town would have to pay for the installation. Chairman Herbert noted that there were many situations where the whole town would pay for something that benefited one section of town. Paving was an example as were schools. Another member of the public stated that while roads and schools were required, he did not feel paying for everyone to have Internet was a requirement.

Marcia Murphy asked if TDS would pursue CARES Act money and if they would have time to apply. Selectman Walker confirmed that Scott Brooks said at the recent meeting that TDS would be pursuing grant money.

Ms. Murphy noted that TDS had promised her DSL when they requested an easement on her property. They got the DSL, but no one else on the road did. She recommended that any contract between the Town and TDS be very specific.

A member of the public asked if it was known how many residents would sign up for TDS broadband if the fiber was installed. Selectman Walker replied, "No." Another resident pointed out that he had a petition that already had 27 signatures from North Road alone. Selectman Hoyt added that several families in that area had children and were being forced to work from home and school from home without broadband. He hoped that by Town Meeting on May 1st the costs would be down to more reasonable numbers.

A member of the public asked if there was any internet on North Road. The answer was no, with exception to satellite.

Selectman Walker understood that there were many opinions in town about the broadband. He felt the best option was to have a vote on it at Town Meeting. He noted the hurdle was high as a 3/5ths majority vote was needed for the article to pass.

It was noted that Flagpole Road residents had access to cable.

Marcia Murphy asked what the tax impact would be. Selectman Walker noted that \$10,000 per year for 15 years would be about 7 cents per \$1000.

Selectman Walker noted that Montgomery Road was also in need of fiber. The other side of the plain had fiber that was brought in from that side.

Gayle Landry commented that the town needs to be fair to the citizens and friends of North Road. She added that she did not recall TDS representative Scott Brooks committing to the project nor covering 25% of the cost. She did recall that he was going to go back to his superiors about the project. She also recalled that he said TDS does not apply for grants. She also noted that Mr. Brooks said that they were 30 weeks out for installations. She felt there were a lot of unanswered questions. For example, what would it cost to have fiber to be brought from the road to each house? She hoped there would be good intro pricing as was offered to residents when fiber was originally brought to the town.

Selectman Walker agreed that there was no doubt that the town pushed Mr. Brooks for pricing. If the Warrant Article passes, it could the beginning of next year before residents get broadband. If the Warrant Article does not pass, then everything gets pushed to 2023. It had already been kicked down the road for a long time. This was the first time there was a number.

Gayle Landry thinks people on North Road believe they will be getting broadband right away. The town needs to be open and transparent about the whole thing.

A resident of North Road shared that he pays over \$130 for internet alone and it was not reliable. The kids have to go to the shop with him. He looked up the cost of TDS fiber online, \$59.99 per month. He felt that was amazing. He is concerned that if it doesn't get approved at Town Meeting, it will keep getting pushed off. He felt the town missed an opportunity when fiber was originally installed in town. He was told by one of the Selectman that he would do everything he could to get fiber to North Road. But when TDS said no to North Road, the Selectmen still signed the contract. There were many families trying to get their kids through school. He didn't know how they were managing to do it.

Marcia Murphy noted that the area being discussed was not part of the TDS territory. Consolidated Communications had come attended a Selectmen's meeting. They stated that they were not willing to give up the territory and they would not run fiber there. Only recently, Consolidated Communications said they would allow TDS into the territory.

The North Road resident commented that one of the other residents in the area got a quote from Consolidated Communications to get fiber for North Road for \$100,000. But instead, TDS got put into the mix.

Marcia Murphy said a resident who attended a Selectmen's meeting said they paid \$10,000 to Comcast to get it to their house. A resident replied that that was because the homeowner wanted the wire buried.

The North Road resident was appreciative of the work the Selectmen had done and was happy to see that there was a chance to get fiber.

Marcia Murphy believed that the territory still belonged to Consolidated Communications and that TDS was only being given access.

Selectman Walker agreed that at this point in time, it was not known if there would be Federal funds to help with the costs. It was not known if and how much TDS would kick in. What was known was that by not voting on this in May, the problem would continue.

Sharon MacDuffie believed that it was right to have the town vote on it.

Selectman Hoyt added that Senator Harold French was going to pursue funding. What he needs is a commitment from the town. Towns that already got Federal funds, they were already in progress. They had been trying to get internet lines for 3 to 5 years. For CARES Act funds, everything had to be done by December 15; the project had to have started much earlier.

Selectman Walker said that while not everyone may have heard it, Scott Brooks did say that TDS would be the ones to apply for the CARES Act funding. TDS did not apply for the first CARES Act due to the timing. Mr. Brooks did not rule out CARES Act II money and future sources of funds.

Selectman Walker noted that the worse case scenario in terms of cost to the town was \$156,000. There would be no additional costs. If the Warrant Article passes, the Selectmen would be the Town's point of contact for the project.

Selectman Walker noted that a petition from the citizens would be used by Scott Brooks to provide evidence to the folks at TDS Headquarters in Madison, Wisconsin that there were customers waiting to sign up. A contract with TDS would not be ready to sign until after Town Meeting.

A member of the public expressed concern that a limited number of people may show up at Town Meeting and vote down the Warrant Article, negatively impacting the families who need internet. He felt it was scary. Selectman Walker recommended that citizens need to talk to each other about the problem and the need.

A resident shared that he looked at the National Real Estate Association website and learned that a house without high speed internet dropped in value by 7%. Add up all the values of property on North Road, then deduct 7%. The rest of the town would have to pick up the difference. Marcia Murphy felt that homes without internet were supposed to get lower assessments.

Chairman Jason Hood asked for a motion to recommend the \$156,000 Warrant Article for the installation of fiber. David Kelly made the **motion**. Salvatore Morgani **seconded**. A hand count was taken. The **motion passed** with all but one in favor.

b) Establish Salisbury Capital Reserve Fund

Chairman Jason Hood noted that Warrant Article #16 was added stating that providing that the current Land Acquisition Capital Reserve Fund was discontinued, WA #16 was a good faith measure to add a new Capital Reserve Fund for the ability of the town to purchase land in the future.

Selectman Walker reiterated that the aim was to repurpose the funds in the Land Acquisition Capital Reserve Fund to purchase the compactor. Some people expressed concern about using those funds. So the new Warrant Article was to reestablish the fund and through the savings from the compactor, funds could be added to the new fund.

Chairman Hood explained that it was the only way to get the money out of the account, money that had been sitting there for a long time, unused. It was a good pile of money to use to bring the Transfer Station up to date. The balance in the account was over \$55,000. That money could not be used to purchase a trash compactor. The only way to free it up was to cancel the fund and put the money back into the general fund then repurposing it in a new fund which must have a unique name. It was a money shuffling technique. There was concern at an earlier meeting that by eliminating the Land Acquisition CPR, the town would no longer be putting aside money to purchase land.

A member of the public asked why a loan was not being pursued for the compactor project as was being done with the TDS project. Selectman Walker replied that a much smaller amount was needed for the compactor.

Gayle Landry asked Selectman Walker to explain the purpose of the Land Acquisition CRF. Selectman Walker explained that the purpose was to allow the Town of Salisbury to purchase land. There was no specific property or objective. The fund was established in 1996. Contributions to it have been sporadic over the years.

The money that comes from the Current Use Tax goes into the Conservation Fund. That fund has about \$62,000 in it and will not be impacted by the compactor project.

Selectman Walker noted that there were no plans to purchase land. The compactor project was going to save the town money. The cost of transporting waste out of the Transfer Station was rising. Ten years from now, it would be more. The cost of hauling are based on the number of loads. Last year, it was 137 loads. With a compactor, it should be about 52 loads. Over \$200,000 would be saved over 10 years. By using the Land Acquisition money, the town would be able to save money in trash hauling fees. Replacing the funds will be up to the voters.

Chairman Hood noted that Warrant Articles 12, 13, 14, 15, and 16 are all related to the Transfer Station and the trash compactor.

Selectman Walker explained that if the town votes to repurpose the Land Acquisition fund in Warrant Article 12, the money could be used this year.

If WA #12 doesn't pass, the next two Warrant Articles are to eliminate the Land Acquisition fund and to lease a compactor. If a fund is eliminated, the money is not available until October 2022.

If voters don't want to do that, then the next Warrant Article asks about purchasing a compactor for \$40,000 at an estimated tax impact of 28 cents per \$1000. By repurposing money that already exists, there would be no tax impact. The following year, savings in hauling fees would be realized.

Selectman Walker stressed that it was important to get the trash compactor to save a lot money in the long run. If the town voted to repurpose the Land Acquisition fund this year, putting the funds into the Transfer Station, it would allow for any necessary site work as well. He expected to see \$18,000 to \$20,000 left over once the compactor was installed, money which the town could vote to put into the new Salisbury Land Purchase fund next year.

There was enough money in the Transfer Station to install a propane 3-phase generator to run the compactor. If the cost of running power to the Transfer Station is reasonable, that would be the better option.

Selectman Walker had a lot of quotes in hand. He would look for additional competitive quotes once funding was approved.

Selectman Walker reiterated that voters could chose to repurpose the Land Acquisition fund, putting the money into the Transfer Station CRF. After the project was complete, there may be more money in the Transfer Station CRF then needed. At the next Town Meeting, if we wanted to use that money for something, we could go through this same process, repurposing the fund and creating a new Transfer Station & Trash fund, and move money back into the Land Acquisition fund. Or, discontinue the fund and have all of the money goes into the general fund.

Town Administrator April Rollins commented that any money that goes back into the general fund could not be used until appropriated by voters at the next Town Meeting.

Chairman Jason Hood asked for a motion to recommend the Warrant Article 16 to establish a Salisbury Land Purchase Capital Reserve Fund. Selectman Walker made the **motion**. Salvatore Morgani **seconded**. The **motion passed** with all in favor.

5) Public Hearing

Chairman Jason Hood opened the Public Hearing at 7:45 pm.

Gayle Landry asked what the overall increase was for the budget and warrant articles. Selectman Walker believed it would be about 8% based on increases in Warrant Articles were in the fire truck, \$2000 for the Land Acquisition, and the note payment for the TDS project.

A member of the public asked if the Town of Salisbury bills residents for ambulance service. Fire Chief MacDuffie said that residents are not billed by Salisbury.

Chairman Hood closed the Public Hearing at 7:50 pm.

6) Other Business

a) Town Hall Rental

Town Administrator Rollins asked the Selectboard if they would waive the rental fee for Rob Frink and North Road residents to use the Town Hall for a meeting about TDS broadband. Chairman Herbert made a **motion** to waive the fee. Selectman Walker **seconded**. The **motion passed** with all in favor.

b) Resignation

Chairman Hood noted that Sandy Miller had submitted a letter of resignation. He noted that they accepted it with regret.

7) Next Meeting & Adjournment

Chairman Hood noted that the next meeting of the Salisbury Budget Committee was scheduled for April 12, 2021.

TA Rollins asked everyone to sign the MS-737 document.

Dave Kelly made a **motion** to adjourn. Selectman Walker **seconded**. The **motion passed** with all in favor.

The meeting was adjourned at 8:05 pm.

Respectfully Submitted,

Kimberley Brown Edelmann
Salisbury Municipal Assistant

These meeting minutes were reviewed and accepted by the Budget Committee on April 12, 2021.

Selectmen, Town of Salisbury