

**TOWN OF RYE BUDGET COMMITTEE**  
**2023 BUDGET WORK SESSION**  
**Thursday, December 8, 2022**  
**7:30 p.m.**  
**Town Hall Courtroom**

**Committee Present:** *Chair Scott Marion, Vice-Chair Jeffrey Ross, Jaci Grote, Suzanne Barton, School Board Rep Matt Curtin, Rye Water District Rep Ralph Hickson, Rye Beach District Rep Shawn Crapo, and Selectmen's Rep Tom King*

**Others Present on behalf of the Town:** *Town Administrator Matt Scruton, Asst. Town Administrator/Finance Director Becky Bergeron, Police Chief Kevin Walsh, Fire Chief Mark Cotreau, and DPW Director Jason Rucker*

**I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Chair Marion called the meeting to order at 7:32 p.m. and led the pledge of allegiance.

**II. APPROVAL OF MINUTES**

*Not yet available*

**III. WORK SESSION: 2023 TOWN PROPOSED BUDGET**

**A. Town Department Budgets – Unfinished Business**

Town Custodian – 4194-02 Requested: \$164,568 Accepted: \$164,568

It was noted that the Town Custodian Budget was tabled by the Budget Committee at their budget work session. The Committee had a concern with budgeting a full year of services in the contracted services line for outside custodial services while also budgeting a full year's salary for a custodian. The original budget requested reflected these figures to cover custodial services in the event the current custodian leaves his position. Director Rucker explained to the Budget Committee that the budget has been revised to reflect half of the custodial wages and half of the contracted service fees for 2023 to decrease the amount being requested. The original budget request was for \$223,308. The revised budget is \$164,568.

**Motion by Ralph Hickson to recommend \$164,568 for the Town Custodian Budget.**

**Seconded by Shawn Crapo. Vote: 8-0**

DPW Personnel – 4312-23 Requested: \$943,854 Accepted: \$943,854

It was noted that the DPW Personnel Budget was tabled at the previous budget work session for further information in regards to two new hires for the department; highway employee and an administrative assistant. At that time, the Select Board had not voted on the budget and the Budget Committee wanted to see the recommendation of the Selectman. The Select Board has

since met with all departments requesting new staff positions for the 2023 Budget. The original request was for \$1,007,151 which covered a full year of wages for the new positions. The revised request is for \$943,854 which covers the wages to start in the fourth quarter of 2023 for the two new positions.

**Motion by Jaci Grote to recommend \$943,854 for the DPW Personnel Budget. Seconded by Suzanne Barton. Vote: 8-0**

Recreation – 4520-50

Requested: \$398,399

Accepted: \$398,399

The Recreation Budget was tabled at the previous budget work session. The original request was \$383,563. The new request is \$398,399 for 2023. It was explained that there is only one new position being proposed, which is a fulltime assistant recreation director/program supervisor. The Select Board has approved a four year cost share between appropriations and the Recreation Revolving Fund for the funding of this position. General appropriations will cover 65% of the funds for this position with 55% coming from Recreation Revolving for the first year. Appropriations will be covering 100% of the benefit package for this position. Another change to the budget is to cover the cost of software licensing fees.

**Motion by Ralph Hickson to recommend \$398,399 for the Recreation Budget. Seconded by Matt Curtin. Vote: 8-0**

Recreation Revolving – Fund 9

Requested: \$285,388

Accepted: \$285,388

Recreation Revolving has been revised to reflect the change in funding for the assistant director/program supervisor position.

**Motion by Shawn Crapo to recommend \$285,388 for the Recreation Revolving Budget. Seconded by Matt Curtin. Vote: 8-0**

Sewer Collection & Disposal – Fund 2

Requested: \$423,440

Accepted: \$423,440

The Sewer Collection Budget has been revised to reflect an increase in usage fees for Adam's Park. The budget is covered by usage fees.

**Motion by Shawn Crapo to recommend \$423,440 for the Sewer Collection and Disposal Budget. Seconded by Jaci Grote. Vote: 8-0**

**B. Warrant Articles**

**ARTICLE A.** To see if the Town will vote to raise and appropriate the sum of two hundred thousand dollars (\$200,000) to be added to the Highway Heavy Equipment Capital Reserve Fund created in 1994. This appropriation is in addition to the operating budget. (Majority vote required.)

**Capital Reserve Balance as of 10/31/2022 (Includes 2022 Appropriations) – 73,809.76**

DPW Director Rucker noted that historically the request was for \$100,000 to be placed into the Highway Heavy Equipment Capital Reserve Fund. In reviewing the numbers, it was found that this will not adequately fund the vehicle replacement plan as proposed in the CIP. The Budget Committee reviewed the spreadsheet prepared by Director Rucker showing the department's proposed heavy equipment purchases and estimated costs over the next five years, as shown in the CIP.

**Motion by Jaci Grote to recommend Article A. Seconded by Shawn Crapo. Vote: 8-0**

**ARTICLE B.** To see if the Town will vote to raise and appropriate the sum of one hundred thousand dollars (\$100,000) to be added to the Fire and Ambulance Vehicle Capital Reserve Fund the purpose of which was amended by Article 15 of the 2018 Town Meeting. This appropriation is in addition to the operating budget. (Majority vote required).

**Capital Reserve Balance as of 10/31/2022 (Includes 2022 Appropriations) – 385,026.76**

**Motion by Ralph Hickson to recommend Article B. Seconded by Shawn Crapo. Vote: 8-0**

**ARTICLE C.** To see if the Town will raise and appropriate the sum of thirty-five thousand dollars (\$35,000) to be added to The Municipal Buildings Maintenance Expendable Trust Fund established by Article 11 at the 2007 Town Meeting under the provisions of RSA 31:19-a, for the purpose of major repairs to municipal buildings. This appropriation is in addition to the operating budget. (Majority vote required.)

**Capital Reserve Balance as of 10/31/2022 (Includes 2022 Appropriations) – 203,845.20**

**Motion by Jaci Grote to recommend Article C. Seconded by Matt Curtin. Vote: 8-0**

**ARTICLE D.** To see if the Town will vote to raise and appropriate the sum of fifteen thousand dollars (\$15,000) to be added to the Revaluation Capital Reserve Fund established by Article 24 at the 2020 Town meeting pursuant to RSA 35:1 for the future revaluation of the Town so that the assessments are at full and true value at least as often as every fifth year. This appropriation is in addition to the operating budget. (Majority vote required.)

**Capital Reserve Balance as of 10/31/2022 (Includes 2022 Appropriations) – 30,248.36\***

**\*Invoice received 12/1/2022 from MRI for \$15,000 for final payment of 2022 reval.**

**Motion by Jaci Grote to recommend Article D. Seconded by Suzanne Barton. Vote: 8-0**

**ARTICLE E.** To see if the Town will vote to raise and appropriate the sum of five thousand dollars (\$5,000) to be added to the Rye Public Library HVAC Capital Reserve Fund established by article 12 at the 2016 Town meeting under the provisions of RSA 35:1, for the purpose of replacing the Rye Public Library's aging and inefficient current heating, ventilation and air conditioning system. This appropriation is in addition to the Library's operating budget. (Majority vote required.)

**Capital Reserve Balance as of 10/31/2022 (Includes 2022 Appropriations) – 66,287.67**

Member Ross noted that Library Director Andrew Richmond has spoken with the contractor and feels just adding \$5,000 will cover the cost of replacement if this is done in the next twelve months.

**Motion by Jeffrey Ross to recommend Article E. Seconded by Jaci Grote. Vote: 8-0**

**ARTICLE F.** To see if the Town will vote to raise and appropriate the sum of three thousand dollars (\$3,000) to be added to the Grove Road Landfill Capital Reserve Fund established by Article 11 of the 1994 Town Meeting. This appropriation is in addition to the operating budget. (Majority vote required.)

**Capital Reserve Balance as of 10/31/2022 (Includes 2022 Appropriations) – 7,883.58**

Member Hickson noted that right now, the Town only tests once per year in April. The Rye Water District tests on adjoining properties quarterly. He explained there's a ring around that area called a Groundwater Management Zone. Tests are done on each side and they cannot exceed outside the zone. RWD tests four times per year around the Garland well. RWD Commissioner Art Ditto has been in touch with CMA Engineering, who does the testing, to speak with them about doing town testing to coincide with the Water District's four tests because the quality of the water changes with the season. Member Hickson is not sure the amount proposed in this warrant article will be enough to cover the additional testing.

It was noted that the testing usually costs between \$2,500 to \$3,000 annually. There was discussion about why this is not included in the operating budget, as it's a yearly expense for the Town. It was agreed that this should be included in the Land Management Budget (4550-55). The Budget Committee agreed to table the vote on Warrant Article F to see if the Select Board will agree to increase the Land Management Budget by at least \$10,000 to increase the number of tests for the Grove Road Landfill.

**Motion by Shawn Crapo to table the vote on Warrant Article F. Seconded by Jaci Grote. Vote: 8-0**

**ARTICLE G.** To see if the Town will vote to raise and appropriate the sum of three thousand dollars (\$3,000) to be added to the Capital Reserve Fund for Records Restoration established by Article 16 of the 1990 Town Meeting. This appropriation is in addition to the operating budget. (Majority vote required.)

**Capital Reserve Balance as of 10/31/2022 (Includes 2022 Appropriations) – 8,134.77**

Asst. Town Administrator Bergeron noted that records restoration includes the preservation of old tax deeds and the binding of board meeting minutes.

**Motion by Shawn Crapo to recommend Article G. Seconded by Suzanne Barton. Vote: 8-0**

**ARTICLE H.** To see if the Town will vote to raise and appropriate the sum of one hundred five thousand dollars (\$105,000) to purchase a new one ton truck with plows and material spreader and authorize the withdrawal of one hundred five thousand dollars (\$105,000) from the Highway Heavy Equipment Capital Reserve Fund created in 1994 for this purpose. This appropriation is in addition to the operating budget. This article has no current tax impact. (Majority vote required.)

**Motion by Matt Curtin to recommend Article H. Seconded by Shawn Crapo. Vote: 8-0**

**ARTICLE I.** To see if the Town will vote to raise and appropriate the sum of ten thousand dollars (\$10,000) to be added to the Recreation Buildings and Property Maintenance Fund the purpose of which was amended by Article 18 of the 2022 Town Meeting. This appropriation is in addition to the operating budget. (Majority vote required).

**Motion by Jaci Grote to recommend Article I. Seconded by Jeffrey Ross. Vote: 8-0**

**ARTICLE J.** To see if the Town will vote to amend the special revenue fund known as the Beach Cleaning Fund which was amended by Article 14 of the 2015 town warrant as follows: to increase the restricted beach parking permit revenues which go into the fund from 50% to 75% (of total beach permit revenues). Note: expenditures from the fund require town meeting approval. (2/3 majority vote required).

Asst. Town Administrator Bergeron explained that traditionally the beach parking permit revenues at 50% haven't covered the beach cleaning expenses. The request is to change the percentage to 75% of the beach parking permit revenues to appropriately offset those expenses. The remaining 25% will go into the general fund.

**Motion by Jaci Grote to recommend Article J. Seconded by Ralph Hickson. Vote: 8-0**

**ARTICLE K.** To see if the Town will vote to establish an Emergency Management Capital Reserve Fund under the provisions of RSA 35:1 for emergency purposes including any expense associated with a disaster, critical incident, accident, fire, flood, public health concern, storm or other weather related event, emergency infrastructure repair, pollution mitigation, coastal hazard, or any other emergency preparation or emergency response expense and to raise and appropriate the sum of \$25,000 to be placed in this fund. This sum to come from unassigned fund balance. Further, to name the Select Board as agents to expend from said fund. (Majority vote required)

Member King pointed out that the funds for this reserve fund will be coming from the unassigned fund balance, so there will be no direct tax impact. This fund is being set up to allow funds to be added to it in future years.

**Motion by Jaci Grote to recommend Article K. Seconded by Jeffrey Ross. Vote: 8-0**

**ARTICLE L.** To see if the Town will vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate \$10,000 to put in the fund. This sum to come from unassigned fund balance. Any appropriation left in the fund at the end of the year will lapse to the general fund. (Majority vote required)

Town Administrator Scruton explained that the contingency fund will be created with \$10,000 from the unassigned fund balance. If the fund is not used during the year, the funds will lapse back to the general fund. This will be used to cover unanticipated expenses that may occur. It can only cover budgeted line items where funds have been appropriated. It could be used by any department if the Select Board deems it's appropriate.

It was agreed that the Select Board should consider adding to the article: "Further, to name the Select Board as agents to expend from said fund."

**Motion by Jaci Grote to table Article L for consideration on the wording of the article. Seconded by Matt Curtin. Vote: 8-0**

Referring to the two following warrant articles, Selectmen's Rep King explained that right now, there's a veterans' tax credit of \$500 for eligible Veterans. The criterion doesn't include guards, reserves, or active duty. It's only for retired veterans. The State has passed House Bill 1667. The warrants presented have to be on the town warrant this March. If either of the warrants do not pass, the \$500 tax credit will be lost for retired veterans and it will go to \$50 per year.

Asst. Town Administrator Bergeron explained that both warrant articles have to pass in order for the veterans in town to retain their \$500 veterans' credit. The reason why there are two warrant articles is because on separate occasions, the Town has adopted the provisions of optional veterans' tax credit and all veterans' tax credit. If both warrant article don't pass, it will revert to a \$50 tax credit. It's important for the public to be educated on what a "no" vote is going to mean for either one of the warrant articles.

Member Grote questioned why both warrant articles have to pass as that was not the intent of HB 1667.

Asst. Town Administrator Bergeron noted that the Town Assessor received technical review of the warrant article and advice from the Department of Revenue. Administrator Bergeron agreed to send Member Grote this information.

Town Administrator Scruton explained that the Town has not voted in that language. At previous town meetings, the Town did not agree to the Legislative changes that were made when it was voted in, so it's going to revert back to the older amount unless the new language is voted in.

Member Grote clarified that the Budget Committee has to vote on these articles and it has to be explained to the citizens. It expands the available tax credit but the Town has to accept it. It will be accepted by the two warrant articles being voted in.

**Article 1:** Shall the Town of Rye vote to approve the readoption of the Optional Veterans' Tax Credit RSA 72:28-II to allow for the expansion of the criteria needed to qualify for the optional veterans' tax credit to now include those service members that are currently serving and have not yet been formerly discharged from the armed services. Readoption of the optional veterans' tax credit, if approved, would continue to offer a five hundred dollar (\$500) tax credit to all honorably discharged veterans that qualify under the current requirements, but as of April 1, 2023, it would expand the eligibility requirements to now include those individuals that have not been discharged from active service.

Note: If this article does not pass, the optional veterans' tax credit would revert to the standard veterans' tax credit under RSA 72:28-I and as of April 1, 2023 the standard veteran tax credit would be in place to reduce the tax credit from five hundred dollars (\$500) to fifty dollars (\$50) per year.

**Motion by Shawn Crapo to recommend Article 1. Seconded by Jaci Grote. Vote: 8-0**

**Article 2:** Shall the Town of Rye vote to approve the readoption of the All Veterans' Tax Credit RSA 72:28-b to allow for the expansion of the criteria needed to qualify for the all veterans' tax credit to now include those service members which are currently serving and have

not yet been honorably discharged from the armed services. The readoption of the all veterans' tax credit, if approved, would continue to offer a five hundred dollar credit (\$500) to all honorably discharged veterans that qualify under the current requirements of RSA 72:28-b, but as of April 1, 2023, it would expand the eligibility requirements to now include those individuals who have not yet been discharged from active service.

Note: If this article does not pass, the all veterans' tax credit will revert to the standard veterans' tax credit under RSA 72:28-I and as of April 1, 2023 the standard veterans' tax credit would be in place and reduce the veterans' tax credit from five hundred dollars (\$500) to fifty dollars (\$50) per year.

**Motion by Scott Marion to recommend Article 2. Seconded by Jaci Grote. Vote: 8-0**

**C. Capital Reserves**

*Tabled to next meeting*

**D. Capital Outlay**

*Tabled to next meeting*

**E. Expendable Trust**

*Tabled to next meeting*

**IV. OTHER BUSINESS**

- Next Budget Meeting will be held on Monday, December 19<sup>th</sup>, 6:30 p.m.

**ADJOURNMENT**

**Motion by Shawn Crapo to adjourn at 9:32 p.m. Seconded by Jaci Grote. All in favor.**

Respectfully Submitted,  
Dyana F. Ledger