

Testimony of Brigitte M. Codling, Town Manager
before the Senate Transportation Committee
on January 21, 2020

RE: 2020 Senate Bill 414 changing the distribution of highway funds to the Woodsville Fire District.

The Woodsville Fire District aka Woodsville Precinct was formed in 1887 via legislation, which is when the district's responsibility over highways within the fire district boundaries began.

In March 1990 there was a request for revision to the legislation for the distribution of highway funds to the Woodsville Fire District; HB 1138 was introduced and approved, amended to add the following:

"The money appropriated for distribution of highway funds in the district which is attributed to the Town of Haverhill shall not exceed 20 percent of the total amount of expenditures authorized at town meeting."

Also, in 1990 there was a desire of the Woodsville Fire District to extend its sewer lines to allow additional entities to hook up to municipal sewer. Discussions between the Town and the District over the sewer extension ensued; which led to discussions over maintenance of the roads and a need to expand the Woodsville Fire Districts boundaries to accommodate the changes.

In 1990, petitions were filed in favor and in protest of the expansion, and a public hearing was held on May 30, 1990. At the public hearing a resident by the name of Carol Hastings asked, "will the taxpayers...be voting to decide on the expansion" to which she was told "No". At that same public hearing another resident, Roland Moore expressed his concern "that it was up to three people to decide." Also, at that same public hearing Carol Hastings asked if "there had been any input from the lower end of town?" to which she was again told "No".

The Select Board with no public vote and against opposition, decided to relinquish the few miles of Town road to the Woodsville Fire District and allow the expansion of the district boundaries so they could extend their sewer line.

Subsequently, there were negotiations between the Woodsville Fire District and the Town of Haverhill Selectmen who entered a Memorandum of Understanding (MOU) for the purpose of "*clarifying the intent*" of HB 1138. During the negotiations there were concerns raised that "*in the past it has been limited to just proportionate share of the highway department operating budget, but Precinct Commissioners believe that it should also include the maintenance of the highway garage, capital expenditures, equipment purchases, and road construction projects.*"

The MOU once drafted, included these expenditures by the town. The provisions were clearly outside the limit set by the law and created great inequity in the application of the law for taxpayers of Haverhill who resided outside the boundaries of the Woodsville Fire District.

It is important to note that the three person Select Board in May of 1990 consisted of two Woodsville Fire District residents; with the three Woodsville Fire District being from Woodsville this meant that five of the six individuals making decisions related to the boundary expansion, the request for a modification to highway funding law, and who negotiated the MOU were residents of Woodsville.

In January 1995, the Woodsville Fire District Commissioners and the Town of Haverhill Selectmen negotiated a modification to the Memorandum of Understanding (MOU) to establish a formula by which the highway funding would be calculated. This modification established a formula that created a disproportionate amount of money to be sent to the Woodsville Precinct for its roads. The modification moved even further from the intent of the law and exasperated inequity in the application of the law.

It is important to note that the three person Select Board in 1995 consisted of two Woodsville Fire District residents; with the three Woodsville Fire District being from Woodsville this meant that five of the six individuals who negotiated modifications to the MOU were residents of Woodsville.

In October 2008, the Woodsville Fire District Commissioners and the Town of Haverhill Selectmen negotiated additional modifications to the Memorandum of Understanding (MOU); the purpose being to amend the formula by which the highway funding would be calculated. The modification moved even further from the intent of the law and further exasperated inequity in the application of the law.

In June 2009, there was another request for revision to the legislation for the distribution of highway funds to the Woodsville Fire District; SB 75 was introduced and approved, amended to read:

~~“[not exceed 20 percent of the total amount of expenditures authorized at the town meeting] be determined by a fraction, the numerator of which shall be the assessed valuation of the properties in the district, and the denominator of which shall be the assessed valuation of the properties in the entire town of Haverhill as determined annually from the town MS-1 form. The town of Haverhill shall appropriate the percentage represented by such fraction for distribution to the highway fund in care of the Woodsville fire district commissioners. The district shall also receive a proportionate share of the state highway block grant funds received by the town in the previous year based on the population and road mileage of the district compared to the population and road mileage of the entire town of Haverhill.”~~

This change to the law solidified the erroneous calculation by which the highway funding would be calculated.

It is important to note that the five person Select Board in 2009 consisted of two Woodsville Fire District residents and the three Woodsville Fire District Commissioners were from Woodsville; meaning five of the eight officials supporting SB 75 were from Woodsville.

It is also important to note that at the Senate Committee Hearing held on February 5, 2009 that it was stated by Rep Ladd that “Woodsville has about 70 percent of the use of the police, general assistance, is about 70 percent”. These are services publicly funded through general taxation of all residents regardless of where they reside within the Town.

Also in the Constitution of the State of New Hampshire ART 3: When men enter into a state of society, they surrender up some of their natural rights to that society.

In January 2020, there was a request made by the Town of Haverhill Select Board asking for a revision to the legislation for the distribution of highway funds to the Woodsville Fire District; SB 414 was introduced amended to read:

~~“ [The money appropriated for the distribution of highway funds in the district which is attributable to the town of Haverhill shall be determined by a fraction, the numerator of which shall be the assessed valuation of the properties in the district, and the denominator of which shall be the assessed valuation of the properties in the entire town of Haverhill as determined annually from the town MS-1 form.] The town of Haverhill shall appropriate [the percentage represented by such fraction] for distribution to the highway fund in care of the Woodsville fire district commissioners an amount equal to the Woodsville fire district's percentage of the town's net highway operating budget, when calculated as the percentage of the class V road mileage in the district as compared to the class V road mileage of the entire town of Haverhill inclusive of all districts and precincts. [The district shall also receive a proportionate share of the state highway block grant funds received by the town in the previous year based on the population and road mileage of the district compared to the population and road mileage of the entire town of Haverhill] The town shall also appropriate to the district a proportionate share of the population and a proportionate share of the road mileage apportionments that make up the state highway block grant funds received by the town in the previous year based on the percentage of the population in the district compared to~~

the population in the entire town of Haverhill, inclusive of all districts and precincts, and the percentage of the class V road mileage in the district as compared to the class V road mileage in the entire town of Haverhill inclusive of all districts and precincts. For purposes of this section,

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I. "Highway operating budget" means the budget approved by the town to provide highway services, excluding amounts appropriated into or out of capital reserve funds or trust funds, amounts appropriated in special warrant articles, amounts appropriated by federal grants or awards designated for a specific project, amounts awarded by the state for specific projects, health insurance premiums paid by the town for highway employees, and excluding any amounts expended without appropriation from capital reserve funds or trust funds by agents authorized to expend such funds.

II. "Net highway operating budget" means only that portion of the highway operating budget to be raised by general property taxation from all Haverhill property taxpayers regardless of district or precinct based on property values as determined by town of Haverhill assessment."

This requested revision to the law will correct the inequity that was established by Memorandum of Understanding (MOU) dated 1990, amended in 1995 and 2008; as well as the inequity established by law in 2009; will clarify the meaning and intent of the law, and make the funding formula fair and equitable to all resident tax payers throughout the Town of Haverhill.

It is important to note that the five person Town of Haverhill Select Board now consists of five individuals, who all live outside the boundaries of Woodsville within the Town of Haverhill. This board is acting in good faith of all resident tax payers in Haverhill and have unanimously voted to request this modification.

The formula as it stands today is rather complicated, but in general, it has two parts:

- The first part provides the Woodsville Fire District a sum of money equivalent to, between **23-25 percent** of the Town of Haverhill's Highway Department budget. This part of the calculation is based upon a ratio of property values and a ratio of population.
- The second provides the Woodsville Fire District a sum of money equivalent to, consistently **18.84 percent** of the Highway Block Grant. This part of the calculation is based upon a ratio of population and a ratio of Class V road mileage.

After analyzing all information, it became evident that the current funding formula does not appear equitable to all resident tax payers throughout the Town of Haverhill.

- Within the boundaries of the Woodsville Precinct there are **8.306 miles (7.65 paved & 0.66 gravel)** of Class V roadway to maintain. These miles are maintained by the Woodsville Highway Department.
- Within the rest of the Town of Haverhill there are another **72.380 miles (25.89 paved & 46.48 gravel)** of Class V roadway to maintain. These miles are maintained by the Haverhill Highway Department.
- The Town of Haverhill Highway Department has historically graded the Woodsville Fire District's gravel road mileage free of charge.

This means that the Woodsville Precinct has essentially **10 percent** of Haverhill Class V roads to maintain, less their gravel in the summer. Yet, they receive, on average **27.36 percent** of all highway monies raised.

When we compared the two department's highway budgets for 2019 the difference is stark.

- The 2019 operating budget for the Woodsville Highway Department was **\$422,950.00**; that is a rate of **\$50,592.11 per mile**.
- The 2019 operating budget for the Haverhill Highway Department was **\$699,511.00**; that is a rate of **\$9,640.45 per mile**.

For comparison; the Town of St Johnsbury, VT whose road network is very similar to those found within the Woodsville Fire District report a cost of \$28,000 per mile; to include the maintenance of roads, water & sewer, drainage, and sidewalks. Additionally, it has been reported that the average cost within the State of New York for maintenance of its municipal roads is \$25,000 per mile.

The Woodsville Fire District funds its very expensive highway department using monies provided to it by the Town of Haverhill as well as using their own “enterprise funds”; the district aka precinct, has not assessed a precinct tax in (4) four years yet have been purchasing property and equipment not reflected in their annual budget.

Through December 2019 the Town of Haverhill met with the Woodsville Fire Precinct to discuss the possible merger of the two highway departments. The effort has tremendous support within the Town of Haverhill, especially from residents who live outside the Woodsville Fire District. However, there are a lot of residents in Woodsville who also support a merger. A recent public opinion poll showed sixty-seven (67%) of Haverhill resident tax payers support a highway department merger. The Woodsville Fire District Commissioners recently stated in an interview for one of the local newspapers that they “do not endorse this concept (merger) in any way, shape, or form.”

NOTE: To hear the entire testimony given at this hearing you can go to:

http://www.gencourt.state.nh.us/senateaudio/committees/2020/Trans/SB0414_01212020.aspx