Town of Swanzey, New Hampshire
Board of Selectmen
Meeting – January 13, 2026
Whitcomb Hall
17 Main Street, Swanzey, NH

CALL TO ORDER

The meeting was called to order by Chair W. William Hutwelker III, at 5:32pm. at Whitcomb Hall, Main Street, Swanzey, NH. Other members present were Selectmen James Tempesta and Mark LaBelle. Also present were Town Administrator Lori Rautiola and Recording Secretary Susan Ells.

OTHERS PRESENT

Kai Kraemer with FACT TV, Stephon Mehu, Michael York, DPW Director Joe DiRusso, Mark Scalera, Mike Kowalczyk, Victoria Reck Ames, Jay Ward, Bob Audette, Francis Faulkner, Lynda Faulkner, Sly Karasinski, Mary Wood, Steve Russell, Josh Whipple, Caddie Gregory, John Traynor, Liz Traynor, Kristen Reynolds, Ashlee Crosby, Finance Director Theresa Lounder.

MINUTES

The regular meeting minutes of December 31, 2025 and January 7, 2026 were considered. A motion was made by LaBelle to approve the minutes as presented (amended). Tempesta seconded the motion, and it passed 3-0.

The non-public session minutes of December 31, 2025; January 7, 2026 #1, 2 and 3 were considered. A motion was made by LaBelle to approve the minutes as presented (amended). Tempesta seconded the motion, and it passed 3-0.

CONSENT AGENDA

A motion was made by Labelle to approve the Consent Agenda. Tempesta seconded the motion, and it passed 3-0.

A. Payroll Manifest
B. Accounts Payable Manifest
C. Personnel Action Reports

PUBLIC INPUT

Mike Kowalczyk is on the Rail Trail Committee; he asked for an update regarding the repairs of the washouts on the rail trail. He said that at the last meeting it was reported that the washout at Eversource Substation 6 would be repaired using pieces from the Christian Hill bridge and wondered if this is still the plan. He also asked about the other 2 washouts which were to be repaired using a TAP grant. He said the Rail Trail Committee has no other plan for funding if that fails. Lori Rautiola replied that nothing has changed on the Christian Hill Bridge and that the plan is still to use historic materials. She said that Warrant Article 13 addresses the TAP grant with updated numbers from State who owns the rail trails. Kowalczyk asked if the Christian Hill Bridge project was still to be completed in 2026. Joe DiRusso said the final design is being worked on and so far, is on schedule. Kowalczyk reiterated that the Rail Trail Committee will continue to not worry about this. Chair Hutwelker said there has been additional dialogue between the State and Rautiola regarding the Holbrook section. They have a plan that will be presented to the DOT next month. It is the State's responsibility as they own the rail bed. Chair Hutwelker also pointed out that there are 2 petition warrant articles on the ballot. Hutwelker said any fundraising would be appreciated. Kowalczyk said there is $20-25K that has been raised.

Chair Hutwelker reported that Cathy Bergstrom sent an email regarding an emergency alert system that Keene is engaging with the State. This is to communicate in the case of emergencies and weather alerts effectively and

efficiently as possible. She will provide this information to Emergency Management Director Kevin Westcott who will review it and let the Board know if it is an appropriate approach.

Rautiola reported that it was discovered that an open seat for the 2-year term for Town moderator was missing from the original notice, but it is now posted and is on the ballot. Moderators are restricted to 2 years; in 2024, there was a clerical error on the ballot stating it was for a 3-year term.

Tempesta commended the DPW crew for the work on clearing the roads during recent storms.

Joe DiRusso gave an update on the new fire station construction. He said they are making great progress; the concrete floor is finished and will be sealed soon; siding, windows, doors and stairs are being installed; the garage doors are ready to be installed. The West Station front door replacement is almost done.

PUBLIC HEARING

Chair Hutwelker opened the public hearing at 6:00 pm. Lori Rautiola welcomed the public and thanked them for coming to the meeting.

Rautiola reported that on January 7, 2026, the Board of Selectmen unanimously adopted the Fiscal Year 2026 budget following multiple budget work sessions and public meetings. Throughout the budget process, the Board and staff worked collaboratively to reduce Department Requested budgets and align them as closely as possible with the Board's stated goal of limiting increases to 5% over FY 2025. While the Board set a 5% target in early fall, rising fixed costs limited how close we could get. Importantly, the adopted budget is just $47,251 above the default, showing restraint and fiscal discipline.

The FY 2026 proposed budget totals $8,939,036 across all operating funds, representing an increase of $569,036 (6.8%) from the prior year. While the 5% target proved difficult to fully achieve, it is important to note that the Default Budget increased by $521,785 (6.23%), this is driven by contractual and non-discretionary costs. The proposed budget is only $47,251 above the Default Budget, demonstrating that this is a needs-based budget rather than an expansionary one.

The FY 2026 budget balances fiscal responsibility with the Town's obligation to maintain essential services, infrastructure, and public safety.

Next, she showed a slide that summarizes the components of the total town-wide property tax rate and how they have changed over the past three years. The total tax rate for 2025 is $20.18 per $1,000 of assessed value, an increase from $19.06 in 2024, but still well below the $26.87 rate in 2023.

The tax rate is made up of four primary components:
Town Rate: Increased modestly from $5.16 in 2024 to $5.62 in 2025, reflecting municipal operating costs. This portion represents a $5.7 million commitment.
County Rate: Decreased slightly from $2.47 to $2.28, resulting in a $2.3 million commitment.
Local Education Rate: Increased from $10.26 to $11.03, representing the largest share of the tax rate at a $11.2 million commitment.
State Education Rate: Increased from $1.17 to $1.25, totaling approximately $1.2 million.

Together, these components result in a total 2025 town-wide tax commitment of approximately $20.45 million. In addition, properties located within special districts may see an additional charge. For 2025, the North Swanzey Water & Fire Precinct rate is $0.45, generating approximately $81,276.

A. Public Works Facility Bond Hearing – Article 3

The Chair opened the public hearing for bond for the Public Works Facility. Rautiola explained that the current Public Works facility is aging and deteriorating and no longer meets the Department's operational needs. The Department has outgrown the building, resulting in equipment being stored outdoors and exposed to inclement weather, which increases staff time clearing snow and ice before responding to road conditions. Portions of the facility, including restrooms, are also non-compliant. The Board of Selectmen and Capital Improvement Committee recommend addressing this critical infrastructure need now to improve efficiency, safety, and compliance, while helping stabilize the tax rate and avoiding more costly emergency solutions in the future.

Rautiola showed a slide with a drawing of a possible building; DiRusso provided more details including the fact that the property next to the current building is Town owned and if this bond passes, the building could be constructed in Summer 2026. The current building would continue to be used for a workshop.

Hutwelker asked for public input regarding this article.

Bob Audette – Chair of the Swanzey Energy Commission; read a statement from the commission which stated they would like the Town to consider adding solar panels to the building. It would save money and could create a haven if the power goes out since the DPW would still have power. DiRusso said he spoke with the Energy Commission and is open to a solar array on top of the building. It might take research and grants.

Steve Russell spoke in support of the project.

Lynda Faulker asked what construction would be; DiRusso stated it would be an 80 x 160 foot full metal building on a concrete foundation.

Chair Hutwelker closed public hearing at 6:16pm

B. 2026 Budget & Warrant Hearing

Hutwelker opened the public hearing at 6:17pm for the 2026 Operating Budget and the warrant articles.

Rautiola explained that budget has been developed using the 2025 approved budget of $8,370,000 as a baseline. During the initial budget development process in October, Department Heads submitted requests that fully fund all existing and vacant positions. That initial submission resulted in a projected increase of about 11% over the prior year.

Since that time, the department heads and the Board of Selectmen have worked collaboratively and diligently to evaluate operational needs, staffing realities, and fiscal constraints. Through this process reductions and adjustments were made while still maintaining essential services and meeting statutory and contractual obligations. As a result of this work, the FY 2026 proposed operating budget totals $8,939,036, representing a 6.8% increase ($569,036) over the FY 2025 budget.

Rautiola showed a slide which compared the FY 26 adopted budget to both last year and the default budget. The narrow gap between the proposed and default budgets highlights that most increases were driven by fixed or unavoidable costs.

The FY 2026 Default Budget is $8,891,785, which means the proposed budget is $47,251 over the Default. To mitigate the impact on taxpayers, the proposed budget intentionally includes partial-year funding (half year appropriations) for certain vacant positions. This approach reflects the realistic expectation that these positions cannot be filled by mid-year while still preserving the necessary salary and benefit structure required by law or contract.

Some of the Key Cost Drivers in 2026 are mainly due to:

- **Personnel Costs -** Wage adjustments and staffing needs in order to maintain service levels.
- **Health Insurance -** There is continued upward pressure on our premiums – Health insurance is up 6.7% and dental up 4.4%. Short Term Disability shows an increase of 11.76%.
- **Property & Liability Insurance -** Market-driven increases have impacted municipal coverage. Our property and liability insurance has increased by 26.32%.
- **Ambulance Service Contract -** Second year of the County contract, resulting in an $89,618 increase

Overall, the FY 2026 proposed budget represents a responsible compromise, maintaining essential municipal operations, meeting legal and contractual obligations, and reducing the overall increase to taxpayers as much as practical under current conditions.

Hutwelker asked if the public had questions.

Mike Kowalczyk asked about the budget for the Rail Trail – it was $7400 for last year – he thought it would be the same. Hutwelker said they would investigate it.

Mark Scalera gave credit for the due diligence being used to keep the budget down.

Chair Hutwelker closed the hearing on the budget at 6:24pm.

C. Swanzey Revenue Development District Termination Hearing
Chair Hutwelker opened the hearing at 6:24pm

Article 4 - Termination of SRDD Tax Increment Financing District
Chair Hutwelker explained that the purpose of this article is to close the Safford Drive TIF district which was approved in 1999. We still have bonding authority of $900,000 and will be asking to rescind that authority. It has been a very successful project for Swanzey.

Rautiola added that this article asks voters to approve an amendment to the Swanzey Revenue Development District Plan to formally dissolve the district once all outstanding debts and obligations are paid in full. The Board of Selectmen does not anticipate making any additional infrastructure improvements within that district and therefore recommends terminating the district. This means that any remaining funds (once the bond is paid off) may be distributed in accordance with state law and rolled into the Town's general fund, rather than remaining in the TIF fund to support future infrastructure needs. The article also authorizes the Board of Selectmen to take all necessary actions to complete the termination, including settling obligations and notifying the New Hampshire Department of Revenue Administration.

Chair Hutwelker asked if there were questions from the public.
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Mark Scalera asked if the Town would be saving interest by paying it off early; Chair Hutwelker said that it might not be paid off before its due in September, but if it is closed this year, the revenues would go in the general fund. Hutwelker stated it won't affect finances in June, but it will in December since it is an end of year adjustment.

Chair Hutwelker closed the public hearing at 6:27pm.

Article 5 – Authorization for Bond Recission
Rautiola explained this article asks voters to rescind the remaining $900,000 balance of a $3.3 million dollar bond authorization approved in 1999 for infrastructure improvements in the Swanzey Revenue Development

District. The original bond funded planning and construction of roads, water, sewer, and utility infrastructure. Rescinding the unused balance would formally close out the remaining bond authorization of $900,000.

There were no questions from the public.

Article 7 – Capital reserve and Expendable trust funds
Rautiola continued explaining the Town's Capital Improvement Committee met extensively throughout the fall and winter and unanimously recommended the proposed funding levels for expendable trust and capital reserve accounts to be placed on the 2026 ballot. The Board of Selectmen has reviewed and accepted these recommendations.

Capital Reserve and Expendable accounts allow the Town to plan ahead and set aside funds for known and anticipated capital needs, reducing the risk of large, unexpected expenses and helping to stabilize the tax rate over time. Historically, Swanzey voters have supported this proactive approach to long-term financial planning.

Key items include funding for property revaluations, which are required by the State every five years to ensure fair and equitable assessments. The next revaluation is projected to cost $120,000 or more in 2029, and this appropriation continues to build toward that obligation. Funding is also requested for Town Hall repairs and maintenance, with $200,000 allocated for Phase I of planned improvements which include upgrades to the Town Hall building and the former fire station below town hall, with the goal of expanding office space and constructing an interior staircase to allow safe access without requiring staff or the public to go outside.

Chair Hutwelker said Steve Bittel, who is Chair of the Capital Improvement Committee, was unavailable to attend in person but is available via phone if there are questions.

Lynda Faulker asked about Stratton Library increase in their request. Recording Secretary Susan Ells speaking as Stratton Treasurer explained the building needed mini-splits to provide air conditioning since the building is brutally hot for staff and patrons; Stratton Chair David Hoitt stated that there are water issues in the basement; weatherization is badly needed which will improve efficiency in the future; technology upgrades are badly needed to replace the 14 year old computers and to improve security; he said the library board has had numerous meetings with the Select board and the Capital Improvement Committee and while this seems high, there is a lot that is needed.

Scalera said that the library's request didn't seem high based on all that the library plans to do.

Victoria asked about Golden Rod Grange and Mt Caeser Library's amounts which seemed low and hoped it didn't affect grant writing. Hutwelker explained that Mt Caeser requested this amount to show community support when writing grants since having the support assists with grant funding. He gave an example of the Whitcomb Hall project which was successful in getting grants after the committee provided some funds to show community support.

Bob Audette asked for specific plans for the Recreation department and the Recycling Center. Recreation Director Ashlee Crosby said this would be for repairs and improvements such as a new roof at Richardson Park.

Recycling Center Manager Josh Whipple said their funds would go toward a new waste oil sorting building.

Article 8 - Public Works Capital Reserve & Expendable Trust Funds
Rautiola explained the Town's Capital Improvement Committee evaluated the Public Works capital needs as part of its long-range planning process and recommended the following funding levels for expendable trust and capital reserve accounts. The Board of Selectmen has reviewed and supports these recommendations.

She continued, adding the largest portion of this request is for Road Rehabilitation and Reconstruction, which supports ongoing maintenance and improvement of the Town's road network. Regular investment in roadways helps extend pavement life, improves safety, and reduces the need for more costly full reconstructions in the future. Funding is also proposed for Highway and Cemetery Equipment, allowing the Town to plan for the replacement of major Public Works equipment that is critical for road maintenance, winter operations, and cemetery services.

Additional requests support Public Works facilities, sidewalk improvements, town bridges, covered bridges, and town dams, all of which require periodic maintenance and long-term planning to ensure public safety and preserve important infrastructure assets. Funding for rail trails and the cemetery expansion fund supports continued access, recreation, and future burial capacity.

By setting aside funds incrementally through these trust and reserve accounts, the Town can proactively manage Public Works infrastructure needs, reduce the risk of emergency repairs, and help stabilize the tax rate by avoiding large, unexpected capital expenditures.

Joe DiRusso described the Road Rehabilitation and Reconstruction; this for large scale projects such as Marcy Hill, Sugar Hill, and Christian Hill Road which all need major reconstruction, and finishing the West Street project. In 2027 they will need a payloader.

Chair Hutwelker asked DiRusso to speak about the covered bridges. DiRusso said there is a committee to research how to protect bridges from damage; most options are costly, such as metal barriers – another is a flashing warning sign that can detect oversize vehicles. He said the Town was fortunate this year when the bridges were damaged because the culprits were located and the damage repair was paid for by insurance. He also said the wood decking in the bridges wears over time and needs replacing.

Article 9 – Establish Infrastructure ETF
Rautiola explained that this article asks voters to establish a new Infrastructure Expendable Trust Fund under RSA 31:19-a to support infrastructure projects throughout Swanzey. The fund would be used for expenses related to water, sewer, and other municipal infrastructure needs. The article also proposes raising and appropriating $10,000 from general taxation to initially fund the account and designates the Board of Selectmen as agents authorized to expend funds.

There were no questions.

Article 10 - Rescind SB2 and Return to Traditional Town Meeting
This article asks voters to consider rescinding the Official Ballot Town Meeting (SB2) form of government and returning to the Traditional Open Town Meeting format, effective beginning with the next annual town meeting. The recommendation was brought forward by the Governance Committee and supported by the Board of Selectmen. A return to the traditional format would allow the budget, warrant articles, and amendments to be discussed and decided in a single open meeting, providing an opportunity for direct voter participation and real-time deliberation.

Michael York was vice chair of the committee; he said they had many meetings and researched the choices. He explained that historically at deliberative sessions, very few of the 4800 registered voters attend, so decisions are being made by the small group who attends the deliberative sessions. With the town meeting format, the articles would be discussed and then voted on at that meeting, which means that more informed people are voting.

Article 11 – Elderly Tax Exemptions Modifications
Rautiola explained this article proposes updating the Town's elderly property tax exemption limits, which have not been reviewed or adjusted in over 15 years. During that time, inflation and cost-of-living increases have

significantly impacted residents, particularly seniors living on fixed incomes. Since 2009, the Consumer Price Index has increased by more than 40%, reflecting substantial rises in housing costs, property valuations, utilities, healthcare, and other essential expenses.

She added the proposed changes would increase the assessed value exemptions based on age and would raise income and asset eligibility limits to better reflect current economic conditions. Housing and property taxes have increased significantly, medical and prescription costs continue to outpace general inflation, and fixed retirement and Social Security incomes have not kept pace with these rising costs. These updates are intended to provide meaningful tax relief to qualifying elderly residents while maintaining existing residency and ownership requirements. If passed this would go into effect in 2026.

There were no questions or comments.

Article 12 – Optional Tax Credit for Service-Connected Total Disability Modification
Rautiola continued to explain Article 12. This warrant article proposes increasing the existing optional property tax credit for veterans who have a service-connected disability. If approved, the credit would increase from $4,000 to $4,500, effective for the 2026 tax year. The credit is authorized under RSA 72:35 and is intended to provide additional property tax relief to qualifying residents.

She explained there was a change in the law this year. Before this year, a municipality could stack the optional service-connected disability credit on top of the general (non-disability) veterans' tax credit but now that is not allowed due to a change in statute. Swanzey adopted an optional veterans' credit under 72:28 in the amount of $500. In the past, an eligible person could have been granted the optional credit of $500 in addition to the service-connected disability credit of $4,000 for a total of $4,500 but that stacking is not allowed now. Chair Hutwelker explained it doesn't change the total amount but brings it under one item.

Barb Skuly clarified this doesn't exclude the elderly credit for a veteran.

Article 13 – Improvements to the Ashuelot Rail Trail
Rautiola Explained Article 13. The Town has updated the project timeline and cost for the Ashuelot Rail Trail Transportation Alternatives Program project #42511. This project was originally approved on the 2020 warrant article 9. The Town received notification in December that the Federal Highway Administration has obligated additional funding for fiscal year 2026 preliminary engineering efforts. It has a total cost of $1,822,712 with the Town's match of $364,543. A passing vote will give the Town more time and more funding to complete the project. After the flood in 2023 the scope changed and the timeline has been pushed back.

There were no questions or comments.

Article 14 – Lower Winchester Street/Route 10 improvements
Rautiola presented Article 14 as follows: this article is for the State project #40666 – Lower Winchester Street/Route 10 Improvements. The Town entered into an agreement in 2021 with the City of Keene. The Board of Selectmen recently approved the amended agreement which shows an increase in the total budget. The local share is 20%, however the City of Keene is picking up all but 3% which Swanzey is responsible for per the agreement. A yes vote would allocate $145,000 in the Fund Balance to cover this cost.

Skuly asked for obligation in terms of work; Chair Hutwelker explained it is for a sidewalk. Keene is putting in 2 roundabouts and wanted Swanzey to authorize a roundabout at Market Basket which the Town declined but have agreed to put in a sidewalk.

Article 15 – Petition article
Rautiola read the article which was submitted by petition and asked if there was anyone who would like to speak to it:
Shall the Town vote to delay the removal and replacement of historic town owned Christian Hill Road Bridge over the Ashuelot Rail Trail (NH DOT Bridge NO. 098/ 122) for one year; and to furthermore, authorize the Selectman to appoint a committee to study any impact the removal replacement will have on the West Swanzey historical district it is located in; and to report back to the selectmen, its recommendations for the future of the bridge no later than October, 2026.

Article 16 – Petition article
Rautiola explained this article was submitted by petition and asked if there was anyone in the audience that would like to speak to it.
Shall the Town vote to preserve the historic, town owned Christian Hill Road bridge over the Ashuelot Rail Trail (NHDOT Bridge No. 098/122) in its current location.

John Traynor spoke to Article 15 and 16; he lives near the bridge. He said that 37 years ago, he moved from NJ to Swanzey as a young artist. Prior to moving here, he was hired to paint historic murals in NJ which required a lot of research because they had obliterated much of their history. e stated that once these historic items are destroyed, you can't bring them back.

Mr. Traynor shared his explanation of what happened with the bridge, stating in 2014 when the State closed the bridge saying it was not safe to drive over. In 2016 a committee was formed to investigate what to do with the bridge. Their decision was to tear down bridge and replace it with a concrete culvert bridge. 2 years later it was recognized as a historic bridge, but he said this was not publicized. In 2020 a vote was approved to take money from the State to build a concrete culvert bridge. There was no mention in the Article that it was historic. The Town approved taking money from the State. Last year, a snag happened when the remaining 20% was to come from the federal government, but you can't destroy landmarks and get money from government, so the Town tried to sell it the bridge but was unsuccessful, so they proposed moving parts to rail trail. He said it was hard to get information because former Town Administrator Michael Branley spearheaded the project and he is gone now. He was able to see some minutes from the meetings with the State, and when Branley was asked why he didn't want to keep the bridge, Branley said the Town doesn't want it. The bridge committee didn't know it was historic. People living around the bridge don't want a concrete culvert; they want it fixed.

Sculy asked how much it would cost to preserve it but Traynor said he didn't know. He said that there are funds available, and he has contacted Timber for Transit and was told there was $15M available for projects like this for 2026 - 2027.

He asked the selectmen for support of the petitions.

Mike Kowalczyk said if the bridge is preserved rather than being removed, there would be a need to find other ways to fix the washouts.

Tempesta asked if the whole bridge is being moved. Traynor said they only need to move a couple timbers to satisfy the requirement to get the funding.

Skuly asked that since this is a petition article, can the wording be changed? Hutwelker said a proposed amendment could change the wording. She is concerned about the implication "*Shall the Town vote to preserve the bridge*" – what does that mean. DiRusso said the grant would no longer be available. Sly Karasinski said he interpreted it to mean that it would be preserved in its current state. Hutwelker said the petition can't be removed at the deliberative; the intent of the article must remain. Jay asked if majority vote is required and that the warrant should state it.

Traynor said the purpose of the petitions is to not destroy history. Skuly asked if we are in danger of losing funding if delayed for a year. Traynor said the money ends at the end of 2026 so the Town would need an extension. Traynor said that people are used to driving around the bridge - they have been for 13 years; and it is currently being used as a walking bridge.

Chair Hutwelker asked for any further comments and thanked the public for attending.

NON-PUBLIC SESSIONS

Non-public session(s) per RSA 91-A:3, II ***(a) the dismissal, promotion, or compensation of any public employee or the disciplining of such employee.***

A motion was made by LaBelle to enter a non-public session pursuant to RSA 91-A:3, II (a) which was seconded by Tempesta. All were in favor by Roll Call and the motion passed**.** The Board entered the non-public session at 7:33pm. Present were W. William Hutwelker III, James Tempesta and Mark LaBelle. Also present were Town Administrator Lori Rautiola and Recording Secretary Susan Ells.

A motion was made by LaBelle to come out of the non-public session, seconded by Tempesta. All were in favor by Roll Call and the motion passed. The Non-public session ended at 8:01pm.

A motion was made by LaBelle to seal the minutes because divulgence of the information likely would affect adversely the reputation of a person other than a member of this Board; Tempesta seconded the motion, and it passed 3-0.

OTHER BUSINESS

Hutwelker provided packets to the board members to prepare for department head evaluations.

The Board gave feedback to Rautiola regarding the presentation.

Hutwelker suggested rotating who is chairing the meeting over the next few meetings to give Tempesta and LaBelle experience.

Rautiola suggested holding a pre-election planning meeting to plan for the Deliberative Session with the parties that would be involved in running the deliberative session to provide a practice. She suggested this could occur during the 1/28 regular meeting at 5pm

ADJOURNMENT

A motion was made by LaBelle to adjourn the meeting; Tempesta seconded the motion, and it passed 3-0.

Adjournment occurred at 8:38pm.

Respectfully Submitted,

Susan Ells, Recording Secretary

Approved on January 20, 2026