

**Warner Budget Committee  
Meeting Minutes  
Thursday, January 7, 2016  
UNAPPROVED**

Mike Cutting opened the meeting at 7:06 pm.

In attendance: Mike Cutting, Martha Mical, Martha Bodnarik, Kimberley Edelmann, John Leavitt, Alfred Hanson, Allan N. Brown – Selectman's Representative, Peter Newman – Commissioner Warner Village Water District

Others present: Jim Bingham – Town Administrator, Selectmen Clyde Carson and David Hartman, Judy Newman-Rogers, Fire Chief Raymond, Jeanne Hand, Varick Proper, Michael Simon

**1. Approve Meeting Minutes**

- A. Motion to approve minutes of 12/3/15 was made by Alfred Hanson, seconded by Allan Brown. No discussion was held on minutes. A voice vote was taken with a unanimous yes.
- B. Motion to approve minutes of 12/10/15 was made by Allan Brown, seconded by Martha Micals. No discussion was held on minutes. A voice vote was taken with a unanimous yes.
- C. Michael Cutting noted that the meeting minutes of December 17, 2015 had just been received today and unless someone had an objection they would hold off on approving them until the next meeting. There was no objection.

**2. Presentation of 2016 Budget**

**Finance Department** – Michael Cutting turned the meeting over to Jim Bingham. Jim noted some changes to combine Finance Office costs, Treasurer costs, benefits for Town Hall employees and Town insurance on one sheet. Jim pointed out that the expense for 2015 audit is higher because they had to catch up on some things. Michael Cutting asked if there would be any rollover from 2015 to 2016 and Jim replied there would not be.

Benefit expenditures are Social Security; Medicare costs for the towns full payroll, health care, life, short term disability and NH Retirement all referring to positions that are Town Hall administration. Jim noted at the bottom is town insurance for property liability, insurance trust for all the facilities and equipment and employers liability.

Jim said Property Liability Trust is ceasing operations the end of July so we are looking for a new carrier that will pick it up.

Martha Mical question: Under the benefits deductible reimbursed, someone said this year that was almost run out.

Jim: there is 6k or 7k left out of 15k but we have not had time to verify that number and have not included it.

Jim noted unemployment insurance and workmans comp is staying where it is. Workmans comp is based on how well we keep our employees injury free and we are part of a shared pool with other municipalities. If any member of that pool has an unusually large number of claims they get ranked differently and their premiums go up.

Michael Cutting: the benefit deductible reimbursement, does line 86 refer to the same expense and if it does, you never calculated it for 2016. Jim said he had just recently put that in to be able to track it and will try to provide some history on it next week.

Judy: it's a trust fund so would it be in the operating budget. Jim: It's a way of tracking year to year and we can put it out as a separate spreadsheet which he was hoping to capture in some manner so it would tie to the benefit.

Michael: it is an expense to the town which Jim clarified, but not through operating and he would figure out another way of presenting it.

Martha B: in a case like this when you're trying to track it so you can see it but you're recording it elsewhere could you include a note to clarify that and not include it in the totals.

Martha Micals: From what Judy said it's really in a trust fund so if we looked in the town report we would have last years amount.

Martha B.: Clarification that this appears on line 17 in the Warrant Article Budget Sheet.

Alfred Hanson: In regards to line 7 of the Finance Budget are we updating software packages every year? Jim: this is for the backup support for the software which we have in other offices as well. Clyde Carson: it is more than just help and includes updates to current versions of the software.

Alfred: on Health insurance it shows there is a two person contingency fund. It seems like all departments are now fully staffed so why do we need this fund. Jim: An example of why we have this fund is if we had one crew member on the highway department who has the single plan insurance and leaves his position, someone new is hired and they want the family plan insurance. This covers the difference. If employment stays steady and nothing changes, the two person contingency rides along and at the end of the year, it goes back to the General fund. Some of that money could be used to adjust the tax rate down.

John Leavitt: The contingency fund is something you carry every year. The Budget Committee has been told at past meetings that there would be a savings on health insurance this year of 7k and we have yet to see it and all the departments have gone up. Jim: I have a spreadsheet that shows where we were in 2015, where we are in 2016, what we spent in 2015 versus what we budgeted for 2016 employee by employee. Michael: If you look at the PD health insurance it was down \$3,875 this year versus last year because of manpower.

Martha B.: Question, is the healthcare cost tied to the salary of the person? Jim answered no. The cost of the plan is irrespective of an employees compensation.

There was more discussion on the health insurance costs of different departments and that the 7k in savings is not being shown. John Leavitt: One of the frustrating things about being on the budget committee and sitting in on Selectmens meetings is he is always hearing about cost savings but he never sees them, everything keeps going up. John continued, if the town was growing that would be one thing but everything is status quo and savings should be seen.

Jim Bingham: He will get the Budget Committee the worksheets they use to identify where the savings are and will try to translate it into the Operating Budget.

Alfred: question to Jim, is 7k savings from their first quote or do they send you a quote at the beginning and a final quote later? Jim replied that they only get one quote and that is broken out.

John: Line 43-44 of the Finance Page has a difference of 13k to which Jim replied the formulas are wrong and to look at it budget to budget.

Kimberley: going back to Health Insurance, for example DPW are always budgeting a lot more than we are spending. The 2015 budget was for \$107,000 but we only spent \$94,000. That is \$13,000, a big difference so is that a built in contingency. Jim: It goes back to what Alfred mentioned, we're not replacing employees who leave so quickly so if it's 2-3 months of expense we don't spend. When we have a shortfall in staff we have a corresponding shortfall in all the compensation. It was clarified that there was a shortfall in staff in the DPW during the year and that there is a minimum of a 2 person contingency health cost fund for the whole town.

Michael directed the discussion back to the Finance Department Budget. He said he doesn't want to open it up to a personnel situation but where do we stand with the Bookkeeper right now, is that filled as a fulltime employee or is the Bookkeeper out on a medical leave? Jim: Right now the Bookkeeper is on short term disability and working on a part time basis. Michael: We're not paying her a full salary now? Jim: No. She is on short term disability but before you do that, there is a use of sick and vacation time. John Leavitt: The YTD is completely spent. I have a problem with somebody not showing up to work for 3 months and getting full salary. Allen Brown: Why wouldn't it be fully spent if she collects short term disability and gets vacation and sick time to offset it. John: How much vacation and sick time does she get, she's been out three months and I am going by second hand information/rumor. Martha M: She went out on October 28 or 27<sup>th</sup>. John: That's over two months.

Jim: She worked for the first week or two of November so she has been out sick since that time and she has been doing some hours of work that kept us out of big trouble because we have a partial backup, not full backup. In that time she has been using all of her vacation, sick and personnel time which is why you see that.

Martha M: If she is on short term disability the insurance company pays a portion of her pay so are we still paying 40 hours plus that? Jim: No, we are paying the hours she works and there is a limit she works before the short term disability starts to be reduced but short term disability takes time I don't think she has even gotten her first check yet. She's been with the town several years so you can accrue up to 20-30 or more sick days over that. John: Do they accrue year to year? Martha M: They do. It used to be if you were fulltime you got six sick days a year, now it's broken down into hours.

Martha B: This is a personnel matter and it's up to the Selectmen and the Administrator to look into that and we shouldn't be arguing it now. Alfred and Michael Cutting agreed. Michael: My other concern is that if she is on short term disability are we still going to be covering her for medical? Kimberley: You don't shut off insurance when someone is on disability but the salary line won't be spent unless she's actually a salaried employee and not hourly. Martha M: She is a salaried employee Kimberley: Then she gets paid no matter what. Martha M: That's what I

thought, if she works one hour out of 40 and she's salaried she gets paid for 40. Allan Brown: That is absolutely correct and I think the requirement is 3 hours a week.

Michael Cutting: I want to cut this short because I really didn't want to get into personnel matters but did want to look at this in view of next years request for \$36,680.00 if this was going to be an ongoing basis or what the contingency plans were to cover this need because we're coming up to a critical time to close their books and things like that.

Martha B: Question to Jim. I have absolutely no idea why she's out on disability and it's really not my business but is it the sort of thing that would prevent her from doing some telecommuting for the job? Several board members answered: That is what she's doing. Jim: She's working because she has a laptop that's encrypted and she is the only one that can get on it so she is able to do quite a bit of the AP and year end closing.

Alfred: It's my understanding, and I agree the personnel issue should cease, we're looking at the 2016 budget for that office, whether they spent it all or not that's what we should be looking at so let's move on.

Judy: Just like the other individual that's out in the PD, if it's just an amount budgeted for next year, maybe that line could be reduced by the amount of time she's going to be out if that's what the Budget Committee is looking at. Jim: That's certainly a possibility and there are certain risks to that because we don't know when they will come back so how much do you take out? Judy: I remember you saying that with a Police Officer that was out so is that the same scenario? Jim: We have a pretty good idea that cost will probably not on the payroll for at least eight to twelve weeks of the new year but talking to the Police Chief, in case he needs to get part timers to cover shifts we didn't touch payroll. However he was able to reduce the healthcare benefit because that officer is claiming he doesn't need coverage while he's out so we can back that out for the first three pay periods. Michael: That's roughly why we dropped \$3,875.00 in health insurance cost for the PD.

Michael: Let's move on, anything else on the Finance Budget? There was not.

- 3. Revenue** – Alfred asked can we jump to Revenue so we can finish what we were doing the last time? Michael: Yes. If you notice the bottom line we're at a revenue figure of \$904,464 as opposed to last years revenue which was \$1,462,878 but remember the revenue from last year included substantial estimates that didn't come to fruition. Martha M: Substantial money that belonged to the roundabout. Michael: having said that about the roundabout, my understanding is that we didn't encumber the money for the roundabout in 2015, am I correct? Jim: That's correct. We have to reauthorize that money because the money lapsed at the end of the year so part of the money is sitting in General Fund balance. The other part will be coming to us as soon as the designs are finalized hopefully this month and that will go into General Fund balance. We need to get voters permission to take that lapsed money out and put it back into either Capital Reserve Fund or under a separate Warrant Article so we can use it for construction.

Michael: Since the money was not encumbered it will go back through as General Fund and show up as surplus at the end of the year for the Selectmen to use to offset what is going to be coming through this year as a Warrant Article so it is in essence a wash and it's unfortunate that it wasn't encumbered. Am I correct on that? Jim: Yes. Alfred: In understanding this what you plan on doing is this Warrant Article will take that \$199,000 and put it back in the Capital Reserve is that correct? Jim: That's one of two ways that we're looking at doing it. We can put it back in Capital Reserve fund or from a bookkeeping standpoint, designate it as reserved funds within the fund balance. So it doesn't have to be taken out and given to the Trustees of the Trust Funds and would probably save on paperwork.

Alfred: If Warrant Article number three is voted on and approved doesn't that mean that the \$199,000.00 has to go back in to Capital Reserve because the Warrant Article is going to read that way correct? Jim: There are at least two ways in which we make these funds active for the Board of Selectmen to use in construction. All the funds are put in the Capital Reserve fund which means we take money out of the General Fund balance, write a check, send it to the Trustees of the Trust fund and when we get the bill we pay it and ask the Trustees to reimburse us. Another way of doing it is a special Warrant Article under RSA 32:7-A which essentially designates it as this amount as a special Warrant Article not to lapse for a period of how many years you want to do it. That way, it stays in the general fund as reserved funds as opposed to unreserved funds.

Jeanne Hand asked for copies of the Warrant Articles. Jim: you don't have them and the reason is they're not in a finalized state so it makes no sense to have it available at this time. We're waiting to hear back from DRA and legal and we need to work on the re-ordering. Michael: Have they all been submitted to Department of Revenue Administration for review? Jim: No, not all of them have but most of them are very basic and straight forward. Michael: They still have to be sent to DRA for review don't they? Jim: They have to be input to their new system and not all of them have been. Michael: But they will be shortly? Jim: Yes.

Michael directed the discussion back to Revenue. John: Voted from fund balance in 2015 you have \$149,000.00. There was \$114,000.00 for the roundabout and \$10,000 for the contingency fund also voted from fund balance and why isn't that shown here? Jim: In 2015 we voted and moved from fund balance \$139,000 to a Capital Reserve fund for road construction, \$10,000 is for renewing the contingency fund so that's \$149,000.

John: What about the \$114,000 for the roundabout? Jim: That wasn't transferred over because it wasn't actually used which is why it's not under the actuals but was captured under Other Grants because we were going to be using that directly. Voting from fund balance to be used that day, the DRA has advised to put it under Grants which is Line 29 so the \$419,490 captures grants and reimbursement actually received or anticipated in that group.

The Budget Committee discussed whether or not \$114,000 was voted out of fund balance. Jim: You're right it was going to be coming from fund balance but because it was planned to be spent at that time, DRA says put it under Line 29 Grants.

Martha M: The \$114,000 was supposed to come back to us from DOT after the approval of the Stage One and Stage Two of the roundabout. Shouldn't Line 29 also show the \$400,000 that is coming from DOT as their 2/3s? Jim: For tax purposes yes, it is part of what DRA says goes against our tax rate. I didn't put it in here at this point because we're so far afield from that. This area of counting revenue from year to year can be perplexing and I have been working with DRA to clarify exactly what you can count as actuals. Martha M: Can you give us a list to break down that \$419,000? Jim: Sure. Martha B: And can you show us a breakdown of the estimate so we know what didn't fall in? Jim: Yes.

Alfred: Haven't we always been conservative as far as showing revenue? We're talking for a third year about the roundabout so why would we count it as revenue right now thinking we will do it this year when we haven't done it the last three? Jim: We don't count it this year, we counted it in 2015 and we can't count it in 2016 even though we'll receive some of it. Martha M: That happened because our Warrant Article said we will raise and appropriate \$600,000 and even though we have not received it, if we didn't apply that the tax rate would have gone through the roof. Jim: They basically said if you don't apply it this year you'll have to wait for taxation so a decision was made, we voted on it this year so we'll count it for this year even though in reality some of it will be coming in 2016. Other grants are in that \$419,000, that we did not expect to get but arrived.

Alfred: The only thing that bothers me is some of this revenue coming in is labeled and I find it hard to believe that the DRA is telling you to put labeled money into grants because that's not the right Capital Reserve. Jim: It wasn't voted to be put into Capital Reserve, it was voted to be spent that year, there's a difference.

Michael: If I'm right, the Operating Budget is off by \$50,000, the Capital Budget is up by \$65,000 and revenue is substantially down which leads me to the conclusion that a tax increase is going to be substantial this year. Martha took the time to calculate it today and we don't really know what the estimated value of the town is but using last years it comes out at about \$10.30 and this time last year we were at \$9.29, something like that. We have roughly a \$1.00 increase.

Jim: The difficulty of establishing a potential tax rate for November now, using conservative revenue, not taking into account what surplus comes back to the town from the 2015 budget and not taking into account what our actual revenue will end being in October, I think the estimated increase is unnecessary panic. Michael: But if you look at the last 5-7 years we have every year at town meeting come up with an estimated tax rate so the towns people have some idea. If you look back through the history of that I think you'll find we've been pretty accurate within a few to 10 cents. Jim: I recall we were talking about a similar prediction last year and the reality didn't happen that way. We stay conservative on revenue today simply so we do not give false hope to the townspeople and at the same time I don't think we should give unwarranted concern or alarm as well. That being said, I think we need to tread cautiously when we're looking at the revenue.

Judy: Question on tonights report on the Motor Vehicle Permits, the number in the column for 2015 actuals is less than the number in the report the Board of Selectmen received the other night. Jim: Yes, I'm looking at this and the latest actual revenues aren't reflected here.

Judy: It's closer to \$472,000 and we did \$60,000 more than last year. Jim: When Judy and I spoke the other day on the Selectmens numbers, I asked do we want to bump it as high as \$450,000 for our estimate and after some discussion we agreed that \$420,000 was a conservative start. Come September we will seriously bump that up if that's the case. Martha M: So the 2015 actuals and the 2016 projected are not correct in the columns? Jim: No they are lower.

Michael: Let's move out of the Revenue because if these figures aren't accurate we are wasting our time.

4. **Capital Budget** – Martha M: Jim, before we start this discussion is \$590,000 the figure for this year? Jim: the only thing that has been discussed is in regards to the testing of soil in the Odd Fellows basement and an estimated cost of removing it which is running about \$23,000. The question before us is that we asked for \$10,000 to go in, should we ask for more so we can get it done this year if it makes sense. Martha M: And we don't have any money in there? Michael: We have \$100 left in there.

Alfred question to Fire Chief Raymond on the air packs: What do they cost? Chief Raymond: We just purchased five of them for about \$5500 each. We're still putting in for a grant which we should know by late February, if we get that we'll be able to replace all of those but I'm not counting on that. Alfred: In the last couple of years how many have you replaced? Chief Raymond: Just five that we got last week. I was waiting for that grant last year so at the end of this year we had last years CIP, I bought five and was able to buy some of those through the Operating Budget I have and pay the rest of with last years CIP which leaves some in there. If we get the other CIP for this year, that should make us close to what we need to replace which is 22.

### **Meeting Warrant Articles**

- A. **Property Reval** – \$25,000. No questions.
- B. **Exit 9** - \$199,000. Discussed previously.
- C. **Bridge Replacement** - \$25,000. No discussion.
- D. **Fire Station Design Building Costs** - \$45,000. Alfred: We sit right now at \$155,000 correct? Michael: Yep. Alfred: In reading minutes from the Selectmens Meeting a couple of weeks ago I got the assumption that we are no closer now than we have ever been as far as resolving this. I suggest we do not add to that account. I have a real problem with asking for another \$45,000 when we're no closer. Allan Brown: I think I can answer that question next budget meeting because we're going to hopefully get together with the Fire Chief and Officers and sit down and talk next week to iron something out.

Martha M: The analysis that we did on the Eagan lot, how much did that cost us? Jim: A little over \$9,000. Martha M: So round it up to \$10,000. I would assume that any lot that you're seriously looking at would take another \$10,000 to have another analysis done on it. Allan: It all depends on which lot we choose because some lots are going to be a lot more money than others. Martha M: Do we have a guess at how much more it...? One and a half times? Allan: You could go anywhere from \$10,000 to \$20,000. Martha M: Depending on what lot you're looking at you could actually do the analysis and purchase the lot for what we have in the Capitol Reserve without adding to it. Allan: It depends on which lot we look at, we're looking at 4 or 5 right now.

Martha B: We have already been throwing money into a hole trying to figure out where it's going and the towns people don't want to give you any more. I don't think you're going to get any more money and I don't think it's going to paint a very good picture to go after more. Allan: We want to try and get on the same page as the FD and see if we can move this forward which is my hope.

John: The problem with the Capital Reserve fund is not the money that we're putting into it; I don't think the people in town have a problem with that because they know it's going to cost multi-million dollars to build. It's the way the money has been spent to date which is the problem, we should actually be putting more money in. Martha B: There are a lot of people who don't want to build a new fire station. John: Most people I've talked to agree that it needs to be built. Jim: For this Capital Reserve fund you feel the money spent so far hasn't been appropriate? John: What I think doesn't matter, it's the perception of the people in the town. Jim: The town voted \$165,000 to make a Capital Reserve fund for a new fire station site, we've spend a little under \$10,000 was that appropriate or not appropriate? Martha M: On your watch it was appropriate, that's not the issue that's out with the towns people. They're more upset about the design that has been done. Allan: You can't keep beating us up with that, sooner or later you have to let it go.

John: that \$10,000 was very well spent because a lot of people in town had concerns about that property and the \$10,000 appeased that concern to a large degree and it was unfortunate we didn't buy the property because of other reasons. Jim: The Board of Selectmen has made a strong commitment to be as open as possible about this on every level because of the fact that it wasn't quite that way before for whatever reason. There's a big red building up there that was a mistake 15 years ago but the voters all voted for it and now we're facing it. The only difference is that we're doing the same thing with the Odd Fellows as we're trying to do with the fire station which is go step by step, checking out all possible options and making sure when we do make that decision, that we've checked everything we possibly can. To do that, you need money. \$155,000 maybe will get us one property and a third or half of the engineering we'll have to do to determine how much the site development will cost let alone developing plans for the building.

Michael: Let's postpone the rest of this discussion until next week.

E. **Fire Rescue Vehicle** - \$90,000. No discussion.

F. **Fire Department Equipment** - \$25,000 was already discussed.

G. **Odd Fellows Building** – Michael: We already discussed that and there's a potential it may come back to us at another meeting for an increase if the Selectmen decide to go forth. Jim: That is worst case scenario. The evaluation was done and we're going to be paying for it with the \$10,000 that's already in there. Michael: There's only a \$100 balance there. Jim: I've anticipated we'll be spending the money. When the bills have been received and paid we'll have \$100 left. Michael: The anticipated possible \$10,000 to \$22,000-\$23,000 that's going to include the removal of all of that hazardous dirt? Jim: Right, if we want to get that done this year we'll need to have \$22,000.

Jeanne Hand: In the past didn't we have another company come in there to examine the asbestos in that building? Michael: Yes we did. Jean: What happened to that? Jim: we got the quote two years ago and it came out to \$20,000 to remove the asbestos that is in the actual building itself. Jean: So this is in a different area? Michael: This is the dirt, the ground below it that we're looking to remove first and we'll worry about the asbestos, lead paint and other issue but let's get one thing done at a time.

John: We shouldn't nickel and dime this, we should have a plan from a contractor for what has to be done, how much it's going to cost and from that point we may decide to mitigate some of the problems, maybe it's cheaper for us to take some of the dirt out or the contractor take it out. So we shouldn't do anything until we know what the plan for the building is.

Jim: If we hire an environmental consultant, which is where I personally am leaning, that would be the independent professional who can look at that building and tell the Board of Selectmen the most cost effective way to mitigate this site. That person is not going to be doing that for nothing or for just \$5,000-\$6,000 so you're right, we need a plan but we need money in the bank to hire the guy to do the plan. John: If you put it out for bid with a contractor who gets all the information and the studies that we did, it could cost us nothing for the expert. It would be the responsibility of the contractor to do all that work. Jim: We would have to time it so that when he sends in his bid with numbers that are good for 30 days the March meeting comes around and we can say we need some money.

Alfred: I need one clarification. It really stems back to whoever this guy is that wants to develop this thing. But if this guy goes ahead and develops it, it's still the town's responsibility to clean it up, correct? Several board members responded, it is negotiated. Alfred: Then we ought to have a plan if we're the ones responsible to clean it up. Michael: We should be negotiating with the potential developer whether we're doing it, he's doing it, or it's going to be a joint venture. Alfred: We've heard about that for the last 2-3 years and nothing's happened. It's my understanding you've extended his contract another year this past year correct? Jim: He should find out by June whether he's going to develop it. The grant award he is applying for comes out in June. Let's say we know in April. Put this in perspective, the town has owned this boon doggle since 2000 and I think the heated discussion is because the town is finally starting to do something about it so everyone is going to have an opinion. We're trying to get the data we need to have so we can sit down and decide how to handle the problem. Before we didn't have the data.

John: We had no problem from a budgetary standpoint getting the data that we needed. Jim: The next step is that we need a plan which is what we're developing now. Michael: If they decide to increase this to \$23,000 then we could at least remove it but going back to John's scenario, this is only a partial plan for the removal of the basement dirt. It has nothing to do with the cost of removing the asbestos, lead paint or demolition. John: My definition of a plan regarding that building is are we going to renovate it or demolish it? Jim: We don't have that answer. Kimberley: Whether you renovate or demolish there are still common things that have to be done.

Jeanne Hand: I'm reading on page 5 of the minutes from the Board of Selectmen's meeting that says; *We spoke to Bob Irving, In case Bob doesn't want to continue the project there is another man interesting in doing that.* Martha M. confirmed that was said at that meeting. Martha M: The Selectmen I don't believe said that they are even going to consider another person. That was information that was given by a person in the public.

H. **Town Hall Improvements** - \$40,000. Michael: We have \$17,000 in the reserve right now and we should have sufficient funds to replace that handicapped lift. Jim: If we get the money we're going to go for the bid and get it going. Alfred: If you go back to our notes in 2013 it was brought to our attention to replace that lift in 2017. We were going to appropriate \$10,000, \$20,000 and \$20,000. I want to know why we're quickening things up. Clyde: It's a hazard. Jim: We have an older quote that was \$24,000-\$25,000 for the new lift and the extra money is

because the doors are wider so all the door jams have to be reestablished and since we're dealing with brick and cement at least on one floor it's going to be expensive. Part of what we want to make sure we don't do as a town is putting out Requests for Proposals and not doing anything about it as contractors won't want to do work for us in the future.

Michael: Why is it necessary to widen the doors, we can't find a lift that fits the door jams that we have now?

Jim: They don't meet the new ADA code. It will be improved because the use of the lift will be more autonomous in the sense that the person using the lift will be able to control it much better.

- I. **Preservation of Town Records** – No discussion.
- J. **Highway Department Equipment** - \$100,000. No pertinent discussion.
- K. **Road Construction** - \$100,000. No pertinent discussion.
- L. **Transfer Station Equipment** - \$30,000. Michael: It's a skid steer/Bobcat a machine to move stuff. And that involves no money for repair/replace of bailers. There is \$22,500 in the balance, you're going to invest \$30,000 and you're anticipating this new one is going to cost somewhere around \$50,000. Allan: \$40,000-\$45,000 depending on what brand you get. Alfred: Can you lease one of them? Varrick: When we looked at it that seemed to be the most attractive option. John: What's the advantage of leasing because at the end of the lease you don't have a piece of equipment that you own. Michael: It depends on if it's a lease/buyout or a straight lease. You can establish a \$1.00 buyout or something like that depending on how you structure your lease. John: As a town, you don't have a tax advantage to leasing so most individuals don't lease vehicles because it's not financially feasible unless you have money to throw away. Isn't this an admittance that the Capital Reserve funds aren't working because that's their purpose? It's a bad reflection on the Board of Selectmen and the Budget Committee for not putting away enough money to replace the equipment per the CIPs.

Martha B: It was explained to us that we would not be running into the high repair costs we had in the past with keeping the vehicles we've paid for limping along. If you want to ask a question, instead of asking all of us on the board, why don't you ask someone like Allan or Varick who work with these kinds of vehicles what the advantage might be. John: You're assuming I haven't researched this and I have but I haven't got an answer yet. Michael: Reiterate your question and what you would like for an answer. John: I would like to have some facts on just how this is going to save the town money. It's going to make it convenient because we're in a bind and the way it looks now it looks like this is the way to go. I'm not suggesting we shouldn't go this way but it's because not enough money has been put away in the Capital Reserve funds and we should be looking at this in the future to make sure we put away enough money. Now we're in a bind to buy all of these pieces of equipment that the town cannot afford so now we have to go to lease.

Michael: The problem that we have is compounding itself because we're in a situation where we've got to replace some equipment and the most expendible way to do it is lease. Unfortunately once you get yourself into this position, you're spending money to lease equipment and you can no longer afford to fund Capital Reserve sufficiently. The town doesn't have the funds to do both at the same time which is what you would have to do to dig yourself out of this hole. Martha M: If the \$30,000 goes through and we've got \$22,000, that's close to the \$50,000-\$55,000 so we can buy it. John: Leasing may be the way to go this year but it's an indication of bad management on all our parts. Alfred disagreed with Johns statement. Martha B: It hasn't got to do with how people have managed things it has more to do with how much money the town actually has, the economy and what people can and can't afford.

- M. **Police Vehicle** - \$15,000. Martha M: It says we have \$36,000, didn't we get a vehicle this year? Jim: It's ordered but we haven't paid for it yet. When you see those balances I'm trying to give you a balance as of the end of the year. Allan: I think we'll have about \$3,000 in there after it's paid. Michael: The reason we're at \$15,000 this year is because we're not only be going to buy another cruiser but we have to start planning for that SUV replacement.
- N. **Contingency Fund** - \$10,000. No pertinent discussion.
- O. **Library Building Renovation** - \$5,000. Michael Simon: We're comfortable leaving that with the Selectmens recommendation, we don't have firm figures on things but some other things we're doing, it looks like we're going to save on.
- P. **Solar Panel Array** - \$10,000. Michael: You are preparing the material to go forward with the solar panel project for this next year? So it will be the arrays for the precinct as well as the town? Clyde: Correct. Alfred: If this goes, does construction happen this year? Clyde: If town meeting approves it then we clear the land as soon as we could after town meeting and construct it during the summertime. Alfred: Where are we going to budget the

money for the loan? Clyde: I'm not sure how it is shown but the array will cost \$350,000. We'll get \$75,000 from the state in rebate that comes off of that, we hope to get another \$25,000 in a grant, and the remainder will be financed through Rural Development which we're putting the application in for tomorrow. Alfred: Does the town have to approve the grant and the entire amount? Several board members answered yes. Clyde: If we don't approve the entire amount it's dead. Alfred: So why are we only asking for \$10,000? Michael: We're going to get revenue from the electric company based on the power generated which will offset the cost and be used to pay for the loan. Alfred: I understand all that but he mentioned \$75,000 and \$25,000 so where's the other \$235,000 that the town needs to approve? Clyde: \$10,000 was estimated to be the first payment on the loan in 2016.

Kimberley: He's making a good point and we should know what the entire amount is. It was clarified that the Warrant Article would include all of the amounts that have been mentioned. Jim: The purpose of the \$10,000 is to point out accurately what the cost will be to the taxpayers this year.

Q. **Lease/Purchase of Highway Grader** - \$45,000. No discussion (1:59)

R. **Conservation Commission** - \$5,000. Alfred: What is their total. Martha M: I believe they're over \$100,000. Jim clarified that amount will show up on the spreadsheet eventually. Kimberley: The balances should be shown at town meeting. Michael: Do they have specific projects in mind that need to be expensed this year or is this added to their coppers. Allan: They requested \$25,000 and we whittled it down and I don't believe they had any special projects.

It was decided to discuss the Operating Budget at the next meeting.

5. **Other Items** Michael: Next meeting we will talk about the Operating Budget and hopefully the Administrator will have an update on that. Are there still expenses that haven't been paid? Jim: We have gotten quite a bit paid and I'm guessing we may have another \$10,000 in bills. I can update the expenses. Michael: Mr. Brown is going to come back to us with a report from the FD.

Michael: Reminder that we only have one meeting for review this year.

6. **Public Comment**

7. **Meeting Schedule**

Next meeting is scheduled for January 14.

9. **Adjournment**

A motion was made and seconded to adjourn at 9:14 pm.

Respectfully submitted,  
Lois Lord  
Recording secretary