

**Warner Budget Committee  
Meeting Minutes  
Thursday, January 14, 2016  
UNAPPROVED**

Mike Cutting opened the meeting at 7:00 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, Fire Chief Raymond, Jeanne Hand, Jim Hand, Jonathan Lord, Judy Newman-Rogers

**1. Approve Meeting Minutes**

- A. Minutes of December 17, 2015. Motion was made by Alfred Hanson to approve, seconded by Kimberley Edelmann. No discussion was held on minutes. A voice vote was taken with a unanimous yes.
- B. Meeting minutes of January 7, 2016. Martha Mical asked to hold off on approving these as they had just been received. Kimberley Edelmann made a motion to table these minutes to the next meeting, seconded by Martha Mical.

Discussion - John Leavitt: Asked if there was a discussion on lease/purchase of highway grader. (Recording secretary confirmed there was no discussion 1/20/16)

A voice vote was taken on motion to hold off on approving minutes with a unanimous yes.

Michael Cutting reviewed the order of business for tonight's meeting – Review Operating Budget, Capital Budget, Revenue, Precinct, set a new date to replace 2/9/16 meeting for final vote because that is the primary day. (At this point board members noted the minutes of 1/7/16 had not been addressed and the discussion went to B. above.)

**2. Report from Allan Brown on FD**

Michael said he had asked Allan Brown to come to the board with a complete and concise report on the Fire Department.

Allan: We met with the FD and narrowed things down to a couple of sites. I have been talking to engineers, trying to get pricing on site assessments, and got some pre-work mapping done. The board is going to bring it back to a nonpublic next Tuesday night.

Michael: What is the board's intention this year, move forward with this at Town Meeting this year?

Allan: Tuesday night will tell us that. We have about \$155,000 in the account.

Town Administrator: We have discussed how much we have and how much we need to put in to be competitive if we want to make any offers on possible sites.

Allan: There is no article in the Warrant schedule, just putting more money into that account which may change next week after the board meets. The feeling now is that we will leave the \$155,000 there. One piece of property we know is on the table, we have enough to buy and still do that site analysis. The other piece we wouldn't have enough money to purchase so we have to choose one or the other. If we do that, I will bring it to a presentation at Town Meeting to get the vote on it. If we don't do something we're not going to have any place to go.

Alfred: If you are able to do this, is the \$45,000 going back in? To which Allan replied yes and probably more. That would be for the purchase and engineering assessment?

Allan: We need to anchor down a piece of land because you can't design a building until you have a piece of land. My thought is to get the piece of property purchased. We've got two pieces we're looking at; one is going to demand a nice looking building to fit into the area, the other you could put up a building like the highway departments so there is a lot of cost difference.

Martha Mical: Before you can purchase are you not going to do the site assessment? To which Allan replied yes. Martha: That's part of your money then you could wait till next year to do anything further which Allan confirmed and also confirmed that the asking price of one piece of property is \$240,000 but has not been negotiated.

Alfred: The other piece of property with the money on hand you could buy? Allan confirmed this and said the development cost on that one is going to be astronomical compared to the cost on the other one.

Discussion was had on the fact an assessment had not been done on this property but the development cost can be determined by looking at it and that the public has made it clear they want to have an assessment done on any property before it is purchased.

Michael: With the property that will cost a substantial larger amount to be developed, comes a potential of considerable savings on the building itself because as Allan said it could be a simpler more economical building.

Martha Bodnarik: You do understand the first site is the last site that nobody in town likes and the FD asked the Selectmen to buy. Just putting it out there.

Jim Hand: The town owns quite a bit of property and I wonder why we don't look at any of these properties as a potential site for the Fire Station?

Allan: We did and have looked at over 40 sites some of them were owned by the town, some were privately owned for sale and some privately owned not for sale. Discussion at one of the public hearings on the Egan lot was why weren't we looking at the land back of the town hall because we own a 20 acre piece on the top of the hill for which we have a 20 foot right of way up Ray Martins driveway. We have some road frontage over by David Hartman's on School Street by the power plant. We would have to build a bridge across the children's brook and we just spent \$300,000 on a bridge further up and this one would need to be a lot larger. Its rock ledge and water and all the wells that service our towns are up there.

Jeanne Hand: Didn't we have an architectural drawing for a Fire Station which Allan confirmed. How much did we spend on that?

Allan: \$125,000 and it was for a 14,000 sq. ft. building and it had living quarters, was two floors, and had an elevator. The Building Committee has come up with the amount of 10,000 sq. ft. minimum which should take care of us for a long time with the ability to add on in the future.

Jeanne: We've got \$125,000 that we've already spent on design plus how much for the assessment on the Egan lot? Allan replied that was around \$9300 and because the citizens want it, we're going to have to do that with every lot we want to consider seriously.

The discussion continued that the town does not need a fancy Fire Station, that the voters will vote it down if the majority feels it's not something that is needed, and that some may vote for a lot and feel the station can be built later. Allan confirmed that if they purchase any property it will come before Town Meeting.

Chief Raymond: The lot that the FD went with is because the other lots we have, we're going to run into the same problem we had with the Egan lot, people not wanting it in the neighborhood. With this lot, it is going to cost quite a bit to develop but you're not going to be taking another building out or interrupting a neighborhood. It's not that we want that, it's that we need it.

Jeanne: If you're going to put the warrant out you need to prove it's a need to which Chief Raymond replied he feels that has already been done.

Kimberley: You could do a more compelling story and tell people how badly we need it because I think that people don't fully get it yet.

John Leavitt: I have a suggestion. Next time you have a fire put somebody there with a video camera and play it at Town Meeting. You're going to have to put a real justifiable presentation out there and that's one way of doing it.

Chief Raymond: I'm worried about the guys I'm responsible for and ultimately the town is responsible for them too. I'm a volunteer and don't do this fulltime and the time I spend already, this has been going on for 6 years. If the town doesn't want to give us a new Fire Station they don't have to until somebody from the state walks in and takes a look at it.

Michael moved the meeting forward to the next topic. Tonight's a work session and the idea is to ask questions and make decisions.

### **3. Operating Budget**

**Board of Selectmen's Office Budget** - \$137,850, 2.2% increase.

Jim Hand: One recommendation, in their budget they ought to have an increase in how much paper they use. Every time I come to a meeting not everybody gets a copy of what they need. It was confirmed there were copies for the public for tonight's meeting.

Martha M: Many times at the end of a meeting I have picked up and thrown out 5-6 copies.

**Elections** - \$3,620, 180.2% increase.

Kimberley suggested starting on the last page which is the bottom line of the operating budget and work our way back. The committee was in agreement.

**Total Operating Budget** - \$3,024,793.00, increase of \$57,959.00 a 1.9% increase.

Michael: 2% raises are included in that which adds up to about \$34,000. There is roughly a \$20,000 additional increase above and beyond that.

Discussion that some of it is increase in insurance premiums.

Allan: We have been through this budget many times and have tried to get it down.

Martha B: At the same time, we're cutting \$28,000 off the bottom line because of the library.

Michael: The library is strictly a function of the value of the town and is a percentage.

Kimberley: The library budget went down which is a fixed amount therefore the rest of the budget actually went up more.

Discussion continued on what had been subtracted from the total and it was confirmed that it had been done correctly.

Kimberley: The question is with the 2% salary increase across the board; we're at 1.95% increase in the operating budget and is it realistic?

Martha B: We've looked at each of these and the only way we're going to get it down is to cut out small amounts such as \$200 for food for the election. I don't think it's necessary to do that and this is as lean as it's going to go without being mean.

Martha M: I have a couple of questions. On the highway budget winter sand you took it down to \$5,000 for 2016 and did we actually unencumber the \$15,000? That was confirmed by the Town Administrator who added the unencumbered funds have been added into the 2015 expenditure to date.

Alfred asked for an explanation on the Block Grant which they have seen for salt and sand in large amounts.

Allan: You can put any figure into Block Grant which this year is \$120,000; it doesn't make any difference we're going to get \$120,000 to spend on highway. We used to take winter sand out of that which doesn't alter the fact that we can use Block Grant money for anything related to highways. What it boils down to is we got \$120,000 of gas tax back that year.

It was confirmed that the Block Grant money shows up in Revenue. Allan added it is always an estimate and confirmed the block money is included in the Highway Departments total budget.

Martha M: For what has to be raised you could take the Block Grant money off of that.

Discussion ensued on this subject, that we have a contract price on it, that the tax is set by the state and could be raised, and what might affect it is how well the tourist industry does.

Jeanne Hand: Has anyone ever thought about reducing the full time to part time on the Highway Department?

Allan: They are currently one man short and reduced one full time position after I left. We are down to 6 full time employees from 7.

Jeanne: We spent \$925,701 last year, was that all spent and if not where does it go back to the General Fund? That was confirmed.

John Leavitt: Line 236 gas and diesel, why has that number not gone down? There are two things that should drive it down, price of fuel is down and the 10 wheeler was supposed to save us fuel costs.

Allan: Tim has a whole lot of work that he wants to do this year so we wanted to make sure he had the fuel to do it.

Michael: What are we paying for gas right now under the State contract?

Town Administrator: We budgeted diesel at \$3.10 a gallon and they use more diesel than gasoline and gasoline was budgeted at \$2.50 at the time as we don't know where it might go. If you look at the last few years our gas pricing has gone down from \$77,000 to \$65,000 to \$57,000 so we are seeing a reduction, some of it due to price.

John: In 2015 you budgeted \$65,000 and we spent \$57,000. In 2016 the price of fuel is lower and we have a 10 wheeler that saves us fuel so the request should also go down.

Martha M: We had the 10 wheeler in 2015 also and Tim has more projects that he wants to do that are going to put the vehicles on the road more.

Jim: We haven't gotten the final DOT bill that would affect December.

Michael: That bill needs to show up in the next few days otherwise you're going to be running it into 2016.

Kimberley: When do the books close? It was confirmed that is the end of January. Kimberley continued, it's fantastic that gas is so low but it doesn't take a whole lot in world events to switch that back up again.

John: The forecast is for the price to go down even further which can change in a flash but we can't budget worst case scenario in every line item otherwise our budget would skyrocket.

Michael: That's why they set that at \$65,000 because they anticipate the gas will not fluctuate too much more than what the state has already bid and this year Tim has said he wants to actively do maintenance instead of construction. We don't have any major construction projects and substantial maintenance hasn't been done in the last few years.

Alfred: I think the state buys their fuel on contract prices for that fiscal year. Allan confirmed this. Alfred asked how much of the increase for Parks is for the grader. The Town Administrator said it's at least \$20,000-\$25,000.

Alfred: If the town goes ahead and approves the new grader, that number could change in fiscal year 2017.

Town Administrator: What we should keep in mind is we have a fleet that is aged that we're trying to keep going and get more equipment so eventually that line will stabilize and maybe go down. What I would like the Budget Committee to take in is when the department heads and I sit down we go through that budget, we go through it with the selectmen several times and the last time we were looking at this the budget it was at 2.78%. I knew we didn't want to be there so we went back and went through two more revisions to bring it down and I went back to every department head to see what could be cut. Some said they could not take a cut which I have to respect. You can go through and look at potential cuts but I caution getting too lean because if we're going to do a situation where we don't have any fat at all and we find ourselves having to overspend that puts a burden on the Board of Selectmen. They would have to go to Superior Court for a special Town Meeting to raise funds. This is a responsible lean budget and it's likely we will have surplus coming back at the end of the year and should have a good idea by the end of October what we're going to see.

John: There is a danger that if you have a flush budget there is a tendency at the end of the year to spend more, not less. If the budget is tight the tendency is to spend less. Last year at this time we were looking at a \$75,000 or \$80,000 surplus of the budget on this last line item. This year it's \$148,000. You made the same appeal last year yet we're \$50,000-\$60,000 more under budget this year than last.

Michael: Remember all of the bills have not been paid yet.

Town Administrator: If you look at the way the spending patterns are in the town, a number of the department heads sit on that money just in case something happens and usually at about the fourth quarter they're realizing they have to play catchup. You pointed this out the last time that by the fourth quarter you find yourself spending sometimes 30% of the budget on supplies that they held off getting, etc. The other thing with the \$148,000 that's coming back which I'm guessing is probably going to run around the high \$130,000's is that we've had a blessed December and we have a lot of money tied up in highway overtime for those end of the year snow storms and if that doesn't happen it comes right back to us. That's why we're looking at that. We're not fluffing up anything; we have to justify every increase we're looking at.

John: It balances out over the years as we had a hell of a winter last January-February.

Martha M: I don't think last year's January-February were any worse than several years before. It was worse as in temperatures but that doesn't affect how many times the guys have to go out.

Allan: You also need to realize overtime budgets aren't just snow and ice storms. It covers hurricanes and who can say how many we will have.

Alfred: I looked at this and if you take out your 2% raises and increase in insurances this budget is the same as last year. If they operated all right last year on this budget they should be able to this year. We don't want to nickel and dime this budget.

Michael: We say the budget is reasonable but we're not ready to sign off on it yet. To be fair to the Selectmen and to the Town Administrators office, where would you give them some guidelines if you were to adjust this budget so they would have another week or so to get back with us?

This was discussed with comments to not change or increase it.

Allan: We could have gone on a spending spree, for example \$148,933. We were authorized to spend that much money and I know of a few things I would have liked to spend it on. I think we were responsible and I don't want to tax the tax payer a nickel more than I need to but I do want to operate well.

Town Administrator: The Board of Selectmen viewed this final budget and approved it. I don't think it's going to change and I will recommend to the Board not to change it. My understanding is the Board is happy with this, have worked hard on it and it makes sense.

Martha M: Question for Chief Raymond. On the medical supplies, in 2015 we budgeted \$5,225, we spent \$6,471 so why are we only budgeting \$5,200?

Michael: The comment that was made was that you had sufficient supplies at this time to get you into the first part of the year.

Chief Raymond: That is accurate. The reason we went over on that was we have two containers of discarded hazardous medical waste. It's been years since we've got rid of it and it's time to do that. It went from being \$1200/box to \$1800/box and we have two. What we're doing to alleviate that problem is I'm making sure the EMTs are trying to get rid of it on the ambulance before it goes and making sure the box doesn't get filled up as quick.

Martha M: You don't expect to have to dump the box this year? Chief Raymond said they do not.

Jeanne and Jim Hand: Noted a document they had with the area towns tax rates and that Warners is the second highest of them all with Sutton the highest. Jeanne: One problem I see with the town is that because of our tax rate we're not attracting home buyers or new business. Is there a way that this board could lower the tax rate?

Michael: Yes, cut the budgets down and no longer provide the services the townspeople want.

Chair Raymond: The amount of students Warner sends to the school is much higher than other towns.

Discussion ensued that the only way to cut taxes was what Michael had suggested and/or create revenue, that other towns have tried to cut things like plowing which does not work, and that Warner has some of the best plowed roads in the area.

Jeanne: The point I'm making is that if we decrease our tax rate, we could have more revenue because more people would be interested in coming to this town. Martha B. stated they would not want to come to a town without services.

Martha M: You're saying we need more people to come to the town and if they are buying a house that already exists, that house is paying taxes whether they come or not. If they bring a child, it costs us more money than we would probably get from their taxes.

Allan: It costs about \$12,000 to send a child to school and there are very few houses that pay that much in taxes.

Michael directed the discussion back to the Budget Committee issues.

#### 4. **Meeting Warrant Articles**

**All Warrant Articles - \$767,755. \$209,755 from surplus. Total to be raised \$558,000.**

Alfred: I would like to propose a change after doing reading on the Martin building and research on the Conservation Commission. The study is completed as far as the contamination on that building. If you go back 17 years that building would be down if we didn't allow the potential developers. If you look at Conservation some of the things we have done have been voted in by the town but the last piece we spent money on sits on a Class VI road on a mountain. What we know is that we are behind in our records preservation.

I would like to take \$15,000 of funds for the Martin building and the \$5,000 for Conservation since they have \$110,000 already and put that \$20,000 in records preservation. From what I understand the storage cost is astronomical.

The impact of these changes on their specific budget lines was discussed.

Alfred asked Judy what impact that would have on the records preservation. Judy responded it wouldn't make that much of an impact.

Allan: What the CIP is calling for is \$10,000 to preserve records this year and appropriate \$20,000 next year to preserve \$10,000 worth of records and put \$10,000 to start creating a storage room. Question for Alfred: Would you use \$20k of that \$30k for the room or all of it to preserve records?

Alfred: Whichever is the more important part of preservation of records.

Discussion continued as to whether there is a plan for records preservation which there is, a lot of it is dictated by law, and in terms of a storage facility Judy has a lot more work to do.

Martha M: Am I correct that through the studies on the Odd Fellows/Martin building we know that we have a certain amount of dirt that has to be removed whether a developer proceeds or we tear it down.

Alfred argued that there is no plan for that.

Jim: We have a plan, an estimate and a scope of work to remove the dirt and transport it.

Alfred: My thoughts on that building after making a few phone calls is that we do need funds to remove the dirt but I can guarantee that's not anywhere what you need. If you get one person to remove the dirt, when they find out it's contaminated with other stuff they will not do it.

Town Administrator: We have a letter and a proposal from TMC Environmental that was contacted by Western Solutions, Inc. about removing that soil. They came back with the estimate, they explained how they would do it by trucking it out and they have to do a toxicity characterization which I have a question about. So we have the test done, know the scope of work and the cost for the hazard mitigation. The next step that needs to happen now that we know how contaminated the building material is to talk with the Selectmen to get a quote or an estimate in terms of demolishing the building.

Jim continued, with record retention, there are plenty of records that need to be preserved and I think Judy is concerned about storing them in a climate controlled fire resistant area once they are preserved. That level of work of investigating the cost to build and where it should be all still has to happen. Yes, we could put \$30,000 in there now and use \$20,000 to catch up on records and save \$10,000 for the storage.

Alfred confirmed that the latest developer for the Odd Fellows building has been given till April. He said there is a plan for the building and the word that scares me is estimate. I suggest that next year we go for this, whether this guy develops it or not, we finish it one way or another. I think there is way too much up in the air right now and we're waiting on someone else. Let's not wait in 2017 but instead gain something and gain it in our records.

Michael asked Alfred why he is leaving the \$10,000 in the Odd Fellows building mitigation plan rather than taking it to \$0.

Alfred: Because of what Jim said the other night, we need to have something in there in case something comes to the point.

Allan: That's what concerns me about that and why I voted to have that money in there. I don't want to have something stop us after all these years. We're getting emails pretty regularly from Bob Irving about financing and it looks to be more promising than it has in 15 years. We've got another gentleman that's interested in it if this thing bombs out. The thing that would stop the other guy is the fact that we didn't have the money to remove the soil. The other gentleman is certified in lead contamination and has said he will be certified in asbestos. That would be taken care of in the construction end of it for him but the soil removal is the bug-a-boo.

Alfred: I agree with you 100% and I think that can happen next fiscal year. How many times have we had people come to us about that building. It has cost the tax payers quite a bit of money and it's all about a hunch because none of it materialized. I'm suggesting the money could be better spent.

Judy: The Record Preservation always goes backwards and disappears after Town Meeting. The reason we have the Town Hall Improvement Capital Reserve fund was that it was started for Record Preservation. What the Budget Committee was told was the incentive for starting that. Not \$1 has been spent on Record Preservation out of the fund and I remember talking to Martha about the Record Preservation and creating a design for the building and starting the fund. We could mirror the other side of the building which would include a room that would take care of access and storage. I have had grant money for experts to come in and do studies and redesign the offices upstairs which has gone nowhere. Putting money away is an excellent way to catch up on our books and we do need a place to store them. We do have two fireproof cabinets in addition to our safe. Martha's is already full and mine is half full which is a temporary fix.

Martha B: Have you ever worked with Nancy in the library to find out if they have records preservation?

Judy: The original records group was the Historical Society, Library and Town Hall so we didn't repeat collections. We identified what each one of us had and are not keeping duplicates. For genealogy purposes the records have to be accessible from our office because we're open to the public for them to do research.

Alfred: I would recommend you all go back to last year and read the minutes on the conversation we had about record keeping. Things change from one year to another.

Town Administrator: People heard that last year because the next step that was taken was during CIP. The proposal was to have a special Capital Reserve Fund just for preservation records because of what Judy had mentioned that preservation of records is a step child of Town Hall Improvements and we had to break that away and have people look at that as its own justifiable venture. I don't want to be in the position where during this year things develop regarding the Martin building and we don't have the resources. If go to next year with no plan I don't think the publics going to be happy about giving \$185,000-\$250,000 to take that building down without bids.

Alfred: There has to be something done with the building but if you go back on the history it doesn't happen in one year.

Kimberley: What I'm afraid of is that we go and get the soil removed and then decide to demolish the building. Someone is going to say we really should remove more soil. The Town Administrator said he is following up on that scenario to see how realistic it is.

Jeanne: Does the Select board have documentation for what the developer is going to do?

Town Administrator: We have a written agreement whereby we're allowing him time to investigate feasibility.

Jeanne: Is it broken down? To which the Town Administrator replied it is and he is on target.

Jeanne asked the Town Administrator for more specifics and stated someone else is in the works and when this guy doesn't make it someone else is in the works. Why don't you just put a warrant in that this is the end of the game?

Alfred: We can't do that right now unless you want to drive the budget crazy.

Allan Brown explained that the grant the current developer is applying for doesn't come out until April.

Michael directed the Budget Committee to move on.

John: I think Alfred's suggestion is excellent however there's nothing we can do as a board other than vote recommendation or no recommendation. I wasn't happy with putting \$10,000 in the Odd Fellows building without having a plan. I think the preservation of records is a high priority that's been overlooked for many years and it's about time to do something about it.

The Town Administrator offered to email the soil report and plan to John and Alfred. John keeps saying there is no plan and there is so I'm not understanding that.

John question to Town Administrator: What are you going to do with the building?

Town Administrator: I will send you the plan tomorrow.

Michael: Alfred has made a recommendation, the Budget Committee can only recommend or not recommend so I am going to turn this back over to the Selectmen's Office and Town Administrators office to take the recommendation and rethink these Warrant Articles. If you feel its appropriate make changes and we'll go forward from there at the next meeting.

Martha M. questions to Town Administrator: What was in the Capital Reserve Balances are not up to date. Do we have new numbers for the Capital Reserve?

Town Administrator: The balances you see there under 2015 are ones I placed in there after meeting with the Trustees of the Trust Fund. We're going to be off a few dollars because of interest but at the end of the year we're pretty much at those numbers.

Martha M: Line 2 Property Reval; because we know there is some that needs to come out do we know that number?

Town Administrator: No, I'm taking it home this weekend to look it over because I've gotten all of the information in terms of what requests we've made and I've sent it down to see what has been done and what's pending.

Martha M: My recommendation is that we take that down to \$20,000 for the reval from \$25,000.

Allan reminded Martha the reason the CIP changed this figure was because it was up and down and the CIP Committee wanted to see it flat across.

Martha M: If we have \$20,000 you could drop that and maybe have to go up \$5k at the end so think about it.

Allan: on the Conservation they requested \$25,000, the board voted to put in \$5,000 so they could get it on the floor.

Several Committee members noted it could be changed on the floor or submit a petition article. The Town Administrator stated that either way you have to have an article on town warrant in order to do anything about it at Town Meeting. There was more discussion that if it was going to go into a Capital Reserve Fund it has to be in a Warrant Article, what had been done in the past, and that normally it is put in the land fund which the CC is responsible for.

John: Question on Line 6 for Chief Raymond. Is that going to be a customized pumper? Chief Raymond replied he didn't know as the price shown was given to them a couple of years ago. John asked if the \$90,000 is going to be enough and if it's going to be customized it could be quite a bit higher.

Chief Raymond: Last year we took that out because the money needed to be used somewhere else and \$90,000 is better than nothing.

Allan: The year before we cut out that \$90,000 we had it all figured out to what it would cost per year to have the money when we needed it.

Michael: Ed do you think that truck will have to be replaced in 2017 or do you think you can stretch it out another year?

Chief Raymond: I don't know but would like to do that to help the situation.

Kimberley: I've been comparing the spreadsheet of the Capital amounts with the Town Warrants and I can see that Alfred's suggestion of reducing the Odd Fellows has been accepted and it is \$10,000 in Article 14.

Alfred: Is there a company that stores records? He was told there is but they have to be accessible. Alfred suggested people could go to that location to access them and asked if there was an RSA that says the records have to be stored in our town.

Judy: There are some RSAs that say specifically the records will be stored at the Town Clerks office.

There was continued discussion that employees would need access to the records and that there are many questions from the public that require research.

John: You could have the records preserved and stored off site and have a microfiche or other system whereby the information could be accessed at town hall.

Judy: The legislation is addressing that because if they are a permanent record they need to be preserved in a different way. If they only need to be preserved for 10 years and we have them on a disc or whatever we need a computer for the public to use to view them.

Michael made the point that if you did that you would not need as extensive a facility at the town hall which Judy was in agreement with.

Michael: We have a number of suggestions and recommendations for the Board of Selectmen to discuss in addition to their own issues.

Martha M asked of Kimberley: Other than that \$10,000 did you find any other differences? She replied she found one of \$250 for Article 4.

John: Asked for clarification on the final payout of the purchase to lease on the grader and was told it is a \$1 buyout.

Kimberley suggested adding that information to the Warrant Article and the Town Administrator said their thinking was the DPW would mention that in his presentation.

Jeanne: Are we going to discuss Exit 9? She was told it is all done and money is appropriated.

Allan: We heard from William Rhodes 2 days ago and Gene McCarthy that it is going to be another 1-2 weeks before they file it but we're trying to get the bid process going and we have to get permission from them to do that. They are short of help and it's going to take that long to get it signed off.

Town Administrator: The bid documents are being developed and we will be ready to go as soon as they give us the go ahead.

Jeanne: The only question I have is regarding the lapsed approved funds.

Martha M: The \$114,000 is money we give back when we finally get the approval for the state and its \$85,000 or \$87,000 that we already raised the year before through taxation. It's in the General Fund.

John offered clarification that the money hasn't lapsed, the appropriation has.

## 5. Revenue

Michael: We're looking at a total revenue figure for 2016 of \$1,039,064 which is considerably less than last year but we don't have some grants we had last year and things like that.

John: Why is line 38 for Capital Reserve fund blank?

Town Administrator: All of the blanks are the lines that the administration uses so we include them.

John: I have a hard time wrapping my head around what money taken out of Capital Reserve funds actually is and shouldn't it be considered revenue?

Town Administrator: I asked that question of the Department of Revenue Administration and they said no because it's money we've collected and then we get it back. Michael made the analogy that it's like your own money that you've put into a CD or savings account and then take out so it's not real revenue because it was your own money to begin with.

John: That's why I don't understand it because that was my thought until I talked to somebody else and they were arguing that it is revenue. Then I got the revenue sheet and noticed Capital Reserve funds are in there. It's interest on investments.

Michael: Interest on investments is usually classified as the town taking in tax dollars. Prior to a few years ago we would only tax once a year so would take in a substantial amount in dollars once a year. We would take those dollars and invest them in short term investments, that interest came back to us and we would draw it back out as needed. We timed those investments to meet our cash flow. That interest is where you would report it on interest on investments.

John: That is what the Capital Reserve funds do.

Michael: The interest from the Capital Reserve funds goes back onto that particular reserve as opposed to going into interest. The interest you would receive if you put the tax dollars into a short term investment had no place to go because you had to put it in as revenue on Line 36.

Alfred asked if the interest that all these trust funds make shows up on Line 36. He was told no and the Town Administrator stated they get rolled back into the Capital Reserve funds.

The Budget Committee continued to discuss this, that the interest would have to be pulled out and paid to the town, it would then need to be reported as Line 36, what Line 39 Trust Fund interest is and that Line 39 is reported in the Town Report as beginning and ending balance.

Alfred asked the Town Administrator if he had found the answer to last week's question regarding other grants and what the state had directed him to do. Jim noted it was on another sheet and is broken out with the grants that the DRA said they needed to claim in 2015 because they were in the Warrant Articles. He noted it reflects what DRA had in their notes for end of year revenue.

John: The Conservation Commission, the only revenue they receive is from Timber Tax? He was told it was Land Use change tax and Martha M. noted that this shows you what the town received and that Marianne would have the exact figure for the Conservation Commission revenue. John said that having that information would make it easier for the Budget Committee to make a determination on the \$5,000 they are asking for.

Town Administrator: On the Capital Reserve worksheet the \$110,000 is the number I got from the trustees.

Kimberley: Business Licenses and Permits, the estimates have been \$4,000, \$3,800 and this year \$100. What is it and why are we that conservative in our estimate?

Town Administrator: If you look at the notes next to it, it says a franchise fee will be posted to another line per DRA. I posted that in the past and they said it's not really a fee because it fluctuates and its private income coming in so they have been advising towns to place it in Line 37. He noted cell tower revenue is in that and when we rent the town hall that goes there.

Michael: Has the Selectmen's office discussed again Motor Vehicle permit fees being quite conservative and do you still want to stay with that to which Jim replied yes and in all fairness this is pretty close to an academic exercise starting in September.

Martha M: Have the Warrant Articles gone to the DRA Portal?

Town Administrator: They've been typed in and are on a pre-preview basis.

Kimberley: As far as revenue coming in from the state or federal do towns get any of the lotto or Powerball money? She was told it goes to school districts but Kearsarge has not received any.

**6. Set Date for Final Vote**

Michael stated it was originally set for February 9<sup>th</sup> which is Primary day to which Martha M added the Public Hearing is February 4<sup>th</sup> and is when we get Petition Warrant Articles.

Discussion ensued on the schedule for remaining meetings and it was confirmed the Public Hearing had been noticed and cannot be changed.

It was decided to vote on February 4<sup>th</sup> in conjunction with the Public Hearing and noted the Committee could come back on the 8<sup>th</sup> if needed.

The Town Administrator suggested posting a Budget Committee meeting for the 8<sup>th</sup> which could always be cancelled.

Martha M: Because things change, the Selectmen's meeting on the 2<sup>nd</sup> should not adjourn, it needs to continue to the 4<sup>th</sup>. Michael noted that is in case they need to make any changes. He then reviewed there will be another Budget Committee meeting next week on the 21<sup>st</sup>, a meeting on the 28<sup>th</sup> if needed, February 4<sup>th</sup> will be the Public Hearing and the final vote and if needed will roll over to February 8<sup>th</sup>.

**7. Public Comment**

None

**9. Adjournment**

A motion was made and seconded to adjourn at 9:16 pm.

Respectfully submitted,  
Lois Lord  
Recording secretary