Warner Budget Committee

Meeting Minutes

Thursday, July 7, 2016

UNAPPROVED

Mike Cutting opened the meeting at 7:00 pm.

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

Others present: Jim Bingham – Town Administrator, Bill Chandler – Police Chief, Judy Newman-Rogers – Town Clerk, Barbara Annis, Tim Allen – Director of Public Works, Ed Mical – Emergency Management

1. Meeting Minutes

A motion was made and seconded to approve meeting minutes dated April 7. Motion passed unanimously.

2. Meeting Schedule

A. Mike said there is a meeting schedule before the Committee based on the meeting with the Selectmen on May 25.

B. Mike suggested to start the building tours at 6:00 pm.

C. Mike asked the Committee if they would like to meet with the School District reps. Martha and Alfred said they would like to still meet. Mike asked Kimberley to send out invitations for the October 27th meeting.

D. Public Hearing is scheduled for February 2, 2017. Mike said if the Committee decides so, they will vote on the February 2 Warrant Articles. Kimberley said ideally, we should be voting on February 2. Alfred said he is not in favor of voting on the same night, he would like to absorb the public input. Allan said there may not be any public input. Mike said the Committee will vote on February 2 if there is very little input, if not the vote will take place at the final Public Hearing on February 9. Ed Mical said if the last day for petition articles is February 7, and a petition comes in with a money issue the Committee will need to hold a Public Hearing. Mike said that would take place on February 9.

3. Closing Date for the Books

A. The Town Administrator explained why it is necessary to keep the books open till the end of January and he understands the Committee wants to see final figures after the new year, but the reality is there are a number of suppliers and vendor's including the State of NH that don't invoice the town until the second to third week in January. A number of towns were polled as well, which the Town Administrator sent this information onto Mike and Kimberley. Some towns keep their books open until their audit is done, this saves time and money because you don't need to rely on the auditors to make the adjustments.

B. John Leavitt asked isn't it true some towns close their books on December 31? The Town Administrator said we did not find a town that did so, and if you find one, let him know. Mike thought Webster closes on December 31. Jonathan said the Town of Webster closes 10 days after December 31.

C. Alfred asked if revenue stops on December 31. Jim said for the most part, sometimes there is revenue that comes in on January that's for December. Martha said by law the Tax Collector must keep her books open until January 10.

D. John doesn't understand why any revenue that comes in after January 1st couldn't be applied to the following year. He said if you get income after January 1 and earned it in the previous year it goes to the year you receive the funds. Jim said that is an option, but he will check on that.

4. Year-to-Date Expenses - Highlights

A. Mike said the Committee needs to remember two things when looking at expenses. They are a snapshot in time, and it is very fluid. He said the Committee needs to understand that and not fixate on the minutia.

B. John asked then why bother with the review? The questions asked are for information, not to criticize. Mike said yes, he agrees with questions for information and he agrees the Committee should look at the expenses so the Committee has an idea. He used Elections as an example. Elections for 2016 is under budgeted, it's at 74% with two more elections this year. Mike thinks it's important the Committee looks at the expenses so they can understand issues that have happened.

C. Johnathan asked about the details for computer expenses. He said he researched and on 2/29 there was a charge for a Police Department PC set up and then on 6/7 a PC was purchased for the Police Department. Jim said 2/29 was a new main server and in June a new PC.

D. Martha asked what is combined in the postage line. Jim said there are some departments combined together on the postage meter in the Selectman's budget. The Bookkeeper throughout the year will break down the other departments and distributes the costs. Judy said to Jim she didn't realize that, she thought she had her own separate code and if that's the case she is not receiving the true picture for her postage expenses and that makes it difficult for her to budget for the following year. Jim said that she may have a separate code, he knows the Police Department is combined in with the Selectmen's code and a couple of more. Mike said this is an internal issue and moved the meeting along. Barbara Annis said in looking at Land-Use there's no line for postage and she knows Land-Use uses a lot of postage. It was explained that Land-Use postage is absorbed in the Selectman's budget.

E. The extra cost in Elections is due to the increased work for the Supervisor's of the Checklist during the Primary.

F. Martha asked if the Building Maintenance work and hours is being tracked for each building. Jim said yes. Tim said every day his guys do log sheets and he puts them with the time sheets that are turned into the office, so that any point in time he can break out what is what. John feels there should be a separate line in the Highway Budget for Building Maintenance. Tim said he is tracking it for a year in order to establish a cost. Martha and John feels the budget is not reflecting the actual cost for building maintenance for each building. Jim said the cost can be broken out, but he asked what is the point, what do we gain out of that in terms of improving efficiencies or reallocating funds. Martha said what we gain is the knowledge that we are actually saving money by not having a building maintenance person individually. Alfred said we will see that at the end of the year.

G. Primex is now the property liability carrier. The next billing will be in 2017.

H. Johnathan said under contract services for the Police Department in 2015 at this time $4,049.50 was spent and this year up to now $4,809.50. Bill explained the contract services consist of a few different categories. Dispatch expenses which is $8,100 a year, county attorney $1,882 a year, alarm monitoring, copy machine maintenance, IMC software, RSA updates, Woodlawn Kennel and Russells Animal Hospital which tallies to $15,006. Bill said the invoices come in different times during the year.

I. Martha asked Pete Newman if the water/sewer rates increased because the Fire Department only has $10 left. Pete said there was an increase, but that doesn't sound right. Ed Mical said there were some filling of the tanker for forestry. Jim said he would look into it.

J. Mike asked for an update on the Emergency Operation Plan. Ed said the draft basic plan was emailed to the EOP Committee members for their review and the rest is progressing. Ed said he looking to do a table top exercise before the end of September. Those expenses will be part of the grant and Ed expects to meet the deadline which is the end of September.

K. Johnathan said in the Highway Department there was $402 spent on insect repellent. Tim said he purchased enough for Parks & Rec, Transfer Station and Highway.

L. John asked what line did the new generator end up on last year. Jim said it was covered from encumbered funds. John feels the expense should have come from a capital reserve because it's a capital expense (over $15,000). John said there's something wrong with how this is being done. Martha said Tim can spend to the bottom line in his budget, he had money left over in 2015 from wages that he can move to another line. John said yes he can, but it didn't show up in the expenditures for the Highway Department, that's the problem. Martha said it didn't show up in last year's because the expenditure wasn't made until 2016. It should be in the current budget. Mike asked why it is not showing. Jim said he will get back to the Committee. John said he is amazed he is the only Committee member that's concerned about this. Capital reserve funds from road construction last year was used to buy that generator which is highway equipment. They reimbursed the highway road construction capital reserve fund and that's how they ended up with the surplus. Jim said we've done that in other circumstances, the siding on the Police Station came from the Police Department operating budget surplus. John said it did not come from a capital reserve fund. Alfred asked how can you take money out of a capital reserve fund for something other than what it's created for. Martha said you can't. Allan said the fact of the matter is the Board of Selectmen decided to spend the money on the generator. John said he is not suggesting anything was done illegally, it's just immoral. There was a capital expense of $25,000 when we have a capital reserve fund specifically for any expense over $15,000. Mike said the idea of a reserve fund is to save over a period of time for large expense. If the Selectmen decide to use surplus operating budget money for a large expense they can. John said he doesn't have a problem with that, the problem is they took money from the road construction capital reserve fund to reimburse labor that was already in the Highway Departments budget and took that money and purchased a generator, that's double dipping. Jim said we went in the opposite direction, all the invoices for Waldron Hill was hitting the reserve fund, so in order not to deplete the reserve entirely they reallocated paving back to the operating budget and therefore giving money back to the Trustee's of the Trust Funds to keep a good balance. It was also explained to the auditors and they understood. Tim said any project the Highway Department does, the cost of labor and overhead is included.

M. Martha said in the Transfer Station budget under improvements and grounds maintenance, it's overspent by $609.72. Tim said the demo area was re-done, some of that cost came out of the Transfer Station budget and some from the Highway Department. The Transfer Station took care of the materials needed, that expense may be indicated in that line, he will find out.

5. Year to Date Revenue

A. The Budget Committee reviewed year to date revenue. Mike asked about Payment in Lieu of Taxes because $17K was estimated. Jim said $17K has been estimated in past years and feels it will come in by the end of the year as history shows.

B. Kimberley asked Judy if the town receives revenue for vanity plates. Judy she thinks it's $2.00 for the town.

C. Jim explained the revenue for the roundabout received this year will need to be backed out of 2016 revenue because it was used in 2015 (per the Department of Revenue Administration) when setting the tax rate because it was counted last year.

D. Jim said he has written to DRA's for their perspective on the state's reimbursement for the roudabout. It is known the Selectmen can encumber but it is not known if the Selectmen can advance themselves knowing the reimbursement is going to come in. Jim is leery of doing that so that's why he wrote to DRA. Alfred said this was discussed last year about encumbered funds regarding the roundabout and DRA said put it anywhere, he said Jim wasn't happy with that answer, Alfred asked if that was ever clarified. Jim said that discussion related to whether we had to re-authorize the whole roundabout warrant article or just encumber the certain portion that was taxable, but we missed that deadline to do that and we had to re-authorize the whole warrant article. Jim said the new issue is the actual cost is $100K more than the warrant article, it's not that we don't have the money to cover it, he wants to make sure we are doing it properly from an accounting standpoint.

6. Capital Improvements

A. Mike asked the Department Heads present if they anticipate any problems going into 2017.

B. Bill said he only has the annual funding for a cruiser, he said it's imperative though, the funding is around $25K because it was cut back $15K over a 3 year period. Bill said the SUV needs to be replaced this coming year. He said the longevity for the SUV is more like 8 years, not 10 years, he said the SUV is in rough shape and it has another winter to go through.

C. Allan told Bill that he was approached by a resident who asked if the window blinds could be replaced. Some of them are broken. Bill said he can replace them.

D. Alfred asked Bill if he is fully staffed or is one full-time officer is still out. Bill said he is still out and has been out for just under a year, he is slated to come back in mid August.

E. Tim said he has excavator issues. He said there are issues he can't get to the bottom of. He's not jumping ship yet, but is looking into loader/backhoes. He needs the Road Construction Fund funded this coming year. Tim said he's is at full staff, but he would like to hire one more part timer, that will keep his plan going.

7. Meeting Schedule

Next meeting is scheduled for September 22 at 6:00 pm meeting at the Highway Department, then to the Transfer Station, on to the Police Station etc.

8. Adjournment

A motion was made and seconded to adjourn at 8:52 pm.

Respectfully submitted,
Mary Whalen
Recording secretary