



Warner Municipal Budget Committee

PUBLIC HEARING, Part 2 - Meeting Minutes Thursday, February 16, 2017 APPROVED

Committee members in attendance:

- ◆ Kimberley Edelman - Acting Chair / Vice Chair
- ◆ Allan Brown - Selectmen's Rep
- ◆ Alfred Hanson
- ◆ John Leavitt
- ◆ Jonathan Lord
- ◆ Martha Mical
- ◆ Pete Newman - Water Precinct representative

Excused: Mike Cutting

Also present: Town Administrator Jim Bingham, Selectman John Dabuliewicz, Emergency Management Director Ed Mical, Barbara Annis, Barbara & Don Lassonde, Barb Marty

1. Agenda

At 7:01 pm, Kimberley continued the Public Hearing of February 2, sharing the agenda for the evening:

- ◆ Continue Public Hearing
- ◆ Roll Call
- ◆ Receive / provide updates regarding articles
- ◆ Allow for additional public comment / questions
- ◆ Conclude review of the operating budget
- ◆ Vote on articles that include financial impacts
- ◆ Close Public Hearing
- ◆ Review the Budget Committee's report for the 2016 Annual Report
- ◆ Review / modify / approve past minutes
- ◆ Any other business

Kimberley noted that it would be the last meeting of the Warner Budget Committee until April 6. She added that it would be her last meeting as a member of the WBC. She was on the WBC for 8 years.

2. Warrant Articles

The committee requested a review of each Warrant Article in full.

2.1 Article 5 - Municipal Solar Panel Array

Kimberley read the first article which had been slightly reworded after review by the NH Department of Revenue Administration (DRA).

To see if the town will vote to raise and appropriate the sum of \$328,530 to construct a solar panel array on town land near the transfer station, of this amount \$64,935 to come as a rebate from the NH Public Utilities Commission and further, to authorize the issuance of not more than \$263,595 of bonds or notes in accordance with the provisions of the

Municipal Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon; further, to raise and appropriate the sum of \$10,000 for the first year's bond payment.

Alfred noted that the \$10,000 seemed low for an annual payment on a \$263,595 loan. Kimberley and Martha both noted it that the first annual payment would be for a partial year, not a full year.

Kimberley said Selectman Clyde Carson informed her that the 2% loan with CDFA (Community Development Finance Authority) had been approved.

John Leavitt asked for clarification about which articles were going to be covered and expressed concern about how long the meeting would be. Kimberley said they would all be covered, but that she was aiming to finish at a reasonable hour.

Martha suggested that the WBC could vote on each article as they are covered. Alfred said it was not a good idea to vote within the Public Hearing. Martha agreed. The agenda would be followed as provided. Martha also suggested that each article should be read as there were different citizens in attendance. Kimberley agreed.

2.2 Article 6 - Operating Budget

Kimberley noted it would be covered after the other articles, as was done on February 2.

2.3 Article 7 - Property Revaluation CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$20,000 to be added to the previously established Property Revaluation Capital Reserve Fund.

No comments nor questions were raised.

2.4 Article 8 - Employees Expendable Health Trust Fund

Shall the Town vote to raise and appropriate \$7,000 to be placed in the previously established Employees Expendable Health Trust Fund? This Fund is used to partially reimburse participating town employees for deductible health expenses.

Barb Marty asked if the fund was used in full in 2016. Town Administrator Jim Bingham said it was not, noting that the fund was brought up to \$15,000 in 2013. The amount being requested in 2017 was a top up.

2.5 Article 9 - Police Department Vehicle CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$25,000 to be added to the previously established Police Department Vehicle Capital Reserve Fund?

No comments nor questions were raised.

2.6 Article 10 - New Fire Station Construction CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$182,000 to be added to the previously established New Fire Station Construction Capital Reserve Fund? Of this amount, \$82,000 to come from the General Fund (unassigned fund balance) and the balance amount of \$100,000 to be raised through taxation.

A question was asked regarding what would happen if this article were approved, but construction were not. Would the work be all for naught?

Allan Brown replied noting the design would be done this year. It would still be there to use later. He recalled that the library construction did not take place immediately. If there were delay, some building codes could change. Also prices

would change. Allan said that the Fire Station Building Review Committee expected to have a guaranteed maximum price for construction by January or February 2018 in time for 2018 Town Meeting.

Alfred Hanson asked Allan if the entire fee for the construction manager (CM) was included in the warrant article. Allan noted that the warrant article covered Phase 2. Phase 3 costs would be in 2018. Martha Mical added that the CM would be paid \$10,000 in Phase 2.

2.7 Article 11 - Fire & Rescue Vehicle CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$90,000 to be added to the previously established Fire & Rescue Vehicle Capital Reserve Fund?

No comments nor questions were raised.

2.8 Article 12 - Firefighter Equipment Capital Reserve Fund

Kimberley read the article, which had been updated since February 2.

Shall the town vote to establish a Firefighter Equipment Capital Reserve Fund under the provisions of RSA 35:1 for the purchase of firefighter equipment and gear, and to raise and appropriate the sum of \$10,000 to be placed in this fund? Further, to name the Board of Selectmen as agents to expend from said fund.

Jim Bingham explained what he had shared with the WBC via email prior to the meeting :

DRA informed me that it had no record in the town meeting minutes in their possession that established this fund, though DRA allowed an article in 2016 to deposit funds into the "previously established" CRF for fire equipment. The first mention of a "fire equipment" fund is in the report from the Trustees of the Trust Fund in the 1999 Town Report showing the fund was established in 1996. Search of the town reports in that time period yielded nothing. The 2001 town report shows a Fire Equipment CRF in the Trustees report showing \$25,000 authorized to be deposited in the fund. However, the 2000 town warrant only shows Article 25, establishing a CRF for fire /rescue vehicles and having \$25,000 deposited in said fund. The Trustees must have kept the old name of "Fire Equipment". The bottom line is that there is some housekeeping to be done to have record that a "fire equipment CRF" (separate from a fire / rescue vehicle CRF) has been established by town vote. Therefore DRA recommends the new wording for this article.

Barb Marty inquired as to why a CRF was needed when there was a line in the fire department's operating budget for new / replace equipment. Jim answered that the CRF covers more expensive equipment which the operating budget would not be able to cover. An example is the defibrillator which needs to be replaced. Barb asked why not increase the operating budget instead? Jim said the original fund was set up to cover the air packs which would have cost \$200,000. Fortunately, that was covered by the grant. Kimberley added that the danger of adding money to the operating budget was that, if not used, the budget could get reduced; then when new gear at \$6,000 per set was needed, there would be no funds available. Having a CRF allows funds to be built up.

Martha Mical asked how the \$10,000 in the fire equipment fund will be handled. Jim noted that DRA wants Warner to legally document establishment of the fund. The balance of the CRF at the end of the year will include funds that were already set aside and the newly voted \$10,000.

John Leavitt said he believed the other fund was for emergency vehicles. Martha said, "No". Jim noted that the DRA has record that in 2000, citizens voted for a CRF for "Fire and Rescue Vehicles". He said there was some evidence that there was a CRF for "Fire Equipment", but no one had located records in Town Warrants that it had been a vote for it. However, the Trustees of the Trust Funds had been carrying a "Fire Equipment" for decades. John suggested closing the old "Fire Equipment" CRF. Jim clarified that according to DRA, the fund did not exist in DRA records. The establishment of the CRF was being done for DRA. Meanwhile, record of establishment of the original fund was lost.

Alfred asked how much money was in the fund. Jim did not have that number on hand. Alfred asked when funds had been last spent from the fund. Jim said money had both been put in and expended during the past year and the year before.

John said part of the problem with CRFs, after being used, they aren't always closed out. At some point, the Town should vote to close funds that are not being used. Alfred recalled that had been done to a fund recently.

Ed Mical expressed concern about the \$25,000 that had been voted into the fund in 2016. He hoped to hear assurance that the money could be used. Jim noted that DRA does not hold the balances of CRFs; that is up to the Trustees. DRA just wants to see that voters approve the fund.

Alfred asked why the 2017 Warrant Article had not been increased following the discussion on February 2nd about the faulty defibrillator. Allan answered that it was agreed that it would be changed on the floor at Town Meeting. Alfred asked who maintains the defibrillator and if it could be leased. Ed did not know the answers.

2.9 Article 13 - Highway Road Construction CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$100,000 to be added to the previously established Highway Road Construction Capital Reserve Fund.

No comments nor questions were raised.

2.10 Article 14 - Highway Equipment CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$100,000 to be added to the previously established Highway Equipment Capital Reserve Fund.

No comments nor questions were raised.

2.11 Article 15 - Bridge Repair / Replacement CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$20,000 to be added to the previously established Bridge Repair / Replacement Capital Reserve Fund.

No comments nor questions were raised.

2.12 Article 16 - DPW Facilities Improvement CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$25,000 to be added to the previously established DPW Facilities Improvement Capital Reserve Fund.

No comments nor questions were raised.

2.13 Article 17 - CRF for the Preservation of Town Records

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$10,000 to be placed in the previously established Capital Reserve Fund for the Preservation of Town Records?

No comments nor questions were raised.

2.14 Article 18 - Contingency Fund

Kimberley read the article.

Shall the Town vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate the amount of \$10,000 to be placed into the fund? This sum is to come from the General Fund. Any appropriation left in the fund at the end of the year will lapse to the General Fund.

No comments nor questions were raised.

2.15 Article 19 - Transfer Station Equipment CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$10,000 to be added to the previously established Transfer Station Equipment Capital Reserve Fund? This sum is to come from the General Fund and no amount needed to be raised through taxation.

No comments nor questions were raised.

2.16 Article 20 - Library Building CRF

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$24,000 to be placed in the previously established Library Building Capital Reserve Fund?

Kimberley noted that there was no one in attendance from the Library. No comments nor questions were raised.

2.17 Article 21 - Transportation Improvement Grants from State & Federal Agencies

Kimberley read the article.

Shall the Town vote to establish a Capital Reserve Fund for the purpose of setting aside Town funds to use as "matching funds" for Transportation Improvement Grants from State and Federal Agencies as well as funding repairs and improvements to town walkways, to raise and appropriate the sum of \$5,000 to be placed in this fund and furthermore, to name the Board of Selectmen as agents to expend from said fund?

Kimberley noted that Barbara Annis was frowning and asked why. Barbara noted that "Transportation Improvement Grants" was in upper case, which she felt could limit the grant possibilities. It was agreed that lower case would be more flexible. Jim said he would make the change; John Dabuliewicz added it was just an editorial change.

2.18 Article 22 - Assist Warner Fall Foliage Festival Committee

Kimberley read the article.

Shall the Town vote to raise and appropriate the sum of \$20,000 to assist the Warner Fall Foliage Festival Committee in paying for the cost of the site work on the new town parking area adjacent to the school? The owners have granted a permanent right of way easement to the Town to use this developed section of their property for additional parking as well as during the Fall Foliage Festival.

No comments nor questions were raised.

2.19 Odd Fellows Building

Someone asked what happened to the petitioned article Rebecca Courser had brought to the Selectmen. Jim noted that it will be on the full warrant.

3. Operating Budget

Kimberley read Article 6.

Shall the Town vote to raise and appropriate the sum of \$3,070,486 as the 2017 Operating Budget for general municipal operations? This amount does not include appropriations contained in special and individual warrant articles addressed separately.

Kimberley noted that the amount had been reduced by \$9,000 after Martha Mical made a motion to reduce the budget and associated discussion at the February 2 part of the Public Hearing.

No comments nor questions were raised.

Ed Mical asked if the Selectmen had voted on the articles yet. They believed they had.

4. Revenue

Kimberley asked Jim if anything had changed since February 2 on the revenue estimates. Jim said the 2017 estimated revenue was still \$1,125,609.

Martha asked Jim if DRA had provided guidance about where incoming reimbursements from the roundabout would be posted. Jim noted that DRA already recognized the revenue. Posting would be against 2016 as recommended by the auditors.

5. Any Other Questions?

Barb Marty brought up the budget line labeled "Compensation Study", asking if the NH Municipal Association does such studies. John Dabuliewicz said they do not. Barb asked if an outside firm would be hired to do the study? John said yes.

Barb suggested doing an efficiency study to find a way to operate more efficiently with less people. She said it seems salaries keep going up, more computerization is used, and yet more people get hired. Since she moved to the Town 25 years ago, the staff at the Town Hall had doubled.

Jim noted that the amount of obligatory Federal and State paperwork, as more gets done on computers, more seems to be required.

Barb said Warner is ranked 36 out of 235 Towns in New Hampshire in terms of municipal tax rate. John Dabuliewicz asked for a copy of the report she was quoted, which she handed to him.

Secretary's Note : The municipal tax rates of all Towns can be found online at : <https://www.revenue.nh.gov/mun-prop/municipal/documents/16-final-rates.pdf>

Barb wanted to know if the Selectmen were trying to cut spending. Jim noted that spending was considered on a daily basis, citing as an example decisions about when to plow snow during storms. He also noted that the Town was always looking for grants, ways to use less electricity, sharing of staff between the Transfer Station and the Highway Department, and hiring of seasonal instead of full time employees. He noted that there is no control over revenues. As a Town Administrator, he is looking to improve efficiencies. He is always looking for where money may be leaking. The municipal tax rate has been steady. John Dabuliewicz noted that the wage study should help establish where efficiencies can be found.

John Leavitt said he started attending Selectmen's meetings four years ago. He felt not enough questions were being asked about expenditures. He joined the budget committee to aid in that, but felt he had not been successful. However, he did not see the Town trying to cut expenses. There was surplus of \$50,000 last year. He had suggested cutting the budget by \$50,000 but it wasn't. This year, there was \$100,000 surplus, so his request seemed reasonable. John did not feel he got support from the rest of the budget committee.

Jim responded to John's comments. At the end of the year, there is "surplus". This is unspent funds; taxpayer dollars which can be applied to reduce the tax rate, thus returning it to the taxpayers. "Surplus" of \$100,000 on a \$3,000,000 budget reflects the work of Department Heads. Returning \$100,000 is a good thing.

Barb asked if revenue was underestimated. Jim noted that the Town has no control over revenue unless it is grant revenue or reimbursements. The Town uses conservative estimates at the beginning of the year. The numbers are revised later in the year.

John added that in his opinion the purpose of a budget is to try to limit spending within a certain range; anyone can keep to a large budget. Tighten up the budget, spending will go down. He added that that is his viewpoint.

6. Voting on Warrant Articles

At 7:48 pm, Kimberley closed the Public Hearing.

Kimberley asked the committee if they wanted to vote via hands or role call. Everyone agreed to use hand votes.

WA #	Purpose	Amount	Yea	Nay	Abstained
5	Solar Panel Array	\$328,530	4	2	1
6	Operating Budget	\$3,070,486	5	2	0
7	Property Revaluation CRF	\$20,000	7	0	0
8	Employees Expendable Health Trust Fund	\$7,000	5	2	0
9	Police Department Vehicle CRF	\$25,000	7	0	0
10	New Fire Station Construction CRF	\$182,000	6	0	1
11	Fire & Rescue Vehicle CRF	\$90,000	7	0	0
12	Firefighter Equipment CRF	\$10,000	5	2	0
13	Highway Road Construction CRF	\$100,000	6	1	0
14	Highway Equipment CRF	\$100,000	7	0	0
15	Bridge Repair / Replacement CRF	\$20,000	6	1	0
16	DPW Facilities Improvement CRF	\$25,000	6	1	0
17	CRF for Preservation of Town Records	\$10,000	7	0	0
18	Contingency Fund	\$10,000	5	2	0
19	Transfer Station Equipment CRF	\$10,000	7	0	0
20	Library Building CRF	\$24,000	7	0	0
21	CRF for Matching Funds for transportation improvement grants	\$5,000	4	3	0
22	Assist Fall Foliage Festival / Parking Area Costs	\$20,000	6	0	1

Note: The amounts shown above show the amount to be appropriated, not always the amount to be raised.

7. 2017 Estimated Revenue

Martha Mical made a **MOTION** to accept the estimated revenue as presented. Jonathan Lord seconded. All approved.

8. Budget Committee's Report for Annual Report

Kimberley provided printouts of the report she wrote and submitted for the Annual Report and asked for feedback or corrections.

Martha suggested modifying the wording in the paragraph below:

The proposed 2017 operating budget at the time was \$3,079,486. That's \$53,436 over the 2016 budget. It included, among other things, 2% pay increases, a new health insurance plan for employees, additional funding to maintain Pine Grove Cemetery, and the first annual \$42,750 lease payment for the new highway grader. Generally, the overall budget remained fairly flat while maintaining the level of services Warner residents require and have come to expect.

Martha noted that the insurance plan was decreasing, whereas the other items were increasing. She felt it was confusing.

Jim and Kimberley both said they understood what she was saying. Kimberley asked Jim if he do some wordsmithing. He said he'd be happy to.

Alfred asked if additional funding was received on Pine Grove Cemetery. Jim said it was in 2015 when the funds ran out, but it wasn't discovered until this year.

9. Minutes of Previous Meetings

Three sets of minutes were still unapproved.

9.1 January 12

Martha made a **MOTION** to approve the minutes. Allan seconded. Martha shared minor errors to correct. The committee approved the minutes as modified.

9.2 January 19

Alfred made a **MOTION** to approve the minutes. Martha seconded. Martha shared minor errors to correct. John commented about the section labeled "3. John's Requested Agenda Items". He noted that his email was sent to Mike Cutting, not the Budget Committee as stated in the minutes. It was copied to the Budget Committee. That's the reason the Selectmen were not notified. Once it was put on the agenda, the Selectmen and Town Administrator were notified. The committee approved the minutes as modified.

9.3 February 2

Alfred made a **MOTION** to postpone approval of the February 2 meeting minutes until the April meeting. Jonathan seconded. The committee approved the motion.

10. Any Other Business

Martha Mical thanked Kimberley for her 8 years of service on the Budget Committee and for being the Vice Chair this year.

John Leavitt thanked Kimberley for doing the meeting minutes saying she had done an excellent job that he appreciated.

Alfred asked Allan if it were true that the raised portion of the roundabout was being damaged. Allan said it was and he had already taken photos. Alfred asked who maintains the roundabout. Allan said the State does, but Warner takes care of the flowers. The State knows about the problem.

John Leavitt thanked Allan for spearheading the Fire Station project and putting up with the endless questions from the Budget Committee. John said Allan has done a tremendous job. Kimberley said as a member of the Fire Station Building Review Committee she completely agreed.

Allan said he would not be at the Budget Committee meetings next year. Kimberley said she wouldn't be either.

11. Adjourn

Martha made a **MOTION** to adjourn. Allan seconded. Kimberley adjourned the meeting at 8:10 pm.

Respectfully submitted,
Kimberley Brown Edemann
Recording Secretary