



Warner Budget Committee

Meeting Minutes
Thursday, July 13, 2017
UNAPPROVED

Mike Cutting opened the meeting at 7:01 pm.

Committee members in attendance:

Mike Cutting – Chair	Kimberley Edelmann - Selectmen's Rep
Alfred Hanson	David Minton
Jonathan Lord	Martha Bodnarik
Martha Mical	Pete Newman - Water Precinct representative

Also present: Jim Bingham – Town Administrator, Tracey Hallenborg – Finance, Judy Newman-Rogers, Ed Mical

1. Meeting Minutes

- A. Martha Mical moved to approve meeting minutes dated February 16, 2017. Motion was seconded. Alfred said in the minutes it says the Pine Grove funds (\$20K) were depleted in 2015 and this wasn't discovered until 2016, he asked why it took until 2016 to realize this. Jim said the Trustee's of the Trust Funds were not aware the Pine Grove money was drying up and kept cutting checks and then realized they were overdrawn and asked the town for the 2015 money back in 2016. The town wrote a check back to the TTF, and took that check amount and deducted it from the towns account. Jim said he is working with the Cemetery Trustee's to get them back monitoring the cemetery trust funds, only the interest accrued can be used from the perpetual care funds.

Mike asked what other accounts under the TTF's are in this same situation and what is the administration doing to curb this. Tracey said she tracks all the capital reserve funds, the trust funds are tracked by the Trustee's. Tracey explained at the end of the year the TTF writes a check for interest not used which is listed under Trust Fund Income in revenue. Alfred asked if the trust funds are audited every year, Jim said yes. Alfred feels some of the trust funds could be changed to work better for the town. He asked if the TTF's send the town a monthly statement? Tracey said the TTF's are not required to report to the town, they are in full charge of the trust funds. At the end of the year both the TTF's and Tracey sit down and review each others balances.

Judy said the funds that were turned over to the town were always accepted at Town Meeting and if there were any stipulations to the fund it would be included in the vote, Judy said her office stores this history. Mike called for a vote on the motion to approve February 16, 2017 meeting minutes, motion passed unanimously.

- B. Alfred moved to approve meeting minutes dated April 6, 2017. Jonathan seconded the motion, motion passed unanimously.

2. Audit Process

- A. Jim said it would help if he had a sense of what the Committee's idea of a financial audit is for the town.
- Alfred asked if a municipal audit the same as a private business. Jim said the same purpose is there, checks and balances. By RSA the town is required to have an annual audit determining whether the statements are accurate and fair reflection of what actually transpires in the finance office and in town, then an opinion is submitted by the auditor's.
 - Martha Mical feels each department involved in the audit should be submitting directly to the auditor's instead of providing the information to the Finance Office because that takes away the checks and balances. Jim said the Finance Office is the collection point of all the data that is needed for the audit. Tracey said the auditor's request one central location and requested information is scanned by the Finance Office and sent to

the auditor's. Martha felt better knowing the information is scanned to the auditor's and not keyed in by Tracey.

- Martha Mical feels the Town Clerk and the Tax Collector should be able to upload their own material to the auditor's. Tracey said the auditor's only allow 2 users that can use the secure portal to send information to the auditor's.
- Martha B. asked if a line could be added about the estimated cost for retirement benefits as an expense? Tracey said the auditor's want an actual study done. Jim said he will talk to the auditor's. Tracey offered to forward a set of minutes from a couple of year's ago where the auditor went into detail about NH Retirement.
- Kimberley confirmed with Tracey that she doesn't know what the auditor's will audit from year to year. Tracey said true, this year the auditor's did a lot of accounts payables and only 10 for payroll, last year it was 20 for payroll.
- Kimberley asked if the Town Clerk's office goes through an audit. Judy said yes, she goes through a state audit and the town's audit. They do a sampling and they go through her procedures.
- Last year and this year resulted in favorable audits.
- Kimberley asked the cost for an audit. Jim said \$16K is budgeted.

3. Questions and Answers from April 6, 2017 Meeting

Updated Apr 18, 2017

#	Owner	Specific	Question / Request	Answer / Response	Source	Status	Updated
Budget							
B1	Jim	YTD budget sheets	REQUEST: Please add new column D "2016 Spent" showing full amounts spent in 2016	New version of report with requested column was sent to WBC on April 12.	170406 WBC	Closing	Apr 12, 17
B2	KE	Budget - BOS - Temp services (minutes)	QUESTION: Where are 2016 expenses recorded and what is plan going forward?	Temp expenses in 2016 were recorded in existing 2016 line items. For 2017, a new line was created, however, no plans to use temp services beyond March were made, so no funding level was established.	170406 WBC	Closing	Apr 18, 17
B3	KE	Budget - BOS - Advertising	Q: Why is this line already overspent?	There was a high number of public hearings prior to Town Meeting for the solar array, the future fire station, and proposed land transfers that required newspaper notices.	170406 WBC	Closing	Apr 10, 17
B4	KE	Budget - Dates on Spent columns C & E	Q: Why was there a difference between dates on print outs and emailed versions? (4/4/1X v. 3/31/1X)	Manually changed column headings, but all financial data was pulled from books on March 31, 2017. April 12 version of report has been corrected.	170406 WBC	Closing	Apr 10, 17
B5	KE	Budget - Insurance	Q. Why are annual insurance bills paid all at once?	Annual insurance invoices are received in December of the year. They are paid in full while collected tax revenue is available to cover the full amount.	170406 WBC	Closing	Apr 12, 17
B6	KE	Budget - PD - Water / sewer	Q. What was the error that was noted?	The high sewer bill was due to a leaky toilet running for some time and not noticed. The Water district may make an adjustment on the next bill.	170406 WBC	Closing	Apr 10, 17
B7	KE	Budget - Engine 2 loan	Q: Will current loan / note be paid off in full?	Lake Sunapee Bank has been notified. The finances regarding the loan and purchase of the replacement vehicle will be worked out shortly.	170406 WBC	Closing	Apr 10, 17
B8	KE	Budget - EMD - Exercises & prof services	Q: Describe difference between these and who lines will be used.	Question forwarded to Ed Mical. Awaiting reply.	170406 WBC	Open	Apr 14, 17
B9	KE	Budget - TS - Wheelabrator	Q: Please describe expenses that apply to this line.	Detailed response sent to Mike Cutting by Varick Proper on Apr 13. This includes: "The Wheelabrator line covers the incinerator tipping fees for municipal solid waste from the TS & Market Basket". The tipping fee is \$66.66 / tonne this year.	170406 WBC	Closing	Apr 13, 17
B10	KE	Budget - Welfare	Q: Already at 58% spent? A trend or an exception?	Town Assistance is dictated by RSA 165. It is difficult to budget reasonably for this line. Expenses can vary greatly from year to year, month to month.	170406 WBC	Closing	Apr 10, 17
B11	KE	Budget - P&R - Ice rink	Q: What is status of the ice rink?	P&R had the rink open limited times this past winter due to the weather. For 2017, they requested \$1,500 for a new liner, but have since learned the liner costs \$1,700, the panel will need rebuilding at another \$1700, and seeding will be needed in the park for \$500. Total \$3,900.	170406 WBC	Closing	Apr 12, 17

R1	KE	Revenue - Account 3359	Q: Was the Exit 9 50% reimbursement the 1st or 2nd one?	This was the 1st payment. The 2nd payment will arrive after the final inspection & approval by NHDOT.	170406 WBC	Closing	Apr 10, 17
R2	JB	Revenues - Accounts 3503-3509	R: Would like to see break down of "Miscellaneous -> Other" revenues. Specifically interested in revenues from Old Graded School.	Further breakdown will be provided. These include annual revenue of \$7,850 for Head Start.	170406 WBC	Open	Apr 10, 17
R3	KE	Revenues - Account 3916	Q: Please explain Trust Fund Income.	This is interest disbursements from trust fund accounts and accounts that are closed out.	170406 WBC	Closing	Apr 10, 17
R4	JB	Revenues - Report Layout	R: If possible, add comparable YTD column.	Request accepted.	170406 WBC	Open	Apr 10, 17
General & Other							
G1	JB	Audit Report	Q & R: Is the audit report online? If not, can it become so?	The 2014 and 2015 audits will be posted on the Warner website soon.	170406 WBC	Open	Apr 18, 17
G2	KE	Engine 2	Q: What is plan of action regarding Engine 2?	Engine 2 has been declared 'Totaled' by the insurance company. The Fire Chief and his deputies are reviewing proposals for replacing the engine.	170406 WBC	Open	Apr 10, 17
G3	KE	NHMA	Q: Who should have membership and login accounts on NHMA website?	The Chair and Vice Chair are authorized to contact NHMA Legal Services with inquiries. The expectation is that legal questions raised in a meeting would be submitted by the Chair to the legal department for opinion.	170406 WBC	Closing	Apr 10, 17
G4	KE	NHMA	R: Need to get David signed up for NHMA Budget course.	David can sign up for classes when available.	170406 WBC	Open	Apr 10, 17
G5	KE	General - Roundabout	Q: What was the total cost of the roundabout?	The final costs can be found in the 2016 Annual Report on page 16. The final total cost was \$1,041,498, of which the Town share was \$346,819.	170406 WBC	Closing	Apr 10, 17
#	Owner	Specific	Question / Request	0	Source	Status	Updated

4. Review of 2017 Expenditures – Highlights

- It was asked why the Supervisor's of the Checklist salary was overspent in 2016. Judy explained that no one could have predicted the changes in 2016 (Presidential Election).
- Legal is high due to increased legal activity in Planning, Zoning, for contracts and land transfers.
- Mike asked for an update on the Town Hall regarding the Fire Marshal's inspection. Jim said by Labor Day everything short of the sprinkler system and the fire suppression system for the stove will be completed. Based on that, the Fire Chief said he would reconsider limited use of the lower meeting room.
- Water & Sewer is overspent at the Police Station, Tracey said she is working with the Water District on this expense because it was due to a faulty toilet.
- Cruiser expense is high because a lot of work was done on the 2013 cruiser.
- Several comments were aired on how to grow or not grow grass at the Police Department.
- Overtime labor in Highway is at 10% left for the year. Mike is concerned there could be substantial storms from November on. Jim asked if he can quote Mike in January when the BC is looking for cuts to obtain a flat budget because the overtime labor was cut last year in order to get to a flat budget. Martha M. noted that most of the storms last year fell on weekends.
- The Facility Supervisor wages have been broken out in the Public Works Department. There is 17.9% left in the line for the year. Jim said the line includes grounds keeping as well. Alfred noted that the same thing happened for 10 prior years and Jim just started watching the numbers. Jim said to Alfred keep in mind all the buildings are 10 years older too, there are things that were let go over the 10 year period in terms of building maintenance, we are now playing catch up by sealing the driveway, fixing bricks etc. Jim said the person in charge of the buildings is also going to be handling the grounds because the BC wanted a fair representation of the cost to handle the facilities and the grounds. Kimberley asked if this is comparable to what we were seeing 4 years ago. Martha Mical said yes, same scope of responsibilities.
- Kimberley asked who is maintaining the roundabout. Jim said Public Works Department.
- Jim said he will obtain a status on the security system for Parks & Recreation Commission.
- Jim reported the Board has not decided how to handle the current loan on the replacement vehicle for the Fire Department. Martha B. feels the loan should be paid off, so does Martha M. Jim said if there was no accident, the town would still be paying on the loan, a new truck is replacing the damaged truck. Jim will be comparing interest rates to see if it is more wise to pay the current loan or pay off and take out another loan.

5. Revenue Review – Highlights

- Kimberley will create a breakdown on property taxes.

6. Meeting Schedule

The Committee reviewed the meeting schedule and Martha M. will arrange a tour of the Library.

7. Odd Fellows Building

Jim said the property is scheduled to transfer to private hands in about a month.

8. New Fire Station

Kimberley reported the Fire Station Building Review Committee is meeting regularly. The FSBRC have made two big decisions regarding the design and construction of the building. The FRBRC decided on a clear span instead of pillars in the bay area and selected the walls. The contract is signed with SMP Architect so far. The contract has not been signed for North Branch Construction, in reading this contract Jim started to get an understanding on what the town's role needs to be and he believes the FSBRC is going to address that.

9. Solar Array

Jim said the equipment has been ordered, site work pretty much done and Jim said he asked Selectman Carson to convene a meeting with Tracey, himself, Clyde and Donna Lane from CDFA to look at the finances and mechanisms in which the invoices will be paid.

10. Adjournment

Next meeting is scheduled for August 10th touring the Town Hall and Old Grade School, the tours will begin a 6:00 pm. at the Town Hall. A motion was made and seconded to adjourn at 9:24 pm, motion passed unanimously.

Recorder of the minutes: Mary Whalen