



Warner Budget Committee

Meeting Minutes
Monday, January 29, 2018
APPROVED

Mike Cutting opened the meeting at 7:05 pm.

Committee members in attendance: Mike Cutting, Martha Mical, Kimberley Edelmann, Alfred Hanson, David Minton, Jonathan Lord, Martha Bodnarik, Pete Newman

Others present: Jim Bingham – Town Administrator, Bill Chandler, Varick Proper, John Leavitt, Rebecca Courser, Judy Newman-Rogers

1. Meeting Minutes

David made a motion to approve meeting minutes dated January 9, 2018. Jonathan seconded the motion, the motion passed unanimously.

Alfred made a motion to approve meeting minutes dated January 18, 2018. Jonathan seconded the motion. Kimberley said a minor correction is needed which she will complete. Alfred moved to table approval until the correction is made. The motion was seconded, the motion passed unanimously.

2. 2018 Warrant Articles

Article 5 – Waiting for the final figure for the new fire station. At this time the figure is \$2.8 million.

Article 7 - \$20,000 to be added to the property revaluation. No questions.

Article 8 - \$4,000 to be added to the Employee Expendable Health Trust Fund. The Selectmen are the agents to expend. The balance in the account is \$5,984.

Article 9 – Establish a Contingency Fund for the current year in the amount of \$10,000, the sum will come from the general fund. No questions.

Article 10 – Add \$25,000 to the Police Department Vehicle Capital Reserve Fund. Police Chief Bill Chandler said he will be researching a lease option to see if it's feasible for his next purchase in 2019. Alfred asked if a lease option will affect the patrols. Bill said he has to do the research. David told Bill that Canterbury is leasing their vehicles, also in Hollis, the Police Department completed a cost analysis on leasing and for them, it's proved to be a money maker. David said the best time to turn in the vehicles is 70,000 miles, after that the value goes way down. Hollis does a 5-year lease from a Ford motor company completely outfitted. Hollis gets savings on the trade, they're not doing all the maintenance, they are replacing the cars every 5 years and there is no large upfront cost every few years for a cruiser.

Article 11 – Close out the Odd Fellows reserve in the amount of \$8,700 and return the money to the general fund. Close out the expendable trust fund for radio/pager in the amount of \$102 and return the money to the general fund. No questions.

Article 12 – Add \$50,000 to the established Fire/Rescue Capital Reserve Fund. No questions.

Article 13 – Add \$5,000 to the established Fire/Equipment Capital Reserve Fund. No questions.

Article 14 - Add \$190,000 to the established Highway Road Construction Reserve Fund. The reserve is being built up to work on Pumpkin Hill Road. Alfred asked if the Waterloo project, Burnt Hill and a corner on Schoodac Rd. in the Public Works operating budget. Jim said yes, and some of the paving funds were encumbered to complete those projects.

Article 15 – Add \$90,000 to the Highway Equipment Capital Reserve Fund. Martha M. asked if any of the money will be spent in 2018 on equipment. Jim said there is no plan for 2018, he would need to check the CIP. Alfred asked if the entire \$90,000 is needed if the Director of Public Works is planning on replacing the 1997 Mack with a 550 which is about \$35,000. Jim said the intent of the reserve is to build it up for future purchases as well. Alfred would like more information regarding the direction that the Public Works Director wants to take the department because if he does replace the Mack with a 550 the fleet will then be made up of 3-550's. Also, it was discussed how the 10 wheeler purchase has worked out quite favorably and that in the future another will be purchased. John Leavitt said it looks like the plan is to down size the fleet.

Alfred said what the town should be careful about is, just because the town hires a new road agent, that doesn't mean things have to change. What is the cost of equipment during each road agents tenure? What will the next road agent cost the town? Alfred doesn't feel it's economical to keep changing philosophies. Jim explained that's why the town hired a young foreman who is being groomed to step into the Director of Public Works role, a succession plan. Martha M. said it is also good to have fresh eyes to look at the current process, change can be cost effective too.

Article 16 – Add \$20,000 to the Bridge Repair/Replacement Capital Reserve Fund. No questions.

Article 17 – Add \$160,000 to the Department of Public Works Facility Improvements Capital Reserve Fund. \$50,000 would come from the unassigned fund balance, \$110,000 from taxation. The proposed use of the funds is for a fire suppression system in the Highway Garage and if possible extend over to the Transfer Station buildings.

Article 18 - Add \$15,000 to be added to the Preservation of Town Records Capital Reserve. Mike asked Judy if the money is only for preserving the records, it's not for the purchase of storage. Judy said record preservation does include the storage. Judy would like to take some of the money for storage. Kimberley saw where some of the records are being stored, which she feels the Committee should see as well, the area is inadequate. Judy has been doing research on storage units. Rebecca Courser said to keep in mind the records from the Library and the Historical Society as well. John Leavitt doesn't feel the town adequately funds record preservation and he doesn't feel there is even a plan. Judy said there is a plan, through a grant, a preservationist came out and observed what Judy had which has been in existence for 11 years. Judy said getting someone to take her seriously about record preservation is the problem. She said there is temporary space in the Town Hall that can be utilized. Jim said someone needs to keep pushing record preservation forward, to champion the task.

Article 19 – Add \$4,000 to the Library Capital Reserve Fund. The purpose of the funding is for carpet replacement. No questions.

3. 2018 Revenue Review

- A. Mike said in October the tax rate was set and established an estimated revenue for 2017 in the amount of \$1,455,229 but the year ended with \$1,875,380, approximately \$400,000 more. The projection for 2018 is \$1,279,684.
- B. Alfred asked what was the revenue amount used to determine the tax rate. Jim said \$1,455,000 per the Department of Revenue Administration.
- C. Mike asked what makes up Miscellaneous Revenue. Jim said the bulk of the money is from the Contingency Fund.
- D. Martha B. asked about line 32, Income from Departments on the Revenue sheet. In 2016 there was \$144,000, at the end of 2017 there was just under \$90,000, why was there such a huge drop in revenue in one year. The difference could be from the Market Basket donation.
- E. Solar Array revenue is estimated at \$27,000. Kimberley explained the solar array is an attempt to create a revenue stream by generating electricity. The Transfer Station will not have an electric bill, the other buildings will be billed. The loan for the array will be paid in 12-years.
- F. Jim is doing research on streetlights for cost savings, one suggestion is solar another is LED. Martha B. recommends using warm colored LED lights.

4. 2018 Operating Budget

- A. Mike said there was the discussion at the last meeting about funding for a Recording Secretary since that meeting the Selectmen have re-hired Mary Whalen as the Selectmen's Secretary. Mike asked the Committee what they wish to do. Martha M. recommends more detail in the minutes as has been in the past, the way Mary used to create them. Martha B. recommends the Selectmen's Office continue creating the Budget Committee minutes as in past years and stop making a fabricated crisis. Alfred asked what the increase is in the Selectmen's Secretary's hours during the creation of the Town Report and wanted to talk about this further in April, that would give Jim time to figure if an adjustment is needed. Mike said that adjustment would need to be done now in the budget. Judy said during the creation of the Town Report there is staff in the Town Hall that could help with the office functions so Mary can complete the minutes. Jim suggested to the Budget Committee that either leave the \$2,000 in the Expense of Town Officers or reduce it by \$1,000 and put it in Temp. Services.

Committee Action

Martha M. made a motion to add \$1,000 in the Temporary Services line. Alfred seconded the motion. Martha M. asked Jim if the \$1,000 will be enough. The Committee wants to make sure that Mary is the one that creates their minutes. The Committee feels there will be enough money to provide that because Jim can draw from the Expense of Town Officers line if necessary. The motion passed unanimously.

- B. Jim said he needs to check with the Bookkeeper on the Selectmen's Secretary salary so the Budget Committee can increase the salary with the correct figure because accruals were paid out in her last paycheck with the town which is covered by the 2018 operating budget. Jim talked about the changes the Budget Committee made to some salaries at a meeting he did not attend, he doesn't feel it was clearly understood as to why the numbers are what they are. Jim recommended in the future to talk to him first to understand his rationale. Jim provided a spreadsheet with the changes he is asking the Committee to make.

Alfred said last year the budget was under spent by \$140,000, this year the Selectmen are asking for \$82,000 more than what was appropriated last year. Alfred sees this as a \$230,000 increase and feels the accruals paid out can be covered by what will be under spent. Kimberley feels spending all but approximately 5% of the budget is pretty good for a town, the closer you get to spend 100% is a dangerous territory because you don't know what's going to happen at the end of the year.

- C. Martha Bodnarik commented about Jim's comment regarding no one checking with him before the Budget Committee made wage adjustments and wasting our time at the meeting. Martha B. said Jim has consistently provided salary figures that don't match what the BC has now, this bothers Martha and she doesn't trust Jim to call him up. She said the BC found out, at the meeting Jim didn't attend, none of the numbers he provided match what they have now. Jim said he gets tired of the BC making assumptions about numbers that are provided with full disclosure and he says all the time if you have a question come see him. Jim said the fact that Martha said she doesn't trust him says volumes about what has been going on and what he's experienced over the last 3 years. Jim said he has Department Heads complaining to him that nothing consistent is coming from the Budget Committee and the Committee keeps jumping to conclusions. Jim said he rounds his numbers up because it's easier, and when you are looking at the salaried people the formula throws it off differently than the hourly people. Jim said the BC jumped to conclusions at the meeting he was not at and the BC didn't take the time to talk to him.

Committee Action

Martha M. made a motion to increase the Selectmen's Secretary salary to \$34,217. The motion was seconded. Jim said that salary won't cover the cost. Jim said he likes to not go over budget and rounds up one or two dollars because things change. He suggests rather than using the numbers brought about by the BC to use the figures he would like to have. Mike called for a vote on the motion, David – yes, Alfred – no, Martha M. - yes, Jonathan - yes, Martha B.- yes, Kimberley - not voting. The motion passed 4-1.

- D. Mike asked the Committee if they want to make any other corrections, he went over the corrections the BC made previously:
- Newsletter reduced from \$1,900 to \$1,700
 - Expense of Town Officers reduced from \$2,000 to \$1,000
 - Supervisor's of the Checklist salaries from \$1,314 to \$2,967
 - Deputy Town Clerk salary from \$25,710 to \$25,999. Jim asked how the BC came up with that salary. It was found that the BC used the incorrect hourly rate in their calculation. Mike asked

the BC if they want to make another adjustment back down to \$25,710. Judy said the Deputy does not get paid for elections and there is no money in the Election budget to pay her and is asking the BC to leave the \$25,999 in the budget. Jim asked in what way is the Deputy Town Clerk not getting paid for elections. Judy said the Deputy has 1,560 hours for the year so we have to stagger those hours and when there are 15 hour days at an election then her weekly hours are cut back. Jim asked why is it necessary to have both the Town Clerk and the Deputy for 15 hours at the same place. Judy said the Deputy is supposed to be trained so that she can replace the Town Clerk. Jim asked Judy if the Deputy is trained and Judy said yes. Jim suggested alternating. Martha B. said the BC already discussed this and agreed with Judy to leave the money in. Judy said she calculated a figure of \$330 for the Deputy to cover the elections and Town Meeting and she said she can work with the \$25,999. The BC decided to leave the \$25,999 in the Deputy Town Clerk salary line.

- Custodian salary for the Town Hall changed from \$3,200 to \$3,181. Jim's budget reflects \$3,177.
- Alfred asked Jim why he didn't give the Committee his formula's so they would know what he did. Jim said if you don't ask you don't get the information, and half the time he knows for a fact the Committee is not reading half of the information he provides. Alfred thinks Jim is wrong, he said he talks to the Department Heads all the time if they have a problem with us, and he doesn't see it.
- Landuse salary was \$20,773 reduced to \$20,754.
- Police Chief salary was \$77,450, Jim's figure is \$77,438.40, the BC came up with \$77,397.

Committee Action

Martha M. moved to change the Police Chief salary to \$77,439. Jonathan seconded the motion, motion passed unanimously.

- Police full-time wages original figure from Jim is \$204,500, the BC came up with \$203,510.

Committee Action

Martha M. made a motion to change Police full-time wages to \$204,500. Jonathan seconded the motion, motion passed unanimously.

- Police Department custodian, Jim's figure is \$2,075, the BC came up with \$2,114.
- Martha B. talked about how she doesn't like the way Jim calculates the wages.

- E. The Selectmen's 2018 operating budget amounts to \$3,153,437. The Budget Committee's 2018 operating budget amounts to \$3,153,659, and an increase of \$222.00. The 2017 operating budget amounted to \$3,070,485. The 2018 operating budget increase from 2017 by 2.7%. Jim said the payment for the solar array was adjusted down. The new total for the Selectmen's 2018 operating budget is \$3,152,888. The new total for the BC 2018 operating budget is \$3,153,658 a \$771 difference. The difference from 2017 is 2.8%.
- F. Martha M. asked Jim why the Public Works budget shows \$29,000 for Building Maintenance Supervisor, she said the Director told her he put in \$20,000. Jim said the \$29,000 has been the figure since the beginning, this figure is based on the majority of the hours for 2018 will be in buildings and grounds. The Director provided updated hours for 2017 for the Supervisor's time, Jim would like to get that information to the BC and confirm the \$29,000, it may be changed a bit.
- G. Jim explained to the Committee about the problems with the salary employees and the grade/step scale. Over the years when percentage increases were provided in the past, it tends to shift what the step is. That's where he was running into problems because he was always coming up with either a few dollars and up to \$150 difference between what the bi-weekly pay was coming out to be and what the step was saying. There was an accumulation of that kind of change over a period of 8 years, so he had to try to catch up. The salaried employee, their actual salary was different than what they were assigned to as a step on the wage scale. Jim is hoping the step system is done away with. The Wage Study will be addressed by the Selectmen after Town Meeting.
- H. Alfred recommends going with the Selectmen's budget. Jim said he needs to get back to the Committee regarding the \$29,000 for the Building Maintenance Supervisor.
- I. Public Hearing is scheduled for Thursday, February 1.

5. Adjournment

A motion was made and seconded to adjourn at 10:21 pm.

Recorder of the minutes: Mary Whalen