



Warner Budget Committee

Meeting Minutes
Thursday, February 1, 2018
APPROVED

Mike Cutting opened the meeting at 7:04 pm.

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

Others present: Jim Bingham – Town Administrator, Clyde Carson - Selectman, John Dabuliewicz - Selectman, Ray Martin - Warner Village Water District, John Leavitt, Andrew Bodnarik, David Hartman, Marianne Howlett, Christine Perkins, Rebecca Courser, Paul Hagenow, Ed Raymond, Tim Allen, Joe Mendola, Nancy Ladd, Marianne Howlett

1. Meeting Minutes

A motion was made to approve meeting minutes dated January 18, 2018. The motion was seconded, motion passed unanimously.

2. Water District 2018 Operating and Capital Budget ~ Public Hearing

- A. Mike opened the public hearing for the Warner Village Water District at 7:09 pm.
- B. Ray Martin, Administrative Assistance for the Warner Village Water District present the 2018 operating budget.
- C. Ray said the operating budget increased by 2% from last year. The total amount for 2018 is \$432,223. The proposed capital expenditures amount to \$125,000. One of the reasons for the increase is declining revenue. The Water District decided to create a survey that went out in July, 180 survey's were sent out and received about 78 back. What was learned is the large homes in the Water District were occupied by 2 people. The water usage in the last 5 years has gone down. Another reason for the budget increase, in October the 40-year-old emergency generator at the plant was replaced for about \$30,000. The last issue is the Water District received an order from the Environmental Protection Agency last November stating the Water District must reduce their copper and phosphorous levels before the treated water is released back into the Warner River. The Water District has until 2021 to correct the situation. The current system might be able to lower the phosphorous levels but the system is not capable to reduce the copper levels. Alternatives were looked at, one is called groundwater discharge which is simply similar to a giant septic system. The treated water will be discharged through pipes into the ground. That allows them to not dump anything into the river. At this time a piece of land is being tested for the system and the results will be reviewed by the Department of Environmental Services in Concord, NH, and EPA in Boston MA. Part of the \$125,000 expenditure is for purchasing the land and complete the studies, the next phase of studies will cost around \$30,000.
- D. The Town Hall needs a fire suppression system and the Water District has been working with the town and the Director of Public works. The system needs 6" piping to supply enough water to run the suppression system. At this time the piping into the Town Hall is 1". The Water District will cover the engineering to bring the water into the Town Hall and the piping will be the town's expense. The cost for the engineering is about \$20,000. Ray said the \$125,000 will mostly be financed through borrowing \$100,000 and a grant for \$25,000.
- E. The Commissioner's increased the water/sewer rates by 5% to help, they increased the surcharge on the pump station at McDonald's and the solar credits are working as advertised in the net metering. Because these projects are a one-time expenses, the Water District increased the requested amount of money on the Water District real estate tax from \$106,335 last year to \$123,298, that moves the tax rate from \$1.92 to \$2.18.

Public Comments

Paul Hagenow - What's the exposure limit on the copper, or the threshold limit value.

Ray Martin - It's like 10 parts per million, now we're down to 1.

Paul Hagenow - What's the EPA number.

Ray Martin - That's the number we have to beat.

Paul Hagenow - Has there been any discussion with Congress Women or Senator's to get the EPA threshold opened up?

Ray Martin - No, we have not.

Jim Bingham - Where do you post the revenue for the solar array.

Ray Martin - We credit it against the electric bill. It's now identified on the last page under carbon credits. This year we received \$3,100 in net metering and \$2,691 in carbon credits.

Andrew Bodnarik - There's going to be another change into the value of carbon credits and he guessed it's going to increase in value because the State of New Jersey is looking at joining the regional (not audible) program.

David Hartman - I don't understand why the engineering for the suppression system at the Town Hall is not a town expense.

Ray Martin - It's still under negotiation. The larger pipe will benefit the Water District, it will solve a demand problem.

Kimberley Edelmann - If we build a fire station, will they be paying for the water they use.

Ray Martin - All the town buildings in the Water District pay for water/sewer.

Alfred Hanson - Did you say there is no suppression system in the grade school?

Ray Martin - I don't believe so, I don't know for a fact. The Fire Chief said the school does not.

F. Mike closed the public hearing at 7:29 pm.

3. Town of Warner 2018 Warrant Articles ~ Public Hearing

A. Mike opened the public hearing for the Town of Warner at 7:29 pm

B. Mike began with the warrant articles, he will read the article and then call for questions.

Article 5 - *To see if the town will vote to raise and appropriate the sum of \$2,800,000.00 (Two Million Eight Hundred Thousand Dollars) to construct a fire station on town land and further, to authorize the issuance of not more than \$2,800,000.00 (Two Million Eight Hundred Thousand Dollars) 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 (Ten Thousand Dollars) through taxation for the first year's bond payments.*

Questions:

Marianne Howlett - The Selectmen had a meeting January 26th about the new fire station and she wondered if they could provide a brief synopsis of what happened at that meeting.

Kimberley Edelmann - We met with Bruce Blazen who is a finance person, Ken Holmes of North Branch Construction as well as Anthony Mento, our architect. We got our first set of numbers, North Branch cataloged all of the bids that came in. Using the lower bids they gave us a number for construction that we didn't like. We asked them to go back and do some more work. Now our Construction Manager and Architect are working on trying to reduce the numbers and finding ways not to reduce the quality of the building as well. The number that came in was \$2,900,000. A public hearing is scheduled for Thursday, February 22 here at 7:00 pm and we expect to have final numbers at that hearing.

Christine Perkins - I noticed in the warrant it only mentions a bond, has there been any discussion about going through a bank and getting a long-term loan because then you don't have to pay for a bond lawyers.

Mike Cutting - If you read the article, it says \$2,800,000 of bond or notes.

Kimberley Edelmann - I'd like to add to that, I spoke with 4 different banks and the NH Municipal Bond Bank. I have all those numbers, I will be presenting those numbers at our hearing, but I can tell you right now, nobody can touch the bond bank rates. Also, the bond bank used to have fees, they no longer have fees at all, and, we spoken to two bond attorney's, we need a bond attorney no matter what, whether we go with a bank loan or with a bond because there is no much documentation involved we want to make sure everything is done right. We have quotes from 2 recommended bond attorney's, their rates were both under \$10,000 for the life of the project. We went with the one for under \$5,000.

Christine Perkins - Thank you.

Alfred Hanson - My understanding this is the final number you're putting in the Town Report?

Jim Bingham - On article 5? No, it's not. We've made it clear we are still waiting for a final number.

Alfred Hanson - We vote on this next Thursday.

Jim Bingham - Kimberley just answered the question, we will have a final number by the time we have the public hearing on the bond, which is required, February 22. We had this discussion previously because we know it's going to take a little time to get those final numbers down to the point the Board of Selectmen feels

comfortable with them. There is going to be a guaranteed maximum price by February 22. At Town Meeting we will make the adjustment at that point.

Alfred Hanson - Alfred asked Mike how do we vote on article 5 after what he just told us.

Mike Cutting - What you will need to do is make a decision based on the amount of material we have at this time. In other words, the warrant article is going to say \$2,800,000. We know that number is going to change based on two factors. The final figures that Kimberley is talking about which is going to come in some time in the later of February and then at Town Meeting the warrant article is going to be amended or changed to whatever the final figure is. So now the Budget Committee has the choice of doing one of three things, either recommending, not recommending or abstaining from voting on article 5 for insufficient data. That's a decision we are going to have to make come next Thursday.

Kimberley Edelmann - And at Town Meeting that's the time to actually stand up and say we are in favor of it.

Alfred Hanson - Your hopes by the 22nd, \$2,800,00, maybe lower.

Kimberley Edelmann - I'm hoping to get the full package, ready to move into the building for \$2,800,000 or lower, \$2,900,500 is not acceptable.

Martha Mical - The warrant article will be on the warrant no matter what the Budget Committee does. It still moves forward to the public.

Alfred Hanson - As far as I can see, article 5 is going to be written as is here.

Mike Cutting - Yes.

Alfred Hanson - Jim didn't really say that it could change a little bit.

Jim Bingham - It can change in two ways, the number could change. The bond attorney is being sent the article for them to review as well. His hope is they get back to him by Monday or Tuesday morning to be able to present new wording at the continuation if we need to.

Kimberley Edelmann - But the \$2,800,000 won't change.

Alfred Hanson - So when you go to print the article will read as it does now.

Kimberley Edelmann - Probably.

Jim Bingham - Pretty close.

John Leavitt - I think we are making this a little more difficult than it has to be. The Budget Committee doesn't have to abstain. They should be voting on article 5 the way it is written. If \$2,800,00 is acceptable to the Budget Committee, they should vote to approve it. If they think it's too much, vote not to approve. You shouldn't be trying to guess the number at Town Meeting.

Martha Bodnarik - Except, we also have to judge, if it's really about the numbers. If we voted that it's a great idea for the town to go out and say ya we want that \$2,800,000 and there's no way to get below \$2,900,500, we're kind of sitting with our hands (not audible).

John Leavitt - Your still only being asked to vote on the \$2,800,000.

Kimberley Edelmann - John has a good point though, your voting on \$2,800,000. If it comes in at \$2,900,000, you never voted on it.

Martha Bodnarik - comment was not audible

Mike Cutting - You're not voting on an open-ended budget. Your only voting on an article with a specific dollar amount.

Article 6 - *Shall the Town vote to raise and appropriate the sum of \$3,153,115 (Three Million, One Hundred Fifty-Three Thousand, One Hundred Fifteen Dollars) as the 2018 Operating Budget for general municipal operations? This amount does not include appropriations contained in special and individual warrant articles addressed separately.*

Mike is going to ask to refrain from discussing this article because the figure is probably going to change, not substantially, in some minor details in the next couple of days.

Andrew Bodnarik - I'm a little concerned you have a presentation on an article without knowing what the number is and then you tell me later on your going to amend that number sometime tonight when you get to the operating budget. I suggest you table this and bring it back at that point.

Mike Cutting: So, I'm going to table article 6.

Andrew Bodnarik: (Both Mike and Andrew were speaking at the same time) come back to it when you have a number.

Committee Action

A motion was made (speaker unknown) to table article 6 at this time and to be addressed at a later period. Jonathan seconded the motion. No discussion, motion passed unanimously.

Article 7 - *Shall the Town vote to raise and appropriate the sum of \$20,000 (Twenty Thousand Dollars) to be added to the previously established Property Revaluation Capital Reserve Fund?*

Mike said the cost impact is .07 cents per thousand dollars on your tax rate. Martha Mical created the tax impact amount for each article this evening. Property revaluations are required by the State every five years. The next cost is estimated to be \$150,000.

Questions:

Rebecca Courser - What year is the next Revaluation.

Martha M. - 2020

Alfred Hanson - Does anyone have the reserve balance?

Jim Bingham - There's a little over \$70,000 in the capital reserve fund. Kimberley made copies of the reserve balances for everyone.

Article 8 - *Shall the Town vote to raise and appropriate \$4,000 (Four Thousand Dollars) to be placed in the previously established Employees Expendable Health Trust Fund and furthermore, to name the Board of Selectmen as agents to expend from the said fund? This Fund is used to partially reimburse participating town employees for deductible health expenses.*

Mike explained the town has had this option in place for about 4 years. This option saves the town money on health insurance costs. The cost per thousand dollars is .01 cent.

No public questions.

Article 9 - *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 (Ten Thousand Dollars) 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.*

Mike said the cost to the taxpayers is zero dollars.

Questions:

John Leavitt - We put \$10,000 in the fund every year that's almost never used and furthermore \$10,000 is too small a number to be helpful for almost any unexpected emergency expense. The operating budget has averaged \$115,000 surplus for the past 6 years. The legitimate arguments for giving ... for proposing an inflated budget each are the unpredictable weather, accidents, breakdowns. In 2017 there was a very high unexpected legal expense. The budget surplus at the time I wrote this was \$147,313, which will probably change. Would it make more sense for the Budget Committee to reduce the operating budget by a figure that covers the unanticipated costs and have the Selectmen put an equivalent figure into this Contingency Fund? Common sense should tell you having a budget with a large amount of extra cash every year does nothing to encourage, reduce spending or tighten the budgets. Logistically, if this suggestion is adopted, the Contingency Fund article should be brought before the Town Meeting prior to the operating budget, if passed, the operating budget proposal could then be adjusted from the town floor. I'm hoping the Budget Committee would not approve this article as it is currently written.

Alfred Hanson - Asking Jim, he asked how long has the town been doing this?

Jim Bingham - The State Legislature passed this back in he believes 2014. The reason was many towns had Contingency Fund in there operating budget. Warner had \$5,000 because the fund is not identified for any particular expense, the Legislature's felt it shouldn't be in the operating budget. So, they passed Legislation stating you can have a separate Contingency Fund that lapses each year then has to be renewed each year to manage any potential unanticipated expenses.

Kimberley Edelmann - What is the maximum you can put in.

Jim Bingham - I don't know if there is a maximum.

Mike Cutting - I know of towns that put more than \$10,000 in the fund, I don't think there is a limit.

Martha Bodnarik - I would like to address Mr. Leavitt's comment that having those excesses of money do not cause you to limit your spending. In actuality I have talked to different family members who have had to go through the budgeting process from the other end, setting up their budgets and dealing with people looking at how they used it or not. They found that if people wanted them to spend right up to what they budgeted all the time, they pad their budget so they have a contingency in it. I think it's better if we leave it as a contingency and we sit here with the hopes that we consistently run \$100,000 to \$150,000 less in spending each year.

Cutting back to bare bones is not efficient and very uncomfortable towards the end of the year.

Jim Bingham - The reasons you may have surplus coming back are various. A part-time police officer is needed, it was budgeted, but the position wasn't filled. That cost becomes surplus. If a paving project doesn't happen because of weather then that money becomes surplus and in some cases encumbered. This past year \$40,000 was encumbered for paving. And the other factor is Department Heads making good decisions and I think the town should be proud. The Department Heads continue to spend only what they need. I feel we should continue this process and let the Department Heads have enough money to get through the year. If they don't use it all, it will go back to surplus.

Mike Cutting - The past philosophy from many years ago was spent it all or you won't get it next year. That philosophy was adjusted to spend what they need. It's a compliment to the Selectmen, Administration and specifically the Department Heads.

John Leavitt - No one is suggesting the \$140,000 be cut, I agree the Department Heads in this town do a fabulous job. But, what has happened, in a lot of cases, we are budgeting for a worse case scenario. I suggest the Budget Committee take the best case scenario, the average case scenario and subtract from the worse case and put that extra money in the Contingency Fund.

Clyde Carson - By statute, the Contingency Fund's limit is 1% of the operating budget of the previous year.

Andrew Bodnarik - Is the fund mandated by law?

Mike Cutting - No, it is not mandated.

Name not Audible - Has the town ever used the fund?

Martha Mical - We used it when it was in the operating budget for a furnace.

Alfred Hanson - Asking Jim, during our process through the year there is a lot of information supplied for us to make a decision. My question is, is there a possibility Jim of showing us at year-end somewhere before the budget process starts, of where the savings are.

Jim Bingham - I can probably get you definite savings because decisions in the beginning of the year are not going to change. In November unspent money can be easily identified.

Alfred Hanson - To Jim, can you provide the information that makes up the surplus at the end of the year.

Jim Bingham - Yes.

Article 10 - *Shall the Town vote to raise and appropriate the sum of \$25,000 (Twenty Five Thousand Dollars) to be added to the previously established Police Department Vehicle Capital Reserve Fund?*

Mike said the tax impact is .09 cents per thousand on the tax rate. There is a vehicle replacement schedule. The Police Chief will be exploring lease vehicles. The balance in the reserve is \$17,967. Jim said he doesn't believe the balance reflects the recent expenditure. There will be about \$5,000 left in the reserve.

No questions.

Article 11 - *Shall the town vote to discontinue the following CAPITAL RESERVE/EXPENDABLE TRUST FUNDS? Said funds and accumulated interest to date of withdrawal, are to be transferred to the municipality's general fund. 1. Capital Reserve Fund for Hazard Mitigation of the Odd Fellows Building (approximately \$8,700) 2. Expendable Trust Fund for Radios & Pagers for the Fire Dept. (approximately \$102)*

No questions.

Article 12 - *Shall the Town vote to raise and appropriate the sum of \$50,000 (Fifty Thousand Dollars) to be added to the previously established Fire and Rescue Vehicle Capital Reserve Fund?*

The tax impact is about .18 cents per thousand. Fire Chief, Ed Raymond, explained the cost will be 20% more to have the fire engine built to fit in the current station. If we don't get a new fire station we may be able to get another couple of years from the 1996. Ed expects a new one will cost \$500,000. Mike said the balance in the reserve is \$392,878. A customized one will cost 20% more of \$500,000.

Questions:

Alfred Hanson - The engine that was replaced was customized?

Ed Raymond - Yes, to a point, it's not big enough to carry a 35' ladder on it and we took the bathroom wall down to fit the vehicle in the building.

Article 13 - *Shall the Town vote to appropriate the sum of \$5,000 (Five Thousand Dollars) to be added to the previously established Fire Equipment Capital Reserve Fund?*

Tax impact is .02 per thousand dollars. There is a \$22,880 balance in the reserve.

No questions.

Article 14 - *Shall the Town vote to raise and appropriate the sum of \$190,000 (One Hundred Ninety Thousand Dollars) to be added to the previously established Highway Road Construction Capital Reserve Fund?*

Tax impact is .60 cents per thousand dollars. The Director of Public Works explained the next big road project is Pumpkin Hill Road for 2019. The project will be contracted. The balance of the reserve amounts to \$207,100. The estimated cost for the project is between \$390,000 and \$465,000, including the hot top.

Questions:

Alfred Hanson - How much money in paving for that project.

Tim Allen - The base coat is (not audible).

Alfred Hanson - Your paving in your operating budget has nothing to do with your special construction.

Tim Allen - I'm trying to separate them. But we may need to use paving money out of the operating budget to finish the project if the funds are not there in the capital reserve fund. Tim said he doesn't have a final number at this time.

John Leavitt - I have the greatest respect for Tim and what he's trying to do with the department, but in the past, the administration's use of the capital reserve fund has been called into question by the Budget Committee. You have discussed withdrawals from the capital reserve fund and how they have impacted the highway budget making it almost impossible to properly evaluate where the highway budget actually is. My question for the Budget Committee is, what have you done to improve your ability to provide over-site for this capital reserve fund and specifically how to accurately quantify the impact withdrawals on this fund have on the highway department.

Martha Mical - Projects are fully reported in the Town Report.

John Leavitt - You don't have a means of evaluating what impact those withdrawals have on the actual highway department budget.

Martha Bodnarik - We are the Budget Committee, it's not our job to oversee what is done with withdrawals from the capital reserves. It's not our job to comment on how the money is spent. We look to see what they say they need, we look to see how they have used it in the past and we judge what's best for the town. We are not an over-site committee for how they use the funds.

John Leavitt - I 100% agree with Martha up to the point where it has an impact on the highway department budget that you're trying to evaluate for the new year. If you can't properly evaluate what has been expended in the past, you can't properly evaluate what is going to be needed in the subsequent year.

Martha Mical - Jim is it not possible to track the paving in the Town Report?

Jim Bingham - Tim wants to track all his projects, which coincides with what the auditors have been telling us. Waldron Hill was broken out and we want to continue doing that.

Martha Bodnarik - To Tim, could you reconsider since this project is for 2019 and not 2018, that you lower it by \$40,000 now, and then next you ask for the amount needed to put the entire top coat for the whole road.

Tim Allen - You could do that, but...

Martha Bodnarik - Then you're building it all at once in 2019.

Martha Mical - If Tim wants to save the \$40,000 he can.

Martha Bodnarik - I am looking at the rise in the operating budget, article 5, and thinking maybe it would be a good year, since Tim doesn't need money this year, to hold off and do his project in 2 solid stages.

Jim Bingham - Martha brings up a good point, however, we looked at that as well and we looked at the timing. We are looking for a bond article this year, but the actual monetary impact on a budget won't be seen until next year. I much rather build up this year so it doesn't delay work and ask for less money next year that will include a bond payment.

Joe Mendola - I do this for a living, I build roads, it seems very clear to me that when you start and when you finish it with a top coat is part of the capital expense so the operating budget doesn't get skimmed on.

John Leavitt - Waldron Hill was mostly done by the Highway Department.

Several Voices - No

Tim Allen - Six-tenths was done by a private contractor.

John Leavitt - The 4/10ths that was covered by the town was in the operating budget. What the town did is they took those costs out of the capital reserve fund and put into the highway budget. It created confusion because the highway department budget was sky high surplus. Some of that money was put back into the capital reserve fund. But they didn't put it all back in the capital reserve. With that surplus, they bought a \$28,500 generator

for the highway garage that was not requested by the highway department.

No Name Provided: Who's they.

John Leavitt -The Selectmen and the Town Administrator. That capital expense should have come out of Highway Equipment. I want to know what the Budget Committee has been doing to rectify this problem.

Mike Cutting: We have been asking for a more detail breakdown of what the actual cost is for a project. We need to go one step further in 2018 and start to determine where the funds are coming from. The goal is not to have a mixed process.

John Leavitt - Thank you.

Jim Bingham - I agree with John, that we want to be able to identify the real costs. It helps us budget better and spend more wisely. Jim said we are working towards breaking the habit of funding a project from various sources. Waldron Hill was an example of how we were trying to break that habit and part of breaking it was realizing too much was being spent out of the operating budget and other projects won't be completed. So those expenses were applied towards the highway and moved some money back to the capital reserve fund because you will have nothing left for a project next time. In that process, there was a lot of journal entries going on which is all tracked. Jim said it was confusing and we are moving away from that.

Nancy Ladd - I want to go back to what Martha Bodnarik mentioned, do we want to defer putting some of the capital reserve money in until the year the project will be done? I just became aware when in March it's voted to put money into the capital reserve funds it doesn't happen magically. Sometimes some are put in July after the taxes are paid, same for the end of the year. If you're doing roads you have to figure out how you're going to fund that and the other things that are being done with capital reserve funds.

Alfred Hanson - The thing that bothers me the most this past 2 years is projects that are brought to the Budget Committee saying they didn't get done and yet they are being added on to what they want to get done. The reason it bothers me is these projects are not getting done in the operating budget but yet the money has been spent. Where did the money go, that's what scares me about putting that type of road construction in an operating budget.

Martha Mical - When the Highway Department starts their year they have a planned list. But then you have the Board of Selectmen that suddenly decide something is needed to be done. It's always the highway crew that ends up doing it, so they can't keep to the plan and the money has been spent elsewhere.

Jim Bingham - Tim and I have talked about that, he thinks there is frustration on Tim's part as well. He has a plan and it gets shifted. We are all aware if another project is brought in, Tim informs the Selectmen of the impact.

Alfred Hanson - It would be a great benefit to the town to keep the construction of roads separate from the operating budget.

John Leavitt - Alfred had an excellent idea. If you have a road construction budget and it's exceeded, you would have a clear indication of why the administration would have to go to the capital reserve fund.

Jim Bingham - I think we can do that, and what we are looking at is better tracking and reporting to the public.

Article 15 - *Shall the Town vote to raise and appropriate the sum of \$90,000 (Ninety Thousand Dollars) to be added to the previously established Highway Equipment Capital Reserve Fund?*

The balance in the reserve is \$119,973, the tax impact is .32 cents per thousand dollars.

Questions:

Mike Cutting - Does no equipment purchase for 2018 still stand?

Tim Allen - Isn't the 550 scheduled for 2018?

Alfred Hanson - According to the capital, you're replacing a 550 this year coming up.

Martha Bodnarik - I think this is a line we need to get a better handle on if not this year, next year. Last we year we bought a grader and we put it in a long-term lease and moved the expense to the operating budget which automatically raises the operating budget by \$42,000 a year now. Also, we have heard Tim would like to restructure the fleet and replacing Macks with 550's and perhaps another 10-wheeler. I think this needs more examination that we don't just automatically put away \$90,000 a year if we are not going to be replacing the existing fleet at the existing level. Any large expense, like a grader, will go to a lease. I don't feel comfortable, (rest of the comment was not audible).

Alfred Hanson - Tim have you had time to evaluate the grader lease? Was any research done?

Jim Bingham - The lease was at about 2%, there was a concern about having to replace several pieces of equipment quickly. The lease made sense because the money was cheap and the warranty is for the life of the lease. It is a 7-year lease and warranty, at the end of 7 years the town pays \$1.00 and we own it.

Alfred Hanson: Does the \$42,000 payment match the cost to operate the grader per year?

Tim Allen - I can't answer that right now.

Joe Mendola: The question is what is the cost for the lease compared borrowing the money, that will tell you if the lease is a value or not.

Mike Cutting - And the difference could be the cost of the warranty.

Martha Bodnarik: My point is, if we are moving these costs to the operating budget, we shouldn't be filling the savings bank at the same rate we did when we were not leasing.

John Leavitt - The problem is, the money we were putting away was adjusted prior to the time we needed the grader. The capital reserve fund requests were cut back for years before, so when it came time to buy a grader, there wasn't enough money. It was in reverse Martha.

Martha Bodnarik - We could have raised (not audible). But, by taking the lease, we have shifted \$42,000 to the operating budget and should not be saving in the reserve at the same level.

Article 16 - *Shall the Town vote to raise and appropriate the sum of \$20,000 (Twenty Thousand Dollars) to be added to the previously established Bridge Repair/Replacement Capital Reserve Fund?*

The reserve balance is \$112,748, the tax impact is approximately .07 cents per thousand dollars.

Questions:

Alfred Hanson - Do you have red flags, Tim?

Tim Allen - Just the culvert at the lake, Lainge Bridge needs to be painted and Melvin Road Bridge. The culvert is red listed and always will be.

Andrew Bodnarik - You have a line item in the operating budget for bridge repair and a capital reserve. What comes out of where.

Tim Allen - The bridge maintenance line is for repairs and maintenance.

Andrew Bodnarik: It looks to me not a whole lot of money, we have had some pretty bad occurrences in town with ice lately.

Ed Mical - What's the plan for 2018.

Tim Allen - Look at Laing bridge, it needs painting, also Melvin Road bridge and the pipe at Silver Lake.

Ed Mical - Will the work be contracted?

Tim Allen - Originally we were going to do the bottom of the pipe at Silver Lake, but, it's a little more elaborate now that the paperwork is done.

John Leavitt - Probably most of the work done on bridge repair is going to come out of the capital reserve fund, right? It's not the same as the Highway Department, you can spend \$20,000 on a road construction that's in the budget and then take \$20,000 out of the capital reserve fund at the same time.

Mike Cutting - There is State Aid for bridges, it takes a number of years to get into the system. The reserve is used for bridge replacement.

John Leavitt - So this isn't meant to be general repair and painting.

Mike Cutting - No.

John Leavitt - I just want to be clear that this is not intended to be used as part of the operating budget.

Mike Cutting - No.

Article 17 - *Shall the Town vote to raise and appropriate the sum of \$160,000 (One Hundred Sixty Thousand Dollars) to be added to the previously established DPW Facilities Improvement Capital Reserve Fund? Of this amount, \$50,000 (Fifty Thousand Dollars) would come from the unassigned fund balance and \$110,000 (One Hundred Ten Thousand Dollars) from taxation.*

Balance in the reserve is \$30,015, the tax impact is .38 cents per thousand dollars. A sprinkler system needs to be installed in the highway garage with the hopes of moving towards the Transfer Station as well. The estimated cost is \$190,000.

Questions:

Ed Mical - Does that include a new alarm system as part of that? I can tell you the existing system won't work with a sprinkler system.

Tim Allen - It was told to me the alarm system could be included in that number, but, I haven't (not audible).

Article 18 - *Shall the Town vote to raise and appropriate the sum of \$15,000 (Fifteen Thousand Dollars) to be placed in the previously established Capital Reserve Fund for the Preservation of Town Records?*

The tax impact is .05 cent per thousand dollars, balance is \$10,000.

Questions:

John Leavitt - This is a rare instance where I think the funds are grossly not enough. The records in this town have been poorly kept for a lot of years. Judy has been working very slowly to try to get them protected, but the last estimate I heard and the rate it's going it's going to take over 20 years to do the records. Meanwhile, there are records upstairs that are protected. I think this is insufficient, Judy requested \$20,000, it was cut to \$15,000, if it went to \$40,000 it wouldn't be enough. I hope someone stands up at Town Meeting and explains the urgency of this particular item and makes a motion to raise it. It's a dangerous gamble not to get those records preserved.

Kimberley Edelmann - I agree with John, especially after seeing where the records stored. At the same time, last year not money was spent because our guy wasn't available that does the records. I think we should have more than one person who restores our records. If that is pursued we would need to get a quote. I absolutely believe we need to accelerate our plan to restore our records.

Mike Cutting - At this point in time, all we have preserved is our existing records. We have been talking over the years about addressing a storage facility to store them in a controlled environment and that hasn't happened either.

Kimberley Edelmann - I would like to see as a Selectman, more focus put on this in 2018.

Marianne Howlett - To respond to Kimberley about one company being available. I was at a meeting of the Registry of Deeds this past summer, that particular field is pretty much a monopoly, there are not many people that do this because it's a specialty. The highway equipment can be replaced, all of these records would not be able to be replaced.

Martha Mical - To me, the higher priority is to get the fireproof room. The fireproof safe's full, we need to get it into a fireproof area for everything to be stored.

Alfred Hanson - You're exactly right, if you have the fireproof protection, so what if the books aren't done.

John Leavitt - It is my understanding that a plan has been submitted to the Selectmen to take care of the fireproof room and it hasn't been acted on.

Kimberley Edelmann: It's an incomplete plan, we need to get quotes.

David Minton: Kimberley, who submitted the plan.

Kimberley Edelmann: Judy submitted a very rough plan. It was a start.

Article 19 - *Shall the Town vote to raise and appropriate the sum of \$4,000 (Four Thousand Dollars) to be placed in the previously established Library Building Capital Reserve Fund?*

The funds are for carpet replacement. The total cost is about \$29,000.

No questions.

C. Mike closed the public session on the warrant articles at 9:21 pm. The meeting is continued until Tuesday, February 6.

4. Adjournment

A motion was made and seconded to adjourn at 9:21 pm.

Recorder of the minutes: Mary Whalen