



Warner Budget Committee

Meeting Minutes
Tuesday, February 6, 2018
APPROVED

Mike Cutting opened the meeting at 7:05 pm.

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

Others present: Jim Bingham – Town Administrator, Clyde Carson - Selectman, John Dabuliewicz - Selectman, Ray Martin, Ed Mical, Judy Newman-Rogers, John Leavitt, Marianne Howlett, Steve Bridgewater, Tim Allen, Bill Chandler, Varick Proper

1. Meeting Minutes

- A. Martha Mical made a motion to approve meeting minutes dated January 25, 2018. Jonathan Lord seconded the motion. Martha M. provided corrections, motion passed unanimously.
- B. A motion was made to approve meeting minutes dated January 29, 2018. The motion was seconded. Martha M. provided corrections, motion passed unanimously.

2. Warner Village Water District

- A. Mike asked the Committee members if they have any further questions for the Water District. The Committee had no further questions.

3. Revenue

- A. Mike said some adjustments were made. The 2017 revenue totaled \$2,124,855. The 2018 anticipated revenue is \$1,168,435.
- B. At 7:07 pm Mike opened the public hearing on Revenue.

Questions:

Ed Mical - Did we ever find out what the miscellaneous revenue is? It was in the minutes that it needed clarification.

Mike Cutting - Miscellaneous revenue, we had a question (not audible) forest fire reimbursements, we never got an answer on that.

Martha Mical - I would think it would be copy money and ...

Mike Cutting - I don't have an answer for you, Mr. Mical.

Mike Cutting - Jim Bingham entered at this time and Mike asked Jim, under the BOS Miscellaneous Revenue it shows \$23,598 and your anticipating \$20,000. Can you explain what that line is made of?

Jim Bingham - I don't have that broken down, I'd have to get the breakdown from the Bookkeeper.

Ed Mical - I was inquiring because that was the follow-up from a previous meeting.

John Leavitt - This particular revenue number doesn't affect anything right?

Martha Mical - We changed it 3 times, then it affected the tax rate.

John Leavitt - That's when it's estimated later in the year.

Mike Cutting - What this means is we will use this to calculate a potential tax rate, but is merely a proposal, we know it will change come September.

John Leavitt - Eventually, the revenue will affect the tax rate. This number will have no effect.

Mike Cutting - Right.

John Leavitt - So, why is this number so conservative, why can't it be an honest projection of what is anticipated for the coming year. You can change it up or down later in the year.

Mike Cutting - Because you always anticipate a conservative number so when we present a proposal for a tax rate.

John Leavitt - I think you're missing my point. The numbers in September are critical, this number is not, it's way low than what's anticipated. So why can't we have an honest anticipated number now? So the townspeople will have some kind of an idea what the town is actually anticipating coming in for the coming year.

Mike Cutting - Some of the anticipations you are thinking of, we don't know about at this point in time, i.e. grants. Last year the town had no idea the state was going to reimburse \$110,000 in additional revenue.

Martha Mical - The reason that we use a low number in this one is that we do have a tendency to create an estimated tax rate for Town Meeting. I agree the number is extremely low this year, but, I would make the number coincide with last year's tax rate number for revenue, I would not go to the \$2,000,000 number.

Alfred Hanson - End of September when you put all your numbers together to set the tax rate, we have a number that has been established for 2018. Jim, if that number looks like it's going to exceed your projection, do you increase revenue to adjust the tax rate?

Jim Bingham - We do.

Martha Bodnarik - Have we got all the round-about money back?

Jim Bingham - No, we are missing about half of what the Department of Transportation is supposed to pay us. We owe Merrill Construction about \$53,000 which is the retainer. I just wrote to DOT about when is this going to close out. I think there will be about \$278,000 coming back to the town when it's all closed out. The money would go back into the general fund, it was already counted as book revenue. There is some warranty work that needs to be completed in the spring, my hope is once that is done, I can submit the rest of the receipts to DOT and should receive a check in about 45 days from that.

Martha B. - If we are anticipating that amount of money coming back, why are we not closing out the capital reserve for exit 9.

Jim Bingham - We don't close out a reserve until the project is closed.

John Leavitt - What is the town doing to motivate the contractor.

Kimberley Edlmann - There was a very pointed memo that was sent to the contractor, it's being followed-up.

C. Mike closed the public hearing on revenue at 7:36 pm

4. 2018 Town of Warner Operating Budget

A. Mike opened the public hearing for the operating budget at 7:37 pm.

B. Mike reviewed the budget by categories:

- **Selectman's Office** request was \$148,686 the BC recommended \$146,008. Jim said the Selectmen requested another \$2,268 to be placed in the Selectman's Secretary line to bring it to budget. This amount will cover the difference from the accrual payout that happened in the first pay period in 2018 for the secretary that left the position but has since returned. Alfred said if the BC doesn't approve the change, contingency money could be used. Jim said that is one way of covering the shortfall. Mike asked the Committee what they want to do. Martha B. recommended to Jim to budget for accruals that could possibly be paid out when an employee leaves the job. Martha M. said the Selectmen could have encumbered the money for the position in 2017 or they could have written the check in 2017. Alfred recommends paying the shortfall from the contingency fund. The Committee agreed not to add any money to the Selectman's Secretary salary.
- **Elections** went from what the Selectman's Office requested, to \$5,017 based on a discussion with the Supervisor's of the Checklist. Mike called for questions. Jim said the Selectmen still need to approve the .35 cent wage increase. Martha M. said the other part of the increase is for a total of 3 elections in 2018. The BC did not make any further changes.
- **Finance Office** Selectman's budget is \$58,853. Alfred asked if the audit cost is about \$16,000 a year, Jim said yes. Martha M. asked if the Selectmen have gone out to bid. Jim has a list and will go for bid in the spring. This will be the last year for Vachon Clukay. No further questions.
- **Tax Collector**, Budget Committee's budget is \$49,260. No questions.
- **Treasure**, Budget Committee's budget is \$5,000. No questions.
- **Town Clerk**, Budget Committee's budget is \$85,497 which includes additional hours for the Deputy Town Clerk to be paid during elections. The Selectmen have not budgeted for that and it is their decision to provide the extra hours. John Leavitt said the Budget Committee was told the employees would receive a .35 cent per hour increase, that is what the Committee was acting on. Mike said we were told originally the .35 cent per hour increase encompasses all employee's. Then we were re-told there were certain ones that didn't, like the Supervisors of the Checklist. At a Budget Committee meeting, Judy had requested additional hours for the Deputy Town Clerk during the Town Meeting but the Selectmen have not approved the additional hours. No questions.
- **Trustee's of the Trust Funds**, BC budgeted \$550. No questions.
- **Assessing Clerk**, BC budgeted \$57,265. The substantial increase is due because of potential hiring and training for 60 days before the current Assessing Clerk retires and for Assessor fees. Alfred asked if the Selectmen's Office has any idea how much per hour for the new hire. Jim explained the current Assessing Clerk's hours were budgeted up to June of this year and the balance of the year was budgeted for \$16.00 per hour plus the 60 days of training. Plus there is additional money for the Assessor to cover for functions that the Assessing Clerk does

now but may not be done after she retires. Alfred asked if there was any cross training. Martha M. said yes, the Deputy Town Clerk has been trained to cover if I am out sick. No further questions.

- **Legal**, BC budgeted \$12,000. Kimberley said the cost for the bond attorney still needs to be determined if the cost will come from legal, the capital reserve or built into the bond which is for \$5,000. No further questions.
- **Personnel**, BC budgeted \$174,185. Jim asked why was the Medicare cost decreased by \$20.00. Martha M. thinks it's a typo.

Committee Action

A motion was made to change under Personnel, benefits, medical costs to \$16,985. The motion was seconded, the motion passed unanimously, making the total for Personnel \$174,205. Martha M. recommended establishing a capital reserve fund to cover the accruals for employees that resign or retire. Alfred disagrees with that recommendation. John Leavitt said there is only a problem if someone leaves their job at the end of the year.

- **Landuse**, BC budgeted \$44,754. Legal expenses have been budgeted for \$20,000. Alfred asked if the Zoning Board case is closed. Jim said a decision was made. There can be a request for a rehearing or Superior Court on appeal. No further questions.
- **Town Hall**, BC budgeted \$19,347. No questions.
- **Old Grade School**, BC budgeted \$15,801. No questions.
- **Cemeteries**, BC budgeted \$24,700. Martha M. asked if the people who take care of the cemeteries contracted. Jim said invoices are submitted with the number of hours used.
- **Insurances**, BC budgeted \$88,342. No questions.
- **General Government Agencies**, BC budgeted \$20,822. No questions.
- **Police Department**, BC budget \$513,404. Martha M. said the decrease is in vehicle fuel and part-time wages. Alfred asked when will the part-time position be filled. Bill Chandler said sooner if the applicant has experience, could be April or May. Martha B. asked if the budgeted amount for the Chief's salary correct. Jim said it was probably a typo. Jim explained how he calculates salary wages. Not further questions.
- **Ambulance**, BC budgeted \$77,000 which is a contract amount with the Town of Hopkinton. Ed Mical asked if that's the cost for 2018. Jim said Hopkinton estimated between \$76,000-\$79,000. The cost is based on the number of calls. No further questions.
- **Fire Department**, BC budgeted \$165,996. No questions.
- **Building Inspector**, BC budgeted \$4,900. No questions.
- **Emergency Management**, BC budgeted \$7,901. No questions.
- **Public Works Department**, BC budgeted \$1,024,810. Jim explained he did not calculate the Building Supervisor wages correctly, he was off \$705.00 on the full-time wages. The request we have been making on that would be to increase full-time wages by \$1,285 and decrease the Building Supervisor from \$29,000 to \$28,420. It changes the Public Works budget to \$1,025,515. Mike asked the Committee if they want to make that change.

Committee Action

Jonathan made a motion to change full-time labor to \$192,705 and the Building Supervisor to \$28,420, budget total changes to \$1,045,515. Kimberley seconded the motion. Mike called for a vote, the motion died 4-3. Jim said he doesn't understand the thinking of the BC because they corrected an error in one department and ignore the correction in another department. Alfred asked what the cost will be in about 2-3 years to outfit the Building Maintenance position. Tim Allen said he doesn't have that information at this time. Alfred said if Tim doesn't have an idea, why have we gone ahead and started the position without the information needed for 5 or 6 years. Martha M. rephrased the question to Tim and asked for his thoughts are on what he would like to see happening with the Building Supervisor. Tim said there is enough work to consider a full-time person, he hasn't had a chance to put the whole proposal together. The number Tim budgeted is based on the time used last year, he is still gathering information regarding the position. Tim said he is trying to take everything he has heard in the last two years and make everything work. At some time he is going to need another full-time position. Alfred said his problem is that job was costing the town up to \$17,000 per year. In three years it has doubled with labor only. Jim disagreed, we spent \$15,940, we have not doubled it. Jim said to add to Alfred's comment, there has been a lot of things that haven't been done over the last decade, and we are playing catch-up in a lot of different areas. Ed Mical said in his final year he worked as Building Maintenance he was told to cut back his hours, what changed. Marianne Howlett said if the town is going to go this route, these job duties need to be put down in writing. She said Tim mentioned to her that his person could take over Parks & Rec. mowing. Jim said there is a detailed job description. Steve Bridgewater said he had offered to put in a lawn sprinkler system and that would have alleviated the Building Maintenance man from watering the lawn. Steven also commented that the soil at the Police Department is contaminated soil and won't be able to grow grass without a lot of watering.

- Steve Bridgewater asked why electricity is being budgeted in all the budgets. Clyde explained where the solar array is, that's where you receive the direct benefit from Eversource. The other buildings are part of the group but do not receive a direct credit for the solar array. The town will get a check from Eversource for the total amount that is pumped back into the grid. The revenue from the array is estimated at \$27,000.
- **Streetlighting**, no questions.
- **Transfer Station**, BC budgeted \$230,280. John Leavitt said there is no way the electricity bill at the Transfer Station is going to be more than \$1,500 a year. The BC lowered the expense from \$4,000 to \$3,000, now it's \$3,700, how did it go up since the last vote. Mike said it didn't go up, the last time we voted it was for \$3,700. John Leavitt asked why hasn't the Selectman's Office called Eversource to find out the impact for the coming year. Jim said an email was sent to our Eversource liaison, but he hasn't heard back yet. Varick Proper asked if there is an explanation as to why the 2017/2018 budget figures are identical? Martha M. said it will be corrected.
- **Health Officer**, BC budgeted \$21,863. No questions
- **Parks & Recreation**, BC budgeted \$33,500. The difference between the Selectmen's budget is the salary of \$253. Jim said the maintenance salary needs to be increased to cover the .35 cent per hour increase.

Committee Action

Kimberley made a motion change the BC budget to \$33,753 for Parks & Rec. maintenance salary. Alfred seconded the motion. Alfred asked what does the increase reflect? It was answered it's for the .35 cent per hour wage increase. The motion passed unanimously.

- **Memorial Day**, BC budgeted \$1,500. No questions.
- **Conservation Commission**, BC budgeted \$873. No questions.
- **Solar Array** - principal payment.

Committee Action

Martha Mical made a motion to change the amount to \$18,621 for the solar array principal payment. Alfred seconded the motion, the motion passed unanimously.

- **Solar Array**, interest payment is \$4,030. No questions.
- **Pumper principal** payment for \$24,142. No questions.
- **Pumper interest** payment for \$8,114. No questions.
- **Hopkinton Landfill** payment for \$6,000. No questions.

C. Total 2018 BC operating budget amounts to \$3,152,033, at 2.65% increase over 2017 operating budget.

D. Mike closed the public hearing at 9:25 pm

5. Proposal by Alfred Hanson

- A. Alfred passed out a proposal he came up with. Alfred is very convinced about the need for a new fire station.
- He would like to reduce the operating budget by \$25,000.
 - Reduce Property Reval. by \$5,000.
 - Reduce Police Vehicle by \$5,000.
 - Reduce Fire Vehicle by \$25,000.
 - Reduce Road Construction by \$170,000.
 - Reduce Highway Equipment by \$70,000.
 - The total amount of reductions amount to \$300,000.
 - Place the \$300,000 in the New Fire Station Capital Reserve.
 - Reduce article 5 on the warrant from \$2,800,000 to \$2,500,000.
- B. John Leavitt thinks Alfred's idea is brilliant. Bill Chandler said if the warrant doesn't pass this year, chances are the cost of construction will increase next year. If so, will the BC be looking for another shortfall next year? Bill said his capital reserve balance will be down to \$3,000, he doesn't have a build up in the vehicle reserve. The reserve is funded for the next vehicle on the CIP schedule. Alfred said in the past, we have always been able to extend the life of the equipment. Alfred said if we don't do something quickly, interest rates next year can be higher.
- C. Martha Bodnarik does not think it's right to strip 5 capital reserves to basically (not audible) a vote the town hasn't decided upon yet. Martha B. said you're making the new fire station pricing appear more palatable, that's biasing a vote. She said she would vote against Alfred's proposal.

- D. Mike asked Kimberley what will be the yearly finance cost. Kimberley said there are multiple options, she has spoken to 5 banks and a bond bank. The Selectmen did speak to a representative from the NH Municipal Bond Bank and learned that the first payment will not be until 2019. The Selectmen are still looking at a lot of variables. Mike said his concern is, with Alfred's proposal we reduce operating and capital by \$300,000. Kimberley said which you will have to catch up with very quickly within the next two years. Mike added, and in addition the first payment in 2019, and will we be off-setting the payment by reducing the capital expenses? Kimberley said Alfred's suggestion is two years too late, we should have built up the new fire station capital reserve these past 3 years.
- E. Alfred agrees it's a sacrifice if you do this or not, think about what town has gone through over a fire station, the track record is not good. The fire station needs a lot of help. Kimberley said the town has voted twice in a row in favor of this project at this current site.
- F. Mike said we still don't have facts on the biggest expense. Kimberley said it's \$2,800,000, work with that number, it could be less at Town Meeting. The Selectmen still need to decide if they will go with a bond bank or a bank, the deadline is Friday, April 13 at the bond bank. The town has to first authorize the Selectmen to pursue \$2,800,000. John Dab. said based on what the Selectmen know now, with no guarantee's at this time, the cost in 2019 will be at least \$200,000 if the fire station passes at Town Meeting.
- G. Alfred said the figure that has been talked about all along is \$2,500,000, he doesn't believe \$2,800,000 will pass at Town Meeting. Kimberley said the Selectmen have been talking about \$2,700,000 for a half a year. The cost came in at \$2,800,000 and we are trying to get the cost lower. Alfred asked if the Selectmen are planning to amend the fire station article at Town Meeting. Kimberley is hoping for that. Kimberley also said the hope is to get the construction costs under \$2,600,000. The Fire Department is looking at various aspects of the construction that has been taken out of construction so that the price can be reduced. The Fire Department will purchase some things that need to be put in the building and they will build the shelves and the island in the kitchen. Kimberley said the previous design from 10 years ago was for \$2,700,000.
- D. Someone from the audience said, shame on the town for expecting the Fire Department to finish things. They have already given their time. Kimberley said they need this building so bad, that's what they are willing to do. Kimberley added that the Fire Department built the last building and the addition. Kimberley added that the landscaping budget was reduced to zero, the Fire Department will do fundraising. The Fire Department needs this building.
- E. Jim asked the Committee if Alfred's proposal is a Committee proposal.

Committee Action

Alfred made a motion to move the budget meeting from Thursday to Monday, February 12. Mike asked the Committee if they wish to send Alfred's proposal to the Selectmen for consideration. Martha M. would like Alfred's proposal sent to the Selectmen for consideration without an opinion from the Budget Committee. The motion died, no second was heard and no vote.

Jonathan made a motion to have the Selectmen consider Alfred's proposal. David seconded the motion, motion passed 7-1.

- F. Martha M. said the Selectmen would like opinions from the Budget Committee regarding the proposal and she said without having any time to think, she thinks it may be a good idea. David agrees with Martha M, he feels \$2,800,000 will be tough for the town to accept and because of interest rates, this is the year to build. Marianne Howlett suggested taking money from the fund balance instead of the capital reserves. The Committee agrees in a combination of using the general funds and reducing some capital reserves.

Committee Action

Alfred made a motion to move the budget meeting from Thursday to Monday, February 12. Martha M. seconded the motion. The motion passed 7-1.

6. Adjournment

A motion was made and seconded to adjourn at 10:45 pm

Recorder of the minutes: Mary Whalen