



Warner Board of Selectmen

Meeting Minutes Tuesday, February 6, 2018 APPROVED

Chairman Dabuliewicz opened the meeting at 5:00 pm

Attendance: Selectman John Dabuliewicz – Chairman, Selectman Kimberley Edelman and Town Administrator – Jim Bingham

Absent: Selectman Clyde Carson

Others present: Tammy St. Gelais, Judy Newman-Rogers, John Leavitt, Ed Mical

1. NH Municipal Bond Bank

- A. The Board met with Tammy St. Gelais, Executive Director, NH Municipal Bond Bank. Tammy explained the bank was created by the NH State Legislature in 1977 and is considered a non-profit political sub-division of the State. The bank's function is to help communities finance projects by pooling the bonds into an NH Municipal Bond Bank Bond and selling that Bond on the market competitively. They go out into the market in January and June. To date, the bank has issued \$2.6 billion dollars. In January a 10-year bond was 2.16% and a 20 year was 2.86%. A rate cannot be provided until the bank goes out into the market. Tammy provided a bond sale schedule.
- B. Once the town approves the project, applications are due to the Bond Bank on April 13, the town will need a bond attorney. John said the Board has approved to hire a bond attorney. The bond bank prepares the loan agreements which are also sent to the Bond Attorney. The Selectmen would then have a meeting to finalize the amount and term and approve the loan agreement. The bond bank has their sale on June 5 and the proceeds will be in an account on July 12. Tammy asked when is construction planned. Kimberley said to begin 3 weeks after Town Meeting. Tammy said the Bond Bank can also help with short-term financing, called a Bond Anticipation Note for the period between receiving the proceeds.
- C. Kimberley said one of the concerns she thinks people will have is this is a leap of faith. The town is committing to construction not knowing if the town has the bond yet. Tammy said the application deadline is April 13, a week after, we will have our board meeting and they are going to approve the application, and at that point, you're in the sale. Tammy said our history will show we have not denied a loan, we are here to help the communities. Kimberley said the other aspect of it is, even if we know we are getting the bond, we don't know what the amount is until July, is there a maximum? Tammy said basically, determining the maximum loan rates is saying if the 20-year note was 4.0% (guesstimate) as your maximum rate and if something catastrophic happens, the market crashes and interest rates increase, we will not sell that bond and you would not pay more than the 4% rate. Tammy said it has never happened, but the maximum rate is a protector for the town.
- D. Jim said the first payment due in February 2019 will be approximately \$50,000, Tammy said yes. Jim added there will be an interest payment as well in 2019. He asked how the amount is determined for the Bond Anticipation Note in the short term, is it on a reimbursable basis? Tammy said you would borrow only what you need. Jim said we may get that figure from the town's Construction Manager. Tammy said you take the bond amount x 2% ÷ 360 and multiply how many days the loan will be for (i.e: 30 days) and that will be the approximate interest you would pay. Jim then asked, for 2019, will the town only need to pay the interest on the Bond Anticipation Note and not the Bond itself? Tammy said yes. Jim said a special account will be established for this project.
- E. Kimberley said she checked with area banks and none would touch the town unless the town moved their accounts to the bank. The lowest interest rate was 3%.

- F. Tammy explained what the Bond Bank also does is a ten-year call on all of their bonds. Their financial adviser underwriter's look in the market that they work with if the market is at a lower interest rate the Bond Bank will refinance those bonds. Kimberley asked if there are fees involved. Tammy said no, everyone shares in the cost of issuance, but, we don't allow for prepayment. The Board thanked Tammy for her time.

2. Review Budget Committee's Proposed Changes

- A. Jim said Martha Mical informed him she and Budget Committee Chair, Mike Cutting, met after the last Budget Committee meeting to make sure their numbers were in line. Jim looked it over and it looked like the same numbers he had. And Jim and Mike met to make sure all the numbers matched.
- B. Jim would like the Board to go through and review the changes the Budget Committee made and indicate if the changes are acceptable or not. Jim said the changes the Budget Committee made in the Police Department, Fire Department and the Transfer Station were done when the Department Heads met with the Budget Committee and agreed to those adjustments.

Highlights:

Selectman's Secretary salary needs to be increased by \$2,268.00 more. Jim said originally \$34,220.00 was budgeted in the Selectman's budget. The Budget Committee reduced it to \$34,217.00 John asked if Mike Cutting explained how he got a \$3.00 reduction. Jim explained to Mike that he rounds up. John said like the Water District does which wasn't questioned by the Budget Committee. Judy said at the Budget Committee meeting Jim was not at, the Budget Committee used the hours worked multiplied by the .35 cent per hour increase to make their salary adjustments. John asked why do we need more in the secretary line. Jim explained when the secretary resigned in December 2017, that week is counted in the 2018 salary. All the accruals were paid out and to make up the difference, \$2,268.00 needs to be added to stay within budget.

Kimberley said the total amount for the changes is \$3,218.00 in a budget that had \$150,000.00 surplus last year and she asked if it's worth asking for this money at the 11th hour. John asked Kimberley if she wants to budget for the actual costs or have the surplus that could be used elsewhere. Jim said that amount will bring the salary lines more in line. Jim said he understands the Budget Committee wants as close to pure figures as possible on the salary lines. Kimberley asked if the corrections are for salaries only, Jim said yes. These changes will be presented to the Budget Committee tonight.

3. Review Calendar Time Line for Required Posting's for Town Meeting & Bond Hearing

Jim created a timeline for the Board to review. The Selectman's Office has begun collecting the necessary certifications. The Town Clerk is assisting with the certifications. The calendar dates were reviewed.

4. Town Report

The goal is to have the report sent to the printer on February 13th.

5. Vacation Time Carry-Over

The Police Chief, Bill Chandler, is requesting the Board approve 43 hours of vacation time carried over on top of 80 hours carried over from 2017 and will use the additional 43 hours by April 30, 2018. Jim said he didn't get a chance to talk to Bill as to why he didn't use his vacation time but speculates it's because the department has a vacant part-time position.

Board Action

Selectman Edelman made a motion to approve Bill Chandler's request to carry over 43 hours of vacation that will be used by the end of April 2018. Chairman Dabuliewicz seconded the motion, motion passed unanimously.

6. Petition

- A. One petition was received and will be added to the warrant. The petition was verified for the correct amount of registered voters.

To see if the town will vote to direct the selectmen to appoint a three-person Procurement Committee. The Procurement Committee shall independently assist the Selectmen in reviewing estimates, costs, proposed contracts and financial impact to the town of Warner on all proposed expenditures exceeding \$25,000. Each committee member will have a three year term with the exception of the first year where terms will be for one, two and three years respectively. One appointment shall expire on April 1 of each year. Prior to all appointments, department

heads shall submit their candidate suggestions and/or recommendations to the Selectmen. The members of the Procurement Committee shall be registered voters of the town of Warner. Prior to any commitment to expend funds being reviewed by the Procurement Committee, a report detailing their findings and recommendations shall be submitted to the Selectmen at a regular evening Selectmen's meeting or at a public hearing concerning the expenditure.(Submitted by Petition)

B. John Leavitt said Alfred Hanson was the author of the petition. John said he signed the petition because he thought it would be a good discussion at Town Meeting.

7. Selectman's Other Business

A. John reported on the Planning Board hearing. What happened with one of the proposed zoning articles that had to do with the retail business section of the use table was that people were afraid it meant the gun range could be approved without a special exception. There was enough concern where the Planning Board Chairman recommended the Planning Board withdraw the proposal and work on it further. The other article that was withdrawn was putting a V in the use table in all the blanks. Kimberley asked why. John said the V is inviting variances and the zoning ordinance doesn't allow that. The Zoning Board said they want NP for not permitted, but for some reason, the Planning Board put a V. It was withdrawn for further work as well.

B. The new fire station plans were presented to the Planning Board as well.

C. The Board discusses if they want to hire the Bond Attorney for the public hearing. The cost is \$250.00 per hour plus travel time from the Manchester office. Kimberley wants the attorney available for the hearing, she does not want a lack of confidence in the information that comes across in the public hearing and the Town Meeting. John wants to think about this expenditure.

D. Jim said the Board set a date for February 12th to meet with Gary Thornton regarding the wage study and asked the Board if they also had a backup date, he thought February 26 was the possible backup date. Kimberley and John are fine with that date, Jim will check with Clyde.

8. Adjournment

A motion was made and seconded to adjourn at 6:25 pm.

Board of Selectmen
John Dabuliewicz – Chairman
Clyde Carson
Kimberley Edelmann

Recorder of the minutes: Mary Whalen