



Warner Board of Selectmen

**Meeting Minutes
Tuesday, January 22, 2019
UNAPPROVED**

Chairman Edelmann opened the meeting at 6:02 pm

Attendance: Selectman Kimberley Edelmann – Chairman, Selectman John Dabuliewicz, Selectman Clyde Carson and Jim Bingham - Town Administrator

Others present: Martha Mical, Deb Moody, Tim Allen, John Leavitt, Robert DeFelice, Colin Carson, Marianne Howlett

1. Nonpublic Session

Members Present:	Clyde Carson	<u>X</u>
	John Dabuliewicz	<u>X</u>
	Kimberley Edelmann	<u>X</u>

Motion to enter nonpublic session made by Selectman Dabuliewicz, seconded by Chairman Edelmann.

Specific statutory reason cited as foundation for the nonpublic session:

X RSA 91-A:3, II (e) Consideration or negotiation of pending claims or litigation which has been threatened in writing or filed by or against this board or any subdivision thereof, or by or against any member thereof because of his or her membership therein, until the claim or litigation has been fully adjudicated or otherwise settled.

Roll call vote to enter nonpublic session: Dabuliewicz - Yes, Edelmann - Yes

Selectman Carson arrived.

Entered nonpublic session at 6:07 pm.

Other persons present during nonpublic session: None

Description of matters discussed and final decisions made: Legal consultation.

Motion to leave nonpublic session and return to public session by Selectman Dabuliewicz, seconded by Chairman Edelmann. Roll call vote: Carson - Yes, Edelmann - Yes, Dabuliewicz - Yes.

2. Public session reconvened at 6:23 p.m.

3. Fire Suppression System at the Town Hall

Jim said he has obtained a quote from Brigade in the amount of \$54,988 for design and installation of the system in the Town Hall that includes a stand in attachment system. The other quote from Carter Systems amounts to \$90,000. Jim is still waiting to hear back from Capital Fire Systems. The question to the Board is do they want to have sprinkler systems installed at both the Town Hall and the Highway Garage in 2019.

Tim Allen, Director of Public Works, said the reason he obtained a cost from Weaver Brothers to run an 8 inch pipe from Main St. to a corner at the Town Hall was because Weaver Brothers completed the drainage work at the Town Hall, tying it into Main Street and down behind Bookends. When the project was looked at, it was determined that the most logical place to come in the Town Hall building with the water line is where the furnace room is located. What Tim can't provide is an advantage to either spot where the water line comes in. The cost to come in with the water line off of Main St. is \$58,000.

Then there was more discussion on lowering the driveway at the Town Hall, there is a 12 month deadline to bury the utility lines at the Town Hall, there were issues with the Masonic Hall water and then maybe providing an access for the school if they wanted to add a sprinkler. Tim said it made more sense to him to combine all these projects into one, which was tried but failed because there wasn't an 8 inch water line to connect to like the Water District thought there was, it was a 6 inch cast iron pipe. So the project was stopped.

Tim did some research and learned the hydrant just above Church St., that six inch line was replaced from that point to the other side of Kurtland St. with 8 inch pipes, but, it hasn't been proven to Tim that the 8 inch line is actually there, a test pit is needed. Another option was to go from Church St. down to Main Street replacing the 6 inch cast iron pipe. Kimberley asked if that is what the Water District wanted to do any way? Tim said yes, eventually, with potential grant money. Clyde asked if the water is brought in from the pipe near the school and the Masonic Hall is fixed will there be a need to do Main St./Church St. Tim said yes, only because the storm drain system is from the late 80's, the curb is tipping because of the sidewalk, that will need to be fixed at some time and the sidewalk bricks will need to be re-set from the monument up and other things that need to be done along with that project. Combining these projects with the road work and the water main is the direction Tim was heading in.

Tim said the more he got into pricing the outside work for the Highway Garage sprinkler system which will need a cistern he realized he has a problem with funding, he is trying to put together a 3 to 4 year plan for hot top rehabilitation on Kearsarge Mountain Road. Tim is concerned there will not be enough funding for the entire project resulting in another postponement for the sprinkler system at the Town Hall. That is why Tim brought up finishing the Town Hall (sprinkler system) and then moving on to the Highway Garage.

Tim said the cost to do a grind, regrade and base coat, re-do the drainage swale on the east side of the road from Latting Lane to the State portion is about \$300,000. A one inch shim and an 1 1/2" overlay will be added from Main St. to the State portion of Kearsarge Mt. Road. Tim would like to grind and add a base hot top in 2019, then in 2020 do one of the overlay projects.

Tim said the project which includes Church St. and the Town Hall driveway would add \$52,000 to the Kearsarge Mt. Road project, by combining the projects there would be about a \$12,000 savings, the savings is in paving. Tim said it would be the same for other projects that are combined as well. Tim's concern is the cost of the other work which is unknown makes it hard to make a decision.

Tim recommends piping the sprinkler systems in both the Town Hall and the Highway Garage and then decide which route is best to take for the water for both buildings. Tim feels the Town Hall should be the priority then the Highway Garage and Transfer Station.

Kimberley asked the Board what is the priority for 2019. Clyde feels the priority is the Town Hall, the Board has been taking a risk for a long time regarding life safety and the protection of records in the Town Hall, this is also a n opportunity to finish the front lawn. John agreed with Clyde regarding the risk and would like to see it completed as soon as possible. Clyde also asked if there is a deadline from Eversource on when the utilities located on the driveway side of the Town Hall need to be buried. Jim said the timeline was for 12 months, but, it was extended for another year with the expectation it would be completed this summer. Tim said the other option is verifying the size of the piping further up on Kearsarge Mt. Rd near Simonds School driveway. Clyde suggested if the 8 inch pipe is at the hydrant proceed with the project, if it is found not to be there, bring the water in from Main St. to get this project done.

Tim said he could make this work with his operating budget, but, Courser's Corner would not be completed and there wouldn't be gravel placed on some of the dirt roads. Another issue is the State is planning to pave Main St. in 2020.

Kimberley recommends funding the Town Hall Improvements Capital Reserve with \$100,000 to complete the sprinkler system in the Town Hall in 2019 coming in off of Main St. and not fund anything for Highway Facility in 2019. The focus will be on the Highway Garage next year. Bringing the water main in from Main St. will be contracted, if the water main came in off of Kearsarge Mt. Rd., it would be an operating expense.

There is currently \$20,000 in the Town Hall Improvements Capital Reserve, if \$100,000 is added, that will be enough for the system (\$55,000) and the balance will be enough to bring the water in no matter which direction is decided upon. Tim asked if the equipment rental and materials can be paid from the capital reserve? Tim was answered yes, only labor would come from Tim's budget.

Board Action

Chairman Edelman made a motion to add \$100,000 to the Town Hall Improvements Capital Reserve and not present a warrant article for Highway Facilities Improvements. Selectman Carson seconded the motion, the motion passed unanimously.

4. Budget Committee Recommendation

The Budget Committee has recommended cutting \$80,000 from the bottom line of the operating budget. The reason is because the tax rate will be too high. John said the first motion from the Budget Committee was to cut \$30,000, most of which was suggested to come from salaries. Then an amendment was made to raise the amount to \$80,000. After a lot of conversation from the Budget Committee it was decided to cut \$80,000 from the bottom line of the operating budget.

Clyde recommended increasing the amount of the Contingency Fund. John said that fund is for unforeseen circumstances. Clyde said he came up with \$60,000 that can be cut from the operating budget. Clyde said he first made adjustments to the Capital Budget, he added \$10,000 to the Contingency Fund, he removed money from the Highway Facilities Improvement Capital Reserve, he reduced the Bridge Replacement Capital Reserve by \$20,000, he funded \$90,000 for a new fire truck (\$90,000 in 2019 another \$90,000 in 2020), the result is the amount being asked for taxation is significantly reduced.

The areas in the operating budget Clyde reduced are:

- Reduce \$3,600 from Landuse
- Reduce \$3,000 from Cemetery Lawn/Repair
- Reduce \$17,570 from Workers Comp.
- Reduce \$6,000 from part-time Police Officer
- Reduce \$8,000 from Legal
- Reduce \$2,000 from Highway gas & diesel
- Reduce \$200 from Tax Collector Lien Research
- Reduce \$2,000 from Assessing Outside Services
- Reduce \$630 from Town Hall Maintenance
- Reduce \$1,000 from Old Graded School Maintenance
- Reduce \$7,000 from New/Replace Equipment from the Fire Department because they have a Fire Association Fund
- Reduce \$3,000 from Forest Fires
- Reduce \$500 from Emergency Management Supplies
- Reduce \$1,000 from Highway Building Maintenance
- Reduce \$1,500 from Transfer Building Maintenance
- Reduce \$2,000 from Parks & Recreation Commission Improvements
- Totaling to a \$60,000 reduction
- Clyde added \$10,000 to the Contingency Fund for items that may be overspent

Clyde said he was trying to get both budgets down to a level that he would be comfortable voting for at Town Meeting. Clyde feels these changes will result in a tax increase under 7%, 5% of that number is the new Fire Station.

Jim found some reductions as well reducing the operating budget by \$45,000, he then reviewed the operating budget a second time and found another \$13,000. Jim stated for the record, that he talked to the auditor's and when the town starts cutting the surplus down below \$100,000 on a \$3.4 million dollar budget, it leaves no room for surprises. It is not smart budgeting for a municipality to cut the operating budget by what was returned at the end of the year. The auditor's told Jim most towns the size of Warner with similar budgets return \$250,000 back to the taxpayers at the end of the year. If the Highway Garage burned tomorrow and the town needed to rent equipment, this town will not have the money. Clyde said he understands that and has argued that point for a lot of years, but this year the town is looking at a 10% tax increase. It's not unusual for the Budget Committee to ask the Board to trim the budget which Clyde has done.

Jim asked Clyde if he talked to the Fire Chief regarding his proposal to fund the new fire truck over 2 years. Clyde said the town could present a warrant article at Town Meeting to fund the fire truck over 2 years, the question is should we do that to help the taxpayers, that's what he is trying to do.

John said when the Board had a conversation about the Fire Department equipment, it was agreed those capital reserves have been short changed over the years which is why a large amount is being proposed to purchase a new vehicle, John feels by funding the vehicle over two years is another way of short changing. Clyde said he is saying can we spread the cost out if the delivery of the truck takes over a year. John said that will short change the next vehicle purchase for the Fire Department.

John said he doesn't understand something, why didn't the Board not start out by saying are we going to try to cut money from the budget we went right into cutting the operating budget instead. John said he doesn't want to cut anything from the Capital Budget. Kimberley said what also hasn't been considered is how much will be applied toward taxes.

Tim made a comment as a Department Head. He said the snowstorm predicted for this weekend is a perfect example. It's a holiday weekend with a prediction of 2 feet of snow. Tim said he doesn't have an ounce of fat in his budget which makes it very hard for him to make a decision between safety and money. He said he didn't have his guys come in on Monday because he didn't want to overspend his budget. When his budget is this tight it makes it difficult to make decisions. Fortunately things worked out. Kimberley said to Tim he may overspend his budget, coverage for emergencies will need to be found in other areas. Tim said will he be able to use the Contingency Fund if he needs more fuel because he knows his budget and cutting that line further may result in overspending. He was told that's not the way Contingency Funds work. John said there may be other concerns from other Department Heads as well.

Marianne said she doesn't mind the cut Clyde made to her budget. She said one thing Clyde pointed out is the taxes are not just based on the operating budget, they're based on the grand total of the operating budget, debt service and capital budget, she liked Clyde's method he presented. Marianne said the Board keeps talking about a spike this year, she has a spreadsheet of tax rates since 2000, once the taxes go up, they stay up, we don't spike one year and go back down. She has never seen a spike that stays for one year. Jim said to Marianne if she takes her spreadsheet back to the 1990's she will definitely see spikes. In the 2000's the funding of capital reserves was balanced. Jim said what hasn't been discussed is the reasoning behind the Budget Committee's \$80,000 cut and where it was based from. Jim said he has mentioned to the Board of Selectmen, the majority is based on flawed thinking, which means just because the Departments didn't spend all their money that was budgeted, that must mean they over budgeted. What is not being looked at are the reasons why there is money left over. There are always reasons such as projects are canceled, departments are under staffed, insurance breaks. It's assumed that if there is money left over at the end of the year you are not budgeting well. Jim feels this is foolish thinking and any Town Administrator can confirm what Jim just said. Among Town Administrator's it's called "stupid cheap".

Clyde said he does not see that as the reasoning here. The reason is we have a budget increase of over 10% is hard to sell and feels it's reasonable that the Budget Committee says can the Selectmen trim the budget. Clyde didn't feel \$80,000 was the right number, he felt \$60,000 was a better number. Clyde feels the Budget Committee's request is a reasonable one.

Kimberley asked the Board do they want to reduce the budget that they presented to the Budget Committee or is the Board happy with what has been presented. John was satisfied with the budget that was presented to the Budget Committee but, would also like to discuss reducing the budget. Clyde said he had issues with it. The conversation turned to what comprises the 10% increase that Clyde is indicating. Clyde said the Fire Department and \$180,000 for a fire truck. The \$180,000 is over an above what is typically budgeted for in the Capital Budget which is typically between \$500,000 and \$600,000 and this year that amount is much higher.

Jim said the 10% he calculates is a 2.4% increase on the operating budget and then a 7.5% increase in debt service. The townspeople voted for that increase by voting for a new Fire Station. Jim is pointing out that the bump is coming from the debt service, not the operating budget and to cut \$80,000 from the operating budget is cutting the budget too tight. The townspeople need to be educated about the debt service now in place for a fire truck, solar array and fire station. Clyde said in any given year the budget increases 1 to 2%, the fire station counts for a 5% increase, adding the 2% increase to the budget, now it's in the 7% range and that is what he tried to get the budgets down to, 7%.

Martha Mical said that Jim has stated that the Budget Committee did not go through the budget line by line. She said some of the Budget Committee had gone through the budget line by line. Martha who is a Budget Committee member went through the budget line by line, writing down her reductions which totaled \$29,450. It irritates Martha when it's implied the Budget Committee didn't do their job. Clyde said then there were BC members that said just

cut from the bottom line. Jim said he didn't have a problem with Martha's proposal, it was the additional \$50,000 that was cut from the budget, there was nothing justifying the extra \$50,000.

John Leavitt, also a Budget Committee member said he came up with \$70,000 to cut, he said he spent a lot of time on the budget and on the wages, Jim saying time wasn't spent is incorrect. Leavitt feels Clyde's proposal is a good start. Martha also agreed with Clyde's proposal.

For informational purposes Kimberley said the new Fire Station will cost the taxpayers .58¢ per \$1,000. At Town Meeting .65¢ was presented. The question is what do you take away to counter balance that cost. Clyde is in favor of his proposal. Kimberley asked Clyde what his target is for a tax rate. Clyde said he only looked at the budget increase. Kimberley said there is more to the tax rate formula, there is overlay and revenue as well.

Jim said the operating budget presented has an increase of 2.4%, a reasonable budget with increases in fuel and utilities. Jim feels cutting the operating budget by \$80,000 will make things really tight for the departments.

The Board reviewed the operating budget and made budget cuts.

- Reduce \$200 from Tax Collector Lien Research.
- Reduce \$1,500 from Assessing Outside Services.
- Reduce \$3,600 from Professional Services and \$1,000 Legal from Landuse.
- Reduce \$600 from Town Hall Maintenance. Jim said when reducing budgets, typically repair and maintenance is usually the first to get cut and things get put aside resulting in higher costs in the future. The fire extinguishers are a good example but feels the \$600 reduction is workable for 2019.
- Reduce \$500 from Old Graded School Maintenance.
- Reduce \$2,000 from Cemetery Repairs.
- Reduce \$17,570 from Workers Comp. (holiday savings for the town).
- Reduce \$6,000 from part-time Police Officer. Clyde spoke with the Police Chief about this reduction and agreed he could work with the reduction.
- Reduce \$7,000 from New/Replace Equipment from the Fire Department because they have a Fire Association Fund. Kimberley asked Clyde if he knows how that fund is funded and he did not know. Kimberley said money from the Fire Association cannot be spent on the operating budget. Clyde said he is just reducing the amount funded. Kimberley asked Clyde if he spoke to the Fire Chief about this cut and Clyde had not. There is also a Capital Reserve for equipment that is being funded with \$5,000. Jim had spoke to the Fire Chief who was going to encumber some money but missed the deadline, he needs the full \$28,000 because purchases were put off. Jim had suggested cutting the line by \$3,000, but he was going to check with the Fire Chief after this meeting to see if he can live with that cut. Clyde said if there is surplus from the new Fire Station maybe there is some money in there. Kimberley said that money can't be spent on the operating budget. Kimberley is not in favor of cutting anything from this line.
- Reduce \$2,000 from Forest Fires.
- Reduce \$200 from the Compliance Officer.
- Highway fuel was budgeted for \$47,000.
- Reduce \$1,000 from Transfer Building Maintenance.
- Audio ended.

Note: After 3 hours 6 minutes and 24 seconds the audio ended.

Board of Selectmen
Kimberley Edelmann - Chairman
Clyde Carson
John Dabuliewicz

Recorder of the minutes: Mary Whalen