

APPROVED

Town of Warner
Board of Selectmen



Meeting Minutes

Tuesday, April 2, 2019

6:00 PM Warner Town Hall

I. OPEN PUBLIC MEETING at 6:05 PM and ROLL CALL

Clyde Carson (Chair) Kimberley Edelmann Judy Newman-Rogers

Present: Jim Bingham, Town Administrator

II. NONPUBLIC MEETING 6:05 to 7:00 PM

Specific statutory reason cited as foundation for the nonpublic session **RSA 91-A:3, II(b):** *The hiring of any person as a public employee*

III. PUBLIC MEETING RECONVENED AT 7:00 PM (Work Session)

1. Budget Reductions from Town Meeting

The Chair Clyde Carson stated that this board meeting is a work session. The board will be discussing budget reductions and how we are going to account for them. He asked Jim if he could talk about where we are in the process. Jim stated that an email was sent to Department heads to look for areas and suggestions where the additional \$34,969 could be reduced from the budget. We looked at retirement, health care and prospective changes in bookkeeper position. If you look at the second to last page, page 8, by Monday we were at \$24,910. Ed Raymond came in and we found \$3,000 additional dollars. Of which \$2,000 is coming out of the propane line for the new Fire Station. We are now out of the heating season and the tanks are full and we had \$10,000 in the budget. We took \$500 out of Fire Fighter training, and another \$500 out of supplies. Now the reduced amount is approximately \$27,000 almost \$28,000 so we have \$6,000 more to cut.

Clyde clarified that we are still \$6,300 short of the goal and called for suggestions. Kimberley wanted to add her stipend for the year to the reductions. This would be one third of the remaining amount. She said if we get through the year she will happily accept that money back. Although, not until we have successfully gone through the year financially. The amount was clarified to be \$2,000.

Clyde commented that was a very generous offer, how the year evolves might be different than what we actually budget. He is thinking that the open position in the Finance office could offset some expenses. Kimberley reminded the board that there may be some training costs with a new Bookkeeper, conference costs, or potential temporary consulting costs. We may want to hold off making financial cuts from this position. Clyde said we cannot predict legal expenses either. He believes now this position is open and it may be the time to adjust the figure for this position. Jim contributed that he had expected to reduce the salary for this position based on the discussions he has heard. If we outsource payroll we have no idea what that may cost. Clyde said at present the position is budgeted for 25% more than was spent in 2018. Last year we spent \$40,000 and this year we have \$50,000 budgeted. If we take it out of that salary we may not be too far off. Kimberley clarified there have been email communications about outsourcing a payroll company, but, the board has not formally discussed it. Judy said the position was full-time with benefits and retirement. Jim stated that if you reference benefits on the second page, he took out \$14,000 for health insurance and if we keep the position under 30 hours then we are not obligated to offer healthcare. Also, if we take \$2,000 out of retirement, the total would be \$17,000. Jim said the Bookkeeper's salary is currently at \$29,900 and the board wanted to take the remainder out of that, he thinks that would be okay. Clyde said why don't we reduce that line, in recognition of the fact that as we go through the year things might change. We may have to revisit this

half way through the year. Whereas, we had a line item that increased 25% in one year we may be safe scaling that back.

Jim stated that Diane and Ben talked about taking \$2,000 out of the Land Use Professional Services and Legal line item. That reduction is not reflected on the handout from Jim. Judy clarified that there is \$4,000 to be reduced from the bookkeeper's salary, \$2,000 from the Selectmen's salary. She stated that is \$6,000 in reductions. Clyde communicated his concern that Kimberley is sacrificing her stipend, because it sets a precedence. Kimberley said other departments are making cuts, she see this as a cut to the Selectmen's department. Jim stated there are cuts to the Fire department, DPW, BOS and legal and \$25,000 allotted for a part-time Bookkeeper and roughly \$4,000 out of Finance office. Tim suggested that the Highway Dept. could make a reduction to cold patch of \$5,000. Ed and the Fire Dept. came up with \$3,000. Those reductions and the reduction in the Bookkeepers salary/hours brings us to roughly a \$34,000 budget reduction goal. Jim stated that the Bookkeeper's salary for 7 months would be \$25,000, which represents an annual salary of \$42,500. Kimberley stated that if we employ a payroll company the fee would be subtracted from that salary. She stated that it will be tight financially. Jim and the board discussed the importance of revisiting the number half way through the year. Kimberley said she is happy with the numbers as long as the board revisits it. Judy clarified that we are making the reductions in order to submit the forms to the state. Tim asked Jim to clarify the reduction number for the Highway Dept. Jim stated that it was \$5,000. Jim will have to rework the spreadsheet to submit to the state.

The Board voted in favor of the proposed cuts to the 2019 budget. Vote tally: 3 – Yes, 0 – No.

(*Recording/Transcription Note: Reduction number not confirmed in vote. Final number not yet provided to board by Town Administrator. Previous discussion indicates number to be approximately \$34,000.)

2. Bookkeeping Responsibilities

Clyde asked Jim if he could get the updated spreadsheet to the board members. Jim stated that he will be spending the majority of his time in the Finance office tomorrow. There are several financial deadlines (IRS, etc.) that are coming due and Tracey stated that she will come in and walk him through the procedure. If that is acceptable to the board. Judy inquired if Tracey will be paid. Jim stated that she will be paid and we will add it to the time sheet is currently using. She is getting paid for unused vacation time and some holidays that were accrued in this quarter. We will be adding actual work hours to that. Jim stressed that it is important that we do not get behind on IRS quarterly reports. Judy was concerned that we are cutting the budget and working with a tight budget and now talking about bringing someone back and paying them. Where is that money coming from and have we looked at any other resources to assist us? Jim's concern was that given his tight time restraints and work load he doesn't have time to look for other resources. Jim stressed the importance of filling the open Bookkeepers position as quickly as possible. The flow of work for that position is continuous and constant. Any interruption is going to throw us into a financial tangle.

Judy asked Kelly, Deputy Town Clerk, who was in the audience if she would be able to help us with the work load. Kelly stated that Michelle is on vacation this week so it is hard to leave during office hours. She hasn't had experience with bookkeeping although, if they have tech support for their software like what is available in the Town Clerk's office that would be helpful. Also, pay stubs or reports should give an indication as to what has been paid out. The IRS should be able to give us an extension. Kimberley stated that if Kelly could come down to the Bookkeeper's office while Tracey is here and see how the Muni-Smart system works, in case we need help in the future. She said we do pay for tech support for the system. Clyde and Kimberley thought it was important to get the month end reports out now, with someone who knows how to do it. Jim said that we have the NH Retirement system which is also unfamiliar to everyone. Jim said having Tracey help us with this would be helpful. Board members felt that getting someone in here who can help us with these systems now would be the most efficient way of dealing with the problem. Jim said that Kelly could be there to look it over, although we will not be starting anything until 4:30 or 5:00 when Tracey gets out of work.

3. Select Board 2019 Priorities

The Chair stated that the board will go through his list and then Kimberley's list and then Judy can add to that. He acknowledged there is probably more on his list than can be achieved in a year. The list is not in any particular order. Although, a priority may be the Bookkeeper's job description being updated and hiring a replacement. Part of that would be having a group work on the job description and getting that done before hiring a replacement. He stated that the Town Administrator's contract is up for renewal in May. The board will have to decide whether to renew the contract. Another item is the old fire station and pursuing a purchase option. We have a meeting on the ninth to meet with Old Window Restorers at 6:30 pm to start talking about possible lease options. A meeting in May for a site plan review, a potential change of use review. The company has to be out of their current location by the end of May. We don't know if we can reach an agreement on all that. Kimberley noted that the company wanting the building was mentioned in the Intertown Record. Next on his list was the sale of the property next to the water district. That will potentially happen very soon. It needs to be reviewed by all stakeholders. Judy asked who has been working on it. Clyde responded Jim in conjunction with Ray Martin. Jim stated that the final purchase agreement includes an easement for a recreational trail. That is being reviewed by Ray and the water district and will have to be reviewed by the board and then we will be all set. Judy confirmed that it is a purchase agreement for 10 years. Clyde responded yes, for a total of \$30,000. Those are the most critical items on my list. Also, the budget process and working to improve it. It needs to run a lot smoother and there needs to be better communication between the Select Board and the Budget Committee. We need to identify grant opportunities. Technology and the Web Site, complete the upgrade. Work on the GIS system and soliciting bids for the next Town Meeting. We should look into replacing the Muni-Smart system, it is not being improved. It may not fit the needs of the town. Jim said that MRI is implementing a full accounting and tax system of which Muni-Smart is the foundation.

Kimberley said that at the Town Meeting the issue she sensed was apprehension toward about GIS data being online. The suggestion was that a group of people should get involved with this effort. When you have a group of people resisting an issue some things you can do is engage the resisters. Get them involved, see what their concerns are and engage them to help find a solution. She would like to see the board continue working on the wages. In general, where are we going next. The sprinkling system in the Town Hall needs to be done this year. Judy asked if that was not in the budget. Clyde stated that it is a Capital Reserve item. Some of the manual labor is in a department which just got cut. Space within the Town Hall, we received an email from the Zoning Board Chair recommending that we swap offices with the Bookkeeper's office. Now that the Bookkeeper is gone could we quickly move the Land Use office. Kimberley thinks we need to back away from that and look at the town offices as a whole. She stated that Judy mentioned we should have a group to discuss this issue. She said that John Leavitt came to her home and communicated that there isn't a place for townspeople to come to the Town Hall and sit and fill out documents. We should discuss this with the employees to see if this is an issue. Before we swap offices she thinks we should do some analysis of the problem as a whole, this year. Another issue is employees that have been with the town before January 2011, have been able to accrue a lot of sick time pay. When they leave, or retire, we have to pay a large amount of money. In a corporate world we have to keep a separate fund to be used in the event of layoffs. This town is not prepared financially if we lose two or three of the longest serving employees of this town. It would cripple our budget. We don't set aside that money or save that money. Before Tracey left I asked her to run a report of time accrued and how many employees we have with massive amounts of sick time and holiday time. I suspect it will be close to \$200,000. That money doesn't exist. In terms of when the Bookkeeper left we spent a lot of money because there was a lot of accrued earned salary there. I would like the board to look at this, this year.

Judy said the record storage is a project she would like to work on with everyone. Also, the office relocation project. The wage study and the personnel who were not included. Employee policy updated need to be a priority.

Clyde suggested that everyone go through and rank these projects and let us see what falls out on top. Jim added that we need a storm water treatment plan. The EPA and the Dept. of Environmental Services are

working to approach towns as to how storm water run-off and how it gets treated. It is only an amount of time before we are approached because of our storm water run-off into the Warner River. Storm water asset inventory to see where we are now, that is the prerequisite. Clyde asked if that is a Selectmen's item or a highway agent issue. Jim said it should be a Select Board item. Clyde said that this should be the responsibility of the Highway Dept. Jim's concern is unless the importance of this is emphasized by the board the issue will get lost. Kimberley asked if towns are starting to prepare for this. Jim said yes. Jim reference something Ray Martin said about the water district and a deadline which they had to meet for the State with a one million dollar price tag. Jim said he wants to make sure that the town is on top of that early on. Kimberley suggested that the Department heads in the audience communicate suggestions. Clyde state that we have a lot here in front of us.

4. Interim Bookkeeper

Clyde said we had an interview this evening for this position. We have another interview scheduled tomorrow. He thinks having Kelly into the mix is a good thing. He thinks this is going to be a real issue. We are going to have expenses that we are not expecting playing against a reduced budget. It is going to be a challenge. How do we identify the amount of hours we think we will need for an interim bookkeeper. Judy asked if we know what we want the person to do. We have payroll that Mary is watching after for us, right now. Can Mary continue in that role until we find an outside service or find a Bookkeeper that has that skill set. Jim said it is his understanding that a basic Bookkeeper gets an invoice, puts in the data, posts it and cuts a check. The checks are signed by the Treasurer. There are other aspects of that position that go beyond that. Preparing for an audit, the bookkeeper will also be calling vendors verifying receipts identifying problems making sure department heads have correctly calculated their invoices. There are IRS quarterly forms to be submitted.

Judy said that is the details of the job not the responsibilities. She said Mary is going to do payroll, but she can't do corrections in the system. Jim said she doesn't have that level of understanding. Judy asked if we can just write checks and then do input later. Jim said no. Some of the items that a Bookkeeper would not normally be responsible for, things that are handled at a higher level were handled in town by Tracey. Do you wanted an interim Bookkeeper to pick up where Tracey left off and then trim the position down to a basic Bookkeeping position. The other responsibilities will need to be sourced out or reassigned. Clyde said that if Mary can do the Payroll function then that those hours could be reduced from the Bookkeeping position. He asked if we do this can we back into a number of hours, just on an interim basis. Whether that is multiple people doing it.

Jim said Tracey has communicated that the Payroll isn't the most time consuming of the responsibilities, it is usually accounts payable. Accounts payable involves a lot of different vendors and making sure the statements are accurate and what has been paid or not. A lot of chasing around between vendors and department heads. Judy said we need to make new procedures like coding when something comes in should be a requirement when training someone. She said coding and having an account when it comes in to eliminate some of what you are talking about. Jim is writing out tasks to figure out how many hours are needed. Kimberley expressed concern about hiring someone who has a learning curve for a particular software we are using. They are not going to be at full speed for a couple of months. Judy said yes, but, they will have the Bookkeeping knowledge and know how to apply that to what should be done. Kimberley said it may take more hours to learn a software that someone may be unfamiliar with. In that respect we should hire someone who is more flexible. Jim said ideally as soon as possible.

Clyde asked if the board can have an interview tomorrow. Jim said we had a third application but, they did not have experience. Clyde said let's talk after our interview tomorrow. Jim talked with the Robert Half Company relative to this position. They happened to have someone who just finished up a project in Nashua. If these two applicants don't work out. There might be an opportunity there. Kimberley asked if there was a possibility of sharing a Bookkeeper with another town. Jim said he can ask. She is thinking maybe someone who is working part time and could work part time here. Clyde said someone recently retired would be great. Jim said having someone who has used Muni-Smart and doesn't have travel difficulty would be good.

5. Committee for Bookkeeper's Job Review

Clyde thought this should happen soon. Having a small group who is responsible for putting this together. Kimberley stated isn't that what the Board of Selectmen do. Clyde said that he approached Ginger Marsh and suggested that Jim and a Selectmen be part of the group. Also, maybe someone who feeds into the Bookkeepers position. Maybe no more than three people that can feed information to the board and we can evaluate it. Kimberley asked how he would feel about having another town's Bookkeeper on the group. She said they could consult with the group. It was suggested that Kelly could sit in on a group. She was in the audience and agreed. The first task would be to figure out the dimensions of job, the scope. Kimberley said the job description would be a good place to start it has been recently updated.

Clyde said in terms of the payroll company, Judy's company uses the company PayChex. They have offered to come in and give a presentation. He asked if the board would be interested in a presentation. The board agreed that would be acceptable. Kimberley wanted the board to hear from a competitor. She did know about a company she looked at for her own purposes but, did not pursue it for financial reasons. Jim said PayChex is a large company. Potentially a local smaller CPA could be a possibility, their overhead could be lower. Jim confirmed that Clyde is going to set up a presentation by PayChex. Clyde said he would set it up to coincide with one of the board meetings.

Motion to Adjourn at 8:02 PM

Transcribed and Submitted by: Janice L. Loz