

APPROVED - NOVEMBER 7, 2019

Town of Warner Budget Committee

Meeting Minutes

Thursday, October 17, 2019

7:00 PM Warner Town Hall



I. OPEN MEETING at 7:00 PM and ROLL CALL

Martha Bodnarik	Michael Cutting (Chairman)	Alfred Hanson	Jonathan Lord
Ray Martin (Water Precinct)	Martha Mical	David Minton	Judy Rogers (BOS)

In Attendance: Ben Frost – Planning Board, Kelly Henley - Finance Department,

II. APPROVAL OF MINUTES

Motion to approve the minutes as presented of July 18, 2019 made by Jonathan L. and seconded by Martha M. and unanimously approved.

III. INTRODUCTION TO THE MEETING AND READING OF LETTER REGARDING CEMETARIES

The Chair announced that the presentation of the CIP will be given by Ben Frost of the Planning Board. Also, the year-to-date expenditures will be reviewed. Before starting the Chair read a letter into the record from American Legion by Paul Violette. (reference the attached letter, details at bottom of this document). The legion will no longer be maintaining town cemeteries for the previously stated sum of \$1,200 annually.

Although, they will continue with the placement of US flags in the cemeteries and at strategic town locations. The Chair clarified that the BOS will have to incorporate this \$1,200 along with any additional necessary funding if the town decides to contract for maintenance services of town cemeteries.

IV. PRESENTATION OF CAPITAL IMPROVEMENTS PROGRAM (CIP)

A. Overview of CIP by Planning Board Chair, Ben Frost. Questions asked by the committee.

The Chair introduced Ben Frost and asked him four questions. *Could he explain the criteria used for the CIP this year? How was the data collected? Whether the town departments have seen these CIP programs prior to your presentation tonight? Finally, have the BOS accepted the CIP before tonight?* The Chair stated that Michael Simon, Chair of the Pillsbury Free Library Trustee will be arriving at 7:30. So, if we could discuss that portion of the CIP upon his arrival, that would be helpful. He then turned the presentation over to Ben F.

Ben introduced himself as the Chairman of the Planning Board. He stated that under NH law the Planning Board has the duty when given the responsibility by the Town to prepare a Capital Improvements Program. He addressed the question, why is this a part of the Planning Board purview? He explained this reflects our banking statutes and the relationship of our Master Plan which is in part about municipal facilities and long-term planning. The statutory function of the CIP is that of an advisory document to provide information to the budget committee and to the BOS. That is its main statutory purpose. The CIP is intended to be a multi-year look out toward things that we are likely to anticipate as major capital expenditures for the town. The *criteria* the Planning Board used is similar to other towns. Things that cost at least \$15,000 and are expected to have a useful life of at least 3 years. In some instances, a life span cannot be applied although, this tends to be a good durable approach.

Ben went on to address the next question from the Chair, on *how the data was collected*. In June a letter with forms was sent to all Department heads or Chairs. We received responses from most of them. We

gave them a month and a half to prepare information. In many cases it was updating information received previously. For instance, the Highway Department will prepare separate spreadsheets for bridges, roads and equipment and update it on an annual basis to start the CIP and then onto the Budget Committee and then onto the BOS as the budget is structured. The CIP is a rough draft of budgetary items that you can anticipate coming from departments in the future. It is not intended to be the final answer, in some cases the numbers can change, sometimes dramatically, some things might be withdrawn. Some things have not made it into the CIP but will make it to the Budget Committee and the BOS seeking recommendations for how the Town meeting might vote on Warrant Articles. It is not going to necessarily be the complete picture it is a starting place.

Relative to the question, *have the Department heads reviewed this prior* to tonight's presentation. Ben stated that the information contained in the packet was provided by the Department heads. He was referencing the hand out to committee members containing the Warner CIP of 2020 through 2024, summary spreadsheet and supportive documentation. He clarified they have not seen the referenced document. Although, they contributed individually by providing content. The Planning Board did also meet with Police, Fire, DPW, Transfer Station, Library, Conservation Commission, Town Clerk, Emergency Management and the Tax Collector. The BOS do not have acceptance or adoption authority over the CIP. The Chair asked if they have seen this documentation? Ben responded that the *BOS have not seen the documentation*. Although, *Clyde C. is the BOS representative to the Planning Board* and was an active participant in the process to develop this documentation. Ben is not aware of whether Clyde shared this information with the remaining members of the BOS. The Planning Board adopted this document on October 7, 2019.

B. Review of CIP: Town Hall Building, Town Clerk, Police Department, Public Works, Transfer Station, Conservation Commission, Fire Department, Emergency Management.

Ben prepared to review the document with the Board. He started with the summary spreadsheet of department project requests. In reference to the **Town Hall Building Improvement** Capital Reserve line, we did not receive a form with this information from the BOS. Therefore, it is unclear whether they intend to put something forward at the town meeting in 2020.

He reviewed the **Reevaluation Capital Reserve Fund**, with no questions asked from the committee.

The **Town Clerk Record Preservation line** was next. Ben briefly referenced the Town Clerk's moving offices and records to the former office of the Town Administer, which could provide an opportunity for a climate-controlled environment. The \$20,000 is for the purpose of preserving records. No questions were asked.

Police Department was next relative to the future replacement of vehicles. No further questions.

The **Public Works Department** was next. Ben stated that the Highway Department head has prepared a spreadsheet on each of the following Repair Bridges, Highway Road, Highway Equipment. He has done a good job of trying to balance the costs over time. No questions from the board.

The next item discussed was the **Transfer Station**. We discussed the reconfiguring of the single bay compactor, making it difficult to service. They are looking into a study on how to reconfigure the Transfer Station to resolve the problem. Also, he believes this is in anticipation of needing to do some repaving.

The **Conservation commission** is a bit of a cypher for us, noting there is no dollar figure in that line. The Planning Board made a slight change in what the commission put forward. Therefore, in the absence of more concrete information from the commission opted to list it as simply desirable and not necessary because we didn't have numbers. The commission is in negotiation with Parks and Rec. to purchase a couple of parcels on the Warner River. The costs were uncertain at the time. Although will be probably be addressed by the Budget Committee and BOS when information is available.

The **Fire Department** has had two lines in the past, fire and rescue line and the fire fighter equipment line. The Planning Board chose not to include the fire fighter equipment capital reserve fund in the CIP program. Because the individual costs are below the \$15,000 threshold. It equates to roughly \$8,000 per person, therefore we deemed it not appropriate for the CIP. The Chair stated that they very rarely buy equipment for one individual. Multiple units would meet the threshold for the CIP. Ben stated that it was simply a choice, made by the Planning Board.

The next subject was **Emergency Management**. The Kearsarge Mountain Road alternate egress route. There should be \$10,000 in that line. Ben will correct the spreadsheet to reflect this figure. There are a lot of people living on Kearsarge Mountain Road and there is one way out. One alternate route is lower down on the mountain and serve fewer people. The second route would go through college property. Clyde has entered a preliminary discussing with the college. This would serve the college population as well. Jonathan asked if the Town owns property in that area. Ben affirmed that was true. The route would come out by the access road to the south tower off North Road. \$10,000 in one year, 2020. There may be a proposed Warrant Article forth coming.

C. Review of CIP: Energy Committee and Sidewalks Discussion

The **Energy Committee** has proposed engineering the construction of main street **sidewalks** going down West Main Street probably on the North side. This would connect where the sidewalk ends down to the intervale. Martha B. asked what this had to do with the Energy Committee? Ben said he does not know. She stated this is beyond their purview. Ben does not know what their charter is although an argument could be made that having sidewalks reduces the amount of people traveling in vehicles. Martha B. stated it could impact the amount of lighting necessary. Alfred asked if the money is already set aside for sidewalks. Martha B. responded, no. Alfred recollects there was a certain amount of money set aside with a matching grant. Martha B. clarified it was not under the Energy Committee. Judy R. stated she believes it wasn't specifically for sidewalks. She recalls that possibly in capital reserve to show we had money or to show we were working toward this goal, in order to qualify for matching grants. She does not believe it is specifically labeled for sidewalk capital reserve potentially it is under transportation. Martha M. believes that it was not specifically noted under sidewalks so that if we wanted to use it for something else, we could. Alfred argued that would potentially make it difficult to qualify for matching funds because it isn't specifically designated for sidewalks. The Chair said that the funds were put in there because if matching funds were available you can show you have something it to match to. At least it showed we had an interest in it, it didn't say we were committed to it, just that we had good cause in developing the funds. Ray said there was a sidewalks-to-school program and another program having to do with Geneva Street. It may have had something to do with either issue. Jonathan asked if that was the only line item with an urgent (U) status designation? Ben responded that designation was presented to the Planning Board. Martha B. asked who presented this item for the Energy Committee, and Ben responded, Clyde presented it. Ben went on to say when we had the public hearing, we had a lot of people speaking in favor of public sidewalks. Judy asked if the groups determine the status rankings? Ben affirmed that they determine the Department ranking and the Planning Board makes the CIP ranking designations (as exhibited in column headings on the spreadsheet). The only designation the Board changed was the Conservation Commission from N/DS (Necessary/Desirable) to DS (Desirable).

Ben said that the actual cost of the sidewalks would be something on the order of \$750,000 \$800,000. The Energy Committees reference material is included in the packet hand out given to the Budget Committee. It is a 20% match and part of the Transportations Alternative Program. Federal funds go through the State DOT for these kinds of projects and it requires a 20% match. Alfred asked Judy if a study has been done on this proposal? Judy said not to her knowledge. Ben said from what he understands this figure would include the engineering study. Alfred stated he believes there is a difference between the study and the engineering. He asked if Clyde has had a study done on the alternatives for the sidewalk? Ben said there was no information given to the Planning Board on a study. Martha B. said the benefits to the village and that of the town should be considered. Martha M. stated that the sidewalks end at the Graded School building. This would be from the Graded School to the Park and Ride in town.

The Chair recognized John McGilvray for public comment. He was concerned that mailboxes would have to be moved to the other side of the street. The Chair stated that this project was just a concept at this time. Bill Balsam from the audience stated that he recalls that 3 or 4 years ago there was a survey of this and a plan, he stated that Tim Blagden would know about this. James Gaffney spoke next and said that he realizes this is only a concept, but someone has assigned numbers to it and yet there doesn't seem to be anything to support it. So, if we put in sidewalks what is within scope. There is no room to put the sidewalks on the 89 side of the road, so that leaves the Kearsarge side of the road. This would impact telephone poles, power, electric, internet, etc., within 5-to-6 feet of the road. Whether or not they are in the right-of-way is not relevant, they would have to be moved. He believes the scope of work; the interruption of multiple services is a very substantial thing. Even though, it is conceptual somehow a dollar number was assigned to it with no methodology to support it. The Chair stated that before anything happens that he is sure that the BOS will have a public hearing. James stated that this came out of the Energy Committee and was assigned an urgent status which has spun-up a lot of people in town, unnecessarily. If there was supporting information provided, he thinks there would be less people upset about it. In his opinion, it is this kind of thing that divides the community. The Chair asked Ben how this project got labeled as urgent? Ben said that was the designation chosen by the Energy Committee and the Planning Board did not choose to change it. Ben said he did urge the board members to think about the classifications and they were not changed.

The Chair recognized John Leavitt. John asked if that grant money for the sidewalk could be used for the Emergency egress road up behind the college. Ben didn't believe it could. This is a specific federal program of transportation alternatives and an emergency access road that would be used only in emergencies. I don't think this would qualify as a transportation alternative.

Linda McGilvray was recognized. When can we get our questions answered? The Chair said the committee's job is strictly to accept the CIP. It is up to the BOS to see if they are going to come forward with these CIP programs with specific dollar amounts as we go through the budget process. At that time the committee would ask the BOS to justify those dollar amounts. David M. asked to clarify, that somewhere there is a \$5,000 amount for a study of this project. The Chair said that was the comment although he went through the report of trustees of the trust fund for capital reserves ending December 31, 2018 and does not see it listed. Martha M. and Judy thought there was a warrant article or that it was approved last year to show up this year. The Chair stated that may be correct. Judy stated that she doesn't remember that it was specifically for a sidewalk or a known study, or a specific grant. She recalls a discussion whereas the town would put money aside. Jonathan pontificated whether the funds could be used on current sidewalks or does it have to be used on new ones.

The Chair said he looked at the Town Report for Town Meeting 2019 and it does not show up. Alfred said it may have been the previous year. Martha B. suggested that before any money is spent that the BOS hold a public meeting about the sidewalk project. Judy stated that the BOS has not reviewed this CIP. It may be on an upcoming agenda, that may be the next presentation and review of these items. Martha B. reiterated the importance of giving the public a chance to comment on this project.

D. CIP Review: Library

The Chair directed the committee's attention to the **Library** committee line item. The Library Building Renovation line is funded by \$10,000 each year for the next 3 years and then \$12,000 in 2023. Michael Simon spoke about this request. He said there are two capital projects we are working on. One we started planning 3 years ago to replace the carpeting in the building which is roughly 30 years old. Two years ago, we realized that the HVAC system has reached its useful life. We have solicited several proposals for studying and making recommendations to either improve or replace the systems. Based on the estimates we were given we would need \$22,000 to \$25,000. This includes studying, recommendations and completing updates to the HVAC system. The money we are requesting goes to those two projects. Even though, we did the library request earlier the HVAC is more urgent. It is our intention to start using money sooner and then request the rest of what is needed for the carpeting. You will see some money is shown as being used, \$4,500 this year then maybe \$9,000 next year. That is because the study, the

recommendations and the implementations for the HVAC is being done in stages. We hope to get some more of the studying and recommendations done this year. That is why we are anticipating possibly spending \$4,500 this year out of the Capital Reserve fund. Then next year move on to the next stage which is \$9,000. Ben added that in the package handed out to the committee the very last pages there are separate sheets for the carpets and the HVAC. Ben called the committees attention to an error in the CIP which fails to include the status recommendations the Board of Library Trustees designated the project as an N (necessary).

The committee thanked Ben Frost for his presentation and answers to their questions.

V. YEAR-TO-DATE EXPENDITURES

A. BOS, Elections, Finance, Tax Collector, Treasurer, Town Clerk, Trustee of Trust Funds, Assessing, Legal, Benefits, Graded School Building.

The Chair directed the committee to review the spreadsheet given to them with the first page titled 2019 Operating Budget. The Chair said if you look at the total we are in pretty good shape. He stated that there are some issues within the budget but in general we appear to be in reasonable shape. He started off with the **BOS section** and asked if the committee members had any issues with the expenditures currently year-to-date. David Minton referenced the 2018 expenditures line items 40 to 46 and queried why they are all the same? The column reflected a figure of \$9,300 repeated in each line. Judy stated that the information is generated from the muni-smart system, and new this year, put into this format. Marianne Howlett stated those figures are not accurate. The Chair stated that he would follow-up on this issue.

The Chair asked if the BOS Temporary Services reflects the cost of Janice doing the minutes for the committee? Kelly, from the Finance office believed there was something else in that line. The Chair asked her to follow-up by email to Martha M to be forwarded to the committee.

The Chair moved on to the **Elections** portion of the spreadsheet. Judy noted that there was a comment at the last meeting as to why 100% of the funds have not been spent. She said that it is because the supervisors haven't been paid. There was only one election, town election and Town Meeting. There will be four elections in 2020.

The Chair asked if there were questions on **Finance** totals, there were none. He asked if there were questions relative to the **Tax Collector's** section. No questions. **Treasurer** totals was the next subject, no questions. **Town Clerk** was the next section discussed. No questions. The Chair asked when we pay the **Trustee of Trust Funds**. Kelly confirmed at the end of the year. The next section was **Assessing**. The Chair noted that **Legal** has gone over by \$4,031. He asked if any of the legal expenses were part of Land Use? He has noticed that Land Use hasn't used any portion of their legal. Kelly thinks those expenses have to do with Eversource. She doesn't think they have anything to do with Land Use.

Alfred asked if the committee could go back to **Assessing**. He asked why are we putting so much money aside for outside services when we are not using it (reference line 103 on the spreadsheet)? The Chair offered as an explanation that Martha M. was retiring. Alfred asked if it had anything to do with the reevaluation process? Kelly said it comes out of the Capital Reserve. The Chair said the outside services in 2018 was budgeted at \$18,000 and we only used \$9,493.64. Martha M. said she retired in July and there was going to be six months of a new person. . . Alfred interjected that his concern is that we are over budgeting in some areas. Also, he felt that the description in that line item should be clarified to better understand what the line is for. Martha said the outside services is the Assessor, Dave Marazoff from M & N Assessing. Alfred asked if he is the same person who does assessing during the reevaluation. Martha said, yes. Alfred asked how do we distinguish between the Capital Reserve money that is being spent during a reevaluation and this funding? Martha M. stated if he is doing the reevaluation, then it is with the Capital Reserve money. Alfred's concern is we are not spending half of the money that is set aside for these things. David M. said we only budgeted \$6,500 and spent \$6,900 two years ago and then in 2018, \$9,500. Ray stated that during the year, there are a lot of assessing questions that come up. Whether

picking up new purchases or new buildings. At those times we go back to M & N and ask for guidance. Some years you may have a lot of transfers or new housing or questions from our constituencies consequently that number is going to fluctuate. He said it is a service that we are contracting and hoping to be well under budget on. Ray said that is the distinction between an actual reevaluation of properties and general assessing issues.

The Chair continued to **Benefits**. David M. asked if we have a big payment coming up on line 121 (NH retirement) of the spreadsheet? We budgeted \$22,805 and paid \$8,473.08, are these quarterly payments? Kelly said they are paid monthly. Judy interjected that there was a change in staff, which probably effected this line. She said it was probably due to a reduction in payroll, NH retirement is determined by salary. Martha M. said we no longer have the Town Administrator and a Finance employee. Ray stated that the retirement is around 11%, or at least it is for the Water Department that we, as an employer contribute. So, if you have a \$75,000 employee who worked only 3 months in the year than you have 11% of \$60,000 that you are not paying. The Chair stated that the Police Dept. pays a much higher rate into the retirement system.

The Chair moved the conversation to the **Graded School Building**. Martha B. had a question about line 143 Maintenance/Repairs. Kelly clarified that GGB – TH designation is for the Town Hall. Kelly said she has some things that need to be reclassified in that section. Just over \$1,000 needs to come out. She said, \$525 needs to go to the Old Graded School, account 02630 – maintenance and repairs. It was a payment for a repair posted to the wrong building. Then there is \$573 that has to be moved to potentially the Town Hall fire alarm system equipment inspections. The Chair asked if the departments code their invoices before they give them to you and was this a case of it being incorrectly coded. Kelly said, she believes that was the case. She tried to run a more detailed report with descriptions. Martha B. said it seems that in past years we keep getting surprised repeatedly by the heating system in the Old Graded School building. Kelly said the \$500 that is in the line she is questioning has to do with the CAP building for the hallway work done on re-piping the heating system.

B. Old Fire Station

The Chair was concerned about the money spent on heating at the **old fire station**. Kelly said she could go back through the heating bills and make sure everything is coded correctly. She will make sure some of the fuel for old fire station hasn't been coded to the new fire station. The Chair clarified that Kimberley, BOS, told him that the new tenant is paying for the heating, electric and all the utility costs. Martha B. said if you look at the line 160 and 161, Heating and Water & Sewer. We budgeted \$350 and spent \$1,873.87 in Water & Sewer and we have \$535 left in the account. The Chair clarified that 535 represents a % used, not a dollar figure. Alfred said the cost of the Fire Station (old) is a little over \$9,000 to the tax payers of this town? The general consensus among committee members, was in the affirmative. Alfred asked Judy when was the lease started for that building? She responded, July (2019). He asked how much the town gets for the lease. She stated \$1,500 a month. Alfred stated that at some point this money will be reflected in the revenue calculations. Judy said the revenue should somewhat offset the expenses. Expenses for the old fire station shouldn't be incurring in 2020, with a lease in place. David confirmed that the expended dollar amount for the station for 6 months was \$9,319.71, reflected in line 163. The Chair corrected the record to be for a 9-month period.

According to the Chair, Kimberley said that a back-flow valve had to be installed in the water and sewer line. Ray confirmed that we received a letter from the state saying they are now requiring small water departments to inspect, classify and validate back-flow preventers are present and working. Identified specifically in businesses with fire suppression and sprinkler systems. The fire station didn't have a back-flow preventer installed and it had a check valve that didn't work. Also, the water meter took the domestic water off the fire suppression system. The old meter had to be removed. The line replumbed and a household meter installed. The back-flow keeps the water from the main system connection located out in the street. This was maintenance but probably got recorded under water & sewer. The Chair believed this included potential modifications to the floor drains. Ray concurred with David that some of these expenses

could have been noted under maintenance because it was closer to \$5,000 expended. To Ray's recollection the water and sewer for that building has been well under \$350 in the past due to faulty meters.

Alfred asked how long is the lease. Judy responded, to her knowledge, one year. She stated that this can be brought up at Town Meeting for discussion, if necessary. The Chair had asked Kimberley if the agreement for the tenants is a lease-to-own option. She said the lease does not include that information. The Chair said the town may have assessed that building, but, a price has not been established. Judy affirmed this information was correct. Martha B. stated that the town owns the building and is responsible for maintenance. Her concern was that the town isn't set up to be a landlord. Ray said similar to the Assessing office an "outside services" line, may potentially be utilized for the purpose of preparing for maintenance on the old fire station.

A member of the public, Margaret Kennedy, stated that there is potential in renting this building. Why doesn't the town assess the value and wait a bit longer for the value to increase. She continued to say possibly we could have better revenue in 2-to-4 years. She asked if this up to public vote? Judy and committee members said, yes, at Town Meeting. Martha B. said if she wanted to she could word something to put before the Town, to discuss and possibly vote on.

John Leavitt, from the public, broached the discussion of heating fuel in the old fire station. Depending on when fuel is delivered, whether tanks are partially full, or you are paying for the next 6 months of fuel. He felt the cost of fuel to date is immaterial. He recounted a question asked at the BOS meeting as to whether the new tenant bought out the reserve fuel in the tank. He was frustrated that the question was not answered. Judy remembers asking that question previously and does not recall whether it was answered. She recalls the question being asked after the tenants occupied the building. Therefore, going back to determine the amount in the tank just didn't happen. James Gaffney asked when the lease began? The Chair stated he believed it was July 1st. James asked if there were guidelines in the lease that dictate when the tenants must notify the town about renewal of the lease. Martha M. believes it is 30 days in advance. Judy recalls town attorneys said to take out the lease to own option. Also, that the town should lease it for a year. The language might reference 30 days if leaving, the attorney said to keep it simple. She is confident that we (the BOS) will be discussing with the tenants their desire to lease or purchase. James said that hopefully the town doesn't badger them over too many things to make it unpalatable to stay. Martha B. asked him to clarify. James referenced a Planning Board issue, where the tenants were asked to come in and explain something. He felt it should have been handled in a letter to the tenant, stating the question and could they please answer. Instead of asking some one to come in and speak to a board. He would like us to throw out a number to them and leave them be, to consider it. In his opinion we should be out of the business of being a landlord. He stated that the town's role shouldn't be to do budgetary gymnastics to accommodate this property.

C. American Legion, Town Cemeteries, Insurance, Central NH Regional Planning, Police Department

The Chair directed the conversation to the **American Legion** portion of the spreadsheet. Ray stated that budgeted item is going to stop (reference the attached letter). Martha M. said they are still going to take care of the flags. The Chair said, no, the maintenance is going to be turned over to the town. Martha B. questioned where the American Legion gets their money from. Jonathan said, potentially dues. The Chair added also from community service projects. Martha B. said it may be worthwhile to ask Mr. Violette how much the actual flags cost. She clarified the flags for the cemetery, not the flags on poles around town which she felt the town could pay for. She meant the flags at the cemetery, if it is not much, she would like to see the town budget for this. She said, or consider putting it before the Town for a vote. Martha M. suggested leaving the \$1,200 in the American Legion line 165. Martha B. said that the \$1,200 figure isn't for that purpose. So, she would ask what that figure is and how much they need for cemetery flags. She believes the flags that are put up along Main Street, make the town look good. If you are the type who visits a cemetery the flags on graves, make the town look good and shows that we remember our veterans. She believes there are enough people in town who would like to donate some money toward this effort. Alfred said if the **American Legion** had a short fall of money he believes they would request it. Martha B. preferred

the approach of asking them about the cost of the flags and then giving them the money. The Chair said he will follow up.

Alfred stated that the **Town Cemetery** line will probably increase. The Chair concurred. Martha B. asked why there was half of the money left in line 163? Alfred said they probably haven't done their fall clean up. Judy stated that the Trustees of the Cemetery handle the maintenance schedule. Martha M. asked if the BOS hire the person who maintains the cemeteries or does the Trustees. Ray said they have a budget, which when approved, he would presume is there to determine how it is spent. The Chair said there is \$21,000 in the budget except for remote cemeteries which the Legion was maintaining. They will no longer be maintaining those, he said, therefore the expense for those cemeteries will probably be added to the Trustees responsibilities. Judy stated that the BOS had an agenda item following receipt of the American Legion letter, Paul Violette didn't make it to the meeting but, the representative of the Trustees, Ken Cogswell was there along with Mary Cogswell. Judy recalls they asked the cemetery maintenance workers and they were not interested in doing the outlying cemeteries. The Chair asked if the BOS were looking for someone to do those cemeteries. Judy said the Trustees are aware these are cemeteries they are going to be responsible for. The Chair stated that there are 10 to 12 cemeteries that are affected.

Kelly clarified that the flags are in the Memorial Day account.

The Chair asked for input on the **Insurance** section of the spreadsheet. No questions.

The Chair introduced the section on **Central NH Regional Planning**. No questions.

The Chair introduced the section on the **Police Department**. The Chair asked Judy to explain what the Police Department has done in the last couple of weeks to adjust salaries. Judy stated that the chief restructured the personnel and removed the part-time position. So instead of having a part-time person he is going to fill the open full-time position. With the retirement of the Sargent and eliminating the part-time line, he will be able to adjust the pertinent employee's salaries using the wage chart developed in the previous year. In the process of bringing people up to the current wage schedule, he was able to restructure internally. There were two positions that were adjusted, the newest police officer came in all set. She believes he is an employee with probation or review after one year. Hiring someone is going to start happening. The amount paid out to Ron upon retirement came out of the department budget. The Chair interjected that the Chief didn't want to hire someone until after October because he was still paying off Ron's retirement. She continued by saying all the employees are set in terms of wages, except for the Chief. David asked if that accounts for four full-time officers. Judy said there is a Sargent, the Chief, an officer, and another hire, no part-time employees. There are no additional employees added to the overall count just a restructuring. The Chair confirmed that the Chief restructured the people he had and adjusted compensations while leaving himself out in order to maintain efficiencies. David noted that the department has also kept their overtime down.

D. Ambulance, Fire Department

The Chair directed the conversation toward the **Ambulance** line. Martha M. asked about the figure in line 208. Judy believes it is estimated from Hopkinton. The Chair stated that Kimberley (BOS) stated that she did not believe the line would increase much more. Although, they will probably budget a couple thousand depending on what Hopkinton decides to do, they are currently engaging in the budget process. Judy confirmed that Kimberley spoke with Finance at the town of Hopkinton. The Chair confirmed that statement.

The Chair continued to the **Fire Department** section of the spreadsheet. The Chair stated that he has a question on equipment and maintenance. Why are we overspent by \$4,879.16 (in line 216)? Kelly recalled the Fire Chief mentioned it may have to do with a couple of trucks. Martha M. said she thought it had to do with replacing a pump. Martha B. said that would be noted under truck maintenance. Ray said that if the committee looks at the comments column it may be somewhat explained. The committee members remarked they did not have a comments column on their spreadsheet. Apparently, Ray was sharing Judy's copy which had a comments column. She said there were items that were budgeted for in 2018 as part of

the new fire station. The department did not encumber the money and the work was done in 2019. Therefore, it was paid out of the 2019 budget, although not budgeted in 2019. She believes it entailed moving or potentially recircuiting a generator. It was something that moved from the old fire station to the new station. Judy said it is noted on her form that it was the SCBA compressors.

The Chair asked why does the building maintenance line (line 230) show that the department has already spent \$2,620.69? This is \$1,420 more than we had budgeted for a brand-new building. Judy said that the Chief said there were some items purchased out of the budget that were not part of the loan. The Chair asked Judy to check on this and get back to him with an answer.

Alfred asked what are the total cost of the new fire station? Martha M. said she recalled having a spreadsheet on this from Kimberley. Judy said it is not to be published, it is still being worked on. Martha B. expressed frustration with the lack of information on costs for the station. Judy said it was discussed but not available. Marianne Howlett asked if it is not available at this time, or ever. Judy asked for it to be published with the minutes so people would understand what was being referenced during the BOS meeting. She was told it was not complete and it wasn't a good idea to publish it. Her comment at the BOS meeting was that when things are shared at a meeting, they become public documents. If you pass a note to each other it becomes a public document and is part of the public record.

Jonathan asked how are the costs of the station going to impact the tax rate? Margaret Kennedy recounted her experience on the Hopkinton Fire Department where some things did get published when it shouldn't have, and it created an unnecessary uproar. Therefore, she can understand waiting to publish documents until they are ready, or correct. Martha M. stated that the bills may not be all in. Judy said her concern was that items on the report were discussed in the meeting. Judy said the last payment has been made to North Branch. There are some things that need to be paid such as the lighting in the back of the building and as she recalls maybe something inside.

Alfred asked if they have retainage for a year. Martha M. said, no. Judy relayed that she asked the question and was told that we had warranties for those things. She compared it to the round-about construction. We had money held back for when people came to do the work, they would get their final payment. She recounted that it took a while for some to come back. She recounted that Clyde had said we would have the state on our side to help with leverage. Then once the state was paid off, we would be on our own. Martha B. said the difference is that the state owns the round-about and we own the fire station. Committee members expressed their frustration with the lack of retainage on the project and lack of a Clerk of the Works for the project.

Ray said the General Contractor was probably North Branch. Typically, you hire a Clerk of the Works that is independent. Ray said that the amount of the contract with North Branch was set at the Town Meeting, which was not over spent.

Martha B. asked why was there a line for fire wages (line 211) and a separate line for wages for in-house training (line 222)? Martha M. remembered the committee had requested that it be separated, years ago.

James Gaffney asked Judy if she knew if in the previously mentioned document if there is a renumeration of what was not completed contractually? He is concerned that some items might be migrating into expenses. Items that are needed, were they included in the contract? Judy said how it gets paid for was the question in the budget. We were told there were things not in the contract and not included in the loan that were purchased out of the budget. James said we need to have an accounting for that gap between what was contracted for and what was provided. Therefore, the BOS and the town can't make a decision between the cost of pursuing the cost factor to finish the job and what it is going to cost us to pursue them. Judy said a very small printed report was handed out at the BOS meeting, which was viewed by some for the first time. It is very difficult to say what was even on the report and the point of it, except it was referenced in the meeting and subsequently in the minutes.

Marianne asked if the BOS took a vote on whether to hold retainage on the building, or not? Did you receive advice from someone? How did you determine not to hold retainage on the property? Judy said she was not a member of the BOS, at the time. My question about retainage was after the final payment was going to be made to North Branch. It had to be signed that night. She didn't want to sign it not knowing what she was signing for. We did not have a completed financial report of what we paid for, what was completed and what was potentially outstanding. I was told it was a bill from April and it was overdue and needed to be paid. It was the 15th and final payment to North Branch, but there were still things to pay for. Judy said she thought the decision of retainage came at the beginning of a project. She didn't know it could happen at the end of the project. Ray said he assumes it should be negotiated at the beginning. Alfred said it should be written in the contract. Marianne asked if the original contract with North Branch is public information? Judy stated that she believes it should be. Alfred said the entire project should be public information. Judy agreed. She would have liked more notice with the final payment, to have been able to do a walk through with a checklist. Martha B. expressed frustration with being told in the past that information is not for the public but, for the owners.

David said he remembers in order to save money the Chief and the department would be doing some work to complete items not covered in the scope of the project. He asked are those some of the items accounted for in the Building Maintenance line? Where are those items? Judy said she didn't know. Jonathan believed it was landscaping. Janice said there were minor bathroom accessories and office furniture to be moved from the old station, not included in the scope of the project. Ray said that these items probably added up to be significant.

The Chair said that the dryer for their fire suit equipment was paid out of the capital reserve and asked if he was correct on that information. Judy said that she believes the Chief was told that he could get it from a capital reserve fund, the fire expendable trust fund. He came to a BOS meeting, she believes that was the intent. The discussion was about the expendable trust fund for fires. That was a specific fund for just that and could not be used to purchase a dryer. She said it potentially came out of whatever funds were available to build the building.

E. Building Inspection and Compliance Officer, Emergency Management, Highway Department

The Chair moved on to the **Building Inspection and Compliance officer** section. Martha B. noted that in the salary line nothing has been spent, she asked if we have a Building Compliance officer. Martha M. stated that it is Peter Wyman and that it just hasn't been invoiced. No further questions.

The Chair moved onto **Emergency Management**. No questions.

Highway Department section was next. The Chair asked why was \$18,769.11 spent on **sand**? The sand budget is overspent by \$5,769.11. He wanted to know what happened there? Judy said she believes this was discussed in the July BOS meeting. Judy went on to say last winter he used all the sand, 5,300 yards, plus purchased 250 yards from Foster Material. His budget this year was \$13,000 for 5,000 yards at \$3.25 per yard. He wanted to make sure he had at least 5,000 yards on hand for this coming winter. So, he screened 5,920 yards of material for \$3.25, which cost \$19,240. Then they screened out 1,000 yards of tailings which are stones larger than a half-an-inch and hauled them to the gravel pit at Pleasant Lake to be used for muddy spot and gravel roads in the spring. The 1,000 yards is paid for from the gravel account, which leaves them with 4,220 yards of winter sand for the coming winter, equivalent to \$15,990. She continued that the \$15,990 should be accounted for in the sand account and \$3,250 paid for from the gravel account. Therefore, if it is not in the gravel line then it should be and therefore subtracted from the sand line account.

The Chair stated that last year in 2018, the Highway Department budgeted \$13,000 and we spent \$12,623. Whereas, they budgeted \$13,000 this year and spent \$18,769.11. He knows they used every bit of gravel they had last year. Is the department anticipating a 20% harsher winter this year?

F. Transfer Station, Health and Welfare, Parks and Recreation, Library, Conservation Commission, Highway Department – Paving, Town Hall Improvements.

The Chair moved on to the **Transfer Station**. Martha B. asked if we are going to make the Transfer Station an entity of their own, instead of under the Highway Department? The Chair felt that the BOS should make that determination.

The Chair moved to **Health and Welfare**. No questions.

The Chair moved on to **Parks and Recreation**. John Leavitt stated the BOS are contemplating adding a Capital Reserve fund for Parks and Rec. He does not have any details but, that is what they are thinking about doing. The Chair asked what is the intent of the fund? John said it was due to big equipment they have to buy. He doesn't think any of it goes over \$15,000. Although, there are some big purchases for maintenance. He went on to say Capital Reserve funds remove the ability of the voters to express their opinion by vote. He supposed as an example, that the town could vote on how much to put toward a fire truck without knowing what the fire truck is going to be. So, his concern is when it comes time to purchase the fire truck the town has no say. Marianne said that if it was worded not to delegate the BOS as the agents to expend, then the town would have a say. Kelly made a comment that Parks and Rec. are actually looking for a tractor. While the other two things were maintenance on the buildings and building another shed. It was suggested that we set up a Capital Reserve instead of doing it as part of the Operating Budget. She believes in total it would about \$30,000. It would not qualify for the CIP process. But it wasn't really discussed.

The Chair moved on to **Library** and then **Conservation Commission**. Jonathan noted on the minutes, page 2, it states that the Chair said the total for encumbered funds was \$73,814, although he only sees \$39,493? The Chair said that the amount encumbered for 2018 was \$73,814 and of that \$65,024 was in the Highway Department. The Chair clarified that he is on line 294 of the spreadsheet in the 2018 column M, Encumbered.

Jonathan asked Kelly about line 36 on the first page, **Loans & Bonds** totals and whether he can get more detail on that line. Martha B. directed his attention to the last page of the spreadsheet document, last section detailing several loans, lines 365 through 371.

The Chair asked Judy about the encumbered \$64,000 for **paving** last year. The **Highway Department** has a budget of \$130,000 for this year. Are we going to use all the funds in 2019 or are we going to be encumbering again. Judy said there has been a lot of paving done this year. The Department Chair said that Iron Kettle Road, Dustin Road, Tory Hill were paved. Also, they were putting a top coat on the Town Hall driveway. The Chair asked if Pumpkin Hill was being paid for out of a Capital Reserve fund? Judy said that could be. Alfred said from his understanding, we were told that Pumpkin Hill was coming out of road construction. Also, the repaving or resurfacing of Kearsarge Mtn. Road and Tory Hill was coming out of the Operating Budget. To his knowledge, at the end of the process last year, that the department created a Capital Reserve fund in order to track paving/asphalt. Because there was asphalt put down last year, or the year before. Martha M. stated it did get done this year. Judy said that was supposed to be the first money spent. The reports that have an encumbered column which should reflect the funds. The Chair said in 2017 the department encumbered \$39,493 and in 2018 he encumbered \$65,024 and in 2019 he budgeted \$130,000. They will end up with \$240,000 in paving. Alfred said that he is not going to spend \$240,000 in asphalt for all the roads that Judy mentioned. Judy said that with visually seeing the money that is encumbered year-to-year it will help planning the next year's budget. They will see that the money keeps getting carried forward meanwhile they are asking for the same amounts. Therefore, what extra are they going to do when they haven't completed last year's projects. Alfred said we suggested that there be a capital reserve for asphalt. It would be a lot easier for the department to track and for the committee to process. Kelly said they were told it is too late to set up this kind of tracking this year. John Leavitt recounted a conversation he had with the department head at the festival (FFF). Tim told him, he expects to have all his road projects complete that he budgeted for this year. He should not be looking to encumber any funds

this year, for next year. Alfred expressed his frustration that he has not done two jobs that we appropriated money for in the past. Specifically, Courser's Corner and Burnt Hill. John said he was figuring on doing those projects this year. Alfred asked where the money went for those projects? Martha M. said the BOS probably came up with projects that had priority. The Chair told the committee that Tim, the Highway Dept. Head, will be in attendance before the committee within a couple of weeks.

Marianne, would like to request the BOS and the Committee to consider funding the Town Hall Capital Reserve fund. Specifically, the fund that they are using for the sprinkler system and **Town Hall improvements**. Because that was not in the CIP and yet we realize that the sprinkler system may not be fully funded when the Highway Dept. did the budget. She believes it behooves us to put some money aside for that purpose. She is concerned that the committee left the Town Hall totally out of the CIP. Although if you look back at the meeting about the sprinkler system we were about, \$9,000 short. If this goes into another year, the costs may increase. She would like enough money put into a fund to have the sprinkler system done. Alfred recalls we put money aside for that project? The Chair recalls we put aside money to put piping into the building but not install the sprinkler system inside the building. Marianne said part of the money was to lower the driveway as well.

James Gaffney asked why it wasn't included in the CIP. The Chair said because the BOS didn't provide the information to the CIP. He directed James to address his question to the BOS. The Chair said it can be put in the Operating Budget. Martha B. said the BOS put together the warrant based on the CIP. Alfred clarified that the committee can't touch Capital Reserves when the BOS present them to us. The Chair said we can either recommend them or not recommend them. Alfred said the BOS can alter them. Judy said the Capital Improvement Program line that showed a zero figure, wouldn't that line be for a project? She does not believe any project was discussed for this building that were put in that line. As far as money and supporting something a Capital Reserve could be funded. Marianne said there has been talk about not changing the offices because of funding. Maybe that funding needs to be clearly stated in the budget so people can understand what it is. Alfred asked didn't we receive quotes for the cost of the sprinkler system? Ray said, yes, but didn't know if an agreement was signed. Judy said they picked Brigade to do the job. She confirmed that the driveway and piping is part of the scope of the project. Alfred asked if there is money left to do the sprinkler system. Judy said, yes. The money was assigned to pay for the sprinkler installation. If there are more funds needed, we will know next year and budget accordingly in 2020. John said there was no reason for the BOS to put that in the CIP because the money is already there, they are only going to be about \$9,000 short. He recalls the \$9,000 was the worst-case scenario for the cost of the project. \$9,000 would not be put in the CIP.

The Chair stated that there isn't a reason to have a meeting next week. The committee agreed to cancel next week's meeting.

VI. ADJOURN MEETING

The next meeting will be October 31, 2019 at 7:00. Motion to adjourn was made and seconded the meeting was adjourned at 9:09 PM.

Attachment: "**American Legion Letter August 2019.pdf**" (posted alongside minutes on the web site warner.nh.us under the "Residents" tab select "minutes" select "Budget Committee" posted alongside the minutes dated October 17, 2019)

NOTE: **Follow up items on Page 13 of this document.**

Follow-up with Budget Committee on items noted in the minutes:

Person Responsible	Action Item
Chair	Reference spreadsheet titled 2019 Operating Budget expenditures line items 40 to 46 why they are all the same? The column reflected a figure of \$9,300 repeated in each line.
Kelly	BOS Temporary Services does this reflect the cost of Janice doing the minutes for the committee, or is there something else in that line? The Chair asked her to follow-up by email to Martha M to be forwarded to the committee
Chair	Ask the American Legion what is the cost of the flags for the cemeteries?
Kelly	The Chair asked why does the building maintenance line (line 230) of the new fire station show that the department has already spent \$2,620.69? The Chair asked Judy to check on this and get back to him.

Transcribed and Submitted by: Janice L. Loz