

APPROVED - 11/14/19

Town of Warner
Budget Committee

Meeting Minutes

Thursday, October 31, 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)

II. APPROVAL OF OCTOBER 7, 2019 MINUTES

The minutes were not ready for approval.

III. CHAIR READ FINANCE DEPARTMENT FOLLOW-UP ANSWERS TO OCT. 17, 2019 MEETING

The Chair referenced a memo from Kelly (Finance) with answers to questions from the October 17th budget meeting. She was unable to attend (letter and spreadsheet attached). The response to the Temp Services line, which tracks cost for Janice to do minutes. We had asked if there was anything else accounted for in the \$2,223.75 cost, of that \$1,991.25 had been paid to Janice for the Budget Committee minutes. While \$232.50 was for transcription by Janice for a couple of BOS meetings.

The next question was on legal expenses. Was any of the \$15,031.69 for Land Use. Kelly said, no.

The third question was on building maintenance for the Fire Department, Kelly attached a breakdown of the costs. Martha B. asked what does the four letter acronym IMSA represent for \$1,200? The Chair was unfamiliar with the term and said he would follow up with Kelly.

The Chair questioned a payment of \$574 to Exactitude Hardware Consultants? He felt the other purchases on the spreadsheet were pretty standard.

Items not denoted in the contract to build the new fire station were completed by the department. The work was completed by the department, labor was free, but material costs were paid for out of the budget.

IV. 2020 BUDGET REVIEW

A. Water Precinct Budget (Ray Martin)

Ray Martin presented the 2020 Water District budget which encompasses the downtown village water precinct and Exit 9. Last year due to the efforts of the superintendent and employees we saved a money in the outside contract services line. Chuck is a magnificent mechanic allowing us to decrease that area of the budget. Our budget versus expenses this year was down \$24,000. Although, income was down close to \$19,000. He noted page one of his hand-out was a summary of the supporting documentation. Their overall **Operating Budget** is \$451,000 which is up seven-tenths of 1% over the \$448,000 expended last year.

Even though, they saved \$24,000 they will be spending money on paving. The state is paving Route 103 from Bradford to Exit 8 in Warner. We have **man-hole covers** located by the top of the hill by Split Rock Road continuing down Route 103. They all must be raised and repaired, this will incur some big expenses.

Also, **chemical expenses** have gone up. He noted they are required to treat the water to reduce the phosphorus levels that ends up at the water treatment plant. They are under a cease and

desist for dumping into the Warner River, which has been happening for over 40 years. There have not had problems in the past. Now the maximum amount of copper we can dump into the river has been reduced significantly. By 2021, they must have an alternative method of dumping treated water back into the river. They are looking at a **ground-water discharge system**. Which is like a giant septic system of treated water. It is like a dispersment pond. It is pumped a little bit underground and into these ponds where it virtually disappears.

We bought a piece of land on the corner of Route 103 across from the plant, he believes it was the Whiting property. It has perfect soil because it is an old sand pit. The necessary testing's and drillings were completed. Currently there is a problem with the **DOT**. Their north-bound right-of-way is close enough they have to get an easement for the land under the bridge that crosses over the Warner River between Exit 8 and 9. The easement should state that nobody can put a well in that designated area. The state and the federal government highway have been resistant to the easement. They are working towards a negotiation. There would be no cost for the easement. It will probably be resolved.

They just obtained a grant for \$30,000 for planning this project. They have spent probably \$53,000 for the land, with a small annual payment. They have spent on preliminary engineering, testing, drilling and borings. Some water was taken out of the Warner River and dumped into test ponds, similar to a perk test. The water was coming out of the river at a rate of 30 gallons a minute and there was no residual puddle forming, it became absorbed.

There are some costs in the form of borrowing. Ray went on to say that in the last four years, relative to the debt page of this budget, the interest and principle payments have gone from \$67,000 to \$107,000. That is for the installation of the clarifier and the solar panels and two new trucks. He commented that the solar panels are paying for themselves. Alfred asked if all the effluent is going into the sediment ponds? Ray said, yes. He also stated that the aquifer supplies the river. Ray reminded the committee that the water is treated. Alfred asked because of the proximity to the river, will the state test the river? Ray said, yes, and the Water District tests the river, every year. The Chair commented that Tom's pond is also tested every year. Ray said relative to the treatment plant on East Joppa Road, they own all the way down to 89 along the river. Although, three quarters of that land is underwater from April to June. They will be going underground, drilling under the river and coming up on the other side. Following the railroad bed in order to get to these ponds, where ever they are situated on the new piece of land.

Alfred asked if elevations are different in that area? Ray said this will be pumped, it will not flow downward. It will then gravity flow into the river. He is sure there will be pumps involved in order to keep it moving. David asked if the cease and desist is in effect, now? Ray said, yes, they received it three years ago and it gives them until September 2021. He must submit quarterly reports to the Federal EPA and the NH DES. Those entities work together on this project. The DES and the EPA are in favor of this approach including the land. He commented that they are just trying to work around the DOT.

Ray explained that the second page of the budget entailed general government and includes **salaries** and office expenses. Salaries relate to the commissioners and himself. Which amounts to about \$22,000 this year and the proposed \$22,950 next year. There is a 3% admin raise for myself and \$100 each for the Treasurer and the clerk and the three commissioners, which amounts to \$500. The 3% probably amounts to about \$800. The **office expenses** are up a little bit because due to a second phone for our superintendent. He lives in Newport and controls things over his phone through the internet. We used to have cell phones for our two employees and have since come back to having them. We added high speed internet at the plant. Our TDS bill went up from \$230 to \$280 monthly. David asked if insurance was the same as the coverage for the town? Ray commented that line number 8 is **insurance** for property liability and workmen's compensation. He said they use Primex which he believes is the same as the town. The health insurance, on line 6, employee benefits represents a 7.4% increase. He believes the company is Health Trust, which the town has gone back to using. Two years ago, benefits went up 7.5% and last year it came down before going back up again. Consequently, we are about where we were

3 years ago. Judy asked if the employees contribute financially? Ray said, no. We have one employee on it and the other does not opt to have the insurance.

Ray said the **overall budget** is up \$6,000 most of it is in health care costs, the phone bill and the pay increase. That is our general government which includes FICA, employee benefits, retirement, education, state licensing and audit. The Chair asked if Ray feels he is budgeting appropriately and is that why the contingency is down? Ray said they haven't been using much of it. He is trying to keep the overall budget down. It was \$5,000 and then cut to \$3,000 last year. They haven't been using it, although they did in 2017 and a little bit in 2018. That was an area where we could reduce some budgeting costs.

Ray then discussed the **sewer system budget**. The budget was divided into sewer treatment and delivery, and then secondly, water. The sewer budget overall is up 2.29%. There is a 3% raise for our two employees, they have received a 2% raise in the past. This is due to the money they saved us in the last three years. The commissioners felt in order to have them participate in these savings they should receive a 3% increase. In response to a question David asked, Ray stated that in the last part of 2018 the ponds were cleaned, right down to the cement. Which should be done every five-to-six years. Due to the cleaning in 2019, there wasn't a build-up of sludge and it took four-to-five months to try to build it back up. When the plant is running more efficiently it doesn't create as much sludge. They do not incur the \$1,100 a month expense when not delivering sludge to Concord to be treated. Now it is going to come back up to a normal level. David asked if the state mandates how many times it gets cleaned? Ray said, no, but it hadn't been done in years. Once it was cleaned out and running again there were some valves that were not set right. In 2019, we had no sludge in the tank. Usually once a month 12,000 lbs. of sludge is delivered to Concord. That equates to two loads, two tanker trucks and the cost to have it treated for about \$1,200. The Chair asked if the tractor trailer comes across the lot? Ray said they come in the back way by Parade Ground Cemetery Road.

The Chair asked why **fuel** for a **truck** was reduced significantly? Ray said last year in the budget process they were in the 280's-to-290's. Now they are in the 240's because we don't pay taxes and are actual down 210. Because the plant is running correctly with less problems. Chuck has a truck to drive from Newport because he is on-call and hasn't had to drive back-and-forth to respond to many issues.

Electricity in the plant is up 23%. He is in his third year trying to budget while considering the solar panels. The plant operates 24-hours a day, 7 days a week. Fall to early April the days are shorter, and they do not produce as much electricity. Therefore, the plant takes some electricity off the grid. Although, it is still a low amount. As an example, they have budgeted \$7,400 for electricity for the plant, that number used to be \$18,000 before the solar panels. This is based on 2015 rates. The **solar panels** are overproducing in the summer and they get about \$4,000 in net metering payments. The electricity comes off the solar panels right to the plant. The plant is our biggest electrical user they get paid for the excess, unused portion. The total budget for wells, the plant, the pump station, etc., is around \$16,000 to \$17,000 for electricity. Also, there is an \$18,000 loan for the solar panels, the loan is for 16 years. The panels are designed for 50 years and warranted for 25 years. The precinct started using them July 1, 2016.

Alfred asked when Eversource pays you for amount of electricity that goes back into the grid, is it the same as for the town solar array? The Chair said they pay us at the retail price. Ray said he believes it is the same rate. They get paid in July or August between \$700 and \$800 per month. They are getting \$1,500-to-\$1,800 a month. They could pay extra to pay off the loan principle. Martha B. asked if they have estimated the cost of the increased pumping for the new settling tanks? Ray said they are looking at that because they will have new **pumps**. They had pumps, pumping out of the clarifiers into the contact chamber and then treated with chlorine and another pumping in sodium bisulfate to counteract the chlorine. In the settling ponds there won't be any chlorine or sodium bisulfate. Which eliminates the need for those pumps. So, we believe the net cost to run the new system is probably going to be in a considerable positive result. They

were probably spending \$4,000-to-\$5,000 a year on using those treatments. They will have a new pump but, they will be shutting down two smaller pumps.

Alfred asked why the effluent must have a certain rate of **copper** while drinking water can actually be higher? Ray did not know. He commented that the Federal government made the rule. The Fed's control surface water and rivers. Underground and lakes are covered by the state. The new regulation came from the EPA, which is a Federal regulation. He stated that he could bring more copper into his own residence than he can put in the river.

Last year the river was tested above the plant as well as, below where we discharge. The water was chemically balanced better below the plant than was tested above. At certain times of the year you can walk across the Warner River at that location and not get your ankles wet. He said they don't have the dilution at those times.

He directed the committee to the **water** system which is actually down 4% from last year. They took a bit more out of the outside contractor's line for system maintenance. They divided the hourly rates paid to Chuck and Stan their two employees. While 70% is applied to sewage and 30% is applied to the water system. He explained that is why there are two salaries on that page. The rest of the water budget is stabilized. David asked about item number 11, services outside contractors, for three years you have been low in that category? Ray explained they are putting in variable speed pumps this year on the wells in order to make the pumps and wells last longer. If the volume of water in the wells slows down in the aquifer, they are currently pumping hard, that is why occasionally there is cloudy water. It is pumping air into the system. The variable pumps will decrease the pumping capacity. The outside service contractors on the sewer side and the water side as well as system maintenance, is where the savings are realized. An attribute of a better maintenance plan, Chuck and Stan can really accomplish a lot. One is an electrician and one is a mechanic. The tool budget is high, but those tools last a long time.

Relative to the **capital outlay**, Ray referenced his handout verbally highlighting the appropriated figure in 2016 showing the total debt payment of \$67,000. This year they budgeted \$107,000. That is for the generator and the groundwater discharge system, Town Hall water and the solar array, a couple of trucks and clarifiers. He commented they were able to absorb a lot of that increase in the operating expense. When the new groundwater discharge system gets put in, they will have another substantially sized loan.

Ray addressed **revenues** next. He spoke about the **metered water** which creates water bills and factors in the **sewage bill**. Since, 2015, they were billing 4.1 million gallons a quarter. They are currently billing 3 million gallons a quarter. Partly due to houses in the precinct being occupied by two people instead of large families. Also, water consumption is affected by water saving technologies for appliances, faucet devices, hot water heaters, etc. A couple years ago they sent out a survey. Of the 80 responses, there were approximately only four houses with more than two people living in the house. This year they are noticing it is starting to change. During the last 15 months of real estate sales there have been at least 15 houses with new owners in the precinct. In every one of those houses the water bill has gone up. So, they are starting to get some extra income. In the last quarter possibly 5-to-6 houses were sold. They are contemplating a 2% increase in the water and sewer rates. David asked how often are their increases? Ray said we did one in 2008 and the last one we did was in 2016. He said 2% in the water and sewer rates gives the precinct \$6,000.

James Gaffney asked if there is a means or mechanism for putting away **money for future expenses** such as repairs and upgrades? He said as municipal water systems age there is a cost to maintain and upgrade. Ray said they have reserves from savings from over the years of \$63,000. In the outside contractor line items and system maintenance there are savings. They are trying to absorb the lower usage trend in metered water and sewer rates. So, putting a significant amount aside would make a difference. For instance, if they wanted to put \$100,000 aside. Last year the surcharge for the pumping station doubled from \$3.00 to \$6.00. Which equates to \$18,000 to \$20,000. That money is set aside for the future repair and or replacement

of equipment. James said he is all for spending less money. But, overtime there has to be a mechanism for saving money. Ray said utilizing grants has been useful. One of their biggest problem is the precinct boundaries are set and there is probably only five building lots left in the precinct. If there are more buildings in Exit 9, that would helpful. That area produces 25% of our revenue. David asked if they are charging the same rate for commercial as for residential? Ray said yes except for the surcharge. David asked if that is typical of most towns? Ray said they looked into different rates for Exit 9 although, there are also commercial businesses on main street. It would be difficult to charge a different rate for those two commercial blocks.

Martha B. asked about the quality of water? Ray said it is good quality drinking water, noting they use very little chlorine. When asked if this is communicated, he responded that every year a community customer confidence report is issued.

Jonathan asked if they are anticipating an increase in revenue with the **solar array** in the future? Ray said that is dependent on two things more sunshine and the machines that are using electricity becoming more efficient. Variable speed drives on the pumps should help as well. They have five big pumps that either pump sewage or water. If they can save money there, it would be helpful. The interest rate on the solar array loan is 2.87% on a balance of \$245,000. It started out as a loan of \$275,000. This year was not a good year for solar, last year was much better. The contributing factors are sunshine and usage. Alfred asked if the solar is doing what it was expected to do for the water district? Ray said, yes. They were supposed to get 140,000 kilowatts a year and are producing between 138,000 to 142,000. He is getting ready to finish up his annual review of what they pay for electricity including net metering and the cost of the loan. It is running close to even compared to 2015 rates. If they didn't have the solar panels the electric bills wouldn't be \$30,000 it would most likely be \$34,000. The benefit of solar panels is they can set up a situation where you freeze a good portion of your electrical costs because you are producing your own power. There is no cost to running the solar panel system, labor and parts are covered by a 25-year warranty. The inverters are the biggest weak spot in any solar system, they are used to convert the DC current to an AC current. The company that we bought the panels from are all US produced.

The Chair thanked Ray for his presentation.

B. Tax Collector Budget

The Chair directed the committee to the **Tax Collector's** portion of the budget. Marianne said that the budget is essentially the same as last year. The only change was \$10 removed from the office supply line and moved to meetings and seminars line for a total of \$80.00. Martha B. inquired about the \$475 difference under postage? Marianne said that is determined by the postal rates. Marianne said she already has the envelopes for the tax bills which were purchased ahead of time from the post office. There are two sets of tax bill forms because they bill twice a year. They purchase a form that already has info in it, and they insert specific values. There were no further questions.

C. Government Buildings and Town Hall Budget - Solar Array Discussion

The Chair moved on to **government buildings and Town Hall**. He asked Judy to speak to this section. There is a budget of \$18,586 proposed for 2020. James Gaffney said he recalled that when the town approved the **solar array**, we were told we would never have to pay another electric bill again. The Chair said that when the solar panel was discussed there was talk about doing the same thing as the precinct. They were to funnel that electricity right into the Transfer station and then net metered from there. Although, he said public service wouldn't do that. James said allegedly we were supposed to get as much back in production as was expended. Therefore, he asked why we are budgeting to spend more on electricity? Martha B. said the electricity used is still billed for, and a payment comes in as revenue. Martha M. interjected that you cannot use revenue the same year that you receive it. Ray said that the income goes into the general fund. He went on to say that last year there was a proposal to set up a separate account. Although, he

believes it has yet to be set up. James said that is one of the things he proposed along with the warrant article and there were many excuses why that couldn't be achieved. Ray said there is income coming in but, he doesn't know how it balances out. Judy said it is supposed to be set up, she will pursue it. She said the income of the solar array is supposed to offset the expenses.

John Leavitt asked if taking this into account shouldn't the electric budget be lowered? He said if that account is set up and the solar array is going to cut back on the electric bills, then the electricity cost could be budgeted for less. He commented the account certainly should have been set up by now. Ray believes when all the electrical bills go into that one account reflected on the opposite side of the ledger you will see the income offsetting it. He went on to say you will still have to budget to pay electrical bills. Although, you would see the comparable revenue reflected. John said that is not how he remembers it being explained to the town. It was explained they would draw from the revenue account to pay the electric bill. Martha M. said the town can vote to take it out of surplus to pay for these expenses. She said it may have to be a separate warrant article which specifies where the money comes from. John said to his knowledge it has already been voted on. John said if the budget was reduced the BOS would have more of an incentive to set up this account quicker. Martha B. said we have to account for each department and how much electricity they are using. No matter where the money comes from to pay for it, it is an expense they incur. John said you will have a separate account to review. He said you wouldn't have it in the individual budgets, there will be a separate account to review. He said there would be an accounting of money expended out and money coming in. The Chair asked Judy to check with the Department of Revenue and see if we can do that? He said we will have to budget for electricity in order to pay the bills. Ray suggested that you also set up this account with revenue and an electric bill for the Town Hall, the Transfer Station, the Highway garage. He said your budgeting expenses will be reflected against the revenue from the solar array. The revenue doesn't go into the general fund.

James said budgeting is one thing but, the other half of the equation is recommending the appropriation. Those two numbers in this case, in terms of electricity, should be different. We approved the budget and as he recalls we have a warrant article to appropriate that money. Ray and the Chair concurred. The warrant article to appropriate the money should be the budget less expenses for the electric bill. Alfred said at some point the savings are going to be realized and should show in your expenditures at year end. James said it is a matter of budget vs. appropriation.

Martha B. said we should see what it costs for all the different things in all the different departments in order to decide what is an appropriate amount of money to operate. She went on to say the next phase is going to Town Meeting and the town decides is this an appropriate amount of money. The final phase is the expenditure of funds which is a BOS decision. Alfred said within that process the committee also considers revenue. Judy said she believes the account is to be set up for revenue received from the solar array only to be expended on costs associated with the solar array.

John stated that if the electric bill is budgeted for more than it costs then there would be money left over. His concern is that money could be spent anywhere. He clarified that he is not talking about revenue money. Judy said she thinks it would be beneficial to trace it for at least six months to a year. Alfred stated that expenditures for the solar array could also include covering the cost of the solar array. James recalled the intent was to pay down the loan, first. Martha B. said the intention of the solar array was it would pay for itself for so many years than we would have revenue to pay for electrical costs.

James asked if someone could follow up and look into how the warrant article was worded. The Chair found and read **Warrant Article 21**, which reads:

"Shall the Town establish a revolving account for the purpose of transactions related to the municipal solar array as defined under RSA 31:95-h. The revolving account will receive revenue received from the sale of electric produced by the

array and revenue resulting from the sale of renewable energy credits. The money in the revolving account will be used to pay for principle interest and maintenance on the solar array. Once the loan is fully paid funds in the account will be applied to the municipal electric bills on a prorated basis. The money in the fund shall be allowed to accumulate from year to year and shall not be considered part of the town's general surplus. The town's treasurer shall have the custody of all monies in the fund and shall pay out the same only upon order of the governing body or other board's or bodies designated by the local legislative body at the time that the fund is created. Provided that no further approval of legislative body if different from the governing body shall be required. Such funds shall be expended only for the purpose for which the fund was created. The annual accounting for the account shall be included in the Town Report." This warrant article was submitted and recommended by the BOS by majority vote and it passed.

Martha B. clarified the intention was first we take any and all revenue we get from the solar array to pay off the loan. John said his argument for the revenue will be valid for the solar array account once the loan has been paid. At that time, the electricity budget could probably be reduced. The Chair confirmed that Judy is going to follow-up to see that this account has been established as it was passed and presented at town meeting.

D. Government Buildings and Town Hall Budget – Maintenance and Repair Discussion

Martha M. had a question on **Line 143 of the budget**. Judy said when Tim presented the budgets that particular line, maintenance and repairs at the Town Hall, was miscoded. She said Kelly was going to look into it. Also, line 152 for the sprinkler and fire alarm she noted reflects a zero figure while \$850 was budgeted. The reason is there is an invoice waiting to be paid for that item. Martha M. asked if we spent the \$3,400 in Line 143? Judy said not there because **it was miscoded. Judy will follow-up on this item.**

Martha M. asked about **line 146 which is equipment and inspections. We budgeted \$800 but spent \$225**. What is outstanding in this line? Judy said she does not know if that inspection has been done. She thought the state changed the inspections to take place in September. So, **there might be outstanding bills for that line. Judy will follow-up.** Martha M. said the elevator is the one thing she can think of that needs to be inspected. The Chair commented that in 2018 we spent \$1,353 for inspections, so if we budgeted \$800 and we only spent \$225 there seems to be some substantial items yet to be paid. Martha B. asked if there was a repair on the stove, last year or this year? Martha M. said a new hood was installed this year accounted for under the fire suppression line.

Marianne said she would like to talk about line 143 maintenance for the Town Hall. She thinks that **maintenance for the Town Hall deserves some attention** in many areas. She said this building gets a significant amount of use. David asked in what way? She said the **electrical** service in this building needs service. As an example, when the Tax Collector/Assessing office, put in an air conditioner this summer it tripped the circuit. The solution was they took out the air conditioner and replaced it with a smaller one. Deb's computer is plugged into an extension cord because it cannot be plugged in the socket by her desk without tripping. She believes the circuits need to be inspected and fixed. She also believes the building could use some **paint** in many areas. Some storage **areas** need to be **secured** in terms of supplies and computer equipment. Martha M. said they should come up with a solution in case someone trips a **breaker** it should be easily accessible. If someone is using the kitchen and a breaker is tripped and an employee of the town is not present, they may not be able to reset the breaker. Martha B. asked where would we budget for this? She believes there should be more set aside than \$1,800 a year. Martha B. said we need to put more into maintenance. She also asked if the custodial was adequate in terms of hours and money. Marianne said the present custodian is really good, she is just addressing maintenance issues.

Alfred said when the sprinkler system is installed in the Town Hall there will be items that will need to be updated. John stated this is something that should be discussed with the BOS and not the Budget Committee. He said the committee does not decide how much money they are going to spend and where they are going to spend it. John said the BOS are supposed to present the budget to the committee for review and recommendation or decide not to recommend. Martha M. said it is important to hear these issues and know what needs to be addressed. Alfred said he disagrees with John and asked isn't this budget our budget as well? The Chair said the budget we have before us is the BOS budget. Alfred stated that in order for the committee to do their job, we need to hear this type of information as we create our budget. John said the committee cannot arbitrarily raise a number without knowing what the cost is going to be. Martha M. offered that the BOS representative to this committee, Judy, could take this information back the board for consideration.

Judy said that the town buildings were not under Tim's, Highway Dept., purview. The Town Administrator handled these issues. Judy said that Tim sort of inherited these items when he showed up at a BOS meeting. Although, he has no problem with taking it over. Judy said in talking with Tim if there were some structure and clear process it would work out better. Judy said hearing what people have as concerns is important to the BOS and to the committee. If the BOS increase the line, then you are already familiar with why it was increased, and you may be more likely to be supportive of it. David asked is Tim responsible for the Town Hall? Judy said it is still undetermined and in transition, it may need guidance and structure provided by the BOS.

Martha B. asked Judy if she saw things that need to be looked at and maintained in the Town Hall. Judy said the painting, carpet and woodwork, etc., need to be maintained. She is aware that there is an electricity issue. There are lights in the Town Clerk's office that flicker and blink. Jonathan asked why Tim would be responsible and not the new Town Administrator? Martha M. said that Tim is currently over-seeing the maintenance man. Judy said he is part-time maintenance and part-time Highway Dept. Judy said that the responsibilities of who is responsible for contacting an electrician would need to be identified. James said potentially someone should evaluate the power consumption and the power supply and make a recommendation.

Martha B. was concerned that we are spending a lot of money for a sprinkler system in this building. Also concerning is that electrical service may be inadequate. Alfred noted that this was the first time he has heard about these issues with the Town Hall building. John said that it seems that the whole building needs to be evaluated in terms of the electrical system.

Martha M. asked Judy to look into what has not been inspected that should have been. Judy clarified that they were discussing the Inspection line 146 and that she would follow-up.

E. Government Buildings Budget – Old Graded School Building, Old Fire Station, Building Inspector, Building Compliance Officer,

The Chair directed the committee's attention to the **Old Graded School** building. Judy said the only activity discussed was the fire escape scraping and painting which she believes is a requirement. The Chair clarified that is line 154, maintenance and repairs. Judy believes the other item discussed was a build-up of ice on one side of the building.

The Chair moved to the **Old Fire Station** noting most of the expenses are going to be incurred by the tenants. David asked what is not going to be incurred by the renters? The Chair said building maintenance. Alfred asked Ray why did the back-flow issues became a problem? Ray said that the Water District has never had to report any back-flow inspections. Suddenly, the state notified us in a letter that our system has too few **back-flow preventers**. The state communicated they want to know how many back-flow preventers there are and their condition. They need to be inspected twice a year. It was a change in how they enforced a state regulation that wasn't previously enforced by the Water Pollution board. We have about 15 back-flow systems in the town. We were being barraged with requests by the state, every other week. They started

enforcing a law on the books, where previously they probably surmised the risk to be small. Back-flow preventers deal with contamination. These inspections are going to have to be done twice a year, an expense incurred by the owners of the building. This mostly effects commercial buildings with irrigation and fire suppression systems.

The Chair directed the conversation onto the **Building Inspector** section of the budget. Martha M. addressed the **Building Compliance Officer** line, she asked if it should be noted as a salary or a stipend. The Chair asked Judy if she could find out how that Building Compliance officer salary is determined, is it based on an inspection, stipend or permitted fee? Judy said she would. Martha M. said if it is a stipend that line will have to be changed to reflect that. A salary complicates what is required in terms of bookkeeping. Martha B. commented that the Health Officer section reflects the payment as a stipend.

The Chair asked Judy to explain the next section under the **Health Officer** line, the health department wasn't funded but the **welfare** was? The figures are there but, grayed out. Judy said the grayed section was carried forward from last year. Judy said she believed the people who occupied these positions were asked to come back and give an estimate of what they thought they needed for 2020. She believes the BOS did not hear back from the Health Officer. The Health Officer is Peter Wyman. Martha B. said Lake Sunapee Bank and Riverbend are greyed out as well, would that be for the same reason? The Chair clarified that Lake Sunapee is the **VNA** and they are determined by population and they tell us what they need.

Judy said that **Riverbend** was in the budget because it was voted on at town meeting, as a one-time payment. Judy was asked if the BOS were supporting that same amount in 2020 or are, they going to introduce it to the town as a warrant article? Judy said the BOS only discussed that it was voted on and approved as a one-time funding item. The Chair said that is a decision for the BOS. Martha B. suggested they write a warrant article suggesting that it be put into the Operating Budget. Ray said the BOS can put it into the 2020 budget and they wouldn't need a warrant article for that. Martha B. thinks it should be in the budget, it did get overwhelming support at the last Town Meeting.

The Chair asked about confirming the **Welfare Director's** salary. Judy said we had a Welfare Director only part of the year. Which was \$125 per month based on \$1500 which is what the last Welfare Director was paid. When the previous Welfare Director left, the duties were absorbed by the Town Administrator. Martha M. asked if since we do not have a Welfare Director will this continue to be part of the new Town Administrator's job? Judy recalled that it was discussed, and the Welfare position was thought to be in conflict with the Town Administrator's duties. Ray confirmed that there was discussion relative to a potential conflict.

V. COMMUNICATIONS

The Chair noted that the Conservation Commission budget presentation has been changed to take place on the November 14, 2019.

Ray stated that he will not attend the November 7, 2019 committee meeting.

The next meeting will be November 7, 2019 at 7:00.

VI. ADJOURN MEETING

Motion to adjourn was made by Ray and seconded by Martha B. the meeting was adjourned at 8:45 PM.

**Note: Follow-up items on Page 10

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

Person Responsible	Action Item
Chair	What does the four-letter acronym IMSA represent for \$1,200? The Chair was unfamiliar with the term and said he would follow up with Kelly.
Judy	Has an account been established for the solar array as described in the 2019 Warrant Article 21 which was passed at the 2019 Town Meeting?
Judy	Was line 143 of the budget, maintenance and repairs at the Town Hall miscoded? Follow up with Kelly and/or Tim from the Highway Dept.
Judy	Line 146 equipment and inspections. We budgeted \$800 but spent \$225. What is outstanding in this line?
Judy	What has not been inspected relative to line 146 in the budget, that should have been?
Judy	How is the Building Compliance officer salary determined, is it based on an inspection, stipend or permitted fee?

Transcribed and Submitted by: Janice L. Loz