



# Warner Budget Committee

Meeting Minutes  
Thursday, January 3, 2019  
**APPROVED**

Mike Cutting opened the meeting at 7:00 pm.

Committee members in attendance: Mike Cutting, Martha Mical, David Minton, Alfred Hanson, John Leavitt, and Ray Martin -Water District Rep.

Absent: John Dabuliewicz - Selectman's Rep. (due to illness) and Martha Bodnarik

Others present: Judy Newman-Rogers, Ed Raymond, John France, Brian Monaghan, Rich Colfer, Bill Chandler, Ed Mical

## **1. Town Administrator's Response to the December 27 Meeting**

Mike read the following email sent to Mike from the Town Administrator, Jim Bingham:

After much thought reading the minutes and listening to the recording of the Budget Committee of 12/27 I feel that a reassessment of how these meetings are conducted needs to be made immediately. The culture of the proceedings must change towards one of civility, respect and orderly discussion. As I have no assurance that the hostile tone of last meeting will not continue tonight I have decided not to attend tonight's meeting. The dynamics of the Budget Committee are too unruly and the history of sarcasm, condescension, and personal attacks by some of it's members toward myself, the Department Heads and our professional predecessors make this whole experience of attending the Budget Committee meeting demoralizing and extremely unproductive. This is a problem that has been quietly yet relentlessly endured for a number of years, but for me no longer.

I have provided all the budgetary information needed to the meeting for your meeting tonight. Any questions you have can be submitted to the Selectman's Office and I will provide answers as needed. The Board has provided again a well thought out responsible and thoroughly vetted budget. The Board feels it will allow the town to receive a high quality of service and allow the employee to work efficiently and cost effectively. It is now your operating budget.

When civility is the norm and discussions are considerate and respectful to all involved, then I will attend and stay present at these meetings. As soon as I experience a deterioration of such reasonable standards, I will excuse myself and spend my time in more productive ways.

Jim Bingham  
Town Administrator

**A.** Ray Martin agreed with a lot of what the Town Administrator said.

**B.** Alfred said to Ray that he is funny because Ray is conservative when it comes to the Water District and explains everything in detail. But, when Ray comes to the meeting and we start explaining the town, Ray changes. Ray asked in what way. Alfred said anything goes, because it did the other night when we talked about this. Ray asked Alfred in what matter. Alfred said the question you did to Leavitt. Ray said he thought Leavitt was going into a Personnel Policy discussion, Leavitt explained it and Ray agreed.

**C.** Alfred said he was approached by a Selectman in the early fall and he asked Alfred if there is any way that we could turn around the relationship between the Board of Selectman's Office and the Budget Committee to make things go smoother. Alfred said he spent the very beginning of the fall trying to figure that all out. Alfred came up with the assumption that the only way we could really do this is if we took wages out of the picture for the process with the Department Heads. Mike said to analyze the operating budget rather than the inclusion of all the wages. Alfred said we voted unanimously to do that, last week we had the meeting on wages, and we distinctly talked about how that meeting was going to go, no names, no this, no that. Alfred thinks the Budget Committee did a very good job on how that meeting went. He said we did not rebut, we did not do anything out of ordinary but asked questions. Alfred thinks Mr. Bingham's memo is way out of order, he is an employee of this town, we pay him. If the kitchen gets hot, he should be here as far as Alfred is concerned. Alfred said we as a Budget Committee this year were very, he thought very (word usage was confusing), we heard from everybody, we asked questions and the heat that was felt on December 27th didn't come from the Budget Committee, because we asked them what their thoughts were. Alfred

does not understand the memo because the bulk of the questions came from the audience, not from us. Alfred doesn't understand that memo at all and thinks it's terrible.

**D.** Leavitt said when wages first came up, the Selectman's representative looked at the Committee and told us the Selectmen already implemented the wages, "there's nothing you can do about it". Leavitt asked where did the confrontation start, it started that night, you can do nothing about it the Selectman's rep. said, that's when we decided to discuss the wages last week. Leavitt thought last weeks meeting went very coolly and calmly. Leavitt said Jim was in the hot seat most of the night, and rightfully so. Leavitt said I'm sorry, but everybody was very respectful of him, I didn't raise my temper to him, most of the time I tried to keep it to the administration or the administrator, very rarely did I mention names, I was going to mention names tonight. Leavitt said that memo is his attempt to shut the Budget Committee up, don't ask any questions, I'm God here, what I have done is good, and you have no right to ask me questions. Leavitt said there was one question that came up during the year at a Selectman's meeting. One of the Selectmen asked Jim what the story was with the Bookkeeper who was out on medical leave for a short period of time or long period or what ever it was. The Selectman was looking for information, he's the Boss. Jim's comment to the Selectman is you don't have to know, it's not your business to know, you don't have to know. That was at a public meeting, Leavitt doesn't know if it ever made the minutes. Leavitt said that's were Jim is coming from, he doesn't want to be questioned. Leavitt said it's the Budget Committee's job to question. The Budget Committee and the Selectmen, when we are doing a budget, especially with a controversial Wage Study and the increase in wages. It's a natural adversarial relationship, the Selectmen want to do one thing, we want to do another thing, it's natural, it's going to happen. Leavitt said the year's he has been involved with the Budget Committee he's been upset that the Budget Committee more or less rubber stamped almost everything the Selectmen brought to the Budget Committee with the exception of a few thousand dollars each year. The hope for this year is it's going to be different. The memo was an attempt to shut us up.

**E.** Judy Newman-Rogers said first of all, she thinks it's ironic that Mr. Bingham is talking about hostility, because of course there isn't any in the Town Hall, as he will tell you. She thinks his way of doing things is, do as I say, not as I do. She said this is government, and there is transparency, mostly all the information that we have here is open and available to the public and to each other and if he doesn't want to believe that or follow those rules he probably belongs back in corporate. But that's the way it is, it's not to be defensive or anything against him personally, it's to get the information out and this is a Committee that has asked many, many years for information, and all he has to do is provide it and not get defensive about it.

**F.** Martha Mical said that the Town Administrator has provided the information that has been requested by the Budget Committee, and in a timely manner.

**G.** Mike said he and the Selectmen received the memo from the Town Administrator and he wanted it read into the record. Judy said which makes the memo public, what she is saying, to send the memo just to Mike and if he chose not to read it and it's not made public, it still can be public. Mr. Bingham would take offense to somebody who said "I heard there was a memo" and then you have to submit a right to know request because that's the only way your going to get it, and if he has the staff and the time to do it, he might answer you. But the memo is still public and the public has a right to know that. Judy said the emails that go back and forth need to be public if someone asks for it.

**H.** Alfred said if he understands the memo right, Mr. Bingham is not going to attend anymore Budget Committee meetings for the rest of the year unless we side with him. Mike said no, that's not what Jim said, Jim said " when civility is the norm and discussions are considerate and respectful to all involved, then I will attend and stay present at the meetings".

### **Committee Action**

Martha Mical made a motion to move the meeting on. Mike moved the meeting along.

### **2. Meeting Minutes**

**A.** Martha Mical made a motion to approve meeting minutes dated December 20, 2018. David seconded the motion. Leavitt said paragraph A, he obtained the audio and listened to the audio and David asked why did we have 2 sets of spread sheets with the same revision date. That is never clear in the minutes, that was the point of the whole discussion and it's not in the minutes. He said the Administrator went through a long convoluted explanation of how things happen and why Leavitt's numbers were wrong. Leavitt had the wrong printed out spreadsheet because the Town Administrator went over the numbers the day before the meeting and made some changes to the budget sheets. That's why the spreadsheets didn't match what Leavitt had even though the dates on both sets of spread sheets were the same. Leavitt said towards the close of that meeting when the Town Administrator was pressed on

why the dates were the same, the Town Administrator then said "well I made this change last night". Leavitt said the explanation for the whole mess was, I made a change to it and I forgot to change the date. Leavitt said the Town Administrator couldn't say that, he couldn't say that he made a mistake. Mike asked Leavitt what needs to be corrected in the minutes. Leavitt said why the question was asked, the spreadsheets were different even though the dates are the same. The Recording Secretary will listen to the audio again and make the needed corrections. Mike asked Leavitt if he received the corrected version of the December 20 minutes showing the corrections were highlighted in red? Leavitt said yes. Mike said those corrections are still not sufficient? Leavitt said it's not in the minutes, it still makes it sounds like I'm an idiot, I came to the meeting with a the spreadsheet that was emailed earlier, that wasn't updated. Leavitt said just add the question, why did we have 2 sets of spread sheets with the same date. Leavitt then said again in section G, he requested changes at the last meeting that were not made. Mike asked the Recording Secretary to detail out the conversation progress with Public Works Director. Minutes will be held off for approval until corrections are made.

Leavitt went on to say historically this has been a problem with the minutes, every time the Administrator is questioned about something, somehow it's softened or white washed off the minutes, it doesn't get into the minutes. Leavitt said historically that's been happening for several years now, he said I have brought this up before but not as bluntly as tonight because this is two attempts trying to get the accurate depiction of those minutes and it is still not there, so it's got to stop. Leavitt said the Administrator is not perfect, he said he makes mistakes and has been corrected several times, he (the Administrator) seems to never make a mistake. Mike said we are not talking about the Administrator, we are talking about getting the correction to the minutes.

David wanted to add one thing and this is well over a year ago when we talked about the minutes. We discussed it in detail and said we didn't need verbatim, word for word. Leavitt said these changes change the whole tone of the conversation.

Alfred said we have talked about this for several years and and feels the Budget Committee needs to look more closely at the situation come April. Mike said do you mean hire someone to do our minutes? Alfred said we have already asked what the cost is for the Budget Committee meetings. Alfred doesn't feel we should be going through this every time, the public has a right to know what is being said at these meetings. Mike said without getting into verbatim.

**B.** Alfred made a motion that we do not vote to accept the minutes of December 27, 2018 tonight. Martha Mical seconded the motion, the motion passed.

## **2. Fire Department**

**A.** Alfred said the Fire Department operating budget is not much different than last year, Alfred asked Fire Chief, Ed Raymond what his view's are on operating the new fire station. Ed said there is a separate budget for the soon to be vacant building. Alfred wants to know what the budget is for the old station. Mike said that cost was presented a few weeks ago. Martha Mical pointed out that information is on page 3 of the budget in front of them, line 122 through line 127. The amount budgeted for the soon to be vacant fire station is \$4,100.

**B.** Mike asked why is there \$800 budgeted for the phone in the old station. Ed Mical answered you have to maintain the fire alarm system which goes to Capital Area Dispatch, you have to have a means to be able to communicate with, so the line needs to remain open.

**C.** Alfred said there is about a \$9,400 increase in the budget to operate the new fire station. Alfred asked if the designers of the building provided a cost to operate the building. Ed said that's how we built the budget, from the figures that were provided from the designers. Ed feels the designers estimate on the cost to heat the building was high (\$16,700), that estimate is for a 24/7 operation, Ed budgeted \$10,000. Ed said he took offense when Martha B. said that he scammed her at Town Meeting, he said she is out of bounds saying so. Ed said he didn't scam anybody at Town Meeting, he was telling the audience information that he was told about the building. Ed said when someone on the Committee speaks out of line, someone should say something to that person.

**D.** Ed said he intends to keep the heat at about 50-55 degrees at the new building when the building is empty. There is radiant heat in the bay area and forced hot air in the administration part. Alfred asked Ed if he is comfortable with the \$9,400 increase to operate the new fire station. Ed said yes.

### **3. Fire Department Leasing Equipment**

**A.** Fire Chief, Ed Raymond, said he and the Board of Selectmen had a conversation last night about leasing, at first Ed thought leasing a vehicle was a good idea, in some ways he is learning leasing is not the best option. Ed said it will be up to the Board of Selectmen and the Budget Committee on which way to go, purchase or a lease option. Ed said the funding of the capital reserve has fallen behind for various reasons, that's why he is looking for a lease option. The next purchase will be for about \$500,000. He said the lease isn't a bad idea, but you will pay a little more money in the long run before the 7 year term is completed. The cost for the lease is 3.5% a year. Martha Mical said at the Selectman's meeting there was a cost comparison presented, for a \$500,000 vehicle, over the 7 years you will end up paying \$700,000, she is in favor of purchasing. Alfred feels there are other lease options available that may be better for the town. Life of the vehicles is 20 years or a bit more.

**B.** Mike asked Ed what is he going to do. Ed said we have to figure out what is the best way to go. Mike said there is currently \$443,198 in the capital reserve for purchasing a vehicle. The vehicle would be ordered in 2019 to be received in 2020, estimated to cost \$550,000. Martha M. said the problem is another truck will need funding in 2022. The next vehicle will also cost about \$500,000, Mike said you would need to fund the reserve with \$280,000 each year for two year's to purchase the second vehicle. Alfred feels more research is needed on a lease program because he is not in favor of funding the capital reserve with \$280,000 for 2 years, a cost analysis needs to be done.

**C.** Leavitt said if you lease now and for the next vehicle and then another vehicle, your going to end up with a large yearly payment in the operating budget instead of the capital reserve. Presenting the funding in a warrant article allows the voters to have a say. Leasing doesn't provide the voters with that option. Leavitt is in favor of keeping the decision to fund in the voters hands. Leavitt said when the Public Works leased the grader, that was a good choice because the maintenance is included in the lease, that is not the same case for leasing fire trucks. Leavitt recommended purchasing the needed vehicle and then discuss how much to fund annually for the next vehicle or lease the next vehicle. Ed Raymond said Bristol and Londonderry lease their vehicles. David asked if the lease program is no cash down. Ed said yes, but it will cost more money, any lease will cost more money than a purchase.

**D.** Leavitt said at the Selectman's meeting last night it was said because of how the Administration and the Budget Committee treated the capital reserve for fire equipment over the years, putting funding off, now the reserve can't fund the two big items that need to be purchased. But once past the crunch, the reserve can be built properly. The Fire Department will provide a break down on the lease options and a replacement program of the fleet. More discussion will be needed on what is the best option for the town. Leavitt recommended researching a used vehicle for the replacement of Rescue 1 which is needed within 2 years. Rich Colfer said the only way to prevent this crunch in the future is to continue to fund the capital reserve based on the CIP schedule, instead of partial funding the reserves. Leavitt said the funding for the capital reserves has not increased in five year's and feels that's a little short sided, now the town is facing a big expense because of it. Mike said the philosophy behind the funding rate was to maintain a steady tax rate. Leavitt said the reason for the CIP was to prevent large tax spikes from year to year, not to prevent increases from year to year. The increases have to come with inflation, the capital budget has to increase if you want to keep up.

**E.** Mike said the operating budget so far is showing a 2.94% increase, with the Fire Station, Solar Array, Fire Pumper etc. brings the budget increase to 8%, 5% of the operating budget will not change during the term of the loans. Leavitt said the Selectmen are leaning towards funding the capital reserve with \$280,000.

**F.** Ed Raymond said the \$5,000 indicated in the capital budget for fire vehicle's, he wants to make sure it's moved to the Fire Equipment capital reserve request for funding.

**G.** Alfred asked what is the savings now that the town doesn't need to have the vehicle's specially made to fit into the station. Ed said it would cost 20% more.

### **4. Police Vehicle - Leasing**

The Police Chief, Bill Chandler, said he won't have his factual information until tomorrow or Monday. He did do some research on a lease to buy. He did talk to some other areas that do a lease to buy, 3 payments, last payment is \$1.00 to own it. Roughly \$38,000 to \$40,000 for a complete vehicle with decals will cost about \$13,300 per year. The interest cost for the 3-year lease is between \$1,200 - \$1,500 for the duration. Bill said one down fall is the entity he does business with doesn't do leases anymore, they stopped 7 year's ago. The reason for not doing the leases anymore is because towns were not approving the funding annually. Bill said leasing removes the negotiating factor as well and if leasing is the way that is chosen there will be a time when there will be two leases. Sutton researched the benefits of leasing cruisers and didn't find any. David said the Police Chief in Hollis said, they make money back

on the trade in because of the mileage is less on a lease, Hollis trades at 70,000 miles. Bill said you can get \$4,000 back with a vehicle under 100,000 miles. Bill said the bottom line is preference.

## **5. January 10 Meeting**

Mike asked the Committee to review the Warrant Articles and operating budget and bring any recommendations forward for the January 10 meeting.

## **6. Wage Increases**

**A.** Leavitt said at the Selectman's meeting last night, Selectman Carson made a proposal to withdraw the wage increases and wanted to do a warrant article. Leavitt said from last week's meeting and from feedback from Clyde Carson that Clyde heard about how upset people in town are about the Wage Study. Leavitt said the people are looking at the Budget Committee to do something so some serious thought should be done by the Budget Committee as to how much we are willing to cut that budget and satisfy some of the concerns of the people. Leavitt said he has a number of \$131,000, he would like to hear from others on the Budget Committee. Leavitt said he is not comfortable with what he is proposing, but he feels something needs to be done.

**B.** Alfred said he wants to know why the wage increases were implemented on December 12, 2018 and not as it's been done in the past. David said do you mean why we didn't have input on the wages? Alfred said yes, he suggested at some point in the process to have a meeting with the Selectmen so the Budget Committee and the Selectmen could discuss it and maybe decisions could be made. Alfred feels the Selectmen reneged on that and thinks that's a shot in the arm to the Budget Committee.

**C.** Martha Mical feels it works better to have the wages in the individual budgets rather than the way we did it this year. It was a trial basis and to her it didn't work well. Leavitt said in a normal year Martha is right, this year, Leavitt said he wasn't prepared to talk about wages until last week. Leavitt said he did a lot of research on how things were done. Leavitt said with Clyde Carson proposing to revoke the wage increases, it can be done legally, Leavitt said he would never suggest that wages that have already been paid be taken back. Leavitt said Clyde was not in favor of the wage increases even though he voted for it.

**D.** Alfred asked Ray his thoughts because Ray is in the business world. Ray said, in hind-sight, the process didn't follow what we had been doing before and the only idea he has on the suggestion as to why the raises were implemented in December is a result of the 15 month wait on the Wage Study. The raises should have been implemented close to a finalized budget.

**E.** Alfred said the Board of Selectmen didn't adopt the study until October early November, if the Board of Selectmen didn't adopt it, why would the Budget Committee talk about the Wage Study. The Budget Committee needed the Selectmen to say, we adopted the Wage Study and then have a discussion with the Budget Committee, Alfred said that never happened until they threw it at us last week. Mike said when the town was presenting the individual budgets, the town was not ready to include wages at that time because they hadn't made a decision yet to adopt the Wage Study, that's why it made sense to Mike to have the wage discussion on December 27th. Mike said we need to get the Selectmen back into the habit of preparing budgets, all inclusive, including the wages. This means the Selectmen will need to make decisions on wages in the beginning of the process. Sometimes those decisions were not made by the Selectmen until January. Waiting on wages makes the process more difficult on the Budget Committee to make any decisions because wages are an important part of the process. Mike said from his standpoint, the Budget Committee has got to convince the Selectmen to present the budgets complete, including the wages, going through the process and adopting the budget at Town Meeting and the wages paid backed to January or, prepare a warrant article with the necessary signature's directing the Selectmen from hence forth all wage increases will be part of the operating budget and not paid out until such time the budget is adopted at Town Meeting including separate step increases. Mike said we have to get this back under control. Alfred understands that the Selectmen can initiate wage increases at any time as long as they don't spend over the bottom line of the budget.

**F.** Leavitt said the problem is enforcement, a few year's ago the town voted to put audio's on the website and to preserve those audio's for 3 months. Leavitt said they made one attempt to put the audio on the website and the website wasn't sufficient to support the audio. However, ever since then, once the minutes are approved the audio is destroyed and not kept for 3 months. The policy clearly says the audio should be kept for 3 months and they are not. Leavitt said it would be nice to have the warrant article and thinks it should have happened, the Selectmen have proven they don't follow the policies that have been voted on by the town. Mike said our job is not enforcement, it's getting back into place.

**G.** Judy said it's communication, she said what Alfred said about the Board and the Budget Committee not coming together, you were supposed to. The Selectmen never involving or informing the Budget Committee about anything on what the Selectmen are doing is the way things are done. Martha's recommendation of having the wages in the operating budget would involve the Department Heads in the discussions which goes back to the Wage Study. The Department Heads were supposed to be involved and they were not. Judy said wage study decisions per the Personnel Policy are to be made during a regularly scheduled Selectman's meeting, the policy should be followed until changed. Judy said all these components need to be addressed, enforcement, communication and not taking things personally.

**H.** Martha Mical reminded the Budget Committee that the town voted that they did not want to see wages on a warrant article and it passed. The Selectmen are doing what the voter's wanted them to do. Mike said the warrant will say that wage increases will be included in the operating budget, once the budget is approved, then the wage increases would be approved. The warrant would stop wage increases prior to voter approval.

**I.** Alfred said the Selectman's Office is always playing catch-up with raises, and has heard that for the last 5 or 6 year's. The Selectmen were given \$10,000 to complete the Wage Study, in reality the Selectmen didn't accept the study from the entity that did the study without alterations or amendments done by the Selectman's Office. Leavitt said the Town Administrator. Then it was accepted. Alfred went back and looked at the study, he said the town will be playing catch-up for the next 7 year's, he asked if everyone knew that. The question is what's going to happen next year. Mike said he asked if this is going to happen again next year and he never got an answer. Mike said one of the ways to stay current in wages is adjusting the wage scale after a cost of living increase is provided. Mike said the wage scales have not been adjusted based on the cost of living increases.

**J.** Alfred said the town has a new Wage Study which caused a huge amount of chaos the other night, and chaos in the future. Mike said especially if what Selectman Carson brought up, to rescind the Selectman's decision, all that does is exasperated the problem, it's not a good way to build moral with the employees.

**K.** Judy said the Board of Selectmen brought to the Budget Committee 4 positions that were under the 25th percentile, from last year to this year there is now 8 people under the 25th percentile. Judy asked what was manipulated from last year to this year to create 4 more positions under the 25th percentile. Judy said only 8 people were adjusted, not everybody, 20 people were just placed on a step, that doesn't mean they are where they are supposed to be, they haven't been addressed at all. The Selectmen hasn't had any further discussions that she is aware of.

## **7. Adjournment**

Meeting adjourned at 9:14 pm

Recorder of the minutes: Mary Whalen