

UNAPPROVED

Town of Warner
Budget Committee



Meeting Minutes

Thursday, January 31, 2019
7:00 PM Warner Town Hall

1. **OPEN MEETING at 7:01 PM and ROLL CALL**

Martha Bodnarik	Michael Cutting (Chairman)	John Dabuliewicz (Selectmen)	Alfred Hansen
John Leavitt	Ray Martin (Water Precinct)	Martha Mical	David Minton

Town Administrator — Jim Bingham

2. **Communications**

No minutes to review tonight, they were received today for review at the next meeting.

The Chair clarified a communication with the Bookkeeper, Tracey, relative to an expense in the communications line for approximately \$8,900 which was stated to be for the audio portion of recording the town meeting. Although, it was an initial payment for Thompson and Assoc. for the beginning of the wage study.

The Chair stated that no final decisions have been made relative to the budget and encouraged the public to participate in communications with the committee. The committee has received a budget from the BOS and is looking for input from the public.

3. **Public Hearing for the Water Precinct (opened at 7:05 PM)**

A. **Water Precinct Budget — Discussion with Ray Martin**

Ray introduced himself as the administrator for the water precinct which is an independent entity of the town. We have a board of commissioners and an annual meeting. You have to be live in the precinct to participate in the voting at our annual meeting. We utilize the Budget Committee to provide municipal oversight for our budget. Our budgets run around \$440,000 for the year. We operate the sewage treatment plant, the pump, the wells, all pipes, manhole covers, treatment of the water which is released back into the system, and sewage water that is treated and cleaned before being released into the river.

This year's budget has increased by 1% for an appropriated amount of \$444,197. Most of the increase is in the debt service. We added a new truck and over the last three years the debt service has increased due to our solar array and the new clarifier. Prior to those items our debt service principal interest was about \$62,000, next year it will be \$106,000. That is representative of a debt increase of roughly \$44,000 in only the last 3 years. The overall operating budget is up \$14,000. The EPA has ordered that we lower the amount of copper that is discharged back into the river, to a lower maximum allowable amount. We have had to look into a ground water discharge system. We have to take our treated water and put it into a very large septic system then that water is filtered into the ground. The ground will filter out the remaining little bit of copper. We need to have this system in by 2021. We are testing a piece of land where the fire station was going to be located. The water precinct already owns land across the river from this land. We have a \$1,000,000 placeholder for this project. Warrant Article number 4 reads: to vote to raise the sum of \$1,000,000 for purchase of property for ground water discharge system, testing, engineering, construction (reference document: Warrant of the Warner Village Water District). The land is not purchased until we get final approval from EPA and the NH Dept. of Environmental Services. There will be a bond hearing at the appropriate time.

Ray went on to say that the precinct had a 10% increase in healthcare costs for one of their employees. Both of our employees are mechanically inclined therefore, we are decreasing the need for outside services. The sewer system expense is down \$3,000-to-\$4,000 the water system is down \$2,500, reducing the need for outside contractors has helped in these areas. We had to add a new generator last year \$30,000 which added to the debt service. Also, we borrowed \$70,000 to get the testing phase for the new ground water system.

Finally, revenue which is made up of water and sewer meter readings which raises 75% of our revenue. The rest of our revenue comes from a real estate tax, which next year is estimated at \$2.29 per thousand on property inside the precinct. We use that money to do capital projects and to put toward debt service.

Alfred wanted to know how the Water Precinct came up with the \$1,000,000 figure. Ray stated that the engineer recommended that figure as a placeholder for the project. John McGilvray from the audience asked how high are the current copper levels. Ray stated it is miniscule, measured in parts per million. The amount of copper allowable to put into the river has dropped. We are just over the new threshold that is allowable. Relatively speaking it went down from 20 ppm to 10, roughly a 50% reduction in the maximum amount. Ed Mical, from the public, confirmed that Ray stated the operating budget as \$444,197, although on the warrant draft the amount is different. Ray explained that they had to take out the \$6,200 for the bond on the truck.

Public Hearing for the Water Precinct (closed at 7:22 PM)

4. Public Hearing for the Town of Warner (opened at 7:22 PM)

I. Warrant Articles

- A. **Article 3** - shall the Town vote to raise and appropriate the sum of \$3,353,089 as the 2019 Operating Budget. The chair stated that they would skip this section and come back to it later in the evening, also that number has changed.
- B. **Article 4** - shall the Town vote to raise and appropriate the sum of \$20,000 to be added to the previously established Property Revaluation Capital Reserve Fund. There were no questions, therefore no discussion.
- C. **Article 5** - shall the Town vote to raise and appropriate \$4,000 to be placed in the previously established Employees Expendable Health Trust Fund. No questions, no discussions.
- D. **Article 6** - shall the Town vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate the amount of \$10,000 this will come from the General Fund. Any appropriations left in the fund at the end of the year will lapse to the General Fund. No questions, no discussion.
- E. **Article 7** - shall the Town vote to raise and appropriate the sum of \$20,000 to be added to the previously established Police Dept. Vehicle Capital Reserve Fund. No questions, no discussion.
- F. **Article 8** - shall the Town vote to raise and appropriate the sum of \$100,000 to be added to the previously established Fire and Rescue Fund. Alfred confirmed that fund amount changed from \$180,000 to \$100,000 for the elderly pumper vehicle. He confirmed with some fireman in the audience that this is not specifically a ladder truck, although many trucks do have ladders. There were no further questions, no discussion.
- G. **Article 9** - shall the Town vote to raise and appropriate the sum of \$5,000 to be added to the previously established Fire Fighter Equipment Capital Reserve Fund. No questions, no discussion.
- H. **Article 10** - shall the Town vote to raise and appropriate the sum of \$153,000 to be added to the previously establish Highway Road Construction Capital Reserve Fund. No questions, no discussion.
- I. **Article 11** - shall the Town vote to raise and appropriate the sum of \$125,000 to be added to the previously established Highway Equipment Capital Reserve Fund. Alfred asked Tim if he is planning to buy anything this year for the Highway Dept. Tim A. stated that he is in the beginning phases of purchasing a six-wheel dump truck at an estimated cost of between \$154,000 to \$185,000. The Chair stated that they presently have in that fund \$204,266. He asked if they are looking to add \$125,000 for a fund total of roughly \$330,000 which should pay for this vehicle and the next vehicle which is a loader, within the next few years. Tim stated that they have a 2002 and a 2007 dump truck. There are issues with the 2007, we put a lot of work into that truck this past summer. He put the 10 wheeler out to be replaced in 2022. Tim also stated that he is uncomfortable with hiring a contracted service for snow removal, he would rather the High Dept. handle that task. The Chair recalled a previous conversation about moving toward another 10 wheeler, a couple of 6 wheelers and then

increasing the number of 550's due to their ease of mobility and efficiency. John McGilvray asked how much is in each Capital Reserve Fund and is it published somewhere. Jim B. who was in the audience provided him with a copy of the document. No further questions, no discussion.

- J. **Article 12** - shall the Town vote to raise and appropriate the sum of \$50,000 to be added to the previously established Bridge Repair/Replacement Capital Reserve Fund. No questions, no discussion
- K. **Article 13** - shall the Town vote to raise and appropriate the sum of \$15,000 to be placed in the previously established Capital Reserve Fund for the Preservation of Town records. No questions, no discussion.
- L. **Article 14** - shall the Town vote to raise and appropriate the sum of \$10,000 to be placed in the previously established Library Building Renovation Capital Reserve Fund. No questions, no discussion.
- M. **Article 15** - shall the Town vote to raise and appropriate the sum of \$100,000 to be placed in the previously established Town Hall Improvement Capital Reserve Fund. Pat Goneau asked for elaboration on this article. The Chair asked Jim B. to explain. Jim stated that the sprinkler system for the town hall would involve two systems. The first portion of the project includes pipes and sprinkler heads which will cost \$55,000. The next component of the project is to bring a sufficient amount of water into the town hall to feed the system. The \$100,000 being added to that fund will allow us to do the excavation to bring the water from one of two water mains. Pat G. asked if they are receiving quotes on this project. Jim said they have two quotes, one quote was \$55,000 and the other was \$90,000 and they are awaiting a third quote. Those quotes are just for installing the system within the building for pipes and sprinklers. Relative to bringing the water in from the street, Jim stated that they are looking at two options. One to be contracted out to bring water in from Main Street. The other would entail bringing water in from Kearsarge Mtn. Road and that would be done by Warner's Highway Dept.

Alfred asked Ray if there was enough water from the water precinct tanks to supply the system with water. Ray said that they have access to 250,000 to 290,000 gallons in the tank to supply the system. This would be used along with the fire suppression equipment. He said this will not last forever, but, it will help suppress the fire. A fireman in the audience stated that they also tap into a river to draw water when necessary. Alfred asked what the quote is for running a line off Main Street. Tim A. stated that it was \$60,000. Alfred asked what was the quote for off Kearsarge Mtn. Rd. Tim stated that it is \$160,000. Ray stated that included lowering the driveway behind the coffee shop, moving a telephone pole, burying electrical, etc. Alfred commented that if the quote for coming off Main Street is \$60,000 and the plumbing inside the building comes to \$55,000, then the building's sprinkler system could be done for approximately \$110,000. Tim A. stated that the electrical components still have to be buried, indeterminate of the route that is chosen. Ray stated that utilizing the Kearsarge Mt. Rd., route could potentially be beneficial to the Martin Building, the Masonic Lodge and the school if necessary. He went on to say that coming off Main Street may cost less but, there is the hassle of having to secure permits when coming off a state road.

Ed Mical, in the audience, asked how much is currently in the fund. The Chair stated approximately \$20,000 (*note: trouble hearing this figure on recording, committee please confirm number*). Martha B. stated that if we choose the Kearsarge Rd. option we will still will not have enough money in the fund to cover the cost. John D. stated that they may be able to access the DPW budget for the project. Tim said the labor would come out of the Operating Budget. Martha B. stated that if we came off Main Street the Town Hall would have a sprinkler system by the end of this year. If we choose the Kearsarge Mtn. Road option we would have to combine money from this fund with other operating costs and potentially it will not be done this year. She said that this project has waited too long already and shouldn't be tied to anything else and completed now. Alfred stated that the Kearsarge Rd. option is overall too high. Also, the Town Hall isn't safe and needs to be safe and cost effective. Martha B. stated that it should be done in the quickest fashion possible with money that we have available. Jim B. stated that the building is safe, although it did not meet certain codes for assemblies. The threshold amount of people in a conference space relative to adequate fire suppression. Kimberley stated that it sounds like the water precinct also benefits by having the water line brought in from Kearsarge Mtn. Rd. It was asked if the water precinct was going to help with the funding. Ray stated that they have already paid for the initial engineering for the project, also their labor will work with Tim to hook up pipes. John L. stated that at a BOS meeting the priority was set to get this done, this year. No further questions, or discussion.

- N. **Article 16** - shall the Town vote to raise and appropriate \$200 to help fund the Riverbend Community Health, Inc. Natalie Wells, an audience member asked if this is something the town usually contributes to each year. The Chair stated that it is not and that Riverbend has lost some of their funding and they are asking for communities to assist. This request was originally set for \$1,000 and the committee made a recommendation to reduce it to \$200. Martha B. stated that Riverbend serves approximately 72 people in Warner at a deficit of over \$200,000. Natalie emphasized the importance of this service to surrounding communities. Nancy M. asked if we contribute to the Lake Sunapee VNA. The Chair said we do and it is roughly \$7,200 per year. Nancy went on to say that the mental health services are one of the most underserved needs in the state. She feels that \$200 to support the mental health needs of 72 people is an embarrassment. She would like to bump the figure up to \$500. Martha B. stated that we should go up to \$2500, which was originally purposed by Riverbend. Michael Simon spoke and reiterated the importance of this to the community, Jim B, stated that the Town is required by state law to help anyone who is in financial need who comes through the door and asks for help. What agencies like Riverbend do for the town is to hone in and work with the individual to resolve the difficulty to achieve some level of self-sufficiency. That is not something the Town has the resources to address and therefore is an investment which benefits the town. Clyde C., in the audience stated that the demands on agencies like the Red Cross has increased which means they are unable to give as much to agencies like Riverbend. Therefore, they have to look for funds to cover costs from other sources. The committee clarified that they initially recommended the amount for this article to be \$200 until they could seek public comment on this article. No further questions, or discussion.
- O. **Article 17** - shall the Town vote to raise and appropriate \$11,000 to develop an on-line Geographic Information System (GIS) to be accessible through the town website. This amount covers converting town mapping information into digital format. John McGilvray asked what does this software do? Martha M. stated that this shows a person the perimeters of their lot, it has the ability to show the house and how it is situated on the lot. John D. clarified that this software only digitizes the tax maps not the property charts. Clyde offered two examples of support for this warrant article. The state house committee on which he serves had the NH Regional Planning commission explain to us, that businesses looking to relocate in the state rely heavily on GIS information to find locations where they might want to locate. If you don't have GIS capabilities you could possibly be passed over by a business. I recently attended an energy conference which is offering discounts for people who want to weatherize their homes. This involves six towns in our area: Warner, Wilnot, Newbury, New London, Andover and Sutton. In order to apply for grants and rebates, the committee stated that if you want to know the square footage of your house look on your town website, unless you from Warner. We are the only town out of those six that do not have their records on-line. Martha M. stated that a few years ago at a town meeting, people said they did not want their cards on-line. Kimberley clarified that if we go with this system we still won't have the square footage on-line, only tax maps. Martha B. stated that Zillow has pictures of your property, lot size and square footage on-line. Nancy Martin stated that the EDAC (Economic Development Committee) whose goal is to promote economic growth in our community, believes this is essential to development. Because right now we can't compete with other towns that are all on-line. No further questions, or discussion.
- P. **Article 18** — shall the Town vote to raise and appropriate the sum of \$25,000 to be added to the previously established Transfer Station Equipment Capital Reserve Fund. No further questions, or discussion.
- Q. **Article 19** - to see if the Town will vote to discontinue completely and absolutely the Class VI section of the Eliza Sanborn Trace extending from Badger Lane and revert the land back to the abutting property owner of Tax Map 5, Lot 8. This Class VI section is a dead-end road completely surrounded by the Badger Conservation land. Rick Bixby asked if abandoning that road hurt anything in terms of the town accessing it in the future. Martha M. stated that if you revert it back to the owners, it is no longer a town road. Rick asked if all the research has been done and has it been determined to be a good idea to give it up. Nancy M. stated that the landowner a gentleman by the name of Andy Duncan owns 400 acres in that area. The Sanborn Trace used to be a driveway which went up to Eliza Sanborn's barn. Now it is largely underwater because of beavers creating a damn causing water to spill over onto what was once a driveway. It is situated at a dead-end. Due to being impassable much of the year, discontinuing it as a road would also deter vehicles from tearing up the road and disrupting water fowl and natural habitat. Martha B. said that Mr. Duncan appeared before the BOS and said the road is showing up on GPS and he doesn't want anyone using the road which is inaccessible. No further questions, or discussion.

- R. **Article 20** - shall the Town vote to rescind the vote on Warrant Article 24 that passed at the 2015 Town Meeting. Article 24 directed the Board of Selectmen to place for sale the Town owned property located at 136 East Main Street (Map 29, Lot 1 - the old fire station building site). Kimberley stated that the BOS were not able to sell the property. Now the Rail Trail is interested in the property. Alfred asked if it is currently for sale. Kimberley responded that it is not on MLS. She went on to say that before we relist it we want to get a response from the town. Martha B. stated that rescinding a vote from a prior Town meeting doesn't seem right. The semantics of the article may need to be revisited. John D. said that it is a technical way of getting the question before the town. Ray stated that the water district is also interested in this piece of land for access to the ground water discharge system. John McGilvray asked if the Rail Trail had tax exempt status. Ray said that he believed they were. John D. stated that since 2015 no has been interested in that piece of land. Clyde said that the Warner Parks and Recreation also has interest in utilizing that land. No further questions, or discussion.
- S. **Article 21** - 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. No further questions, or discussion.
- T. **Article 22** - shall the Town change the exemption for solar energy systems under RSA 72.62 and wind powered systems under RSA 7266 from the current maximum of \$35,000 to be the cost of a system sized to meet the electric usage at the location, where the exemptions will be applied? The exemption will apply to on-grid net metered systems and off-grid systems. Clyde explained that this is expected to be a business friendly warrant article. Most businesses don't have the incentive to invest in solar. Solar or wind could reduce their electrical power costs. Which would make us more attractive to businesses than other towns. Essentially, \$35,000 of the cost of a system isn't taxed. Pat Goneau asked that in reading through the minutes of the Budget Committee that the Transfer Station electricity expenses have been higher than budgeted. There was an anticipated savings in electricity was not realized. Clyde explained that the way the solar array feeds the grid, originally we thought that Eversource was going to do a meter at the Transfer Station but they wired it in such a way that it bypasses the Transfer Station. The town still gets compensated for the electricity that we feed into the grid at the retail rate. We are guaranteed that rate for four years. Clyde stated that the Budget Committee had asked how we track the investment of the solar array and the cost. The previous Article will allow us to record this information and report it to the town. John McGilvray asked who picks up the tax exemption that these companies are not paying to the town. The Chair said the town's tax payers cover that deficit. John L. stated that it will also contribute to the raising of an individual's electric bill. If everyone had the option to go on solar, it wouldn't be a problem. Clyde stated that he and Mr. Leavitt disagree on this interruption. No further questions, no discussion.
- U. **Article 23** - shall the Town vote to adopt the provisions of RSA 72.28-c ("Optional Tax Credit for Combat Service") in the amount of \$500. A tax credit for combat service shall be in lieu of, and not in addition to, the optional veteran's tax credit under RSA 72.28 or the all veteran's tax credit under RSA 72:28-b. Martha M. did they have to serve 90 days. Deb, town Assessor from the audience, stated yes. Martha M. stated that it was not going to pick up anybody who isn't already covered. Mary Ann, stated that usually a veteran's credit becomes effective April 1st and this one becomes effective immediately. Martha B. stated that she thought this covered National Guard members who were not usually covered. No further questions, no discussion.
- V. **Article 24** - shall the Town vote to discontinue the Capital Reserve Fund for Exit 9 Improvements and return the balance of funds and accumulated interest to date to withdrawal to the municipality's general fund. Approximate balance is \$5,590. The Chair stated that this is a housekeeping matter, we try to clean out Capital Reserve funds that are no longer appropriate. John McGilvray asked if the state has paid us back for a portion of the project. The Chair stated yes, that was done. He stated that the fund needs to be dissolved in order to move money out of the fund. Alfred stated that his understanding is that the project is not completed. Jim B. said that the problems have been identified and are under warranty to be fixed. He said that the town's obligation at this point is finished. The Chair stated that the roundabout is owned by the state. Martha B. stated that the understanding was that it would be dedicated to Barbara Annis. Clyde commented that he filed a bill which passed the house committee. The house took a voice vote to name the roundabout after Barbara Annis. Her family was in the gallery. The bill now goes onto the Senate, which it is expected to pass. Martha B. commented that Barbara spent a lot of years working on this project and we should have enough money for a dedication. Clyde said that the town, under the terms of this bill, is allowed to put up a plaque up on each direction of the roundabout. To be done through the town, or raised privately. John L.

stated that this dedication wasn't part of the original scope of the project, therefore the remainder funds couldn't be used for this purpose. Martha M. suggested that at town meeting a motion could be made to take that \$5,590 and have it go toward the plaque. John L. commented that could not be done, because you could not change the original charge of the Capital Reserve fund through a vote. It could go into the General Fund and re-appropriated. No further questions, no discussion.

- W. Paul Goneau why isn't there a Capital Reserve fund set up for the replacement of the solar array system. He said it is a major capital expenditure and there is going to be wear and tear on the system. The Chair stated that there is a warranty on the solar array for 25 years. Paul G. said that the warranty probably would pay for full replacement. No further questions, no discussion.

End of discussion on Warrant Articles.

II. Operating Budget

The Chair commented that the committee has not finished with the budget. The budget came to us with the recommendation of \$3,388,468. At one point, we voted to reduce the budget by \$80,000. The BOS made the recommendation to reduce the budget by \$35,366. The committee took that proposal and said that we could identify \$17,000 additional reductions beyond what the BOS had recommended. Presently, the adjusted budget figure would be \$3,336,790. The Capital Budget figure would be \$638,300. We anticipate revenue to come in at \$1,200,000. The applied surplus to be about \$10,000 additional applied surplus that the BOS stated would be roughly \$100,000 at the time of developing a tax rate. He stated that the rough figure for the tax rate would go from last year's rate of \$9.34 to roughly \$9.90. This equates to a \$0.56 tax increase or a 6.038% increase. We have a lot more work to do. John L. we are still working on identifying areas where reductions can be made. Ray reminded the public that last year when the fire station bond was proposed it was stated that the taxes would increase a proposed \$0.60. What we are seeing is what was proposed as an increase for the station. The Operating Budget increase is reflected in that one area of the budget.

Paul Goneau commented that 6% is a big increase for a lot of people. We should have a goal of a zero increase in the tax rate. The Chair responded that in previous years we have tried diligently to maintain a steady tax rate. Kimberley provided a chart which reflected a flat tax rate for the past 14 years. Inflation has had an impact at a rate of 1-or-2% increase per year over the past 5 or 6 years. Also, we had a wage increase recently which has had an impact, roughly a \$35,000-or-\$40,000 increase. Also, he said that does not address employees who have not received an increase and how the BOS are going to handle that going forward. David M. stated that the school portion of the budget also impacts taxes and that has increased. The Chair said that every time the school budget goes up we try to offset that by decreasing our budget by a certain percentage. Although, the Chair stated that we cannot sacrifice the needs of the town because the school board has raised our taxes. We still have to provide fire services, and police services and maintain our roads and those cost keep increasing. A police cruiser which used to cost \$25,000 now costs \$35,000-to-\$45,000. Paul G. said he looked at the town budget over the past 10 years and it keeps increasing. The Chair stated that we voted to add a 2.5 million dollar fire station, he is not saying that was wrong, but, we have to start paying for it now. Paul feels that the town is on a course of ever increasing budgets. Martha B. pointed out that this happened without an increase in the tax base. The Chair said that the EDAC is charged with bringing more economic development into the town due to the limited revenue. Paul said an increased tax evaluation could have a negative impact on property assessments. It is a blow to people who live in Warner but, can't afford to. The Chair made exaggerated examples of sacrifices that the town could make although they would negatively impact the town's safety.

There was a conversation relative to the old fire station property and potentially selling the property to generate taxes for the town. The Chair stated that \$4,150 had to be put into the budget to maintain the old fire station. He went on to say that the BOS should discuss what is to be done with that property. Alfred expressed frustration at potentially not selling the property mentioned in Article 20, and giving it to non-profit organizations. He does not want the same thing to happen to the old fire station property. He wants the wishes of the town's people to be recognized by the BOS. Martha B. stated that there is an empty space under Article 25. She suggested that an article could be written right now which could be utilized to get a public response at the Town meeting to direct the BOS as to what to do with the old fire station. Kimberley stated that the Chair of the EDAC came and shared results from a survey of the town and to talk about this issue. She went on to say that she does not want to be stuck with another Odd Fellows building. She wants that building sold. Nancy spoke in defense of the EDAC which had a publicized meeting asking people what should be done with the old fire station. There were approximately less

than 20 people. The consensus of the people who attended was to sell the building. Kimberley said that the Fire Department will be moving to the new station shortly. At that time we can have a realtor come through and appraise the building. John L. asked, why wait, the public comes through during open houses all the time. Alfred asked if the BOS has the authority to sell the building. The consensus was that they do. Jim B. stated that they have the authority although, there is a process that has to be followed, which includes public hearings. The alternative is a warrant article before the town that directs the BOS to sell the old fire station. Maryann asked the Chair to educate the public as to the process of gathering signatures to purpose a warrant article. The Chair stated that he believed the minimum of 25 signatures of registered voters in the town have to be gathered by February 5th 2019.

The Chair asked if there were any questions or concerns from the public in regards to the budget. Paul G. stated that if the BOS could explain in terms that are understandable why the tax bill is increasing by \$350. He stated that he wanted to move to Warner originally (20 or 30 years ago) and decided to move to Andover. The Warner tax rate including the school was one of highest in the state. The Chair stated that a large part of it is the school budget which the committee cannot control. The public needs to communicate what services you don't want us to provide in order to cut the budget. David referenced the tax rate chart provided by Kimberley and said that the majority of increases are due to the school. From a Broker's perspective, buyers are looking for a good school district. He thinks Kearsarge is a pretty good school district and that brings buyers in. It is a positive factor for a district as a whole. John McG. asked if there has ever been a conversation of merging with the Hopkinton school district. Martha M. stated that the town voted against that. Martha B. said that Andover has the option of sending their students to Proctor Academy and obtaining discounted rates or scholarships.

The Chair redirected the conversation towards specific budget items. Kimberley stated that she noticed that we bumped the number for electricity for the Transfer Station back up to \$5,000. Martha B. stated that the Transfer Station communicated that they ran about \$4,700 a year and they wanted to know if that could be bumped up.

The Chair stated that one of the recommendations from Chief Chandler was to reduce contract services by \$2,000 based on prior expenditures. Chief Chandler has since communicated that the new figure is unrealistic. Chief Chandler stated that the line item was \$16,845 although it could be reduced to \$16,140.

Jim B. asked that the committee to avoid budgeting low amounts for utilities. Also, in reference to the Town Hall the committee reduced both electricity and heating propane below last year's figures. If you could consider budgeting so we could cover that expense it would be very helpful. The Chair stated that this will be addressed during the Tuesday, Feb. 5th work session.

No further questions, or discussion. **End of discussion on the Operating Budget.**

III. Revenue

The Chair opened the discussion on Revenue. The Chair stated that the anticipated revenue figure is \$1,057,604. Martha B. asked about Line 18, account 3290 and a discrepancy in the figures. Jim B. stated that in the past, we have posted the gross revenue for licenses, permits and fees. What we neglected to do was to deduct the state portion of those fees. In the past the auditors reviewed the Bookkeepers report, at the very end of the report under miscellaneous debits and credits that figure gets backed out. So it was erroneous for us to expect that we were going to get back that revenue. So, now what you are seeing is the net revenue after the state gets their portion. Michelle, acting Town Clerk, stated that the motor vehicle portion of the revenue is our share (\$530,000). We make a deposit and the state bills us for the vital records portion. For instance, if the vital records costs \$15, the state gets \$8.00 and we keep \$7.00. Clyde stated that you have to book the total and then take out a portion for the state. Martha B. thought there should be some consistency between showing the gross or the net. Jim B. explained that once the auditors caught this discrepancy they corrected it. Martha B. responded that the number is still reflected as an actual gross as opposed to net. Jim B. stated that he will have a discussion with Michelle as to the actual figure and we will do that in the future. Martha M. stated that from the \$12,224 figure we don't keep that. The general consensus was that we only keep \$2,300. David asked for clarification on the motor vehicle fees, does any of that figure go to the state? The consensus was it stays in the town as revenue.

Alfred asked why there are no projected income for any of the departments on the spreadsheet. Jim B. stated that the estimated figures vary from year-to-year. So, he did not put in an estimate for 2019. Martha M. explained how numbers from the front of the spreadsheet could be moved to the back to account for estimated revenue figures for 2019. Jim B. stated that in January they make a conservative estimate as a placeholder based on prior years. The revenue estimate doesn't really make sense until September and then the following month we will look at it

again just before we set the tax rate. The January number isn't going to be that accurate it is just going to be a conservative placeholder. The general consensus was to have a better way to account for projected income from departments. Kimberley stated that the front of the spreadsheet is itemized information to explain revenue the back is just useful information.

Alfred asked what about the income from the solar array for the year. He confirmed whether that number is an estimate and Kimberley stated that it always is. John L. stated that when the solar array was pitched to the town the anticipated revenues were forecasted for each year. He asked why that number can't be accounted in revenues. Kimberley stated that it could be.

Jim B. said that revenue is less predictable than expenses. He doesn't like to make stuff up which could raise expectations which could be problematic.

The Chair asked if there are any further questions on revenue. Martha B. asked Ed M. about the grant for the Emergency Management Center. She couldn't find where that was accounted for in the spreadsheets. Ed directed the committee to reference line 31 specifically the notation section. He said that they haven't received the money yet, it will be reimbursed. Of the \$88,339, \$85,773 is to be reimbursed from the grant.

No further questions, or discussion. End of discussion on Revenue.

Public Hearing closed at 9:30.

The Chair stated that there is a work session to discuss the Operating Budget on Tuesday, February 5th. Also, the final meeting will be held Thursday, February 7th, 2019. The Chair recommended that the BOS have a meeting on Tuesday in case there is anything that needs to be addressed that night. They will have to post that meeting. Kimberley stated that the BOS can hold a meeting but, it is her understanding that they have made all the cuts they want to make at this point.

Motion to adjourn was made and seconded the meeting was adjourned at 9:35 PM.

Minutes Submitted by: Janice L. Loz