

APPROVED – APRIL 18, 2019

Town of Warner Budget Committee

Meeting Minutes

Thursday, February 7, 2019

7:00 PM Warner Town Hall



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

Martha Bodnarik
John Leavitt

Michael Cutting (Chairman)
Ray Martin (Water Precinct)

John Dabuliewicz (Selectmen)
Martha Mical

Alfred Hansen
David Minton

In Attendance: Kimberley Edelman

II. OPEN MEETING at 7:00 PM

The Chair opened the meeting and introduced the topics of discussion. The committee will vote to recommend and approve the budget and warrant articles. We will start off with the Water Precinct budget, then proceed to the warrant articles, the Operating Budget, the Capital Budget and then the Town Budget. He asked if anything needs to be added to tonight's schedule. Hearing no questions or suggestions the Chair proceeded with the meeting.

III. APPROVAL OF MINUTES - All remaining minutes will be reviewed for approval in April 2019. Alfred Hansen stated that he preferred to receive a hard-copy of minutes. A copy will be available for him in the BOS office.

IV. WATER PRECINCT

Ray stated there were no changes to the Warrant for the Water District since the last public hearing and discussion. He proceeded to Article 3 of the Warrant for the Warner Village Water District.

1. Article 3 (Discussion and Motion)

To see if the Warner Village Water District will vote to raise and appropriate \$35,000 for the purpose of purchasing a new Truck for District use and to authorize the issuance of not more than \$35,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Commissioners to issue and negotiate such bonds or notes and to determine the rate of interest thereon; further to authorize the Commissioners to apply for, obtain and accept Federal, State or other aid, grants, gifts or other forms of assistance which may be available for said project and further, to raise and appropriate the sum of \$6,225 for the first year's bond payment. **Martha M. made the motion to recommend Article 3 as read. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend Article 3.**

2. Article 4 (Discussion and Motion)

To see if the Warner Village Water District will vote to raise and appropriate up to \$1,000,000 for the purchase of a site for a proposed ground water discharge system and cover the cost of testing and engineering, construction and to authorize the issuance of not more than \$1,000,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Commissioners to issue and negotiate such bonds or notes and to determine the rate of interest thereon; further to authorize the Commissioners to apply for, obtain and accept Federal, State or other aid, grants, gifts or other forms of assistance which may be available for said project and further, to raise and appropriate the sum of \$4,500 for the first year's bond payment. **Alfred made a motion to recommend Article 4. Seconded.** Discussion: Alfred inquired about the piece of land owned by the Town which the precinct is interested in purchasing for the groundwater discharge system. His concern is if the property is sold we could lose the right of way. Ray said that if that land was put up for sale the precinct could potentially purchase it. If it remains in ownership of the Town or if we received permission from a new owner we could have a right-of-way through the old railway

tracks. The subject land comes with two driveway permits off Route 103. No further questions or discussion. Vote result: **Yes vote – 7, No vote – 0. The motion passed unanimously to recommend Article 4.**

3. **Article 5** (Discussion and Motion)

To see if the District will vote to raise and appropriate the sum of four hundred thirty-seven thousand seven hundred fifty-seven dollars (\$437,757) for the operation, maintenance and improvement of the District's water and sewer systems. Ray stated that this is the Operating Budget for the Water Precinct. **Martha M. made the motion to recommend the Operating Budget for the Water District. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend Article 5.**

Revenue for the Water District is \$1,506,730 which the Operating Budget, the sewer and water rate revenue, the precinct taxes, and various other items, such as sales and meters, etc. **Alfred made the motion to recommend the Revenue for the Water District of \$1,506,730. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Revenue Budget.**

V. **OPERATING BUDGET – ARTICLE 3** (Discussion and Motion)

The Chair stated that the Operating Budget with debt service included amounts to \$3,342,654. That budget reflects a \$204,863 increase over the 2018 budget, which is approximately 7.53%. Out of that increase figure \$164,391 is a result of the principle and interest payments for the fire station. The Chair stated that if you took out the fire station the remaining \$40,472 would amount to a 1.29% increase over 2018's Budget. **A motion was made to recommend an Operating Budget amount of \$3,342,654. Seconded.**

Discussion: Alfred asked the committee to look at the Highway Departments portion of the budget. He was concerned this year's schedule is intense. In the past, some road improvement projects do not get completed even though money is encumbered, for instance Burnt Hill and Courser Corner. Alfred suggested taking \$100,000 out of paving and put it in the Highway Dept.'s Capital for road construction. John L. brought to Alfred's attention that money cannot be moved between the two accounts at this point in the budget process. Kimberley stated that the account amounts can be lowered but, not raised at this point in the process. Clyde liked the idea, although it cannot be done now, it could possibly be done at Town Meeting. Alfred explained the benefit of putting the money in the Capital budget is it can never be touched for anything but, road construction. The town doesn't have to worry about that money being encumbered each year and not used. The added benefit is that at the end of the fiscal year the Highway Dept. isn't scrambling to put together needed money. Martha B. asked Alfred if he would explain this reasoning at the Town Meeting in order to move that money into the Capital budget. The Chair stated that the snow and ice storms drain the Operating Budget. Clyde stated that next year we need to talk about how much more we add to the Capital Budget if we take this strategy. Clyde asked the Town Moderator, Ray, about the procedure for this tactic at the Town Meeting. Ray stated that you would reduce the overall Operating Budget not just the Highway Dept.'s Operating Budget and then another motion to increase the Capital Budget. Martha B. stated that there is a problem with this strategy because this money should be used for resurfacing not road construction. She asked if it is feasible to do maintenance out of construction funds. She likes the idea but, feels that Article 10 is restricted in its wording. Alfred said that the department has two different types of paving, road resurfacing and road construction with surfacing/paving. The road construction with surfacing, he believes, fits the description necessary to be a Capital expenditure. Alfred went on to say that this should probably be something the town should consider for the next budget cycle and not at the Town Meeting. Alfred would like a chance to discuss this further with Tim A. at the Highway Dept. Kimberley stated that she liked this idea although feels that the definition of Capital fund should be clearly understood and whether the Town can change the name of that Capital Reserve fund to Construction and Maintenance. Ray and John D. expressed their desire to have this change happen in the next budget cycle.

The Chair moved the motion for a vote. Discussion: John L. stated that at the August 29th meeting there was a quote that the Department heads would be informed of the wage process on a continued basis and as the BOS get closer to thinking about an individual's wages within a department, the Dept. heads will be invited to a meeting. John L. read a statement relative to this issue and how it has effects the Town and the Committee's budget process (see attached). He purposed reducing the line items as recommended previously by the committee and

take an additional \$31,000, which could be covered by a contingency fund, from the Operating Budget. He suggested that the committee call on the new BOS to revisit the issue of wages with the total involvement of all the Department heads. The \$80,000 reduction which was previously recommended by the committee could easily be accomplished. John L. stated that otherwise he could not vote for the Operating Budget.

The Chair stated that if the proposed Operating Budget is not recommended by the committee the budget will revert back to the previously recommended figure which includes the reduction of \$80,000. The Chair moved the vote. **Yes vote – 4, No vote – 3. The motion passed to recommend the appropriated amount of \$3,342,654 as the 2019 Operating Budget.**

Alfred made a motion to recommend that the committee pursue the redistribution of road construction and paving funds for the Highway Department from paving to the Capital budget in the 2020 budget cycle. Seconded. Yes vote – 7, No vote – 0. The motion passed to unanimously. Kimberley and the Chair engaged in a conversation that the committee cannot make decisions for the next Budget Committee or commit money but, they can make recommendations. No further questions or discussion.

VI. ARTICLE 4 (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$20,000 (Twenty Thousand Dollars) to be added to the previously established Property Revaluation Capital Reserve Fund? **Martha M. made a motion to recommend Article 4. Seconded. Yes vote – 7, No vote – 0. The motion passed to unanimously recommend the Article 4.**

VII. ARTICLE 5 (Discussion and Motion)

Shall the Town vote to raise and appropriate \$4,000 (Four Thousand Dollars) to be placed in the previously established Employees Expendable Health Trust Fund? **The motion was made to recommend Article 5 as read. Seconded. Yes vote – 6, No vote – 1. The motion passed to recommend the Article 5.**

VIII. ARTICLE 6 (Discussion and Motion)

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 (Ten Thousand Dollars) to be placed into the fund? This sum is to come from the General Fund. **Martha M. made a motion to recommend Article 6 as read. Seconded. Yes vote – 6, No vote – 1. The motion passed to recommend the Article 6.**

IX. ARTICLE 7 (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$20,000 (Twenty Thousand Dollars) to be added to the previously established Police Department Vehicle Capital Reserve Fund? **Martha M. made a motion to recommend Article 7. Seconded. Yes vote – 7, No vote – 0. The motion passed to unanimously recommend the Article 7.**

X. ARTICLE 8 (Discussion and Motion)

Shall the Town vote to raise and appropriate \$100,000 (One Hundred Thousand Dollars) to be placed in the previously established Fire and Rescue Vehicle Capital Reserve Fund? **Alfred made the motion was made to recommend Article 8. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Article 8.**

XI. ARTICLE 9 (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$5,000 (Five Thousand Dollars) to be added to the previously established Fire Fighter Equipment Capital Reserve Fund? **Martha M. made a motion to recommend Article 9. Seconded. Yes vote – 6, No vote – 1. The motion passed to recommend the Article 9.**

XII. **ARTICLE 10** (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$153,000 (One Hundred Fifty Three Thousand Dollars) to be added to the previously established Highway Road Construction Capital Reserve Fund? **Martha M. made a motion to recommend Article 10. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Article 10.**

XIII. **ARTICLE 11** (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$125,000 (One Hundred Twenty Five Thousand Dollars) to be added to the previously established Highway Equipment Capital Reserve Fund? **Martha B. made a motion to recommend Article 11. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Article 11.**

XIV. **ARTICLE 12** (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$50,000 (Fifty Thousand Dollars) to be added to the previously established Bridge Repair/Replacement Capital Reserve Fund? **Ray made a motion to recommend Article 12. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Article 12.**

XV. **ARTICLE 13** (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$15,000 (Fifteen Thousand Dollars) to be placed in the previously established Capital Reserve Fund for the Preservation of Town Records? **Ray made a motion to recommend Article 13. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Article 13.**

XVI. **ARTICLE 14** (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$10,000 (Ten Thousand Dollars) to be placed in the previously established Library Building Renovation Capital Reserve Fund? **Martha M. made a motion to recommend Article 14. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Article 14.**

XVII. **ARTICLE 15** (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$100,000 (One Hundred Thousand Dollars) to be placed in the previously established Town Hall Improvements Capital Reserve Fund? **Ray made a motion to recommend Article 15. Seconded. Yes vote – 7, No vote – 0. The motion passed unanimously to recommend the Article 15.**

XVIII. **ARTICLE 16** (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$200 (Two Hundred Dollars) to help fund the Riverbend Community Health Inc.? **Ray made a motion to recommend Article 16. Seconded.** Discussion: Martha M. stated that this was previously reduced from the recommended amount. She stated that she intends to increase it from the floor of the Town Meeting. The Chair clarified that the committee recommended increasing this amount although, the BOS did not increase it. Kimberley stated that the BOS realized that they could not raise it because of the timing of the public hearing and hopes that this is raised at the Town Meeting and increased. John D. referenced RSA 32:5 II, which explains why the BOS were not able to change the sum, given the number of public hearings that would need to be held and the lack of time to hold those meetings before the Town Meeting. Kimberley stated that during the public hearing it was not specifically raised to change the figure for this warrant article. Once that meeting was closed, the chance to modify that number was gone. **Yes vote – 5, No vote – 2. The motion passed to recommend the Article 16.**

XIX. ARTICLE 17 (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$11,100 (Eleven Thousand One Hundred Dollars) 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? **The motion was made to recommend Article 17. Seconded.** Discussion: John D. stated that he is not sure that he supports this article, although the BOS support it. This is something that will be discussed at Town Meeting. Martha M. stated that this project needs a better explanation. **Yes vote – 4, No vote – 3. The motion passed to recommend the Article 17.**

XX. ARTICLE 18 (Discussion and Motion)

Shall the Town vote to raise and appropriate the sum of \$25,000 (Twenty Five Thousand Dollars) to be added to the previously established Transfer Station Equipment Capital Reserve fund? **Martha M. made a motion to recommend Article 18. Seconded. Yes vote – 6, No vote – 1. The motion passed to recommend Article 18.**

XXI. ARTICLE 19 (Discussion and Motion)

To see if the Town will vote to discontinue completely and absolutely the Class VI section of Eliza Sandborn Trace (a.k.a. Sanborn Trace) extending from Badger Lane and revert the land back to the abutting property owner of Tax Map 5, Lot 8. The Class VI section is a dead-end road completely surrounded by the Badger Conservation land. **Martha M. made a motion to recommend Article 19. Seconded.** Discussion: The committee discussed whether or not to vote on Article 19 and the remaining articles because they are not budget line items. The majority of the committee believed these articles to have a financial consequence therefore the Budget Committee's recommendation was relevant. Budget Committee members who believed a recommendation was unnecessary voted in Abstention. **Yes vote – 4, No vote – 1, Abstain - 2. The motion passed to recommend Article 19.**

XXII. ARTICLE 20 (Discussion and Motion)

Shall the Town vote to rescind the directive in 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)? **David M. made a motion to recommend Article 20. Seconded.** Discussion: Martha M. clarified that the BOS are restricted to sell the property for less than outlined in the 2015 Warrant Article 24. This would allow them to sell it for fair market value. Alfred asked for a reading of the original article from 2015. Kimberley left the meeting to find a copy to read into the record. It was found that there was no specified sales amount in the 2015 Article 24. Kimberley clarified that the 2015 Article 24 stated must sell, leaving no flexibility as to options. Chief Chandler stated that the 2015 Warrant Article did not restrict the BOS from negotiating a price. Ed M. stated that if there is an easement put on the property it will never sell. Martha B. believed that the Town gave the BOS a directive to sell the property and that should be honored. Clyde stated that it may turn out to be more prudent for the Town to keep the property than to sell it. John L. stated that there should have been more of an effort to sell that property. **Yes vote – 1, No vote – 5, Abstain - 1. The motion failed, Article 20 will not be recommended.** Further Discussion: Ray stated that the water precinct is interested in the property but, it is not crucial to their needs. Kimberley stated that the purpose of the article was that the town needs to have a conversation about what the options are. Whether it is to sell the property to the Rail Trail entity inexpensively or to hold out for the potential of more money that may never materialize. Ray stated that if the Water Precinct purchases the property an easement could potentially be provided for the Rail Trail. Alfred's concern was that the best interest of the Town, as a whole, needs to be considered not necessarily solely the needs of the Rail Trail.

XXIII. ARTICLE 21 (Discussion and Motion)

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 (g)? The revolving account would receive revenue received from the sale of

electricity 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 the principle, interest and maintenance on the solar array. Once the loan is fully paid, funds in the account will be applied to municipal electric bills on a prorated basis. An annual accounting for the account will be included in the town report. **Martha M. made a motion to recommend Article 21. Seconded.** Discussion: Martha B. asked Clyde if this article will give us an accounting of where the money goes and how it is accounted for relative to the solar array. Clyde said the RSA's would allow us to do this. He submitted a state bill which would allow for this accounting. It has been signed by the governor. This article allows Warner to have this type of accounting. **Yes vote – 6, No vote – 0, Absent – 1 (John D. was absent from the room during voting). The motion passed to recommend Article 21.**

XXIV. ARTICLE 22

Shall the town change the exemption for solar energy systems under RSA 72:62 and wind power systems under RSA 72:66 from the current maximum of \$35,000 (Thirty Five Thousand Dollars) to be the cost of a system sized to meet the electric usage at the location, where the exemption will be applied? The exemption will apply to on grid net metered systems and off grid systems. **Martha M. made a motion to recommend Article 22. Seconded.** Discussion: John L. inquired whether this article could be reduced to zero (0) from the floor of the Town Meeting. The Chair affirmed that it could. Martha B. asked Clyde if a large company like Market Basket decided to utilize solar, how would that effect the town in term of taxes. Clyde said it doesn't do anything it just means they do not realize additional taxes because of the solar array. Martha M. stated that the cost of the solar array would not be added to the assessed value. Clyde stated that this would affect roughly under 100 people in town. John L. stated that he is opposed to any tax elimination. Anyone who has a solar array should be paying taxes on it. Martha B. stated that this actually encourages people to put in solar, otherwise they may not because of the tax implications. **Yes vote – 4, No vote – 2, Abstain - 1. The motion passed to recommend Article 22.**

XXV. ARTICLE 23

Shall the Town vote to adopt the provision 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. John L. made a comment that he feels everyone in Town has benefits from Veterans who have served. Clyde commented that at the State level they have discussed how this does not benefit veterans who do not own a home. He said that we need to do a better job at finding ways to benefit all veterans. Martha B. commented that this article also benefits individuals in the National Guard. She feels that is not communicated in the wording of this article. The Chair clarified that he believes it has to be 180 days of service to qualify as active duty. **Martha M. made a motion to recommend Article 23. Seconded. Yes vote – 6, No vote – 0, Abstain - 1. The motion passed to recommend Article 23.**

XXVI. ARTICLE 24

Shall the town vote to discontinue the Capital Reserve Fund (CRF) for Exit 9 Improvements and return the balance of funds and accumulated interest to date of withdrawal to the municipality's general fund. Approximate balance is \$5,590. **David M. made a motion to recommend Article 24. Seconded. Yes vote – 4, No vote – 1, Abstain - 2.** Discussion: When Alfred voted he commented that he disagrees with the wording in this article. He believes there is still work to be done at Exit 9. He went on to say that it was previously communicated to the committee that the work to be done is the responsibility of the state. Alfred believes that this a misconception and that we should hold on to these funds for the stated purpose. **The motion passed to recommend Article 24.**

XXVII. ARTICLE 25

To see if the Town will vote to eliminate the elected positions of Almoners for the Foster Fund and Currier Fund and vest in the Board of Selectmen the authority to appoint an individual who shall assume the responsibilities of distributing aid to the worthy poor, as directed by those trusts. **Martha M. made a motion to recommend Article 25. Seconded.** Discussion: Martha B. asked why we are eliminating elected positions. John D. stated because the Almoners asked the BOS to eliminate these elected positions. Martha B. stated that when someone is filing paper work for welfare the Almoners make this process easier. Ray stated that the Almoners would be

appointed and still be available to the public. Martha M. stated that the welfare director for the Town is the Town Administrator. Martha B. expressed her concern that people in town will not feel comfortable talking with Almoners that are not from the town. **Yes vote – 1, No vote – 5, Abstain - 1. The motion passed to recommend Article 25.**

XXIX. ARTICLE 26

To see if the Town will vote to direct the Board of Selectmen to sell the Fire Station at 27 East Main Street, identified as Map 30, Lot 2 and return it to the tax rolls? **Ray made a motion to recommend Article 26. Seconded. Yes vote – 6, No vote – 1. The motion passed to recommend Article 26.**

XXX. ARTICLE 27 – Martha M. made a motion to skip over petitioned Article 27. Seconded. Discussion: The committee determined that Article 27 is not within their charge to recommend a petition article. **Yes vote – 7, No vote – 0. The motion passed to take no action on Article 27.**

XXXI. GENERAL DISCUSSION

1. Wage Study and ARTICLE 28 (Discussion)

Martha B. suggested to John L. that if he wants to discuss wages at the Town Meeting he should move Article 28 forward as soon as possible. That would be the best way to discuss any business that comes before meeting. The Chair said that can be done after the first two articles are discussed. Ray, who is the Town Moderator, stated the best approach would be to make an amendment to the Operating Budget or Capital Budget. Ray stated that John L.'s discussion on wages would be more aligned with a conversation relative to the first two articles. Therefore, he would not have to move Article 28 forward to have that conversation. Kimberley asked what is the meaning of any other business in Article 28? (**ARTICLE 28: To transact any other business that may legally come before the meeting.**) Ray stated that it has never happened before, so it is difficult to define. The general consensus of the committee is that an Article 28 item would potentially not have money tied to it.

2. REVENUE (Discussion and Motion)

The Chair directed the conversation toward recommendation of the Revenue figure of \$1,057,604 for the 2019 Budget. **Martha M. made a motion to recommend the estimated Revenue figure of \$1,057,604. Seconded.** Discussion: John L. asked why the committee was making this recommendation. The Chair explained that by statute the committee has to recommend the Capital Budget, the Warrant Articles, Operating Budget and the estimated Revenue. We estimate the revenue, usually low, and it helps us set the tax rate. John L. said that this figure does not include the solar array revenue. Martha B. stated if the solar array warrant article passes that money will go into a revolving fund and will not show up in revenue. The Chair stated that the town took in \$14,888 from the solar array from 2017 – 2018. **Yes vote – 5, No vote – 2. The motion passed to recommend the estimated Revenue figure of \$1,057,604.**

3. 2019 to 2020 Budget Cycle

Martha M. will forward to committee members the schedule for the 2019 to 2020 Budget cycle. The Chair noted that the dates may change. The next committee meeting is Thursday, April 18, 2019. We will discuss year-to-date expenditures and elect a new Chairman. Martha M. asked the committee if they wanted to keep the school district's Municipal Budget Committee on our schedule. The general consensus with some dissention from Alfred was that it was not necessary. Maryann asked if the committee is giving a budget presentation this year along with a tax rate. Martha B. said it would be nice to say at the Town Meeting that the tax collector doesn't set the taxes. The Chair agreed.

XXXII. Motion to adjourn was made and seconded the meeting was adjourned at 9:03 PM.