

APPROVED - MAY 9, 2019

Town of Warner Budget Committee

Meeting Minutes

Thursday, April 18, 2019

7:00 PM Warner Town Hall



I. OPEN MEETING at 7:03 PM and ROLL CALL

Martha Bodnarik	Michael Cutting (Chairman)	Alfred Hansen	Jonathan Lord
Martha Mical	David Minton	Judy Rogers (Selectmen)	

Absent: Ray Martin (Water Precinct)

II. APPROVAL OF MINUTES

- A. Motion to approve the minutes as amended of **January 31, 2019** made by Martha M. and seconded by David M. and unanimously approved.

Discussion: Chair to follow-up on clarifying the fund amount. * The number was inaudible on the recording. Minutes dated January 31, 2019, Page 3, section M., Article 15 Town Hall Improvement Capital Reserve Fund, the third paragraph from the top reads, "*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.*"

- B. Motion to approve the minutes as amended of **February 5, 2019** made by Alfred H. and seconded by David M. and unanimously approved.
- C. Motion to approve the minutes of **February 7, 2019** made by Alfred H. and seconded by David M. and unanimously approved.

III. ELECTION OF OFFICERS

Martha M. made the motion to elect Mike Cutting as Chair, seconded by Martha B. Alfred amended the motion to include nominating Martha Mical as Vice Chair, the motion was seconded by Martha B. Vote tally: Yes – 5 to No – 0. The motion passed unanimously to elect Mike Cutting as Chair and Martha Mical as Vice Chair for the term of April 2019 to April 2020.

IV. DISCUSSION OF BUDGET COMMITTEE MEMBER VACANCY

John Leavitt, previous member of the committee did not run for re-election. Although, he received three write-in votes which gave him the opportunity to serve as a committee member, he declined the position. The Chair approached Jonathan Lord and asked him if he would be willing to serve as a committee member and he agreed. **The Chair made a motion to add Johnathan Lord to the Budget Committee for the year 2019 to 2020.** This is for a one year term at which time Jonathan can decide if he wants to run for election for the position. **Martha M. seconded the motion.** Discussion: The Chair stated that filling a vacancy on the budget committee is the responsibility of the committee not the BOS.

John Leavitt asked how many committee members will be up for election next year. David responded two, himself and Johnathan. **The Chair moved the vote on the motion. Vote tally: Yes – 5, No – 0.** The motion to add Jonathan Lord to the Budget Committee for a term of one year 2019 to 2020 passed unanimously. The Chair asked Jonathan to contact the BOS and get sworn in before the next committee meeting.

*Reference to follow up items on last page of minutes.

V. REVIEW OF MEETING SCHEDULE FOR 2019 TO 2020

The Chair stated that Martha M. put together the schedule and asked if there was any problem with the schedule as presented. Martha M. clarified that the Town Meeting for 2020 will take place on a Wednesday evening not a Saturday. It was voted at Town Meeting to change the day. The Chair explained that the original idea of changing the Town Meeting to a Saturday was to increase participation. That has not worked. Hearing no changes to the proposed schedule, the Chair asked Judy to forward a copy of the schedule to the BOS. He also asked Judy to get back to committee with any problems with that proposed schedule. This schedule will communicate when we expect to have information and give participants ample time to prepare their budgets. (See enclosed schedule)

VI. MINUTE TAKING

Janice advised us tonight that on average it takes about 20 hours to transcribe the minutes of a committee meeting. Judy backed up that as an accurate account of the time needed to accomplish that task. The standard that is communicated is there should be two hours of transcription time for an hour of a meeting. This is inaccurate because you have to really listen if you want to get it right and then you have to edit them. She stated that it really is time consuming. Martha B. asked if it would be less expensive to keep the meetings audio available on thumb drives. The Chair stated that does not meet the requirements of the statute. You have to provide minutes in a typed format for prosperity. Judy corroborated that the permanent record has to be on paper.

Martha B. inquired if it could be stated in the minutes that a topic was discussed for twenty minutes and then if you wanted to know what the discussion was you listen to the thumb drive. Janice stated that a lot of people would rather read the minutes as it is time consuming to listen to the recording. The Chair stated that the BOS office destroys the audio after the minutes are approved. He asked the committee shouldn't the audio be held to for a longer period of time. Martha M. stated that she believes that legal counsel told the town that once the minutes are approved they should get rid of the audio to avoid conflict. Judy stated that she has never seen that in writing. She stated that when individuals are researching a subject they have gone back to the tape when they have felt that the minutes don't give the detail they need. The Town Clerk's office does have a box of tapes for that purpose. Although, she does not know what the BOS has kept. They don't have to be deleted they take up very little room on a thumb drive. John Leavitt contributed that the town voted at a Town Meeting to keep them for three months. Although, they are erased as soon as they are approved. The Chair said he would like to see the town keep the audio for at least a year. Janice stated that she has all the recordings of the meetings on a thumb drive. She stated that she tried to get Dan Watts to upload the ZBA minutes on the web site alongside a link to the audio file. But, he said he could not do it. Other towns have it and it is nice to have available to the public.

Alfred stated that for the last five years the committee has had problems with the minutes. There were questions asked of the BOS what was the cost of the minutes which we could not get an answer for. We decided half way through last year to keep our own minutes, with Janice. During the time that we have used her I have not heard any complaints. We need to know from the BOS office exactly how much money it costs for our minutes to be transcribed. Judy commented that when you look at the 2019 Town Operating Budget and you look at the Temporary Service line and it says "minute taker" is Janice paid out of this line? Judy stated there is nothing in there for 2019, and asked Janice if she had been paid this year. Janice stated that she has been paid. Judy sent information to the Town Administrator for an explanation for highlighted items on the Operating Budget and have not received any answers. She expressed frustration in not receiving that information and does not like to be unprepared. Janice offered to give the committee a copy of the billable hours which she has provided to the town, in an effort to give the committee an idea of the cost of transcription. She suggested that the committee compare the cost of a contractor versus the cost of a full-time employee doing transcription. Martha B. thought we should just leave the comparison out entirely. We have gone through this before and Mary said she can no longer transcribe for the committee. Martha B. said Janice will do it and we can see that she can, so let's keep it at that. Martha M. says her only concern is the budget. Judy wants to see it accounted for in the budget. This may be a red flag that there may be other things missing from the budget. Janice confirmed that she filled out a

form 1099 to be a contractor with the town, no benefits. Judy will follow up on the missing line for the transcription/minute taker.*

VII. DISCUSSION (Line Item Detail in Budget, Improve Follow-up Communications, Communication with Department Heads, May 9th Meeting with Department Heads, Encumbered Money, Potential of July 18th Follow-up Meeting, Improving the Budget Process)

A. Line Items and Expansion of Detail in Budget

The Chair said that committee went through some tremulous times last year. He asked the committee what does the committee want to hear from the people presenting this year. Martha B. stated that she would like to know what the actual figures are? She wants to know what is in those lines in the budget. For example, she was really upset to hear last year that the communications line contained the wage study. Items shouldn't be wedged in and moved around. She can deal with the fact that costs are going up, but I really want to know what you spent and what you spent it for. If it means seeing the actual bills to date, for example the monthly telephone bill. If it means putting extra lines in the spreadsheet that would be fine. She can't stand the idea of not trusting the numbers because the titles of the line items are an inaccurate description of the items. For instances last year in regards to the Highway Dept., we had already paid for snow removal contracting but, there wasn't a line for that item, it was jammed into three other lines. She would like more clarity. Otherwise, she gets frustrated and becomes one of the people who requests across the board cuts because of her frustration.

David said one of his biggest frustrations is what is in the line items. There are so many of them. Like for instance the Temp Services line, what exactly is in that line item. The Chair asked how do you want it detailed so the BOS can provide you the information you are requesting. Martha B. stated for instance mid-way through the year we should know what the Police Dept. has actually spent. The Police Chief has said that he keeps all his bills and receipts and he would be more than happy to show them to us. Judy stated that the Police Chief and probably Varick from the Transfer Station have a breakdown of what they have in each line. It would be a benefit to present that sort of breakdown to the committee. She also stated that column A also has an account number for each item, but, that is currently unshown or collapsed from view on the print out. Judy said that when an invoice is paid it is coded to an account line. You could get a report per account. She believes it will be done this year.

B. Improving Follow-up Communication

Alfred stated that this has been an on-going problem of asking questions and not getting answers. Alfred stated that when you listen to the Police Chief or to Varick's presentations before the committee they are thorough. Martha M. said if you take for example Land Use Professional Services and they say it is for legal or for surveyors is that enough detail. Martha B. said if that is all that is in that line, it is enough. She went on to say, that if we learn later that there are three other things in that line that we were unaware of, then it creates an environment of distrust. Judy said that last year while sitting in the audience at these committee meetings she felt the pain that members have been dealing with. She is committed to fix that problem. Martha B. said she would like the BOS budget to be as detailed as the Transfer Station's budget.

John Leavitt stated that often the committee will not get an answer at the meeting, you will get an offer of finding the answer and getting back to the committee. Then there is no follow up. Martha M. said that is partly our fault we should keep a list of follow-up items and be sure that we get answers. Every question that we do not get an answer for should be noted as old business and brought up at the next meeting. It should be answered publicly not privately. Not through an email. Martha will be taking notes on our follow-up items. Martha B. stated that an email response could be read into the record at the next committee meeting. Alfred stated that we should have Janice highlight follow-up items in our minutes.

C. Communication with Department Heads

The Chair stated that one of his concerns is by the time a department head comes before us, they should have already gone to the BOS and convinced them of what they specifically want to buy. The Chair went on to say he wants an invoice or a statement or a quote with specifications of exactly what they are trying to buy. For instance, in January we had the Fire Dept. come in and present to us the purchase of a new fire truck. During that committee meeting it was stated they could buy it, or lease it, without a firm decision. By the time a department head gets before this committee the decision should be made as to what they want to buy. The department head should know the specifics of a requested vehicle for instance it is a six-wheeler, it has a gvw of 80,000 lbs., extra springs and a stainless steel spreader on the back and it is going to be a GMC. We want specifics and want them to make up their minds before they get to us. It was his expectation that this would have been done all along, but apparently not and we need to raise the expectations. The decisions especially cannot change at Town Meeting. He does not want this to happen anymore. He asked the committee for feedback on his comments. Martha B. stated that if something is presented at Town Meeting that is different than what was communicated to the committee it should be noted publicly by the Chair.

David stated whether it be the Highway Dept. or the Fire Dept. that is looking for a vehicle shouldn't that whole process be vetted by the BOS. Then the final result come before this committee. Martha M. confirmed that is what should be happening and it is not. The Chair asked Judy to clarify that even when the department heads are going to the BOS they still haven't made up their minds on specifics. Then when they come before us they are still undecided. Judy said that for the past few years or, so the department heads have met with the Town Administrator and he has presented to the BOS. There seems to be a breakdown of communication. Martha M. stated that the department heads need to start the process earlier in order to have the specifics to bring to the committee.

D. May 9th Committee Meeting with Department Heads (Improving Communication)

The Chair proposed that we have a meeting on May 9th to have all the department heads come in and explain to them exactly what we are requesting. We would expect that they have already been to the BOS and presented their request and recommendations. The department heads and the BOS have worked it out and then when they come to us they will have a detailed explanation on paper of what they are purchasing or spending money on. Martha M. said it is up to the BOS to make sure the department heads have done cost comparisons. David confirmed that they should be going to the BOS first. The Chair said that the BOS should be inquiring whether they have compared costs. We should not have to ask if they have compared prices on big ticket items. Alfred said that Timothy has worked out a roll-over time of a seven-year rotation. Which gives you some time to build capital before buying your next big purchase. The committee agreed that having department heads come in on May 9th was a good plan. Martha M. expressed her preference for the department heads to briefly inform the committee on what they asked for last year and what was, or wasn't purchased, why and what was it spent on. A quick synopsis of what they have spent so far in 2019, on equipment or big-ticket items, then transition to what they need for 2020.

Judy said if the department heads are prepared and given requested information they will have a better breakdown than what we have on the budget spreadsheet. Our expenditure reports used to contain what was spent to date, the requested amount, percentage spent and what is left. They can get a breakdown of each line item that they can use to build their budget for the following year. Therefore, if the committee has any questions, they have the breakdown of what they have spent. They need to have that information and be held accountable for it. The Chair asked if it would be good to bring the department heads in before the committee in July. We plan to bring them in May and set the expectations for the budget process. He proposed a follow-up meeting in July for a year-to-date status. Martha M. suggested we could review it and if necessary bring them in, in July. Martha B. stated that it reinforces what you have asked of them in May. David asked if they come in May we should verbally communicate to them what we want and a hand-out detailing what we are expecting to see and when. Judy said potentially a sample format.

John, from the audience, asked if department heads can come in with their own report with a breakdown of each account. Judy said just like Varick provides in his report. Martha M. said they should be able to get it from the Bookkeeper.

Alfred expressed his concern that the next six months will be a very sensitive time for the town. The Chair stated he feels these changes could end up supporting the BOS office's efforts. He does not feel that this will put a burden on the Selectmen. We are trying to work together, and he thinks it is critical that we work in the same direction. Martha M. said this will create a good working foundation.

Martha M. said in May we can communicate to the department heads our needs and they can give us feedback. She does not feel it is necessary to meet with them in July, two months is not enough time for them to get going. The Chair said the meeting in May is focused around the Capital Budget, large purchases, projects and documentation of what you really want to buy. The July meeting is based on the Operating Budget. Martha M. said when we discuss it with the department heads we should state what we want, not only regarding the Capital Budget but, in their regular budget. Alfred's concern is that in July they are going to be very busy.

E. Encumbered Money

Alfred stated that we need to look at encumbered money. Over the last three or four years it is on the rise. Encumbered money represents things that are not getting done. Alfred feels that really needs to be addressed by the BOS. Judy stated that she thinks that is going to happen this year. Holding the departments accountable for what they want and what they spend their money on. Martha B. said that is why the May and July meetings with the department heads would be important. This will be a new method of accounting for the budget. The first meeting in May will introduce it and the meeting in July will reinforce it. Then by the first meeting in the Fall everyone should have figured it out. Judy stated if they are going to meet with the BOS and present what they want then the BOS will have to hold them accountable. Alfred feels the July meeting should be called off to let the BOS handle their part of the process. Martha M. said that we will get the spreadsheet in July because the BOS is behind what creates that document. Judy said that something must change because our tax rate is too high.

F. Potential of July 18th Follow-up Meeting and Improved Budget Process

Martha M. doesn't want to impose a lot more work on the department heads. She directed a question to a few department heads present at the meeting. If we tell them what we want in May do you think it is necessary to tell you again in July? John, who is not a department head, stated that he thinks you are asking for two different things. You are asking for a benchmark in July. We can print the report out many different ways showing what we have and what we spent it on. He thinks that material would be easily accessible. He thinks Chief Raymond keeps pretty good records.

Martha M. stated if they find that there is suddenly something that they forgot in the budget and they need it today. They will have to find it in their budget and spend it. Judy said that is there responsibility as department heads they have to make those choices.

David said we should keep the July meeting. If we give them the parameters in May and then a trial overview in July. Alfred and Martha M. said that the spreadsheet shows us how things are progressing. The Chair's concern is that the committee has stated several different ways that we are not getting the answers we need. If we go to the source, the department heads and we have them in, in July, we can ask where the expenditures came from. Alfred said let's have the meeting in May and then ask them whether we should have the meeting in July. Judy said having the department heads in could help establish trust for this committee in terms of what is in the budget. We need to hear it directly from the department heads and not rely on second hand sources. It is also important that the departments know that they are going to be held accountable. They also need to understand that the Budget Committee is reasonable and that everyone is working together. She said checking in with the departments with calm reasonable discussions back-and-forth will reinforce that. It may have to happen more often in the beginning.

John Leavitt said that the request for encumbered funds should be accompanied with the document verifying the encumbrance. He feels the committee should ask for the documentation for the encumbered funds, it needs to be verified. The BOS should do that, but, if it comes before the committee it should be provided. Judy said that the Town Administrator had presented this to the BOS in the past. Martha M. said that maybe the BOS should be hearing the encumbered requests from the departments. Judy agreed. John L. went on to say that Warner has it backwards. Getting the BOS Budget, the whole budget, then in-turn it is presented to the Budget Committee is backwards. The committee should be meeting with the department heads and then submitting the budget that has been submitted to us and discussed with the BOS. Martha M. stated that the law says that the BOS present the budget to the committee. Martha B. said the committee is to prepare their own budget not just rubber stamp the BOS budget. Alfred stated that what John L. is trying to say is that there is no reason why we can't submit our own budget to the BOS. The Chair stated that last year he really thought that we were going to submit two budgets. Fortunately, the BOS acquiesced, and we were able to present one budget. Alfred said that he hoped that we can create more trust, more smoothness to the budget process.

Ed Mical, when you are discussing two budgets, isn't that what you are talking about when you are meeting with department heads. The Chair said from a presentation standpoint he thinks it would be difficult for us to prepare the budget and then give it to the BOS. Not impossible, but, difficult. Martha M. said that we are trying to make some changes this year, lets try those changes and if it doesn't work then we start from scratch and do it ourselves. John L. stated that we get the budget so late in the process. Then when we ask questions everyone gets upset and it becomes confrontational.

G. Conclusions

The Chair redirected the conversation and stated that there is a meeting on May 9th with the department heads then we will bring them back on July 18th. Martha M. clarified that for the May 9th meeting we want department heads and committee heads, to include Planning, Zoning Board, Conservation, Parks and Rec., etc. Judy said lots of times their budgets are created for them and that is not good. David stated that we should give these department heads an outline instead of just a verbal communication. Judy suggested that the committee use Varick's and/or the Police Dept.'s budget as an example of what the committee is looking for. Martha M. committed to follow-up.* The Chair stated that on May 9th we will review expenditures and what we will be requesting of them to bring forth in documentation. The July 18th meeting is a review of their budget for the first six months and we will be expecting them to bring documentation justifying where those expenses have occurred. We will ask if department heads feel the July 18th meeting is necessary or what they feel the framework for that meeting should be.

VIII. MISCELLANEOUS

Ed Mical made a statement welcoming the committee to the new fire station/Emergency Operation Center. He noted that all the furniture and televisions that are in the meeting room were purchased through an EMPG grant. During the budget process there were questions that the committee asked about how the EOC functions. Therefore, he would like to extend an invitation to an exercise on May 8th. The State is coming in to do a table top exercise with us, as it gets closer to the date all members of the committee will receive an email invitation. It will probably be a three-to-four hour event. The Chair invited committee members to accompany John for a tour of the fire station after tonight's meeting. There will be an open house of the station once the weather gets better.

Motion to adjourn was made and seconded the meeting was adjourned at 8:44 PM.

*Follow up Items:

Follow-up Item	Assigned	Due	Completed
Clarify fund \$dollar amount for accuracy in minutes dated January 31, 2019. The reserve amount in the Town Hall Improvement Capital Reserve Fund.	Chair	May 9, 2019	
Account for Minute Taker in Operating Budget	Judy R.		
Provide sample format spreadsheet or outline of expectations for department heads in order to prepare for May 9 th committee meeting. Similar to Transfer Station or the Police Dept.'s budget presentations.	Martha M.	Before May 9 th Committee meeting.	

Transcribed and Submitted by: Janice L. Loz