



Town of Warner

Budget Committee – Public Hearing

DRAFT - Meeting Minutes

February 2, 2023 7:00 PM

At 7:02 p.m., Chairman Michael Cutting called the meeting to order and took the roll.

1 – Roll Call

Mike Cutting (Chairman); Dave Minton, Christine Frost (Select Board Representative), Ray Martin, Robert Blake, Michelle Kendrick, Harold Blanchette, Richard Bixby (via Zoom)

In attendance: Judy Newman-Rogers (via Zoom), Janice Loz (Land Use Coordinator), Clyde Carson (Finance), Chief France (Fire), Chief Chandler (Police)

2 – Review of Minutes

January 19, 2023

It was moved by Robert Blake and seconded by Michelle Kendrick to approve the minutes of January 19, 2023, as circulated. The motion was approved unanimously.

3 – Warner Water Precinct Budget – Ray Martin

Ray said that the Water District is a separate political unit but the Budget Committee approves their budget. They will have their own district meeting on the 21st of March, which is one week after voting day at the Town. The meeting is at 7pm and all who live in the precinct are welcome to come and vote.

Ray explained that the Precinct is up 2.9% in their operating budget over last year. The total is \$508,607. This is due to an unanticipated cost that occurred in the last two weeks, where communications between the two tanks and the pump house on Cemetery Lane. There were copper lines there that were supposed to be replaced. This was not done and they have failed. They have had to use radios and maintenance for this will consist of replacing battery packs in the future. The radios use internet. This was an unexpected expense of \$29,000 and before this cost, he was looking at a decrease in the budget. There is no increase in the real estate tax

rate due to this increase. Ray said that the precinct is experiencing the same increases in things (electricity, chemicals, etc.) as the other departments. They also have someone out on Workman's Comp, and they have had trouble filling vacancies.

Ray pointed to his summary sheet and asked if there were questions. It was asked how long the radios would be used. Ray said for the foreseeable future. Communications between the pumps and the wells must be constant; they all work together.

General Government: This is up \$3,500. The budget includes having two full-time employees.

Salaries: This includes a 3% raise.

Healthcare benefits are paid 100% for the one person who is on the program. That went up \$1,400.

Sewer System

Salaries: This is an 11,000 increase due to the new employee.

Lab Expenses: This is down \$3,000.

Truck Maintenance: This has a \$1,000 increase. Their trucks are getting older but are mostly in good shape.

Chemicals: This is up \$2,500. All the prices for these have increased. They do not treat the water with these chemicals; this for treating and running the plant.

Electricity: This has increased \$3,500 even with the solar array. There is less sun during the winter months so the output from the array is less. Overall, the system is still breaking even.

Sludge: This has to be treated in Concord as they are not allowed to do so in Warner. The Town pays for a couple trailer-loads a month to be taken to Concord. They have increased the charge to do this, which is an increase of \$4,000.

Propane: This has increased by \$1,200.

In total, the Sewer Department is up by \$19,000.

Water System

Ray explained that the employee's expenses are paid 30% from the water precinct and 60% by sewer.

Electricity: the pumps use a lot of electricity but none of the electricity they produce with the array goes to the wells. They had a detailed energy study of the whole system two years ago and the company wanted the Town to change one heater, which would make them 100% reliant on the solar array. This was not done. This change would have made the Town the first in the State to use only solar to power their water system.

Budget Committee Minutes Draft February 2, 2023

Ray said they had a well problem which was fixed, but the cost was \$22,000. This work had been in the budget last year but thankfully the work ended up costing less. He was able to put some funding back but then ended up having to use more for the radios, which was an unanticipated cost. Some HARPA money was used on the well, which was helpful.

System Maintenance: This is down \$2,000. It is running very well right now and they are having very few breakdowns or repairs.

Loans: Most are long-term and the next one is the 2019 truck goes off in April of 2025. 3 wells for the generator is off in 2028. They will spend \$109,000 in principal and interest. This is the best way for them to do business and try to avoid large jumps in the taxes. There are no new bonds this year going in.

They received a grant of \$30,000 for pre-engineering report for the groundwater discharge study.

They also spent \$3,900 to buy a riding lawnmower to mow around the fences.

Revenue

The total budgeted revenues are \$580,700. A 3% increase in the meter rate will be put on the warrant. Every time they raise the rate a little bit, people seem to get conservative with water. They last increased the rates last year, and before that was in 2015.

Carbon credits can be sold on a market since they run clean.

There is income from when private or consumer hookups are made.

There is a cost but also a small amount of income from installing backflow valves.

The public hearing session of the Precinct was recessed until the February 7th hearing.

4 – Operating Budget

At 7:32pm the hearing was opened for the operating budget revenue and warrant articles.

Chair Cutting said the Operating Budget is up approximately 18.84%. The Capital Budget is down about 32% with a net budget increase about 9.8% approximately.

Mr. Blake was asked to do an analysis about the impact of this increase on the taxpayers.

Robert said the municipal tax effort is comprised of the Operating Budget, Warrant Articles, and the Revenue. The total needed to raise to run the Town is divided by the assessed properties in Town. In 2022 the municipal tax rate was \$9.29. This is about 1/3 of the total tax rate property owners are responsible for. Assessments were done several years ago so the set values are below the current market value. It has been a difficult environment considering inflation and energy costs, gas/diesel, and compensation/benefits increasing. The decreased Capital Budget off-sets the increase in the Operating Budget, as well as Revenues, which they predict to be up 5%. The anticipated increase will reflect about \$1.39/thousand for the municipal tax portion of

Budget Committee Minutes Draft February 2, 2023

property owners' tax bill. Robert added that a surplus in the budget from the previous year can also offset the tax rate, however he has heard that the surplus would be minimal this year.

Chair Cutting reminded those at the meeting that they are always conservative in predicting the revenues. He asked Michelle where the school budget stood over the previous year. Michelle said there would be a substantial increase, although she didn't have numbers to share. A few buildings need to be sprinkled. There were also health insurance increases to consider.

Chair Cutting said he would go through the budget, department by department. He welcomed questions.

Selectmen's Budget – no comments.

Elections – no comments.

Finance – no comments.

Tax Collector – no comments.

Treasurer/Deputy Treasurer – no comments.

Town Clerk – no comments.

Trustee of Trust Funds – no comments.

Assessing – Chair Cutting said there is a request of \$16,300 for tax maps. He said that there had been a lot of discussion on this in the past. It has been the consensus that it is a necessary project to do. The maps will not be digitized but will be updated and this will help clarify things and avoid lawyer fees. Martha Mical said the tax maps are digitized and on the internet, but they do need to be updated. The assessment cards are what Mr. Minton has wanted digitized. Janice Loz said the maps are just scanned and uploaded on the internet. They are out of date, however. There were no comments on changing the appropriation.

Legal – Chair Cutting said they try to budget what they feel is appropriate. There were no comments on the appropriation.

Benefits – Christine said the benefits went up over 11% and this figure is only a portion of the total benefits being paid by the Town. Chair Cutting agreed; some benefits show up in individual departments.

Land Use – Martha Mical asked what consisted of the 24% increase. Chair Cutting said the legal line for this line was going up from \$3,000 to \$5,000. Supplies increased to \$750. Christine said there was a grant the Planning Board and Select Board put in for \$12,000. It is in the expense line but if/when they get it, it will also show in the revenue line. This is to work on the housing chapter of the Master Plan.

Town Hall Expenses – Chair Cutting said electricity costs have increased. They will be looking for another company to service the fire alarms, etc., and anticipate a decrease in that line. There were no comments.

Budget Committee Minutes Draft February 2, 2023

Old Grade School – no comments.

Old Fire Station – This is the old station on Kearsarge Street. The “old-old” fire station has been sold and is not the responsibility of the Town any longer. There were no comments.

American Legion – no comments.

Cemeteries – no comments.

Property Liability Insurance – no comments.

Unemployment – no comments.

Workman’s Compensation Insurance – no comments.

Central NH Regional Planning Commission – no comments.

Police Department – Chief Chandler said they are still down one employee. He also indicated that they are anticipating a grant that will offset his budget requests. There was discussion about revenue coming in and how it can and cannot offset the tax rate.

Ambulance – no comments.

Fire Department – no comments.

Building Inspector – no comments.

Emergency Management – no comments.

Highway Department – Chair Cutting noted that the increases in this line, as is true with most others, is purely due to the increasing cost of materials and energy costs. Christine said a note on the budget under column “L” should be deleted. That funding noted was un-encumbered. People should know this. Some copies of the budget do not reflect this change.

Street Lighting – no comments.

Transfer Station – no comments.

Health Officer – no comments.

VNA – no comments.

Welfare Director – no comments.

Parks and Recreation – no comments.

Library – no comments.

Memorial Day – no comments.

Conservation Commission – no comments.

Debt Service – no comments

Chair Cutting said this is a total of \$4,369,741 which is an 18.84% increase over last year.

5 – Warrant Articles

1. To raise and appropriate \$4,369,741 for the Operating Budget
2. To raise and appropriate \$32,287 to be added to the established Property Revaluation fund.
3. To raise and appropriate \$20,000 to be added to the established Preservation of Records fund. This would be the last year for this kind of warrant article.
4. To raise and appropriate \$15,000 to be added to the established Police Department Capital Reserve Fund to replace a vehicle, pushed out from this year to next.

Mr. Leavitt asked if the current totals in the funds could be shown on the warrant article. Chair Cutting said that was possible and a good idea.

5. To raise and appropriate \$125,000 to be added to the established Bridge Repair Capital Reserve Fund. Tim Allen said this is to help with three bridge projects.
6. To raise and appropriate \$50,000 to be added to the established Highway Equipment Capital Reserve Fund. Tim Allen said this was to replace a six-wheeler which has already been ordered to replace the 2002 model.
7. To raise and appropriate \$50,000 to be added to the established Transfer Station Facility Capital Reserve Fund. There was discussion about the fact that there were no definite plans to move forward with any construction this year. This is a request to help raise funds for eventual work to be done. The Town still needs to approve a design and decide how and when to move forward. The actual project will not take place until at least 2025.
8. To raise and appropriate \$25,000 to be added to the established Transfer Station Equipment Capital Reserve Fund. This is to be able to purchase, with the additional funds from the trade-in of two skid steers, a front loader.
9. To raise and appropriate \$130,000 to be added to the established Fire Rescue Vehicle Capital Reserve Fund. Chief France said this is to be able to purchase a new rescue vehicle (Ford F550 chassis, likely).
10. To raise and appropriate \$23,000 to be added to the established Employee Expendable Health Trust Fund. This is to help employees with deductibles.

11. To establish a contingency fund of \$10,000 to come from the other side fund balance and lapsed at the end of the year to the General Fund. Chair Cutting said by State Statute they are limited to how much this contingency fund can be, and it is dependent upon the total budget.
12. To raise and appropriate \$36,800 to be added to the established Firefighter's Equipment Capital Reserve Fund.
13. To raise and appropriate \$30,000 to be added to the established Town Hall Improvement Capital Reserve Fund. This is going to be used for roof repairs or replacement of the Town Hall.
14. To dissolve the Old Fire Station Capital Reserve Fund and return the funds to the General Fund.

6 – Revenue

Chair Cutting said that they estimate conservatively for revenues. He referenced the spreadsheet and said that the Land Use Change Tax amount was \$6,422.88. This sum goes directly to the Conservation Commission as was decided would be the practice, years ago, by the Town.

The remaining revenue, conservatively estimated, is \$1,433,677.30, minus the above figure for Land Use Change tax.

Chair Cutting said that the next hearing would be on Tuesday, February 7th. The following evening, Wednesday, February 8th would be the meeting at which the Budget Committee would approve the budget and decide to recommend or not recommend the warrant articles at hand. This would be a public meeting on the 8th, but he would not be taking public comment.

Chair Cutting continued the public hearing at 8:50pm until 7:00pm on February 7, 2023.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of Warner