



Town of Warner

Budget Committee – Public Hearing

DRAFT - Meeting Minutes

September 28, 2023 7:00 PM

At 7:00 p.m., Chairman Michael Cutting opened the meeting. He then took the roll.

1 – Roll Call

Mike Cutting (Chair), Ray Martin (Water District) Michelle Kendrick, Richard Bixby, Harold Blanchette, Harry Seidel (Selectman’s Office), Robert Blake

In attendance: Ed and Martha Mical, Alfred Hansen, James Sherman

Chair Cutting said they would review minutes, meet applicants who are interested in joining the Budget Committee, and the schedule for 2023/24 Budget Committee meetings.

2 – Review of Minutes of May 4, 2023

It was moved by Michelle Kendrick and seconded by Harold Blanchette to approve the minutes of May 4, 2023 as circulated. A roll-call vote was taken. The motion passed 7-0.

3 – Budget Committee Meeting of Prospective New Members

James Sherman was asked to provide some information about himself and what he felt he could bring to the Committee.

James said he lives on Newmarket Road and moved to Warner 13 years ago to retire to a non-hercetic environment. He is a retired CPA and has done a lot of financial work, and has also worked as a lender. James was also president of several associations, and has traveled all over the world. He said that he always hears people say “don’t raise the taxes.” He would like to learn more about the needs of the town and feels that there is a lot that needs to be done. He feels his experience would be helpful to the Town.

Harry Seidel said that Warner has high taxes because they don’t have a lake or a mountain resort in their town. He added that Warner has to pay much more than other towns when it

comes to the school taxes. James said he has looked into this and feels it is because there are more students from Warner that are getting more 1:1 help at the schools. Harry thought there are other factors involved.

James thought the Town needed to better position itself to attract businesses. He felt it also needed to work on its position in the marketplace. He said he is the treasurer for the Concord Rail Trail Commission and feels the Town could do a better job selling the community.

Ray Martin said Warner pays much lower per student than New London, but with the 60/40 split, New London pays \$25,000 per student and Warner plays about \$60,000 per student. He agreed that it was important to try and get business into the Town. Warner needs to be seen as a place that wants business.

Michelle Kendrick asked why, of all the other committees in Warner, did he choose the Budget Committee. James said it was because of his background in finance.

Richard asked what James thought should be updated first in the Town. James said the workers at the transfer station were very nice. He felt the whole flow of traffic and method of throwing out the trash and recycling is antiquated. It would be costly, but needs to be done.

Robert thanked James for his interest in the Budget Committee. He opined that last year was a challenging budgeting year and saw the budget raised by 18.8%. Robert didn't have any additional questions for James but was glad that he had some interest in the Committee.

The next interested individual was Alfred Hansen.

Alfred said he served on the Budget Committee in the past, for 12 years. He respects the responsibility of the board, which does two things: create capital to operate the town to provide services to the taxpayers, and to maintain a responsibility to the taxpayers of the Town.

Alfred said he understands the Town has to create a budget each year to provide what the town needs, not wants. That is the most responsible thing they can do. He said there has been a lot of talk that evening that is outside the committee's interest. They have an economic development committee now; his question is "where is it?" He asked if the school board had been to the Budget Committee that year or in recent years? Chair Cutting said they used to come but that is not the responsibility of the Budget Committee to hear their reports. Alfred said he wasn't an investment guy, but feels the point of the committee is to create the capital to provide the needs of the town to the people.

Harry commented on the Economic Development Committee topic Alfred mentioned. He said the committee does do work but they don't have a very robust structure. He thought they did have minutes available. Janice wasn't sure if they did have minutes of their meetings. She would look. Harry said there are needs of the departments and there are taxpayer burdens. In terms of that, he wondered if that was a balance that comes easy for Alfred; how would the tough questions be reconciled? Alfred thought there were things in the budgets that are hard to control. One of those things is the insurance. They need to separate the needs and the wants and only address the needs.

Ray Martin said the budget is a moving target. They were successful in keeping it flat for 3-4 years, but this helped to create the large 18% increase last year; things caught up to them. He

anticipated the budget to even out a bit. He said that budgets have to go up a little every year to take care of things like healthcare and their biggest asset, which is their employees. He asked if Alfred's goal was to keep the tax rate as flat as possible? Alfred said the needs of the town will include increases in the budget. He wasn't just intent upon keeping the tax rate flat. He does three budgets each year for his own business. He has figured out what the wants and needs are.

Bill asked why Alfred wants to come back to serve. Alfred said he previously thought that he had done enough after serving 12 years. He believes that the board is responsible and Chair Cutting would always emphasize the responsibility the board has. He would love to contribute again, using the knowledge he has of the town.

Robert thanked Alfred for his interest and his past service. He asked if Alfred had any thoughts on businesses in town that would generate additional dollars. Alfred said the only way to create revenue is to bring in business. There are people in the town who want it, and there are some that do not. He said progress cannot be stopped. In order to survive, the Town has to adjust.

Chair Cutting said that a critical part of budgeting is the wants vs. the needs. This is something he has quoted Alfred on many times in the past.

Janice asked James if he was willing to say no and to cut things that need to be cut to make the hard decisions? James said he was. His background has shown him that those are the decisions that need to be made to be successful. As a CPA he feels he had to say no more than he wanted to. There has to be a balance and a reason for making a cut; where will the resources be used instead and do you have to cut it out completely?

Alfred answered the same question from Janice. He said he wasn't afraid to make cuts if needed. They have to be prepared to explain the cut so everyone will understand. Chair Cutting said when cuts are made, they need to be prepared to explain the short and long-term impacts of those cuts.

Alfred said something important is to see what the department heads are planning for the future. That helps them understand the needs and where they are in completing their tasks.

Robert said the department heads should be involved in the problem solving when cuts have to be made. They know more about their department than the Committee does.

Chair Cutting thanked both individuals for coming to the meeting to meet the Committee. He said the open position will be only until March when Town Meeting would determine who would carry out the remainder of the term. There is only one open position.

Paper ballots were submitted from each Committee member to determine who would get the vacant spot. The person who received the majority of the votes was James Sherman.

Chair Cutting thanked Alfred for his interest in the Committee. Alfred said he felt there was something that bothered him outside the Budget Committee. There seems to be a lot of talk about investing and finances, which is not the job of that board. He also said he has a problem with a lot of his hard-earned money that is sitting in funds with the Town. He is not an investor and would be angry if those funds were lost. Chair Cutting said Alfred was correct that the investing isn't the job of the Budget Committee. Robert Blake, who is on the Finance

Committee, said Warner has about 2 million dollars in the Capital Reserve Funds. The money is invested in NH Public Investment Pool which is an extremely low risk fund created especially for municipalities to have access to a highly liquid saved investment option with market-rate returns. The funds they are investing are safe. Interest rates a few years ago were zero, and now they are at 5%, but may go back down to zero again later. Today, most towns are investing their money. They have a very conservative portfolio. Chair Cutting opined that the Town would be irresponsible if they did NOT invest their money. Robert said that the money they received for the highway bond has been invested and is forecasted to earn \$40,000 when the term ends. He said this helps offset the interest on the bond and costs of inflation.

4 – Budget Committee Meeting Schedule

Chair Cutting said the next meeting is scheduled for October 19th. At the November 16th meeting, he hoped the CIP would be presented to the Budget Committee. The CIP is not helpful to get in January because by then, there is no time to talk to the departments.

With no other business to discuss, Chair Cutting called for a motion to adjourn the meeting.

It was moved by Ray Martin and seconded by Michelle Kendrick to adjourn the meeting. The motion was approved unanimously.

The meeting adjourned at 8:20pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of Warner