



**Town of Warner**

**Budget Committee – Public Hearing**

**DRAFT - Meeting Minutes**

**October 19, 2023 7:00 PM**

At 7:06 p.m., Chairman Michael Cutting opened the meeting. He then took the roll.

**1 – Roll Call**

Mike Cutting (Chair), Richard Bixby, Harold Blanchette, James Sherman, Harry Seidel (Selectman’s Office), Robert Blake

Absent: Ray Martin (Water District), Michelle Kendrick

In attendance: Ed and Martha Mical

Chair Cutting said they would review minutes, review YTD expenses, and review the MS-434. There was discussion about the school’s tax information; it had not been submitted to the towns yet. Harry was not sure when it would be ready, but would check with the school; it was a serious issue because the Town needs to set their tax rate in October.

**2 – Review of Minutes of September 28, 2023**

**It was moved by Robert Blake and seconded by Harold Blanchette to approve the minutes of September 28, 2023 as amended.**

The figure of “\$60,000” with regards to the precinct was changed to “a range of \$13,000 - \$16,000.”

At the end of page 3, Robert should be listed as a Trustee of the Trust Funds, not a member of the Finance Committee.

**The motion was approved unanimously.**

**3 – Review of YTD Expenses**

Chair Cutting suggested going line by line, starting from the top.

Board of Selectmen: \$195,000 is the budget, they have spent \$148,000.

Chair Cutting said when budgeting they were told there would be substantial savings for the telephone line, and so the line was reduced. It has been overspent. Harry said the budget sheet provided by Clyde shows a comparison of year-to-year expenditures. The Selectmen estimated a greater savings than realized thus far. There IS a savings, but not as much as anticipated. \* Recording stopped here and second recording began – did I miss anything? \*

Chair Cutting said that Clyde will need to have his books ready to show the auditor. Harry felt that this could be done easier this year, perhaps due to the new software system. Robert said the figures from April/May would be good to start with.

Treasurer – No comments.

Tax Collector – Computer expenses are up by almost \$2,000. Harry said an inquiry would be made as to why.

Trustee of Trust Funds – Nothing has been spent yet. Robert Blake said he is volunteering his services and does not wish to be paid. They are outsourcing the MS-9 and MS-10 to Bar Harbor Bank, which is \$1,000. Bar Harbor will maintain the ledger and Robert said it was helpful to have someone else, specialized in this work, handle the MS-9 and MS-10.

Assessing - \$1,000 was budgeted for Utilities and over \$7,000 has been spent. Harry said this was a budgeting error. The Selectmen signed a contract for \$7,000 but they didn't budget for this amount. Martha said it is the assessing of the utility, and they contract with Sam Soucy.

Robert said the Outside Services line is also over by about \$5,800 and the tax map project has only spent \$3,260 of the budgeted \$16,300. Martha said she didn't know if the tax map project was progressing as quickly as they had thought it would. She added that, as planned, this would definitely be a multi-year project. Chair Cutting said the Selectmen may need to determine how these funds can be encumbered if the project will be carried out over multiple years.

It was expressed by many, including Harry, that the Town's assessing system is obsolete and should be updated. Harry noted that Warner is one of only two towns in the State using the system they have in place. He explained that the other two systems are Avitar and Vision. Both are expensive and it is best to make the switch during the same year they do the town's evaluation. This is a serious issue and it is consuming assessing time that the Town has to pay for. Harry said that this is a controversial subject in Warner; some people do not want the upgraded mapping and system. Some people don't want the more exact and personal information about their property available to the public.

It was noted that the Outside Services line is over because it is for wages for David Mazarov. (We should note what David's role is – assessor? Was not stated at the meeting.)

Martha said the Town should have been putting money away each year for the revaluation. They have not done this for the past three years. In 2024 they will need \$120,000 - \$160,000 to do the revaluation. Robert said he would send an email with the current dollar value of the trust fund, which may help defray this cost a bit.

Legal – this line was budgeted for \$12,000 and \$17,000 has been spent. Harry said the Town needs to help the Zoning Board from having to deal with problems with building setbacks and building permits that aren't done correctly. They don't currently require a survey for building permits, which has caused numerous problems in the past and creating court cases. This is very expensive for the Town and for its citizens. The building permit process needs to be updated and Harry said he is working on doing this. He added that in comparison to other neighboring towns, Warner doesn't charge enough for their permits, leaving them with no money to hire a building inspector that can be asked to do more.

Ed Mical said that the Zoning Board has their own legal line, which is where these kinds of legal issues should go. Chair Cutting agreed and said this legal line is for general legal expenses. James asked if \$12,000 was a reasonable amount. Robert said that they had a problem determining the correct amount for this line last year, and they actually did increase it. It apparently wasn't enough.

Budgets – Robert said the social security number was low last year and he thinks the line will go over; they are at 82% versus the wage line which is running about 75%.

Martha asked what LTD Insurance was. It was noted it was Long Term Disability Insurance. Chair Cutting said the Selectmen agreed to provide 100% coverage for Long Term Disability for the Town's employees, although the Budget Committee was not informed of this. It was noted that \$0 went into the line.

Land Use – Robert said the clerk wages are more than the full-year's budget. Harry said they need to budget more for this position. An assistant may be needed, as more hours are being worked for the one position that is budgeted for.

Chair Cutting asked about grants. Were grants received? Harry said he didn't know what grants were referenced in the budget, for which \$12,000 was noted. Ed Mical thought this was for the housing grant; the Planning Board is doing a master plan re-write in the housing chapter. It was determined that this was what the \$12,000 was for. There was discussion about the cost for meeting minutes and where the costs for outsourcing this task were put.

Town Hall/Government Buildings – It was asked if there were outstanding invoices for alarms. Harry said they recently had inspections and the invoices have not come in yet.

Chair Cutting asked where the Town was with the sprinkler system in the Town Hall. Harry said the mechanics of the sprinkler system has not been tested yet.

Old Graded School – Harry said there is a long list of things they need to comply with for the building. They have a Fire Marshall's report that revealed there were deficiencies; it is a building that has been ignored for too long. They have worked through the issues with Tim Allan (Public Works Director), and found that many issues are not that

expensive to fix. Harry said the Selectmen have made a list of the “low-hanging fruit” to check some things off of the list of deficiencies. He added that the stairwells need attention, which would be costly (maybe a CIP item), but there is an alternative plan that could be more economical.

Harry said the old school building is a beautiful, strong, old building with good bones, and was designed by the same architect that designed the Town Hall building. Inside, the building needs a “fit-up” which would cost \$80,000 or more to do. The Town needs to be shown what the value of the building is, what they could do, and decide if they want to do it. They could sell the building, but the services provide critical needs to the community. There is daycare, CAP, and a food pantry using the space. Harry offered that grant money is available for this kind of work.

Harry said he has gone to a couple contractors he knows to get some real pricing to put together a CIP. This will help everyone decide how to approach this question of whether to fix the building or sell it. Chair Cutting reminded everyone that CIPs are designed as a long-term savings program to make a large purchase (i.e., a fire truck). If they are going to put money aside for immediate repairs, his feeling is they put the day-to-day operational expenses in the budget, and take all the additional expenses for repairs, and put it into a warrant article. The townspeople can then vote to support the building and its programs or not. Chair Cutting thanked Harry for doing the work to get good estimates for the repairs that need to be done. He noted that if the townspeople vote not to support the building, the programs will go away, but they will reappear in the welfare line that the Town is mandated to support.

Harry said there are human, community and economic needs that dovetail together within the building. It will ultimately be a decision that the townspeople will have to make. Robert stressed that hard numbers for the projects within the building are important. The public needs an accurate perception of the cost and what will be done with the money. Harry agreed, and said that along with the “fit-up,” the heating system needs to be addressed, as well as an elevator. He thought there were grants available to do this kind of work.

American Legion – Chair Cutting said they need to get in touch with someone at the American Legion to make sure the invoices get sent in a timely manner. Harry said he would make a connection.

Cemeteries and Monuments – Harry said the cemeteries have done or anticipate a lot of tree work this year to prevent limbs from falling and damaging monuments. This is not something that has to be done every year. This work accounts for the increase in the budget.

Insurance – no comments.

Police Department – Robert said it looks like the wages are favorable and are less than 75% of the year. Harry said that the Chief came to the Selectmen about replacing the cruiser with a Chevy Tahoe.

Ambulance – Harry said he would contact the ambulance service to ask them to send the invoice to the Town. There has been a history of late invoices from this vendor.

AED – Harry said this was a grant opportunity that Diane found. It was not a budgeted item. It wasn't determined if the grant had actually come in. Chair Cutting asked if Harry could check with Clyde Carson about this.

Fire Department - Chair Cutting said although they've heard that the Fire Department keeps having increases in calls, they have only spent about 43% of their budget and their wages aren't high either. Harry said he checked with Chief France who informed him the Department is 60 calls ahead of last year. 75% of the calls are emergency medical calls so are not fires. It was noted that firefighters are paid quarterly, so that may be why the wages line looks low.

Building Inspection – No comments.

Emergency Management – Ed Mical confirmed that there is another functional exercise planned for this year. He hopefully will be putting in the grant information the following day for the computers, laptops, and the Owl equipment. He will have an invoice to be able to encumber the funds into 2024 if the grant does not come in in 2023.

Ed said the paperwork has been submitted for a 2022 grant that will reimburse \$22,000 for the aquifer. Chair Cutting the monies that come in would go into the general fund.

Highway Department – Tim had relayed to James that some lines have been shown to be overspent, but the monies haven't been coded to the right lines because of the Parks and Rec expenses (mileage and overtime).

Robert said the Long Term Lease \$42,750 has \$0 spent to date. That will still come due. The other variances are gas and diesel prices. It was noted that there was a 60-day lag time with the invoices for fuel, so some invoices may still need to come in.

Overtime is over by \$4,000 which is a result of the June 16<sup>th</sup> storm. Ed Mical said the Emergency Management office was open during this storm for the first time, and was so for 6 hours, helping to organize the work being done in the town.

Chair Cutting said Tim told him they are complete on paving.

Mileage is up considerably (300%) because Joe [redacted] had to get his CDL license and drive to Newport every day for 15 days. Mileage is also being added here from Parks and Rec. That department no longer has their own mileage line, so their mileage is now added in the highway department's budget.

Transfer Station – Robert said he knows they increased the budget last year for transportation, wheelabrator and tipping fees, and opined that the budget looks good right now unless there are more bills to come.

Martha said the mileage line is budgeted with \$0. She thought it needed \$1 in it so that funding can be taken out of the line later. There were several lines like this. Chair Cutting and Robert Blake agreed that this was true and would make adjustments as needed.

Parks and Rec – Harry said last winter was a challenge with little to no ice. They tried to have ice at the rink and had to get a new liner. That is what the expenditure consisted of.

Welfare – Robert said they increased the budget for this and are already overspent with ¼ of the year still to go.

Conservation Commission – no comments

Library – Robert asked if the librarian is paid through the Town's payroll? Chair Cutting said that Harry needs to charge that librarian wage total back to the library; it is part of the Town's allotment they give to the library. It shouldn't appear in the Town's operating budget.

Debt Service – Robert said some of the debt service items are listed as when their quarterly payments are due. Jim asked why they were way over budget at this time of year for Highway Construction? It doesn't look good and it isn't difficult to figure out. Robert said they should come out right by the end of the year. Harry suggested that Jim go in to talk with Clyde about this. Jim said he would and agreed to report back to the Budget Committee on his findings.

Harry asked if the Budget Committee had any suggestions for how they can reduce the budget. He wasn't concerned with the smaller line items. Robert said this year is a different year than the last; increases in compensation will be a big driver. Insurance quotes are coming in quite a bit higher as well.

Chair Cutting said they say that the employees are the Town's biggest asset but they don't establish a wage policy until after everything else is done, and then ask "what can they afford?" The employees should be considered in the front end and not in the back end, in his opinion. Last year they gave the employees 100% paid health insurance, 100% paid dental, and 100% paid long-term disability. He felt this was generous. They need to decide what they will give to the employees this year, like COLA, for instance. If they budget the Operating Budget appropriately, they are going to have to reduce the tactical budget. This is a risky business because it is "kicking the can down the road" and projects become more expensive as time passes.

Jim opined that Warner doesn't pay very high salaries; are they at risk of losing anyone? He is especially concerned with the people at the Transfer Station. Richard said the salaries Warner offers are in the median.

Chair Cutting asked Harry if the Budget Committee would have the CIP for the next Budget Committee meeting on November 19<sup>th</sup>. Harry said he hoped it would be ready by then.

Ed Mical said the Planning Board approves the CIP, as it is their function. Harry said the CIPs were mostly done, to his knowledge. He was concerned about the Planning Board, as they are not meeting very much. Meetings have been canceled quite often lately and he didn't feel that the Board was committed to planning. Chair Cutting said that someone from the Planning Board is supposed to present the CIP to the Budget Committee on November 19<sup>th</sup>. He offered that getting the CIP in January is not helpful to the Budget

Committee; getting it in November gives them an opportunity to meet with department heads and discuss their budgets and their long-range plans.

Chair Cutting went through the upcoming meetings dates and gave Harry the dates that he would need each of the budgets by. Harry said he was confident that the budgets would be ready, but he wasn't positive about the CIPs.

It was noted by Chair Cutting that by December 7<sup>th</sup> the Budget Committee would receive the full and total budget with which to work with and discuss on December 14<sup>th</sup>. In past years, budgets have been sent in piecemeal, which made it confusing at times, and hard to see the big picture.

**4 – Review of the MS-434**

Robert said the 2023 estimate for revenue was \$1,433,677 and the updated estimate that was filed was \$1,456,233. The updated revision of the estimated revenue is \$22,556 higher, which is a relief.

Chair Cutting asked Harry if he could speak with Clyde to get a breakdown of the "other" line and the "miscellaneous revenue from departments" line entailed.

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

**It was moved by Richard Bixby and seconded by Jim Sherman to adjourn the meeting. The motion was approved unanimously.**

The meeting adjourned at 10:04pm.

Respectfully submitted,

Kristy Heath, Recording Secretary  
Town of Warner