



Warner Municipal Budget Committee

Meeting Minutes
Tuesday, January 9, 2018

APPROVED

Vice Chair Martha Mical opened the meeting at 7:00 pm.

Committee members in attendance:

- ◆ Martha Bodnarik
- ◆ Kimberley Edelmann - Selectmen's Rep
- ◆ Alfred Hanson
- ◆ Jonathan Lord
- ◆ David Minton
- ◆ Martha Mical - Vice Chair

Excused:

- ◆ Mike Cutting - Chair
- ◆ Pete Newman - Water Precinct representative

Also present: Jim Bingham - Town Administrator, Bill Chandler - Police Chief, Marianne Howlett - Tax Collector, Ed Mical - Emergency Mngt, Judy Newman Rogers - Town Clerk, Ed Ordway, Varick Proper - Transfer Station

1. Minutes

The meeting minutes of December 7, 2017 were approved without modification. Motion by Alfred, seconded by Jonathan.

The meeting minutes of December 14, 2017 were also approved without modification. Motion by David, seconded by Jonathan.

2. Solar Array Payments

Jim noted that the bond payment still needs to be finalized.

The first electric bill for the Transfer Station has been received. The Transfer Station meter was shown to have used no electricity. The bill was for December \$60. Bills are broken down by delivery services and supplier services. Generation of power seems to affect the supplier costs, but not the delivery services. In December, the bill was primarily delivery services. However, that was the first bill since the array went online and carries over from mid November to mid December. Reviewing prior bills, the delivery services fee ranged from \$197 to \$272 per month. Therefore, Jim did not recommend changing the Electricity line on the Transfer Station budget until additional bills came in. The next bill was expected to arrive within a month.

Martha Bodnarik asked for clarification about how the revenue from Eversource would be used. Jim said invoices from Eversource will arrive for each facility as usual for electricity used. On a quarterly basis, Warner will receive a revenue check from Eversource for power generated by the Solar Array. The revenue should be enough to cover the

bond. Left over revenue may be used to pay the bills.

Martha B. suggested keeping the Electric lines in the operating budget static for 2018, reassessing after a year's worth of activity with the Solar Array, electric bills, and costs. She also recommended keeping a log of all costs and revenue related to electricity. Jim agreed that was a sound approach.

Martha M. asked how much has to be paid on the bond each month. Jim noted payment schedule was not based on the actual amount. The original was based on the full amount of \$273,000. However, the actual will be about \$248,000, so a new schedule will be put in place. With the \$273,000 amount, the annual payment was \$20,521 with interest of \$3,479.

Jonathan asked if the grant needed to be used in full before rebate money could be received. Jim said the grant was still open. Clyde wanted to keep it open until Spring to put up an educational kiosk and do some landscaping. Jim said the rebate comes from PUC as a separate entity. Jim said there was a question about whether the grant money should be used for educational purposes or used to pay off some of the actual costs. Jim said the value of the kiosk and landscaping should be taken into account. Jim noted that Clyde was much closer to the details.

Ed Mical asked if there were any stipulations in the grant for the educational aspects; sometimes grants include that. Jim did not recall; the original grant was put together in 2015.

3. Investigation of WFFF Payment for Police Services

Jim said the "Agenda" posted on the wall was not an agenda. It was more like minutes with a lot of verbiage. He also noted that the Bookkeeper was never contacted regarding the question; she first heard about it via the posting. The agenda also named employees, specifying what they may or may not have done. He said that management issues should be forwarded to and handled by management, not posted on the window.

Jim questions the wording in the Agenda – "**Investigation**"- and inquired who had authorized such investigation. Jim referenced that the posting of this type of "Agenda" would result in a hostile work environment whereupon a comment was made "we already have one" and Alfred Hanson challenged Jim "don't threaten us".

Martha M said the agenda was sent to her by Mike Cutting to be posted. It was aimed towards getting answers to questions. Discussion followed, debating about the agenda. Alfred noted that when the Budget Committee has questions, they need to be able to get answers.

Chief Chandler clarified that all of the time sheets for all of the police officers who worked at the WFFF were submitted by 9 am on October 10th; turned in on time as done after every festival. After that, the work was administrative. Martha M thanked him for that information.

4. New Pickup Truck at Highway Department

Martha read the action item shown in the minutes of the December 14 Budget Committee meeting: *"Alfred wants to know what type of vehicle was recently purchased for the Public Works Department."*

Kimberley asked Alfred what he had learned in his chat outside with Tim after the most recent Budget Committee meeting.

Alfred said he had expressed to Tim his concerns about the vehicle. The new vehicle would not meet the same scope as the current vehicle. The scope of work / intended use was his point of contention. Most specifically, he noted that the new vehicle would not be used for sanding as the current vehicle had been. The sander in the current truck would not fit in the new vehicle.

Jim said he understood that the sander could be used in another truck.

The new truck would be used for plowing. Additionally, it would give Tim more flexibility to deliver equipment or materials. Once a sander is installed in the bed, it's permanently installed; the bed of the truck is no longer available for use. While the new vehicle would not be sanding, it's scope of work was expanded in other directions.

Kimberley and Alfred talked about the scope of the new vehicle. Alfred said Tim told him that one of his concerns was the ability to deliver a replacement tire to a vehicle in the field. Alfred told Tim he didn't think that was likely to happen often enough to justify the new scope. Kimberley believed Tim was looking for a vehicle more suitable to supervisor work.

The current vehicle was a 2006 Ford F550. The new vehicle was a GMC 2500 2.6 Diesel Double Cab. It was about 600 pounds lighter than the F550. The quote for the vehicle last year was around \$41,000. The new Ford F550 was purchased for \$43,680 (*need to confirm this; was hard to hear*) with a plow.

5. Vehicle Registration Fees

The NH State Legislature was looking to increase the amount of money Towns could optionally add to registration fees, increasing it from \$5 to \$10. Was the Town currently adding \$5, money to be used for highway improvements? Judy noted that Warner did not add that fee. To do so, it would need to be approved at Town Meeting.

Martha B asked Judy what the impact would be if approved? How many vehicles were registered? Judy noted it would be based on transactions and estimated that to be about 3,500 transactions. Judy added that because Warner did not have the additional fee, she was not in a position to answer other questions about it.

Judy talked about how Bob O'Connor had once suggested something similar, but it never got past the Board of Selectmen. Kimberley added that the current Board of Selectmen had not even discussed it.

6. Final Operating Budget

The committee reviewed the final budget from the Board of Selectmen. The only difference between it and the previous version was \$1 added to the Legal Fees line for the Conservation Commission, as a placeholder. The final budget came in at **\$3,153,115**, an increase of \$82,631 or 2.69%. Jim highlighted the following major changes:

Department	Line Item	Increase
Assessing - Salary	Salary	\$5,727
	Outside services	\$6,000
Highway / Public Works	Paving	\$10,000
	Salt	\$22,600
	Winter sand	\$12,999
Land Use	Legal expense	\$19,300
Solar Array	Principal	\$20,521
	Interest	\$3,479
	Total	\$100,626

Jim explained that in Highway, in 2017 there was plenty of winter sand so only \$1 was budgeted. Salt was low in the previous year and was being brought back up again.

Discussion about the Assessing budget followed. The Board of Selectmen wanted to have the new assessing clerk overlap with the current one by 60 to 90 days for training purposes. The salary line reflects that. The outside services were increased as the services of David Marazoff of M&N Assessing were likely to be needed more often during the year. Martha noted that the contract with M&N was for up to \$24,000. Jim noted that was the maximum

set in the contract and would cover a worse case scenario of not having a replacement for Martha.

Martha B asked about the Hopkinton Land Fill line of the budget. Last year it was \$26,000. For 2018, it was \$20,000 less at \$6,000. This would cover monitoring services.

Jonathan asked about Solar Array, referencing the minutes of the Selectboard meeting of December 18, shown here:

"E. Jim said the issue is the town had a warrant article at Town Meeting that presented a total cost, the amount to be borrowed was presented and the rebate was presented, but nothing was said about the Rural Development Grant because it wasn't counted on, but it was known it was being applied for. Now there is an additional \$43,000 which changes the view of the project. The key is, the town does not need to borrow the entire \$273,000, it looks more like \$248,000. The grant money received is unanticipated funds."

He asked if any of the grant had been spent yet. Jim said it was being used, covering additional costs, clerks of the works, permitting and other unanticipated fees. There was discussion about how to best use the grant. Jonathan asked if the grant could be used to pay down the principal. Martha Mical wondered the same thing. Jim said it could be used to cover the costs of construction, allowing the amount to borrow to be less.

Alfred asked if the approach being used to hire and train a new Assessing Clerk was also being used for the Selectmen's Secretary position and why the budget did not reflect that. Kimberley answered, stating that she had stepped into the role until a new Secretary was hired. Mary trained Kimberley before she left and Kimberley will train the new hire. Kimberley was volunteering her time. Martha M noted that Mary was already gone, so there was no opportunity to have overlap. Kimberley added that Martha's role was very unique and needed a lot of cross training.

Jim pointed out that secretarial experience was being sought in the new hire, but that the position is unique in that it is governmental work. Training about working in municipal government would be provided.

Martha M added that the Board of Selectmen received lots of notice that she would be leaving in June. That was not the case with the Secretary. Kimberley said immediate focus was on hiring a new Selectmen's Secretary; the Assessing Clerk position would be posted in the near future.

Alfred asked how Highway Department budget, line 218, Outside Professional Services was used. Jim said it was for engineering services related to projects. For example, flow analysis of culverts.

Judy asked about the M&N Assessing contract. Martha M said it was for up to \$24,000. That would cover having Dave at the Town Hall more frequently than currently done. Jim added that Martha's skill set goes beyond most as she does much of the assessing work. Martha cited examples of the paperwork she processes. She also said that laws have changed since she started. For example, Current Use Penalties must now be filed by a licensed assessor. She does the paperwork (since she's done it for 20 years), Dave reviews and approves it. A new person will be unlikely to do the Current Use Penalties paperwork at first, meaning that Dave will have to do it.

Alfred asked how much had been spent in assessing services over the past year. Martha M pointed him to the sheet that showed it.

Martha M. said the last revaluation of the Town cost around \$140,000 or \$150,000. The next reval must be completed in 2020, but should begin in May 2019. Martha M noted that she usually put in extra hours during revals to the tune of about \$15,000. Martha said the new person will have to put the numbers that are produced in her computer into the Tax Collector's computer. Martha said the process is double entry at this point in time.

7. Capital Budget

Jim explained the latest updates.

The Board of Selectmen are very concerned about the lack of a sprinkler system at the HW / DWP facility. Therefore, they recommend fully funding the sprinkler project in 2018 so that it could be installed in 2018.

Alfred asked what the Contingency Fund had been used for in 2017. Jim noted it had not been used. The spreadsheet showed a \$0 balance as of Dec 31, '17 as the unused funds lapsed back into the General Fund.

Alfred asked about the Special Fund - Employee Health Insurance Expendable Trust. Martha M noted that the fund originally had \$15,000. In 2017, \$7,000 was added. The balance at the end of 2017 was \$5,984. An additional \$4,000 was being requested to replenish it. Jim noted that helping employees with out of pocket medical costs was part of the benefits. Martha B said it was like car insurance. Instead of taking the \$100 deductible, you take the \$500 deductible, but you don't have an accident, so the insurance decreases. Judy noted it was only a benefit if you have to file a claim; it was not like a health savings account.

Ed Mical brought focus back to the HW sprinkler system. He wondered if a new alarm system would be included as part of the upgrade. The existing alarm system would not work with sprinklers. Jim noted Ed's comments.

Alfred asked if the Pumpkin Hill Road project would be done in 2018. The answer was no. Schoodac Road would be finished. They would also work to bring in a water main into the Town Hall for the future sprinkler system. Martha B asked why that work was not being done by the Warner Village Water District. Alfred said they go to the property line and that's it. Jim said due to the flow rate required by the sprinkler, it made sense to replace some of the oldest pipes in the village. A new hydrant would be installed as well and lines to the Martin Building and the Masonic Temple would be improved. The Highway Department will work in collaboration with the Water District to do that.

The sprinkler for the Town Hall would be a 2019 project. Funding for that would be requested at the 2019 Town Meeting.

The \$111,000 from the State surplus went into paving, as required. Varick said some was used for gravel. He also believed there was a drainage project undertaken.

8. Warrant Articles

Martha read each warrant article proposed for the Saturday March 17 Town Meeting.

Capital Reserve Fund / Area of Funding	Amount	Raised via New Taxes
Fire Station Construction	\$2,800,000	\$10,000
Operating Budget	\$3,153,115	\$3,153,115
Property Revaluation Capital Reserve Fund	\$20,000	\$20,000
Employees Expendable Health Trust Fund	\$4,000	\$4,000
Contingency Fund	\$10,000	\$0
Police Dept Vehicle CRF	\$25,000	\$25,000
Discontinue Odd Fellows, Exit 9, Radios CRFs	-\$22,002	-\$22,002
Fire & Rescue Vehicle CRF	\$50,000	\$50,000
Fire Equipment CRF	\$5,000	\$5,000
Highway Road Construction CRF	\$190,000	\$190,000
Highway Equipment CRF	\$90,000	\$90,000
Bridge Repair / Replacement CRF	\$20,000	\$20,000
DPW Facilities Improvement CRF	\$160,000	\$110,000
CRF for Preservation of Town Records	\$15,000	\$15,000
Library Building CRF	\$4,000	\$4,000
Totals	\$6,524,113	\$3,674,113

8.1 The Fire Station

"To see if the town will vote to raise and appropriate the sum of \$2,800,000 (Two Million Eight Hundred Thousand Dollars) to construct a fire station on town land and further, to authorize the issuance of not more than \$2,800,000 (Two Million Eight Hundred Thousand Dollars) of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon; further, to raise and appropriate the sum not to exceed \$10,000 (Ten Thousand Dollars) through taxation for the first year's bond payment."

Martha noted that some members of the Budget Committee didn't like seeing the draft warrant articles with "Recommended by the Budget Committee" when they had not even discussed yet.

Alfred said he would like to see the actual vote count of the Budget Committee reflected in the final warrant articles. Kimberley agreed.

Jim noted that the numbers were still placeholders. Numbers would be known in coming weeks. Kimberley added that bidding was opening that week. The final architectural set had been given to North Branch on January 3.

Alfred asked what the financing would include. Kimberley said it would be a building ready for use. Fees from North Branch were included. Jim added that the architect fees are also included. Alfred would like to see the financial information itemized. Kimberley said that was her intent for Town Meeting. Martha B noted that the article did not state that the building would be completed after that funding.

Jim said the intention is to come up with a final bid price that is LOWER than the placeholder number. It would include soft costs such as permitting, architect oversight, furniture, materials, etc.

The TOTAL cost of the fire station includes \$215,000 for the land itself and work done in earlier phases. Martha B asked if the warrant article means the building would be able to be moved into. Kimberley said yes, but that there would probably be a some hand-me-downs in the new building, such as furniture.

Alfred asked the previous chair (Allan Brown) said there would be definite numbers in time for Town Meeting. Kimberley said that was true. Numbers will be final by Town Meeting. Martha M said, at worse case, the numbers can be amended at Town Meeting. The Town Report is due to go to print February 14. Jim said they expected to receive the GMP (Guaranteed Maximum Date) by February 1.

Alfred asked when bids were due. Kimberley said she had not seen the Invitation to Bid but would find out.

(Secretary's Note: I've since reviewed the Invitation To Bid. January 19 is specified as the deadline.)

Informational Meetings and a proper Public Hearing will be held once the GMP is known.

8.2 Operating Budget

"Shall the Town vote to raise and appropriate the sum of \$3,153,115 (Three Million, One Hundred Fifty Thousand, One Hundred Fifteen Dollars) as the 2018 Operating Budget for general municipal operations? This amount does not include appropriations contained in special and individual warrant articles addressed separately."

(Secretary's Note: I just noticed that the written amount was missing "Three" as in One Hundred Fifty-Three)

Martha M asked if the Board of Selectmen had voted on it. Kimberley said they voted, they were done, and it was now up to the Budget Committee to decide where to go from there.

8.3 Property Reval CRF

"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?"

No discussion followed.

8.4 Employees Expendable Health Trust Fund

"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 and furthermore, to name the Board of Selectmen or its designee as agent to expend from said fund? This Fund is used to partially reimburse participating town employees for deductible health expenses."

Saying "or its designee as agent to expend" generated discussion.

The designee would be appointed by the Board of Selectmen. Judy asked if someone should be identified in that space. Jim noted it could be done as a process, like having the Treasurer designate agents as a process. Martha B said it was a matter of trusting the Selectmen to do the job themselves or to assign someone they trust to do it.

Martha M noted that specifying a name or title instead of "designee" would lock in that person or title, not allowing for flexible operations when that person was unavailable for the holder of the position changed. Martha B reiterated that it all comes back to the Selectmen and involves trusting their judgment; even a different person each month of the year should be acceptable.

Jim said the wording of all of the articles had been shared with DRA; they didn't have a problem with it.

Judy said she did not recall ever seeing "designee" in a warrant article ever before. Alfred asked if "designee" would be an employee of the Town. Someone said it should be. Judy's concern was that citizens would be voting on an unknown designee.

Currently, the money was being managed by the Trustees of the Trust Funds. The idea was to put more efficiency into the process. Employees give their bills to the Bookkeeper. The Bookkeeper writes the employee a check. The check is approved by Selectmen via the manifest.

Martha M recommended removing "or its designee" and just keep doing what was being done. Jim said right now the Town either pays the provider directly or pays the employee. Martha B asked if there was a problem with the current process. Jim said no.

Judy suggested the Selectmen treat the Trust Fund as they do the Capital Reserve Funds. Jim said that's basically how things are done. Waiting every other meeting is just slow.

Jim agreed to remove the "or its designee" phrase.

8.5 Contingency Fund

"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. Any appropriation left in the fund at the end of the year will lapse to the General Fund."

Kimberley note that this article did not identify the agent to expend. Judy believed the RSA made that clear.

Alfred asked Jim to confirm that DRA was who recommended contingency funds. Jim said that was true, as having a specific contingency fund in the operating budget was not allowed.

8.6 Police Department Vehicles CRF

"Shall the Town vote to raise and appropriate the sum of \$25,000 (Twenty Five Thousand Dollars) to be added to the previously established Police Department Vehicle Capital Reserve Fund?"

No discussion followed.

8.7 Closing Three Old CRFs

"Shall the town will vote to discontinue the following CAPITAL RESERVE / TRUST FUNDS? Said funds and accumulated interest to date of withdrawal, are to be transferred to the municipality's general fund.

- 1. Capital Reserve Fund for Hazard Mitigation of the Odd Fellows Building (approximately \$8,700)*
- 2. Capital Reserve Fund for Exit 9 Improvements (approximately \$13,200)*
- 3. Expendable Trust Fund for Radios & Pagers for the Fire Dept. (approximately \$102)"*

Martha B asked if the "recommended by" lines were needed. Jim noted that retiring CRFs, it was not needed. It was agreed it would be good for consistency.

Discussion about the Exit 9 project followed. The project was still not closed. The State had not closed it yet.

Kimberley requested that the Town Report show a full accounting of the project. Jim said that was the plan.

8.8 Fire & Rescue Vehicle CRF

"Shall the Town vote to raise and appropriate the sum of \$50,000 (Fifty Thousand Dollars) to be added to the previously established Fire and Rescue Vehicle Capital Reserve Fund?"

Martha M thought \$90,000 had been added in the past years. Jim said Fire Chief Ed Raymond approved this and felt the fund would still be on track.

8.9 Fire Equipment CRF

"Shall the Town vote to appropriate the sum of \$5,000 (Five Thousand Dollars) to be added to the previously established Fire Equipment Capital Reserve Fund?"

Kimberley noted this was a big cut from what was shown in the CIP. However, the Fire Chief approved this.

8.10 Highway Road Construction CRF

"Shall the Town vote to raise and appropriate the sum of \$190,000 (One Hundred Ninety Thousand Dollars) to be added to the previously established Highway Road Construction Capital Reserve Fund?"

Alfred asked for the balance of the CRF. Kimberley said \$207,000. Jim said it would bring the balance up to nearly \$400,000. The Pumpkin Hill Road project would cost about \$500,000. It would be pushed out one more year. The job would be done by an outside firm.

8.11 Highway Equipment CRF

"Shall the Town vote to raise and appropriate the sum of \$90,000 (One Hundred Thousand Dollars) to be added to the previously established Highway Equipment Capital Reserve Fund?"

It was pointed out that the written amount did not match the \$90,000. Typo.

8.12 Bridge Repair / Replacement CRF

"Shall the Town vote to raise and appropriate the sum of \$20,000 (Twenty Thousand Dollars) to be added to the previously established Bridge Repair / Replacement Capital Reserve Fund?"

No discussion followed.

8.13 DPW Facilities Improvement

"Shall the Town vote to raise and appropriate the sum of \$160,000 (One Hundred Thousand Dollars) to be added to the previously established DPW Facilities Improvement Capital Reserve Fund? Of this amount, \$50,000 (Fifty Thousand) would come from unassigned fund balance, and the balance of \$110,000 (One Hundred Ten Thousand) from taxation."

A typo was identified in the written value of \$160,000. Martha B recommended using the word "Dollars" consistently, as well. Kimberley recommended reducing the redundant "fund balance, and the balance" phrasing.

8.14 CRF for the Preservation of Town Records

"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?"

Kimberley asked why the fund was named differently from others. Jim said it was originally named that way. Martha M said once a CRF is named, you must continue using that exact name or DRA flags it.

8.15 Library Building CRF

"Shall the Town vote to raise and appropriate the sum of \$4,000 (Four Thousand Dollars) to be placed in the previously established Library Building Capital Reserve Fund?"

Kimberley asked who the agents to expend were for that fund. Martha M noted it was the Library Trustees.

8.16 Final Article

"To transact any other business that may legally come before the meeting."

No discussion followed.

9. Any Other Business

Martha M opened the floor for further discussions.

Alfred said that in reading minutes of recent Board of Selectmen's meetings, it appeared that the 35 cent raises for employees were already in affect. He wanted to know why that was happening when the Town had not yet approved the 2018 operating budget. His understanding was that the Selectmen had to do what the people want.

Martha B said the Town approves the budget, but leaves it to the Selectmen to expend with prudence.

Kimberley noted that one of the conundrums of municipal operations was the fact that for the first two and half months of the fiscal year, no expenditures are appropriated. The 2018 operating budget does not exist until after Town Meeting. And yet, to stay in operation on a daily basis, the Town must spend money. It was strange, but that was how it was.

Martha M noted that if the voters vote down the budget, the Town still operates under a default budget. The Board and Department Heads would be scrambling.

Jim added that the Selectmen meet with the Department Heads, scrutinize budgets, present them to the Budget Committee, get feedback, and move forward with that in mind. This was also true in regards to the pay raises. He added that trying to give the raises retroactively was fraught with challenges in terms of IRS paperwork.

Alfred noted that there was no good answer for the first three months. The Town fiscal calendar goes from January to December, but the Town votes on appropriations in March.

Kimberley said she had to purchase toner for the printer. That and other expenses simply can not wait until Town Meeting. And that was how it was.

10. Next Meeting

Thursday January 18, 7pm at the Town Hall. The meeting would be a work session.

11. Adjournment

Alfred made a motion to adjourn. Jonathan seconded. The meeting was adjourned at 9 pm.

Respectfully submitted,

Kimberley Brown Edelmann
Acting Recording Secretary

(These meeting minutes were approved at the January 25 meeting)