



Warner Board of Selectmen

Meeting Minutes
Tuesday, October 13, 2015
APPROVED

Chairman Hartman opened the meeting at 6:05 pm.

In Attendance: David Hartman – Chairman/Selectman, Clyde Carson – Selectman, Allan N. Brown – Selectman, Jim Bingham - Town Administrator

Others present: Tammy Webb & Bob Vauchon, Tracey Hallenborg, Nancy Martin, Barbara Annis, Jim McLaughlin, Lois Lord, Marianne Howlett, Judy Newman-Rogers, Martha Mical

1. Audit Report

- A. Tammy Webb and Bob Vauchon from Vauchon & Clukay & Company CA, provided a hand-out to the Board which summarizes what will be discussed this evening. Also in the Selectman's possession is a full copy of the audit statement and accompanying letters.
- B. Tammy talked about the opinions on the annual financial statements. Similar to the previous year, the town received two different opinions, a clean opinion on the governmental funds and on the government wide statements. There is an adverse opinion because in 2009, the town was required to implement a pronouncement from GASB in which an actuarial study is done to estimate what your other post employment benefit liability is, which pertains to health and dental insurance for retirees. The town has not done this yet. Tammy said a lot of the smaller communities have not yet done this study either, about 80% of the communities. Selectman Carson said if 80% of the communities have not done the actuarial study then why is it an adverse opinion. Bob said because the standards say it needs to be included in the opinion, it is essentially the medical benefits for retirees and current employees that may retire in the future, an actuarial study will compute that cost. Selectman Carson asked if the state provides money for the town to hire an actuary? Bob said no, this is not a state requirement, it is a requirement of the Government Accounting Standards Board. Selectman Carson does not ever recall talking about this study. Tammy believes the cost for the study is around \$2,000, she said she will check into it and provide the companies that are primarily used. The Town Administrator said the town does not offer medical or dental benefits to retirees. Bob said if retirees receive a medical benefit, then they are on the towns plan, they pay for it, and because plans are age based, it skews it, and the town actually pays more for a health plan. The study measures that component that is more. Selectman Carson said the town doesn't have anyone on the town's health plan that is retired. Bob said maybe not, know one knows. Tracey Hallenborg, Bookkeeper, said there are a couple on the plan right now. Tammy said because the town has under 100 employees the town is required to have the actuarial study done every 3 years. Selectman Carson said he was unaware the town had retirees taking advantage of the towns health plan. Tracey said it is administered through the NH Retirement System. Tammy said she has seen actuarial studies range from \$10K to \$150K from towns that are the same size as Warner. Selectman Carson asked them, as CPA's, do they have the ability to say this really isn't a material item for this town? Bob said only if the study is computed once.
- C. Tammy said in looking at the general fund, actual and budgetary figures. Estimated revenue exceeded by approximately \$289K. This was a favorable variance of about 8.79% of the total estimated revenues. Tammy said the total expenditures were less than the final budgeted amount by \$42K, she said this very close to the bottom line. The fund balance that is used to off-set taxes amounted to \$1.1 million on 01/01/2014, and at the end of 2014 the balance was a little over \$1.2 million. Of the \$1.2million, \$263K was assigned for subsequent years expenditure's and \$975K at the end of 2014 was available to use to off-set the next year's tax rate. The town has a Fund Balance Policy that says the town will strive to maintain an unassigned fund balance in the range of 8-17% of the total appropriations of the community. She said it is the Selectman's goal to maintain 10% which the Selectmen are on target.

- D. Tammy said effective 12/31/15 is a new GASB requirement that will be applicable which pertains to the unfunded pension liability, the town will need to put on it's government wide financial statements the town's share of the unfunded pension liability. Tammy said this will not affect the general fund or tax rate, this is a paper liability.
- E. Tammy said she learned from the Town Administrator that there were some questions regarding for MS-535 that was compiled by the their firm. Tammy explained the form is required by the Department of Revenue Administration, previous years the form was called MS-5, the numbering changed because now the form is for towns and districts. The MS-535 is un-audited, these numbers are still subject to change. Bob also verified that the MS-535 is not an audit, it is in a totally different format than what CPA's report in, we compile the information but we can't audit it. Selectman Carson asked if the MS-535 is compiled with the figures from the audit, how come you don't take responsibility for the form. The Town Administrator said the MS-535 was presented to the Selectmen a few weeks back and essentially it is taking the numbers used in the towns budget which are presented in a way that is compatible with DRA which uses this document as they move forward in the tax rate setting process. Selectman Carson asked, as a Selectmen what basis does he have to say the numbers on the MS-535 are good numbers. Bob said he could provide assistance at no cost to trace the numbers back to the financial's, filling out the MS-535 is part of their service. Tammy said information is submitted with the MS-535 and they require that the journal entries recorded are approved by the Selectmen saying that you agree with the entries that were made.

The Town Administrator said the Board can sign the MS-535 and the Town Administrator and the Bookkeeper will sit down with Tammy for back-up on the figures being submitted to DRA.

- F. Tammy explained another finding in the audit is the daily Town Clerk activity is only being posted once a week in the software even though daily activity is happening. Tammy said the issue with this is, it allows one to go into the software and maybe make changes where as you want to close out daily and start fresh daily. The Town Administrator said the audit findings that Tammy is bringing up this year is part of that refinement that the auditor's help us with in terms of reporting clear and transparent. Other issues have been brought up in the past as well which have been addressed. The Town Administrator said that he has met with the Treasurer, Bookkeeper and Town Clerk regarding the auditor's findings. A response is in process now that will go before the Selectmen and essentially what they looked at is how to address the concerns and observations and deal with the auditor's recommendations. He said with respect to posting once a week in the Town Clerk software, the rationale for that is the Town Clerk wanted to post once a week mainly because of credit cards purchases. The credit card money doesn't come in until two days later and if something happened it would throw things off. The Town Administrator said he has looked into this and understands the Town Clerk can close daily using the Interware Software because there is a \$1,000 buffer. So there is room to handle the two day period, and still close daily, giving the information to both the Bookkeeper and Treasurer.
- G. Tammy said there is a separate cash account, which the Town Administrator referenced, for the daily activity in the Town Clerk's office to go into, part of the reason for this account is for bad checks. Tammy said the activity of this separate cash account is not being recorded in the general ledger by the Bookkeeper. The individual cash account activity is not being provided to the Bookkeeper and it is causing issues with the reconciliation process. Tammy said this needs to be addressed and it's important that all the daily activity that is being deposited into the account be provided to the Bookkeeper so the Bookkeeper can track the cash balance and see all the in's and out's. Bob said by law the Selectmen are the keeper of the books. During the audit they struggled trying to find out how to reconcile this account. Bob said if the activity is recorded in the general ledger as it happens, weekly, at the end of the year it should reconcile. Tammy said we are trying to obtain consistency on what is being provided to the Bookkeeper and Treasurer from the Town Clerk's office. Selectman Carson said it seems like the town is reconciling with multiple systems, he said, if there was one system you would be in-sync to begin with. Bob said there is no one system that will do all it. Tammy said this is part of the checks and balances.
- H. Tammy talked about the Aubuchon Hardware account. There are limited controls in place for charges, there are may individuals listed on the monthly statement making purchases charged to the town. It was noted that an individual charged a purchase to the town's account and was not an employee. The purchase was reversed when noticed by the Bookkeeper. Tammy said somehow the account needs a limited number on who can purchase from Aubuchon.

2. Public Hearing – Unanticipated Funds

- A. A grant was awarded to the Conservation Commission for work on the nomination process for the Warner River to be included in the NH River Management and Protection Plan in the amount of \$1,500. Conservation Commission Chairperson, Nancy Martin, provided a hand-out about the river management protection program. The Commission with technical assistance from the Central NH Regional Planning Commission was introduced about two years ago to the NH Rivers Protection and Management Program that is actually a two-tiered project by which the state will designate rivers into this protective program and the management of the local issues takes place at the town level.
- B. Nancy explained the Commission has had meetings with representatives from the Department of Environmental Services to talk about watershed and river protection. Central NH Regional Planning Commission spoke to the Commission about the work that is involved in getting a designation. The Commission has invited members from neighboring towns that about the Warner River which include Bradford, Sutton, Webster and Hopkinton. The Commission has had several meetings inviting representatives from those towns to come and talk about their interest in this project and have all demonstrated interest. The Commission started to look for funds to support the work to put the paperwork together to be submitted to the Legislature, which would be completed by Central NH Regional Planning Commission. Nancy said the Commission met with the Grass Roots Environmental Fund which is particularly supportive of collaborative's by grass root groups like the representatives from our five towns that are a loose coalition who have come together with a common interest. They funded the Commission's project in the amount of \$1,500, Central NH Regional Planning Commission will match the \$1,500 with in-kind work to help the Commission put the paperwork together for the designation. The Commission is asking the Selectmen to accept the funds and be the fiscal agent.
- C. Nancy provided a list of rivers in the state that have been designated into the protective management program. Nancy said there is only one restriction under the rivers protective management which is the location of hazardous waste adjacent to the river which falls under state laws. There are know other restrictions to anything that people want to do to the river that aren't already covered by local zoning. Selectman Brown asked Nancy this will not impact any development at Exit 9? Nancy said the designation doesn't add any new laws.
- D. Selectman Carson confirmed the group is only advisory. Nancy said yes, if the designation is received by the Legislature, an advisory council is put together with a representative from each of the surrounding towns and they have the opportunity to look at the impact of activities that are happening along the river and make recommendations, they have no enforcement potential. The Town Administrator asked for an example. Nancy said a new landowner wanted to build a retaining wall adjacent to the river, and there were no restrictions for that not to happen. Subsequently the retaining wall was in the way of the river and was taken out by the river. This is the sort of activity that would be looked at and advised, they cannot prohibit it.
- E. Barbara Annis said the Planning Board presented last January an aquifer ordinance, it was not ready and is still being worked on, she asked how this would affect the ordinance if the town accepts it. Nancy said if the voters accepts the ordinance the local advisory committee would be bound by the regulations pertaining to Warner and can only make recommendations.
- F. Selectman Carson said if the Board accepts the money, there was talk at a meeting about presenting the designation to the voters for approval. Nancy said in the initial stages of the project the Commission met with the Selectmen and asked for approval to move forward and received approval, and the Commission would like to continue moving forward because the Legislature submission needs to be submitted by the end of May 2016 and if they have to wait until March, the work will not be completed in time for the Legislature deadline. Nancy is urging that the Selectmen give this their attention, she said at any point they can stop the project if they are not comfortable with it.
- G. Someone asked if this project is required to go before Town Meeting? Nancy said when the Commission asked the Selectmen for their nod of approval to move forward, all the other towns provided a positive nod as well.

H. Martha Mical encouraged the Board to give the nod tonight, but then bring it to the voters in March.

I. Chairman Hartman closed the public hearing at 7:15 pm.

Board Action

Selectman Carson moved to accept the unanticipated funds grant award in the amount of \$1,500 to the Conservation Commission for work on the nomination process for the Warner River to be included in the NH Management and Protection Plan. Selectman Brown seconded the motion. Selectman Carson amended the motion to accept a grant in the amount of \$1,500 from the Grass Roots Environmental Fund. Selectman Brown seconded the amendment. Selectman Brown doesn't see any harm from this program. All were in favor, the motion passed 3-0.

3. Odd Fellows Building

A. Proposed developer Bob Irving, was scheduled to meet with the Selectmen but emailed the Town Administrator and asked to meet with the Selectmen in early November.

4. Manifest

Selectman Carson moved to authorize the Selectmen to sign manifests and order the Treasurer to sign Payroll check numbers 3842-3857 in the amount of \$31,125.92 (including 22 direct deposits) and Accounts Payable check numbers 51464-51529 in the amount of \$775,320.61 (includes a check to KRSD in the amount of \$472,794.00). Selectman Brown seconded the motion, motion passed 3-0.

5. Consent Agenda

Selectman Brown moved to approve the Consent Agenda for October 13, 2015:

- Building Permits for:
 - Map 13 Lot 10
 - Map 8 Lot 27
 - Map 35 Lot 005
 - Map 14 Lot 5-8
 - Map 26 Lot 13
 - Map 8 Lot 10
 - Map 15 Lot 53-1
 - Map 6 Lot 43
 - Map 6 Lot 40
 - Map 10 Lot 104-1
 - Map 9 Lot 14-1

Selectman Carson seconded the motion; motion passed 3-0.

6. Meeting Minutes

Selectman Brown moved to accept the meeting minutes dated September 29. Selectman Carson seconded the motion, motion passed 3-0.

7. Holiday Pay

A. The Town Administrator said the Board approved the wording for the holiday pay policy. In creating a clean copy for the Selectmen and in the process of looking it over and talking with one Department Head it was realized clarification was needed on permanent part-time employees. The revised policy will be posted on the website for public viewing.

Board Action

Selectman Brown moved to waive the public hearing for the holiday pay policy change. Selectman Carson seconded the motion. Selectman Carson amended the motion to the Board agreed in lieu of a published public hearing it would be an agenda item published after the two week website posting for feedback. Chairman Hartman reminded the Board that they approved a different policy, the approval does not include the clarification on permanent part-time employees. The Town Administrator said this is not a change to the policy that was approved by the Board. A clarification was added explaining holiday pay is based on scheduled work hours, if your scheduled to work on a holiday and you work over your scheduled hours you would receive the holiday pay based on scheduled hours, not the total hours worked on that day. Chairman Hartman said to void his suggestion regarding what was approved. Chairman Hartman called for a vote on the motion waiving the public hearing, motion passed 3-0. Martha Mical asked if the motion includes the amendment and Chairman Hartman said yes.

8. 2016 Budget Review

- A. Martha Mical recommended having copies of the budgets available for the public. The Town Administrator made some copies during a small break.

Assessing:

- Outside services increased by \$2,375. Martha Mical said in 2015 because of the revaluation, outside services was paid from the Revaluation Capital Reserve. Martha said she combined line 9 into outside services and said line 9 will reappear in 2017. She is planning on 200 pick-ups (building permits), and again, pick-ups always increase after a revaluation, she expects a decrease next year. Cross training is also included under outside services as well. In an effort to trim her budget she made cuts in Town Forester, Registry of Deeds, and Tax Maps
- B. Selectman Carson asked if this is the first and final review of the budgets. The Town Administrator explained what the Board is reviewing is just the operating budget, no salary changes are reflected at this time. There will be one more review of the entire operating budget prior to the Budget Committee meeting.

Tax Collector:

- 2016 operating budget shows no increase.

Town Clerk:

- There is a .6% increase to the operating budget. Selectman Brown asked Judy if there will be \$10K asked for to preserve records? Judy said CIP recommended \$20K, \$10K for record preservation and \$10K for the purpose of creating record storage.

Board of Selectmen:

- The operating budget shows a .26% decrease. Selectman Carson asked the Board if they want to include money to do some website updates particularly a search mode. The Town Administrator recommends meeting with the webmaster, plus he feels any update could be paid from the current computer expense line.

General Government Buildings:

- The operating budget shows a 19% decrease in the Old Graded School due to the cost of heating fuel.
- Selectman Brown sees the Old Grade School as a net loss of about \$9,000 forever. The Town Administrator is hoping the new insulation in the building will result in a permanent reduction in fuel costs. Chairman Hartman said there are now grants tied to the building that must provide community services.

Land Use Office:

- Operating budget shows a decrease.
- Selectman Carson recommended reducing legal and any overages be paid from the Contingency Fund. The Town Administrator recommends increasing the Contingency Fund to \$20K. This will be re-looked at near the end of the budget process.

Health & Welfare:

- No changes from 2015.

9. Town Administrator's Report

Dept. of Public Works: DPW Director, Tim Allen, informed the Selectmen's Office that the new F550 Plow Truck has been delivered to the auto dealer. Tim would like to pick the truck up this week. To expedite this purchase the Board can vote to authorize the DPW Director to sign the purchase and sales agreement and related dealer documents associated with the delivery of this truck to the Town of Warner.

Board Action

Chairman Hartman moved to authorize Tim Allen, Director of Public Works to sign the purchase and sales agreement and related dealer documents associated with the delivery of the F550 plow truck. Selectman Brown seconded the motion, motion passed 3-0.

Odds Fellows Building: Weston Solutions, Inc. reported the preliminary results of the recent testing of the soil in the basement and the structural material in the building. In sampling the soil the testers hit bedrock when taking soil samples at 12 to 24 inches. No PCB contamination was found that exceeded EPA tolerable levels and lead contamination that exceeded limits was found in all the samples tested within the original test area. Weston wants to take additional samples horizontally to determine the extent of the lead beyond the grid test area previously sampled. Since bedrock was reached so quickly during this recent sampling, Weston expects that the amount of contaminated soil that would eventually need to be extracted would not be a great amount.

Weston Solutions also tested samples of building material from throughout the building structure and all samples but one tested positive for lead contamination that exceeded acceptable limits. This means that all painted and varnished surface building material would have to be treated as hazardous waste whether the building is rehabilitated or demolished. The procedures to handle this material will increase disposal costs significantly.

10. Other Business

- A. Selectman Carson reported he is in the process of scheduling conversations with two vendors for solar arrays. He is hoping it will happen this month. The indication is it would be to the town's advantage to consider buying the solar arrays rather paying someone to own the arrays and sell the power to the town.
- B. Selectman Brown talked about the upcoming public hearing on Thursday. Chairman Hartman said Selectmen Brown will be doing most of the presenting. Provan & Lorber will also be available. A presentation should be made and then open for public comments.
- C. Selectman Carson said he will be attending a couple of Currier & Ives Byway meetings. On the 28th there will be an open house at the Contoocook Railway Station, public is invited.
- D. There will be a work session on October 20th beginning at 3:30 pm.
- E. Chairman Hartman was asked by a resident what the policy is for using the Town Hall for political use. The Town Administrator said it would be the same for any rental. He asked what the policy is for political signs at the Transfer Station. Martha said the signs can't be left, you must be there without blocking anything.
- F. Chairman Hartman asked how to go about getting the festival back up at Simonds School. Selectman Carson agreed the festival should be back at the school too. Chairman Hartman recommended meeting with the Superintendent. Selectman Brown said Simonds School this year was adamant about not using the playing field for the festival. The Town Administrator will ask the festival board to meeting with the Selectmen.

11. Adjournment

A motion was made and seconded to adjourn at 8:51 pm.

Board of Selectmen
David E. Hartman – Chairman
Clyde Carson
Allan N. Brown

Recorder of the Minutes: Mary Whalen