



Budget Committee Meeting

Minutes

September 18, 2025, 7:00 PM

Open the Meeting and Roll Call

Chair Cutting opened the meeting at 7:00 PM.

Roll Call Budget Committee Members Present: Michael Cutting (Chair), Robert Blake, Rick Bixby, Bill Hanson, Kelly Lombardi and James Sherman. Ray Martin arrived at 7:07 PM.

Select Board Members Present: Alfred Hanson and Mike Smith

Approval of Minutes • August 21, 2025

Tabled

Alfred Hanson made a motion seconded by Mike Smith to call to order the September 18, 2025 Select Board meeting. Roll Call Vote Hanson YES Smith YES.

Presentation of the 2026 Budgets

Mike Cutting explained that the total budget reflects an increase of \$514,289.03 (11.2% increase). He stated that the Select Board has not deliberated on a COLA increase or adjustment for benefits. The Total Budget is \$5,177,474.67.

Mike Cutting explained that the Board needs to consider what is because of the reval. He stated that on average values increased by 95%. He explained that the increase affects the budget drastically as it relates to the Library funding. Alfred Hanson stated that the Library budget funding will increase by \$240,000 from last year. Mike Cutting noted that last year the library received \$223,804 and their funding is 1/15 of 1% of the total assessed value of the Town. He explained that the 2025 library funding is now \$463,747.58. He stressed that there is nothing that can be done to adjust the amount. Mike Cutting explained that the lease payment of \$82,000 for the purchase of vehicles last year for the Highway Department is reflected in the increase.

The Board discussed the possibility of moving the vehicle lease payment from the operating budget to the capital budget. Mike Cutting asked Alfred Hanson to ask the Department of Revenue. Robert Blake stated that there is an additional \$120,000 in wages adjustments reflect in the proposed budget. Alfred Hanson explained that a significant amount of the \$120,000 was the amounts reduced last year that were added back in this year. Alfred Hanson explained that the tax collector budget does include a 2.6 COLA increase.

Bill Hanson questioned the volume of business at the library in relation to the \$463,747 funding. He spoke about the push back that they will face at Town meeting. He suggested the library consider other funding options. He spoke about RSA that authorizes by a vote at town meeting to discontinue the library. Bill Hanson spoke about considering an internet café/library in the CAP building. Kelly Lombardi asked for clarification on the allocation of funding for the library and the Pillsbury Library Trust. James Sherman suggested asking the town attorney to look into this because times have changed and \$463,747 is significant. Robert Blake stated that the Library is looking at some significant capital expenditures for structural issues because of the funding increase. Alfred Hanson explained that in the past the Library has experienced funding shortfalls based on the calculation. Ray

1 Martin noted that the funding amount will remain the same for the next five years until the next reveal.
2 Kelly Lombardi noted that new younger families do utilize library. She recognized that the significant
3 increase will shock the town. The Board discussed the past attempts the Town made to change their
4 contractual obligation for funding. Bill Hanson explained that the Supreme Court upheld the contract.
5 Mike Smith stressed that times have changed since then. James Sherman questioned if the Board has
6 asked the Library to reconsider the amount. Bill Hanson stated that the funding of the Library is more
7 than the funding for the Police and Fire Department. Kelly Lombardi spoke about the increase of
8 home schooling in town and the library is a resource for them. The Board discussed the significant
9 increase in the values of homes relating to the improvements made.

10
11 Mike Smith asked if Alfred Hanson wanted to ask the town attorney to look into this. Alfred Hanson
12 stated that he would prefer to do more research before involving the town attorney. He cautioned that
13 this could cause a town battle. Robert Blake stated that he values the library but he does support
14 renegotiating with the library at a time when the Town is facing budgetary challenges and the residents
15 are concerned about their tax obligation. Mike Smith stated that he would like to be proactive versus
16 reactive and contact the town attorney.

17
18 The Board agreed to allow Mike Smith, Alfred Hanson and James Sherman look into this.
19 The Board began reviewing the department's preliminary budgets.

20
21 Select Board Budget: Last year \$263,000 and this year \$262,000. Mike Cutting asked about the
22 increase for Budget Committee minutes. The proposed budget is \$3,800 from \$2,000. Robert Blake
23 does not agree with breaking out the various committees. Elizabeth Labbe explained the method used
24 to determine the amount. Kelly Lombardi asked if AI transcript is an option. Bill Hanson explained
25 the issues and inaccuracies of the automated transcript. Elizabeth Labbe stated that in the past the town
26 spent significantly more than what they are paying now.

27
28 Elections: last year was \$5,997 proposed increase \$7,747. Alfred Hanson stated that there are 4
29 elections this coming year.

30
31 Finance Departments (finance, tax collector town clerk trustee of trust funds): last year \$232,000
32 proposed \$250,000. Mike Cutting reminded the Board that the Select Board has not considered
33 additional increases for COLA or benefits. The Board discussed the cost for the town auditing service
34 and the possibility of increasing the \$25,000. James Sherman stated the amount should be \$40,000-
35 \$50,000. Robert Blake explained that Town must rectify any issues found before looking ahead to the
36 next audit. Alfred Hanson spoke about the importance of acting on the issues found. Mike Cutting
37 suggested increasing the audit line item. Alfred Hanson noted that there are few line items that need
38 firm numbers such as fuel and health insurance. Robert Blake stated that they should be able to get an
39 estimation. Alfred Hanson stressed that the health insurance amount will not be known earlier than
40 October 15th. Mike Cutting asked for a status report on the health insurance research committee.
41 Alfred Hanson explained that Mike Smith is handling the health benefits but he is no longer at this
42 meeting. Ray Martin stated that he attended a health insurance committee meeting but there was
43 nothing of significance to report. Bill Hanson asked Alfred Hanson for clarification on the wage
44 adjustments. Alfred Hanson explained that wages are adjusted throughout the year and he wants that
45 to change to once a year. Bill Hanson asked the Select Board to consider how they would handle a
46 situation where the Budget Committee proposes a significantly lower budget than what the Select
47 Board was expecting and raises were already given out. Mike Cutting explained that in the past the
48 COLA adjustments were done in January but that did not allow the voters to voice their opinions.

1 Mike Cutting expressed his concern that at Town Meeting someone can stand up and make a drastic
2 cut to the budget that would negatively impact the Town. He would like the Budget Committee to
3 propose the most realistic budget. Kelly Lombardi suggested the Budget Committee hold discussions
4 to address how a drastic cut would be absorbed. Mike Cutting stated that during the department budget
5 reviews he would like to ask each department head to explain how they would handle a significant cut.
6 Kelly Lombardi explained that she would also like town leadership to consider the town as a whole.
7 She stated that not every department needs to make reductions. Bill Hanson spoke about the need to
8 consider the worst case scenario. Ray Martin agreed that there is a need to have that discussion before
9 town meeting so that they can explain how a drastic cut would impact the town and town services.
10 Rick Bixby stated that capital reserve deposits could be a place to consider as a worst case scenario.

11
12 Alfred Hanson stated that without the Library funding the proposed town budget increased by 6-7%.
13 He stated that the library funding will not change this year. Robert Blake stressed that the taxpayers
14 will not tolerate an increase above inflation. He stressed that the Budget Committee needs to get the
15 increase down to 3-4%.

16
17 Mike Cutting stated that the town cannot afford to pay 100% of employee benefits. He urged the Select
18 Board to consider making a change to a 90/10 split system. Bill Chandler stated that he is aware of
19 other communities who have in place a 90/10 benefit split. He spoke about the need to reduce the
20 deductible. Alfred Hanson stated that the Select Board is discussing this on Tuesday. Robert Blake
21 spoke about the need for employees to share in the cost benefits. Alfred Hanson explained the Select
22 Board is aware that something different needs to be done. Robert Blake spoke about other ways to
23 offset the transition for employees. Kelly Lombardi asked for clarification on the timeline for making
24 a decision regarding making a change relating to cost sharing. She asked if there have been efforts to
25 shop around. Alfred Hanson reiterated that the Select Board will be discussing this at length on
26 Tuesday. Mike Cutting asked if any shopping has been done. Alfred Hanson stressed that the Select
27 Board is actively working on this and answers are coming in October. Robert Blake stated that
28 typically a broker is used.

29
30 Legal Expenses: is budgeted at \$40,000. Mike Cutting predicts that the legal expenses will be closer to
31 \$80,000. Mike Cutting asked how this expense can be controlled this coming year. Alfred Hanson
32 explained that he is not able to discuss that. Robert Blake spoke about the importance of utilizing a
33 risk management. Mike Cutting stated that in the private sector an experienced CEO is hired, but there
34 is no qualification for becoming a selectmen resulting in their need for legal counsel. The Board
35 discussed various ways in which legal issues impact the Town.

36
37 Police Department: proposed budget increased by \$30,000. Bill Chandler explained that it was
38 decided last year that if the two open positions were not filled by January the sign on bonus (\$5,000
39 per position per year for three years) would be cut. Mike Cutting asked if the wage line of \$448,000
40 includes the sign on bonus. Bill Chandler confirmed that it does. He explained that he hopes to have
41 staff back on track for 2026. He explained that that the State Police has contacted Warner and
42 surrounding communities explaining that they are 60 troopers down and any assistance would be
43 greatly appreciated. Bill Chandler stated that in the past there was a decrease in the dispatch line item
44 from \$10,500 to \$7,800 because he was understaffed. He explained that will come back up to \$10,500
45 once fully staffed.

46
47 Fire Department: proposed budget increased by \$2,300. Elizabeth Labbe explained that the increase in
48 calls have resulted in a wage increase.

1 Building Inspector: Alfred Hanson explained that the Select Board is in the final stages of hiring a
2 building inspector. Last year budget was \$3,900 proposed budget \$5,500. Alfred Hanson explained that
3 the new hire will review the building codes for necessary updating and participate in the planning and
4 zoning review.

5
6 Emergency Management: Mike Cutting explained there is a \$7000 increase attributed to a. He noted
7 that if the grant is not awarded the funds will not be expended.

8
9 Highway Department: Mike Cutting stated that full time wages has increased from \$361,000 to
10 \$411,000. Elizabeth Labbe explained that the mechanic line item was removed, adding that position to
11 full times wages along with a new hire. Robert Blake noted that part time wages has increased as well.
12 Wages have increased 8%. Alfred Hanson stated that Tim Allen will be able to answer the questions
13 regarding staffing and the increase in wages.

14
15 Mike Cutting strongly suggested that the Select Board freeze hiring new employees for the remainder
16 of 2025. He stressed that the proposed budget is coming in \$500,000 more than last year. Bill
17 Chandler stated that there are some positions that have previously been approved. He expressed
18 concern that the two positions he is closed to filling will be cut off. He spoke about the challenges that
19 being understaffed has caused the Police Department. Mike Cutting reiterated that he hopes the Select
20 Board will consider how the hiring of new employees will impact future budgets. James Sherman
21 acknowledged the situation that Mike Cutting is concerned about but he feels that the Police
22 Department has gone too long being under staffed. Alfred Hanson agreed that Budget Committee
23 needs clarification on the highway staffing. Robert Blake spoke about the importance of a full time
24 employee (FTE) report for every department to include position and salary. James Sherman stated that
25 if the Town were to outsource payroll that information would be easily obtained. Mike Cutting asked
26 if the Select Board is considering outsourcing payroll. Alfred Hanson stated that the Select Board has
27 not discussed it, James Sherman noted that there were two Selectmen who were opposed to it. James
28 Sherman stated that outsourcing payroll would save the town money and provide a service that meets
29 the needs of the town. James Sherman stated that if Town Hall's hours of operation were reduced to
30 three days a week and the employees are required to contribute to their health benefits that would
31 cause many employees to look for employment elsewhere. James Sherman stated that there are some
32 employees who are not adequately paid now.

33
34 Transfer Station: Mike Cutting noted that full time wages has increased by \$60,000. Alfred Hanson
35 explained that a full time employee was hired back in March. James Sherman spoke about the benefit
36 of another employee at the transfer station who is now enforcing the rules.

37
38 Health Agencies: welfare has increased for direct assistance at \$40,000. Elizabeth Labbe explained
39 that there have been significant federal funding cuts to heating fuel and housing assistance. Alfred
40 Hanson explained that \$40,000 is a more realistic number.

41
42 Parks and Rec: to be determined

43
44 Mike Cutting requested that the budget spreadsheets include columns to reflect the 2024 budget, what
45 was expended in 2024 and the year-to-date expenditures for 2025. Mike Cutting would like a column
46 for 2026 Budget Committee recommendations.

47 **Warner Village Water District Budget**

1 Ray Martin explained that the Warner Village Water District budget last year was \$540,000 and this
2 year is \$539,000. He explained that wages increased 4%, and an estimate of 10% for healthcare. Ray
3 Martin explained that a vehicle was paid off. There was a discussion regarding the cost of health
4 insurance.

5
6 **Meeting Schedule:**
7 October 16, 2026

8
9 **Adjournment**

10 **Ray Martin made a motion seconded by Alfred Hanson to close the Select Board meeting.**
11 **Motion passed.**

12
13 **James Sherman made a motion seconded by Kelly Lombardi to close the Budget Committee**
14 **meeting. Motion passed unanimously.**

15
16 The meeting adjourned at 9:24 PM

17
18 Respectfully submitted by Tracy Doherty

APPROVED