



Budget Committee Meeting

January 16, 2025, 7:00 PM

Open Meeting and Roll Call

Chair Cutting opened the Budget Committee meeting at 7:01 PM.

Budget Committee Members Present: Michael Cutting (Chair), Ray Martin, Harold Blanchette, Rick Bixby, Bill Hanson, Alfred Hanson and Robert Blake.

Mike Smith opened the Select Board meeting at 7:03 PM.

Select Board: Harry Seidel, Mike Smith, Faith Minton (via Zoom), Kathy Frenette, Judy Newman-Rogers and Clyde Carson.

Approval of Minutes • January 2, 2025, and January 9, 2025

January 2, 2025

Alfred Harold made a motion and seconded by Harold Blanchette to accept the January 2, 2025, minutes as amended. Motion passed unanimously.

Discussion on the motion

John Leavitt stated that he has been grossly misinterpreted intentionally.

Page 1 line 40 correct John Leavitt's statement/question. Strike insurance costs insert employee deductible. John Leavitt stated that the increase in ~~insurance costs~~ employee deductible has cost the town a police officer, he wonders how many other employees will be leaving.

Verbatim of Mr. Leavitt's statement/question from the January 2nd meeting *"The other thing is the increase in the deductibles. The \$7,000 has already cost us one policeman. Yes, because that was what put him over the line. My question now is how many more employees in town are looking for other jobs because you're going to get more resignations. I'll almost guarantee it. They're not going to be willing to accept the \$7,000 development, so it only cost one because he didn't have really a lot invested in the town, but it's probably going cost you more."*

January 9, 2025

Ray Martin made a motion seconded by Bill Hanson to accept the minutes of January 9, 2025, Budget Committee meeting. Motion passed unanimously.

Review of 2025 Operating Budget

Mike Cutting explained that the purpose of this meeting is to take the recommendations of the Select Board and create a proposed operating budget Mike Cutting explained that he asked Mr. Blake to convert the document into a spreadsheet. He asked Mr. Blake to present the spreadsheet.

Robert Blake stated the 2022 budget was \$3,675,514 and the current Select Board budget as of last night is \$4,899,716. He stated that from 2022 to 2023 the budget increased 18.9% the 2024 was increased by 4% and the current proposed budget is 7.4%. Kathy Frenette recapped the Select Board reductions to the operating budget. Mike Smith stated the Select Board is still looking at other areas to make reductions. Robert Blake spoke about the importance of slowing

the rate of growth in the budget. He spoke about the report from the State of NH that illustrates that Warner's tax rate is 209 out of 229 towns. He stated that the new managed IT and Assessing Services are significant increases to the Operating Budget. Mike Smith explained that it is a five-year contract. He stated that the new company is properly assessing the town. Harry Seidel corrected the record; the assessing contract is for two years. Point of order made by Ed Mical, he asked how was the assessing contract signed without going before the voters. Mike Smith clarified that the reveal contract included the first year of assessing services and the second year is invoiced to the town. He stated that if the contract is extended for multiple years it would need to be approved at Town Meeting.

Robert Blake reviewed other increases to the operating budget. He recapped the benefit increase of 29%. Kathy Frenette explained that there are several vacant positions that are reflected in the year-to-date amount. She further noted that HealthTrust increased 16.3% and the proposed budget includes full staff and family benefit plans. Robert Blake explained that in his experience vacant positions should not be budgeted for the full year. Mike Cutting would prefer not to budget for family plans for the vacant positions. There was a discussion regarding the affordability of hiring full-time individuals versus part-time. Robert Blake spoke about the increase of full-time employees in the budget. Mike Smith stated that the Select Board will review the budgeting of benefits for the vacant positions and review the social security numbers.

Land Use department increase: Kathy Frenette stated that the increase is attributed to a new hire. Building Insurance increase: 9.2 % Kathy Frenette stated most of that is attributed to Transfer Station claims. She spoke about the Prime Program that could reduce property, liability and workers comp premiums in the future.

Highway/Streets increased by 7.4% Harold Blanchette expressed his concern regarding the equipment needs. There was a discussion on leasing versus purchasing equipment. Harold Blanchette explained that leasing equipment covers any maintenance needed. Alfred Hanson spoke about the need to address the equipment needs. Mike Cutting spoke about how the town has in the past structured the lease of equipment and payments. Harold Blanchette proposed taking \$200,000 from the paving line item and putting \$90,000 into the Capital Reserve account. Mike Cutting reiterated that the purpose of this meeting is to reduce the budget.

There was a conversation regarding the elimination of the Fire Suppression Capital Reserve account and putting the money towards a warrant article. John Leavitt read from the 2015 Town Report, facilities improvement article 21. Tim Allen explained that the CRF has not been expended because his recollection was that the fire suppression project was put on hold until a decision was made regarding the building. He recalled the question was, does the town want to spend \$250,000 for a fire suppression system in a building that is worth \$100,000.

Alfred Hanson stated that there is currently 2.1 million dollars in various Capital Reserve accounts. He spoke about funds available for various maintenance projects that could be done by using Capital Reserve Funds. Harry Seidel spoke about looking into a dry fire suppression system and expending the funds to address the doors and the ventilation system. He further recapped other needs such as the heating system, bailer and other general maintenance.

Harold Blanchette reiterated his proposal to withdraw \$200,000 from paving for the backhoe and the grader and \$90,000 into Capital Reserve Fund.

James Gaffney spoke about the \$600,000 one-time revenue that the town received last year. He stated that in order not to raise taxes there would need to be a combined reduction in the capital and municipal budget by \$600,000. Mike Cutting asserted that the state would like a fund balance between 5% - 17% and currently Warner is on the low end of that range (7-8%). Ray Martin spoke about the estimated \$250,000 of surplus that can be put towards the \$600,000 next year.

The Budget Committee agreed to reduce the \$200,000 paving line item to \$1.00, culvert line item increase to \$17,000 and \$90,000 to CRF reducing the operating budget to 4,709,000.

Solid Waste budget increased \$53,550 a 16.7% increase. Bill Hanson inquired if it is out of the question to reduce the transfer station hours to one weekend day and utilize one full-time person and the part-time staff. Mike Smith stated that it could be possible, Tim Allen would be the person to ask. He stated that it would not reduce the manpower costs because there needs to be more than one full time employee.

Debt Services: Fire Station principle for 2024 \$110,573 and the proposed budget reflects \$114,000. Kathy Frenette stated that it increases because less money is going towards interest.

Energy / Utilities: approximate decrease of \$50,000 for 2024. Robert Blake asked if the proposed budget could be reduced. Kathy Frenette stated that there is a need to address energy deficiencies (window). Robert Blake inquired about various departments and their actual energy expenses. He stated that Highway gas/diesel actual is \$53,000 and the budget amount is \$75,000. Mr. Gaffney stated that there could be more aggressive steps taken to reduce electricity by turning off lights and lowering the thermostat when the building is not in use. Ray Martin suggested reducing the line item by \$10,000 and letting the Select Board determine where to make the adjustments.

Mr. Sherman asked if anyone has an estimate of valuation relating to the amount of money the library will receive. Ray Martin estimates it will be more than the State's equalized valuation of \$487 million. Mr. Sherman cautioned that the library will receive a significant increase. He stated that there will be a budget item that the town cannot control.

Meeting Schedule:

Next meeting continued review of the proposed 2025 Operating Budget.

Adjournment

Harold Blanchette made a motion seconded by Ray Martin to adjourn the Budget Committee meeting. Motion passed.

Mike Smith made a motion seconded by Faith Minton to adjourn the Select Board meeting. Motion passed.

The meeting adjourned at 9:47 PM.

Respectfully submitted by Tracy Doherty

Edited by Darcie Buskey, Assistant Clerk

APPROVED 01/23/2025