

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 24, 2005**

A meeting of the Municipal Budget Committee was called to order at 6:30 p.m. in the Meeting Room of Conway Town Hall with the following present: Janine Bean, Russ Seybold, Doug Swett, Ted Sares, Melissa Stacey, Betty Boucher, Phil Dighello, Randy Davison, Michael DiGregorio, Rick Paquette, Maureen Seavey, Bill Jones, and Selectmen's Rep., Karen Umberger. Also present were Town Manager, Earl Sires along with Town Department Heads.

Approval of Minutes: Motion was made by Mr. Sares, seconded by Ms. Umberger, that the Minutes of the January 5th meeting be approved as amended. Motion carried by a vote of 11-0-2, with Ms. Boucher and Ms. Stacey abstaining.

Because some members do not have access to e-Mail, there was a great deal of discussion regarding the use of e-Mail, with Mr. DiGregorio expressing that it is legitimate to provide meeting notices, etc. by that method, but questioned whether constantly e-Mailing discussions back and forth is O.K. or whether it might be construed as constituting a meeting, the content of which the general public would not have access to. Mr. Sires cautioned that no votes be taken over the internet and that members not include anything in an e-Mail they "do not want on the front page of the newspaper." No decisions can be made that way. Ms. Boucher pointed out that those who do not have e-Mail are not getting the benefit of the questions being asked as they would at a regular meeting.

Presentation of Town Budget: Mr. Sires provided a chart showing percentage of change from the 2004 budget, noting the total proposed is \$8,477,190, an increase of \$390,000, or 4.8% over the adopted 2004 budget, mainly in police labor and benefit accounts. However, approximately \$100,000 is due to the inclusion of \$101,685 in commercial duty this year which is offset by revenue. Actual tax impact is about \$100,000 less, leaving an actual percentage increase in 2005 of 3.6%. Mr. Sires noted the cost of living last year was in the 3.3% and 3.5 % range. He suggested the actual way to look at it is to compare the proposed budget with the default budget totaling \$8,304,086. Taking out the police commercial duty, the tax impact would be just over \$70,000 compared to the default budget which in general is the cost of living. The reason the proposed budget is \$70,000 higher is due to increase of materials and fuel costs for Public Works, Government Buildings, and Solid Waste Dept., plus funding for part time summer administrative aides in the Recreation Dept. and the Assessing Dept.

Ms. Sares requested a figure for the difference between what the Town Manager initially proposed to the Selectmen and what they accepted. Mr. Sires stated it is not a tremendous difference, but agreed to supply it. Mr. Sares had three questions: What is the difference between what the Town Manager proposed and what the Selectmen accepted (the amount and items); the last time we had a default budget, the following year were the items predicated on the default budget or the budget initially proposed; [Mr. Sires said it was predicated on projected needs, they used the actuals at the end of the year]; what was the surplus of the year you adopted the default budget at the end of that year. Mr. Sares noted the Town Manager made an initial proposal to Selectmen, they reviewed it and came back with what they want. He wants to know the difference between what was initially proposed and what they ended up with. Ms. Bean requested to know also for the end of 2004.

Mr. Sires proceeded to review the budget by department.

Executive Budget – Increased by 2% mainly due to staff costs and increase in office equipment and maintenance.

Election & Registration – Increased by just over 9%, reflecting staff costs and postage associated with the vehicle registration mail in program. Cost reflects only one election in 2005.

Financial Administration – Increased by about 1% due to decreased staff costs partially offsetting increases in the audit and budget committee lines. It was noted costs for Tax Collection and Information Technology have been moved to this budget.

Assessor – Increased by about 8.6% mainly due to increased staff costs, mostly due to addition of a temporary employee during the summer months to provide office coverage while staff is doing field work.

Legal Expenses – Shows a decrease from \$50,000 to \$45,000 based on projected needs for 2005. It is not anticipated there will be need for legal review of proposed zoning amendments this year.

Employee Benefits – Increased by 7.5% stemming mainly from a 17% increase in health insurance costs and change in existing payment arrangement. Also includes FICA, Social Security, etc.

Planning and Zoning – Increased by 6% mainly due to increases in employee compensation plan; also the salary for the Project Administrator includes overtime for taking minutes at night meetings for the Planning Board and Zoning Board of Adjustment.

Government Buildings – Operating expenses for Town buildings and facilities – increased 5% due primarily to utility increases for town buildings.

Cemeteries – Account held open in the amount of \$1.00 for future contingencies.

Insurance – No change. Covers liability insurance for town property and vehicles. Actually decreased about \$1500 this year. Some money was saved due to “bundling” of insurances.

Mr. Davison noted the Police Dept. road workers account went up \$100,000 – it says \$180,000 – it is increasing from last year by \$100,000. Mr. Sires explained they came back last year after budgeting \$80,000 to ask for another \$100,000. Ms. Philbrick explained there are additional costs in workmen’s comp, FICA, and retirement which brings it up to \$100,000. It is \$80,000 requested in the labor line, and the benefits line is another \$21,000.

Ms. Boucher questioned Assessing and whether that temporary person is someone in-house already, and will that person be pushed to full time if in-house? Mr. Sires said the proposal is to bring someone in on a seasonal basis in the summertime. They still have the in-house part time help.

Ambulance – Mr. Sires stated this is flat as they are still in negotiations with the two providers of the service and are not coming to agreement as quickly as they would like.

Fire & Rescue – Budget increased by about \$15,000, or 8.5%, for coverage for areas of the town that are not located within a fire precinct. It is funded by property taxes paid only by residents of non-precinct areas of the town.

Inspections – Increased by 3.6% mainly due to potential salary increases for the Building Inspector, some of which are given as he achieves new certifications. Some operational expenses have decreased slightly from 2004.

Highway – Increased by 4.8% mainly due to increases in materials and fuel costs, and 37% increase in salt costs. Mr. Sares questioned whether there is any alternative to salt. Mr. DegliAngeli stated there are more expensive alternatives, none cheaper. He explained over the last three years they have been upgrading controls on equipment, can reduce salt usage by 10% to 15%, but cannot compensate for the 37% cost increase. Mr. DiGregorio noted a new system being used by Nashua, which Mr. DegliAngeli said is more expensive in capital costs to get involved in that application for the trucks, etc.

Solid Waste – Increased about 6.4% due, in part, to wage and benefit increases as well as operating items such as equipment repair, utilities and fuel. The special waste line increased by \$15,000 which funds the disposal of recycled materials such as tires, construction debris and shingles. Mr. Sires explained we have a cost to dispose of demolition materials from construction in the town, and charge an offsetting cost to take it in, so there is an offsetting revenue. They still have the temporary position at the transfer facility and are presently interviewing to fill that.

Health – Stays the same and includes services of a Health Officer and kennel fees for impounded animals.

Welfare – Increased by 4.5% based on employee costs and actual experience for the prior year.

Parks & Recreation – Increased by 5.7%. There is an additional \$2205 for softball umpires for the Men's Over 40 League (reimbursed to the town through user fees); increase in repair and supply costs, office expense to fund printing costs for John Fuller students, increase in program costs of \$600 due to increased costs for equipment supplies and fuel. Parks increased by \$300 for insecticide for field maintenance, and there is a \$2400 increase for a temporary summer clerical person to assist with registrations and Rec Center office duties. Mr. Sires stated it is not the intent that that person will become full time.

Library – It is a relatively flat budget – increased by 1.6% due to the fact that the addition has been completed and minor changes in some operating lines have occurred.

Patriotic Purposes – No change.

Conservation Commission – It was reported they are requesting a 10% increase from \$20,925 to \$23,100. The Commission manages open space and conservation lands.

Debt Principal – Increased by 2.5% due to minor changes in the principal payments for the courthouse, landfill, and library bonds.

Debt Interest – Decreased by 12.9% as a result of minor changes in interest payments for a number of debt financed town projects.

Interest on TANs – Mr. Sires explained this is funds to help with cash flow during the year. They are anticipating needing \$2,000 to \$5,000 during the year, primarily driven by the new debt load of the school. He noted the Selectmen's budget is responsible for levying and raising all the taxes and paying all the entities we pay taxes for, whether that money is paid to us or not. Mr. Sares questioned whether they have used TANs. Ms. Philbrick reported this year they borrowed \$950,000 for one month.

Capital Reserve Funds – This stayed flat this year and is for ongoing capital equipment purchases and capital construction, mostly for the landfill and maintenance construction projects.

Conservation Commission discussion – Mr. Sares stated that should be level funded, noting that Planning Board, Citizen's Design Review Committee, and Budget Committee do not have a budget. He said he hates to see little commissions that are appointed by the Selectmen then the budgets start climbing. He said he has a hard time with new projects for the Conservation Commission this year when we have the new school and other projects staring us in the face and would like to make recommendation to the Selectmen to wipe that out. Mr. DiGregorio noted the Budget Committee does have a budget which we did review this year.

Mr. Sires stated in the past the Conservation Commission has reimbursed the town general fund for their projects from revenue from timber sales. It was Mr. Davison's opinion that the Conservation Commission budget is overfunded by \$6,000 to \$7,000 and should be actually \$16,260. Ms. Bean expressed concern that in the last two years they have underspent their budget by 31% and now want to increase it by 10%. Mr. Davison said next year if you gave them the \$16,260 you would have appropriated almost \$21,000 – he would recommend this budget go to \$16,260.

Ms. Boucher said last year they gave back from the timber sales, when she asked about that money she was told it went into a fund to buy more land for the town. Ms. Philbrick said the Commission has a number of accounts, one of which is savings, and formerly their money from timber sales went into that. They have a sizable balance, and Selectmen agreed to let them put it into their land purchase account. She said if they do not put any timber sales money into it they may not have enough to fund the budget as it currently stands. At the end of 2004 it was \$16,000. They have enough to fund that.

Mr. Sares questioned how she would translate the sale of timber and the revenue from that going back to the purchase of property – how do you translate that to an increase in the budget? Ms. Philbrick said they manage their property by doing planned timber cuts. Mr. Sires offered to discuss it with the Chair of the Commission and if the Budget Committee has a recommendation would convey that as well. He said, theoretically, it would be the savings account that would be supporting that budget. Mr. Sares asked for the reasons for the increase in the budget and how they relate to the sale of timber and purchase of property, and expressed his concern with budgeting a number and not achieving that during the year.

Default Budget – Mr. Sares asked Mr. Sires whether he views his invoices and payments for utilities and fuel as a contract or transaction? Mr. Sires said as a transaction. Ms. Bean said primarily the default budget is employee benefits, police salaries and benefits, and public works salaries and benefits, and questioned whether that is last year's. Mr. Sires said they are projected increases based on current union contract language. Ms. Bean said if the warrant articles are not passed, then the default budget is too high. Mr. Sires said this is projected on assuming that the existing contract is carried through into 2005 - these would be the additional benefit amounts because health insurance goes up, also salaries go up for those who deserve it. It does not include any new contract terms because they show up on the warrant article in 2005 and become adjusted.

Parks & Recreation – Ms. Boucher noted she does not see North Conway included with the towns that participate and wished to know whether they are invited or are refusing – is anybody participating from there? Mr. Eastman noted other towns participate in a lot of our programs, i.e. in the spring they run a youth girls softball league and the North Conway Community Center (NCCC) participates in it, along with Fryeburg and Brownfield, and pays a fee to cover costs of umpires. NCCC has its own soccer team, we have ours. For football both have a flag football program; however, the programs are distinctly different. Mr. Eastman stated that each year they approach NCCC and ask whether they want to be included in our league, they have declined for several years so in 2004 that invitation was not extended. NCCC runs their program at Schouler Park, Conway Rec uses Whitaker Field. In the winter each runs a basketball program – CRC is different because of our numbers – we have 14 intramural teams who do not travel outside of CRC, and two travel teams which play North Conway, Madison, Fryeburg, Bartlett.

Mr. Sares suggested it is inappropriate to have this discussion without someone from NCCC present. Ms. Boucher said she will also ask NCCC the same questions and Mr. Eastman will not be present. Mr. DiGregorio questioned whether kids from North Conway are invited into CRC programs. Mr. Eastman stated yes, we have had some of them play basketball and softball, kids from any part of the town are absolutely welcome. Mr. Davison said it seems to be a duplication of services serving the same population.

Ms. Stacey questioned number of people participating in the summer program. Mr. Eastman said there are between 190 and 210. Ms. Stacey questioned if all 210 showed up whether he would have had the staff to deal with them. Mr. Eastman felt if they all actually showed up, probably not, but noted they did have as many as 113 in one day – a lot of different age groups and different abilities. Ms. Stacey questioned whether the school participates in anything in the CRC budget, whether they pay for any equipment needed, etc.? Mr. Eastman said the school did provide for a 1-on-1 special needs child and it worked well. Mr. Stacey asked how much is left in the Whitaker Field account and was told none.

Mr. DiGregorio agreed it is somewhat unfair to discuss NCCC without them here, but wished to know if the funding that goes to NCCC went to CRC whether they could handle all the kids in the town. Mr. Eastman stated they could recreate all the kids in the town of Conway. Ms. Boucher requested that Mr. Eastman attend the Feb. 5th meeting when NCCC will be presenting its budget. Mr. Sares questioned the difference between their proposed budget and last year's budget. Mr. Eastman said it is \$14,000, or 5.6%; however, over \$2,000 is for Men's softball league umpires, which is reimbursed. Mr. Davison questioned whether this budget

includes Albany and Eaton. Mr. Eastman said the amount to be raised from Albany and Eaton will be \$24,500 if their articles pass.

Solid Waste – Mr. Paquette questioned whether there is a revenue involved with solid waste. Mr. DegliAngeli explained we are a Solid Waste District comprised of the towns of Conway, Albany and Eaton. Revenue for the period Nov. 2003 through Oct. 2004 was \$327,000. The majority of our revenue comes from tipping fees for waste. The Selectmen implemented a three part program to manage solid waste – to increase tipping fees from \$45 to about \$80 per ton, which is in line with what other communities are asking, they tightened up permits, and began enforcing mandatory recycling. He noted in a two year period our tonnage went from 10,000 tons to our landfill, to 4,600 tons this year, to likely 4,000 tons next year. Some of this is due to commercial companies who provide recycling and brought all of the waste out of town; secondly, when the people who were coming to the transfer station realized the Selectmen were enforcing the mandatory ordinance they decided not to participate because of the inconvenience. The town went from issuing 9,000 stickers to 7,000 stickers. He said the mission has always been to increase the life of the landfill to reduce the amount going into it, and that mission has been accomplished. Ms. Boucher questioned whether we are receiving money for the recyclables. Mr. DegliAngeli said yes, but it is hard to predict what their values will be. Ms. Boucher requested a breakdown of income from recyclables.

Mr. Davison noted the actual spent this year under landfill materials is \$21,000 and only \$10,000 is being requested. Mr. DegliAngeli explained that this year they removed all the plastic at the landfill and recovered it. Next year they will go back to the usual annual amount.

Mr. Jones felt the town should publicize the fact that we have gone from 10,000 tons to 4,000 tons, and income has gone up. Mr. DegliAngeli said by evidence of the reduction in permits and the number of people who decided to contract out with a hauler, we saw the number of uses of the transfer station go down; however, the recyclable commodity increase doubled.

Mr. Jones questioned whether the store at the transfer station can be monitored. Mr. DegliAngeli said the goal of the store is to provide an outlet for items that might still have a life, and it keeps fill out of the landfill.

Planning - Ms. Bean noted figures have been transferred from the Executive budget. Mr. Sires said last year we proposed reorganization of the budget, wanted to deal with the fact that the Executive budget had become a catch-all for a lot of different things – she would have to go back to the Executive budget from last year to get those figures. Town Planner, Tom Irving, said according to his actual spending he had overbudgeted last year by \$6.73.

Legal – Mr. Davison noted it dropped \$5,000 and in reviewing the previous three years it looked like \$40,000 may have been sufficient for this year. Mr. Sires said it is hard to predict what is going to happen in a legal situation, we could reduce it more and hope that everything works out.

Mr. Sares noted Mr. Sires had indicated he did not feel there are any discretionary funds, funds you can control, for example the funds related to Conservation Commission and recreation. He noted non-discretionary funds would be things such as fuel or salt costs. Mr. Sires said there are a lot of things we do that we are not mandated to do, i.e. the recreation

department. Mr. Sares said if you were to find that three years ago you had “X” amount of surplus in the default budget, he would say you should go through all discretionary line items and divide that amount of surplus by those items, and take it out. Mr. Sires said he is still trying to understand the discretionary funds. Mr. Sares said salaries relating to labor agreement are not discretionary. He said you do not have to spend it all if you do not want to, but if you do not, we may lose a service to the town. For example, you may have funds of \$3,000 for the Conservation Commission which is not compelling, but if you do not buy the extra bus at the school “the world may stop.” Mr. Davison said he can find \$12,000 in legal and Conservation because continually each year it is not spent – he felt that is discretionary.

Mr. Paquette noted the difference between last year’s accepted budget and actual expenses is about \$410,000; however, Mr. Sires stated it is actually about \$50,000 and, in an \$8.5 million budget, \$50,000 one way or the other is not much. He said we budget based on our expectations.

Library – Mr. Sares noted there had been discussion two years ago regarding the use of contract employees. Ms. Marschner stated they do have that. Ms. Boucher questioned whether the meeting room is being utilized. Ms. Marschner it is being used all the time.

Ms. Boucher asked how much is in the fund balance this year. Mr. Sires estimated \$2.2 million, noting that last year it was \$2.4 million.

Ms. Boucher said regarding discretionary funds, her understanding was if you did not have enough money in the line item, the town was supposed to come back to the Budget Committee. Mr. Sires noted this year the Police Commission and the Selectmen went to DRA for approval for an overexpenditure, but we cannot do that every year, it has to be for something unexpected. He noted if we went to the DRA we could designate a fund balance, but that is not the best way to budget. Ms. Boucher said over the years we have heard about encumbered and unencumbered funds. Ms. Philbrick said the Library special article has \$19,000 that carried over to next year, which is the nature of the article.

Mr. Davison said it is a concern to him when there are areas that are consistently over budgeted – he felt for the Conservation Commission \$7,000 could be cut off easily; for legal they could easily eliminate \$5,000.

Ms. Stacey said last year we asked about the reserve fund, were told DRA requests that we keep a certain amount in there in case something big happens in the town. Mr. Sires stated they were recommending 5% to 10% of gross budget; however, they have reworked their recommendation to between 5% and 15% and we are at about mid point with 10%. He emphasized that it is not that we have \$2.2 million in cash sitting somewhere, the big difference this year is the debt for the school, so even with the reserves that we have, we have had to borrow about \$950,000 for cash flow purposes because we are also distributing money to precincts, etc.

Mr. Seybold pointed out we did use some of those funds to decrease the tax rate last year. Mr. Sires said over the past four years we have used \$500,000, \$559,000, \$622,000 and \$500,000. He said in striving for stability we have tried to put all of our projects and capital equipment on a scheduled. Mr. Seybold noted in reviewing some of the fire district budgets it is

important to note that some are not looking ahead and we should encourage them, as much as possible, to do that. He said that he likes that we can look ahead and know that something is being planned, and commended Mr. Sires and his staff for doing that.

Mr. Paquette noted they are projecting revenues for 2005 (about \$3.7 million), but we do not have the figures for 2004.

Warrant Articles:

Mr. Sires explained there are nine appropriation articles that would have a financial impact. Should all be adopted, the impact to the tax rate would be \$.13 - every \$100,000 change in revenue or expenditures effects the tax rate by about \$.08. A total of about \$152,000 would be raised by taxes. A number are supported by non tax revenue streams. The total adds up to an appropriation of \$323,530. The first two warrant articles pertain to bargaining agreements with Public Works and Police. Union negotiations are not yet completed, thus no figures could be provided.

Maintenance of Town Buildings and Facilities Capital Reserve Fund – \$125,000 - Ms. Stacey said last year were putting \$125,000 into a fund to fix certain buildings and wished to know what this year's project is. Mr. Sires referred her to the Schedule under Capital Reserve Funds. It is a 5-year plan - \$125,000 funding each year for projects that are designed to maintain our town buildings, plus \$277,080 for construction of a new service garage in 2008. Projects for 2005 are replacement of the gym floor at the recreation center (swapping the roof shingles project to 2007 as the gym floor is coming up and it is felt that the roof on the Town Hall will last another two years whereas the gym floor will not). Mr. Sires stated projects accomplished this year were securing dispatch at the Police Station and installation of a new hot water tank; boiler and heating system at the recreation center, and duct work maintenance, and interior painting and carpet at Town Hall. Mr. Sares cited the interior painting of Town Hall as an example of a discretionary item, whereas a boiler might not be.

Wildland Fire Expendable Trust Fund - \$5,580 – Mr. Sires explained this is for reimbursement of expenses for fighting wildland fires within the Town and relates to the Black Cap fire several years ago. There was disagreement between North Conway Water Precinct and Conway Village Fire District and the Town, as to how those expenses were funded. He stated the town resolved it by assuming that we paid those expenses through our non precinct fire agreement to the village districts - we contracted with them to do this. The Town Manager did not have any budget to pay out those funds, so agreed to take the reimbursement from the State and establish a fund that would be used to reimburse the town fire districts in the future for fires that occurred within the town that were eligible for reimbursement from the State. He said it is kind of a cash flow trust fund that is established at the voters' discretion, non tax revenue managed by the Selectmen, and only would be disbursed as the warrant article states. Mr. Sires stated through our contract we pay NCWP and CVFD \$80,000 a year for blanket coverage. Ms. Boucher questioned why not put that money in the general fund? Mr. Sires said the State requires us to send a bill stating we paid this bill. It was noted the town did make payments to Bartlett and Jackson.

Conway Public Library - \$91,000 – money to be raised from private donations and will have no impact on the tax rate. Mr. Sires explained the money must still be raised and appropriated in order for them to spend it.

PEG Expendable Trust Fund – Mr. Sires stated the Selectmen are still talking with Valley Vision about the contract for operations for 2005 so there is no dollar figure yet. Mr. Sares felt it would behoove the town to hold off on coming up with a number until the Budget Committee has reviewed the Valley Vision budget. For instance, if we came up with a benchmark that could compare Valley Vision's budget with other PEG budgets around the State and it came up less. Mr. Sires said if the Committee has recommendations on the warrant articles or the budget he would take that back to the Selectmen, noting the PEG fund is funded by revenue from our franchise fee – the Selectmen may propose the voters put all of that in there, yet the contract with Valley Vision might have a different number. He said there is a distinction between the PEG allocation and the use it is put to. Mr. Davison said as regards the PEG expendable trust, it is within the Selectmen's rights, this is what the town approved. He suggested the additional amount could be used to offset taxes. Mr. Sares said it would be illogical to do that because we are talking about franchise fees – we would be giving money back to people who did not contribute to the franchise fees - the money should not be given back to the town. Mr. Davison contended Madison does it and Bartlett is doing it. He said he would think that the people who pay exorbitant taxes that have the use of cable would appreciate the fact that their taxes are going down. Mr. Sires said if the Budget Committee wants to invite Valley Vision in they should understand they are a private non profit organization and that needs to come from the Budget Committee. Ms. Boucher recommended that Valley Vision come before the Budget Committee on the same day as the non profits come, and they can present their budget.

Safety Equipment for the Public Works Department - \$13,700 – Mr. Sires explained this is for a variety of safety equipment for the highway department, including items to implement the Adopt A Highway Program (this would provide safety signs, hard hats, vests, etc. for volunteers to keep the roadsides clean). Mr. Sares said “you want to increase my taxes in order to have people adopt a highway so they can pick up trash”. Mr. Sires said it is volunteer labor, but there would be a tax impact. Ms. Umberger pointed out that it would not be on this paper if the Selectmen were not in favor of it, but there has not been an official vote – they have not had a dollar figure for all articles. Mr. DiGregorio stated the DOT has been coming down hard on traffic issues – how we put our signs out, whether we wear hard hats and vests. He said he is not sure volunteers could be out there if they did not have the proper safety equipment.

Ms. Boucher questioned the case of town-owned roads that are State maintained (East Conway Road) and the State does not pick up the trash. Ms. Umberger said she was told by Mr. DegliAngeli that if someone wants to adopt East Conway Road they need to contact the State. This article is for town-owned roads that are town maintained.

Mr. Sares said this is a feel good program, but there is no such thing as “too small” – ten small items make a big item - this Budget Committee is here to look out for the citizens. Mr. Seybold said the alternative is we hire enough road crew to clean up the trash along the highways and this is a proposal to minimize some of that expense. Mr. Sires said we would not be proposing hiring people to do it, we would do it if we can, but not as a priority for our summer workers. Mr. Sares said he thinks people here are more than capable of picking up their own

trash. Mr. Sires said it is to protect the people who are volunteering to do this. Mr. Davison said a lot of clubs and stores participate in this type of program and are doing a great job.

Ms. Umberger explained there are two aspects to the \$13,700 – only \$800 to \$1,000 is for the Adopt A High Program, the majority of the money is for safety equipment for the Public Works Dept. (the highway equipment component amounts to about \$12,690).

9-1-1 Street Signs - \$8,750 – to replace street signs on public and private streets. Mr. Sires reported the in-house project to get all the streets named in order to facilitate emergency response and 9-1-1 dispatch is finished and they now need to get signs up so emergency service providers can be better directed. It is not mandated, but a facilitating response.

Vehicle Registration Equipment - \$7,500 – Mr. Sires said the State has embarked on a program to do vehicle registrations on line and we are going to be required to become part of that program. It is not clear if it will happen this year or in a future year, if it turns out that it is highly unlikely that it will happen this year, we will take it out. Mr. Seybold noted we derive a fair amount of revenue from registrations, and wished to know if this goes on line whether that impacts our income. Mr. Sires said it is not supposed to – probably will not bring us more. Mr. Seybold said he would be suspicious about where the money is going to go when they go on line.

Raise Annual Compensation for Supervisors of the Checklist from \$750 for each of three members to \$1,000 each. Total increase \$750. It would then become part of the operating budget.

Raise Annual Compensation for Police Commissioners from \$600 to \$1200 per year for the Chairman, and to raise compensation from \$500 for each of the other two members to \$1,000 per year each. Total increase \$1600. It would then become part of the operating budget.

Mr. Jones questioned the 100% increase for the Police Commissioners, noting that he serves on various committees because he wants to, he is proud that he can do it at no cost to anybody in the town. He noted he is referring to both warrant articles.

Ms. Stacey questioned when was the last time they had increases. Ms. Philbrick said the Supervisors went from \$500 to \$750 sometime within the last five years. Mr. Stacey asked why they think it is appropriate to bring this forth in a year when we have a bond. Ms. Umberger stated the Police Commission brought it to the Selectmen and asked that it be included in the warrant. Ms. Boucher asked whether there is any social security taken out and was told there is. Mr. Sares said he feels strongly that public service in the State of NH is a privilege and should never be a means of making money – it is giving back to the community, making it a better place. He said his comments are not directed at the Supervisors of the Checklist, but at the Police Commission.

Mr. DiGregorio questioned exactly what the Supervisors of the Checklist do. Mr. Sires said for them it is a time issue to register voters, manage checklists, participate in elections - they are helping their community. Mr. DiGregorio said he does not support a raise for the Police Commission. Mr. Seybold said as regards Supervisors of the Checklist, some of them take time off from work to do a job for the town.

Ms. Seavey asked how often the Police Commissioners meet. It was noted they meet twice a month as does the School Board. Mr. Dighello commented that everyone took a big tax increase last year and the Commissioners used poor judgment in asking for a 100% increase this year. Ms. Umberger agreed to bring in the information from the Supervisors that they provided to the town in regard to what they do and how much time they spend. Mr. DiGregorio said his concern is whether it costs them money for supplies, etc. out of their own pocket. He was told it does not.

Ms. Stacey questioned when the Selectmen last received a raise and it was determined it was 12 years ago - they meet every week, plus attending other related meetings on average once a week. Ms. Stacey said she does not think this is something we need to consider. Ms. Boucher stated a number of people are asked to run for Selectmen or School Board, some people are on social security, but for every dollar they earn they get money taken away and this is stopping some of our people in town who want to run and cannot.

North Conway Sunoco Station Property – Property at the corner of Pine and Main Sts. Mr. Sires explained, at their expense, a group has agreed they would acquire the property, demolish the building and landscape the site - the question to be put before the voters is “Would the town accept that if all this were done?” The other side is, there is a certain amount of taxes that would no longer be collected. Mr. Sares questioned is it not impossible to collect those taxes? Mr. Sires said they would still seek to recoup those if possible. He stated there is an arrearage on that property of about \$6,000. The property is on the market in the range of \$270,000 to \$300,000. The idea is to have it as green space and a gateway to the village, and would be adjacent to Whitaker Homesite property. Mr. Jones questioned whether it would be better to offer it to the school department. Mr. Sires stated the idea is it is adjacent to Whitaker Homesite.

Mr. Sares said he introduced this proposal to the Planning Board which voted in favor of it because there is not much for parks here. Mr. Seybold commended the group for their efforts, agreeing that green space is valuable.

Birch Hill Water District Budget – Mr. Jones presented the budget of \$48,726, noting it up \$11,000 over last year. Executive line was underbudget – the previous year the cost was for some initial expense for setup. Legal stayed at \$20,000. Mr. Jones explained that they are in negotiations with the current owners of the water system and submission of the legal budget was in anticipation if they could not come to mutual agreement and would need legal fees. Advertising – they expended \$428.50, budgeted \$2100 this year as they have established a website which involves a monthly maintenance fee. Other General Government – last year they spent \$15,000 for engineering studies and research. There are no known records of the system. They have a contract with H.E. Bergeron for \$15,000 and are anticipating expending \$26,000 next year for engineering studies.

It was noted that the annual meeting authorized a \$350,000 bond, if needed. Their next scheduled annual meeting is in March to present this budget and the warrant article. Mr. Jones stated they have an offer price, but do not know what they would be buying – there are no plans, they do not know the condition of the system. He stated the conditions have greatly improved because of pressure being put on by the PUC and because of actions by the District; the system is

running much better than it was, but these things have to be documented, which is why they are looking at another increase next year.

Mr. Jones stated their options are to do nothing, live with the system the way it is, conduct further negotiations with Integrated Water Systems, or someone else could come in and buy the system. He said he has met with Tom Holmes because the District had already assessed the people for this last year, and if they do not buy the system they do not need the money collected, so need to know how to get it back to the people if that should happen? He stated they have to budget for what they think they might need based on information we have today. Ms. Umberger questioned the possibility that someone other than Birch Hill residents may buy the water system and the fact that they passed the bond for \$350,000. Mr. Jones said they have not done anything with it, the authority is there. She questioned if they cannot come to an agreement with the water company whether that is when the legal fees kick in? Mr. Jones said no, they are there so that if they came to an impasse and could not agree to their price and would have to take action by eminent domain.

Ms. Bean announced that we have a Budget Committee member who cannot be here on the 9th when we are scheduled to vote and she has contacted the Local Gov't. Center to explore the possibility of holding a telephone conference for that purpose. She read aloud a response from them which indicated it is acceptable to use that method. She noted also the Committee could choose to have the voting on Feb. 10th and Mr. Seybold would be back in town. Mr. Jones stated he will not be here on the 9th either and will make his position known on all articles based on information he has to the point of departure.

At 9:40 p.m. Motion was made by Ms. Stacey, seconded by Mr. Sares and carried, that the meeting be adjourned.

Respectfully submitted,

Gail T. Currier, Recording Secretary