

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
October 18, 2006**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairperson Melissa Stacey, Robert Drinkhall, Betty Boucher, Maureen Seavey, Karen Umberger, Pat Libby, Charlotte Waterman, Bill Aughton, Phil Dighello, Doug Swett, Pat Swett and Sheryl Kovalik. Also present were Earl Sires, Town Manager, Lucy Philbrick, Town Finance Director and Etienne Vallee.

Chairman Stacey read Randy Davison's letter of resignation to the Committee. **Motion by Pat Swett, seconded by Bill Aughton, that Randy Davison's resignation be accepted. Motion carried unanimously.** Betty Boucher requested that a letter be sent to Randy stating that his resignation was accepted with regret and thank him for his participation on the Budget Committee.

Chairman Stacey advised that one person had applied for the job to replace Randy Davison, and read the letter from Etienne Vallee to the Committee. Chairman Stacey stated to the Committee that it needed to be decided what to do with the vacancy. Karen Umberger stated that she thought that once an individual was willing to serve and came forth, the Committee should vote on the application. **Motion by Karen Umberger, seconded by Betty Boucher, that Etienne Vallee be accepted as a member of the Budget Committee. In favor: 9; opposed: 1, Pat Swett; abstained: 2, Doug Swett and Sheryl Kovalik.** Pat Swett stated she would like to see the letter. Phil Dighello requested that Etienne Vallee be given a chance to add anything new from the letter. Mr. Valle stated he had covered the Selectmen, Budget for School and Budget for Town; he felt he knew a lot of the Committee members from that; he wanted to be involved. Chairman Stacey advised that he would be serving until April. Pat Swett stated she had some concerns about what Mr. Vallee stated in his letter and questioned why he got done teaching; very critical to keeping school under control. Mr. Vallee responded that the Town does a fairly good job; as for the School Budget, he doesn't agree with the spending, the way they come up with projects, not as much wiggle room. After discussion, Chairman Stacey invited Mr. Vallee to join the Committee and welcomed him as a member. Karen Umberger, as a Selectman, gave the oath to Etienne Vallee to become a member of the Budget Committee.

APPROVAL OF MINUTES

**Phil Dighello moved, seconded by Bob Drinkhall, to approve the Minutes of July 19, 2006. In favor: 9; opposed: 0; abstained: 3, Pat Swett, Doug Swett and Sheryl Kovalik.** Betty Boucher asked why there was opposition and Chairman Stacey advised that no one opposed, they just abstained because they were not at the meeting.

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Chairman Stacey presented paperwork from Stratham for the non-profits for the Committee to review, to compare with questions that are not on our forms. Karen Hallowell is not sending the non-profit forms out until the Committee decides what they want to do. Earl Sires stated that the Stratham forms were something he came across and there were some detail questions that he thought should be passed along. Chairman Stacey stated that the Committee needs to have a decision about the non-profit forms by the next meeting on October 30<sup>th</sup> at 6:30 PM at the Town Hall. Chairman Stacey advised that the tentative date for non-profits is February 3rd, which gives one week before we have to have them; otherwise run into a time crunch with the Municipal Association.

Chairman Stacey turned the meeting over to Earl Sires to present the Budget Review for the Town. Earl began by welcoming Etienne Vallee to the Committee. Earl stated that with less than 25% of the year remaining and the Town was right on target. Lucy Philbrick stated that the figures presented are for the end of September.

Earl stated that the legal budget hadn't changed significantly. In past years, the total legal budget was not used. But much has happened this year, two categories: zoning and developing issues. Earl also reminded the Committee that a developer contributed over \$1 million to the Town. Three lawsuits against the Town have been resolved in the Town's favor; even though the Town won, it spent \$8,000 to \$9,000 to prove the right thing was done. There has been discussion on how to budget for next year; there are still some suits not resolved. One of the tax cases benefited the Town in that the Town received \$100,000 in revenue that it wouldn't have had if the suit had been lost.

Earl Sires proceeded with the Expense Report stating that long term debt and capital obligations were pulled as that line can be distorted and not show where the Town really is. In the Operating Budget, Earl touched on the Ambulance, Fire, Parks and Recreation and Patriotic Purposes. Earl further stated that the Budget is very tight, but anticipates finishing the year with less than 3%.

Chairman Stacey asked Earl Sire and/or Lucy Philbrick to explain what had happened with the Redstone Budget and what was done to rectify the problem. Lucy advised the Committee that the Redstone Budget had received a denial letter from the DRA. Earl stated the issue was technical flaws in the posting of their Warrant and disallowed their budget; Redstone didn't put in the appropriate numbers; they never rewrote their budget. Lucy further advised that the DRA looked at the documentation as if the Budget Committee had recommended nothing for the budget. Chairman Stacey stated that she signed off line by line stating the budget had been approved.

Betty Boucher stated that back in July the Town was going to or had applied to get a grant; where does that stand? Earl Sires responded that the grant was received for the Emergency Director for two days a week; also funding will come from the Town. They are in the process of revising

the Emergency Operation Plan, but having trouble with the State asking for additional information. Karen Umberger stated that Mr. Duffy's office is by the Recreation Center.

Betty Boucher asked what happened to the insurance meeting in September. Earl Sires responded that they are waiting to get rate information from all the providers. Betty reminded Earl that there are two people on the Committee that would like to go and requested that they be notified when the next meeting is scheduled. Earl stated that once all the rate information is received, they would sit down and look at them. Lucy Philbrick stated the Government Center is sending rates October 24<sup>th</sup>, Harvard Pilgrim has asked for more information. Phil Dighello stated that it looked like the meeting would not take place before sometime in early November.

Chairman Stacey asked about the status of the Solid Waste person. Earl responded someone had been hired and they seemed to be doing fine.

Sheryl Kovalik requested an explanation on some of the revenue. Lucy Philbrick stated the Town voted to establish a revolving fund and at some point will vote to reimburse certain line items. Earl stated that the 25% to 32% of revenue left to collect only comes in at certain times; as an example, the Room and Meals Tax as of printing is \$327,000, but Lucy stated the funds will not be received until close to December 31<sup>st</sup>. Earl stated the projections should be what we are going to be at or slightly above what is there now. Sheryl further asked how this year compares to previous years, high or low. Earl stated that the revised building permit fees increased revenue by 30% to 40%. Earl further stated that having funds of 1% or about \$80,000 for last year and \$77,000 in an \$8 million budget, he'd rather be off on the high side if you are going to be off at all. Earl also stated that the Departmental budget reviews are December 8<sup>th</sup> or 9<sup>th</sup>.

Chairman Stacey asked Earl when he thought the books would be ready and Earl responded the 8<sup>th</sup>; Chairman stated after 3 PM.

Betty Boucher stated that she thought the Committee was going to have John Eastman here tonight. Chairman Stacey responded that it had been rescheduled. Earl Sires stated that this summer the Recreation Program had an average daily count of 80 or 90 children.

Earl Sires stated the total assessed value is \$1,284,930,920; up about \$30 million to \$35 million; largely from new projects. Selectmen to use \$600,000 from fund balance for next year that will get the fund balance for the Town to about 6%. Earl stated the Selectmen are looking at the budget for most of November.

Chairman Stacey stated Karen Hallowell will try to get to the names and addresses of all Committee members to us by next meeting. Chairman Stacey further advised that the schedule for the budget season will be decided by the first of December.

Sheryl Kovalik asked Earl Sires what it was he found interesting in the Stratham non-profit forms. Earl responded that there were certain questions, i.e. what other funds are available; why are town funds needed; more detail on staffing. Earl thought there were several questions to determine why are you coming to the Town. This is something we struggle with each year. Some of those questions are a bit more to the point. Chairman Stacey advised that they were working with the schedule; so hopefully the meeting will not run as long as last year; give about 15 minutes for each presentation and then the Committee questions.

Sheryl Kovalik asked the Chairman if Deb needed to review the papers passed out tonight before the 30<sup>th</sup>? Chairman Stacey advised that she should.

Betty Boucher stated to Earl Sires that she had read in the paper that the Town of Eaton is not going to plow some Town roads; will this change the budget? Earl responded the he didn't know yet. The amount Eaton is charging for plowing went up by the same amount that Conway is seeking from Eaton for its contribution for the Recreation Center. Town is looking for bids from private contractors. The Town will not pay \$20,000 for one mile.

Chairman Stacey passed out paperwork received from the School Board to be reviewed for the next meeting. Phil Dighello asked if it would be possible to get any figures before the next meeting. Sheryl Kovalik stated it might be available; she will talk with Carl. Phil stated he would rather have the information before the next meeting.

**Motion made by Phil Dighello, seconded by Betty Boucher, to adjourn the meeting at 7:26 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary