

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
January 8, 2007**

A meeting of the Municipal Budget Committee was called to order at 6:32 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairperson Melissa Stacey, Robert Drinkhall, Betty Boucher, Maureen Seavey, Pat Libby, Phil Dighello, Doug Swett, Rick Paquette, Crow Dickinson, Bill Jones, James LeFebvre, Karen Umberger, Etienne Vallee, Bill Aughton and Kirk Smith. Also present were Cindy LeFebvre, Earl Sires, Lucy Philbrick, Roderick Henry and David (Conway Daily Sun).

Chairman Stacey stated the meeting scheduled for Wednesday, January 24<sup>th</sup> for the School, will be held at the Police Station at 6:30 PM.

Crow Dickinson asked if the Committee was going to be getting a schedule of meetings and Chairman Stacey stated that it was supposed to be ready tonight, but was not.

Rick Paquette stated he was expecting to get a copy of the agreement with the Police Commissioners, Union and Town. Earl Sires stated that he didn't have it for tonight, but would get both agreements to the Committee. Karen Umberger stated that she could take the agreements to the meeting on Wednesday.

Chairman Stacey stated that this year the non-profits would not be scheduled according to order received. Due to the lengthy time on some last year and because she didn't want to make people wait like last year, she and Karen Hallowell would do the schedule. She was going to move the hot issues to the end of the day. Crow Dickinson stated that he found when working with the County that with these agencies if you give them a time and send an agenda they know ahead of time. Chairman Stacey stated that the blame can't be placed on the presentations; blame has to be placed on the shoulders of the Budget Committee. There are some hot button issues, such as the Airport, the Ambulance, the Red Cross that will take time; will probably schedule 3 presentations, take a 10 minute break, 3 more presentations and a 10 minute break, with the hot topics at the end. Rick Paquette questioned if the Chairman was allowed to cut off discussion and the Chairman stated she could but didn't feel anyone should be cut off. Doug Swett stated last year sounded like an unusual year. Betty Boucher stated when she first started they would stay until 4:00 PM, now only here to 1:00 PM. Chairman Stacey stated she could only try to make it as quick as possible. Bill Jones stated that he thought what was being suggested was very good; go with it. Doug stated years ago they tried to do it at the end of a meeting. Chairman Stacey stated one year they were here until Midnight voting after a meeting; will not be voting night of the public hearing. Bill Jones stated need to stress the need for information ahead of time. Chairman Stacey stated all non-profits due by Friday, the 12<sup>th</sup>, hope by that week or the next week will have copies for the Committee. There were questions on the new form about the expense lines; the previous years budget, then expenditures, and what they currently want for a budget.

Chairman Stacey passed out paperwork from the School advising that the numbers are as of December 13<sup>th</sup>. Crow Dickinson stated that he had several concerns after the discussion on Article 17 because he thought the money was already spent, being reimbursed by the State and put in the Trust Fund to offset taxes; that is what he understood. However, he got up at 3:00 AM and the DRAFT passed out is his reflection of what was said. He talked to Dr. Nelson, but Dr. Nelson never got back to him. The Article, as proposed, doesn't make sense the way it is written. Crow told Dr. Nelson that he would take any amendment to Concord. He was going to Concord on Friday and would be happy to run anything past the Commissioner.

James LeFebvre questioned the establishment of the Trust Fund. Chairman Stacey stated the Trust Fund was established because of the need for a place to put the money getting back in the form of financial building support. Karen Umberger stated that on the Career/Technical Center you get reimbursed as you spend as opposed to the High School which you get 40% of the money over 20 years. It is a different philosophy in the reimbursement for the Career/Technical Center than it is for the regular academic side. Crow Dickinson asked if the Vocational/Tech Center was built with money from the bond and that he could only assume the money would not need to be raised again. Maureen Seavey stated Crow's DRAFT had 3 years and she thought it was suppose to be 20 years. Crow stated he just set that number, didn't care whether it was 2, 3 or 6, it's just a draft. Karen wanted everyone to keep in mind that the bond was set up with front loaded payments; now getting back 75% of the Career/Technical so bond is not even for 20 years.

#### APPROVAL OF MINUTES

**Bill Jones moved, seconded by Bob Drinkhall, to approve the Minutes of December 18, 2006, as amended. In favor: 14; Abstain: 1 - Etienne Vallee.** Pat Libby stated that on Page 6, first complete paragraph, first sentence, "Paul" should be changed to "John".

**Bob Drinkhall moved, seconded by Betty Boucher, to approve the Minutes of December 20, 2006, as amended. In favor: 13; Opposed: 1 - Betty Boucher; Abstain: 1 - Kirk Smith.** Pat Libby stated that the cite for *Know The Territory* should be changed to "40.13". Etienne Vallee stated that on Page 6, third complete paragraph, line 6, should read "...it wasn't". Bill Jones mentioned if there is a contract, he would like to see it. Chairman Stacey stated she would call Margaret. Maureen Seavey stated she wanted to clarify what she meant; she supports both Centers, doesn't support one over the other.

Chairman Stacey stated she wanted to talk about the side conversations; Minutes can not be accurately taken with everyone talking all at once. She literally told the secretary to stop at the last meeting, no point; please keep side comments to a minimum. She hates to cut anyone off, everyone has a right to their say, but everyone needs to remember one can not speak without Chair giving the floor, otherwise an unproductive meeting.

REDSTONE FIRE PRECINCT BUDGET PRESENTATION

Roderick Henry presented the budget for the Redstone Fire Precinct. He advised that basically the proposed 2007 budget was divided into different categories: Expenses Building, Fire Equipment, General/Equip/Supplies and Other Expenses which includes Insurance/Dues, Capital Reserve, Medical (Hep B), Office Supplies and Miscellaneous. Bottom line is \$51,950.00, an increase of about \$10,000.00, most of the increase is in the Capital Reserve Fund by \$5,000.00.

Bill Jones asked in Fire Equipment, why was Clothing Allowance up \$800.00. Mr. Henry stated members are paid for clothing, not membership in the Department, volunteer firefighters. Bill stated Vehicle Maintenance was up \$1,500.00, was there a problem with equipment this year and Mr. Henry stated they had an engine rebuilt.

Karen Umberger stated she was very confused on the Clothing Allowance. Mr. Henry explained a check was handed out once a year to volunteers to pay for clothing destroyed. Karen asked if this was done instead of getting paid and Mr. Henry stated that was correct. Karen further stated no pay for responding to fire but give allowance based on number of times responded and Mr. Henry stated no, based on attendance. Bill Jones stated he was confused with the Clothing Allowance being based on attendance, and asked how many members. Mr. Henry stated 20 members.

Mr. Henry proceeded with a \$5,000.00 increase in Capital Reserve; 20% increase in gas and oil; anticipated Vehicle Maintenance. Karen Umberger asked what the money in Capital Reserve was for and Mr. Henry stated to replace equipment. Karen asked if they anticipated a fire truck in the next 4 years, pumper in the next 3 years. Mr. Henry stated the money was there for equipment replacement, most funding through donations and activities, very little Town money. Karen stated she was curious why they were adding \$5,000.00. Mr. Henry stated basically the equipment was from the 80's; need to start putting money away. Karen asked if there was a replacement program and Mr. Henry stated not on any schedule. Karen asked Lucy Philbrick how much was in the Capital Reserve Fund and Lucy advised that at the end of 2005, \$720.00.

Crow Dickinson asked what the Capital Reserves were set up for and Mr. Henry stated one was for legal and one for replacement of equipment. Karen Umberger stated the Fire Departments become part of the computation used to set the non-precinct fire rates so whenever there are increases in the fire budgets, rates change for what people in the non-precinct district have to pay. There is an affect; not like no affect at all. Doug Swett stated there was nothing we can do about the budget and Karen stated we can send something back to the Commissioners.

Rick Paquette stated he was trying to understand the Vehicle Maintenance, \$4,500.00 appropriated, actual \$5,572.00 and \$6,000.00 proposed and then \$8,700.00. Mr. Henry stated the \$8,700.00 is what was actually appropriated for this year.

Bob Drinkhall stated why look at 3 and not the other two. Karen Umberger stated North Conway Fire District and Conway not entirely within the Town of Conway.

Betty Boucher asked if the Capital Reserve Fund had any money in it and Mr. Henry stated it did. Betty further asked why is it not listed, should show that you have that money. Lucy Philbrick stated that it all shows up in the Town Report. Betty questioned the Med (Hep B) and Mr. Henry stated it was required by the State to have funds for Med (Hep B). Betty asked if they ever spend that money and Mr. Henry stated that it had to be requested by the person getting the shot.

Bill Jones questioned the \$5,000.00 for the Capital Reserve. Mr. Henry stated they were trying to build the Fund up. Bill stated taxpayers are going to get hit hard. Maureen Seavey stated Vehicle Maintenance for older trucks, so maintenance is going to be higher and there was only \$720.00 in the Fund and equipment breaks down, \$15,000.00 is not a lot to ask.

Crow Dickinson asked when the annual meeting was and Mr. Henry stated in March.

Bob Drinkhall stated how many pieces of equipment does the Precinct have. Mr. Henry stated 3. Bob stated he had spent time on the plan for North Conway Fire and these figures don't sound bad. Mr. Henry stated a lot of people work very hard; small department; lot of training going on.

Doug Swett asked that the Committee members remember this particular precinct didn't have a Fire Department, started from scratch.

Crow Dickinson stated since he was there as a representative of Center Conway, Redstone should appoint someone to represent its precinct on the Board. Crow stated there may be somebody right across the street that might be interested.

Chairman Stacey stated last year this was the group that fell through the cracks. Lucy Philbrick stated in 2005 expended \$30,000.00 for a piece of equipment.

Rick Paquette stated 3 pieces of equipment; how old is the main truck and Mr. Henry stated 1983. Rick stated if he was driving a 1983 and only had \$700.00, he couldn't imagine being in an '83; vehicle tires cost more than \$700.00; discussion about Capital Reserve is a moot point. Mr. Henry stated all Committee members were invited to come over and take a look; pretty amazing to see what they have done with little money; putting in new heating system.

Bill Aughton stated actually have \$720.00 and Karen Umberger stated plus \$10,000.00; \$10,720.00. Bill continued that he appreciates that equipment is expensive, but questions amount asking for at this time. Mr. Henry stated the Capital Reserve of others is higher.

Crow Dickinson stated on March 22<sup>nd</sup> have annual precinct meeting; members voting, they are the one's impacted by it. Doug Swett stated we don't do North Conway because out of Town, who is looking at their budget. Karen Umberger stated all the people on the Ad Hoc Budget Committee in the precinct. Bill Jones stated it was his responsibility to ask questions and try to get reasonable answers.

Karen Umberger stated she had a lot of trouble using Clothing Allowance to pay volunteer firemen. Chairman Stacey stated it was not wages, but a one-time check. Karen stated if they get paid based on attendance, when they go to fire calls and to meetings; if not wages, what else is it. Chairman Stacey stated it was a Clothing Allowance. Karen stated they do have Personal Protective and it is called fireman wages. James LeFebvre suggested using "individual stipend". Mr. Henry stated that DRA had no reservation. Karen stated it was because DRA thinks it is for clothing and Mr. Henry stated that it is. Karen stated then everyone should get same amount. Mr. Henry stated they do have same amount; if don't show up, not paid. Maureen Seavey stated Police Department plain clothes officers get a Clothing Allowance; can't see the difference. Karen Umberger stated she had no problem understanding what was being said, but it is in fact called fireman's pay; don't want to pay workers compensation insurance. Mr. Henry stated they do pay it, pay minimum amount. Chairman Stacey thanked Mr. Henry for the presentation.

#### BIRCH HILL BUDGET PRESENTATION

Kirk Smith presented the budget and stated they have no vehicles, no property. When formed, thought they would be going into the water business and would be taking over the system; never made an offer to purchase and this past year the system was sold and all residents are delighted. Budget has no impact on taxes. They were reimbursed for some of the engineering work done. Betty Boucher stated in Advertising spent \$532.00; proposing \$2,100.00. Kirk stated probably won't spend. Chairman Stated point is moot. Betty stated have to ask questions so people know.

Karen Umberger asked if still holding annual meeting and Kirk responded on April 10<sup>th</sup>. Karen asked for what cost and Kirk stated the rent the Community Center. Karen asked where that was put and Kirk stated probably under Executive. Chairman Stacey thanked Mr. Smith for the presentation.

#### EAST CONWAY FIRE PRECINCT BUDGET PRESENTATION

In the absence of a representative from the East Conway Fire Department, Chairman Stacey presented the proposed budget. Chairman Stacey stated that if any members had questions, write them down and she would give Mike a list of questions, hoping he will respond at either the next meeting or in the very near future. Chairman proceeded to read the proposed budget. Lucy Philbrick stated that the Trustees don't have any Capital Reserve. It was questioned why the Capital Reserve presented was not in the hands of the Trustees.

Crow Dickinson asked about the insurance and Chairman Stacey stated assumed insuring the equipment. Betty Boucher stated she was confused on

the \$9,000.00 for pending expenses. Karen Umberger asked if volunteers were paid anything. Chairman Stacey stated she didn't think so. Doug Swett stated the Chief might get \$100.00. Chairman Stacey stated she thought the Chief gets \$100.00. Bill Jones stated doesn't include fundraising; surely they are allowed to reimburse or some way repay the volunteers. Chairman Stacey stated she would pass questions to Mike Valladares and see what we get for a response.

#### TOWN BUDGET REVIEW

Earl Sires stated that the pages given out tonight are replacement pages for the book. Police Department changed its way to handle sick leave buy-out basically instituted additional benefits for non-union begins as policy in 07; not awarded until the following year. Policy begins in 07; payments not until January 08. This is a policy change Commissioners made. Incentive Pay reduced by \$15,563.00; changed to \$9,400.00. Likewise change made with Ambulance; that amount was \$54,000.00, increased to \$67,000.00. Doesn't change overall a whole lot. Basically pro-ratio amount to cover 120 day period. There is a total now of \$8,739,068.00.

Karen Umberger stated on Ambulance reduced from \$154,00.00 and Earl Sires replied actually you recommended \$54,000.00, changed to \$67,000.00. Earl stated \$8,709,232.00 is actual with not all bills paid. We have \$8,402,023.00 for a difference of \$307,000.00. We are under because the Highway Department typically ends up with not as much. This year have \$221,000.00 left in that budget; will revert and keep in Town treasury by Selectmen to offset taxes for the coming year. When all is said and done, will have somewhere around \$500,000.00 to contribute to the Selectmen. Earl stated he didn't lock in heating fuel, so far a good decision. Chairman Stacey asked where the Budget Committee's budget stood and Lucy Philbrick stated \$1,100.00 and she thought there was one bill that was not in there.

Lucy Philbrick presented the Default Budget. There are not as many pluses and minuses. Pluses are benefits, Ambulance down, paid off Landfill Bond. Default calculation is about \$60,000.00 less than the revised budget.

Chairman Stacey asked members if they needed to have anyone appear again. Doug Swett stated he wanted to talk about the part-time position at the Library. Chairman Stacey stated 20 hours or more entitled to benefits. Earl Sires stated that is Town policy, that is what the Town does. Lucy Philbrick stated Library has one person getting one-half benefits; Police are 68%, Town 60% benefit.

Crow Dickinson stated he read in the newspaper the Library was advertising for a part-time position, \$12,000.00 salary plus \$6,000.00 benefit package; jumped off the page. Lucy Philbrick stated benefit amount depends on single, 2-person, or family. Employees would get a percentage of whatever plan they are eligible for. Lucy further stated she believed when Margaret budgeted she assumed 2-person and 60% of 2-person plan. Karen Umberger stated Budget hasn't been approved. Chairman Stacey stated Margaret was having someone cut back. Karen stated a person can't be hired until the budget is approved. James LeFebvre stated there

seems to be enough discrepancy to have her come back. Chairman Stacey asked if members would like Margaret to come back. Rick stated he assumes whenever one person is added to a department, it obligates the Town for at least 10 years; that is a big number, then add a benefits package.

Phil Dighello stated he would like to see the Rec Center reviewed again. Doug Swett stated he thought the Rec should be sent back to the Selectmen and discuss it with John. Crow Dickinson stated he didn't think the Committee had seen the fee structure. Chairman Stacey stated it had been handed out.

Rick Paquette stated surveyed all of the surrounding towns, had significant fees for their programs; surprised fees not recommended. Chairman Stacey stated the Committee could send back what we want the fees to be. Crow Dickinson stated we could have a motion and then talk about the amount. James LeFebvre stated maybe suggest they give a dollar figure and Chairman Stacey stated that was already covered. Earl Sires stated he wanted it to be clear that John and Earl provided the information. John did give the numbers. Anything about this should come back through Karen as a Selectman. Phil Dighello stated it was a good idea for Karen to take back fees and work from there. Karen stated she would take back to the Selectmen.

**Rick Paquette moved, seconded by Betty, that the Budget Committee send a letter to the Selectmen requesting appropriate fees for the Summer Program. In favor: 14; Abstain: 1 - Karen Umberger.** Pat Libby stated she thought the Committee was suppose to get the Minutes and Earl Sires stated everyone was given a copy and to be honest, there's not much information. Crow Dickinson stated he would support the motion. Chairman Stacey stated from what she understood, the numbers initiated would cover the summer program. Karen Umberger stated that was not correct, covered only increase for staffing. Earl Sires stated fee schedule set to cover increase from prior year. Rick Paquette stated he didn't have all the information to give a number figure, ask for some sort of sliding scale fee structure; should come up with fee structure that makes sense and is equitable to everyone in the Community. Chairman Stacey stated basically going back recommending fee scale as they see fit. Crow stated what we have is a situation in that the 05 budget was just under \$250,000.00, 06 increased to \$261,000.00, this year request is for a little over \$295,000.00 and this is an 18% increase over 05; 07 is 13% over 06 budget; concerned about establishing some kind of fee structure. Karen Umberger stated she needed to make sure she understood where the Committee was coming from, the Motion does not reflect discussion as she understands what was being said. She understood that for the summer program only, additional employees are hired. Basically have no cost in the program other than employees. Earl Sires stated that there was a separate fee for trips. Karen stated she was trying to come to grips with this; you want employees and operating expenses specific to the summer program. Karen stated she didn't want to come back next week and hear she didn't include something. Crow stated the discussion was the following: Karen has been trying to pin it down, not interested in pinning it down. We would like to develop a fee structure which is reasonable based on what other towns are doing and what is reasonable to expect people having

a hard time to pay. Rick Paquette stated doesn't seem an outlandish recommendation. Pat Libby stated by limiting this strictly to summer program to back up expenses of Administrative Assistant, part of the justification was to cover the Administrative thing. Pat Libby stated specific need from 26 weeks to 52 weeks. Earl Sires stated originally the fees were intended to cover a portion of the administrative person as well.

Maureen Seavey asked if that is going to cover Administrative Assistant for 19 hours instead of 24, 20 hours pay benefits, leave at 19. Her suggestion was that person has benefits but if that person leaves, going to add a new person at 19 hours. Chairman stated John reduced to 19 in hopes of not trying to inflate what is needed. Rick Paquette called the question.

Doug Swett stated the North Conway Community Center is a private enterprise, cut numbers, overcharged, cut their numbers off, and how many got left looking through the window. Chairman Stacey stated she didn't know; John's numbers were up, so probably some kids went there. Doug stated we have been told to cut contribution to \$35,00.00 from \$70,00.00; come from Selectmen. Karen Umberger stated absolutely not. Doug stated he approved of money going up there, but to cut off at 60 with public money involved question if it is private, put public funds up there which I am in favor of; don't know how to approach. Chairman Stacey stated that was a question for the North Conway Community Center.

**Pat Libby moved, seconded by Bill Jones, that it be added in letter to Selectmen that they take a second look at extending the hours of the Administrative Assistant. In favor: 14; Abstain: 1 - Karen Umberger.** Bill Jones stated he would like more information about extending hours, what is it actually going to cost. Rick Paquette stated he didn't understand the motion. Chairman Stacey stated on the Administrative Assistant John had at 19, Selectmen put at 24; came to us as part-time for 24 hours. Karen Umberger stated basically what happened is right now that person works only part of the year and they work at 19 hours a week for those weeks. John came in with extending that person for the entire year as well as increasing the hours to 24 per week. John then said he could do with this at 19, but still needed 52 weeks. Motion passed by Selectmen, 3 to 2, to leave that position at 24 hours for 52 weeks. Pat Libby stated the purpose of the motion was through discussion the Administrative Assistant was not going to be included in the review and she believed it should be included in a review. Maureen Seavey stated if you have 24 hours qualify for partial benefits. Earl Sires stated 60% coverage. Bill Aughton stated the Committee was going around in circles; if no increase, we are paying for it, giving freebies and not covering everyone's needs; can't afford to keep doing this without getting monies in. Betty Boucher questioned the Selectmen deciding to raise to 24. Chairman Stacey stated John originally requested 24. Maureen Seavey asked if the Selectmen added in benefits and Earl stated that he thought the assumption was that at 24 hours benefits would have to be accounted for eventually. Earl stated they tried to be creative to avoid taxpayer impact. Rick stated 2 plus 2 not equaling 4; John came in at 19 and Selectmen raised it to 24. Chairman stated John originally came in at 24. Betty Boucher stated this

is one of the reasons we need John back in here. Karen stated having John back in to discuss those issues are not John's issues; those are my issues and it is my responsibility to go back to the Selectmen with what I have heard tonight. John came in and it was the Selectmen who were not 100% in favor, but I think it is my responsibility; John did his job and reported to you what he needed to report. It is a Selectmen issue, not John's. If you have questions other than fees, he can come in. Betty Boucher deferred to RSA and the right to call department heads in and she was asking John to come back in. Karen stated she had no problem with asking John to come back in; will not answer questions dealing with fees or the Admin person until Selectmen make a decision, that is the way it is. John is not there to go against the direction given. Bill Jones stated his request of the Selectmen is to look at this budget again, possible fee structure and look at Admin position.

Chairman Stacey proceeded to go through departments of the Town to see if anyone else was needed to come back; there were none. Phil Dighello stated he assumed the Police Department would present their contract and asked Lucy Philbrick if she had the raises granted in November. Earl stated that he had the contract and copies but was concerned because there is a merit pay component, concerned about job issues of performance that may not be performance related.

Betty Boucher stated she would like to have the Conservation Commission plan presented or sent in.

Maureen Seavey asked on Patriotic Purposes if the Administrative Assistant was in there. Chairman Stacey stated it was for 06. Maureen questioned Patriotic Purposes being at \$9,700.00. Earl stated there was an amount of \$5,000.00 in Patriotic Purposes for a contract agent planner; basically reduced by that amount; it is in Recreation Personnel.

James LeFebvre stated given the hour would it be advisable to discuss at next meeting with the Town. Chairman Stacey stated we meet again on the 22<sup>nd</sup> at 6:30 PM at the Town Hall. Earl has nothing but Warrant Articles; should finish Town Budget on the 22<sup>nd</sup>.

Chairman stated on Wednesday will have the elementary school budgets. James LeFebvre stated he wanted to discuss sending a letter to the School Board regarding their inability to get their Budget in on time. Chairman Stacey stated that could be included in the letter of recommendation.

Phil Dighello requested that on Wednesday a meeting schedule be provided and Chairman Stacey stated she was meeting with Karen (Hallowell) tomorrow.

**Etienne Vallee moved, seconded by Betty Boucher, to adjourn the meeting at 9:05 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary