

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 19, 2007**

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: Chairman Melissa Stacey, Robert Drinkhall, Maureen Seavey, Pat Libby, Phil Dighello, Doug Swett, Crow Dickinson, Rick Paquette, Bill Jones, Betty Boucher, Deb Deschenes, Bill Aughton, James LeFebvre, Karen Umberger, Kirk Smith and Etienne Vallee. Also present were Sheryl Kovalik, Ted Sares, Dina Libner, Mike DiGregorio, Randy Davison, Lloyd Jones and other members of the public.

Bill Jones moved, seconded by Bob Drinkhall, to approve the Minutes of January 31, 2007, as amended. In favor: 14; Opposed: 0; Abstain: 2 - Karen Umberger and Kirk Smith. Phil Dighello stated that he e-mailed, at the request of the Recording Secretary, a correction in paragraph 4 on Page 5 to read as follows: Bill Aughton asked Phil how much the savings would amount to if the health insurance was changed. Phil replied right now we are spending about \$3.3 Million for health and dental insurance for all municipal and school employees. A change in health plans for everyone would result in a savings to the taxpayers of about \$500,000.00. Right now for a family plan the taxpayers contribute \$14,400.00 and the employees \$3,400.00. The NH Trust added on a couple of extra plans; with a \$500.00 deductible the savings would be \$876.00 on a single person's coverage compared to the ZERO deductible. The total premium savings would be roughly \$557,000.00 with the taxpayers saving about \$445,600.00 and employees \$111,000.00.

Phil Dighello also requested that on Page 6, paragraph 1 should be changed to read: The employees with family coverage would save almost \$500.00 and a single person \$175.00 out of their paycheck.

Chairman Stacey stated the DRA ruled as of Friday at 9:00 AM that of the SB-2 Towns in the State six adopted RSA, of those six all passed by 3/5 majority. Crow Dickinson stated it is a non-issue now. Bill Jones stated based on that information the Petition should be reworded. Chairman stated it can't be reworded. Bill stated so it is up to the Budget Committee to transfer to the media that everyone needs to get out to vote.

PRECINCTS

Crow Dickinson moved, seconded by James LeFebvre, to recommend the budget of \$209,875.00 for the Center Conway Fire Precinct. In favor: 16; Opposed: 0; Abstain: 0.

Karen Umberger moved, seconded by Betty Boucher, to recommend the budget of \$4,726.00 for Birch Hill. In favor: 16; Opposed: 0; Abstain: 0.

Crow Dickinson moved, seconded by Bill Jones, to recommend the budget of \$51,950.00 for the Redstone Fire Precinct. In favor: 16; Opposed: 0; Abstain: 0.

Bob Drinkhall moved, seconded by Betty Boucher, to recommend the budget of \$43,050.00 for the East Conway Fire Precinct, as amended. In favor: 16; Opposed: 0; Abstain: 0. Bill Jones moved, seconded by Chairman Stacey, to amend to include Budget Committee members ability to sign document forms if possible when received. In favor: 16; Opposed: 0; Abstain: 0.

TOWN

Doug Swett asked why the Articles were not numbered and Karen Umberger stated they were not numbered because the Selectmen haven't decided on the order; DRA may have recommendations.

Karen Umberger moved, seconded by James LeFebvre, to approve an Operating Budget of \$8,710,265.00 and Default Budget of \$8,672,916.00; amended to Operating Budget of \$8,706,590.00 and Default Budget of \$8,672,916.00. In favor: 12; Opposed: 4 - Doug Swett, Deb Deschenes, Karen Umberger and Chairman Stacey.

Crow Dickinson moved, seconded by Betty Boucher, to cut \$3,675.00 to reflect the position in the Recreation Department and to reduce from 24 to 19 hours. In favor: 12; Opposed: 4 - Rick Paquette, Deb Deschenes, Karen Umberger and Chairman Stacey; Abstain: 0.

Ted Sares asked if the figure included the Assistant at the Rec Center and if the 24 hours were based on an increased work load. Mr. Sares further asked if the Selectmen wanted the increase so the employee would be eligible for benefits. Karen Umberger stated right now based on 19 hours for 32 weeks; the Rec Center came in requesting that the figure be changed to 24 hours and 50 weeks. Mr. Sares stated he wanted to make sure this was not done to increase hours to get benefits. Bill Jones stated the person holding that position right now will not take benefits; what happens to the monies budgeted for that position. Karen Umberger stated she believed the employee would get a portion of the \$2,000.00 provided. Bill stated the employee was in fact getting an increase; John stated that he could still survive and operate with 19 hours; that went back to the Selectmen and the Selectmen did not support that position. Again, this person does not need benefits because husband is employed by the Town.

Maureen Seavey stated she didn't think the Committee was told the employee would get a portion of \$2,000.00; never made that clear. Karen Umberger stated they don't get the full amount, they get a pro-rated amount based on hours worked. Bill Jones stated budget is for \$3,600.00 and Karen stated that includes both salary and benefits. Rick Paquette stated he didn't recall hearing anything about a pro-ration. This Budget Committee has asked the Selectmen to review; will not support. Any idea how to send this back to the Selectmen; what options are open to the Budget Committee. Karen stated reduce the amount. Ted Sares stated Committee could support with an addendum or with a letter of protest to the Selectmen. Karen stated the Budget Committee did communicate, asked the Selectmen to reconsider, Selectmen did vote, still 3 in favor and 2 opposed and that was what came back to the Budget Committee. The cost of that position going from 19 to 24 over the course of the year is \$3,600.00.

Crow Dickinson stated his question at this point was whether or not this Committee can reduce the budget and Chairman Stacey stated not until after the public hearing. Karen Umberger stated the reason is at the public hearing can have conversation, after that you make your decision.

James LeFebvre stated he wanted to clarify what he was hearing; the employee is going from 19 to 24 hours, gets a benefit package and gets an increase in salary, she is not taking benefits and Chairman Stacey stated if she chose not to take yes, she would get a pro-rated part of the benefits. Bill Jones stated the Administrative Assistant is \$13,650.00 from what I understand; 19 hours is \$10,374.00, difference is in salary, doesn't include benefits. Karen Umberger stated a portion of what the person would receive is based on a percentage of the hours worked. Bill stated in salary and Karen stated no, the entire package. Maureen Seavey stated she didn't know it included benefits as it is not under Recreation, does not appear in Recreation by itself.

Crow Dickinson asked if someone could point out the correct figure to reduce the budget, to reflect 24 hours and 19 hours. Rick Paquette stated it was not about the person, it was about the position, 19 hours or 24 hours and whether the increase is a responsible move by the Selectmen. Bill Jones stated his question was about the percentage of benefits and Karen Umberger stated that is where the \$3,600.00 figure comes from. Bill stated the difference is \$3,276.00. Karen stated subtract \$3,600.00 from \$3,276.00 and that is the portion. Bill stated \$13,650.00 is for 24 hours, 52 weeks.

Pat Libby stated she took the Town figure she had of \$13,650.00; 19 hours, \$9,975.00; difference of \$3,675.00 for the package. That is what was given. Bill Jones stated he wanted to point out that he supports the Rec Department, do a great job.

Bob Drinkhall asked if it was a percentage of the \$2,000.00. Karen Umberger stated the percentage is based on whatever the percentage is based on. Mr. Sares stated he knew of no private company that would excuse them from benefits but increase salary; salary increase has a way of compounding over time.

Deb Deschenes stated looking at Parks and Recreation, the Budget Narrative Impact states "There is an increase to the Administrative Assistant in the amount of \$7,250 so our office can have someone in the office at least three days per week year round. The increase in children & adult program numbers warrants this additional office help." Karen Umberger stated right now only hired for 32 weeks; go from 32 to 50 weeks.

Rick Paquette stated this is consistent with his position on head count; he said he would not support an increase in head count in any department in this Town; will see that tonight consistently; agree with lowering that amount if that is the only thing we can do.

Bob Drinkhall moved, seconded by Rick Paquette, that the Recreation Department be reduced by \$3,930.00. Motion and second withdrawn. Bob Drinkhall stated \$3,930.00 is the difference between 19 and 24 hours.

Bill Jones stated he would support if the figure could be justified. Karen Umberger stated the benefits line is the final version, it has not changed. The figure we started out with, \$347,710.00, was back in November and in February we are still at the same number, \$347,710.00; didn't add any money to benefits line. Crow Dickinson asked what the correct figure was and Karen stated \$3,675.00, that is the number Lucy gave us. Bob stated this is a buy out of \$1,200.00.

Karen Umberger stated that the Town did not add that number into their budget; the number added was \$3,675.00. James LeFebvre stated it went from 32 to 50 weeks and Karen stated she believed to 52. Bob withdrew his amendment and Rick Paquette withdrew his second. Rick Paquette stated he was against the growing demand on the taxpayer. Doug Swett moved the question.

Chairman Stacey stated that would bring the Operating Budget to \$8,706,590.00.

Bill Jones moved, seconded by Rick Paquette, to deduct \$400.00 from the Police Department for the Clerk's uniforms. In favor: 4; Opposed: 11 - Bill Aughton, Crow Dickinson, James LeFebvre, Kirk Smith, Etienne Vallee, Bob Drinkhall, Maureen Seavey, Chairman Stacey, Deb Deschenes, Karen Umberger and Phil Dighello; Abstain: 0. Bob Drinkhall stated they were hired with the knowledge that was going to be a part of their benefits. Bill stated that was not enough of a reason for a Clerk sitting in an office to be given a clothing allowance. James LeFebvre asked if the \$400.00 was part of the collective bargaining and Chairman Stacey stated no. Crow Dickinson stated he remembered seeing people wearing shirts stating Conway PD. Bill Aughton stated it was his understanding that it was a uniform requirement. Karen Umberger stated to Crow that the dispatchers are members of the Union. The person she thought Bill was talking about is currently a non-Union member and that has been the practice of the Police Department to provide non-Union members the same benefits as given to the Union members.

Deb Deschenes asked what was in the contract, how much was the increase and Karen Umberger stated the clothing allowance went up \$50.00. Deb stated any amendment would only take away \$50.00. Betty Boucher stated we can only effect the bottom line. Ted Sares asked what is that going to do to the morale of the Police Department; he would give \$400.00 for that; thought the Committee was being mean spirited. Rick Paquette stated point of order.

Phil Dighello stated he believed the Selectmen could take off themselves and Karen Umberger stated no, this is what goes on the Warrant. Chairman Stacey stated by rights you can reconsider the vote and Karen stated yes, we will have to re-vote on it, on this new figure.

Karen Umberger moved, seconded by Doug Swett, to approve the Collective Bargaining Agreement For the Calendar Year 2007 Between the Town of Conway and AFSCME #93, Local 859, Department of Public Works. In favor: 16; Opposed: 0; Abstain: 0.

Crow Dickinson moved, seconded by Betty Boucher, to approve the Two-Year Collective Bargaining Agreement Reached Between the Town of Conway Police Commission and AFSCME Local 3657, Police Department. In favor: 8; Opposed: 8; Abstain: 0. Doug Swett stated this is a 2-year contract, one of the Commissioners attended the meetings with Phil and heard the discussion to limit contracts to one year; a slap in the face. Ted Sares stated in the area of collective bargaining nobody can guarantee anything; he didn't think it was a slap in the face. Doug stated the general agreement was to keep one year. Betty Boucher stated the Budget Committee over the years have asked for a one-year contract, never happens. Rick Paquette stated we have been clear with one-year health insurance issue, this is not a new issue; year after year we have had to struggle with health care; will not support.

Sheryl Kovalik asked in the section referring to health insurance, does it dictate or leave open for change. Karen Umberger stated she didn't know, would have to look. Phil Dighello stated he thought the last contract was one year and Chairman Stacey stated it was for two years. Phil stated it was made clear would like to see one year contracts for health insurance. Ted Sares stated there may be a re-open implication if, for example a carrier change during agreement; Commissioners may have got something in return. As a taxpayer, he was more than satisfied; they have gone without a contract for years. Be careful, its the best functioning department in Town.

Phil stated at the last meeting of the health insurance committee everybody agreed it was too late this year; however, looking at trying to get together for 2008; School 08/09; would like to try to make the change the same year; two year contract extended to 2009 for Police, 2010 for School. Karen Umberger stated she was trying to think of when the contract was finalized. Chairman Stacey stated it was finalized before it was brought to us and Karen stated thought it was brought to the Selectmen sometime in December and she wouldn't disagree with what Phil said and believed the negotiations for the Police had gone pretty far along before the meeting in November.

Phil Dighello stated the Police did make a change in the matrix system; asked for comparisons and was told we had a copy of it. Rick Paquette asked if it was an effective change or marginally effective. Phil stated less than \$1,900.00 in wages paid.

Rick Paquette stated last year the same thing; year after year, same thing, stuck with a number we can't touch; very frustrating. Last year formed a committee; he voted against it. We continue to do essentially nothing; we do this year after year. Betty Boucher moved the question.

Crow Dickinson moved, seconded by James LeFebvre, to support the Article pertaining to two-year contract for Police Contract. In favor: 9; Opposed: 7 - Phil Dighello, Betty Boucher, Rick Paquette, Doug Swett, Pat Libby, Bob Drinkhall and James LeFebvre. Crow stated the Police Department does a wonderful job and he would vote in favor of and will support. Bill Jones stated the strength of the Budget Committee over the past few years, many people rely very heavily on outcome of votes and to have us go 8 to 8 is an indecisive direction for people. Based on that,

he will support because he thinks there has been enough discussion. Phil Dighello stated he figures if we wait an extra year it could cost about \$44,000.00 to \$45,000.00 extra; really not hurting the employees. Crow Dickinson called the question.

Bob Drinkhall moved, seconded by Bill Jones, to support the Emergency Ambulance Service for \$103,370.00. In favor: 15; Opposed: 1 - Chairman Stacey; Abstain: 0. Doug Swett asked if this isn't passed, would this eliminate ambulance services and Karen Umberger stated no, there would be no contract with North Conway or Conway. Bill Jones stated the Town is obliged to provide service and Karen stated no, the Town is obliged to provide fire and rescue, but not ambulance. Bill Jones called the question.

Karen Umberger moved, seconded by Chairman Stacey, to support the Maintenance of Town Buildings and Facilities Capital Reserve Fund in amount \$125,000.00. In favor: 16; Opposed: 0; Abstain: 0.

James LeFebvre moved, seconded by Bill Jones, to support the PEG Expendable Trust Fund in amount \$104,437.00. In favor: 13; Opposed: 2 - Rick Paquette and Crow Dickinson; Abstain: 1 - Betty Boucher. Bill Jones asked if the check had come in and Karen Umberger stated it had. Crow Dickinson asked what would happen if this Article didn't pass and Karen stated it goes into the General Fund. Ted Sares stated these are franchise fees paid by certain people; if turned over and used to mitigate taxes that is bad news, that is wrong. Mr. Sares thought the \$104,000.00, not very long ago was \$70,000.00. Chairman Stacey stated their budget hasn't increased. Karen stated they have asked for an increase from last year. Chairman stated looking for \$104,437.00; how much is left and Karen stated she believed with equipment items that need upgrading like microphones about \$20,000.00 left in the fund. Mr. Sares asked what happens to it and Karen stated it stays in the Revolving Fund. Bill Jones called the question.

Bob Drinkhall moved, seconded by Bill Jones, to support the Capital Reserve Fund For Police Vehicles in amount \$38,000.00. In favor: 16; Opposed: 0; Abstain: 0. Bill Jones stated this is ongoing to provide for police vehicles and Karen Umberger stated it was not a Revolving Fund. Chairman Stacey stated it is a Capital Reserve Fund.

Crow Dickinson moved, seconded by Chairman Stacey, to support the Recreation Revolving Fund. In favor: 16; Opposed: 0; Abstain: 0.

Bill Jones moved, seconded by Doug Swett, to support the Swift River Covered Bridge Capital Reserve Fund. In favor: 16; Opposed: 0; Abstain: 0.

Bill Jones moved, seconded by James LeFebvre, to support the 911 Recording Equipment For the Police Department in amount \$10,100.00. In favor: 16; Opposed: 0; Abstain: 0.

Etienne Vallee moved, seconded by Maureen Seavey, to support the Terms of Compensation for the Elected Town Clerk/Tax Collector. In favor: 16; Opposed: 0; Abstain: 0. James LeFebvre stated that he thought it might be

a good idea to go over again. Chairman Stacey stated originally the Tax Collector was an elected job and when elected, there were no rules. Karen Umberger stated we started salary with the new Clerk/Tax Collector; nothing on the books to compensate; that is what this Article is doing: identifying compensation. The voters expect the Clerk/Town Collector to work a normal 8-hour day, 40 hours a week. There is nothing stating how long they have to work. Rick Paquette stated by voting we will be committing the taxpayers to an increase in salary and benefits. Karen stated the Clerk/Tax Collector came to see the Selectmen and asked for a raise and we authorized it, but felt it probably was not the best idea for one elected official to be providing raises to another elected official.

Rick Paquette stated he was confused about the long term impact to the taxpayer. Karen stated the Clerk has two options, can take all fees collected, over \$100,000.00. Our Clerk/Tax Collector felt that was probably not the way to go; although in the past that was how they compensated themselves; so basically what this does is pay for health care and gives raises based on a 12-month period.

Maureen Seavey stated she thought John Stevens was paid by the fee structure, although he didn't take all the fees. She thought that when he left it was decided to make as salaried. She didn't think there was a choice. Karen Umberger stated that is the law. Maureen stated it could change back to the other way and Karen stated it could, but once this Article passes, it can't.

Doug Swett stated he thought that it had changed from fees to salary when Stevens left. Betty Boucher asked when the salary was put into effect and Karen stated when approved by the voters. Maureen Seavey stated we are approving something they are already doing; this is good idea.

Bob Drinkhall moved, seconded by James LeFebvre, to support the Non-Precinct Fire and Rescue Protection Agreement. In favor: 11; Opposed: 5 - Bill Aughton, Crow Dickinson, Rick Paquette, Betty Boucher and Chairman Stacey. Crow Dickinson stated he was absolutely opposed to this Article. This cuts out Center Conway, Redstone and East Conway; not sharing of benefits is involved; no reimbursement between Town and Precincts. Get nothing whatsoever to replace hoses, pay salaries; find it ludicrous to put together in such a fashion. Bob stated Mutual Aid exists between Conway and North Conway and no money changes hands; why would Mutual Aid kick in for other three. Crow stated funding is received by those two departments. Bob stated if there is a major fire outside, there is no exchange of funds. Crow stated if Conway called, Conway Fire Department would get some funds, get money to help with assistance. Bob stated would go either way. Crow stated this agreement between those two Fire Departments is of no use.

Karen Umberger stated this is an agreement between the Town and the Conway and North Conway Precincts. The other Fire Chiefs were invited to come in and comment on the agreement; for two years we have asked for input and we also tasked Earl after signing the agreement to get back with the Fire Chiefs and see if there were any issues that needed to be solved. If anyone feels that they are not receiving what they should,

then basically they should negotiate this with either North Conway or Conway. Crow stated if Conway goes to North Conway they get some of their expenses covered and Karen stated no. Crow stated this was a deal put together by the Selectmen and he couldn't possibly support this and hoped all voters voted against it.

Betty Boucher stated if this negotiation is between the Town, North Conway and Conway she thought it should be the Selectmen that the other Fire Chiefs go to, not the other Chiefs. Crow Dickinson asked where the present Selectmen come from and Chairman Stacey stated one is from North Conway, two are from Conway.

Maureen Seavey stated she thought there were designated areas and that North Conway or Conway have to go to the fires; others only if needed. If not responsible for area outside precinct, why be reimbursed. Crow Dickinson stated should be only on a case-to-case basis. Maureen stated Mutual Aid is not responsible for first responder. Crow stated that is what this fund is for.

Bill Jones asked what the annual cost would be and Karen Umberger stated \$222,000.00 this year. Doug Swett stated that he strongly suggested to pass the Article and have the right people get together. Crow Dickinson stated he thought that would be good. Bob Drinkhall stated he believed the cost for fire protection was less than what one pays to plow the driveway. Bill Aughton stated this hasn't been a big issue; if it is such a big issue, 5 years seems a long time; if negotiating, keep talking.

Rick Paquette stated he agreed with Crow; some people are taxed directly or indirectly, some will be going to get money and some not; will not support when one group gets more. Karen Umberger stated this term "sweetheart deal" is a bunch of "malarkey", but the cost of providing the fire protection to those areas is between people living in that area. Crow Dickinson asked if taxpayers are billed and Karen stated they are sent a tax bill with a rate for non-precinct tax; no tax bill sent to anyone not in non-precinct area; this is only paid by people living in non-precinct areas.

Maureen Seavey stated if this is voted down and North Conway and Conway don't get money Town of Conway is responsible. North Conway doesn't have to go to Birch Hill. Crow Dickinson stated he disagreed. Karen Umberger stated if this doesn't pass, the present contract is over 31 December 2007. Deb Deschenes moved the question.

Bill Jones moved, seconded by Doug Swett, to support the transfer of ownership of land located at 18 Seavey Street, North Conway, owned by the Town of Conway to the North Conway Water Precinct. In favor: 16; Opposed: 0; Abstain: 0.

James LeFebvre moved, seconded by Bob Drinkhall, to support the Conway Public Library in amount \$7,600.00. In favor: 16; Opposed: 0; Abstain: 0.

Crow Dickinson moved, seconded by James LeFebvre, to support the Tri-County Community Action, Fuel Assistance Program, in amount \$12,000.00. In favor: 15; Opposed: 1 - Bob Drinkhall; Abstain: 0. Ted Sares asked if

the Tri-County petition was received in time and that overall he has always felt non-profits was forced charity; opposed particular non-profits. Mr. Sares further stated that he hoped that this Committee would not do what the Selectmen did. They went through every one and said yes, yes, and this lady (Karen Umberger) was the only one to say anything. One Selectman almost flipped a coin; playing games with my money with no discussion.

Bob Drinkhall stated he was opposed because there was very little checking on clientele. Rick Paquette stated this was the first time he had heard about this. Bill Jones asked whether the Tax Collector or Assessor goes down to look for changes when a Building Permit is filed for weatherization. Year after year using my money to keep somebody else in luxury. Betty Boucher stated this is for fuel assistance and if we cut fuel assistance, it is really going to hurt those who need it.

Bob Drinkhall asked if this is just for fuel or also for weatherization. Chairman Stacey stated "Purpose for which funds are requested is to assist with the overhead costs of operating programs of benefit to low-income residents." Fuel assistance and electric assistance programs and she didn't see weatherization as part of the fuel program. Bill Jones stated it was not just for fuel. Deb Deschenes stated if this Article is turned down, it will hurt people in need. Bill Aughton stated that he agreed that this program was for people who need to have some assistance.

Karen Umberger stated there definitely was a fuel assistance need. Maureen Seavey stated she agreed; some people only receive \$800.00 a month from Social Security; this is a necessity. Ted Sares stated he agreed with Maureen and Bill for people with needs, but they need to come up with a plan for doing fundraising.

Crow Dickinson moved, seconded by James LeFebvre, to support The Gibson Center For Senior Services, Inc. in amount \$32,000.00. In favor: 15; Opposed: 0; Abstain: 1 - Betty Boucher.

Crow Dickinson moved, seconded by James LeFebvre, to support the Center Conway Cemetery in amount \$2,000.00. In favor: 1 - Crow Dickinson; Opposed: 15; Abstain: 0. Crow stated we all were here to hear the plea of need by the Association. They are in a position where they are not able to maintain without a little help. He further stated he believed others in the area get assistance and Karen Umberger stated no, they don't. Crow stated he realized this probably was not going to pass, but gave impression this was a one-time request.

Bill Jones stated by admission of the presenter they have a lot charge which is very low, could easily increase lot charge and negate this request. Doug Swett stated he thought this would be starting something we don't want to get into; don't have a lot of lots for sale; know they are in a bind. Doug further stated it particularly bothered him that they only charge \$100.00 per lot. Ted Sares stated he hoped the same logic was used with the Chamber of Commerce.

Bill Aughton moved, seconded by Betty Boucher, to support the Vaughan Community Service, Inc. in amount \$3,000.00. In favor: 14; Opposed: 1 - Rick Paquette; Abstain: 1 - Etienne Vallee.

Pat Libby moved, seconded by Betty Boucher, to support the North Conway Day Care in amount \$5,000.00. In favor: 11; Opposed: 4 - Rick Paquette, Doug Swett, Bob Drinkhall and Betty Boucher. Ted Sares asked if this was tied into the Church and Betty Boucher stated it was housed in the building. Karen Umberger stated it is under the auspices of the Church; does provide in-kind services. Mr. Sares stated conceptually non-profit with Church; have a problem with this.

Rick Paquette stated he voted no last year. Karen Umberger stated it is not part of the Church. It is part of the Vaughan Community Service, although it is located in a building provided by the Church and it is an outreach program that Vaughan originally established, one of the reasons able to keep Day Care fees low.

Maureen Seavey stated breakfast and lunch served, reasonable fee; know that kids are having a good meal, she thought it was a good thing. A lot of these kids would probably be home by themselves with no parental guidance.

Betty Boucher moved, seconded by Bill Aughton, to support Starting Point in amount \$2,886.00. In favor: 11; Opposed: 2 - Bob Drinkhall; Abstain: 2 - Betty Boucher and Etienne Vallee; (Bill Jones was out of the room for vote.) Betty Boucher stated they also get a tax abatement of \$6,135.00.

Betty Boucher moved, seconded by Phil Dighello, to support the Mount Washington Valley Chapter of the American Red Cross in amount \$7,298.00. In favor: 5 - Deb Deschenes, Karen Umberger, Maureen Seavey, Bob Drinkhall and Bill Jones; Opposed: 10; Abstain: 1 - Kirk Smith. Ted Sares stated a few years ago getting very little money; Executive Director was making \$22,000.00; hired a new one at an unusually high price. That is fine if that is what they want, just don't do with my money.

Rick Paquette stated two things, first when presenter was asked about salary, we were told it was the same as predecessor. Ted Sares stated he would challenge it. Rick stated secondly other Towns have closed down support, supported by the Concord Chapter. Chairman Stacey stated salary is only for a certain number of months, 8 months instead of a full year.

Randy Davison stated he found the Article on the Red Cross interesting, there is one in Portland and one in Concord or Manchester; it is a historical thing; what can the Valley support; surrounding towns have stopped supporting.

Rick Paquette stated what bothered him is the number of Conway citizens served, projected over 500. Deb Deschenes stated she thought when looking at the Red Cross they do training for CPR, great program going to schools, Day Cares and educating, not just for fires. She was sure they reached at least 500 teaching CPR. Betty Boucher stated they also charge for those programs and Deb stated minimal fees. Rick Paquette stated he does support the Red Cross, just not supporting this Article.

Betty Boucher moved, seconded by Pat Libby, to support the White Mountain Community Health Center in amount \$38,635.70. In favor: 11; Opposed: 2 - Bob Drinkhall and Doug Swett; Abstain: 3 - Betty Boucher, Etienne Vallee and Chairman Stacey. Karen Umberger stated on the Petition that came to Karen Hallowell, came in at \$38,635.70 so what has to go is what the Petition says. The presenter said that amount is wrong, had no idea how it got there. At the Deliberative they will amend down to \$35,200.00; basically asking to approve number and, if reduced, we will. Ted Sares stated if support any it would be this one. This is the one that means something, people getting health care means something. This is the one he would support.

Bill Jones stated they made a donation of \$60,000.00 and just made another \$10,000.00; he realizes that Memorial Hospital owns the building and they already are given a tax exemption; seems to go up every year. He was not totally against, just need to slow down. Karen Umberger stated that was a grant that they applied for and received it, received it for a specific purpose. All they were was a pass through; they did not give money from their own resources; the money came in from Dartmouth for PIH (Partners In Health). Ted Sares stated with all due respect, the request has been for \$35,000.00 over the past 5 years. James LeFebvre stated it was level funded. Sheryl Kovalik stated that PIH was developed through a grant; they have the right to apply for grant monies. She applied for a grant for the track at the High School, money came through and passed directly to the alternative funding committee; that is common practice. Chairman Stacey stated PIH was originally under Northern Human Services Family Support.

Betty Boucher stated part of what bothers her is on the application for next fiscal year under expenses they have nothing; under Revenues filled out, but no expenses.

James LeFebvre moved, seconded by Crow Dickinson, to support the North Conway Community Center in amount \$70,000.00. In favor: 11; Opposed: 3 - Betty Boucher, Bill Aughton and Chairman Stacey; Abstain: 2 - Etienne Vallee and Bill Jones.

Crow Dickinson moved, seconded by Doug Swett, to support the Eastern Slope Airport Authority in amount \$12,000.00. In favor: 6 - Karen Umberger, Bill Aughton, James LeFebvre, Bob Drinkhall, Maureen Seavey and Bill Jones; Opposed: 9; Abstain: 1 - Doug Swett. Ted Sares stated this one is particularly annoying because it has been the will of the people for 5 years, they don't want it. Last year the Selectmen tried to slip this into the budget; it has never been in the budget. People don't want it, don't need it. Rick Paquette stated the voters he had spoken to were 100% against this, they don't want it.

Karen Umberger stated the taxpayers do not understand what the Airport Authority is all about. Basically the towns went into an agreement, that is why we have members on the Committee. Until last year, the Town Manager has served on the Committee and because of the vote, we, the Selectmen, took the Town Manger off and asked a member of the community to serve as our representative. Budget Committee asked for information on who owned airplanes that were there; Conway people had the most

airplanes. Over the years this Committee has said unprofitable, need to start doing things necessary to break even. They are finally doing that. Airport Authority has met the requirements. Management is the best it has been in 10 years.

Betty Boucher stated 5 years ago asked for a list of airplanes and got it. This year told they can't give. There are 9 towns that do not support, will not give money. Five years we have not supported, but they have gone on. Ted Sares stated Betty makes a good point; they have broke even without us, God Bless them, but slow it down and keep ambiance of a small town.

Bill Aughton stated the Airport is one of the ways of the future, some statistics are impressive, anything that brings money into the Valley. There is a really big dollar match from the Feds; would like to help with obtaining funds from the Feds. Ted Sares stated raised good points, but if approved, the following year it will be in the budget. Karen Umberger stated Betty's comments are true prior to the new people taking over but that has changed, that was obviously one of our complaints and that has been fixed. Mr. Sares stated he didn't understand the comment, has a level of arrogance to it. A lot of people don't like it, like it the way it used to be. Betty Boucher stated it is not that people just don't like it, it is the high taxes.

Randy Davison stated consistently this Town has voted this down; his concern is that the Airport is in another State; this Town used to have one but not any more; voters have decided 5 years in a row they don't want it. Chairman Stacey stated technically as a non-profit they have every right to Petition the Town. Ted Sares stated it is so important for boards and committees to listen to the people; how can you deny the will of the people; the people don't want this, they have told you how they feel; how can you vote for it.

James LeFebvre moved, seconded by Doug Swett, to support the Conway Village Area Chamber of Commerce in amount \$2,600.00. In favor: 2 - Karen Umberger and Bill Aughton; Opposed: 13; Abstain: 1 - Maureen Seavey. Ted Sares stated the problem is this is a member organization; why should he contribute. Phil Dighello stated he agreed with Mr. Sares, it is a business membership and he didn't like the taxpayer paying for banners and hangars. Bill Aughton stated he likes the Chamber and is supportive of it; feels it helps the Valley. Rick Paquette stated he thought the taxpayer should not be supporting a member organization.

Betty Boucher moved, seconded by Chairman Stacey, to support the Children Unlimited, Inc. in amount \$10,000.00. In favor: 8; Opposed: 6; Abstain: 2 - James LeFebvre and Kirk Smith. Crow Dickinson asked how much and Chairman Stacey stated it is level funded. Betty Boucher stated they receive a \$3,990.00 tax abatement.

SCHOOL

Chairman Stacey asked all members to try to keep comments to a minimum.

Deb Deschenes moved, seconded by Rick Paquette, to support Article 2: Operating Budget of \$31,045,851.00; Default Budget of \$30,736,782.00. Ted Sares stated he looked at the Budget and the Default Budget; did some work to see how credible it was and he found at least they could have gotten the Default Budget under \$30 Million; going with \$300,000.00 less based on what. There is no way a utility bill is a contract, only obligation is the tuition agreement.

Rick Paquette moved, seconded by James LeFebvre, to adjust by \$3,104,585.00, 10% of the Operating Budget. Deb Deschenes stated the only way that the school will be able to operate is to close a school and use the additional funds elsewhere. Bob Drinkhall stated that would be a figure of \$27,941,269.00. Betty Boucher asked Rick how did he come to that figure. Rick stated 10% is what he took off the full budget, the Operating Budget. Bill Jones stated 10% of total budget plus all Warrant Articles. Ted Sares stated think you have to be careful; 10% is a large amount, be real careful.

Rick Paquette stated the Operating Budget 10 years ago was \$15 Million, now looking at \$31 Million, doubled in 10 years. Unless we get serious about slowing down this runaway train, we are going to be talking about it forever, like insurance. I'm prepared to stop the train with some help; have come back with a two-year contract; asked to look at the Middle School; escalating every year.

Deb Deschenes stated they are not going to do anything with the Middle School, have put together a committee, have discussed and need to do an analysis on that. Insurance hasn't fallen on deaf ears, they are in further conversations. Rick Paquette stated to his esteemed colleague (Deb Deschenes) he respects everything she does.

James LeFebvre stated the Default Budget cuts \$309,000.00 out of the Operating Budget and Deb Deschenes stated 1%. James stated if you can't cut 5% you need to take hard look at what you are doing.

Bob Drinkhall stated he was a little bit discouraged with what the School Board or School Administrators have done. As has been pointed out, test scores are down and drop out rate is up; not favorable, what is it going to take to get to eventual goal; becoming a never ending money pit; amend Rick's cut to Karen's figure of \$29,139,692.00.

Deb Deschenes stated the first bond passed with obligation to build a new school as a community; second bond was to fund the renovations. She understands everyone's concern, but no way a money pit. They have done due diligence, made reductions, went back a second time and did do due diligence; did not approve first budget, have not dropped the ball in any way; took phones out at the direction of the Budget Committee. Have done everything, didn't say you must make changes. Reviewed the Middle School; reviewed the High School.

Ted Sares stated he had a bit of a problem with what Deb was saying. Bond passed barely, he disagreed that they have mandate, they don't. Sorry, bad budget.

Rick Paquette stated the School Board and School Administrators seem to understand Revenue and how to spend; recently changed percentage using as an excuse only 1% higher than last year, say only 1%; the real number is a much higher number, a much larger number over last year. We are just going to keep spending and no one is putting the brakes on this train. Everyone knows what is going to happen at the Deliberative, going to change it; can only change by 10% per RSA; should have gone 15%, someone recommend a number and I'll support it; not sure this Board is ready to go to 15%. I'm afraid I may be the only one who cares about this runaway train. We all know what is going to happen.

James LeFebvre moved, seconded by Bill Jones to modify number to \$29,493,562.00. James stated a 5% decrease; he will support any number that ties their hands. Taxpayer is not going to be protected. Bob Drinkhall stated he liked what Rick was attempting to do. Talked about \$500,000.00 for maintenance, then \$839,000.00, then to over \$1 Million, now \$1.2 Million or \$1.3 Million; something has to be done.

Betty Boucher stated she liked Rick's first figure; however she was bothered by the drop out rate and kids falling through the cracks and nobody cares.

Deb Deschenes stated with all due respect, the Budget Committee has not supported but the taxpayers have supported, not once voted down. Secondly, somebody made a comment about the RSA and the Default Budget, but she is very honest and would not sit on a Board that is dishonest. She found out at Monday's meeting; has worked and worked with Budget Committee members; met on Tuesday, had discussion with Committee and School Board so you feel we are not doing our job, she is on that Board. You are saying that to her, too.

Ted Sares stated this is about the taxpayer, not about you, not about me, about the taxpayer. Five years ago he sat in this room with Bill, Betty, Phil, Doug Swett and the Budget Committee did something then.

Bill Jones stated \$34,374,351.00 cut by 15%, add 10% - \$32,140,018.00, that is not a sufficient cut. I appreciate Deb's comments and work on the School Board, but there are those that haven't been honest including Administrators playing with words, playing with numbers; we don't grow money trees.

Ted Sares stated need to bite the bullet, let's get the number less than their budget, and if raised by 10% still less; knock down by 15% and go with it. Betty Boucher stated their chairperson doesn't trust the Budget Committee; nothing is going to happen.

Rick Paquette stated for the record, he was pro-education; for someone to say he is not; he has been clear on head count; shouldn't be able to teach one class and get full salary, you are suppose to have a full load; asked to look at head count.

Rick Paquette moved, seconded by Betty Boucher, to reduce the Operating Budget by 15%. Phil Dighello stated that won't fly. Other towns have tried and gone to court. Look at default which is a guarantee they are

going to get 99% of what they asked for; items are in there that should not be in there. Several years ago people were tired of the escalating costs and dropped \$1 Million right off. Doug Swett stated but the first reaction by the School people was they had to get that back in; building it right back in as fast as they could.

Randy Davison stated that as one member on that Board, he looked at enrollment and it is consistently going down; justification fell on deaf ears. Enrollment is going down: projected 1,106, in October had 930; asked for more positions, 1,106 kids, now 958 kids. This was mentioned last June, developed a committee; fell on deaf ears. Junior and Senior population is going down again and he believes reductions are in order, it is warranted.

James LeFebvre stated look at the 16 positions that are over and above; assume total compensation is \$30,000.00 a year, \$480,000.00; one-third gone. That is just a beginning; got to start somewhere.

Bob Drinkhall stated he believed Bill meant up to \$34 Million, take 15% on just budget and treat Articles separately. Phil Dighello stated talked about 15% arbitrary reduction figure, could only bring up 10% against it. Bob stated we could use a figure instead of 15%. Phil stated he was not sure that would work. Rick Paquette stated we are going to have to stand up and be counted; bear that in mind.

Deb Deschenes stated \$.14 decrease, not including Warrant Articles; she can't predict how the Town will vote.

James LeFebvre stated a 10% cut would cost \$1.55 Million. Rick Paquette stated he has said before we can't tell you where to spend, not our job; our job is to come to a number that makes sense to the taxpayer. He will not be drawn into impact, no idea what impact will be. No matter what happens, children will be in school. Bob Drinkhall stated he expected a greater difference.

Doug Swett stated he realizes that after tonight, they need to start turning out voters. He would suggest to go along with the figure near Karen's figure and try to get voters out; a lot say "my vote doesn't count".

Chairman Stacey asked how much was the surplus and Deb Deschenes stated a little over \$1 Million. Chairman asked for the projected surplus and Deb stated about \$360,000.00. Chairman asked for the amount projected last year and Deb stated out of \$1 Million, \$444,000.00. Chairman asked about Special Education, how much last year and Karen Umberger stated didn't have a projection, came in under budget at \$200,000.00 or \$400,000.00. Chairman stated basically you did have a \$1 Million cut; about \$1 Million left over at end; projecting \$360,000.00 looking at maybe \$640,000.00 if cut \$1 Million off the top. Deb stated forget opening the new school. Chairman stated there has been a surplus for at least 3 years. Deb stated if you cut that money, there may be a severely disabled child needing additional services that were not budgeted, have to serve that student, be careful. Deb stated we are also opening a new school; you are looking at last year; we have to project; don't now exactly, not going to know;

first year is going to have bugs in it; not 100% of cost ends up as surplus. The wish list of teachers was not fulfilled; Conway School Board voted to offset taxes. We are doing what we need to do, not the bad guys here.

James LeFebvre stated \$.14 on one side, look at worse case scenario, if everything passes, increase of \$.68 per thousand; look at that from a taxpayer's perspective. He would hope people will take the time to look at what we are doing.

Bob Drinkhall stated he liked Rick's roughly 15%; from everything we have seen, they are going to get what they want. Not trying to be negative towards Deb, but believe the principals and the Superintendent believe in what they are doing. Let's do something now.

Crow Dickinson stated it really seems to him that what is going to happen at Deliberative session is the Committee is going to be asked to justify cuts. If do, need to have answers and he didn't see how that was possible to do tonight. No point in just throwing out a figure or amending the figure; don't know which way to go. He was wondering if a motion to adjourn would be in order.

Kirk Smith stated he didn't see how to come up with a number that would be acceptable to the voter; don't see how to defend down to the fine detail. Crow Dickinson stated he agreed but the people who have a vested interest in the budget proposed by the School Board will be there to ask that question. Need to formulate some sort of response or we are going to look stupid out there.

Karen Umberger stated we can not adjourn; can recess the meeting. Any motion stays until we re-convene the meeting. Deb Deschenes stated point of order.

Rick Paquette moved, seconded by Betty Boucher, to recess the meeting until 6:30 PM on Wednesday, February 21; meeting recessed at 11:25 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary