

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 28, 2008**

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, Pat Libby, Phil Dighello, Karen Umberger, Doug Swett, John Edgerton, Bill Jones, Rick Paquette, Jim LeFebvre, Betty Boucher and Crow Dickinson. Also present were Nancy Leavitt, Ray Leavitt, Chief Robert Garland, Mike Valladares, Paul Pinkham, Doug Brunelle, Lucy Philbrick and Earl Sires.

Chairman Stacey passed out copies of the Minutes of the January 16, 2008 meeting, copy of the letter Crow Dickinson asked to be sent and that there were extra copies of the non-profit Petitions if anyone had not received a copy. Chairman reminded everyone of the meeting on Saturday, February 2nd, for the non-profit Petitions.

Rick Paquette asked on the status of the snapshot for Revenue and Chairman Stacey stated Lucy and Earl are going to handle that this evening.

APPROVAL OF MINUTES

Karen Umberger moved, seconded by Betty Boucher, to approve the Minutes of January 9, 2008, as amended. In favor: 11; Opposed: 0; Abstain: 1 - Bill Jones.

Chairman Stacey stated on Page 8, first paragraph, change "gellig" to "gelling".

Bob Drinkhall stated on Page 4, second paragraph, first sentence, change "with" to "was" to read: "Bob Drinkhall stated was the success..."

CENTER CONWAY FIRE PRECINCT

Nancy Leavitt, Treasurer and Ray Leavitt, Assistant Fire Chief, presented the budget. Nancy asked if there were any questions.

Karen Umberger stated that she was glad to see they increased the fuel and heating expenses; think that was a good thing. Karen questioned that they had dropped their budget from last year by about \$20,000.00. Ray Leavitt stated what happened was they had two special articles: one for a fire truck purchase for \$50,000.00 and the other for a 6-Wheeler that did not pass, failed by one vote. Discussion on the floor was that it didn't make sense to spend \$50,000.00 for a used truck; mis-worded it and if funds are not expended, they can't be carried over. Then cut to replace a mini-pump; sent it to a facility in Massachusetts and they replaced the pump; ended up spending roughly \$7,000.00. Therefore, \$50,000.00 has to come back in and they are not in a position this year to buy a brand new truck. Karen asked how much was in Capital Reserve and Ray stated

\$96,000.00, Nancy stated \$126,000.00. Karen asked what the funds were to be used for and Ray stated new and replacement equipment.

Chairman Stacey thanked Nancy and Ray for coming in.

Rick Paquette stated no Conway Sun again and Chairman Stacey stated that's correct. Crow Dickinson stated the reporter went to Fryeburg to attend the Planning Board meeting; he is going to come here afterwards.

REDSTONE FIRE PRECINCT

Chief Robert Garland presented the budget as all Commissioners were too busy and he was elected to fill in for them.

Karen Umberger stated she was a little concerned that the heat, gas and oil did not change from last year. Unless planning for less fires or heat, she suggested that he may want to go back to the Commissioners and suggest that they might raise those figures; showing for 2007 what was actually spent is above what is being projected for 2008; there is no indication that gas is going to go down in the next year. Chief Garland stated they lowered the figures because they installed a more efficient heating unit; can still amend. Karen asked about the raise in call pay and Chief Garland stated they had it as clothing allowance last year; decided to change to paid on call; that is why there is a jump from \$2,800.00 to \$4,400.00.

Bill Jones stated in Property Maintenance budgeted \$1,000.00, spent \$7,148.00. Chief Garland stated due to the building of an office to store records and other sensitive documents and furnace is included in that. Bill asked where the money came from and Chief Garland stated from other areas not quite used.

Bob Drinkhall asked on Vehicle Maintenance, what is DRA 4902, what is that figure and Chief Garland stated everything in that column on the right hand side. Bob asked if that would be enough for Vehicle Maintenance and Chief Garland stated last year had to over haul a pump on a truck and that should be good for at least three more years.

Crow Dickinson asked if \$1,850.00 for electric would be enough and Chief Garland stated that it should cover; replaced water heater and also the furnace that they had was an inefficient furnace. Bill Jones asked for an explanation on the electric and Chief Garland stated they went to a smaller one; usage did go down. Bill asked what percentage of time is the building occupied and if they were leaving the water heater on. Chief Garland stated yes and Bill stated that maybe they should shut it off; electricity very expensive.

Chairman Stacey thanked Chief Garland for coming in.

EAST CONWAY FIRE PRECINCT

Mike Valladares, Commissioner, presented the budget and asked if there was any questions. Karen Umberger stated basically the same statement she

had for the others: heating, oil and gas are going up and if she was looking at this correctly, level funded for next year. If you replaced a furnace, it is understandable. Mike stated that there was a meeting tomorrow night to see the actual savings this winter and they may adjust it.

Bill Jones stated looking at the bottom line, going from \$36,850.00 to \$49,800.00. Mike Valladares stated this is proposed, hopefully will have the final vote tomorrow. Bill asked what the goal is for the Capital Reserve Fund and Mike stated it was a wish figure. Bill stated requesting an increase of \$5,000.00 during a tough year. Mike stated could propose a lesser figure. Bill asked how much and Mike proposed \$5,000.00.

Crow Dickinson asked how much money was in the Capital Reserve Fund and Mike Valladares stated \$3,000.00. Crow stated actual figure and Mike stated can't buy truck for \$8,000.00. Crow stated on Propane you have budgeted \$3,000.00 in 2005/2006, 2007 and current and spent exactly \$3,000.00 last year. Karen Umberger stated no, \$2,336.00. Mike stated last year the Budget Committee suggested they break it down; they are going to have all bills added up by the end of tomorrow night. Crow stated it will be some other figure and Mike stated yes, hopefully less.

Bob Drinkhall asked if they had a specific capital replacement plan and Mike stated just developing it; trying to be conservative and be practical and be affordable for the taxpayer.

Bill Jones asked what plectrons were and Mike Valladares stated gadgets the firemen carry; a pager. Bill asked about insurance coverage and Mike stated general liability and workers compensation.

Betty Boucher asked if Building Maintenance was for both and Mike stated that needed to be broken down. Betty asked about rent on the Community Hall and Mike stated he was not sure.

Chairman Stacey thanked Mike for coming in.

VALLEY VISION

Doug Brunelle, Station Manager and Program Director, presented the budget. Proposed 2008 budget is part of the Memorandum of Agreement with the Town of Conway. Last year Crow asked for a comparative and they have gone through it with a fine tooth comb; able to assign where it comes in or goes out. They are learning with QuickBooks, learning to be more efficient; it's a work in progress.

Jim LeFebvre questioned the One-time Underpayment Correction for 2007 and Dick Brunelle stated that was the Memorandum of Agreement increase that we neglected to bill for; once we realized it, a check was received. Earl Sires stated Lucy, under strict guidance, is not to pay anything more than what is submitted; the error has been corrected. Dick stated he needs to learn to take the initiative.

Bob Drinkhall asked what caused Eggs & Issues to go from \$1,700.00 to \$2,400.00. Dick Brunelle stated they pay \$200.00 per month and we are supposed to receive \$200.00 every month. Bob questioned why Kennett High School was going down and Dick stated it was a combination of sponsors; sometimes people buy all three, but that didn't happen this year. We are trying to bring more in from the Fall Season to offset; we did receive some income from the Girls and Boys Basketball and Hockey.

Rick Paquette requested an explanation on how the insurance has gone down. Dick Brunelle stated they got estimates from three different carriers.

John Edgerton asked what lawyer do you hire for \$80.00 and Dick Brunelle stated he thought that was for a phone call; thought it was free.

Karen Umberger asked if the Warrant Article for the Town is going to be for \$83,000.00 and Earl Sires stated the Selectmen haven't formulated the increase yet, but looks like there will be an increase of \$1,900.00 which will be added for \$84,900.00. Karen stated last year purchased equipment for this year and Dick stated a new camera. Earl stated made request and the Selectmen haven't responded, not anticipating any. Dick stated should get us through until the HDTV change over. Karen stated that will be next year and Dick stated we can still broadcast in analog for awhile. Karen stated that it was coming up next year. Jim LeFebvre stated in February 2009 analog is going off the air and Karen asked if this would cause huge expenses and Dick stated that broadcast stations not with FCC haven't heard that they need to change over yet. Karen stated somebody should check on that; she wouldn't like to think that in January 2009 the Budget Committee sitting here asking what is going to happen on February 1st and then get blacked out. Dick stated they have the capabilities now. Karen asked if they were anticipating any equipment purchase for this year and Dick stated they were planning to go as long as they could without.

Rick Paquette asked how long in his current position and Dick Brunelle stated since November of 2006. Rick asked why, when the School Board had its Deliberative last year, didn't Valley Vision show up. Dick stated no one asked us to; for some reason the SAU Office did not request it. Chairman Stacey stated she had submitted the schedule of meetings in advance. Rick asked if Mr. Brunelle had a copy of this year's schedule and Chairman stated it had been faxed to the office. Rick stated you folks have done a great job; commend you folks and appreciate your folks being here.

Bill Jones stated he understood what Rick was alluding to; didn't get coverage last year and we do need the coverage. Bill welcomed the reporter from The Daily Sun for the second time attending our meetings. Dick Brunelle stated it was unfortunate, but Kennett High School graphics did record it; missed the first 20 minutes.

Crow Dickinson asked if it was his understanding that the Deliberative portion was on March 3rd at 7:00 PM and on March 5th at 7:00 PM. Chairman

Stacey stated he was correct March 3rd and March 5th. Crow stated March 3rd at 7:00 PM for the School and March 5th at 7:00 PM for the Town.

Karen Umberger asked on the payroll expenses, what is the breakdown between full-time and part-time. Dick Brunelle stated he would have to get the accountant to help with that. Karen asked how many people are employed and Dick stated two full-time, Resource Coordinator and Station Manager, and the rest are part-time. Karen asked if the person doing the fundraising was earning their salary in fundraising and Dick stated yes; unfortunately they are now looking for someone to replace her. Karen stated the fundraising was in fact paying her costs. Karen asked if the position was being advertised and Dick stated they had advertised and have it narrowed down to two; decision may be made this week.

Chairman Stacey thanked Dick Brunelle for coming in.

CONSERVATION COMMISSION

Paul Pinkham presented the budget. Paul stated increase of \$1,600.00 for changes in programming; they under spent by a couple of hundred because they had found some Grant money; didn't like being chastised for not spending budget. This is the year for us to do major assessments of the forest land. It has been 20 years and we are looking to actually investigate all our lots. Historically trees grow; want Cathedral Pines to be Cathedral Pines; also need to see whether we need to do a timber harvest. We are still working with the Forest Management Plan with 1970 numbers.

Karen Umberger asked if they would contract for the Forest Management Plan and Paul Pinkham stated yes, they had been doing this for us for over 20 years. Karen asked if the Town does this work for the Commission and Paul stated no. Karen stated does the Town not have the capabilities and Paul stated in most cases it is not heavy duty. Karen stated it might be worth investigating; didn't know what the Town would charge but it might be less than contracting. Paul stated the would inquire about it.

Chairman Stacey thanked Paul Pinkham for coming in.

PUBLIC WORKS

Bill Jones asked Paul DegliAngeli on water system testing, what are they testing for. Paul stated because of the old buildings and because the water source was contaminated. Bill asked if they were still doing testing and Paul stated one has to test before and after; need to see whether clean up is working and to see if anything is going to show up. The good news is that for 14 months it has been steadily declining. Bill asked what buildings specifically and Paul stated here (Town Hall), Community Center and Police Station; fluoride problem at the Police Station.

Chairman Stacey stated you don't test at Pine Tree because they have their own well and Paul D. stated they don't test any of the schools.

Chairman Stacey stated that she did talk with Paul D. about the boom lift and his response was that he did not think the Town would have any use for that. Rick Paquette asked about putting on the Christmas lights and Paul D. stated they were paid for by the Villages. If owned, then he would have to have a man in that truck. When you contract out, you get a person and the equipment.

Bill Jones asked about plowing and Paul D. stated they made it through 2007 by the skin of their teeth; have continued to budget on weather, only one-half to 1% over budget.

Karen Umberger stated she wanted to go through the Highway Budget. Paul D. stated the bottom line for 2008 is a 2.9% increase. Crow Dickinson asked for the figure and Paul stated \$1,635,191.00. Karen asked if the new street lights were causing a jump or was it something else. Paul stated they had been informed it was a planned increase; readjusted by percentage. Karen asked if there was an arrangement with the utility companies for street lights. Paul stated there are 3 categories: 1) Lights that have existed for sometime; those lights are not owned by the Town, owned by the utility company and come on and off by sensor; we pay a fixed rate, includes hours of operation, maintenance and replacements. 2) New lights that are modeled after the old lights from the 1940's; these lights are not owned by utility company, we own them; however, the utility company negotiated an agreement for them to do the work with an hourly rate; therefore electrical rate is much less. 3) Lights that are not on a utility pole like the North South Road and do maintenance ourselves.

Bob Drinkhall stated he thought the electric company had changed the lights without Town knowledge and asked if they are more efficient and less costly. Paul D. stated they are more efficient with a longer life but company went up on the rate. Bob stated not the Co-Op but PSNH and Paul D. stated just like taxes, keep going up.

Bill Jones stated there is a sheet in our book that states there was a distribution increase on January 1st, a decrease on July 1st and transmission charge increase on July 1st, a stranded cost recovery charge decrease on January 1st. This is a complicated formula; if you don't believe me, read your electric bill.

Karen Umberger asked Paul D. if he did not expect an increase in asphalt and Paul stated they were trying to hold the budget number; looking at maintenance of roads which is separate from Capital Reserve. Karen stated she did not check this, but it seemed the Town was not showing an increase for school bus repair. Lucy Philbrick stated \$22,000.00 with \$19,036.00 expended. Paul stated \$3,000.00 under, can't explain why asking for more money; we buy the parts and charge to the School. There is no net change in line item.

SOLID WASTE

Paul D. stated there was a 4-1/2% increase and asked for any questions. Rick Paquette asked if the Town will continue to charge people for the

TV's. Paul stated it was not a tax but a user fee; Town gets charged and it is a pass through cost. New Hampshire only has a Real Estate tax. It is a user fee; State makes the decision and fees are involved. Rick asked when the television people convert to digital and HD, is it going to become a real revenue source. Paul stated the Town would have to bid to have them taken out; the electrical recycling has many items other than just televisions, have electrical cell phones, home phones, etc. The Selectmen made the decision to charge for those items that have to be recycled, those that have a screen or tube. What happens if it costs more than what is taken in; did 50 tons in 2/3 of the year, 50 tons of TV's, computers. Rick stated it was great the Town is doing this. Paul stated if you come in with a computer, the Town charges for the screen. If you come in with a stereo, there is no charge and therefore won't pay to dispose of it. Rick asked about batteries and Paul stated only automobile; fluorescent lights are low priority, tonnage doesn't add up.

Paul D. stated the Town started the recycling enforcement a few years ago; trash is steadily going down; in 3 years have gone from 10,000 to 3,500. Recycling did not go up, what happened was that people made a decision. There are no Statewide regulations and maybe we should regulate what is being thrown away. Those that do not recycle are having a commercial carrier take it out of town.

CAPITAL RESERVE FUNDS

Paul D. asked for any questions on the Capital Reserve Funds. The landfill is taking in so much less, this year reduced landfill closure. Highway and Solid Waste is level funding. Building Capital Reserve increase this year for the project on replacing the Service Garage that is 60+ years old; the Town keeps getting cited by the insurance company. Plan to have design and bid by next Fall. Current balance is \$440,000.00. Earl Sires stated anticipate going from \$125,000.00 to \$175,000.00. Paul stated bid project this Fall for Spring 2009 construction.

Karen Umberger stated right now it indicates you have \$129,000.00 in there or is this something else and Lucy Philbrick stated yes. Earl Sires stated for a total of \$175,000.00; as Paul stated any adjustments that have to be made can be added on.

Karen Umberger stated when she was at the Water Precinct meeting the Superintendent mentioned that they were looking at sewer projects for next year and Kearsarge for 2009; is there an update for 2008 because what it is shown is that Mechanic, Intervale and Kearsarge for 2008; are you not going to do Kearsarge Road. Paul D. stated the Precinct has two contracts out to bid. Intervale, Kearsarge Road and Mechanic Street and The Lane is two years of construction for 2008/2009. Secondly, Neighbors Road and Depot Street have separate money set aside. Will be doing through contractors, have agreed on costs, have taken responsibility; need money for my share of the contract and for pavement two years after. After that, the Town plans trench drainage on Intervale. We will rebuild from Route 16, get same brick sidewalks. The money is still in the Capital Reserve, but we will be expending. Kearsarge Street will not be done by the Precinct until 2009, there is water to do so the Town won't

be there until 2010 or 2011. This year Town crew will be working on Allen Siding, Still Road, and Passaconway; did a portion last year.

Karen Umberger stated the information in her book is wrong; it would be helpful to get an update.

Chairman Stacey thanked Paul D. for coming in.

TOWN REVIEW

Earl Sires stated he would answer Rick's questions that were e-mailed about Revenue which Earl, Tom Holmes and Rhoda clarified.

1) Question: As we seem surrounded by terrible tax revenue news, and fiscally limiting choices hinged to a plummet of housing tax revenues, I thought a snap-report on the status on current tax revenues; has there been a drop/increase in real estate tax revenue.

Answer: Tom and Rhoda stated there has been an increase in property tax collections between year end 2006 total collected to year end 2007 total collected in both dollar amount and percentage of total levy.

Earl Sires stated that Lucy has additional information that shows the trend over the past two years.

2) Question: What forecast to 2008 can we attach to year-end revenues.

Answer: This cannot be estimated with any accuracy at this time. The property tax is the most stable of tax revenues. That's why it is preferred by municipalities over other broad based taxes. The taxes are levied against real estate, which cannot be removed to another jurisdiction like income or sales if taxes go unpaid, the property acts as collateral or security against the amount owed.

3) Question: Is Conway impervious to the country's down-turn in real estate values/collections:

Answer: Of course not but, as often as not, real estate trends can be regional in nature. There are often pockets that act contrary to overall directions. The media tends to focus on the coasts and the metro areas. Thus far, Conway has held up pretty well in contradiction to more overbuilt areas like Florida and California. It has even held up better than greater Boston. The analysis indicates that we will see some sort of correction from the recent overheated market but, the length and severity of this is indeterminate at this time.

Earl Sires stated he thought that The Town didn't have excess inflation of value as some other areas; really didn't go too wild. We will see what happens, sales are declining. Rick Paquette asked if real estate doesn't turn over, won't we see a decline and Earl stated not us, that is the state. What we are seeing is level in non-property tax revenue. If you have a total that needs to be raised and non-property level means amount

to be raised needs to be increased; automobile leveling, that is something to be concerned about.

4) Question: What is the last half collections in 2006 versus the last half taxes for 2007.

Answer: For 2006, \$19,572,410.00 collected as of the end of the year end 2006 or approximately 93% of total levy. For 2007, \$20,156,334.00 as of the year end of 2007 or approximately 94% of a higher total levy. There have been no taxes collected from property sales by the municipality. Deed tax stamp revenue is collected by the county and a portion goes to the state. If referring to auction properties, no taxes will be levied on those parcels sold until this year, 2008.

5) Question: The taxpayer "estimates" are probably based upon last years' revenues?

Answer: Not sure what this means. If Rick means the amount to be collected from property taxes, these are pretty firm. Based on assessments that have already been set. Bills have been mailed, the due date has passed and abatement requests are, so far, setting a record low.

6) Question: The "mil" rate told to our taxpayers; is that a "good" number?

Answer: Yes, it has been set and billed. There's no changing it now.

Karen Umberger stated in projected revenues realize one can't tell from the first three weeks whether or not behind from last year and realize you simply make an estimate based on a best guess, did the Town see in last quarter a steeper drop in revenue than in past year or was there a gradual; if we didn't see the \$300,000.00 drop and didn't see something in the last quarter that would say what drove it lower. Earl Sires stated they didn't look at quarter to quarter. Karen stated there must have been an indicator in the revenue stream. Lucy Philbrick stated in Building Permits had very large projects; don't foresee any at this point. Karen stated that maybe we should tell the Planning Board to loosen up a bit.

Bill Jones stated interest on taxes collected already and Lucy Philbrick stated estimated for 2008; 2007 is actual income.

Earl Sires then proceeded to discuss the Warrant Articles. The first two Warrant Articles are zoning issues. The Collective Bargaining Agreement is a two year agreement which basically calls for status quo with a re-opener clause for health insurance; bringing a two year deal with everything the same except can be opened by either side for health insurance. The PEG Expendable Trust Fund is \$109,581.00; nothing approved yet. This Committee heard from Valley Vision tonight and everyone understands that the number in the fund is not necessarily the same number going to Valley Vision.

Earl Sires proceeded with the Warrant Article concerning Police Vehicles for \$38,000.00. Karen Umberger stated that this needs to be checked; Police are looking at a Motorcycle.

Karen Umberger stated that she thought last year the Police Department did a console thing and was confused why they need a server. It was her understanding from the School information that there were servers at both the Middle School and some place else that were not being used; maybe they can give one to the Police Department. Earl Sires stated he could ask; the Police Department have had this server for 10 years and should replace it before it becomes a problem.

Earl Sires proceeded with the Warrant Article concerning the purchase of a Motorcycle for the Police Department that includes a maintenance agreement. Rick Paquette asked what would be done with the Motorcycle when it came time to put it out to pasture and Chairman Stacey stated it would be used as a trade-in.

Karen Umberger stated on the Warrant Article concerning the Fire Ponds, she was in favor of this, but would like to see the plan. Earl Sires stated he would bring the plan in.

Earl Sires proceeded with the next Warrant Article concerning a modification of the Elderly Exemption From Property Tax. The Selectmen have talked about modifying the existing income limits, bring the income levels current. Basically a net income of less than \$21,500.00; believe it was \$20,000.00; if married a combined income of less than \$30,000.00. Rick Paquette asked what is considered elderly. Lucy Philbrick stated there are different levels; ages 65 to 70. Earl stated we will get it for you. Karen Umberger asked if the federal poverty level had changed; it would make more sense if the federal poverty level had changed for the elderly. Earl stated he would look into that. Crow Dickinson asked if it could be amended and Earl stated certainly.

Earl Sires proceeded with the Warrant Articles concerning compensation: 1) the Selectmen have proposed an increase of \$500.00 each for a total of \$3,500.00 each and likewise for Supervisors of the Checklist for an increase of \$400.00 each for a total of \$1,400.00 each. Chairman Stacey stated she thought that the Supervisors just got an increase and Karen Umberger stated yes, the end of last year or the year before. Lucy Philbrick stated two years ago. Karen stated she thought there needed to be more discussion; she will never vote for the Article on the Selectmen. On the Supervisors of the Checklist, Karen stated she was not exactly sure what the increase was for, has voter registration gone up again, need something that is a little bit more substantial. Crow Dickinson stated that when that request came in, they calculated the number of hours spent and found that they were being paid \$10.00 per hour or less. It would appear in recent years the requirements are requiring a lot more time. Karen stated that was why it was raised the last time. Crow stated he was sure the amount of time is even greater; growing interest of registering at the polls. Karen stated she needed to have a bit more information. Earl stated Crow's summary is accurate and he thought it

might be worth having them speak directly to this Committee. Rick Paquette stated he needed more information.

Chairman Stacey stated in every discussion have we not said this is a tough tax year; how can you ask for that? Chairman would like justification from the Selectmen. Crow Dickinson stated 35 years ago the Selectmen were compensated \$1,000.00 a year; at some point up to \$1,500.00; then in 1980 decided cost of living increases over 3 years to \$3,000.00 which they put in place over three years. If you run \$1,000.00 forward with cost of living from 1973 to present time it comes to around \$5,000.00. Selectmen decided not to ask for increase of \$2,000.00 but wanted to do something to bring it to a more realistic figure. Chairman asked what happened to "it's a privilege to serve". Bob Drinkhall asked if anyone had checked the 30-Town Survey to see what they are doing and Crow stated Moultonboro was giving \$7,000.00 but reduced to \$5,000.00 recently. Betty Boucher stated the part that bothers her is that if someone was retired or disabled they get discriminated against if on Social Security.

Bill Jones stated he has discounted the 30-Town Survey; in talking to his neighbors he was amazed to find out how many can't afford any kind of tax increase this year. He had a conversation with some of the kids today about how proud they are of the new school and how nice it is. This particular group stated the old KHS had charisma; haven't developed anything for this school. This is not the year to increase where not necessary.

Jim LeFebvre stated he would like to add that this group is the only group that looks at it from the taxpayer perspective, everyone else is an interest group; everyone comes looking for their small piece of the pie. This group is the only one looking out for the taxpayer.

Phil Dighello stated the School Board has presented a package which is not just; a 27% School budget with Articles; 27% is why we are looking at everything.

Bill Jones stated on Saturday we will review non-profits and most are primarily funded by federal and state monies, looking to secure a little piece of the pie. We do not get paid; we analyze everybody. Bill then stated that he was particularly pleased to see The Conway Sun in attendance.

Crow Dickinson stated in 1972 the Selectmen reduced to \$750.00 and nobody noticed.

Jim LeFebvre stated he didn't want anyone to feel he was against education, but one of the principles is they get to set their own Budget and their own Default Budget.

Chairman Stacey asked if there were any further questions on the Town Default Budget.

Betty Boucher asked what the last day for submitting Petitions was and Chairman Stacey stated 2/12.

Karen Umberger stated this Committee needs to focus on the Town Budget and Default Budget tonight. Karen further stated that under other business she was a little concerned on the cost of health insurance for an additional \$92,000.00 or was it for other benefits. Lucy Philbrick stated that it was not health insurance; retirement, workers compensation, unemployment, and social security. Karen stated that it does not include Solid Waste and Lucy stated it does not. Karen asked where they are and Lucy stated Public Works salary and benefits. Karen stated benefit package went up to \$150,000.00; Police up \$152,00.00, so that is \$300,000.00 in just benefits over the last year.

Earl Sires proceeded with information on the Revolving Fund issues. Lucy Philbrick stated the 2007 Rec Revolving Fund correct figure is \$74,856.00; from that take \$45,100.00 out to reduce the Operating Budget. John projected 2008 at \$73,000.00 and \$63,025.00 out with the end of 2008 having a projected balance of \$39,602.00. Karen Umberger stated that she was not convinced under any circumstances that there should be a large balance in the Revolving Funds because the concept, in her opinion, is to take it in and expense it out. There should be no balance in the Fund unless there is something you want to do like hire 15 more people. Chairman Stacey stated could get a bus and Karen stated that is not a part of the Revolving Fund. Karen further stated she was concerned that if there is going to be a significant excess, then the fees should be reduced. Earl stated the projections are conservative, may be less; will certainly use what is collected. It was the Selectmen's decision to retain \$29,000.00 based on the fact of reducing \$45,000.00 out of the Revolving Fund. There are two strengths of discussion; one position was there should be some balance and the other to generate about \$30,000.00 which we do get from Albany and Eaton. If both of those towns withdraw, the Operating Budget doesn't go down.

Jim LeFebvre asked how the Revolving Fund was invested and Earl Sires stated as required by law. Lucy Philbrick stated currently the funds are in a local bank not earning much interest; easier to handle daily deposits locally. Earl stated theoretically the idea was to generate revenues to help fund the Recreation Fund. Karen Umberger stated no it was not. Karen stated she didn't think there was any reference to facilities. Earl stated it was still a policy decision. You could do what Karen says by reducing fees or could apply more to the Operating Budget to reduce taxes. Karen stated having \$39,000.00 left over is a little too much; she would like to come in and speak with the Selectmen on this; that is totally ridiculous. If planning to use for facilities, should have a plan. Rec Department needs a plan. Karen does not expect Eaton and Albany to leave; can't imagine them all of sudden leaving. She didn't see that as a red flag; you just don't have this kind of balance in the other Revolving Funds. If you are going to do that, let's have a plan; not just hold it for something that might happen 10 years from now.

Rick Paquette stated he was behind Karen 1000% and didn't recall supporting the Selectmen to pick the pocket of the taxpayer this way. We

helped you pass this and will not support stealing from the taxpayer. Initially it was to be paying for the summer program. It was about paying for what people are using for the summer program. Selectmen continue to sit on taxpayer money.

Crow Dickinson stated this money did not come from taxpayer dollars; please don't say taking money from the taxpayer. Maybe we need to sit down and see what it is we need to do or if, in fact, don't need to do anything. They (Eaton and Albany) are the ones that paid into this thing; it's a flat rate for them.

Earl Sires stated the fee charged is based on total assessed value and each town gives a lump sum. Crow Dickinson stated didn't take from Conway, it was from flat rate fees.

Jim LeFebvre stated Point of Order. Chairman Stacey advised the question was asked, has the right to respond.

Crow Dickinson stated this money did not pay for services rendered but for fees to defray the cost of maintaining the program. Rick Paquette stated when there is a surplus, can no longer ask to pay; it has become a revenue source and he did not support this to become a revenue source. This was to help people; not be a revenue source. Crow stated that was correct and should be given back to Eaton and Albany. Chairman Stacey stated it was not for Eaton and Albany; not going to see money I paid go to another Town. Earl Sires stated they could try and separate it to show where the money is going and from who; see how much is being applied to the Operating Budget and what is being asked of the taxpayer. Earl will convey the concerns to the Selectmen.

John Edgerton stated he would rather see any surplus put back in the budget. Chairman Stacey stated how fair is it to those that paid into the summer program; Mr. Paquette has no kids, he didn't pay into the revenue from summer program.

Doug Swett stated for years the taxpayer paid for this thing; don't think a major decision has to be made at this time.

Bill Jones stated this is devised from fees. Talk with John Eastman about adjusting fees. I am not buying into it; maybe fees can be adjusted. Crow Dickinson stated the fees are not exorbitant compared to other towns; although there were fewer people and about the same revenue for fees. Crow stated he was sure that this surplus will help those that can't make it on their own. There is an appropriation made from Conway. He agreed with Doug that basically the Selectmen should see what happens in a second year; money can be returned at any time.

Karen Umberger stated her major problem was that whoever decided to add into the Revolving Fund is no way to go unless you have a plan for expensing it against something, i.e. John's salary or for whatever purpose. It came in and it should be expensed out. It is disturbing what is going on; received \$30,000.00 from Eaton and Albany and have \$29,000.00. Earl Sires stated you have a point; could certainly make the

suggestion that Eaton and Albany fees go in there. If fees are received and appropriated to the Rec budget, then it offsets the Rec budget. This whole thing was comments from the Budget Committee. Chairman Stacey stated it was fees for the summer program. Earl Sires stated he would convey the concerns to the Selectmen.

Jim LeFebvre stated look at what the intent was initially; go back to see the intent which are available through the Minutes.

John Edgerton stated could put in the general fund and designate it for the Rec budget. Crow Dickinson stated any direction you could give us would be appreciated. Chairman Stacey asked for everything that went through the Revolving Fund.

Chairman Stacey stated on Wednesday night we will draft the letters to the School and Town, letters of recommendations. Any problems, issues and concerns are to go through her. Chairman questioned the canceling of the meeting on the 11th. Earl Sires stated the Warrant has to be posted on the 19th.

Karen Umberger asked if the Committee would be voting on the 18th and Chairman Stacey stated she was hopeful of trying to go through some of the Town on the 13th; Town doesn't normally take a lot of time and the School is on the 18th.

Bill Jones moved, seconded by Jim LeFebvre, to adjourn the meeting at 9:32 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary