

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
January 12, 2009**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairperson Melissa Stacey, Doug Swett, Jim LeFebvre, John Edgerton (arrived at 7:00 PM), David Jensen, Ben Kane, Daniel Bacon, Bob Drinkhall and Mike Gilmore. Also present: Earl Sires, Lucy Philbrick, members of the Police Commission, members of the Conway Police Department, Paul Pinkham, Margaret Marshner and Trustees of the Library.

Chairman Stacey welcomed everyone and reminded all members that the same rules are to be followed: keep side conversations to a minimum, keep comments professional, no personal attacks and work through the Chair before speaking; if a member is asked a direct question, feel free to answer. Chairman further stated that there are no Minutes to approve tonight since some members just received their copy.

**Jim LeFebvre moved, seconded by Dan Bacon, recommending to ask the Town to look at what they would cut if they had a 5% shortfall or reduction in the Operating Budget. In favor: 4; Opposed: 0; Abstain: 4 - Ben Kane, David Jensen, Bob Drinkhall and Melissa Stacey.**

Jim LeFebvre stated he would like to make a motion for the School and one for the Town, for bringing the budget under by 1.3% from last year. Earl Sires stated 2% under. Jim stated recommending and asking to take a look at what they would cut if they had a 5% shortfall or a reduction in the Operating Budget. Look at everything possible to reduce; certainly recognize what the Town staff and Board have done so far, but revenues continue to fall, must balance the budget; do without non-essential activities; essentially the input and a list, then they concentrate on the cuts. David Jensen asked if Jim was suggesting offsetting with a wish list and Jim stated yes, since they are the operator and most qualified to make the determination. David asked for the purpose of that and Jim stated contingency planning. Dan Bacon stated he thought the Town does a great job; fact is, need to look at everything, not simply cutting resources; need to do more with the whole ball of wax.

Earl Sires questioned whether there was a quorum.

**Jim LeFebvre moved, seconded by Bob Drinkhall, recommending to ask the School Board to look at what they would cut to get a 0% increase or a 5% decrease in funding. In favor: 6; Opposed: 0; Abstain: 2 - Ben Kane and David Jensen.**

Jim LeFebvre stated he had the same discussion and logic as previously stated concerning the Town.

CONSERVATION COMMISSION

Paul Pinkham made the presentation for the Conservation Commission. Mr. Pinkham stated they were coming back with an 11% reduction in their budget this year; basically \$17,250.00, they are at \$19,415.00 this year.

Work is predicated on a priority list; long term plan for trail maintenance and rebuilding. Every year they vary a little; nature tells what and when to do it. Sometime things that could be done, could be deferred to next year.

Chairman Stacey asked how they were dealing with the logging market dropping off and Mr. Pinkham stated regeneration; expect to get some pulp; market presently stabilized; generate about \$7,000.00.

Chairman Stacey thanked Mr. Pinkham for coming in.

#### LIBRARY

Margaret Marshner introduced the Trustees present, Linda Fox Phillips and Penny Deans. Ms. Marshner passed out documentation that has been updated. The community is taking advantage of the Library as a resource in a big way this year. Statistics show an increase of 12%. There are a number of patrons coming in the door; up 20% over last year; added 1,169 new borrowers. They have lots of programs going on; 133 programs not sponsored by the Library; other small groups meet at the Library.

Margaret Marshner began the review by stating the budget is up .84%, \$3,696.00 over last year. The amount of \$49,000.00 will be turned back to the Town, didn't spend all that was budgeted. They had two staff members out for a long period of time, did not replace; one is back and working her regular hours, the other's hours have been reduced. The Electric, Heating, Water and Sewer was budgeted more than what they feel they need for this year; that amount is \$20,000.00 not spent; didn't spend on Professional Development. The following two pages explain what is included in every line of the budget. First section is Wages and Salaries - asking for merit pay benefits. The next section is the Collection of books, videos, electronic access and they have kept that same number. Reduced postage as they are sending overdue notices through e-mail. Electric reduced; Heating Oil reduced; Water/Sewer is a large reduction, they had a leak at the Library last year and had not received a bill; the Precinct advised what to budget. Telephone is the same; Insurance up slightly - insured with the Town's policy and advised by Lucy (Philbrick) what that figure will be. Building/Grounds covers contracted services for the elevator, cleaning services, boiler repair/inspection, sprinkler system inspection/service and cleaning of the security system plus any other repairs. Office Supplies are covers for books, cases for Audio and Video. Copier/Printer we budgeted \$2,275.00 and that is covered under income of what we receive from the public for copies and printing. Technology is the web site, e-mail, contracted services for software and covers lease of equipment. Programs are expenses for visiting speakers, usually apply for Grants to cover some of the expenses. Professional Development is training and conferences.

Mike Gilmore stated \$30,000.00 spent on Collection; how much towards items stolen, missing or gone; what is your policy. Margaret Marshner stated evaluate whether something should be replaced, something that is not a classic. They don't necessarily replace; if damaged, the patron is required to pay for it; they also have a Trust Account to cover material more than 10 years old. Mike stated he was more interested in stolen

items and Margaret stated she didn't know; didn't think it was a problem. Mike asked if they had any problems with the cleaning service in getting done what needs to get done and Margaret stated if there is a problem, she is on it right away. Mike stated not at the mercy of the contractors and Margaret stated right. Mike asked if the goods was a separate contract or with the Town and Margaret stated some of the supplies she contracts; paper towels, toilet paper from the Town. Mike asked about things specific only to the Library and Margaret stated for many things she first checks with the Town before she orders.

Jim LeFebvre stated he believed Mike (Gilmore) eluded to the School and a significant amount of books not coming back; lost \$6,000.00 worth of books at the High School; got system for \$15,000.00 to \$17,000.00 to be put in binders, but if you are not near that level, it is not cost effective. Margaret Marshner stated they considered a security system when they first did the addition; cost then was about \$10,000.00. Two years ago they were very trusting and left the DVD's in their cases and they lost a lot. Since they realized there was a problem, they don't put the DVD's into the cases. Jim stated on Salaries for 2008, you show anticipating \$18,000.00, what is your fiscal year and when do you anticipate receiving the income. Margaret stated it is requested at the end of the year. Jim asked if it was received after the fiscal year closes and Margaret stated they request it before the end of the year; she would have to check with the Treasurer. Jim questioned the merit pay of \$6,700.00 and Margaret stated they turned in their request. Lucy Philbrick stated merit pay is transferred to salaries once it occurs.

Dan Bacon asked if they track the percentage of residents and Margaret Marshner stated yes. Dan asked if Margaret had them with her and Margaret stated she might. Linda Fox Phillips stated Albany and Eaton pay for their residents and Margaret stated paying non-resident fees. Linda stated they have to pay for the cards. Margaret stated \$70.00 for non-resident; Albany paid for 100 cards. Earl Sires stated he thought they worked with the Assessor to come up with a figure. Margaret stated she usually checks with Tom every year; ask him if they need to raise the non-resident fee. Linda stated they do have a senior discount.

Mike Gilmore stated he wanted to make a general statement, not aimed solely at the Library, but wanted to remind that we are in tough economic times; workers are more interested in keeping their job rather than getting a raise. In light of this, could you please consider the option of having your employees not go for merit pay this year in order to save money. Margaret stated she would take it back to the Trustees. Mike stated personally he could not justify merit or pay raises when people footing the bill are not getting raises and are struggling.

Jim LeFebvre asked on Salary if the difference between anticipated and actual is because of the two personnel and Margaret stated one, whose hours were reduced.

Chairman Stacey thanked Margaret Marshner for coming in.

POLICE DEPARTMENT

Chief Wagner made the presentation for the Police Department. Chief Wagner stated he spoke with Earl (Sires) and Lucy (Philbrick) late last week; there are two changes before we start. Line 0870: \$1,115,475.00 change; change in line 1000 \$34,995.00.

Chief Wagner stated \$2,483,179.00 with the changes is the total. Chief Wagner began with Regular Officers at \$1,115,475.00 - that does include \$20,000.00 that will include last year's new officer; increase of \$2,000.00 in overtime covers pay raises from this year. Special Officers increased \$1,500.00 from last year; they are used to cover patrols, used on the 4<sup>th</sup> of July and on any major holiday. Dispatchers \$260,359.00; we have a lady that is retiring and it covers one-half of her hours; \$5,529.00 covers new Dispatcher, going without one for about 4 months. Dispatcher overtime is \$6,000.00, a \$2,000.00 increase from last year. Dan Bacon asked about going without a Dispatcher for 4 months and Chief Wagner stated trying to cut where we can.

Mike Gilmore stated someone will be working overtime in lieu of a Dispatcher and Chief Wagner stated a Dispatcher may be working overtime to cover the Dispatcher leaving. Mike stated taking normal salary, putting in overtime and Chief Wagner stated raising the budget by \$2,000.00. Chief Wagner stated they are saving about \$15,00.00 by not hiring a new person; raising overtime \$2,000.00 can still add \$13,000.00. Jim LeFebvre asked if they were to hire someone full-time to replace, what would the cost per quarter be, how much in actual savings. Chief Wagner stated saving about \$12,000.00 to \$13,000.00. Jim stated new Dispatcher costs \$36,000.00 plus or minus and Chief Wagner stated right.

Chief Wagner proceeded with Secretarial at \$87,974.00 and that the Secretarial overtime is the same. Animal Control of \$25,740.00 which is an increase of \$780.00 and is a \$.50 raise for Betty. Dan Bacon asked how many secretaries and Chief Wagner stated two secretaries.

Chief Wagner proceeded with the Cadet Program being lowered to \$1.00; a \$2,379.00 saving. Incentive pay is \$34,228.00. Merit account is \$12,317.00. John Edgerton asked how the incentive pay is distributed and Chief Wagner stated it is distributed at the end of the year; they actually budget in 2008 for 2009. John stated distribute to only a few and Chief Wagner stated incentive pay includes longevity, only 6 still get longevity pay; have sick time buy-out which anybody can get involved but must have 30 days; need to check time on the books. Lucy Philbrick stated this payroll they will get it. Chief Wagner stated educational is paid in November.

Jim LeFebvre stated Sick Leave, one time they can use this or is it something they can accrue and get paid in the future. Chief Wagner stated both; everybody gets 15 days per year; once 30 days accrued, one can use a portion. Starting in January to December 2009, he will get 15 more days; he uses 10, he can pick a portion. Dan Bacon asked if the sick time buy back was at a lesser rate and Chief Wagner stated only a portion of it being at the same hourly rate. Jim asked if the rest stays in his account and Chief Wagner stated if I sell back all of it, it is gone.

Chief Wagner continued with Benefits. Professional Liability Insurance is \$29,020.00, same as last year. Medical insurance is \$306,368.00 which is a decrease of \$56,232.00. Life and Disability is \$20,021.00 for a difference of \$486.00. Retirement changed; January to June Group 1 rate went from 8.74% to 11.84% of wages and from July to December the rate went from 9.09% to 12.68% for \$183,024.00. Social Security is \$52,325.00 for an increase of \$1,100.00. Workers Compensation is \$22,042.00 for an increase of about \$6,000.00; that might be changing. Unemployment Insurance is \$1,663.00 which is an increase of \$311.00. Earned Benefits is \$17,000.00; the lady retiring has a buy out of vacation time, etc., that is why there is an increase.

Mike Gilmore asked how much time for buy out if one doesn't take advantage and Chief Wagner stated allowed to accrue 90 days. Mike stated \$17,000.00 is for your benefit breakdown and Chief Wagner stated a majority of it is sick time and vacation time, 30 days of vacation.

Chief Wagner continued with Office Supplies at \$7,250.00 which is the same. Equipment is \$7,250.00. Computer us \$15,450.00; a good majority in Computer goes for the data piece purchased, \$6,750.00 of that goes towards that. Books is \$1,800.00 which is a decrease of \$500.00. Cleaning, they contract out for \$13,000.00. Building Maintenance & Supplies increased \$1,500.00 to \$10,000.00. Heat is at \$7,150.00 for a decrease of \$1,330.00. Electric is \$10,200.00. Dues and Meetings is \$2,600.00 for a decrease of \$500.00. Training is \$10,000.00. Care of Prisoners is \$150.00 which is basically food that we may have to provide if anyone is in a cell. Equipment is \$4,000.00. Uniforms is \$9,500.00 and Uniform Maintenance is \$15,200.00. Telephone is \$22,000.00. Extra Investigation is \$150.00 for a decrease of \$150.00. Radio Maintenance is the same at \$2,500.00. DARE Account is \$1.00.

Mike Gilmore questioned the Police Uniform Maintenance. Chief Wagner stated they give an allowance to dry clean the uniforms and maintenance for anything else that may come up. Mike stated everything above and beyond that they are responsible for.

Dan Bacon asked on Radio Maintenance, where do you get the extra money if you budget \$2,500.00 and spend \$5,900.00. Chief Wagner stated from other places in that category.

Jim LeFebvre requested more detail on Exams and Physicals. Chief Wagner stated every month one person goes for a breath test and a urinalysis test; they are randomly chosen. The Hospital calls with a number and if it is your number, you go. If an officer is involved in an accident, they are required to take a breath test and urinalysis test.

Chief Wagner continued with Vehicles at \$2,500.00 which is an increase of \$2,499.00 from last year to lease a motorcycle. Maintenance is \$11,000.00 which is the same.

John Edgerton stated that last year the Special Article was turned down; got it anyway, justification. Chief Wagner stated we were asked not to purchase, didn't say not to have one, just said don't purchase; went

without the Cadet Program. John stated he was questioning because the economy is not good; unemployment going to 10% to 12%; 20% reduction in income to the Town. If unemployment goes to 12%, the Police may be more busy. Chief Wagner stated the cost to us is \$2,500.00 to have the motorcycle; see significant savings in gas; did study when gas was high and we saved over \$800.00. John stated his real concern isn't just the motorcycle; there may be a usage reduction in the monies the Town collects; may have to consider that the money is not there.

Mike Gilmore stated on the motorcycle it seems the Article was written with the question will you approve and the voters said no; department went and got it; technically okay to do. However, the Article could have been written differently. One justification for not having is that you can't use it in winter. Mike owns a motorcycle himself and there is a lot less expense; but he doesn't like to approve Project A and instead of being spent on A it goes to B. When asked again, will they say no, don't know; must be spent on this and only this. Don't want to handcuff anyone, but times are tough and voters didn't vote for it, but Town did it any way.

Jim LeFebvre asked in looking at the budget, what the plan is for replacing the current cruiser. Chief Wagner stated by Warrant Article; plan to replace the current detective's car, currently a 1997 Ford that has seen its better days. Jim asked if being replaced on usage or mileage. Chief Wagner stated both; there is somewhere between 125,000 to 175,000 miles on it. Jim asked if it would be spray painted and given to Earl's operation. John Edgerton asked how many were being asked for by Special Article. Chief Wagner stated one cruiser for \$38,000.00 which has been in effect for 3 or 4 years. Ben Kane questioned the necessity of replacing the vehicle and Chief Wagner stated the cruiser is to the point that it won't be turned over to the Town.

Jim LeFebvre asked if the new police officer was based on the 30-Town Survey and at what percentage level. Chief Wagner stated 92%. Jim asked if that had gone up and Chief Wagner stated no, 92% has been in effect for at least 5 years. Chairman Stacey asked for an explanation of the 30-Town Survey, what is it and why use it. Chief Wagner stated the 30-Town Survey came into effect 15 years ago and what it did, it took Conway and 15 towns above and 15 towns below by population. All towns were put in data and came up with an average. Mike Gilmore asked which salaries and Chief Wagner stated average of all salaries. Mike stated if he had someone starting out at 92%, the new guy gets the big pay raise. Chief Wagner stated it is 8% below the average salary. Mike stated the average increase over 5 years will be over 100%. Chief Wagner stated you have 20 patrolmen, take average; get absolute numbers. Earl Sires stated benchmarks derived their average typically based on pay raises, might be 20% below to 120% above. It is the average for the position, not what people are making, average of pay range itself. It is independent of what you are worried about. Mike stated he didn't look at average; starting salaries are just that, lowest end of the range and there are certain offsetting factors based on that. Once in a particular level there is a starting salary; look at everybody at that one level, that pay range. Mike further stated that he would like to see absolute numbers over the last 10 years if possible. Chief Wagner questioned Mike's request and

Mike stated he would like to see if the number is going stay constant; staying at same level or increasing. Earl stated there are several factors: population, assessed value; similar towns. Jim asked Earl to go into more detail at the next meeting.

Chief Wagner continued with Gasoline is \$50,000.00 for a \$1,000.00 increase. Jim LeFebvre asked at what price, estimated cost and Chief Wagner stated \$2.00 per gallon, based on buying it from Lyman Oil. Bob Porter stated the Town does not pay taxes. Mike Gilmore stated recently State Police buying at the local pump; when price drops below, take advantage. Chief Wagner stated we have a 6,000 gallon tank at the Police Station; go through 2,100 gallons per month sometimes; just filled up a couple of weeks ago at \$1.20; before that, it was probably around \$1.80. They don't have gas cards and go to the local Irving to get gas.

Chief Wagner continued with Vehicle Equipment is \$3,000.00 which is the same as last year. Vehicle Insurance is the same for a total budget of \$2,483,179.00; an increase of \$63,000.00.

Jim LeFebvre asked about the use of the Town Garage with repair work and Chief Wagner stated they have saved cars in the past; rely on the Town for help as they have a \$1,000.00 deductible.

Chairman Stacey thanked Chief Wagner for coming in.

#### TOWN REVIEW

Earl Sires stated he had a response for the three things asked about at the previous meeting. They are still closing out the 2008 Revenue, 2008 brighter than anticipated; they are reworking the Recreation information to account for the \$40,000.00 removed, all else the same except for the Teen Center numbers. Chairman Stacey stated she would like it passed on that John (Eastman) does an excellent sheet for us; easy to read.

Earl Sires proceeded with Health Insurance and the total premium being down. Next week Capital Reserve Accounts and the 30-Town Survey. Chairman Stacey stated it would be in two weeks from now, next week is a holiday. Jim LeFebvre asked if Earl could give an idea on the 5% reduction. Earl Sires stated assuming the Selectmen agree, he imagined within 2 weeks.

Lucy Philbrick stated the Town pays \$58.34 for a single; \$116.69 for 2-person; and \$157.54 for family; based on the 80/20 split and the HMO Plan. Individuals are allowed to choose different plans, but they make up any difference. Police have single at \$57.43; 2-person at \$114.86; and family at \$155.06, based on a 75/25 split on a Blue Choice Plan. Earl Sires stated there was a big shift towards everyone having one insurance plan, approached 5 years ago or so.

Chairman Stacey asked how many years the Police were without a contract and Earl stated he couldn't think back; Lucy Philbrick stated maybe 2 years.

David Jensen asked how many employees utilizing insurance and Earl Sires stated less than 100 people. David stated the reason he asked was because

his business is now using Thornton and it sounds like the Town is paying 50% more than he does. Earl stated it could be a difference in coverage. David asked if he could have further discussion with Earl. Chairman Stacey stated Phil (Dighello) is the one to talk to. Earl Sires stated that the two should talk. David stated he is paying \$12,000.00 total for family.

Mike Gilmore stated he wanted to restate his concerns about the economic times and pay raises. Basically he feels people should consider going without pay/merit raises this year to help because everyone is having a tough time. Bob Drinkhall stated most are under contract; 20 people not under contract; not a large number of employees not effected. Mike stated he was trying to address even if it is under contract, doesn't make it immune to hard times. He brought up as a proposal to people getting pay raises; asking to basically pass it on to them. Earl Sires stated sounds good, but a problem with those represented by the Union; becomes negotiations and can't do; can only be reopened for health insurance; can call reps and ask. Mike stated ask to forego raises this year due to the economic times; not saying they don't deserve but this is not an ordinary year, this is a tough year and it is going to get worse.

Dan Bacon asked for the deductibles on the plans and Earl Sires stated they would need a chance to get the information together. Chairman Stacey stated two weeks from tonight we are at the Town Hall for the Town Review.

David Jensen asked if there was any reason why his providing information on insurance had to occur in this venue and Chairman Stacey stated no. Earl Sires stated he was open to any good ideas toward insurance.

Chairman Stacey stated the meeting on the 14<sup>th</sup> is here at Town Hall; no meeting on the 19<sup>th</sup>. Chairman asked Earl Sires and Bob Drinkhall how much time was needed to respond to the Letter of Recommendations. Earl stated he would like to have the Letter of Recommendations by the 21<sup>st</sup>. Chairman asked Earl how long he would need for the Capital Reserves and Earl stated he has 4 or 5 Capital Reserve accounts; depends on this Committee. Chairman further stated that the Precincts will be first and, if snowing, East Conway will not be here; then Earl; and the rest of the meeting will be devoted to getting the Letter of Recommendations ready. Voting will take place at the Public Hearing, be prepared for a long night. We will come back on the 18<sup>th</sup> and finish it.

Chairman Stacey asked all non-profits to please have their budget ready and be prepared to answer the question: What are you going to do if we don't fund you.

**Jim LeFebvre moved, seconded by John Edgerton, to adjourn the meeting at 8:00 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary