

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 2, 2009**

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, Doug Swett, John Edgerton, David Jensen, Bob Drinkhall, Mike Gilmore, Daniel Bacon, Phil Dighello, Jim LeFebvre, Ben Kane, Sheryl Kovalik and Bill Aughton. Also present: Chief Wagner, Earl Sires, Lucy Philbrick and Dave Doherty, Police Commissioner.

Chairman Stacey welcomed everyone back and advised that the Committee would have to discuss what to do about losing a School night. Chairman further stated that the non-profits are on Saturday at 9:00 AM here (Town Hall) and that we should hopefully be out by 1:30 PM. The Public Hearing on the Bond will be here (Town Hall) at 6:00 PM on Wednesday night and unfortunately the way it was posted, have to wait until 6:30 PM before we can start the regular meeting. Sheryl Kovalik asked if we have information on the Bond, like anticipated tax impact rate. Chairman stated Earl has it and Earl Sires stated it would be presented at the Public Hearing.

APPROVAL OF MINUTES

Sheryl Kovalik moved, seconded by Jim LeFebvre, to approve the Minutes of January 14, 2009. In favor: 11; Opposed: 0; Abstain: 1 - Bob Drinkhall.

TOWN REVIEW

Earl Sires stated he had the response from the Selectmen, had the Warrant Articles to go over and the Default Budget. Jim LeFebvre stated on the response to the Letter of Recommendations, he would like everyone to take a moment to read through it and encouraged everyone to look at number 3. Sheryl Kovalik asked what the recommendation was. Jim stated to drop to \$600,000.00 and not use the \$200,000.00 as a back up. Sheryl asked what the rationale was and Jim stated during our conversations, it was suggested the possibility that the Garage could be constructed at considerably less. Sheryl asked if there was documentation to support that. Chairman Stacey stated basically it was felt the money in the Capital Reserve Fund was appropriated for other reasons, like a boiler or if the Police Department blows up; did not want to use the Revolving Fund. Sheryl stated she remembered the wood versus steel discussion. Bob Drinkhall stated they had received an interim guesstimate and even that came back at \$850,000.00. Bob further stated that at the Selectmen's meeting he attempted to rescind the \$800,000.00 and did get 3 votes, but it takes 66% so it remains at \$800,000.00 and up to \$200,000.00.

Bill Aughton stated he went and looked at the Garage and is supporting the \$800,000.00 and \$200,000.00 from the Fund. He thought that needs fixing right away. When you put it into current dollars, it matches the cost of 4 houses in Town. Chairman Stacey stated the Bond is for \$800,000.00; looking at spending \$850,000.00. Earl Sires stated the plan is \$800,000.00 and \$200,000.00; everybody hopes that it will come in less

than that; the intention is not to spend. Sheryl Kovalik asked about the prepayment penalties and Earl stated there is a prepayment and that Lucy (Philbrick) had talked with a local bank. Earl stated the Selectmen are considering not contributing anything to the Buildings Capital Reserve Fund this year; the idea being the first payment is scheduled for 2010; for 2009 this approach will actually reduce the financial burden of the Town. In 2010, one of the current bonds will be paid off.

POLICE DEPARTMENT

Chief Wagner stated they have two Warrant Articles and it seems like every year they go through the same thing about the Police Vehicles. Generally they try to keep as main vehicles for 2 to 3 years, then as a secondary up to 5 years; have some in fleet close to 10 years. This will be the 4th year that they have had to urge everyone to support. When a car is turned over, it is turned over to the Town; anyone can attest to the condition they are in; not in very good shape. Earl Sires stated his was down at the Garage getting a new transmission.

Chief Wagner stated the cruisers are running 24 hours a day. Sheryl Kovalik asked the average with so many square miles; how many vehicles do you need. Chief stated he believed there was 81 square miles and they try to get to them all.

Phil Dighello asked if there was a long term plan on replacing vehicles and Chief Wagner stated they do have one. Sheryl Kovalik stated that it would be nice to be able to see the path of replacement, need clearer. Chief stated they do 1 then 2. His car was purchased in May 2006 and that will be replaced in 2016 after 10 years of service; main cruiser purchased in July 2008 will be replaced in 2012. Car 3 which is the Sergeant's car will be replaced in 2013 purchased in July of 2008; Car 4 purchased in July 2000 will be replaced in 2011 and will have been around for 11 years. Car 5 which is the Detective's car was purchased in January 1998 and that will be replaced this year. Car 6 was purchased in 2007 and will be replaced in 2012; and we have another that will be replaced in 2012.

John Edgerton asked about the mileage and Chief Wagner stated about 37,000 miles. Most of the cars we replace are going to have around 140,000 to 160,000 miles.

Dan Bacon asked about the amount of maintenance costs and Chief Wagner stated he had it in his office. Dan asked if he knew the average per car and Chief stated he didn't have it with him. John Edgerton asked if there was a car with excessive maintenance, do they get rid of it and Chief Wagner stated they do.

Commissioner Doherty stated on the medical plan, employee pays 25% and the Town pays 75%. Until they see a better plan, there is nothing to negotiate. Phil Dighello asked if they were still looking for alternatives and Mr. Doherty stated they have not seen a better deal at this point. Phil asked even if change deductible and Chief Wagner stated they have had a member on the Committee and nobody has come up with anything concrete. Phil stated the bus driver's and Union just agreed to

a health plan with a \$500.00 deductible; should be a press release at some time. Phil further stated that he would assume that was a good deal for both the employee and the Town. Sheryl Kovalik stated a \$500.00 deductible and the Union folks get to swipe a card to be used for any co-pays. Mr. Doherty stated they were at 75/25. Jim LeFebvre asked Sheryl if she remembered on the plan what the school savings was and Sheryl stated she couldn't remember. Phil stated he thought it was around \$45,000.00; he received a call from Lloyd Jones and Lloyd stated that it saved the District around \$45,000.00. Phil further stated that he thought it would save the employee generally \$500.00 to \$600.00 per year. Jim stated when he was talking with Lloyd, Lloyd gave him figures along that line. Phil stated it is a small group, but if all of the School and Town would do, could save \$500,000.00. Sheryl stated message clear, have left that door open. Dan Bacon asked what the deductible was and Mr. Doherty stated he didn't want to guess and that he didn't have it with him. Phil stated he believed there was no deductible.

Sheryl Kovalik asked if the increase in pay was cost of living and Mr. Doherty said no. Chairman Stacey stated it came in with no cost to the Town. Phil Dighello stated automatic raises in November; can't really say no, raises are in November. Chief Wagner stated it is part of the budget. Phil stated it averages out from 4.5% to 5%; no cost here, but raises are added in. You show a figure of \$119,000.00, not sure if that is the whole thing that is automatic, no negotiating raises. Phil further stated his question was if there any other additions that aren't in there.

Chief Wagner stated Earl and I have been talking about the School Resource Officer; sent a proposal to the School asking that the School pay their portion of the School Resource Officer. It is in the works and it may take awhile, but we are working on it. Sheryl Kovalik stated the School Board had not discussed it this year. Mike Gilmore asked what is "awhile" and Chief Wagner stated he thought it would go to negotiations; can't tell the School what to do; it has to be a give and take thing; can't force them to pay. Mike asked what the benefit was from having an officer there and Chief stated a lot, he handles all of the calls: fights, assaults, drugs, do mock trials. School Resource Officer is doing a very good job. If he wasn't there, we would have to take someone off the road. It is not just an information issue, it is bridging the gap between the kids, the community and the Police Officers.

Daniel Bacon asked for the cost and Chief Wagner stated he figured it out 2 or 3 years ago; what he asked was that the School Resource Officer was in the school for 180 days and asked them to pay that portion; didn't have the figures with him. Chief further stated that it was his personal belief the School should pay their portion. Chairman Stacey stated to clarify for Sheryl, the discussion came up because he is in the schools for 180 days, not only in the Town of Conway but Bartlett and Jackson; it was as if they can't provide but we have to. Sheryl Kovalik stated an alternative would be to split a schedule. Chairman stated another option would be not to provide to them, the Town of Conway does pay for the officer. Sheryl stated she had no problem; she could suggest allowing the benefit for each town on a rotating basis, represents a relationship. Chief Wagner stated he believed the total cost between salary and benefits for \$60,000.00; for 180 days something should be contributed by

the sending towns; it is not the person, it is sharing the cost. Chairman Stacey stated Carl (Nelson) is aware of it.

John Edgerton asked if this was the officer that does the drug raids in the School. Chief Wagner stated they don't participate in that; he is a liaison.

Mike Gilmore stated earlier brought up what is "awhile". If this has been brought up over the past years, what is taking so long. Chief Wagner stated he couldn't force the School to pay for a portion of the School Resource Officer, they have to be willing to talk about it. At the point he discussed earlier, they told him no. Mike asked what can be done to push it along. Chairman Stacey stated put it in the recommendations; technically we can vote to reduce the Town's budget by "x" and vote to inflate the School by "x" amount; could be by a Warrant Article; there are a lot of options. It was brought to them first because it is their guy. Mike stated it has been brought up for 4 years. Sheryl Kovalik stated this was her 5th year and it has just been brought up once. Chairman stated it has been put in a letter to the School for at least 4 years. Chief Wagner stated this is the first he was hearing this too; he sent one letter to Jack probably two years ago, maybe 3. Sheryl stated right before we split the schools. Chief stated he knows that Earl (Sires) has had contact with Carl (Nelson) since then. We have been working on it, but can't force them to pay their share; just think they should. Comes down to not having the Town pay. Mike stated if this is such a good deal, why can't it get done. Chairman stated technically haven't had an agreement to pay their portion, no discussion on the School Board this year on this item. Frankly those are our options right now. Earl Sires stated about 4 or 5 years ago, the School Resource Officer had been a Grant funded position and then put on the Warrant and it was voted to support. A couple of Police Chiefs ago thought the Town should pay so the Police would always be in control. The current Chief doesn't have that concern; have to leave funding in both budgets. The School has to raise and appropriate the money to pay us and what that does is look like double pay. Sheryl stated we have other things that we contract with the Town for and get billed. Sheryl would take back to the Board; could get a contractual agreement. She would take it back, but couldn't say how fast it will happen. Sheryl further that she hadn't seen anything and Chief Wagner stated he sent a letter and broke down the costs and cost sharing; Earl and the Superintendent have talked.

David Jensen stated could look at the number of calls and cost if the School Resource Officer was not there. Mike Gilmore stated in closing, would just like it moved along so it is not an issue next year, a done deal.

Jim LeFebvre asked if Chief Wagner had any idea of the number of calls in the course of a month; if handling more than the median cost factor. Chief Wagner stated handle 70,000 a year; not all get to an officer; not all of them go to a Police Officer. We do break it down; how many actual incident reports, how many arrests, etc. but didn't have with him. The School Resource Officer does a lot of things that we will probably never know about.

Doug Swett stated this officer spends most of his time in the High School, but does have jurisdiction over all schools. Chief Wagner stated he does go to all schools on a weekly basis. John Edgerton asked if he was involved with the DARE Program also and Chief Wagner stated yes.

Ben Kane stated basically trying to get someone out there so that in the future if something happens, kids are more apt to reach out to a police officer. Chief Wagner stated when they came up with the community oriented police in the late 1980's this was how it started; can't tell you how much information we get from the kids that go to School Resource Officer. Ben stated he got to know Officer Kevlin and he knew exactly what was going on.

Chief Wagner stated that back in the late 1990's and early 2000's Conway was a revolving door; they would get certified and leave after their contract was up. John Edgerton asked about retention now and Chief Wagner stated this was his 5th year as Chief and have had two people leave, one is with the State and one wanted to be a stay at home mom.

Chairman Stacey thanked Chief Wagner for coming and apologized for having to have him come back. Chief Wagner stated that is all right we love coming back.

TOWN REVIEW

Earl Sires reviewed the Board of Selectmen's response to the Committee's Recommendations:

1) Review the length of time for the bond and rate for five, ten, fifteen and twenty years. RESPONSE: The Board of Selectmen agrees that this information will be important and it will be presented by staff at the upcoming bond public hearings.

Earl Sires stated that they will have the information on Wednesday night or members could come to the meeting with the Selectmen tomorrow.

2) Investigate alternative building materials given the dramatic change in the bond rate. RESPONSE: The Board of Selectmen decline to consider this request as it feels that the current building approach is most cost effective in that steel will be a more durable and longer lasting building.

Earl stated that when the Board talked about this, they were under the impression of weighing steel versus wood and they declined to do this. Mike Gilmore stated the reason posed this question had to do with the recent decline in wood materials; comparing alternative, price of lumber plummeted. Earl state we can have that conversation in more detail.

3) Reduce the amount of the bond to \$600,000.00 without the Capital Reserve Fund. RESPONSE: The Board continues to support the current proposal to use \$800,000.00 in bond proceeds and up to \$200,000.00 in the Capital Reserve Fund.

Earl stated reducing the bond, the Board is going to stick with their plan with \$800,000.00/\$200,000.00. Chairman Stacey asked if this Garage is going to be designated an Emergency Shelter. Earl stated no. Might be able to have a generator at the Rec Center, but that is down the line. Chairman stated need contained water supply; only eligible buildings are Pine Tree and High School. Earl stated not sure what we would do if still in session and Sheryl Kovalik stated if needed as a shelter, might not be in session.

Mike Gilmore asked why \$50,000.00 for a generator and Earl stated he would defer; this is not a portable generator, it is wired in. Mike stated \$50,000.00 seems like a big price. David Jensen stated they just bought a big generator and it was \$42,000.00, a small generator really wasn't what was needed. Bob Drinkhall stated he supported putting in the generator, doesn't support \$1 Million. Bob stated first didn't want to put anything in the Capital Reserve Fund this year, then the bond of \$800,000.00 and up to \$200,000.00; then turned around and asked to fund the Capital Reserve Fund; it went full circle; everybody agrees it should not cost \$1 Million and that there is going to be money left in the Capital Reserve Fund; hope all are correct.

John Edgerton stated he was still having a hard time with \$50,000.00 and asked was it really needed. Sheryl Kovalik stated they looked at a generator for the Middle School in the \$45,000.00 range. Mike Gilmore stated that to him was a shocker. Chairman Stacey stated she didn't have a problem supporting, doesn't agree with the Capital Reserve Fund being used; it has been the goal that at the end they would have a garage. Earl stated if we had bonded in 2003 and built then, would have been ahead of the game. We have not lost significant power at Public Works but are trying to plan for when it does happen. Mike stated his only concern was the \$50,000.00.

4) Request to provide a list of decrements as per the motion. RESPONSE: The Board understands that this request is no longer pending.

5) Would like to receive the Warrant Articles, the suggested Default Budget and Union Contracts. RESPONSE: The requested items will be presented by staff at the next Budget Committee Meeting.

6) What the decrements to the budget are and fuel, gas and diesel and any other for the town, police and library. RESPONSE: If the Board understands the request, it would suggest that the Budget Committee review the proposed budget to determine what reductions were made in these items from the Town Manager's proposed budget to the Selectmen's proposed budget.

Earl stated on what has been decreased, Selectmen suggest looking at the difference from the Town Manager's budget and the Selectmen's budget in December.

7) Insure that the Emergency Management System will work for the money. RESPONSE: The Board feels that the attached contract will ensure that the Emergency Management System will be managed in a cost effect and appropriate manner.

Earl Sires stated that he does have a copy of the contract entered into. Basically a standard contract, scope of services based on a couple of days a month; plan is to try for one year and then assess. Chairman Stacey stated if you want a copy of the Contract let Earl know.

8) Review the 30-Town Matrix and reconsider it for the Police and its impact on starting salaries. RESPONSE: This request will be forwarded to the Police Chief and Police Commissioners for consideration.

9) Swim lessons fee increase to cover the costs. RESPONSE: The Board is open to the idea of fully funding swim lessons and has asked staff to prepare relevant information for review.

Earl Sires stated the Selectmen are open to fully funding.

10) Charge a fee for the Teen Center to cover the \$40,000.00 loss. RESPONSE: The Board has concerns that this may be difficult to achieve given the relatively small numbers of participants. It has asked staff or additional information for review.

Earl Sires stated that the Selectmen are taking a look at that; given the number of kids it might be hard to fully fund by the kids; looking at different things; looking at the \$40,000.00 and going back to 3 days, that is a different number, just as an exercise. There was discussion about other Rec fee increases which would in turn supplement the Teen Center. This Summary shows \$110.00 now, looking at \$160.00 or \$170.00, trying to come up with something from the staff. Chairman Stacey stated North Conway Community Center charges over \$220.00. Sheryl Kovalik asked about looking at Grants for that age group. Earl stated they are always looking for that; the same year the School Resource Officer was a Warrant Article they put the Teen Center as a Warrant Article and everyone voted to support it. Sheryl stated every year Project Succeed is partially funded by the taxpayers and partially by Grants. Sheryl suggested putting as a Warrant Article and not having in the budget.

11) The School Resource Officer be fully funded by the School (include cruiser with SRO). RESPONSE: The request will be forwarded to the Police Chief and Police Commission for consideration.

12) Fully fund Valley Vision at their \$90,000.00 requested budget. RESPONSE: The Board agrees and has approved a contract for the full amount. As is always the case, this contract is contingent upon voter approval of funding.

Earl Sires stated that he did get notice today that the franchise fee for 2008 is \$115,000.00.

Earl Sires then proceeded with the Warrant Articles. The Bond Article (gross budget) has to be listed at \$1 Million. The Selectmen may want to tweak the language; must be passed by 3/5. The Operating Budget number will be filled in later. The Collective Bargaining Agreement for the Police resulted in no additional costs attributable to the Town.

Earl Sires proceeded with the PEG Fund and the Selectmen propose putting \$115,000.00 into the fund. Mike Gilmore asked if in the past the amount always go in there and Earl stated in the past it has gone to PEG purposes.

Earl Sires stated the last Article, the Board is taking the position this is a money article, choosing to act on it and requesting you do as well. There is an Article to reclassify Henderson Road from a Class 6 to a Class 5 Highway; the Selectmen support it becoming a Town Road. The Selectmen are taking the position that they are going to vote on this one. Mike Gilmore stated assume absorbing all expenses and Earl stated yes.

Chairman Stacey stated a good reason for us to continue stating the vote; constantly being asked what was the vote; who opposed, who abstained and why. Mike Gilmore asked what can that do and Earl Sires stated we have been told they are not going to allow us to show the vote, but this is a draft. Chairman stated we got in trouble and Lucy Philbrick stated last year decided to send a letter. Earl stated they will see this draft Warrant and if they have a fit, we will have to deal then.

Earl Sires proceeded with the spreadsheet showing the tax impact. No tax impact with PEG. Daniel Bacon stated tax impact only for \$1 Million, what about interest on the bond. Earl stated all he was showing was PEG for \$100,000.00 and the tax rate impact which there isn't any. Bob Drinkhall stated need to look at the asterisk. Mike Gilmore asked if he could put zero as a place holder and Earl stated the right number should be zero.

Earl Sires stated the last thing was the Default Budget. Chairman Stacey asked if the Selectmen had seen this and Earl stated no, they will see it tomorrow. This shows that the Selectmen have significantly cut the budget this year.

John Edgerton asked \$.03 per thousand and Earl confirmed \$.03 per thousand. Any change changes the tax rate \$.07 per \$100,000.00. Chairman Stacey stated to the Committee members that we (Budget Committee) set the Default Budget. This is higher than the current Operating Budget. Earl stated there is a statutory formula that is followed. Sheryl Kovalik asked under which tab does the Default Budget go and Earl stated at the beginning of the book.

Chairman Stacey thanked Earl and stated that we would see him at 6:00 PM on Wednesday night. Chairman further stated on Wednesday night Jack (Loynd) and Carl (Nelson) were coming. Sheryl Kovalik asked where are we with recommendations for the School Board.

Chairman Stacey stated she will ask about Valley Vision. Mike Gilmore asked on Valley Vision, what is the purpose for reviewing and Chairman stated we are supposed to review their budget. Mike asked if we needed a formal presentation and Chairman stated Valley Vision does have a budget to present. Chairman stated a copy of the Valley Vision budget has been provided, why they were not here tonight, she didn't know.

Chairman Stacey asked the members present that even though we have not heard from the High School, do you want to do recommendations tonight or wait; realizing that if we wait, Wednesday is the 4th and the recommendations have to be done that night. The School Board is having a Special Meeting to reply to any recommendations on the 9th and then respond back by the 10th or 11th. Jim stated he recognized what the Chairman was saying about the 4th and finishing it off on the 7th after the non-profits. Mike Gilmore stated he requested paperwork, asked Carl (Nelson) for a Summary sheet; maybe the horse is already out of the barn; no time left; a lot have come to present and he didn't have a clue who is responsible for what. With some of the facts and figures discussed, he now finds he had it completely backwards and that he finds it hard to ask intelligent questions when he doesn't know what he is dealing with. To him, he would rather spend some time working on big trees instead of beating the bushes. There was one very long meeting and in the end he couldn't tell you anything. If spending two hours, it should have some impact. Sheryl Kovalik stated it was her understanding that Carl (Nelson) was putting the package together to present last Wednesday; that he was bringing that stuff. Sheryl encouraged Mike to call Carl (Nelson) and arrange to see the requested documentation. Mike Gilmore stated meetings are up, profits our down.

Chairman Stacey advised the Selectmen will be here on Saturday for the non-profits and that she would be chairing the meeting, yet again.

John Edgerton stated he wanted to change the subject and give his opinion on the parking fees; basically trying to keep kids in School. Sheryl Kovalik thanked John for his input and stated that she was not going to debate the issue. Bob Drinkhall stated he supported; absolutely should be charged. Sheryl stated the law requires that they bus through the 8th grade; they choose to bus them. Bob stated \$50.00 fee at Ham Arena; even \$100.00 minimal. Sheryl stated to Bob that she appreciated his input. Jim LeFebvre stated he supported Mr. Drinkhall's input. Sheryl stated to Jim that she appreciated his input.

Sheryl Kovalik wanted to confirm that at the meeting on the 4th begin recommendations and will complete on the 7th. She will deliver to the School Board on the 9th and hoped to have a response. Chairman Stacey stated it was her goal to finish on the 7th and Sheryl will have it by the next meeting; would have to be done before the 9th in order to have a response. Sheryl stated members could come to the School Board meeting, could have a joint meeting.

Chairman Stacey brought up the letter to the Conway Daly Sun. Sheryl Kovalik asked why would she not be included. Chairman stated because she didn't have input on the letter and Chairman figured she would discuss it with her later. The letter to The Sun would state that they were given erroneous information and the fact that they were given it by another source. Chairman Stacey stated that Karen Umberger did not like the letter the Chairman wrote and re-wrote it. Sheryl asked what was wrong with the information. Mike Gilmore stated Mark Hounsell came in, stayed out in the foyer listening there for half the meeting and left; he totally missed Jim's request. We do not want you to bring back the list, just address the issue. Mike's issue, and perhaps that of the Board, was

it was totally erroneous in the paper. Chairman stated if she remembered right the vote was 5-2-1 to send a letter. She drafted a letter and e-mailed it to the members; she did not send to Town Hall as requested. Jim LeFebvre stated at this point he thought it was too late. Chairman stated her concern was that a reporter from The Conway Daily Sun attended until the end and nothing appeared in the paper. Mike stated he had a discussion with Lloyd Jones and he reported he wrote bad facts. Phil Dighello stated at this point he agreed with Jim; the attention span of the public is 2 or 3 days; just as soon let it drop. Mike stated he didn't plan for what he thought they are going to do, he thought plan for what they do. Chairman stated she could call and discuss with Lloyd and say to him that he was not going to receive an official letter. Sheryl stated she had a bigger fix; she could state at a School Board meeting that we had a conversation, you clarified that you just want to know going through the process and doing due diligence. Chairman stated Lloyd does attend your meetings. Sheryl stated could use as an opportunity. Mike stated just don't bury it on page 10. Chairman stated she would call Lloyd tomorrow. Sheryl Kovalik stated that Mark Gerringue is considering running for the School Board.

Chairman Stacey stated on the non-profits, make sure everyone has reviewed the materials. The Airport did not submit this year.

Jim LeFebvre moved, seconded by Sheryl Kovalik, to adjourn the meeting at 8:35 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary