

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 11, 2009**

A meeting of the Municipal Budget Committee was called to order at 6:03 PM in the Auditorium at Kennett High School with the following members present: Chairperson Melissa Stacey, Doug Swett, John Edgerton, Bob Drinkhall, Mike Gilmore, Daniel Bacon, Phil Dighello, Jim LeFebvre, Ben Kane, Sheryl Kovalik, Bill Aughton (arriving at 6:35 PM), Karen Umberger (arriving at 6:20 PM) and Kirk Smith. Also present: Earl Sires, Lucy Philbrick, Dr. Carl Nelson, members of the School Board and members of the public.

PUBLIC HEARING - PRECINCTS

Redstone Fire Precinct

Chairman Stacey stated the total proposed budget is \$53,450.00. There being no questions, comments or concerns the hearing was closed with the proposed budget of \$53,450.00.

Center Conway Fire Precinct

Chairman Stacey stated the total proposed budget is \$123,525.00. There being no questions, comments or concerns the hearing was closed with the proposed budget of \$123,525.00.

Birch Hill

Chairman Stacey stated the total proposed budget is \$4,726.00. There being no questions, comments or concerns the hearing was closed with the proposed budget of \$4,726.00.

East Conway Fire Precinct

Chairman Stacey stated the total proposed budget is \$49,450.00. There being no questions, comments or concerns the hearing was closed with the proposed budget of \$49,450.00.

PUBLIC HEARING - TOWN

Earl Sires stated there is information concerning the Budget Narrative on the table for the public. Lucy Philbrick should be here with the budget details. Earl stated he proposed highlighting in general. This year Selectmen passed a zero based budget approach and asked staff for a budget that would support the current level of service. Selectmen worked on the budget prepared and reduced it by \$400,000.00. The \$9,164,203.00 represents a decrease of 2% or \$175,000.00; 2% less than approved last year. Exhibit 2 presents the Default Budget; in 2008 adopted a \$9.33 Million Operating Budget, \$170,000 less than the Default Budget. Significant increases of \$44,000.00 in employee benefits, lucked out with health insurance decreasing by 1%, avoided a hefty increase; \$70,000.00 in the Police cost with existing employees and full year funding, last

year only one-half year, this year included in the entire budget. Decreases of \$56,000.00 in Highway; at the Town Meeting last year because of snow fall asked for an increase, reduced that for this year. Selectmen have turned off some street lights, saving \$5,000.00 to \$7,000.00. Park decreased by \$17,000.00, decrease largely due to \$40,000.00 for the Teen Center, have taken from 4 to 2 nights per week. Debt decreased, changes most significant in the Capital Reserve accounts, basically reduced 4 Capital Reserve accounts. Total decreases are \$238,500.00. Selectmen decided to delay the widening of a Bike Lane from Kearsarge Road work this summer; have asked staff to look for a Grant, haven't found one yet. Basically the Selectmen intend to take a breather this year; recognize it will be a challenge to either amend projects and vehicle replacement or extend the life of plans. That is the overview.

Bill Crowley stated on the Bike Lane being discontinued, questioned if being shortsighted in not taking advantage since it is torn up right now; opportune time; have talked to several residents and they are afraid for their children because of heavy traffic; think long and hard.

Chief Wagner stated when he met with the Budget Committee there had been changes that were apparently not where they should be. Labor line, Regular Officers line, went from \$1,118,186.00 to \$1,115,475.00. Also Incentive Pay was \$34,228.00 now \$34,995.00. Also under Benefits, Workers Compensation was \$22,042.00, now \$19,125.00 which decreases overall budget from \$2,485,123.00 to \$2,480,264.00. Chairman Stacey questioned the changing of the total Operating Budget. Earl Sires stated any lines could be adjusted in the Draft; need to adjust by \$5,000.00. Lucy (Philbrick) can give the number that should be there. Lucy stated \$9,159,343.00.

Article 8 - BOND ARTICLE: To see if the Town of Conway will vote to raise and appropriate the sum of \$1,000,000 (gross budget) for the construction and original equipping of a new **PUBLIC WORKS SERVICE GARAGE**, and to authorize the issuance of not more than \$800,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Board of Selectmen and other municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon; furthermore, to authorize the withdrawal of up to \$200,000 from the Buildings Maintenance Capital Reserve Fund created for this purpose. A 3/5 ballot vote required.

No questions, comments or concerns.

Article 9: (Operating Budget) Shall the Town raise and appropriate as an **OPERATING BUDGET**, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the Warrant for the purposes set forth therein, totaling Nine Million One Hundred Sixty Four Thousand Two Hundred Three Dollars (\$9,164,203). Should this article be defeated the default budget shall be Nine Million Three Hundred Thirty Three Thousand Seven Hundred Seventy Six Dollars (\$9,333,776) which is the same as last year, with certain adjustments required by previous action of the Town of Conway or by law, or the governing body may hold on special meeting in accordance with RSA 40:13 X and XVI, to take up the issue of a revised operating

budget only. **NOTE: This operating budget warrant article does not include appropriations contained in ANY other warrant articles.**

Tom Deans stated heard from me before, repeat it tonight. He was here on behalf of Friends of Conway Rec; hope the Budget Committee will modify to make a motion to increase \$60,000.00 for the Teen Center. In hard times, it is really important to support our kids, families are struggling. He appreciated the hard work the Budget Committee and Town have done; families are really hard pressed. This is not the year to make a cut of this magnitude; hopes the Budget Committee will look favorably.

Josh Hounsell stated on the Teen Center he spent a lot of time there; it is about kids and education. Greatest risk is 6, 7 and 8 Grade and Teen Center focuses on them. Kids 14, 15 and 16 have competitive sports, drivers license; this group really deserves a place to go; \$60,000.00 when looking at the budget compared to the Police Department is really nothing. It pays dividends down the road. Need to up the time teens have, not reduce in half; not a good thing for this community.

Bob Barriault stated he had an opposing view. Not sure where the \$60,000.00 came from, but reduced by \$18,000.00, not totally eliminating the programs, reducing from 3 to 2 days. He felt with the economy the way it is, all have to share the burden. Selectmen did a good job in cutting the budget. When one looks back at what is being appropriated for the Rec, we have been very generous; add in \$75,000.00 every year that is appropriated for North Conway Community Center and the total for Rec is about 3.5% of the total Operating Budget. Look at other towns and we are still above the median.

Ray Shakir stated he had an objection to additional funds for the Rec budget. He congratulated the Town Manager, have a great budget; problem is with the School budget. Mr. Shakir asked if Earl could give a brief run down on the retirement package; how it is set up, set up as average of base salary or other things added in like sick time, vacation time or whatever, would really appreciate it. Earl Sires stated their package follows the requirements of the State. They don't have situations where people bank extra time and retire with huge pay checks; however do have an issue unless something happens with the legislature, towns are required to make up for what should have been contributed. Lucy Philbrick stated they participate in the New Hampshire Retirement System; compensation is based on years of service and the final 3 year's average compensation.

Bob Barriault stated he would be interested in knowing whether anyone came up with a better guesstimate on what the anticipated revenue would be. Earl Sires stated this is one of those years that is particularly difficult to project anything. Under estimated this year even though Town revenue ended up actually with a surplus; part of it had to do with car registrations, they didn't decline; had about \$3.5 Million in non-tax revenue; right now keeping an eye on it. At this point, this budget and reduction in revenue projection, tax rate should be in the same ballpark as this year. Selectmen tried to keep the tax rate the same. This budget has a good chance of doing that. Bob stated the reason he was asking is that we are looking at a budget actually below last year; attractive,

already hearing interest in restoring cuts that Selectmen have elected to put in this. Somehow need to get the message out of the relationship between appropriating funds and the impact on taxes. In October will ask did you vote on the budget and some will say they didn't vote; have no sympathy. He thought a real concerted effort was made, take the recommendations by the Selectmen and the Budget Committee to really look at line items and try to refrain from amending up at the Deliberative meeting.

Dick Clement stated he had inquired on the cost of incarceration of juveniles. Dick asked about the amount of the reduction in the Rec Center. Chairman Stacey stated \$40,000.00 for 3 days and \$60,000.00 for 4. Dick stated it costs \$376.00 per day for juveniles that are incarcerated; \$137,000.00 per year. Also a Special Education package is \$222.00 a day, most of which the School District pays for a total of \$568.00 day, over \$200,000.00 per year. If by chance looking at holding a juvenile for 30 days, \$9,510.00. He was asking the Budget Committee to go back to the Selectmen and ask them to restore funding. Do we want to have these kids with no place to go; on their own for the evening; need to look at the needs of these children.

Earl Sires stated the total cost is \$60,000.00. Selectmen cut by \$40,000.00 which leaves 2 nights, 4 nights at \$60,000.00, left 2 nights with \$20,000.00. This Budget Committee is the body that will make the recommendation to the Warrant to be discussed at Town meeting. Selectmen are involved, but the Budget Committee is formulating the number.

Dan Bacon questioned the salaries and benefits of employees; what is the percentage of the employees that contribute. Lucy Philbrick stated employee pays 5%; Police pay 9.3%. Dan asked of what and Lucy stated in addition to what the Town pays.

Josh Hounsell stated he was impressed with the numbers, that alone is powerful. He has been a Teen Coordinator and knows they are not going to get every kid, may get 2 or 3. Numbers do support saving money in the long run; please don't recommend cutting that.

Karen Umberger asked why did the principal on Debt go up for the Courthouse, the Landfill; normally the principal payment stays the same. Lucy Philbrick stated not in general with municipal bonds. Karen stated what caught her off guard is that the Library is \$80,000.00, did go down on principal; Courthouse and Police Station, this is their last year; Landfill increasing every year. Karen stated she would have to look back, she didn't remember that occurring.

Article 10: To see if the Town of Conway will vote to approve the **TWO-YEAR (2009-2010) COLLECTIVE BARGAINING AGREEMENT REACHED BETWEEN THE TOWN OF CONWAY POLICE COMMISSION AND AFSCME LOCAL 3657, POLICE DEPARTMENT** which calls for no increase in benefits or costs to the Town for fiscal years 2009 and 2010. This means that the contract results in no additional costs attributable to the increase in benefits over those of the appropriation at current staffing levels paid in the prior fiscal year.

Karen Umberger stated she had asked earlier to check and determine whether or not merit raises go along with the Warrant Article. The reason she was concerned if you look at the Default Budget, you will see a line for benefits, salaries increase. The question becomes if have Article that sees no cost increase, how can we then have something in the Default Budget that says we have an increase; question is on the merit raises. Earl Sires stated State law requires that change as a result of the new negotiation; any changes in the contract that results in a cost increase may be merit pay that are in the existing contract. Karen asked the Police Commission what was in this contract that projects what will go in November of this year; seems it is a 2-year contract so we should know what to expect with merit raises.

Chief Wagner asked Karen Umberger to clarify her question. Karen asked if merit raises had to show up in the Warrant Article; what are the merit increases for 2009 and then what are the projected salary increases for 2010 since it is a 2-year contract. Chief stated he didn't have the numbers; the difference would be the Regular Officers this year and last year; whatever increased from 2008 to 2009. Karen asked what was the following year and the Chief stated they didn't know. Sheryl Kovalik stated looking in the Police section, it is the difference of \$951,769.00, next year \$1,108,186.00 followed by the same number for the following year. Karen stated if she was looking at the right item, merit calls for \$12,317.00 but yet the Default Budget shows salaries over \$62,000.00 and that was where she was trying to come to grips with what we, as taxpayers, are agreeing to pay. Chief stated he really didn't understand what Karen was saying. Karen stated if you did not have merit pay but you had the equivalent in your salary increases, what would have to be put in the contract; asking what is the amount of money for 2009 and 2010 and the line where the merit account is for 2009. Looking at the Default Budget and it says \$62,000.00 for this year, now if including new officer, exactly what is it.

Phil Dighello stated tracking pay for several years and may be the answer is to add up all the pay for all police employees in November 2008. November is when all merit increases come in. Pay increased by roughly \$70,000.00; total payroll increased by \$70,000.00, just under 5%. Don't get the figure until November 2009; can't project; total went up 5%. Earl Sires stated the actual changes in pay are reflected in the Default Budget; can only estimate next year.

Karen Umberger stated the contract this year with merit pay has increased the salary line by about \$60,000.00 and next year will be a little bit more than the merit based on this year. Over all talking about the cost of wages for police merit pay for 2 years is at \$120,000.00, is that what we are saying. Chief Wagner stated he thought one can only guess; could be a little more, could be a little less. Karen stated she was trying to come to a ballpark figure; just wanted to be sure she understood still paying \$120,000.00 because current says going to get \$120,000.00 over the next two years. Just letting people know how much it is going to cost them. Do know that health insurance will go up, uniforms stay the same but have no clue on health insurance.

Phil Dighello stated over the years averaged out at 5%; figure 5% is going to be darn close.

Article 11: To see if the Town will vote to raise and appropriate the sum of Thirty Eight Thousand Dollars (\$38,000.00) to contribute to the **CAPITAL RESERVE FUND FOR POLICE VEHICLES** to be used according to the purposes for which the fund was established.

No questions, comments or concerns.

Article 12: To see if the Town will vote to raise and appropriate the sum of One Hundred Fifteen Thousand Dollars (\$115,000.00) from franchise fees to add to the **PEG EXPENDABLE TRUST FUND**, to support the operations and equipment needs of the Public Education and Government station. **No property tax funds will be raised to support this warrant article.**

Mike Gilmore stated he thought already in the fund. Earl Sires stated pretty standard language; you have to do two things: get from somewhere and do something; raised from franchise fees and used or appropriated for PEG. Mike stated the money raised last year is not to be used in the future. Earl stated the check comes in January 2009. Revenue for 2008 is in this budget year.

Article 13: To see if the Town will vote to raise and appropriate the sum of Thirteen Thousand Dollars (\$13,000) for **TRI-COUNTY COMMUNITY ACTION** for the purpose of continuing services of the Fuel Assistance Program for the residents of Conway.

No questions, comments or concerns.

Article 14: To see if the Town will vote to raise and appropriate the sum of Thirty Two Thousand Dollars (\$32,000) (level funded from last year) to support the Conway home delivered meals (Meals on Wheels), congregate meals, transportation and program services provide by **THE GIBSON CENTER FOR SENIOR SERVICES, INC.**

No questions, comments or concerns.

Article 15: To see if the Town will vote to raise and appropriate the sum of Thirty Five Thousand Five Hundred Sixty Five Dollars (\$35,565) for the support of **WHITE MOUNTAIN COMMUNITY HEALTH CENTER** to help meet the healthcare needs of the uninsured and underinsured residents of the Town of Conway.

No questions, comments or concerns.

Article 16: To see if the Town will vote to raise and appropriate the sum of Five Thousand Dollars (\$5,000) for **NORTH CONWAY DAY CARE.**

No questions, comments or concerns.

Article 17: To see if the Town will vote to raise and appropriate the sum of Three Thousand Dollars (\$3,000) for **VAUGHAN COMMUNITY SERVICE, INC.**

No questions, comments or concerns.

Article 18: To see if the Town will vote to raise and appropriate the sum of Twelve Thousand Five Hundred Dollars (\$12,500) for the Early Supports & Services Program (birth to 3 years) of **CHILDREN UNLIMITED, INC.** (Level funding request.)

Jackie Sparks stated mistake made last year between budget and Petition. There was an error in her budget; want level funded at \$12,000.00; she will ask for amendment for \$12,000.00 so as to be level funded.

Article 19: To see if the Town will vote to raise and appropriate the sum of Seventy Five Thousand Dollars (\$75,000), said sum to be allocated to the **NORTH CONWAY COMMUNITY CENTER** for programs of the North Conway Community Center.

No questions, comments or concerns.

Article 20: To see if the Town will vote to raise and appropriate the sum of Seven Thousand Three Hundred Dollars (\$7,300) to help defray the costs of Service Delivery of the **MOUNT WASHINGTON VALLEY CHAPTER OF THE AMERICAN RED CROSS.**

Sheryl Kovalik asked if this was the setting where some information could be presented, need answer to funding used in full or surplus. Jeanine Bean stated she didn't have that answer; will have for Deliberative, they do have it. National Assessment is based on the Chapter's qualified revenue, \$109,000.00 budget and on that assessed at 20% which is how they come up with \$22,000.00; credit of 7% over the year. Don't know where it shows up.

Mike Gilmore stated have previous years been same, 20%. Jeanine Bean stated not one of the questions; don't know that is this year's formula.

Article 21: To see if the Town will vote to raise and appropriate the sum of Seven Thousand Four Hundred Eighty Three Dollars (\$7,483) in support of **STARTING POINT** providing advocacy and support to victims of domestic and sexual violence and their children.

No questions, comments or concerns.

Article 22: To direct the Selectmen of the Town of Conway, and the School Board of the School District of Conway, with the purpose of instituting an overall town spending cap. Spending shall be limited to the preceding annual budget plus an amount not to exceed the rate of inflation. The inflation rate as defined by the "National Consumer Price Index (Urban Rural)" (CPI-U/R) averaged over the twelve months preceding the vote on the new Annual Budgets.

Ray Shakir stated there were a couple of problems; proposals have to be operated by the Town and School; has to be two separate Articles. This is

not mandatory, strictly advisory; can't simply be put on the Warrant, have been told will be given information on direction to go. It is strictly advisory. Earl Sires stated basically to make something like this mandatory, the only legal way is to change the Charter. It is a fairly complicated process. This is a non-binding referendum. Karen Umberger asked when was the last time updated and Earl Sires stated he didn't know; attempted to do in 1970, 1980 and 1990.

Bob Barriault asked if this Article should have a footnote or be rewritten stating advisory. Earl Sires stated good question, advice we are getting, basically when something is submitted it goes on the Warrant regardless. Every year towns pass things, put on Warrant and make sure it is discussed at the Public Hearing; 25 people said they want this on there.

Karen Umberger asked whether or not this Article could be adjusted at Deliberative and Earl Sires stated he was not sure, but would check on it.

Article 23: Shall the Town of Conway vote to adopt the provisions of RSA 36-A:4-a,1(b) to authorize the Conservation Commission to expend funds for contributions to 'qualified organizations' for the purchase of property interests, or facilitating transactions related thereto, where the property interest is to be held by the qualified organization and the town will retain no interest in the property.

No questions, comments or concerns.

Article 24: Shall the Town of Conway vote to adopt the provision of RSA 32:5,V-a as follows: Any town may vote to require that all votes by an advisory budget committee, a town budget committee, and the governing body or, in towns without a budget committee, all votes of the governing body relative to budget items or warrant articles shall be recorded votes and the numerical tally of any such vote shall be printed on the town warrant next to the affected warrant article.

No questions, comments or concerns.

Article 25: To see if the Town will vote **TO RECLASSIFY A PORTION OF HENDERSON RD. FROM A CLASS VI TO CLASS V HIGHWAY.** The portion to be reclassified runs from the intersection of Henderson and Davis Hill Roads southeastward for approximately 1,050 feet and as depicted on the plans and specifications for the Lebach Real Trust/Royal View Subdivision, approved by the Planning Board on 12/11/07 and recorded at CCRD BK 220 PP 4 and 5.

William Marvel asked why the Selectmen so unanimously are willing to take over the road for the benefit of town development. Town has no obligations beyond annual maintenance. Someone has evidently built something, he didn't know. Earl Sires stated basically Henderson Road is a Class VI, non-maintained road. There shouldn't be any permits on Town roads unless brought up to Town standards. Selectmen are being asked by the Warrant to upgrade to a maintained road. Selectmen are saying they will put forward to the voters. William asked if there was any thought of

abandoning other Class VI roads and Earl stated no, certainly could if people wanted to pursue it.

Dick Clement stated people Petition to have roads accepted by the Town; housing development has no houses why going forward now; take over ownership when nobody lives there.

Karen Umberger stated that was half of her question; second half, the Selectmen have criteria for accepting a road; one being 80% occupied; question how many of the criteria was met. People need to know, why Selectmen have or have not changed their mind. Earl Sires stated those criteria were developed to guide Selectmen to make recommendations for private roads. Road has been upgraded to Town standards.

Chairman Stacey advised that **Article 26** did not need to be read at the Public Hearing.

Chairman Stacey closed out the Town portion of the Public Hearing at 7:30 PM.

PUBLIC HEARING - SCHOOL

Chairman Stacey opened the School portion of the Public Hearing at 7:40 PM.

Dr. Nelson stated he gave handouts to illustrate what is on the Warrant. First page is the proposed budget of \$33 Million and then each of the Warrant Articles for a total of the Operating Budget and Warrant Articles of \$33.5 Million. Page 2 is a back-to-back summary by Unit. This year the Board charged us with a zero increase for all Units except the High School and Career Tech, excluding fuel and health insurance costs. Unit 2, Elementary and Special Education increased 5.4%, mandated by IEP's and State Regulations. The rest faired with health at 7.8% maximum. The total at the bottom represents a 1.5% increase of the budget over the previous year. Next page is a comparison by function of what went up and what went down. Page 4 represents the Revenues and this is an interesting one; first column is Actual 2007/2008 and the next is Estimated 2008/2009; third column is Best Case Scenario where you will see estimates of 100% Building Aid and 100% Catastrophic Aid, right now 85% and 95%, being told it is not realistic at this point, but wanted to point it out. At the bottom is the Bond Acquisition Grant; under law the State Department of Education must provide State Aid; in November have Adequacy Aid and may get another \$380,000.00. The last column is Worse Case Scenario showing a reduction in the Building Aid and Catastrophic Aid coming in at 85%; receive same Adequacy Aid as previous years. What you can see at the bottom under either Best or Worse Case Scenarios because of revenue structure and contract, the Conway tax burden is one-half of the actual burden, \$15 Million of the proposed budget. Page 5 is the best case effect on the tax rate. With just the budget, Worse Case is $-\$.31$ per thousand. If all Warrant Articles pass and the budget passes, $+\$.12$ per thousand. On Page 6 for just the budget alone reflects a $+\$.13$ per thousand and with the Warrant Articles $+\$.56$ per thousand. We won't have an understanding of that until June, won't be until that late in the game. Page 7 is a computation of the Default Budget and you can see it is

\$334,440.00 below the proposed Operating Budget which is a little over 1%. Page 8 is the AFSCME settlement.

Article 2. To see if the school district will vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amount set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein totaling Thirty Two Million Eight Hundred Ninety-Six Thousand Six Hundred Nine Dollars (\$32,896,609). Should this article be defeated the default budget shall be \$32,562,169, which is the same as last year, with certain adjustments required by previous action of the Conway School District or by law, or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

Bob Barriault stated he was more concerned with the Worse Case Scenario. As far as the budget was concerned, he felt Worse Case is unacceptable. His question to the School Board was if this budget is approved and if in fact we do realize a short fall in revenues from the State, how will it be addressed as a School Board, pass along to the taxpayers or might you consider deferring some full-time positions. Sheryl Kovalik stated already had conversations because State doesn't have to send. If a short fall, serious conversations; second piece comes if the budget passes it sets the tax rate. Bob stated he was personally having a problem with the 3 full-time custodians and had presented his view at the last meeting; still feel strongly, did not think under the circumstances with the economy the way it is, it is not an appropriate time to add staff not directly involved with curriculum; don't have a problem with adding teacher things. There are 9 in the High School or 5 in the Middle School, he thought that they could hold the line this year. Sheryl stated similar feedback from the Budget Committee; they have requested reports on just what isn't going to happen, what isn't getting done. There have been conversations about this itemization and they continue to talk about it; don't want to leave a building in disrepair. Bob stated on Valley Vision the Budget Committee had a meeting and someone did make a point about the importance of image, he thought under the circumstances adding all these full-time staff is ludicrous.

Jill MacMillan stated on School Board Services adopted \$132,000.00 and spent \$295,000.00, why since we are only looking at \$128,000.00 this year. Sheryl Kovalik stated she thought she knew what it is, it is legal services; they got hit with hefty legal fees. Jill stated she had heard that it was only \$50,000.00 in legal fees. Sheryl stated that was the first estimate, by the time done it was quite substantial.

Karen Umberger stated to Carl (Nelson) that he had said Conway was now based on tuition at 50% of attendance. Dr. Nelson stated that has nothing to do with attendance. Karen stated we went from \$10 Million and now at \$12 Million; her question is why did we take that kind of a jump from 2007/2008 to now. Dr. Nelson stated in terms of what is to be raised; has to do with increased costs, increased spending at the High School level. Other factors such as health insurance, salaries, settlement. Becky Jefferson stated at Revenue on Page 4 you will see actual Revenue for

2008/2009. They had Building Aid and Vocation Aid came in excess, part of that has to do with tuition.

Article 3. To see if the school district will vote to raise and appropriate the sum fifty-four thousand, four hundred and forty-three dollars (\$54,443) (to be offset in part by payments from the sending towns in the amount of \$35,946) to be added to the Expendable Trust Fund (New Kennett High School Facilities Maintenance Fund) established for that purpose in 2007.

Bob Barriault asked why aren't these funds inflation adjusted; seems like the amount to begin with is the same amount; to him logically it should be adjusted for inflation. Dr. Nelson stated this is part of the original tuition agreement. There was not an inflation clause. These are based on building costs divided by 20 years and then portioned out to individual districts.

Article 4. To see if the school district will vote to raise and appropriate the sum of seventeen thousand and eighty-six dollars (\$17,086) (to be offset in part by payments from the sending towns in the amount of \$7,500)) to be added to the Expendable Trust Fund (A. Crosby Kennett Middle School Facilities Maintenance Fund) established for that purpose in 2007.

Bill Marvel stated strikes me that value of the dollar makes it less wise to have these trust funds; go back to raising money when you need it. Sheryl Kovalik stated we have a legal obligation, part of the tuition contracts. Bill stated that is something to keep in mind for next time.

Article 5. To see if the school district will vote to raise and appropriate the sum of nine thousand nine hundred dollars (\$9,900) (to be offset in part by payments from the sending towns in the amount of \$1,157) to be added to the Expendable Trust Fund (Elementary Schools Facilities Maintenance Fund) established for that purpose in 2007.

No questions, comments or concerns.

Article 6. To see if the school district will vote to raise and appropriate twenty-eight thousand, nine hundred and twenty-eight dollars (\$28,928) to fund all cost items relating to employee salaries and benefits for the American Federation of State, County and Municipal Employees (AFSCME) for the 2009-10 school year, which resulted from negotiations and represents negotiated increases over the current salaries and benefits. This appropriation is in addition to Warrant Article #2, the operating budget.

Sheryl Kovalik stated Page 8 is the Press Release with the details; this was a result of negotiations which focused on health insurance modifications. There is a new HMO with a \$500.00 deductible plus a low co-pay, prescription changes, previously no deductible. Effect: saves the employees who pay \$272.00; \$748.00 for family; the savings for the District was \$43,000.00. What they did do was underwrite the deductible with a Debit Card to offset some of the costs. It is an excellent solution. The rest moved them to 1.5% on base salary and merit from 0% to

2%; an hourly raise adjustment of \$1.50. It was a really good negotiation; very proud of that team.

Bob Barriault stated maybe he didn't understand, savings to the District of \$43,000.00 assumes maximum savings if no reimbursement. Sheryl Kovalik stated a \$43,00.00 total savings then added repayment of deductible saving \$28,928.00. Dr. Nelson stated \$43,000.00 assumes maximum expenditure.

Article 7. To see if the school district will vote to raise and appropriate seventy-three thousand, nine hundred and twenty-two dollars (\$73,922) to supplement the funding of the John H. Fuller School, Conway Elementary School, and Pine Tree School Project SUCCEED Programs. (Note: Anticipate \$18,000 in revenue to offset taxes.) (Additional grant sources will be sought to offset taxes further.) This appropriation is in addition to Warrant Article #2, the operating budget.

Bob Barriault stated sorry if keep asking questions, but he would like an explanation; last year over \$100,000.00, are they not covering as much; explanation for the reduced amount. Sheryl Kovalik stated additional Grants, better fundraising; increased opportunity from Grants, decreased amount asking from the Town. Every year looking to do better on this.

Article 8. To see if the school district will vote to withdraw the sum of eight hundred and fifty thousand dollars (\$850,000) from the Expendable Trust Fund (Tuition Trust Fund) to be used to offset tuition contracts for the 2009-10 school budget. This appropriation is included in Warrant Article #2, the operating budget.

No questions, comments or concerns.

Article 9. To see if the school district will vote to raise and appropriate one hundred thousand dollars (\$100,00) to be placed in the Expendable Trust Fund (Special Education Trust Fund) established for that purpose in 2008. This fund will be capped at \$500,00. This appropriation is in addition to Warrant Article #2, the operating budget.

Bob Barriault asked if any funds from last year were spent. Sheryl Kovalik stated no, currently have a balance of \$100,000.00; this will bring to \$200,000.00; have the option to use if Catastrophic Aid reduced, we could use these funds to affect that short fall. Bob asked if the decision was strictly the School Board's and Sheryl stated yes, after Public Hearing.

Article 10. To see if the school district will vote to establish a Capital Reserve Fund under the provisions of RSA 35:1-b for the purpose of purchasing buses. Furthermore, to raise and appropriate the sum of one hundred twenty-six thousand dollars (\$126,000) to be placed in the Capital Reserve Fund (School Buses), and to name the school board as agents to expend from this fund. This appropriation is in addition to Warrant Article #2, the operating budget.

Pat Swett asked buying how many buses and Jim Hill stated 1.5. Pat hoped she was not sitting in the back half and she would like it on the record

that she thought this is a very bad mistake. In the past several years have gone for 2 buses to keep on schedule; 10 years down the road going to be 5 buses behind. Mike Gilmore stated trying to replace the size of 16; 1.5 per year times 10 equals 15 buses.

Bob Barriault stated it is his understanding that this change was the result of the Transportation Committee. Somebody explain the factors in making this decision. Jim Hill stated it was a combination, first reduced a bus route then recommended 2 buses to basically keep 50% over 100,000 to 150,000 miles. After the Budget Committee meeting, the general consensus was that the funding method should not be just a straight Warrant Article. If budget \$84,000.00, pay \$82,000.00, the balance would stay in the fund. Recommendation was to increase from 10 years, 150,000 to 12 years, 200,000.

Article 11. To see if the school district will vote to raise and appropriate seventy-five thousand dollars (\$75,000) to initiate the first phase of the Conway School District three year Technology Plan. This appropriation is in addition to Warrant Article #2, the operating budget.

Sheryl Kovalik stated separated out Technology to make it visible to the taxpayer; part of the modification. Bob Gadomski stated 3-year plan submitted to the State, to replace \$33,000.00 obsolete computers, back up storage for e-mails, annual license and lap top cart. Legally need to archive e-mails for staff members; are out of compliance, will get into compliance.

Bob Barriault asked if this had been taken out of the Operating Budget and put as a Warrant Article. Bob Gadomski stated separated Technology budget, separated out as a Unit.

Article 12. To see if the school district will vote to raise and appropriate one hundred thousand dollars (\$100,000) to be placed in the School Buildings Maintenance Fund established for that purpose in 1995. This fund will be capped at \$500,000. This appropriation is in addition to Warrant Article #2, the operating budget.

Sheryl Kovalik stated instead of closing a previously existing Trust Fund started in 1995 that had a balance, decided this year to put this money in it.

Bob Barriault asked if this was the original fund used for repairing roofs. Jim Hill stated yes. Bob stated he thought that is a good idea. Jim stated there is a written 5-year plan that lists out every school; there is also a 20-year plan, roofs are in there.

Karen Umberger asked about the relationship of the first 2 Warrant Articles and this particular Warrant Article; putting away \$54,000.00 and some other number and now asking for another \$100,000.00, what is the relationship. Jim Hill stated he thought those amounts in there are a) part of the tuition contracts; b) fixed; c) not enough to keep up with needs. Those funds funded solely by the Conway School District. Karen stated what you are saying is that we are going to put in Conway's money and then when something happens use it and will get reimbursed from the

other towns. Jim stated a share of it. Becky Jefferson stated they don't use replenishment, sending towns can't replenish; what they do is part of the tuition expenses, it is recouped.

Article 13. To see if the District will vote to authorize, in accordance with RSA 32:5, V-a, the placement of numerical tallies on the votes on the recommendation that accompany the warrant articles.

Karen Umberger stated that the wording did not seem to be appropriate. Chairman Stacey stated it was the same as on the Town. Jim LeFebvre asked if the wording to this Article had been approved and Dr. Nelson stated they will run it past DRA again and get stamp of approval. Karen stated she would just look at the RSA.

Article 14. To see if the residents of the Town of Conway will raise and appropriate \$12,000 to continue Tin Mountain Conservation Center science and natural history programs in the three SAU 9 elementary schools (grades 3-6) for the 2009-10 academic year.

Chairman Stacey asked if all 30 names were checked and Dr. Nelson stated it was in the process. Bill Aughton stated he was interested in some history; he didn't remember seeing a figure before. Dr. Nelson stated it was eliminated from the budget this year. Karen Umberger stated basically 3 or 4 years ago Tin Mountain was put back in; Tin Mountain came out and then was restarted, but she was not sure how. Dr. Nelson stated they fund to some degree, he was not sure of the amount.

Chairman Stacey closed out the School portion of the Public Hearing at 8:30 PM.

OTHER BUSINESS - VOTING

Chairman Stacey reconvened the meeting of the Budget Committee at 8:40 PM for voting on the Town Warrant Articles though the Selectmen have not voted and would not be voting until Tuesday; Bob would abstain and have it added into later.

Karen Umberger moved, seconded by Jim LeFebvre, to approve an Operating Budget of \$9,159,343.00. In favor: 9; Opposed: 2 - Sheryl Kovalik and Melissa Stacey; Abstain: 1 - Bob Drinkhall.

Karen Umberger stated can we ask Sheryl Kovalik why she voted no. Sheryl stated because she felt the same as Melissa (Stacey). Chairman Stacey stated because taxpayers asked us to put back in for the Rec Center.

Mike Gilmore asked if he could change his vote. Sheryl Kovalik stated this is where we accept the Article and amend at Deliberative. Chairman stated no, can amend now. Sheryl asked if a motion to amend would be appropriate. Chairman stated can change your vote if you can get 2 people to open for reconsideration.

John Edgerton moved, seconded by Jim LeFebvre, to re-open the discussion on the Operating Budget. In favor: 9; Opposed: 3 - Doug Swett, Phil Dighello and Ben Kane; Abstain: 0.

Karen Umberger moved, seconded by Jim LeFebvre to approve an Operating Budget of \$9,159,343.00. In favor: 8; Opposed: 3 - Mike Gilmore, Sheryl Kovalik and Melissa Stacey; Abstain: 1 - Bob Drinkhall.

Chairman Stacey stated the Warrant was changed tonight by the Police Department; \$5,000.00 decreased by the Police Department. Bob Drinkhall stated more of an award, not a necessity; not going to create the problems in my opinion that have been stated tonight. Jim LeFebvre asked what specifically was Bob addressing. Bob stated he was referring to the \$40,000.00 to bring the Teen Center back to the original number of days. Phil Dighello stated the appropriate time for people is the Deliberative meeting. This is a town wide situation; at the meeting with 200 or 300 people, that is the time; let the people decide.

Sheryl Kovalik stated she was not suggesting to wait for the public; she would still feel not appropriate. Chairman Stacey stated she would continue to oppose; very clear at the Selectmen's meeting; it was a long 3 page list.

Karen Umberger moved, seconded by John Edgerton, to set the Default Budget at \$9,333,776.00. In favor: 10; Opposed: 0; Abstain: 2 - Sheryl Kovalik and Bob Drinkhall.

Sheryl Kovalik moved, seconded by Phil Dighello, to support Article 10 - Two-Year Collective Bargaining Agreement Reached Between the Town of Conway Police Commission and AFSCME Local 3657, Police Department. In favor: 11; Opposed: 0; Abstain: 1 - Bob Drinkhall.

Karen Umberger stated the thing is that even if it doesn't pass, even if vote "no", it is going to revert back to the same contract; doesn't make sense not to vote yes. Chairman Stacey asked if it was needed to have an hour long conversation about the Police Department.

Jim LeFebvre moved, seconded by Daniel Bacon, to support Article 11 - Capital Reserve Fund For Police Vehicles in amount \$38,000.00. In favor: 11; Opposed: 0; Abstain: 1 - Bob Drinkhall.

Karen Umberger moved, seconded by Jim LeFebvre, to support Article 12 - PEG Expendable Trust Fund in amount \$115,000.00. In favor: 11; Opposed: 0; Abstain: 1 - Bob Drinkhall.

Karen Umberger moved, seconded by Ben Kane, to support Article 13 - Tri-County Community Action in amount \$13,000.00. In favor: 9; Opposed: 2 - Doug Swett and John Edgerton; Abstain: 1 - Bob Drinkhall.

Karen Umberger moved, seconded by Jim LeFebvre, to support Article 14 - The Gibson Center for Senior Services, Inc. in amount \$32,000.00. In favor: 10; Opposed: 0; Abstain: 2 - Bob Drinkhall and John Edgerton.

Melissa Stacey moved, seconded by Daniel Bacon, to support Article 15 - White Mountain Community Health Center in amount \$35,565.00. In favor: 10; Opposed: 1 - Jim LeFebvre; Abstain: 1 - Bob Drinkhall.

Jim LeFebvre moved, seconded by Melissa Stacey, to support Article 16 - North Conway Day Care in amount \$5,000.00. In favor: 9; Opposed: 1 - Doug Swett; Abstain: 2 - Bob Drinkhall and Karen Umberger.

Melissa Stacey moved, seconded by John Edgerton, to support Article 17 - Vaughan Community Service, Inc. in amount \$3,000.00. In favor: 9; Opposed: 1 - Doug Swett; Abstain: 2 - Karen Umberger and Bob Drinkhall.

Melissa Stacey moved, seconded by Karen Umberger, to support Article 18 - Children Unlimited, Inc. in amount \$12,500.00. TABLED.

Karen Umberger asked if this should be disapproved. Chairman Stacey stated we know it should be \$12,000.00, Jackie will amend. Karen stated her understanding was if the dollar value changes, have to revote. Chairman stated could table it.

Karen Umberger moved, seconded by Sheryl Kovalik, to support Article 19 - North Conway Community Center in amount \$75,000.00. In favor: 10; Opposed: 1 - Jim LeFebvre; Abstain: 1 - Bob Drinkhall.

Article 20 - Mount Washington Valley Chapter of the American Red Cross in amount \$7,300.00. TABLED.

Karen Umberger suggested tabling this Article at this time. Sheryl Kovalik stated she had a hard time supporting when she did not know if fully expended.

Mike Gilmore stated table it and find out what is going on. Find out where funds are going; didn't feel Committee got good answers; 20% is too much. Chairman Stacey stated Valerie, who is head of the Chapter, never comes to explain it, Jeanine comes.

Karen Umberger moved, seconded by Sheryl Kovalik, to support Article 21 - Starting Point in amount \$7,483.00. In favor: 11; Opposed: 0; Abstain: 1 - Bob Drinkhall.

Article 22 - Ben Kane suggested tabling it. Karen Umberger stated she was not going to talk about it; this doesn't have a dollar value; we don't have to vote. Chairman Stacey stated we do technically because of dollar value.

Karen Umberger moved, seconded by Jim LeFebvre, to support Article 23 - adopt provisions of RSA 36-A:4-a, 1(b), authorizing the Conservation Commission to expend funds for contributions to 'qualified organizations' for the purchase of property interests, or facilitating transactions related thereto, where the property interest is to be held by the qualified organization and the town will retain no interest in the property. In favor: 10; Opposed: 0; Abstain: 2 - Bob Drinkhall and Sheryl Kovalik.

Chairman Stacey stated there are funds in their account; they want to spend it, but have to ask. Karen Umberger stated that she thought they had that authority and Chairman stated guess not. Karen stated she was pretty sure they already had the authority.

Melissa Stacey moved, seconded by Jim LeFebvre, to support Article 24 - adoption of provision RSA 32:5, V-a, having the recorded votes and the numerical tally of any vote printed in the town warrant next to the affected warrant article. In favor: 11; Opposed: 0; Abstain: 1 - Bob Drinkhall.

Mike Gilmore moved, seconded by Jim LeFebvre, to support Article 25, To Reclassify a Portion of Henderson Rd. From a Class VI to Class V Highway. In favor: 0; Opposed: 11; Abstain: 1 - Bob Drinkhall.

Karen Umberger stated the point is that from here on out it must be realized that it will be a Town road; people have turned down so many roads and they will continue to do it. They have met the standards yet the town's people don't want to pick up maintenance of those roads. If she had been a Selectmen it would have been 4-1-0. Selectmen have not voted, part of the Board was missing. Karen stated she is definitely opposed.

Sheryl Kovalik stated she would prefer to see if this is going to happen; she didn't have an issue about taking on plowing; bothered by the maintenance piece.

John Edgerton stated normal standards are so many houses to pay taxes to support maintaining; this case is without any tax support at all. Wouldn't be in disfavor if other requirements were addressed like 80% occupancy.

Mike Gilmore questioned if this was a back door way of coming in. Karen Umberger stated they have said no to every road that has come up in the last 5 years. Mike questioned the logic behind the rules; what is the opposition for not accepting. Chairman Stacey stated it costs money for maintenance and there is no tax base. John Edgerton stated lots are for sale, normally houses are already built.

Sheryl Kovalik called the question.

Article 8: Bond Article - TABLED at this time. Chairman Stacey stated this Article will be talked about on Monday at 6:30 PM.

Chairman Stacey there was a bunch of information from the School Board. On Monday night, Chairman will let everyone in. Meetings after the 16th will be on the 2nd and 4th; Town on the 2nd and School on the 4th at 7:00 PM at the Auditorium.

OTHER BUSINESS

Sheryl Kovalik requested that the members take time before Monday to review the stuff handed out, specifically the lengthy information on the custodial; feel free to give feedback by e-mail. School Board is waiting for feedback from the High School Administrators; she hadn't reviewed the custodian reports yet; not leaning one way or the other.

John Edgerton asked if the meeting on the 18th was out and Chairman Stacey stated the School Board was having a special meeting on the 17th; should be done by then. Neither the School Board or the Town much time, Warrant has to be in by Friday.

Chairman Stacey thanked the 2 gentlemen at the end of the table (Phil Dighello and Doug Swett) for all their services; very sorry to see you go. Chairman reminded those whose terms are up to please remember to sign up.

Jim LeFebvre moved, seconded by Ben Kane, to adjourn the meeting at 9:15 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary