

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
January 11, 2012**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairman David Sordi, Doug Swett, Dick Klement, Betty Loynd, Bill Marvel, Ted Sares, Maureen Seavey, Ray Shakir, Kelly DeFeo, Greydon Turner, Joe Mosca, Danielle Santuccio, Maury McKinney, Mike DiGregorio, John Edgerton, Brian Charles and Karen Umberger (arriving late). Also present: Earl Sires, Town Manager; Lucy Philbrick; Nancy Leavitt and Ray Leavitt of Center Conway Fire; Michael Valladares of East Conway Fire District; John Eastman, Recreation Department; Chief Steve Solomon of the Conway Village Fire Precinct; Ed Damen of the North Conway Ambulance Service; Theresa Kennett, Rodney King and David Doherty, Police Commissioners; Chief Wagner and Lt. Perley.

Greydon Turner led those present in the Pledge of Allegiance.

Chairman Sordi passed out five documents to the members. The first document is the Agenda for tonight's meeting and on the back, he started compiling a list of documents that all members should have in their possession now either via e-mail or have gotten tonight, these are documents that either have questions on them with answers, that have Budget information, Minutes, etc. He is trying to keep a list together so that the members can keep track of what they have in their possession to make sure that members do have the documents. If a member is missing any of the listed documents, let him know. For the January 11, 2012 meeting, members should add the Redstone Fire Precinct Budget and Center Conway. Chairman further stated via e-mail members should have received the East Conway Fire Precinct Budget and the Center Conway one. Doug (Swett) and Bill (Marvel) should have received them in the mail and members just received the Redstone Budget tonight.

Chairman Sordi stated the second thing that he passed around was questions for ambulance services that were passed along to Earl (Sires) and he believed were forwarded to the ambulance service. No answers have been received yet, may get some of them tonight or we may get them in a subsequent meeting, but these are questions that have been forwarded to the ambulance service. The third document is questions for the Police that Karen Umberger forwarded to him and he has forwarded to Earl and Chairman believes they have been forwarded on also. He does not have answers to those yet either. The final two documents: one was the Center Conway Fire Precinct Budget and the second one was the Redstone Fire Precinct Budget. We will be talking about those tonight. Those are the five documents passed around. Again, if members are missing any of the documents that are on the back of the Agenda, feel free to let him know and he will get a copy to them either via e-mail or hard copy as soon as he can.

APPROVAL OF MINUTES

**Ted Sares moved, seconded by Betty Loynd, to consider and accept the Minutes of December 14, 2011. In favor: 15; Opposed: 0; Abstain: 1 - Mike DiGregorio.**

**Ted Sares moved, seconded by Betty Loynd, to consider and accept the Preliminary Minutes of January 4, 2012. In favor: 15; Opposed: 0; Abstain: 1 - Brian Charles.**

Chairman Sordi reminded everybody that wasn't here last week, the way we are going to do the Minutes to make sure Minutes are getting entered into the public record as quickly as possible, is Preliminary Minutes will be issued within a week of the meeting. Those will be voted on and accepted and then the final Minutes which will be more in depth will be issued following that and those also will be voted on and approved.

NEW BUSINESS

**John Edgerton moved, seconded by Brian Charles, to have Greydon Turner be the Acting Chair at next week's meeting. In favor: 15; Opposed: 0; Abstain: 0.**

Chairman Sordi advised that neither he nor the Vice Chair, Danielle Santuccio, would be present at the next meeting. He is going to be out of town on business and Danielle had some other issue she needs to take care of, she has meetings to go to, so with that he recommended that next week Greydon (Turner) run the meeting as Acting Chairman. Chairman asked Greydon and he accepted.

Dick Klement stated Greydon (Turner) was a representative of a District, not elected. Chairman Sordi stated that was a good point. John Edgerton stated he's not going to be the permanent Chairman, he's only going to be sitting in as the temporary Chairman; he can't even vote as a temporary Chairman. Does it really make a difference. Dick stated he just asked the question. John stated it was a good question because he can't be the Chairman or the Vice Chairman. Ted Sares stated no big deal, John.

Chairman Sordi stated that the meeting next week will be at the Middle School and it will be the first one for the School and he apologized for not being there, but unfortunately work calls.

Chairman Sordi stated he was going to hold off on the questions from last week for a minute as he has had a request to try to get a couple of things out of the way earlier because a couple of people need to leave early.

CENTER CONWAY FIRE PRECINCT

Nancy Leavitt, Treasurer/Clerk and Ray Leavitt, Chief presented the proposed budget. Their budget this year, bottom line is \$177,825.00 which is considerably less than last year, but the General Operating Budget is up somewhat, \$143,825.00 from last year which was \$113,375.00. On the back is a sheet that will show why some of the line items have been upped. Under new equipment, they went up \$2,500.00 for hose replacement,

purchased for new fire truck really which will be coming in later this month. Radios is up because they need to upgrade the radios to a different system which the State is using. Members will notice that the fire calls for this past year was overspent and basically that was because they had 13 structure fires, mostly out of Precinct for mutual aid. There has been a slight increase for both the Fire Chief, Assistant Chief and Deputy Chief wages, salary and also an increase for the Treasurer/Clerk. The other expenses are up from last year as well because of a new fire truck payment that will be due during this year.

Ted Sares stated the increases are really due to the purchase of new equipment. Mrs. Leavitt agreed and stated that they did up the wages as well for the firefighting and rescue because of the amount of calls that they are having.

Kelly DeFeo asked how many on the mutual aid. Mrs. Leavitt stated they had 13 structure fires. Chief Leavitt stated overall they had 32 mutual aid calls, of which 13 involved structure fires of which 10 of them were mutual aid. They had 3 structure fires of their own and then they responded to 10. Kelly asked what towns were involved. Chief Leavitt stated it varied, they did Madison, one down in Albany maybe two, they did Bartlett and Jackson and Fryeburg, Lovell and Brownfield. By coincidence this year, obviously there were some arson issues that increased some of the fires that you don't normally get. By coincidence, one night they went to two structure fires almost at the same time.

Bill Marvell asked if Mrs. Leavitt misspoke when she said they raised the wages or did she mean to say salaries. Mrs. Leavitt stated salaries, the salaries of the Chief, Assistant Chief, Deputy Chief and also for herself. Bill asked if the hourly wages had increased. Mrs. Leavitt stated yes, that has also increased. Chief Leavitt stated that was last year that they did that. The total amount for wages they increased because they've been over expending it.

Ray Shakir asked to have the Mutual Aid Agreement summarized in ten words or less. Chief Leavitt stated if they call, we come. Ray stated he basically wanted to know what the additional cost is for mutual aid. Chief Leavitt stated when they do structure fires, it obviously involves a larger number of people and for a greater period of time and when that happens obviously the amount of pay is considerably more. He'd rather do 8 medical calls than one structure fire to be honest because it's cheaper. Ray asked what portion of the department is volunteer, what percentage. Chief Leavitt stated 100%, they don't have any full-time; they tried once but that didn't go very well.

Mike DiGregorio stated he was a little confused on the numbers themselves. When he looks at the total budget and the total expenses, he doesn't understand how they went from 2011 at \$330,000.00 to \$177,000.00. Was he reading something wrong. Mrs. Leavitt advised Mike to look in 2011, they took \$125,000.00 out of Capital Reserve for the purchase of the truck. They also appropriated \$62,000.00 from the surplus to pay off the FHA Note and also for the fibulator and they didn't have to spend the whole \$62,000.00 for that, but that's what was budgeted. That's basically why the difference. The Special Articles last year were \$227,000.00; they only have \$34,000.00 this year. Mike stated it was now making more sense;

you've got a few items that are just pay off or done with. Mrs. Leavitt stated most of your Special Articles are one time. Mike stated it's a little bit different, that's why he was asking.

John Edgerton stated they also have the ambulance and rescue vehicles to answer emergency calls other than fire. Chief Leavitt stated that was correct.

Dick Klement stated it was mentioned first that the fire truck was in the Capital Reserve and then it was mentioned it was a Warrant Article. Was it a Warrant Article or did it come out of Capital Reserve? Mrs. Leavitt and Chief Leavitt stated both. Chief Leavitt stated what they did was take \$125,000.00 as the down payment and then the remainder was financed. The total cost of the truck was \$275,000.00. Dick stated then the tax rate effectively is going to be going down for Center Conway. Mrs. Leavitt stated she didn't think so because it's based on, see the tax revenue under income, last year the actual tax rate, taxes they collected was \$143,875.00. This year it's going to be \$168,325.00. They are going to have to raise more so the tax rate will go up. Dick stated this was where he was getting confused, if you had a Special Article for \$125,000.00 or whatever, then that counts against the tax rate. Mrs. Leavitt stated no because it came from Capital Reserve. Dick stated then it wasn't a Special Article; it was the FHA payoff that was a Special Article. Mrs. Leavitt stated it was, but it's coming from the surplus balance that they've been carrying so it did not affect the tax rate. Dick stated so essentially you took the surplus down by \$250,000.00. Mrs. Leavitt stated no, they took the surplus down by \$62,000.00.

Chief Leavitt stated he thought he could explain this; there are two separate accounts: a Reserve Account which is the left over money that gets built up over a period of time, the rainy day fund, and then they have a Capital Reserve Fund which every year they put aside \$30,000.00 to go towards the purchase of new equipment. The \$125,000.00 came out of the Capital Reserve account which has an affect on the tax rate but only from the standpoint that every year they generate that same amount of money. As for that one particular year, it didn't affect the tax rate because it was money they already had. The rainy day fund or the surplus fund paid down the loan for the Fire Station which then prevents them from having to shell out about \$7,500.00. Dick Klement stated it just got confusing to him because they are listing Special Articles and they are listing them as an actual budget, where in fact it came from a Capital Reserve Fund.

Kelly DeFeo stated you have one ambulance and a rescue; what do you have there for response vehicles for emergencies, medical emergencies. Chief Leavitt stated they operate an intermediately licensed ambulance, but it's a reserve truck and he wanted to stress that. Conway does the transports out of their area and, out of Eaton, Care Plus does now. That kinds of serves as their rescue truck but it also has a dual purpose of if they have a car accident and there's more patients and they need to load another patient in, he thought they did 8 transports last year. It's a multi-functional unit. Then they have a truck they call "EX1" which is kind of a quasi-rescue truck as well, fire truck, which is the one they are replacing that has the jaws of life and all of the extrication tools and the ability to extinguish fires as well. Those are their medical

units and then they have right now two full engines and a tank truck, what they call a hose truck. One of the engines they will discontinue because they've looked at the functions of the fire department and most of the time fires go down because of all of the codes and stuff and with mutual aid, it doesn't require them to have as many trucks. So, they're eliminating one truck out of their fleet.

Chairman Sordi thanked Nancy Leavitt and Chief Ray Leavitt for coming in.

#### EAST CONWAY FIRE PRECINCT

Michael Valladares presented the proposed budget. Mr. Valladares stated members have the budget in front of them and normally members will have questions or did the Committee want him to go over it line by line. Chairman Sordi stated maybe give an overview like Nancy (Leavitt) did, that would be great. Some changes that are going to be seen this year or some significant issues that came up during the year.

Mr. Valladares stated there were no major changes, because of certain costs the budget has gone up a little bit. Budgetwise, look at the line items, things have gone up, fuel has gone up, insurance has gone up. The small ticket items; they don't play the percentage game over in East Conway because their budget is so small that if they added \$1,000.00 to it, it's an astronomical percentage. What you don't see in this is the fact that they are in the process of eliminating two trucks and one newer fire engine. They are a small Precinct, they don't buy new. That is all being paid out of their Reserve Funds and also they always run a few thousand dollars extra at the end of every year that they don't spend to try and build up some Reserves and they are using that to purchase this one new fire truck. Basically, it's a fire engine, that's all it is; replacing their old engine where believe it or not the three men that ride behind the cab are still outdoors and this is New England and well beyond the 1950's and it's time to replace items such as that and by buying this newer truck, newer to them, everybody's inside a closed cab. It has all the proper updated quick couplings for the fire gear and also they eliminated one service truck that had to run with the fire engine because that couldn't carry all of the stuff that's required by Codes now. Basically they have eliminated two vehicles and bought a more efficient fire truck and a safer one for the people, making a big difference in their budget.

Chairman Sordi stated he knew Ray (Leavitt) was talking about eliminating some of the units that they have at the Center Conway Firehouse too. Do those get sold off or is there ever a trickle down of maybe you taking one of those that might be newer than the one you have instead of getting a brand new one. Mr. Valladares stated they put it out for advertisement to do the same thing. There are other departments up in the north country that could use something like what they are getting rid of. A lot of times, they're at the bottom end of the list so logging crews will sometimes buy them so they can keep those older fire trucks parked out there if they have a problem. There is some value to them, but nothing significant. East Conway is at the bottom of the food chain. Chairman Sordi stated he understood.

Chairman Sordi stated he noticed that Center Conway had a lot of mutual aid calls during the year. Chairman asked if East Conway responds to those. Mr. Valladares stated theirs was proportionately the same. If it wasn't for mutual aid, the costs would be astronomical. It seems so lately that when they've had a fire in East Conway, it's been a major fire. They needed all of the other departments to come in; seems the whole area has had a lot of those lately, like in Brownfield, Fryeburg, East Conway, they just lost a major building not too many months ago that required quite a few. The mutual aid is a godsend to the taxpayer. Chairman stated he believed it.

Mr. Valladares stated one other thing that was noticed last year and they are still continuing it is one item for Fire Gear. This year they will be able to outfit everybody that is actually fighting a structural fire or might be needed to go in for a structural fire will have an up-to-date complete fire gear: helmet, jacket, pants, boots, gloves, everything they are suppose to have. This will be the first time East Conway has ever had every person up to Code.

Chairman Sordi asked how many members in the Precinct, roughly. Mr. Valladares stated there's basically 19 that's involved in it and you have 10, 11 that are able to go to fires and they have 7 or 8 that are certified to go into the buildings.

John Edgerton stated to Mr. Valladares that they are going to purchase a new vehicle and get rid of two others. Mr. Valladares stated they did purchase a vehicle without borrowing money.

Mike DiGregorio stated correct him if he is wrong, but at one point they had like three trucks over there some time ago, right. Mr. Valladares stated correct. Mike stated because of maintenance issues, repair issues one of them kind of dropped off awhile ago, right. Mr. Valladares stated they got rid of the snorkel truck two years ago, two and a half years ago. Mike stated and the other two were marginal at best. Mr. Valladares stated they replaced the old International tanker and put a Mac underneath the tank, still using the same tank; that's been updated so that's good for another 15 to 18 years and now they are updating the Fire Engine and those are the two most critical units that East Conway needs. They need to bring water to it and they need the Fire Engine. They are eliminating the old Fire Engine and one service van, a one-ton Ford Service Van. Mike stated when you are done with what you are doing truckwise, how many vehicles will be parked inside the building or out back or whatever. Mr. Valladares stated they don't park anything out back; all inside the building. They will be down to one Fire Engine, one Tanker and they are going to keep the old Fire Engine for a short while to make sure the new Fire Engine is trouble free before they sell it.

Mike DiGregorio stated he guessed his next questions were really more about the certifications of the pumps and ladders. There's a tremendous amount in that, expensewise, how often do they have to be re-certified, the pumps and all that, is it 5 years, every year. Mr. Valladares stated he was not sure what the schedule was, the Fire Chief takes care of that. There's nothing in the Station that doesn't pass certification; they just did the pumps this summer again. Mike stated so everything's up to Code there. Mr. Valladares agreed; all of their old fire hose they have thrown

away and are in the process of replacing it. They are a little short on it, but with mutual aid, they are all right.

Mike DiGregorio stated with 19 people, how do they handle training with such a limited budget; how many are Firefighter 1. Mr. Valladares stated he was not sure. When he said 19 people, that's 19 people that are on the Fire Department, that's involved in it. A lot of them are senior citizens, they come down and they are the ones doing the building and the maintenance. Mike stated so you have core guys that fight fires. Mr. Valladares stated they have core guys basically 7 people and they are the ones that do the extensive training. They have other people, like of that 19, they take training and directing traffic. That's what their job is, they go out there and direct the traffic. At the last big fire they had, they had no problems, the Police Department didn't tie it up like it used to when you had a major fire like that because people are being trained for it. People that want to volunteer, regardless of how big, how small, how tall, how old, how young, there is something you can do and they are taking advantage of it. Mike stated what he was getting at is it is such a limited budget. Mr. Valladares stated everybody volunteers for free, nobody gets any money. If they have their suit and tie on and go to a fire and it's wrecked, they pay for it. Mike asked if any people are reimbursed for any courses. Mr. Valladares stated the courses they pay for, yes. Mike stated he was just trying to get a level of where their training was, that's all. If we are going to have the Fire Department out there, clearly they should be trained to some degree and he was curious as to what level they are. Mr. Valladares stated he couldn't answer that, other than the fact he has watched them train, watched them train with the other departments. Mike assumed that would be a question for the Chief then and asked for a written response back from the Chief as to what level of Firefighter instructions they have and how many. Mr. Valladares stated he didn't think that was unreasonable. Chairman Sordi asked Mr. Valladares to get that to Earl (Sires) and pass it along.

Kelly DeFeo asked if there was any coordination of all of these Fire Departments, of training volunteers together, so when you have a class that people can get to you can kind of coordinate, just like some of the basic training that people need to do all at once. Mr. Valladares stated definitely there is; they're training schedule is set months and months in advance so people can plan on it. Kelly stated so all of the Fire Departments kind of get together. Mr. Valladares stated he knows from general conversation with the Fire Chief they had a very good turn out at all of these.

Chairman Sordi thanked Mr. Valladares for coming in.

#### REDSTONE FIRE PRECINCT

Greydon Turner presented the proposed budget. Greydon stated they are actually going to come in at 2% under budget this year compared to last year. Brief overview of some of the things they did this year. They took some money from Capital Reserves and had to buy a new truck with it for \$15,000.00. They also are upgrading their radios to meet State standards as well. They are also repairing three overhead doors in the Fire House that they are having problems with. They tried to have the tensioning done locally with some local contractors and they are not able to do it,

the tensions are too high and it's too dangerous. They are going to have to have a professional company come in and do it and they estimate the cost to be between \$2,500.00 and \$3,000.00 and they've built that into their General Government area. They also have sold one truck as of last week because they have two they don't need. One of them they had done some extensive work to and it required a heck of a lot more once they got in there and started tinkering around. An outfit down in Arkansas has purchased the first one and they have a verbal commitment to them to come and pick up the second one. They will do so when they get the truck just purchased finished. It's now being repainted.

Chairman Sordi stated you've got sale of Village District property for \$6,000.00; what was that for. Greydon Turner stated that's for two Fire Trucks or they may not be exactly Fire Trucks, pardon his terminology. They did sell one already for \$1,000.00 and the second one they do have a verbal contract for \$5,000.00.

Joe Mosca stated kudos for coming in under budget, but the \$6,000.00 is actually offsetting your budget with the sale of the two vehicles so that's a one time thing. Greydon Turner stated that was correct and that the doors were also a one time thing to get those fixed and they also have an increase in their insurance of about \$1,600.00 this year. Joe stated that was his next thing, the insurance line item is going up by more than that; the line item itself is going up almost 40% and in looking at the other two Districts, their insurance line items are staying fairly consistent, minimal increases, so why is the increase this high for you versus the other two Districts. Greydon stated he would have to get back to Joe on that; he didn't know for sure, but he did know they had a \$1,600.00 increase in insurance this year over last year. Joe stated he was looking at the line item and that line item is going up by \$3,000.00. Greydon stated that's got to shift; this is a bit embarrassing; everything in that section shifts up one block. Personal Administration is \$250.00, \$3,699.00 and the \$200.00. General Government Buildings is \$7,662.00 and \$10,800.00. In that General Government Buildings is the \$3,000.00 to cover the door expense. Joe stated that was fine, Greydon had already answered his question. Greydon apologized for the mix up.

Mike DiGregorio stated he had the same type of questions he had with East Conway as far as the certifications and the level of Firefighters. Greydon stated he would have to get that, he didn't have it. Greydon's co-presenter (unknown name) stated she believed there were only 3 that weren't on Firefighter 1 level, there were several that had gone to Firefighter 2. One of the ones that doesn't have the certification is a rookie who hasn't quite been allowed to be on the Department, he's not allowed to go into structures or anything like that; he's just training. Mike asked if he heard that there were 3 Firefighter 1's. Co-presenter stated no, there are only 3 that are not certified, that don't have Firefighter 1. Mike stated some are Firefighter 1's and some are actually going for Firefighter 2. Co-presenter stated quite a few already have Firefighter 2. Mike stated that was good, awesome. Mike asked Greydon to get some actual numbers written down. Chairman Sordi stated he would get the same for Center Conway also. Co-presenter stated one of the ones that doesn't have Firefighter 1 is an 18 year veteran; he runs the Tank Truck. Mike stated he's never going into a fire, so people that are sitting at

home would probably understand that he's never going to go into a fire. Co-presenter stated the reason he never goes into a fire is because he was on Madison years ago and he went into a structure and there were dead bodies in there and he swore he would never go back in. He stays outside and runs the Tank Truck. Mike stated somebody has to be there running the Tank Truck, that's for sure.

Chairman Sordi thanked Greydon Turner and his co-presenter for coming in.

#### CONSERVATION COMMISSION

Earl Sires stated he thought the Committee had kind of gone over that last week and he mentioned that their budget had gone down significantly and they were going to do less projects.

#### RECREATION DEPARTMENT

John Eastman and Earl Sires presented the proposed budget. Earl Sires stated he wanted to talk about the general structure of the Recreation Budget because it's a little different than the other budgets in Town. When he spoke to the Committee last week, he mentioned that the Town of Conway Budget is made up of three categories of funds. Earl handed out a couple of documents to the members. Earl proceeded to state that he had mentioned three different fund categories: the General Fund which handles most of the revenue the Town receives and funds most of the activities that they have; the Capital Reserve Funds which are long term debt and capital acquisition funds; and then the Revolving Funds and they have 3 of those. One of the Revolving Funds is the Rec Revolving Fund. When they talk about the Recreation Budget, most of the Recreation Budget is funded out of the General Fund, but a portion of it each year is funded out of the Rec Revolving Fund. Earl mentioned last week that Revolving Funds are set up to handle a fee for service kinds of activities; in other words Adult Baseball and those kinds of things. They sort of function independently of the General Fund. They collect a fee, they pay for the activity that way and the idea when they first started this was to try and give a better idea to the Budget Committee and to the people, the voters, what the actual tax impact of the Recreation Budget was year to year.

Earl Sires stated that the first thing he handed out was a bar graph that shows, and the idea was that they were going to try and hold increases of the Recreation Budget fairly level. If you look at the bar graph, members will see that the total Rec Budget for the last 5 years has ranged from just under \$350,000.00 to a proposed amount of over \$370,000.00 this year. If members look at the bar graph, the dark part at the bottom is the amount that the Rec Revolving Fund contributes to the Rec Budget each year. The tax impact can be measured by sort of taking that out of the equation and then looking at the second sheet which shows the General Fund totals for the Rec Budget over the last 5 years. Basically, they are using two different checkbooks to fund one department. They had \$272,000.00 and it's been kind of level, \$294,000.00, \$293,000.00, \$289,000.00 and this year it does increase somewhat and John (Eastman) will talk about that.

Earl Sires stated he wanted to make sure that everybody understood that difference and then when John (Eastman) talks about his budget, the back up material that he uses treats the Budget has an entire budget, regardless of where the revenue is coming from. He's going to talk about numbers that are going to add up to the \$371,000.00, if that makes sense. What they show on their Budget detail sheets and then their discussions of the General Fund, it's just the General Fund portion which is going to be \$311,000.00 this year. When he's talking about his budget, he's talking about the combined funds and it will add up to this \$370,000.00.

Chairman Sordi stated as a preliminary, while he understands that John (Eastman) is going to talk about the overall Budget, the \$371,000.00, it would be helpful if during the discussion he could also sort of explain why the difference between the \$279,000.00 actual for 2011 or about \$280,000.00 versus the \$312,000.00 that has been approved this year. Earl Sires stated that was a good question because it's made up of two things, two things impact that: 1) the actual Budget increases obviously, but 2) the amount of money that's used from the Rec Fund to offset the General Fund. In other words, you could have a \$350,000.00 total budget; if you use \$50,000.00 from the Rec Fund, then your General Fund would be \$300,000.00. If you use only \$40,000.00 from the Rec Fund then your General Fund Budget would be \$310,000.00. If you look at those dark sections at the bottom of the bar graph, members will see that the numbers change somewhat every year in the amount that's used to fund recreation activities from the Revolving Fund. There are two things that impact that and John can certainly talk about and maybe the easiest way to do it is as he goes through it, talk about overall increases year to year and then if we want to talk about the history of the use of the Revolving Fund, we can do that too.

Ted Sares stated for him the easiest thing to do is to explain what was spent last year and what is budgeted this year; what's the difference and why. Earl Sires stated that's what John (Eastman) will do. Ted stated that's what the people will be wanting to know, not the Revolving Fund and all this stuff behind the Revolving Fund. He understood where the Chairman was coming from and he thoroughly understands the discussion, thoroughly understands it; but what he wants to know is what was spent last year, what is budgeted this year, why the increase, where are the increases and that's what the people want to know. Later on we can translate that to a tax increase.

Dick Klement asked if the Selectmen reduced the Rec Center Budget. Earl Sires asked that Dick re-state the question. Dick stated he was looking at one number of \$369,000.00 and then the Selectmen of \$311,000.00. Did the Selectmen reduce the number or is that the \$50,000.00. Earl stated that's the \$50,000.00. Dick stated de facto if this goes as written down here, they will get \$369,000.00 or they will have the use of \$369,000.00. Earl stated the total Rec Budget is going to be \$371,000.00, part from the Rec Fund and part from the Revolving Fund.

Karen Umberger asked for confirmation that \$50,000.00 was going to be taken from the Revolving Fund. Lucy Philbrick stated that the actual amount was \$58,000.00. Earl Sires stated not to confuse things, but to get back to the Chairman's question, if you were to use a little more

from the Revolving Fund balance it would reduce the General Fund impact. That's an option as well as we go through this.

Joe Mosca asked how much money was in the Revolving Fund. Earl Sires stated they had a balance of \$36,000.00 in the Revolving Fund that has been there for several years. The Selectmen have carried a balance and that's why he says there is the option to use a little bit more to bring the General Fund impact down if the Selectmen decided to do that or if the Committee thought it was a good idea. Chairman Sordi questioned the balance and Earl confirmed it was \$36,000.00. Joe stated the \$58,000.00 that will be used is basically fees that will be generated this year and will go right back in. Earl stated yes; in and out. Joe stated there's no building the Fund basically. Earl stated they don't anticipate that and it hasn't occurred over the last few years.

Chairman Sordi stated he had one last question before they get started; Earl (Sires) mentioned \$371,000.00, Column 5 stated \$369,000.00. Earl stated that was a requested amount that has been changed; what he was trying to do was to get to where the members can see the 2010 Budget column, the first column, is the General Fund amount, \$293,000.00; 2011 is \$293,000.00. Lucy (Philbrick) just included in the first go around the total Rec Budget and he asked her to reduce it to the General Fund impact amount right off the bat so that it would be more comparable year to year. Chairman stated he just wanted to make sure that people didn't get confused between \$371,000.00 and \$369,000.00. Earl stated having a Rec Fund is a good thing to have, but it does make for complicated discussions sometimes because it's a little tricky.

John Eastman stated he usually has gone from category to category, but he can give an overview as he's heard tonight and then he can go category to category if that is wished. From what Earl (Sires) had said, the \$22,000.00 increase he put in his budget narrative. Starting at the top and then he will go detail to detail if that is what the Committee would like. In Personnel \$15,052.00 was due to merit increases to 4 full-time employees, seasonal staff: summer staff, swim instructors, bus driver, so on and so forth, that's the total of all personnel at that level of \$15,052.00. It's 4 full-time people plus seasonal people from counselors to swim instructors to bus driver.

Chairman Sordi stated the narrative that he has says Personnel is up by \$14,004.00 due to merit increases and he just wanted to be sure that members had the right number. Lucy Philbrick stated that hers says \$15,052.00. Chairman stated he wanted to make sure that the members had the right documents. John Eastman stated that the original one that he did through the Selectmen's process, he has \$15,052.00, he'd prefer to go with the \$14,000.00 but he wants to be accurate. He believes that it is \$15,052.00. Ted Sares asked what is it then. John stated \$15,052.00. Ted asked if there were other mistakes. Chairman suggested tabling this discussion until the 30<sup>th</sup>, until the numbers could get straightened out and clarified. Earl Sires stated he'd hate to do that and requested that they be given a few seconds. Chairman suggested proceeding with the Police Department to give them time to figure out the correct numbers. Earl agreed and apologized.

## POLICE DEPARTMENT

Theresa Kennett, Rodney King and Dave Doherty, Commissioners, presented the proposed budget. Commissioner Kennett stated just as everyone else had done, she'd like to do an overview of the Budget and wanted to say first that they did things a little bit differently this year. Historically the Police Department, in an effort to keep the Selectmen's Budget down, has under-budgeted line items continuously for the last several years and in these last two years they suffered, this community suffered a significant impact because of it. This year, under the leadership of Rodney King and with the support of the Chief, the Lieutenant and the administrators, they looked at 3 year averages of expenses on many of the items. She will read through the overview of the Budget and then Rodney (King) will answer those questions in regard to how the increases in the Budget from year to year were determined.

Commissioner Kennett proceeded with the overall Budget increasing 10.2% over last year's Budget; translated into dollars that's \$315,857.00. The Labor line increased by \$84,979.00; \$37,500.00 of that increase is a full year versus a half a year of the new position that was put into the General Budget last year. In other words, they had a new Officer which they budgeted for July through December and, of course, that new Officer is budgeted for the full year. Another \$10,000.00 of that increase is in the overtime budget; the remainder of the increase is for increases in salaries for 31 staff positions including 22 full-time Officer positions, 7 Dispatchers, 1 Prosecutor and 2 administrative staff.

Chairman Sordi asked when talking Labor, do you mean both labor and benefits or just labor. Commissioner Kennett stated just labor, she's getting to the benefits. Chairman asked how much it had gone up and Commissioner Kennett stated \$84,979.00.

Commissioner Kennett stated the Benefit line increased by \$167,434.00. The majority of that increase is impacted by the following: the Town is now picking up all of the Retirement and that would mean an additional \$56,000.00 in the Retirement line. The State previously picked that up and then just passed that on to the Town. Starting with this year's budget, partially and she believes fully for the 2012 Budget, \$35,000.00 is due to a potential retirement of a long time Officer; he has made his intentions known and they were able to budget for it. An additional \$30,000.00 is due to unanticipated retirements. This past year they paid out \$45,000.00 in unanticipated resignations or retirements which means that was money that they owed those Officers in overtime, vacation pay, holiday pay, longevity; there are a number of things that impact sick pay is the most significant impact. They do not budget for that on an annual basis and have discussed the wisdom, or the lack thereof, of that but there really isn't a mechanism in place yet for them to do that.

Ted Sares stated when somebody retires like that in an unanticipated way, many times people who are responsible for a situation like that look at that as an opportunity rather than as a detriment. What they say is "this is going to hurt us because now we have to pay unused vacation, sick leave and all of that stuff", but they can also attrite that person for awhile, temporary attrition. What they can do is not fill the vacancy and let it roll for a while and kind of suck it up and let roll and make up

the loss. That's what a lot of people do. Having heard all of the laudatory comments about the Police Department, he would recommend that because if the Police Department is as good as people are saying it is, then we can certainly do that attrition. Commissioner Kennett stated that was in fact what they did do because they had no other choice. Ted stated it was forced. Commissioner Kennett agreed. Ted stated he was saying manage it, don't force it, manage it that way. Commissioner Kennett stated the problem with that is that it translates down into compromised service to this community. Ted stated he didn't buy that, but we'll get into that later; he didn't buy that at all.

Commissioner Kennett stated as she was saying they were impacted by \$45,000.00 last year so this year in order to not compromise service to the community, they are putting \$30,000.00 in there. Another \$15,000.00 of the increase is due to the fact that they had a few of the Officers change status in medical benefits, going from single to married or single to family and so they are including \$15,000.00 for the potential of that to happen again. They do, as the type of business that they are in, hire young people who often are either not married or do not yet have children and they are likely to be more impacted as time moves forward.

Joe Mosca stated that under the Earned Benefits that they increased it by \$15,000.00. Commissioner Kennett stated not Earned Benefits, that would be for Medical Benefits; we were previously talking about Earned Benefits. Joe questioned going up \$15,000.00 in Medical Benefits. Commissioner Kennett stated actually what she said was the increase in the Benefit line which includes all of their benefits, a portion of that increase was due to the fact that there is a new \$15,000.00 expense in there for the potential for somebody to change their medical benefit status. In other words, from single person to a married couple or to a family policy. If you look at the Budget Summary, they have five categories and she is just doing a summary. Joe stated he was looking at line items, not summaries, and he was trying to follow as she was going and the numbers don't make sense. Commissioner Kennett stated that she guessed where she was going was to just highlight where the increases occur and then go to the line item and she was just giving an overview of the budget. She thought that it might be best if the members let her give the overview and then members could zero in on the questions that they have. Chairman Sordi stated he thought that he would like people to at least get their question out so that we don't have to try to back track.

Karen Umberger stated it was stated that you put an additional \$15,000.00 in the medical insurance without knowing whether or not you're going to have to spend it which means that come December she should be able to ask if anyone changed their medical things and you should be able to say "yes" or "no" and we should have \$15,000.00 back because she finds it's not the right way to budget. You don't budget for the perhaps, you budget especially on your medical insurance for what you know. If you know that one of your Officer's wives is pregnant today, then she would expect that some time in the next 9 months that you would now have a Family Plan or if someone is engaged, then you would know that they would get married. To just base it on perhaps is not the right way.

Commissioner Kennett stated if she could just get through the summary then she could explain their strategy in this budget process. The

Operations line increased by \$36,000.00 from last year's amount; the great majority of this increase is due to historical experience. This year, as she said, under Rodney's (King) leadership the Department is budgeting from a 3 year average of expenditures. The Vehicle line increased by \$25,900.00; gas represents 60% of that increase and vehicle maintenance and equipment represents 40% of that increase. Again, she believes the majority of that increase is based on the experience of their last 3 years.

Commissioner Kennett stated Professional Services went up \$1,500.00 which is a 100% increase from last year but they are part of a pool and that is their portion in 2012. As she was saying, they did budget a bit differently this year. They did experience some things that were unanticipated and they recognize the nature of their business and of their staffing and felt that in order to not have to, as Ted (Sares) said "suck it up" again, they should make provisions for those kinds of things. In fact, this year, while in the process of arresting one alleged criminal, the Police Officer had to let him go to respond to another more serious crime and that's not the kind of service this Department wants to provide. Of course, in this form of government, it's up to all of the voters as to what level of service they want. This year the Board of Selectmen did support their budget. They are hoping to get that same support from the Committee and they welcome questions so that they can make this case for the community.

Chairman Sordi stated one thing that was mentioned a couple of times was that they used a 3-year average to set their budget line items. The first thing that he would ask is if you are going to do that, he would like to see the 2009 numbers also so that members have those three numbers to look at. If he looks at the Operating Budget, they have requested \$181,000.00 and he looks at the last two years and the average is down around \$144,000.00 which would mean that 2009 had to be much higher than that in order to get to an average of \$181,000.00. He was trying to see how that third year plays into the averages they are putting into the Budget and whether that strategy they are talking about is actually being applied to this year's budget because he doesn't see it, at least on the Operations Budget.

Chief Wagner stated it was the 2008, 2009 and 2010 Budget that was the three years because 2011 wasn't done yet, they did this in September. It was 2008, 2009 and 2010 that they used for the three year average. Chairman Sordi stated he would like to get the 2008 and 2009 numbers just so that the members could understand it would be very helpful.

Joe Mosca stated he didn't think 2008 was relevant because you basically have 2011 in front of you and you can extrapolate out what the difference is going to be for the last couple of weeks of the year because those numbers could skew everything. To him, they are irrelevant numbers. Chairman Sordi stated he understood what Joe was saying; the only thing that he was saying is that if the strategy is using 2008, 2009 and 2010, then let's at least have the data in front of us to understand what it says irregardless of whether we agree with the strategy or not, let's at least have the data. Chairman further stated he did understand what Joe was saying.

Ted Sares stated no one's a bigger supporter than he is of the Police, in fact he even gave them a plug in his recent book. But as he understands it, the key in this discussion is that the Selectmen have approved two additional Officers over the next "x" number of years and another Officer will be provided through Federal funds, correct. Commissioner Kennett stated it was their hope that they will be the recipient of a Cops Grant which will provide funding for an Officer for 3 years provided the Town of Conway provides the funding for the fourth year. Ted stated then in the fifth year that will be permanent because what happens is when you get Federal funding like that it's kind of like a Grant; a Grant evolves into a line item and it's permanent. In effect, they are looking to get 3 more Officers and for him, and he's not going to discuss it here because he needs to do more studying on it. Commissioner Kennett stated it's one additional Officer in the Cops Grant and there is a separate Article for one additional Officer as well. Ted asked when do you want the one, not the Cops Grant but the one. Commissioner Kennett stated the one would be again hired by July; they would wait for the Article to be approved, that will be in April and they would look for him to be there in July. Ted asked if the Selectmen have approved that. Commissioner Kennett stated she did not know if the Selectmen had actually voted on the Special Warrant Articles, these are both in Special Warrant Articles. Mike DiGregorio stated they had not voted on the actual Articles yet. Commissioner Kennett stated that her sense was that they are in favor. Ted stated we need more than your sense, but he trusted her sense. He thought the arguments were going to center and focus on that.

Chairman Sordi stated he still wanted Rodney (King) to go line by line but he wanted to make sure everyone's questions are asked up to this point.

Dick Klement stated there is no Cops Grant out there at the present time, correct. Commissioner King stated correct. Dick stated so they were hoping that the Feds come up with some money and, if so, they will apply. Commissioner Kennett stated yes. Dick asked if he was seeing what he saw before when talking about the Rec Center; he was looking under Medical Insurance, under Benefits, asking for \$547,000.00 and the Selectmen said \$427,000.00. Is that a revenue issue again. Commissioner Kennett stated we are looking at different things, so it's hard for her to address that. No, Medical Benefits is not a Revolving Loan. Chairman Sordi asked what do you mean that we are looking at different things. Commissioner Kennett stated they don't have the same thing the members have. Earl Sires stated the 2012 Requested column that has the \$547,000.00 in it is what was initially requested by the Police Department; the \$427,000.00 is a revised number based on recalculation of medical insurance and number of personnel and that kind of thing. It's just a change in the estimate. Ted Sares stated it was a positive change. Dick stated you are getting what you asked for and Commissioner Kennett stated yes.

Chief Wagner stated if you want it clarified, what is done is in September they don't have the rates for the medical insurance so you guess and they estimated a 10% increase and he thought that was the \$547,000.00. When the actual rates came out, they adjusted it and it went down. Ted Sares stated you guessed high and it came down. Chief Wagner agreed.

Karen Umberger asked if this number includes the anticipated "perhaps" money. Commissioner King stated it does because if you have a new Officer that comes in at \$6,000.00 roughly for his benefit and he gets married, it basically doubles the \$6,000.00. Where they have gone through so many Officers in the last 12 months, any new Officers that don't come in with a Family Plan and get married within that 12 month period, it just plays havoc with the Budget tremendously.

Chairman Sordi stated let's go through line by line; let's go through the line items because he thought a lot of these questions may get answered. Commissioner Kennett stated they did not have what the Committee had. Chairman asked Earl Sires if he could lend his book to the Commissioners in order to go through the line by line. Mike DiGregorio stated it would be easier if he and Betty (Loynd) shared and the Commissioners used his book. Chairman stated he guessed that Rodney (King) was going to go through each of the lines and explain what the differences are. Chairman directed the Commissioners to the specific page marked "B" and explained that these are each of the line items with the description, the differences and then maybe Rodney could shed some light on why we have the differences we do for each one of these and we can get through this.

Commissioner King stated the first one, Regular Officers, is Labor Costs and last year the voters approved a Officer for 6 months. This year the Budget increases \$46,000.00 as the balance of his salary for a one year term.

Joe Mosca stated the only problem with that that he sees is that the numbers on Form B don't necessarily match the Selectmen's numbers. Chairman Sordi stated let's go through each one and let's try to get as much out of the way as possible. Chairman stated to Earl Sires that there was a lot of confusion about what the Committee had and what they have available and differences in numbers. Does it make sense to do this another night and sit down and go through these. He didn't want to do that to be perfectly honest. Commissioner Kennett stated she was sure if the Commissioners were asked about a specific line item, they can answer the question; members just can't say look at this column because they don't have that column. Chairman stated Rod (King) was going to do something. Commissioner King stated he was going to answer questions regarding their Operating Budget and how he came up with that number.

Karen Umberger stated it's difficult to proceed that way when we don't know what number they have because if the number that we, as a Budget Committee, have to be prepared to discuss is the number that the Selectmen submitted to us and that's the number that we will. Commissioner Kennett stated they are the wrong numbers. Chairman Sordi stated then we need to table this and do it another night.

Ted Sares stated the only document that they have that we have so that oranges are oranges is this one. Chairman Sordi agreed. Ted asked why the Committee didn't follow that one to some degree of consistency. Any other document is different. Karen Umberger stated they don't have that either. Commissioner Kennett stated this document of yours is not correct. Chairman stated they have the document, it's not jiving with the numbers they have so we need to align these two. Chief Wagner stated he had been through their whole budget for Labor and not a single one of them is

wrong. Commissioner Kennett stated she was looking at the Summary and now had it.

Commissioner Kennett stated for the Regular Officer line the total is \$1,192,379.00. Chairman asked Commissioner King to point out some of the highlights and/or changes that have occurred. Commissioner King stated that in there is the balance of the Officer's salary along with the Labor Contract, that's what that one is.

Karen Umberger stated you currently have 22 Police Officers on staff. Commissioner King stated no, they have 21. Karen stated so you are short one Officer and Commissioner King agreed. Karen stated you are budgeting that for the entire year although you haven't hired him. Commissioner King agreed. Karen asked when were they anticipating that hire to occur. Commissioner King stated they anticipate that hire to occur sometime in February. Because they had such a fluid year with help, they are currently down one Officer. They were down 3 Officers right before Christmas. Right now they are just down one and hopefully that position will be filled in February. Karen stated so we've hired two since Christmas. Commissioner Kennett stated no, prior to Christmas. Commissioner King stated prior to Christmas and they came on the first of the year he believed. Chief Wagner confirmed they came on January 3<sup>rd</sup>.

Ted Sares stated that's why he said three; they are going to replace one and then they are going do one with the Cop thing and they would like to hire another one. That's where he got the three. The replacement really is not an addition. Commissioner King agreed.

Ted Sares stated the big thing for him on this page is the Benefits, that's where the big movement is. You're looking at Actual and then you're looking at Requested and there's a tremendous difference. He understands some of that, he understands the Retirement thing of \$56,000.00, but even that, if you take that out of it, it's still around \$100,000.00. Commissioner King stated it's an additional \$65,000.00, \$30,000.00 of that is for the anticipated Officer that's going to retire this year; that's what they will owe him when he leaves, when he walks out the door. There's an additional \$35,000.00 there so that should anyone choose to leave during the year, they won't be shut down an Officer all year long again. Ted stated that one bothers him.

Chairman Sordi stated what we're going to do is, let's look at the third page of Section 12. This is the budget worksheet line by line and the difference between 2011 and 2012. Commissioner Kennett asked what page the Chairman was requesting that they look at and the Chairman stated the third page, the beginning of Form B. We are going to go through that line by line because he felt that way the increases are there and members could ask questions about each one rather than trying to do it by the single page and bouncing around everywhere.

Joe Mosca stated that works for him and he had a question on Merit. Chairman Sordi asked members to state the Code number so everyone would know what was being talked about. Joe stated Code number 118-1020. Commissioner King stated the Merit line basically has to do with wage increases that are due Novemberish of 2012. In other words, they have a

wage increase due them in November of 2012. Joe stated it was coming back to him now, he couldn't remember from last year.

Chairman Sordi requested that everyone start at the first page, Code number 870 and asked if there were any questions on that page. There being no questions on the first page, Chairman proceeded to the second page with Code number 960 and asked if there were any questions.

Ted Sares stated he had a question on Code number 1000, Longevity. He assumed everything there is an increase as a result of the wage increases or is there a contractual increase there. Chief Wagner stated included longevity, educational incentive and sick time. Ted stated his question was has anything changed there on the Contracts, anything new in the Contract with the Union. Chief Wagner stated no. Ted stated then he understands it.

Karen Umberger stated on Merit, are they negotiating a Contract this year. Commissioner Doherty stated no, next year; they will start the end of this year. Ted Sares stated they are in the last year of their Contract. Karen asked how did the Merit pay which we pay always in November, two months and that's all we ever see in the Budget, how did it go from \$2,000.00 to \$13,000.00. Ted Sares stated he was looking at \$425.00. Karen stated it was budgeted in 2011 for \$2,799.00; they are budgeting for 2012 \$13,925.00 and so she was trying to come to grips with how come last year there was roughly a \$3,000.00 Merit thing and this year there is a \$14,000.00 Merit thing.

Lucy Philbrick stated at the time that the raises are given out, money is transferred from the Merit line to the Salary line as appropriate. So the Merit line is reduced when the raises are given. Commissioner King stated so what Lucy is saying is that's the leftover money and Lucy agreed.

Karen Umberger asked what the Merit line was for 2011. Commissioner King stated he believed it was \$13,500.00 because it says it's an increase of \$425.00. Chairman Sordi asked Chief Wagner if that was correct and he agreed. Karen stated \$13,500.00; you added another officer, but you're going to subtract one. Commissioner King stated there were no subtractions. Karen stated there's one retiring and Commissioner King stated sometime in 2012. Karen stated then he shouldn't get a merit raise in November. Commissioner King stated somebody will, whoever's here will. Karen stated you don't get merit raises in your first year and so whoever is hired will be in their first year; so you're going to be down one experienced Officer and you've hired 3 new Officers, she didn't know what their probation time was for those 3 new Officers that they are planning to hire, but she would be very surprised if in their first year of duty they receive the same kind of merit pay that the remainder of the force that have been here for several years would receive. That's just her humble opinion because she didn't know what their qualifications were for a merit raise.

Chief Wagner stated what happens is they get the same merit pay, whatever their evaluation comes out to, it's put in their evaluation system. In other words, if they get a \$1,000.00 merit pay increase; that will be divided by how many months they have been employed by the Police Department. If they've been employed by the Police Department for two

months, they will get two months of that \$1,000.00 raise. That's how that's set; they will get an increase. Karen Umberger asked what the probation time was. Chief Wagner stated one year. Karen stated they are eligible for merit pay while they are on probation and Chief Wagner stated yes.

Ted Sares stated it's a Contract; it is what it is, it's a Contract. On it's face it may not sound logical, but when you negotiate a Contract there's a lot of background and sometimes you have to know the background while the negotiations are taking place to understand what seemingly doesn't make sense. He could understand what was being said.

Chairman Sordi proceeded to the next page, Code 1030, beginning with Professional Liability Insurance. There is an increase of \$156,230.00, obviously that's not correct because the \$156,230.00 was based on the anticipated \$547,000.00 when in fact he thought they were now asking for \$427,000.00, an increase of about \$30,000.00 in the Medical Benefits for this year. Commissioner Kennett stated it went up 1.5%. Chairman stated that sounded about right. Commissioner Kennett stated last year the total was \$391,170.00 and it looks like this year the total is \$422,242.00. Chairman stated then it went up about 10%, a little less than 10%, maybe 8%. Commissioner King stated there is also \$15,000.00 in there should they have an Officer that gets married or whatever, they will be able to meet the demand.

Dick Klement stated on line 1040, appropriate for this time of year, there are 32 employees noted; does that account for the 22 that the Commissioners are anticipating having, that are fully funded at this point plus the 7 Dispatchers and help him with the rest. Commissioner Kennett stated they have 22 Police Officer positions, 7 Dispatchers, 1 Prosecutor and 2 administrative staff currently.

Chairman Sordi proceeded with the following page, Earned Benefits, line 1095, the only one on that page. Chairman stated if he looks at the page correctly at the bottom it says for last year \$774,052.00, that's the benefit line item; now you are showing \$1.06 Million and it's actually \$941,000.00 so you are up about \$167,000.00. Commissioner Kennett stated \$167,434.00 is what they are up.

Ted Sares stated he was looking at 1095 and his question is if you look back at the last 3 years, what's been the experience with this; has there been any experience that would justify that budgeting. Commissioner Kennett stated they had a difficult time in 2011 to the tune of \$45,000.00 of unanticipated Earned Benefits. Ted asked if it was for this reason, for a full-time employee departing. Commissioner King stated yes and they had the same in 2010 and believed that they paid out \$30,000.00 in 2010. Ted stated so for two years running they've had this and now you're saying let's budget, let's not get caught with it. All Commissioners agreed. Commissioner King stated where the budget is run so tight, there's no leeway and if they're down two Officers, either working them to the bone or else there's no coverage. Ted stated if everything hits the Budget perfect and nobody departs, then you should have a surplus of \$64,000.00 which will come back to us. Commissioner Kennett stated absolutely. Commissioner King stated you'll have \$65,000.00 back,

but for sure there will be a \$30,000.00 gentleman that's going to leave. Ted stated he would be waiting for that.

Chairman Sordi stated for a second he was going to hold off going to the next page. His understanding is that once they get their Budget, while they provided a line item budget like they did, they are able to spend it any way they want. Commissioner Kennett stated any way they need. Chairman stated any way you want actually, but nevertheless, he's going along with Ted's (Sares) and Karen's (Umberger) concern that at the end of the year if some of these line items don't occur that were budgeted in case it happens, contingencies were budgeted, they don't occur and all of the other Budget line items are met, is that money going to be returned to the taxpayer or is it going to be used for other purposes that the Department feels it needs to spend it on. Commissioner Kennett stated that her answer to that and since they were all three sitting there each could answer for themselves, that is not to say that they haven't had discussions. Her answer is that barring any unforeseen drastic measure, that money will be there. In this past year, they did have an unforeseen drastic measure that required quite a bit of overtime. She can't promise that something like that won't happen again; but what she can promise is that if that money is spent, it will be for a reason that you would all say is a good reason. Chairman stated he would go back to 2 years ago when money was spent at the end of the year that we probably wouldn't have agreed was reasonable at the end of a year that was very difficult economically and you have to understand our concern that it could happen again. Commissioner Kennett stated she understood his concern and she understood that gave the appearance of not being a drastic measure and she thought her mis-step on that was not making it more public what the needs of this Department were at that time. She will not make that mistake again. Chairman stated fair enough.

Ray Shakir stated he would personally caution taking that approach because, and he was sure Karen (Umberger) would confirm, that same type of business has been going on, he knew he was familiar with it, on the County level and it's gotten blown way out of proportion that they have just taken for granted that they can move money around line by line by line any place they want to and it's gone crazy to the point where he believes Frank McCarthy is introducing legislation to change the whole process because it's gotten out of hand. He can understand personally that it's good to work that way initially, but there's no check and balance on it. Commissioner King stated that's why they were sitting there; there is a check and balance. He thought realistically the Police Department has run on a shoestring for numerous years and when he sat and went through their Budget, he had to confess he was amazed at what they did do and still had money left over, but it basically confused him to think that they'd spent \$10,000.00 on equipment and then ask for \$4,000.00 next year, it just made no sense whatsoever. He thought that is what drove that spending at the end of the year because there was money left in the account and they needed items that they didn't budget correctly for, so they bought them which he thinks is done at any town level. What they are trying to do now is to make sure that they have the money to fund the Police Department correctly and spend that money in the appropriate line items. Ray stated he wasn't disputing that at all and he wasn't suggesting otherwise. He was just saying that the way you go about appropriating it, there has got to be some other different method than

just taking it for granted that you can steal from Peter to pay Paul. Commissioner King stated he concurred with Commissioner Kennett, as long as he is still there, he will not authorize unauthorized spending from line to line. You are going to need to convince him and the rest of the members of this Board or they are not going to do it. If it becomes a safety issue for our Officers, then yes because he's thinking that you are going to want me to do that, but other than that, that's what's going to happen.

Chairman Sordi stated he understood where Commissioner King was coming from and he understood where Ray (Shakir) was coming from and he wanted to continue with the questions, but just to clarify to the Commissioners and to the Budget Committee this is the only opportunity we have to impose a check on what you are going to do. Commissioner King stated he understood. Chairman stated so that's why members are asking the questions that they are. None of us want the public to be unsafe or to hamstring the Police Department in a way that will impact their ability to do what they need to, but this is the only way we can impose a check on what you are doing.

Chief Wagner stated he certainly understood what everybody was saying. He thought what he wanted to get across was that they probably lost close to 20 months of somebody being gone in a 12 month period; so almost 2 people gone for a whole year. They had somebody that left in April; they had two people leave in October so that's 14 months right there. They had somebody else leave. It just makes it difficult, and he knows what's being said, but it just makes it difficult to be down 2 people the whole year or pretty close to that. That's why they wanted to come up with some kind of contingency where if somebody left they'd be able to pay that person out and be able to hire right away instead of waiting like they had to this year.

Ted Sares stated you have my sympathy on that Chief; however, it's a two sided coin. When you all say we've got a great Department and he agrees that it is and you do the deal on Dittmeyer and you do the deal on the robbery over at the bank, that's good police work, that's outstanding police work. He sees the Police Department being outstanding the way it is and so when a Police Department that he perceives is outstanding saying they could be more outstanding, that's a hard one. He does understand where they are coming from and he does support it, but be careful of the two sides of that coin. Chief Wagner stated then don't fault us for being good.

Karen Umberger stated it was stated that the known departure is going to cost \$30,000.00. Commissioner King stated that's an estimate, yes. Karen stated you should know. Commissioner King stated it all depends on when he leaves; that's why it's a very good estimate. Karen stated you've indicated that he's told you that he's going to retire and has probably given you some sort of date. Then you're asking for a \$34,000.00 contingency. Commissioner King stated that was correct, \$35,000.00 to be honest. Commissioner Kennett stated there was \$1,000.00 in there last year; it's actually a \$34,000.00 increase. Karen stated you're asking for \$35,000.00 just in case. Commissioner King stated that was correct. Commissioner Kennett stated they spent \$45,000.00 this past year. Commissioner Doherty stated you have no idea when these guys are going to

leave; it's no different, they don't announce any more that they are going to get married to a single lady. They come in and in two weeks are married and she has two kids, it's tripled. They have to put something in there, otherwise you're going to cut Officers and they can't and that's the only slush fund.

Chairman Sordi stated he thought the members understood what they're doing, we may not agree with it and that, he thought, was where members were coming from right now. Betty Loynd stated she agreed with it and thought it was a good idea.

Chief Wagner stated they could budget everybody for a Family Plan or everybody that is single make a 2-person and everybody that's a 2-person make them a Family Plan. He knows that is done at different levels he thought within the County. They tried to cut it as close as they could to where they are suppose to be. They thought about doing that actually at the beginning of the budget process, but decided that everybody that's a single is not going to get married and everybody that's a 2-person is not going to become a family automatically, so they just decided what was the best route to take and they decided that \$15,000.00 in there as a contingency will help them out a little bit.

Ted Sares stated he thought the key here, and he's come around to where Betty (Loynd) is, the key here is that they do manage a tight budget, it's a close tight budget and in those circumstances if they do run into these unanticipated events, they are really hung up. He's starting to come around recognizing that in corporate they would never do that. On the other hand, in corporate they would mix and match which, as Ray (Shakir) said, you shouldn't, they would move money around like you wouldn't believe.

Betty Loynd stated that's the other piece of it. If Chief Wagner gets a budget and something comes up in one spot, he should be able to adjust it. He's the Chief of the Department, that's his job.

Chairman Sordi stated this is a discussion for a different night; he understood what everyone was saying. Chairman asked members to focus on questions tonight or we are never going to get out of here.

Karen Umberger stated she had a response. If every single agency that we budget with, that we handle with the budget, throws in extra money for health insurance, throws in extra money for Earned Benefits, throws in extra money for maybe something's going to happen, all of a sudden we're going to have a tax increase of \$10.00 a thousand. You can't sit here and say that the Police Department has been cut any more or any less than every other Department that we manage as a Budget Committee. It's all the same.

Chairman Sordi stated he wanted to try and get back to questions. Tonight is for questions; not for our discussion and what's right and what we're going to vote on which is what we're getting into and we could be here until midnight.

Kelly DeFeo stated on dispatch and she knew that they probably didn't budget this year for dispatch, you budgeted for dispatch but not as much

as you're using. Commissioner Kennett stated they budgeted for 7 full-time Dispatchers which is what they had in the past and it's what they need in the future and that's what they want. Kelly stated then it is an accurate reflection of what they are actually using right now. Commissioner Kennett stated it was.

Chairman Sordi proceeded with the next page that has Office Supplies at the top, Line 1110, and asked if there were any questions for anything on that page. Danielle Santuccio asked why the increase in the yearly publications, it's not a huge increase overall budgetwise but she was wondering why that went up. Commissioner King stated because of the Prosecutor now. Danielle stated they still had those books before. Chief Wagner stated she has a subscription to the Bar Journal and some bar publications that they didn't need before.

Ray Shakir stated just curiosity, but everybody's coming to the Budget Committee and the first thing they say is that they have to spend 10% more because of fuel costs to heat their buildings or whatever. This says no change and asked that they tell him how they did that. Chief Wagner stated again, they did the 3 year average; they had some left over this year; they don't know what the cost of heating fuel is going to be but they did have some left over this year so they just decided to keep that the same. They did the 3-year average. Commissioner Doherty stated too many variables to peg that one. Ray stated invariably everybody comes in and says my gas went up and there's no question about that, but when he sees no change, he thinks maybe they heat with wood.

Karen Umberger stated she had a question for Earl Sires. The Police Department gets their fuel from the Town, they're on the same Contract, and so her question is what is the Town projecting for heating oil costs. Earl stated he didn't know right off what the actual number was, but knew Paul (DegliAngeli) uses a similar roughing average over a period of time and to be honest, their practice has been to give their best guess in October, November, December, January and then when they get to Town Meeting in March see what things look like and adjust if they have to. As Dave (Doherty) said, it's a dark horse.

Karen Umberger stated she knew that we have gone up on gasoline over the years, but she didn't remember of ever going up on heating fuel, but that's okay. What your saying is that everybody in the Town is doing the same amount for heating oil for this year and that if you anticipate a change, you will bring it to the Deliberative Session. Is that what she is hearing. Earl Sires stated that was what he was saying. Karen stated whether it's true or not, we don't know. Earl stated they've given it their best guess based on the information that they have, what they've paid out over time and fully acknowledge that they may be talking about an adjustment, up or down, in March.

Mike DiGregorio stated correct him if he is wrong, but at the Deliberative last year, didn't we, as a whole, adjust everybody up to \$4.00 a gallon. Chief Wagner and Karen Umberger both stated that was for gas. Mike stated we adjusted heating oil too. Lucy Philbrick stated yes. Mike stated that is probably why we are seeing no change here because we've already made that huge adjustment last year. Commissioner King stated if you take their average for the past 3 years, they obviously

fueled up right before the end of the year because they use about 21,050 gallons per year to heat that building. Mike stated he guessed Earl (Sires) was correct though, come March if we feel as though something has dramatically dropped, he would assume they would make that adjustment then.

Karen Umberger stated she guessed the only thing that she would like to know is how much are we projecting heating oil to cost. Earl Sires stated he would get that number.

Commissioner King stated he needed to make a correction: it was 2,150 gallons. Chairman Sordi stated he was going to say 21,000 gallons, they don't have enough money in there for the oil.

Chairman Sordi proceeded with the next page, Line 1220, beginning with Electricity/Power for the Police Station and asked if there were any questions for anything on that page.

Joe Mosca stated Equipment and Uniforms, both of them. Commissioner King stated Equipment is a 3-year running average, that's exactly where he took that number from. Basically he took the last 3 years and came up with what they spent in 2008, 2009 and 2010 and used that for the 2012 Budget. Joe stated we don't have the numbers that you used, but for the 2 years that he sees in front of him which is 2010 and 2011, your average is about \$5,800.00. Commissioner King stated what they did was move things in the budget and what they did was move things within that Budget down. What he is saying is that if you took the actual items that they bought under Equipment for those 3 years, that's the number. Joe stated that's what he is looking at is Actual, it says Actual for Equipment, so he's hoping that we're not doing voodoo economics here, that things are being charged to the right lines. What he was saying is that the Actual Spent doesn't come close to what they are putting down for a number; what he is looking at doesn't come close. The same thing goes for Uniforms, actually this year's Actual is pretty high. Commissioner King stated Uniforms is due to the change in the help. Commissioner Doherty stated it was about \$2,500.00 for the total change of an Officer. Joe stated Uniforms he can buy, but Equipment he is having an issue with those.

Bill Marvel stated in order to make a \$30,000.00 average, that would mean that you would have had to have spent \$20,000.00 on Equipment. Commissioner King stated he didn't have his sheet with him. Chief Wagner stated not to bring up bad history, but 2008 was when they did spend at the end of the year and most of that was on Equipment. It may have been close to \$20,000.00, he was not sure since he didn't have those numbers in front of him. That was the year that they spent extra money on equipment. He wanted to make it clear that if they spend money on a piece of equipment, they don't charge that to the medical insurance line. They don't move money around in that sense. Whatever they spend it on, if it's Office Equipment they charge it to Office Equipment and if that line is overspent, then it's overspent. But 2008 was the year that they overspent.

Chairman Sordi asked if someone would get the Committee the 2008 and 2009 numbers so that the members could take a look at it and further discuss it to see if there were any further questions.

Dick Klement asked Chief Wagner if there was a life cycle on the vests. Chief Wagner stated yes, 5 years. Dick asked how much did the vests cost. Chief Wagner stated about \$750.00/\$800.00. Dick stated and we are buying them for our Officers, correct. Chief Wagner stated yes. Joe Mosca stated but they don't replace them all at once; the whole force isn't getting replaced at one fell swoop, you're probably doing 5 of 6 each year he assumed. Chief Wagner stated that was correct and he thought already this year they have done 4 or 5, they have hired 2 new people and the one's that were older than 5 years were replaced. Bill Marvel asked if the vests were custom fitted and Chief Wagner stated they were.

Karen Umberger stated in Care of Prisoners, with the increase of \$350.00 she assumed they were no longer serving peanut butter sandwiches and she would now like to know what they are serving so that if she ever gets arrested, she will know what to expect for lunch. Chief Wagner stated they do not buy peanut butter and jelly any more and he thought they probably threw out more bread than they care to talk about. They do go to the Dollar Menu and buy a cheeseburger and that's really it. Karen stated so you're expecting 350 more prisoners this year. Chief Wagner stated no, what he was saying was that they did a 3-year average and came out with an average of about \$500.00 per year that they spend on prisoners. They've had more prisoners in the past two years than they've ever had. Those dollars add up as everybody knows, but they don't get anything more than a cheeseburger. He thought they were wasting bread and the peanut butter would hang around and get moldy.

Ray Shakir stated with all due respect to Karen (Umberger), if anybody's gone out and bought food within the last 6 months, \$350.00 is a bargain. Peanut butter and jelly is probably very expensive.

Chairman Sordi proceeded to the next page, Code 1288, Telephone and asked if there were any questions for that page. Joe Mosca stated on Telephones, why is there a \$4,000.00 increase. Commissioner King stated 3-year average. Commissioner King asked if he could e-mail the spreadsheet to somebody. Chairman stated to e-mail it to Earl (Sires) and he will get it to the Chairman.

Bill Marvel stated on the D.A.R.E. Program, he sees it increasing from \$1.00 a year or two ago to \$5,000.00 because you can't get donations. Commissioner Kennett stated that they had somebody in this community who would annually go out and fundraise for the D.A.R.E. Program and unfortunately he passed away. The decision was do they include D.A.R.E. in their budget or drop D.A.R.E. and they decided that it was more beneficial to this community to include it. Bill stated he didn't like Special Warrant Articles, but wouldn't this have been a good choice for that. He knows there is some dispute about the efficacy of D.A.R.E. Commissioner Kennett stated in their discussions about D.A.R.E. that the Officers in this Department felt that there was a benefit and she asked Lt. Perley to address that question.

Lt. Perley asked which question did they want him to respond to. Commissioner Kennett stated the value of D.A.R.E. and including it in the Budget. Lt. Perley stated the D.A.R.E. Program was very important to him and it has been a significant component of his career. He has been a

D.A.R.E. Officer, a D.A.R.E. Officer Instructor or a D.A.R.E. Mentor; he's been assigned to a State training team; he was the State President of the D.A.R.E. Officer Association in 2000/01 and he has been a direct provider or coordinator to the D.A.R.E. Program probably for a good two-thirds of his career which is 27 years now. He would say that there is discussion about the efficacy of D.A.R.E. just like there is discussion on the effectiveness of anything. You can find people to debate whether government itself is effective in the country, whether public schools are effective, whether holistic medicine is better than scientific based medicine, but what he can tell the members is that it has been an effective conduit for open lines of communication between the men and women of the Conway Police Department and the youth of the community.

Lt. Perley proceeded to state that they may not convince every child in the School System to never smoke a cigarette or break a window with a rock or take a drink, but he can guarantee that every student that comes out of our School System knows that they have a resource in the Police Department and the Police Officers. That really was the foundation of D.A.R.E., to provide a more community based face to a Police Department and that was the mechanism for that long before SRO's. It put Officers in the school in a non-confrontational manner so that the students at an impressionable age could see that they are there to help them. D.A.R.E. provides accurate safety information about drugs and bad behavior. It's not a scared straight program which traditionally doesn't work; it's a comprehensive program because at it's best it's presented in the K through 4 in one module, the core curriculum in 5 or 6 and they choose 6 because it's a transitional year here in our community before they go to the Middle School. There is also a Middle School component, a High School component and a Parent component. They have only really been able to present the core component as a curriculum, but the D.A.R.E. Officers also connect with the K through 4 on an as requested and as needed basis.

Lt. Perley stated the purpose of the money as Commissioner Kennett said, they had a really good community member, Roland Bishop, who used to go around in the Conway Village and put the touch on every single business and he's sure they knew he was coming every Spring and he did a great job raising money for the kids of the community because he really believed in it and they also had a large number of community neighbors that made D.A.R.E. their key donation organization, but those things change and also the nature of charity changes and D.A.R.E.'s been around for a quarter of a century so they're not the new kid on the block so maybe some other things get a little more attention or are the hot ticket so to speak. They don't get as much charitable contributions and he doesn't look at that as a negative reflection of D.A.R.E., he just looks at it as the natural trend of charitable giving because he didn't think people gave money based on some test score that a kid provided after D.A.R.E. or how many kids got caught with cigarettes versus how many didn't. He thought they provided their donations because they believed in the principles of the Program, the participants, both the Police and the School and the Parents working together, and also the result which was kids connecting with Police in a more effective and non-confrontational manner. Adults still talk to him that he had in school as D.A.R.E. kids, they remember some of the lessons, they remember some of the conversations they had and if you think about how many kids they've seen, probably 150 to 175 in the last 25 years, so you're talking over 3,000

kids over those two and a half decades. He thought \$5,000.00 was a pretty small price to pay back for the money other people have given them to run the Program.

Bill Marvel stated he understood why the Commissioners didn't choose to put it (D.A.R.E.) in a Warrant Article.

John Edgerton stated it is about Warrant Articles; if they determine that it is important he didn't want to see it as a Warrant Article because if it's turned down the law says you can't do it. Maintenance items don't belong in Warrant Articles. Anything that can be turned down that's needed shouldn't be a Warrant Article. Chairman Sordi agreed.

Joe Mosca asked if there had been any outreach to the community to find someone new to go around knocking on doors because this is the first he's heard that the money raised for D.A.R.E. has been through donations by one person going around. Commissioner Kennett stated that person took it upon himself to raise those donations; it's a very slippery slope for a representative of the Police Department. Joe stated he was not saying a representative of the Police Department, he was saying a representative of the community and was sure there are people out there that don't know that's how the D.A.R.E. funds had been raised in the past and maybe somebody would step forward and try to do something, run some type of charity event to raise money for D.A.R.E. Joe further stated that he thought it was a great program personally. Chairman Sordi asked Joe if he was volunteering and Joe stated he was involved in too many others right now or he would.

Mike DiGregorio stated he was glad to see that we are using Roland Bishop's name tonight because he was the number one contributor to that Program for years and Roland passed away and he believed in that Program wholeheartedly. It was brought up quite some time ago at the Selectmen's Office that Roland had passed away and that funds had gone away, and ironically enough he thought because of that, there was some press about it, there was some stuff on the TV and a couple of businesses did come forward and donate some money. To his knowledge, there has been nobody to take the Program over like Roland did and we have a captive audience here or an audience and it would be nice if somebody decided to do that. He thought it was a great Program; both of his kids went through it and he thought they learned a lot.

Chief Wagner stated Roland (Bishop) did do a great job, but he's not the only one they got money from; Golden Goose Days which no longer exists; Hannaford was one of their big supporters as well and they have been in discussions with Hannaford to try to get something going again and Hannaford approached them. They have been out there, they just don't have it and it's something that they either need to put in the Budget or, like what Commissioner Kennett said, do away with it if it can't be budgeted for.

Chairman Sordi proceeded with the next page, Police Vehicles and asked if there were any questions for that page. Maury McKinney stated he saw no change and asked what is the current condition of the cars that they do have and what is the schedule for maintenance on those. He personally thought the Police Department should have safe cars to drive around in.

Chief Wagner stated they have actually been talking about this a lot lately. They rotate, 2012 will be a two car year, 2013 will be one, 2014 will be two and so on and so forth down the line. The vehicles are on the Warrant Article which concerns him sometimes a little bit. As of right now, by the time May rolls around because they don't order cars until after Town Meeting so they can't order them until April, so by the time May or June comes around and they get cars, they will have three cars, one of them will have close to 200,000 miles on it, one's going to have about 175,000 and one's probably going to have about 140,000. In 2011, they had one car that the Town said they were not inspecting any more, so when they purchased a car in 2011, they had to replace that car and that took them out of schedule and they have a car that will not be able to be inspected this coming March so they've got to replace that as well. That is a 2000, it's 12 years old and it's got about 130,000 to 140,000 miles on it. They just don't last. He thought that if you ask the Town who gets the cars after they do, they don't come over in very good shape. Chief Wagner stated they have four cars that are run 24 hours a day and they put about 70,000 to 75,000 miles a year on them.

Maury McKinney asked what happens if the Warrant Article is voted down, where are you going to be. Chief Wagner stated SOL. Karen Umberger stated it's never been voted down. They may vote down the Town Budget, but they won't vote down the Police Vehicles. Chairman Sordi stated and that's one of the dangers of putting something like that on a Warrant Article. Maury stated that as a new member of the Budget Committee, he was not alarmed but just concerned and couldn't quite wrap his head around the concept of putting the community at risk like that. Commissioner Kennett stated the Police Department has never had a designated Capital Reserve Fund, but they have started discussion with the Board of Selectmen about doing just that and that would be one way in which they could avoid that potential pitfall. Maury stated he had a car with 175,000 miles and he makes decisions on the exponential risk caused, maybe not exponential but the added risk. Chairman Sordi jokingly asked Maury if he was going to donate it to Earl (Sires) when he was done with it.

Karen Umberger stated this is on gasoline costs; showing it is going up \$15,000.00 and she knows that the gasoline is also part of the Town Contract and so she thought members needed to know what the Town Contract is, what the price is going to be for the Town Contract so that we can adjust the gasoline for all of the Town entities to the same amount and not just because. Commissioner Doherty stated it varies every time they get gas. Chairman Sordi stated he thought what Karen was saying is let's keep it consistent across all of the entities. Earl Sires stated he would get the actual number, it's basic cost, invoice plus some percentage; it's wholesale plus a mark up from the supplier. They bid that out every year and he would certainly get that. One of the things that makes this stuff kind of variable though is just the practice; for example the Police were able to purchase gas right towards the end of the year so their usage won't reflect 100% next year, or this year, of their 2012 usage because they bought prior to 2012, filled up their tanks. It kind of varies but he will get the actual baseline price that they pay. Chief Wagner stated he could state that they either partially filled up or completely filled up their gas tanks 5 times this year. The cheapest they paid was \$2.71 back in January of last year; the most expensive they paid he thought was \$3.43 which was in July. It averages out to about \$3.20.

They just paid \$2.90 in December and it seems to be going up. Their lowest was \$2.70 and he thought all but this one was \$2.93, everything else was above \$3.00 a gallon. Commissioner King stated the average gallons consumed is 26,480 and that's the 3-year average.

Bill Marvel stated he's had a lot of cars that one mechanic after another say they won't inspect again and it's always, always because of the rust. If your cars are getting 75,000 miles a year and then you can't keep any of them for more than 3 years from the figures that we hear, why are they not inspectable any more. Chief Wagner stated he didn't know and guessed that they should probably have Mike here from the Town Garage, he's the one that does all of their work. Bill stated everything else seems repairable. Chief Wagner stated the ones that weren't inspectable, like the one for this year, is 12 years old. Bill stated then it wasn't a patrol car. Chief Wagner stated it wasn't a patrol car it's entire life time and the one that wasn't inspectable last year, he didn't know the exact year but did know that it was over 10 years or more.

Maury McKinney stated with the price of gas escalating, are there any strategies that you've started to develop or talk about and maybe reducing the cost of transportation within the Department; things like bio-diesel or electric cars or he was sure there were things in the industry going on and have they made allowances for putting those types of things in Capital Reserve for developing technology to possibly cut the transportation costs. Chief Wagner stated the only thing that they've discussed and he wouldn't say as a Board they discussed it, but a few years ago somebody talked about electric cars or hybrids. Bigger like New York City, LA have them but not as patrol vehicles that actually patrol the streets; they're administrative vehicles or parking ticket vehicles and stuff like that. He just didn't see any type of car other than a gas powered car that's going to withstand the pressures of a patrol vehicle.

Chairman Sordi proceeded with the last page, Professional Services and Costs for Contracts and Other Legal Fees increased by \$1,500.00 and asked if there were any questions. Karen Umberger stated a comment was made in the presentation that it was a pooled thing. Commissioner Kennett stated she wasn't exactly sure of the name. Chief Wagner stated the Professional Services basically is their lawyer and they've overspent that line in the last couple of years and they are just coming up to where they want it to be. They've had different things go on in the last couple of years that required them to contact their lawyer more than they have had to in the past. He really didn't see that trend going away and it's a \$1,500.00 increase because they only had \$1,500.00 in there before. Karen stated right, it's only \$1,500.00 here and \$3,000.00 there.

Karen Umberger asked Chairman Sordi whether he had forwarded her questions to Earl (Sires) and the Chairman stated he did. Commissioner Kennett stated they did have some answers for Karen, not that she actually compiled them. Chairman asked to have the answers given in writing. Commissioner Kennett stated her copy had both the questions and the answers. Chief Wagner stated he had all the answers he could answer in the time allotted him to answer the questions; he just received them yesterday. Chairman asked the Chief if he had more time could he have more answers. Chief Wagner stated he would make copies now and pass it out. Chairman asked about the questions he couldn't answer. Chief Wagner

stated there were four questions not answered and some of them really can not be answered. The track record between the current Prosecutor, he wasn't even sure what that meant. There was a question on there about providing a salary structure and he wasn't really sure what that meant and requested information on what that meant and then he may be able to answer that. Chairman asked that the copies be made tonight and then we will follow up with those questions.

Chairman Sordi asked if there were any questions right now for the Police Department or Commissioners. Chairman Sordi thanked everyone for coming in.

Earl Sires stated they had a chance to look at the Recreation information and basically the discrepancy is that some of the books didn't get the updated sheets. What they would like to do during the break is give everybody an entirely new section for Recreation and just take out what's in there and put in what they are going to give the members tonight.

#### AMBULANCE CONTRACT

Chairman Sordi welcomed everyone back from the break and he wanted to thank the gentlemen from the ambulance companies for patiently waiting as we waded through the different budget items tonight. Chairman invited the gentlemen to come forward and take a seat. There were a lot of questions about their contract and the services offered to the community. Chairman wasn't sure if there were any handouts for the Committee and Chief Solomon handed documents to the Chairman to hand out. Chairman further asked each gentleman to give a brief summary of the services offered, who the services are offered to, etc. Chairman forwarded some questions to them and they may be able to allude to some of the answers for those.

Steve Solomon, Fire Chief for the Conway Village Fire District which also runs the ambulance service for the southern half of the Town of Conway and Eric Damen, president of the Care Plus Ambulance which is the parent company to North Conway Ambulance Service made the presentation on the Ambulance Contract.

Chairman Sordi thanked each gentleman for coming and asked each to give a brief overview of each of the services provided, the District provided to and the proposed Contract with the Town and sort of calibrate us on where you are and then we can go forward with questions.

Chief Solomon stated they would have to kind of split up a little bit because they are different entities. Obviously, they are a municipal entity so when asked for financial data from them, they are obligated by law to give it to the members. They did their best to do that. He actually received the question list on Monday and it took him most of the day Monday to compile what he could. There was one specific question that he couldn't really answer and that was a question regarding what they receive for payment from the areas they cover which he took to mean what they receive from billing revenue for billing insurance companies based on where they pick the patient up. Chairman Sordi stated actually he thought the Committee was asking are there other Contracts they have that support the base line. Chief Solomon stated there was a separate question on that and he did include that information.

Chief Solomon stated in essence, the two services have been covering the Town of Conway for ambulance since 1986 when they took over from White's Ambulance which was a funeral home ambulance that covered the Town before that. This is actually a renewal of the Contract they've had for the past 5 years which is a 3-way Contract between the Town of Conway, the Conway Village Fire District and the North Conway Ambulance. The only change made in the Contract this year was the previous Contract had them broken up via phone number which doesn't really work since they have an overlay exchange of 452 so based on the old Contract nobody was actually covering the people with 452 phone numbers. There are people with cell service only that don't have a land line, so they actually chose to break the Contract up via the tax precincts using the boundaries that they use for the Non-Precinct Fire Contract. The only other change was a cost of living adjustment to the Contract rate. The Contract rate was fixed at \$77,000.00 for each of the two services or \$154,000.00 total for the last 5 years. Obviously the expenses continue to rise year to year, the Contract rate was fixed however. They chose to fix it again for 2012 and go with a Cost of Living Adjustment with a cap on it for the other 4 years of the Contract. That's how that figure worked out. Otherwise it's the exact same Contract they had for the previous 5 years.

Eric Damen stated Chief Solomon pretty much said it all. It's pretty straight forward; they each cover certain areas of the Town and it was just clarified in the new Contract and the Cost of Living was thrown in there as well as they go forward. He wanted to add that they have a great working relationship with the Fire Department and they definitely compliment each other and they have since 1986. Care Plus has come into the picture during the last two and a half years when they purchased the company from Tinker Keisman. They've pretty much kept it running as it was.

Chairman Sordi asked if the Town's Contract with Care Plus was for both regions or is it just for one of the regions. Mr. Damen stated based on the Contract, the North Conway Water Precinct, Redstone Fire Precinct, East Conway Fire Precinct, A9, M9 and E9 non-precinct areas is what North Conway Ambulance Service covers. Chairman asked about Conway Fire. Chief Solomon stated they cover Conway Village, Center Conway, B9, C9 and D9 non-precinct. In essence, if you pick out Burger King on the map and draw a line, Care Plus covers everything north of Burger King and they cover everything south of Burger King and cover the Center Conway area as well.

Chairman Sordi asked why Care Plus in North Conway and a different entity in Conway. Mr. Damen stated that was before his time so he wasn't sure. Chairman stated that's actually a very good answer. Karen Umberger stated because they had a discussion a few years ago about one ambulance service for the entire community and it didn't work out and so the two Contracts worked the best and have worked the best forever.

Chairman Sordi stated he would like to go through the questions already given, just to get some answers for those and then the one Chief Solomon couldn't answer maybe can be discussed further and then see if there are any other questions. The Chairman thought this sort of summarizes what a lot of the questions were that the members had the last time.

Chairman Sordi stated the first question was the total number of calls made in 2011 in each town that they service. He didn't know if the answers had been written out. Chief Solomon stated they were in the packet. Mr. Damen stated in the North Conway Ambulance packet he specifically thought the Committee was looking at just what they did under the Contract for North Conway so that's what he pretty much kept the numbers to. Chairman stated you had 1,858 ambulance requests, transported 1,037 NT. Mr. Damen stated NT is no transport. Chairman stated by transport that's going to the hospital, that's not like going from here to Portland; that's a whole different service. Mr. Damen agreed, just 911 emergency requests.

Karen Umberger asked if the 1,037 was part of the 1,858, this is the break out, right. Mr. Damen stated it was.

Chairman Sordi stated Hale's Location, Tamworth, Madison, Freedom, Eaton, Tuftonboro are all covered by other crews. Mr. Damen stated other crews, separate Contracts. Chairman asked where they were based out of. Mr. Damen stated Hale's Location that ambulance does come from their base here in North Conway, but the other stations, they have a Tamworth station and Tuftonboro station.

Mike DiGregorio stated just for clarification for him, of the 1,858 responded to is that part of the other towns down below here or is that just North Conway. Mr. Damen stated that was just 911 responses for North Conway.

Bill Marvel stated he noticed in the draft of the Contract, Item C on the second page says "Payment to the providers is based on the understanding and mutual agreement that a minimum of two primary ambulances and one back up ambulance shall be provided." Does that mean from the two entities collectively. Mr. Damen stated yes. Bill stated when he looks at the last question under Valley Transfer, the question is "what about Hale's Location" and the answer is "North Conway Ambulance Service has a separate Contract with Hale's Location, \$37,000.00 a year, the coverage for Hale's does not take away from the ambulance dedicated to North Conway". We have three, does that mean Conway provides two and North Conway dedicates one. Chief Solomon stated when they say two primary and one backup, there's two ambulances that are actually ready to go at a moments notice; they have a crew and everything on between the two services and then they are required between the two to have at least one spare unit that can be staffed given time to staff it with a backup crew or something like that. Chief Solomon further stated let's say he has an ambulance tied up in Albany, he has a second ambulance that has a crew and he (Mr. Damen) has an ambulance with a crew, they're still meeting the Contract. If he (Mr. Damen) has an ambulance that has gone to Bartlett mutual aid and he has a second crew and Chief Solomon has a crew then they are still covering the Contract. One of the reasons they actually left the Contract in a 3-way Contract the way it is, is because they get to back each other up that way. Bill asked Chief Solomon if he said Conway has two and North Conway has one. Both Chief Solomon and Mr. Damen stated no. Mr. Damen stated they each have one primary ambulance each, that's the two; the Fire Department has a backup ambulance and they also have a backup ambulance.

Chief Solomon stated that response wise they routinely exceed their Contract requirements. In fact, yesterday they had three ambulances tied up between the two for the same call within the Town of Conway.

Bill Marvel stated he had another question about the Contract. When Earl (Sires) was explaining it to the Committee, he said we pay the \$154,000.00 per year to assure that the ambulances have all of the equipment, etc. that they need. Is paragraph C about the number of ambulances, the extent of that agreement or is there something further that he is missing about the equipment and that sort of thing. Mr. Damen stated they both have the equipment meaning what's required by the State of New Hampshire to make sure that they meet those needs.

Kelly DeFeo stated she went on the website just to look and see about the ambulances, something she never really thought of so she figured she would research and she saw that there are two ambulances for Conway and then there's three ambulances and then there's transport vehicles, so you break it up into the ambulance responders and then the transport vehicles. On the three ambulances, it seems as though, and you break it up as one's a primary at North Conway, secondary and the third response North Conway, the back up, so there's three, but they all have dual, so the one for North Conway is also responding to Redstone, East Conway, Kearsarge, Intervale and Hale's Location, so they're all responding first or second to one or another place. Do you have more than those three that are responding to all of these places? Mr. Damen stated out of North Conway they have, there's usually four ambulances staffed and on basically during the week, two wheelchair vans and then the support staff. The reason why they have four on plus they have on-call crew to come in is so that they can cover all of those calls on the first call they go out on and there is another back up crew that can come in. They also on occasion will bring up a back up from Tamworth if they have to help out to make sure that the coverage is here and available.

Kelly DeFeo stated that's what she was wondering; they have more than what is on the website for the North Conway Ambulance that's listed. Mr. Damen stated yes. Kelly stated she notes that they are covering Tufonboro as well, so one stays down there. Mr. Damen stated that's a separate ambulance that just covers that town and even in Tamworth and Madison, those four towns that they are covering, there's two ambulances down there that cover. Kelly stated she just sees that there are three listed and there are a bunch of towns listed for each ambulance and she was like that's quite a bit of spread for three ambulances to cover; each one has a least three or four towns that they are covering, maybe as a primary or secondary or even third for that coverage for that town. Mr. Damen stated that's why they staff it the way they do so that the ambulances are readily available, meaning that the four staffed ambulances are ready to go and the back up coverage is there even to the point where he would say in the last year they've backed each other up on a few calls, but have never missed any calls. Chief Solomon stated they have never missed a call since he's been up here and he's been here since 2007 and they haven't missed a call and yes, they back each other up and that's why the Contract is a 3-way Contract.

Chairman Sordi stated we have a primary ambulance in Conway, a primary ambulance in North Conway and both have secondaries that can back up if

they have to be staffed for the third. It was also said that you also have a crew based out of the North Conway location for Hale's Location and other locations, is that an additional ambulance that sits there. Mr. Damen stated what will happen is that during the day, during the week, yes there are additionally staffed ambulances at that station. As you get into the nights and weekends, that's when the coverage changes a little bit and there's on-call crews that come in once the primary goes out, there's an on-call crew that comes in so there's no lag time at all and the ambulance is readily available. Chairman asked if they had ever had to call for mutual aid from outside of the District to respond to incidents within the Town. Mr. Damen stated not that he knew of. Chief Solomon stated he knows that they have used Center Conway a couple of times, that's why they maintain a transport ambulance as a back up unit. Chairman stated he meant outside of Conway as a whole. Chief Solomon stated the last one he could think of was actually over the line in Albany, the school bus incident in 2006, they tied up every ambulance from 40 miles in every direction.

Chairman Sordi asked how do you derive the amount agreed to in the Contract as a subsidy because he noticed Tuftonboro is even higher than North Conway at \$122,000.00; how do you derive those numbers because he thought North Conway was bigger than Tuftonboro. Earl Sires stated he would like to say there was a lot of analysis, but prior to this 5-year Contract there was a higher amount that was being paid out and he didn't recall what that amount was but it was significantly higher, they can look it up, that was based on a lot of discussion, a lot of presentation of financial data so on and so forth. What it came down to during the last go around was the Selectmen and the negotiating crew or committee managed to forge a deal for less money than had been paid previously and it was basically negotiated to that point and that's the number they've been working with and it seems to be working. That's what the Selectmen decided to continue forward with and honoring a request from the providers for a Cost of Living in the final 4 years of the Contract. Originally based on analysis but this current Contract is really ultimately just negotiation.

Chief Solomon stated he wanted to be honest; he wanted to start negotiating by asking for significant more money and the current economic conditions which also lead us to need more money are the same ones that lead us to actually agree to go with what they were doing any way. Ambulance billing, ambulance payment is very complex. It is mostly driven by the Federal Government that mandates them to do certain things and then pulls the rug out from underneath them by not paying for them. They are at the point now where they are just barely with the subsidy from the Town managing the Operating Budget and getting by. Six years ago, they were showing about a \$40,000.00 profit if you will even though that was Capital Reserve for new equipment for them, not profit, and they no longer show that and actually he gave the members the financial data from 2010 and 2011 and in 2010 they expended \$350,068.11 and only brought in \$344,577.00 and that includes the subsidy. In 2011, they actually made budget cuts during the year and spent \$316,000.00+ and brought in \$322,000.00. That still doesn't let them buy new ambulances. He was kind of gung-ho to start with to ask for significantly more money which in essence is cost shifting from the Federal Government and the State Government to the local governments. You would be appalled to hear what

Medicaid pays for an ambulance ride. Chairman Sordi stated he could imagine given what he's heard about Medicaid.

Chairman Sordi stated it is mentioned in here that at least for North Conway you wrote off as uncollectible about \$100,000.00 out of a total potential revenue to be collected of \$242,000.00. You're talking a pretty significant portion, 40% not being collectible. Is that typical of what is seen in other regions where Care Plus operates. Mr. Damen stated it happens throughout the ambulance industry because they have to write off a certain amount under contractual allowances as well as what they can't collect from private pays and insurance companies. Again, what happens, what the Chief was talking about quickly is with Medicare they could charge \$300.00 and Medicare says it's only worth \$150.00 and pays them \$100.00 so they can only get up to that \$50.00 and they end up writing off the rest. Chairman stated the \$100,000.00 includes what you are writing off. Mr. Damen stated it includes the contractual write offs. Chairman asked how much of the \$100,000.00 is money that they aren't able to collect from the clients that they are required to pay. Mr. Damen stated he didn't know the exact percentage but it's upwards of 10%. Chairman stated so between 10% and 20% that you should be able to collect you are not able to because the client has defaulted. Mr. Damen stated that is correct.

Doug Swett stated he had a conversation with Mike Valladares today and he said to use the word subsidize is incorrect, it's a contract and that goes back to when he was a Selectmen for 6 years and has some knowledge of this stuff. He said be careful of the word subsidize because it's a contract with these two entities.

Ted Sares stated he would remind us to remember the difference between a strategic approach and micro-managing. He thought the Committee was getting very close into the micro-management. Chairman Sordi stated we had similar questions with the Police and will probably have it with the School. Ted stated but you are pushing hard on something that's kind of been a sacred cow in this Town; God forbid that we create tension around this issue and make it a contested issue. We need this, strategically speaking. Chairman stated he didn't disagree with that, but it's our duty to ask these questions; we have to ask these. Ted stated you yourself was the one that said let's be strategic; let's not micro-manage. Chairman stated he was not micro-managing. Ted stated yes you are; you're grilling them. Chairman stated he was asking questions about an amount of money that is significant and we need to understand. Ted stated with all due respect and then he'll shut up, you're grilling them.

Mike DiGregorio stated to Chief Solomon probably nobody more than he has questioned the Chief about collectibles, they talk about it all the time especially as somebody who lives in a Precinct, he wanted the Chief to touch a little bit more about that Federal requirements that they go through and he hates to use the word "frequent flyers" but often times there is a population of clients out there that know the system, they call an ambulance for just about anything and they don't pay a nickel because they have nothing; not like someone who owns a house somewhere that you can go after that house. Often times these people have nothing to go after, but they are pretty much required to go after them and pick them up. Chief Solomon stated they are mandated that if someone calls 911

they go to wherever they called them and if they want to go to the hospital they have to take them, can not refuse to transport them. They are not allowed at that point to ask about their insurance, they can do that later at the hospital, they sign a form that says they understand they have to pay for it even if they don't have insurance but you can't get blood from a stone. If they have nothing, you can't get anything from them and you guys all know this, the elderly woman that has paid every bill her entire life will pay them \$5.00 a week forever to pay off an ambulance bill when they would happily write her bill off when the guy that calls them all the time for the hurt foot or the toothache at 2:00 in the morning and needs an ambulance feels he's entitled to that and will never pay them a dime.

Chairman Sordi stated he thought one of the reasons why there is such a big discussion this year for the ambulances was because the Contract is up and there's a Warrant Article and we want to make sure that the people understand what they are getting for their Warrant Article and normally it would be part of the Town Budget. That is one reason why there are so many questions this year because it is a Warrant Article and we're going to have to vote on a specific Warrant Article relating to the ambulance service.

Ted Sares stated he remembered when it was so expensive, way back. Earl Sires stated he looked it up and the prior 5-year Contract was \$203,000.00; this is \$154,000.00.

Maury McKinney stated you currently have a Capital Reserve; what are your future strategies for maintaining that. Chief Solomon stated they do not currently have a Capital Reserve and their strategy is they are kind of at a loss as to what they are going to do moving forward for long term sustainability of the ambulance unless there is some type of reversal of fortunes with the Federal Government and the State Government to fund these things.

Chairman Sordi asked who owned the ambulances. Chief Solomon stated the taxpayers and Conway Village. Mike DiGregorio stated he (Mr. Damen) is a private entity, he owns his. The Precinct voters and the taxpayers and the Precinct of Conway Village own the other.

Maury McKinney asked Mr. Damen about his Capital Reserve. Mr. Damen stated obviously they do it company wide in changing out their vehicles and Care Plus has 65 ambulances so it's a lot different.

Dick Klement asked Chief Solomon what a full equipped ambulance cost. Chief Solomon stated about \$140,000.00 if they are transferring the equipment from the old one to the new one. You're going to go to \$200,000.00 if you have to buy a new ambulance and fully equip it.

Chairman Sordi asked how old the ambulance was. Chief Solomon stated they are running a 2004 and a 2008. He was not even remotely concerned about the years, they're both in great shape and they only have 45,000 miles each. They don't do the long distance transfers. On rare occasions they will do an out of town transfer because the hospital calls and says there's nobody to take the patient and he has to go now; otherwise they don't do them. All of their mileage is local. Chairman asked 2004 and

2008 technology inside of them or 2010 or 2012 technology. Chief Solomon stated it's a 2004 cabin chassis; the equipment is all up-to-date.

Ted Sares asked what are the ambulances that do take people to Maine Med or to Hanover. He has been in those; what are those. Mr. Damen stated that's what they do; that's what helps them in providing the service in the area because they also do the transfers. Ted stated on a snowy day, he's seen 4 or 5 out there with the snowboards; it's unbelievable. Mr. Damen stated they do cover the emergency side and they also do the transfers out of Memorial Hospital.

Doug Swett stated this is a service that we all want to have, but we don't want to use and he thought that it was very important that the people in the Town realize that we're not playing Tiddlywinks here, that we really need this no matter who you are or what level of society or anything else. We need a good ambulance service and with the figures he is hearing now, he would say that the next time around, 5 years from now, there's a good chance they are going to come in with some different figures because of what's happening with this hand down of money from the Federal to the State. The whole thing is going to collapse if we don't straighten this thing out.

Bill Marvel stated he had a procedural question probably for Earl (Sires). Long before you came, there was a major lawsuit about the multi-year school contract and ultimately a judge ruled that multi-year contracts are basically unworkable because one Town Meeting can't bind the next Town Meeting to an additional figure. He has seen a couple of 2-year contracts here and there and wondered how they got through since then, but he was wondering how we've avoided, even with just a COLA increase each year, how do you avoid that. Earl stated he would look into that. His understanding is that any multi-year contract does have to be approved by Town Meeting, but he'll check the increasing amounts just to make sure that's okay. Bill stated there was some sort of language in the decision about the meeting having to be fully clear about the impacts, but also there was that issue about not being able to bind. Earl asked if that was the *Sanborn* case. Bill stated that was 20 years ago and he wasn't sure. Earl stated he thought we were okay, but based on that he would definitely double check. Karen Umberger stated he could be right about the COLA thing. Chief Solomon stated it may require two-thirds majority.

Chairman Sordi stated he had one more question and this is more to educate the voters than anything. What happens if the Contract is not passed. Earl Sires stated that's a real good question. As of May 1<sup>st</sup>, the Town would not have a Contract that obligates these guys to provide a certain level of service. He would have to ask them what that means; they certainly wouldn't be bound to provide the level of service that they are now. Chairman stated the existing Contract does not continue. Earl stated no. Chairman stated basically if the voters vote "no" for the new Contract, there's no clarity in what kind of ambulance service we would have. Earl stated all he could tell the Committee is that if the Contract is approved we know what level of service we'll have. If it is not approved, it's going to be up to these guys to decide because they're going to be basically on their own and they can provide whatever level

service to whoever they want. Mr. Damen stated that's a fair assessment of it.

Mike DiGregorio stated he thought that it actually expired in December. Earl Sires stated that this one actually expires the end of April or beginning of May. The Non-Precinct Fire Contract ends in December.

Karen Umberger stated we set that Contract for the 1<sup>st</sup> of May so that we would be able to get through Town Meeting and then at that point we knew that was our decision. Chief Solomon stated in 2006 there was a Contract approved by the Board of Selectmen that was not ratified by the voters which changed the whole course of the event. Karen Umberger stated that's why we did it in May.

Chairman Sordi thanked Chief Solomon and Mr. Damen for their patience tonight, for coming in and answering questions and if members have any other questions, we'll let them know.

#### RECREATION DEPARTMENT

Lucy Philbrick passed out a revised proposed budget to the members. John Eastman and Earl Sires presented the revised proposed budget.

John Eastman stated he would make it real quick. The increase from last year was \$21,548.00. Ted Sares asked what the percentage was and Mr. Eastman stated about 4%. Mr. Eastman stated there are actually two areas, but he is going to break them down to three. The first area is Personnel; roughly \$15,500.00, give or take a few dollars, is in Personnel and that is for 4 year round people and 21 part-time people which are summer personnel which involves T-Ball, Swimming, summer staff and Lifeguards. The other component is in Parks and the total increase on that \$21,000.00 is a total of \$6,028.00. He broke it down in his Narrative into two parts: one is \$3,028.00 which is a merit increase for 1 full-time and 2 long-term seasonal employees and then the other \$3,000.00 is in staffing but he broke it down because last year the Selectmen cut \$3,000.00 out of the Park line item, Personnel in Parks, and what they had to do was reduce their third person which is their second seasonal person by 6 weeks. What he did was reinstate that and his reasoning for doing that and the explanation that he gave the Board of Selectmen was this past year, and like any year, they take care of roughly 45, and they have pared it down because they didn't do as many cemeteries because they don't have that whole thing worked out, but we're talking any where from 25 to 30 Parks, from big areas of ground to small and they do all of the Town trash, that's Conway Village where they have trash barrels out and in North Conway Village.

John Eastman stated this past year with having 1 full-time person and 2 seasonal; the first seasonal starts April 15<sup>th</sup> and finishes November 15<sup>th</sup> and the second seasonal which is the third person would always start in June right after Memorial Day and work through September. Because it was reduced by \$3,000.00, they didn't start until close to July. For them in doing all of the maintenance, all of the mowing, all of the property maintenance, weeding and trash, it was just overwhelming to have his third guy start in July because when they have two people, two people have to do trash and you'll see them in North Conway Village, they do it

four times a week and after Memorial Day they go out on Saturday mornings, they need people and when they had two people normally they would have a person mowing all of the places that they do. For six weeks they struggled through that and was constantly behind. He brought that explanation because he wanted to break it down so the members understood at least his line of thinking. The total increase was \$3,000.00 for restoring what was taken out last year. There was \$6,028.00 and \$15,562.00 or something like that. If you want to go down line by line, we can do that. He just wanted to clarify and let the members know the exact amount that was up from last year.

John Eastman stated in just Recreation, they have Personnel, Facilities, Programs and Office Expense. Personnel was the only thing that was up due to the merit increase. Facilities and Office Expense was level and this is the third straight year and Programs was down \$1,000.00 because they didn't have to purchase anything, they have an Adult Softball League, now they would get that money back but he cut that in the budget because it's already established, they use wooden bats for safety as opposed to aluminum and he cut that back.

Ted Sares stated that was \$3,180.00 for merit and John Eastman stated it was \$3,028.00 for three people. Ted asked how that was spread out; how much for each and the percentage increase. Mr. Eastman stated he didn't know it, but could get it. Mr. Eastman stated the one full-time, that person's percentage increase would be more because they're full-time but he could certainly get the exact number and the percentage.

Dick Klement stated he didn't see any equipment on there and was he missing a page or didn't they need any. John Eastman asked what kind of equipment Dick was looking for. Dick stated lawn mowers, weed whackers, all of that kinds of stuff. Mr. Eastman stated look under Parks, Page 1, they do replace a weed whacker a year and for bigger items such as lawn mowers, Paul (DegliAngeli) through the Public Works because it gets maintained, they have a replacement program and they're in good shape now. As far as vehicles, they share a One Ton which the Public Works uses in the winter to plow snow and in the Spring it comes over to them because they use it for in-town trash and then they also have a 4 Wheel Drive Pickup Truck which hauls their large trailer which they take 2 large mowers plus a Gator that they use to drag all of the ball fields for sports programs.

Earl Sires stated John's (Eastman) right; basically for the bigger equipment, trucks and so on, it's kind of the same thing as the Police with their Admin vehicles. Town of Conway Public Works will use a vehicle to a point where it's really not quite as serviceable for the level of demand that they would place on it, it would go to the Rec. In the past, they've had several Warrant Articles for things like lawn mowers, the Gator. What they are proposing to do this year is the same thing they've done with many other things is have a Capital Reserve for Rec equipment and he couldn't remember if it was \$10,000.00 or \$15,000.00 they were proposing to put in there on an annual basis and that becomes level and they are not up and down with that on a year by year basis.

Dick Klement stated you are using 6,700 miles of school buses he assumes; you're hiring the drivers, using school buses. What about the maintenance

for those buses, is the School picking that up or is the Town picking it up. John Eastman stated the Town pays for the maintenance and he pays for the fuel. Traditionally, they have always received a bus through \$1.00 from the School District and currently they have a bus in the fleet that is a spare for the Conway School District and they have an agreement with Jim (Hill) and the School works great with them and they hire the driver, pay the driver and pay for the fuel and for the maintenance which comes out of the Vehicle Maintenance Program that the Town has. Dick stated the Town just charges the School for that typically; we back fill you for the maintenance so you're keeping two sets of books, one for the Rec Center and one for the School. Earl Sires stated they bill one entity for all of the buses except the one which they pay for themselves.

Chairman Sordi stated he was trying to figure out the 2011 budget for Personnel was \$215,000.00 and he understands that the Selectmen have approved \$227,000.00, but you requested \$260,000.00. Earlier tonight we were talking about what comes out of the Revolving Fund; is the difference between what you are requesting and what the Selectmen are essentially approving going to come out of the Revolving Fund so in fact your Personnel costs are going to be \$260,000.00. Lucy Philbrick stated yes. Chairman stated your Personnel costs went up almost \$46,000.00 as compared to the \$15,000.00 that's in your Narrative impact. Lucy asked the Chairman if he had a certain document in which replied he did. Lucy stated that shows the requested amount for Personnel in 2010 was \$241,000.00, \$30,000.00 of that was coming from the Revolving Fund, \$210,000.00 was coming from the General Fund. In 2012, he is requesting \$260,000.00, \$34,000.00 is coming from the Revolving Fund, \$227,000.00 is coming from the General Fund. Chairman stated he guessed what he was saying is that his budget for Personnel was \$215,000.00 in 2011. Lucy stated that didn't include the Revolving Fund amount. Chairman stated he understood now.

Dick Klement stated would it possibly be clearer if it was annotated that the budget request was actually \$369,000.00 and a revenue item was available of \$50,000.00, making the total taxable amount \$311,000.00 because it gets confusing. Chairman Sordi stated as you could hear from his questions he wasn't really sure. We really should be looking at this along with the next sheet to understand exactly what they are looking at. Earl Sires stated that's the purpose of those sheets. Dick's description of what's going on would be accurate in the private sector, but they can't handle it that way in governmental accounting.

Chairman Sordi thanked John Eastman, Earl Sires and Lucy Philbrick for coming in and for waiting.

Chairman Sordi reminded all members that the meeting next week will be at the Middle School and told Greydon (Turner) to have fun. Mike DiGregorio asked if there was an Agenda for next week and the Chairman stated he would put something together and send it out. Ted Sares stated we start getting into the meat next week. Mike asked if the Chairman had any idea what they were bringing or were they coming with everything. Chairman stated they were coming with everything and we'll get through as much as we can and the remainder will be the following week.

Karen Umberger stated Greydon (Turner) is appointed; how can he be the leader. Chairman Sordi stated members elected, before Karen arrived, took a vote for Greydon as Acting Chair next week. Karen stated her question is if he is an appointed person and not an elected person, how can he be appointed. Chairman stated because there's not going to be any voting next week; he's only going to run the meeting. Is that improper; we didn't think it was. John Edgerton stated we addressed it.

**Ted Sares moved, seconded by Joe Mosca, to adjourn the meeting at 9:45 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary