

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
January 9, 2013**

A meeting of the Municipal Budget Committee was called to order at 6:38 PM in the Professional Development Room at Kennett Middle School with the following members present: Chairman Joe Mosca, Maureen Seavey, Steven Steiner, Peter Donohoe, Maury McKinney, Karen Umberger, Danielle Santuccio, Bill Marvel, Brian Charles, Greydon Turner, Mike DiGregorio, Karen Milford, Mark Hounsell, Doug Swett, Syndi White, John Edgerton and Michael Fougere. Also present: Earl Sires, Town Manager; Lucy Philbrick, Finance Director; Lloyd Jones of The Daily Sun; Trustees from the Conway Library; Police Commissioners, Chief Wagner and Lt. Perley.

Karen Milford led those present in the Pledge of Allegiance.

APPROVAL OF MINUTES

**Karen Umberger moved, seconded by John Edgerton, to consider and accept the Minutes of December 12, 2012. In favor: 14; Opposed: 0; Abstain: 3 - Syndi White, Michael Fougere and Doug Swett.**

CENTER CONWAY FIRE PRECINCT

Nancy Leavitt, Treasurer/Clerk, Chief Ray Leavitt and Commissioner Albert Eaton presented a proposed Budget of \$188,775.00. Mrs. Leavitt stated their Budget did not go up too much from last year's Budget.

Karen Umberger asked why were they projecting less income from Eaton than what was received in 2012. Chief Leavitt stated that was actually fairly easy to answer; they take a base fee for operating down there and then they charge Eaton so much for each call that they go to. In looking at the number of calls that they had gone to over the last couple of years it's dropped, didn't have as many. They just reflected that in what they would offer.

Bill Marvel stated he didn't remember why they started a \$750.00 line for Legal, are there expenses. Chief Leavitt stated they have always had it, it's actually Legal and Professional Services and some of it is software, registration for licensing on the software packaging that they have, i.e. Fire House record keeping. Bill asked if they were accumulating for something, it seems that there was no expense last year. Chief Leavitt stated there should have been. Mrs. Leavitt stated that's because in case they have any legal expenses, they have something to cover it. Bill stated so it's accumulating. Mrs. Leavitt stated it does not accumulate, if they don't spend it, it goes back.

Karen Umberger stated they have \$30,000.00 projected for Special Articles and asked what they are. Mrs. Leavitt stated Capital Reserve Equipment; every year they put \$30,000.00 in there. Karen asked if that was the only Article they were going to have. Mrs. Leavitt stated for this year, yes.

Karen Milford asked what the balance was in that Capital Reserve Fund. Mrs. Leavitt stated that she didn't have that figure with her. Chairman

Mosca asked if Mrs. Leavitt could get that figure to the Committee. Mrs. Leavitt stated she would.

Chairman Mosca thanked everyone for coming in.

#### EAST CONWAY FIRE PRECINCT

Doug Swett advised that Michael Valladares was ill and would have to present the Budget another night. Chairman Mosca stated that could be arranged.

#### REDSTONE FIRE DISTRICT

Greydon Turner presented a proposed Budget of \$58,700.00. Greydon stated that unfortunately the Commissioners were sick and with Mike Valladares being sick, let's hope that there are no fires in Conway tonight. Greydon stated that their Budget is roughly \$2,500.00 more than last year. They have a capital improvement project in front of the Redstone Fire Department. In front of the fire house itself there is a tarred area that has sunk a little bit, water accumulates there and it creates a bit of a safety hazard for both vehicles and people. They put out for a couple of different estimates on that; they received two estimates back and the costs are going to come in at \$13,000.00 to fix the problem and to establish proper damage and to tie it in to the existing system on Route 302. Taking that into consideration, that's the only big project that they have to accomplish this year.

Karen Umberger stated the money to repair the driveway, where did you put that. Greydon Turner stated it was under Account #4194 which is General Government Buildings. Last year's appropriation was \$10,800.00 and this year it is \$23,800.00. They did make some cuts in other areas of the Budget, specifically some of the maintenance issues and they are going to contribute \$10,000.00 to the Capital Reserve Fund this year instead of \$15,000.00. Their balance for the Capital Reserve Fund is for replacement of a Fire Truck. They have \$37,000.00 in that account now and feel that the \$10,000.00 that they are putting in this year will be sufficient.

Chairman Mosca thanked Greydon for his presentation.

#### CONSERVATION COMMISSION

Earl Sires stated basically their Budget has some operating expenses for Minutes, conferences and education, and so on. There is about \$11,000.00 in project work and all of those projects are listed in the backup. They reduced their Budget last year and this year they have increased it somewhat. In 2011 it was \$17,250.00 and they reduced it to \$12,490.00 and they are asking for about \$15,000.00 this year, based on the projects they intend to do this year. Their admin expenses and so on remain pretty similar from year to year.

John Edgerton asked if they were going to sell any timber this year. Earl Sires stated he didn't believe there were any timber sales scheduled for this year.

Karen Milford stated that she saw that the Conservation Commission, the restrictive fund has over \$700,000.00 in it. It doesn't look like they have used any of it in the past couple of years or not much of it; what is the planned use for that or what is it set aside for. Earl Sires stated those funds are restricted for the sole purpose of acquisition of conservation land and open space. They have used some of those funds this past year. As you may remember, there was a 17 acre lot along the North South Road which they purchased as open space, recreational space. He believes they are negotiating with some landowners for the acquisition of additional space. They have completed an analysis working with the Saco Valley Land Trust over the last couple of years and based on the criteria of what would be desirable properties for the Town, they have identified a number areas within the Town that will make suitable candidates. Now they are looking at acquisition of those properties. Good question, he was glad that Karen asked that because that is a significant amount of money and there is a plan for it.

Chairman Mosca thanked Earl for the presentation.

#### LIBRARY

Linda Fox-Phillips, Trustee; Colleen Hill, Trustee; Judy Seddon, Trustee and Barbara Douglas, Trustee presented the proposed Budget of \$465,115.00. Mrs. Fox-Phillips stated that the Budget before the Committee is level funded in the Collections and all of the Operations. The only place they requested an increase was in Staff Expenses. The majority of those expenses, the increase is a little over \$11,000.00 and it's in Benefits and represents an increase in the cost of Health Insurance and an increase in the cost of the State Retirement. One of their Librarians who was on a Single Plan through the early part of summer was married and her spouse is also on the Plan so it is now a 2-Person Plan. That's responsible for the \$11,000.00.

Linda Fox-Phillips stated in the Merit, they budgeted 3% which is what they anticipate what the Town will be awarding its employees; they always match the other Town employees with the raise they give to their staff. The one other item that is an increase is that they had a lot of complaints from their patrons about not opening on Fridays until Noon. They usually have a good number of folks waiting for the Library to open at 10:00 AM and it was actually a request made to them at a Trustee's Meeting by one of their Friends from the Friends of the Conway Public Library. In order to restore those 2 hours every week, it will cost \$1,400.00 so they added that in. That was the total of the \$18,712.00 increase. It is their hope that the Budget Committee will vote to restore that money.

Linda Fox-Phillips stated that they understand that at the Selectmen's Meeting the Selectmen recommended that their Budget be reduced by that amount. She was not sure what the thinking was but that was their recommendation. As the members can see, the other two categories are just level funded which includes operations of the building. Most of those are expenses, as those of us who have homes in the Valley understand, you use as much heating fuel as you need. You have to heat your building, you have to have electricity, etc. Last year what they did in managing the problems that they encountered by making a decision that they subsequently

recognized needed to be rescinded is that they used Technology dollars. They have not maintained their Technology as they had planned on and they really need to see that because their computers are running a bit more slowly, Internet access is not quite as good as it should be and when they look at their statistics, it is something like 76,000 web sites visited by patrons using their computers. There is a lot of folks in the Valley who can not afford Internet access at home who come to the Library routinely to use it and they want to keep it on a level so that they don't have enormous frustrations and crashes. That's a quick overview.

Chairman Mosca stated that before he takes questions from the members, the way the Budget works in Town is it is a bottom line Budget so this Committee could recommend to put money back in, but we could also recommend taking money out of other departments and whatever the bottom line ends up it ends up. It is then up to the Selectmen to divvy out the money. What we say really doesn't get you what you want. Just so you know, we could very well all agree that the money should be put back in or a majority of us could, but what happens at the end is that it is a bottom line. If there is money cut from other departments, the powers that be may say that the other departments need it more than the Library does. He believes the best place to put money back into their Budget is at the Deliberative Session. That would be his suggestion and to have them make sure that they have people at the Deliberative Session to discuss the Library issues. That having been said, he opened it up for questions from the members.

Karen Umberger stated that her question was probably for Lucy (Philbrick) or Earl (Sires) in that she noticed that the Selectmen reduced the Library Benefits and she wondered where that came from if, in fact, we generally budget for whatever we have. Lucy stated that as she understood it, the Selectmen chose to carry forward the previous year's Budget. If you look at the 2012 Budget, those same figures are in the 2013 column.

Karen Umberger stated that her question would be and it may need to be forwarded on to the Selectmen, is that, especially on the Benefits line, with the Health Care, Social Security and whatever else goes into that, how did they anticipate the Library reducing that portion of their Budget. Lucy Philbrick stated that would have to be forwarded to the Selectmen. Earl Sires stated they will forward it to the Selectmen.

Mike DiGregorio stated they never suggested taking it out of the Benefits line. The Selectmen felt that they gave them the number and felt as though since the Trustees are responsible for their Budget they could come up with a place to reduce it from. The Selectmen did not specifically say anything about the Benefits line. He doesn't know why it was taken out there. Chairman Mosca stated each department's Budget is a bottom line Budget also and they can move money as they see fit between line items. That is what he believed Mike was trying to say.

Karen Umberger stated she certainly understands that but she would then expect the Trustees to come back to the Budget Committee with how they were going to disburse what the Selectmen said because the Budget that comes to the Budget Committee is the Selectmen's Budget and that's the Budget that we decide on. It is all well and good to go to the Deliberative Session, but on the other hand, it is our recommendation and

her concern is that it appears, it only appears, that since the Selectmen made the cut, the Library Trustees have not done anything to adjust within that because she doesn't see a new piece of paper. As she understands it, that has been several weeks; perhaps they could come back to us with their revised Budget showing how they would live within what the Selectmen have said they will support. All of this other talk is who knows.

Chairman Mosca stated this Committee can also come up with it's own Budget. Karen Umberger stated she understood that, but she didn't know what the Library Trustees wanted to do with what they have been given, so it is difficult for her to make any kind of decision because she doesn't know where they would make the cuts.

Syndi White stated she thought it would be really helpful for us, the Budget Committee, in order to take a vote on this Budget to hear the rationale of the Selectmen as to how they came to that bottom line figure since it is so different than what the Trustees gave.

Mike DiGregorio stated the Selectmen felt as though there were items expended that were not reflected in the Budget or asked for during the year which led them to believe that some of the items were over budgeted and it was difficult to get information. In fact, the Selectmen were told that it was going to come in as a flat Budget and then just minutes before the meeting started it went up \$18,712.00. At least that's the paperwork that the Selectmen were given. He thought that the rationale was that since that money was clearly moved around as needed, again things were over budgeted, and by level funding it the Selectmen thought they could live within that. The Selectmen certainly never expected anybody to try to take it out of the Benefits line or whatever, that's their choice. As Karen (Umberger) said, they could revise this to make recommendations as to which line it should come out of. Somebody chose to take it out of those lines and he didn't know why, hot button topics he guessed, he didn't know. That was the rationale.

Danielle Santuccio stated she thought Karen's (Umberger) point was a good one. If it has been reduced to be level funded and we have no explanation as to where, if any where, there are going to be cuts except that you (the Trustees) are coming to us hoping that we can put it back, it's difficult to make the judgment of whether we should do that because we don't actually see what you have to cut by the level funded Budget. She did not see how a decision could be made without those numbers.

Linda Fox-Phillips stated first of all, she would like to address the assumptions that Selectman DiGregorio just described. His assumptions are erroneous. The way in which they funded the first half of the severance package was from the salary that was in the Budget for the Head Librarian, so that was how she was paid the initial payment. The \$3,000.00 that they incurred for legal fees shows up in Professional Development. As has been noted, they do have the authority to expend over and under certain lines. There is no fluff in this Budget. What they had to do was compromise their ability to maintain their technology which they do not think is appropriate for a Public Library to be doing and they do not want to do that again in 2013. There is no fluff; there is no ability to move monies around as has been assumed.

Chairman Mosca stated he didn't think anybody assumed that. He thought what he was hearing from his colleagues was that they would like to see a Budget presented by the Library Trustees that says "if we had to, this is where we would have to take money to cover Salaries, Benefits, whatever". It would then give this Committee an idea of do we really want that to happen. If they have to take money out of Programs or Technology or whatever, wherever it would have to come to fund the Salaries and the Benefits, it would give us a better picture of your needs. He understands what Mrs. Fox-Phillips is saying, but what he is hearing is that we want to see what would happen if you had to rearrange everything to fit within, know that your Salary line is going to be "x" amount, your Benefits line is going to be "x" amount to cover those. Where would you take that. Come back to us and say this is what we would have to do and we would say "is that what we really want our Library to do". He thought the point being made by his colleagues was a good one. He thought it gives the Trustees the opportunity to show they really can't live on that Budget.

Bill Marvel stated he had two or three questions, but they are building up. We are told that the portion of the buyout from 2012 came from what was left of the Budget, 2 months worth of salary, which would be about, assuming a \$54,000.00 salary, would be about \$9,000.00. It seemed to him to be closer to \$17,000.00, so there's an \$8,000.00 discrepancy; next year, if there is a plan not to hire until April but to Budget for the entire year for a Director, there is still another discrepancy of about \$5,000.00. That's \$13,000.00; that's most of the increase. We are told that another amount came out of Technology, \$3,060.00. Linda Fox-Phillips stated Bill's figures were wrong. Chairman Mosca asked that Bill be able to proceed. Bill further stated he spent a little time this week checking up on statements and he was not the one making the ones that don't check out. Now, that comes to about \$16,000.00, a little over \$16,000.00; if you add to that the \$1,400.00 that you believe will restore the 2 hour Friday morning, 2 hours of extra time Friday morning, that's \$17,500.00. We are almost at the \$18,700.00 and it looks like it's the same money. It looks like the taxpayers are again being asked to pay for the buyout which was, he thought, what everyone was trying to work against.

Bill Marvel asked exactly how much was going to be budgeted for the Director, do the Trustees know that. Linda Fox-Phillips asked if Bill was asking a question. Chairman Mosca stated yes, he did just ask a question. Mrs. Fox-Phillips stated they will have a salary range and it will depend on the experience and training of the Librarian where they offer in the range. Currently in Conway, if you look at the 30-Town average, the Library ranks in the low 20's. Conway is one of the lowest paying towns of comparable size in the State. Bill stated what he meant was how much are they going to budget for a Library Director for the year; how much are you going to put in the Budget, do you know that. Mrs. Fox-Phillips stated it's three-quarters of the \$54,000.00 because it's 9 months that they are hoping to have the new Director on board. Bill stated so you are expecting to pay the new Director what the old one was getting. Mrs. Fox-Phillips stated that's ball park; when you do budgeting, you do ball parks because they don't yet know who the candidates will be, what their work experience will be, what their training will be and the salary that's offered by the Committee will be based on that.

Bill Marvel stated one thing that he noticed was that over the last 5 years the payroll line has increased about 18%. That's with a so-called merit increase which turns out to be usually an across the board increase of 3%, 3%, 3%, 3% and 2%, that's 14%. The payroll has increased to about 18% even though 4 of the longest serving Librarians, including the Director, were replaced by newcomers so you would expect it to be even lower than the total of the maximum salary increases. How do you account for that. Mrs. Fox-Phillips stated some of the replacements have different skills than the people they were replacing, so it was not necessarily a reduction each time a new person was hired. You have to remember that it's the Head Librarian, half of those years was under the previous Director and then 3-1/2 years was under the Director that most recently resigned. The action of the Trustees is to receive the recommendation from the Head Librarian and then to accept it as recommended.

Bill Marvel stated you replaced someone in the History Room who had been there for 16 or more years with someone with no experience and paid him more. Mrs. Fox-Phillips stated excuse me, the replacement had experience as the Head of a Library for a University system, he had excellent skills in terms of digitalizing, he created four Internships, they have got a lot of volunteer labor from the Interns while they were learning Library Science and, in fact, they have put on the Internet a great amount of the information that historically was in stacks in the History Room. The experience and training and knowledge base of his successor was very different from that, but nonetheless much more appropriate to the running of a History Room. Bill stated so that would be a yes. Mrs. Fox-Phillips stated she would have to look it up; she does not know those numbers off the top of her head.

Chairman Mosca asked Bill Marvel if there was a point to all of this. Bill stated there would be a larger point if we were discussing the Budget for final approval tonight. If you are not going to, he can still use some of the information next time. Chairman stated we are not going to vote on anything tonight obviously. Bill stated he did not have anything else at the moment.

Mark Hounsell stated on Technology, on the Budget in Actual, why was the \$9,000.00 left in Technology, why wasn't that spent. Linda Fox-Phillips stated there was none left ultimately. Mark asked where did it go. Mrs. Fox-Phillips asked what the date was on the top of the sheet. Chairman Mosca stated this is only as of the first of December. Mark stated it's the only one he has. Chairman stated these numbers are not to year end. Mrs. Fox-Phillips stated the books have not yet been closed, but that money has been expended. Mark asked if it was on Technology. Mrs. Fox-Phillips stated not on Technology, they had to expend it on other items. Mark asked what they items were. Mrs. Fox-Phillips stated it included part of the contracted severance package. Mark stated he needed a clarification; he thought the contractual severance payment was made from Salaries and Benefits. Mrs. Fox-Phillips stated the bulk of it, but not all of it. Mark stated he's been told two different things.

Mike DiGregorio stated Mark (Hounsell) just hit on his question because he had thought that the Technology was hit which dramatically affected the Library in the Technology department. He guessed he was under the same assumption that the payout to the former Director was used from what would

have been her normal salary, but now it sounds like there was additional money on top of that, that was taken out of Technology. Would that be a fair statement. Linda Fox-Phillips stated they had 2 months left in the year and they paid 3 months salary and the other 3 months will be paid this year.

Karen Umberger stated she needed to direct her question to Lucy (Philbrick). When are we going to see the final figures on what has been spent during 2012. Lucy stated that they still anticipate that they are going to have a few bills trickle in and she would assume that it will be the third week in January. Karen stated we should be able to see where the money was taken from and where it went in the third week of January which is next week. Lucy stated yes, the end of next week.

Mark Hounsell stated his understanding, and if he is wrong please correct him so that he doesn't carry this through the night and into tomorrow, that there was a single first payment made on the severance package with the second one to come in February. The first one was a single payment drawn against Library Salaries and Library Benefits and might he understand that subsequent to that, there has been some action regarding severance that has involved the Technology line item.

Chairman Mosca stated that he was going to weigh in because we can beat this horse all night and he really didn't want to. As we all know, it's a bottom line Budget. The Trustees can move the money from wherever they want and it could have been done any way. Mark Hounsell stated his question is whether there has been more than one check written. Lucy Philbrick stated there has only been one check written. The money for the severance package came out of the Salary and Benefit line and currently those lines are over expended and the Technology line has money left in it; however, the bottom line for the Library is getting very close because of the other lines being over expended and they are just letting the Technology cover those expenses. Chairman stated that's a straight and simple answer and he thanked Lucy for same.

Linda Fox-Phillips asked the Chairman when he would like them to be back. Her understanding is that the Committee wants them (Trustees) to give you the options that they are considering. Chairman stated he thought that would be helpful to this Committee. Mrs. Fox-Phillips asked when the Chairman would like to have them back. Chairman stated the Trustees didn't have to come before the Committee for a few weeks and that he would let them know, but the sooner they could get the Committee information, the sooner it can be distributed out to the members to look at and when the Library comes before the Committee in a few weeks, we can take it from there. Right now we have a meeting scheduled for the Town with all final actions on the 30<sup>th</sup>. We may end up putting another meeting in between now and then, but we will let you know. The sooner the better as far as the Committee is concerned.

Chairman Mosca thanked the Trustees for coming in.

#### POLICE DEPARTMENT

Theresa Kennett, Commissioner; Rodney King, Commissioner; David Doherty, Commissioner; Chief Wagner; Lt. Perley were on hand to present the Budget.

Mr. King stated that their Budget was up 7.1%; \$125,118.00 is in Labor, \$96,425.00 is in Benefits, the Operating Budget is up \$12,400.00 and their Vehicle line is up \$4,000.00.

Karen Milford asked if there was one additional position in the Salary line item this year that was part of what was approved last year. Theresa Kennett stated actually what was approved last year was a new position that was staffed in July, halfway through the year, so what's in here this year is that additional money for that Officer to be in here for a full year; \$22,000.00 of that is the increase in Labor and she thought there was another \$20,000.00, close to \$20,000.00 increase in Benefits, Life Insurance, Uniforms, all of the other things that go with the position. Karen stated with salaries going up \$125,000.00, \$40,000.00 of it essentially was for that additional position and the remaining \$80,000.00 is for salary increases and additional overtime and things like that.

Rodney King stated that they also had one correction, their Budget will go down by \$7,000.00 due to an insurance; it isn't going to cost as much for their Disability and Life Insurance, so they will correct that. When they put the Budget in, they used last year's numbers and the Town has gotten a better deal this year so they will be down by \$7,000.00 on that.

Mark Hounsell asked for an explanation on the Cadet Program; he sees that they are reinstating that. Theresa Kennett stated yes, the Police Department, the Administration felt that it was time to reinstate it, they have missed it. It was a constant in the Budget until about 3 or 4 years ago and people have been asking for it, so that's why it's there.

Chairman Mosca asked if it was the right time. Rodney King stated he thought it was if they have Officers at the schools on a regular basis, it would be nice and he can say from his personal experience that his son was a Cadet with the Conway Police Department and it was an excellent experience for him. Chairman stated he meant given the overall economy; he knows it is only \$3,200.00 but every little bit helps and the economy is not getting any better. There are a lot of people, if you read the paper, going to the Food Banks and more meals are being handed out because people can't afford things. He will be honest, he thinks this Budget is way too high and is it the right time to be adding things in.

Theresa Kennett stated she thought that when they evaluated the recommended expenditures for the coming Budget, they do weigh the value that you're getting with the cost of that particular service and, as the Chief explained to her about the Cadet Program, she thought the value is worth the time. She also thought truthfully there is never a good time to add something. Chairman Mosca stated but if the people of the town can't afford it, why add it. If we have done without it for 3 or 4 years, why now when the economy is still down. Why not wait until the economy comes back and add it when times are better. If you are not a public employee, and he didn't know how many people around the room hadn't received a pay raise, but he hasn't for 3-1/2 years. With the price of everything going up, we really have to look at our Budgets and with this Budget going up as much as it is, he wanted to be honest and state that he didn't feel it was the right time to do it. That was his personal opinion; he was speaking for himself and not for the Committee.

Lt. Chris Perley stated the Chairman was saying that he was speaking for the Committee. Chairman Mosca stated he was not, he was speaking for himself. Lt. Perley stated the Chairman mentioned he had not had a pay raise in 3 years, the Chairman is retired and asked if the Chairman was comparing his wage and increases to people that work every day as a retired person. Chairman stated as a retired person, because of the way his pension is set up, they do get pay raises. He hasn't gotten one yet and when he does, it's not going to be 3% or 4%. Lt. Perley stated to the Chairman that he was retired, he doesn't go to work every day. Chairman stated that was his prerogative.

Lt. Chris Perley stated he would like to comment on the Cadet Program. He thought ultimately at the end of the day, people will decide whether it's valuable to the community or not and it's really, to some degree, vocational educational training for our young people. It has a community benefit because it may inspire someone who lives locally to pursue a career in law enforcement and in turn come back to the community and serve the community they grew up in. That is becoming an increasingly small commodity. They get very valuable candidates for employment, but they often are from very far away. He thought one reason is because other communities do look at that early, not intervention, but awakening in young people about pursuing a career in law enforcement. Mike Santuccio is a Lieutenant for the Sheriff's Department; he grew up in this town, he serves the community directly. Lt. Perley did the same. He thought that means something and didn't think it was more special than maybe someone that comes from afar and chooses to live here and work and serve, but he did think it was special in its own way. The only way we are going to inspire those young people to do that is by showing them what the job entails, giving them a taste of it, and a good way to do that is the Cadet Program. It is somewhat of a summer job, they get to go to a Cadet Academy and see if this very unique, very challenging but very rewarding career is for them. The only way you are going to do that is to fund it because no 15 or 16 year old kid is going to spend their whole summer hanging around the cops with no pay check. That's just the economic reality of things; they look for summer jobs and the Police Department can get the combined benefit of that for not a lot of money. You are right, the community will decide. He would hate to see a time where no one who serves the community is connected other than just the fact that they were hired here. He thought that means something.

Mark Hounsell stated he could appreciate the Cadet Program from the Cadet's point of view, but can you tell us what the community gets for it. We were talking about education and that usually goes to the School Department, the vocational. What's in it for us. Lt. Chris Perley stated they have had a number of High School kids that have come to their Police Department and been Cadets in the past and they are very positive experiences. At the end of the day, like all kids do, they go back to their friends and tell them about those positive experiences and they tell them how interesting Criminal Justice is, they tell how interesting and energetic members of the Department are. That could get kids thinking about a career in law enforcement and one of the foundations of a career in law enforcement is don't get busted. That may give them another voice in their head about their behavior as adolescents as they are going through High School and their early College years. They may say they want to wear that badge and want to carry that gun, but have to make smart

decisions the whole time. That's something the Department teaches them right from the get-go; your background, your ethics and your integrity are the most important thing. If we can inspire a pool of young people to think like that, whether they become Police or not, good behavior in the community benefits everyone.

Mike DiGregorio stated he agreed with the Chairman that the Budget is crazy this year, no doubt. He was a little bit more concerned with the contractual language for the percentage of increases. As for the Program itself, he will speak from personal experience. His son was in the Cadet Program also. He got into that because his grandfather was in law enforcement and he wanted to go down that path. He spent one year doing it and then the Program got cut or whatever happened and he went into something else because he missed that second year and someone convinced him to go down another path, not his father, but someone else. It was extremely gratifying as a father to see him going down this path of being an Officer; he took pride in everything that he was doing. When he was there he wore his uniform, he did his thing and as Lt. Perley has said, he would go back and talk to his peers about the path. It does seem like a lot of money, especially in this Budget season, but you're talking a couple of young people, young adults that hopefully will stay in this community and be leaders some day. It's a gamble on whether that money is well spent; will they stay or will they go some where else. Mike was more concerned about other things in the Budget, not this one.

Chairman Mosca stated he wasn't saying it wasn't a valuable program, he was just saying we are in hard economic times and it's not getting better and he didn't think it was the time to start adding things back in.

Peter Donohoe asked if the Department had hired from the Cadet Program in the past; what is the track record there. Lt. Chris Perley stated yes; one of them is sitting right over there, Mike Santuccio was a Cadet; John Saxby was a Cadet, he retired as a Sergeant before he became an airline pilot; Eric Porter who was a Corporal for them and a long term Officer served as a Cadet; John Hebert who was the high Sheriff was a Cadet as well. Peter asked how many years was the Cadet Program in existence before it was non-funded. Lt. Perley stated Mike (Santuccio) is 87 so it goes back that long. Lt. Perley asked Mr. Santuccio if it was 1983/84. Mr. Santuccio stated he was involved in 1983. Lt. Perley stated so it was in place 15 years before it fell on hard times and there were a number of people who came through the program. Peter stated he thought the program was great and he appreciated Mike's input. His only comment would be is there any way the Department could find a way to fund it without it being an increase, that is with existing resources. Theresa Kennett stated it's a line item Budget, so every single service that they have in there has a cost that they've estimated and if they want to have a Cadet Program, they have to have a line item in there for that Cadet Program.

Theresa Kennett stated that she thought probably because they were asking for extra Officers going back now 5 years is the reason we took it out. It probably wasn't a smart thing to do because now they want it back and it has become controversial.

Karen Umberger stated that perhaps she had been on the Budget Committee too long and her recollection could be inaccurate, but she believes that

we went for 3 years when we had no one applying to be a Cadet. She can go back in her Budget books and check it out, but to the best of her knowledge that was part of the reason behind it. She will go back in her Budget books about 3 years ago and look.

Steven Steiner stated to the Chairman that he agreed with what the Chairman had said, but he totally agrees with what Lt. Perley said. He is a father who lost his son to a drug overdose. This Valley has a bad drug problem, so as a part of that puzzle, having a good Cadet Program with good role models, could change someone's life, save someone's life and maybe spread the word. There's a perception with law enforcement folks that they are sometimes the enemy. He deals with it all of the time on a national basis. Mike's (DiGregorio) son's life changed somehow. He wanted to say congratulations to the Conway Police Department for a job well done for going after the heroin dealer, but he is going to say you are not even touching the surface. What you need to do, what he believes and this is a question, were there any assets seized with that drug bust. Chief Wagner stated some. His question, and he wants the Budget Committee to hear, just hypothetically let's pretend it was \$10,000.00; how much of that could the Town keep. Chief Wagner stated if it's a Federal case the Town keeps 80%. Steven asked and if it is not a Federal case. Chief Wagner stated he thought it was 60%. Steven stated his question is, because he does law enforcement all over the country, and this is what he was trying to portray when he was on the other side last year, is that there is a lot of money that can be made by going after the drug trafficking in this town. There are agencies out there whose road guys are trained in drug intervention. What he was saying is that if we make a target for those drug traffickers, those people that come up from Massachusetts and from Portland and come into our community, it's paying big time here on our education. It's destroying families; it's destroying our schools. That's where we can fund a lot of what you want to do, but he is here on the other side, on the Budget Committee saying that we do have to cut the Budget; 7.1% is a big chunk of dough for people that are losing their homes, it's hard to pay their taxes, and he was just saying that he thought we could increase revenues in this town if we can lower the taxes because we can make it so more businesses will move in, more residents will move in. That's a whole different ball game.

Chairman Mosca stated he understood what Steven (Steiner) was saying, but wanted to stick to the Budget and Budget questions. Point well taken, but if you have a question on the Budget or the numbers in the book, let's stick with it because that is what we are here for.

Bill Marvel stated he was not entirely sticking to Budget, he didn't have a gripe about the Cadet Program although he did think it was in politic to this year, next year or the year after next to basically open up a new line like that especially in a \$3 Million Budget. His guess is that they could probably fund that. What he really wanted to address was Lt. Perley's rebuttal which seemed to imply what is kind of disparagement of the argument that people are having a hard time and he just wanted to state that he is not retired, lives in a house where someone hasn't had a pay raise in 5 years except for this last year when it was just enough to cover the increase in health insurance and his own income is about a quarter of what it was about 5 years ago. He kind of resents it when he hears people, usually from an environment where they have guaranteed

income and most of their acquaintances do, seem not to believe that there is some trouble out there among the people you haul into jail. Lt. Chris Perley asked who has a guaranteed income. Bill stated people with a municipal job have, for the most part, no fear of losing their jobs.

Chairman Mosca stated he was going to cut it off there and let's stay civil. He took no ill feeling towards it. He thought Chris (Perley) did his homework and he applauds him for that, but it is what it is. Let's stick to the Budget book please.

Brian Charles stated if there was a large bust and we ended up with \$100,000.00; how does that show in the Budget; where would that appear; how would it be accounted for and what would it go towards. Chief Wagner stated it would show up as revenue for the Town in Lucy's (Philbrick) books and there would be an account set up and it would go towards the things that the government requires that it goes for: weapons, vehicles, equipment and other stuff like that. Brian asked if there is a specific mandate to spend that in a specific way. Chief Wagner stated there was.

Danielle Santuccio stated Bill (Marvel) made most of her points that the \$3,500.00 could certainly come from some place else in the Budget if you are going to add another line item. It's not the right time to just be adding something in without cutting someplace else. Correct her if she is wrong, but she thought what Bill kind of meant to say was the guaranteed merit increase in pay more than the guarantee of having a job. A more politically way of saying that maybe. Bill stated technically municipal employees can lose their jobs for cause. Danielle stated but they are guaranteed pretty high increases at least in the Police Department Budget. Bill stated that certainly was true; he recognized her point then claimed it as his own.

John Edgerton stated he thought the Police Department does an outstanding job. The only problem he has with the Budget is a 7% increase every year doubles the tax base in 10 years. Can we afford to double the tax base in 10 years or double the Department's Budget in 10 years. Chief Wagner stated a very good portion of their increase was mandated by the State Legislature. Over \$43,000.00 of their increase was mandated by the Legislature for retirement costs. The State is no longer going to pay and decided it was a good idea that the Town pays. That's over \$43,000.00; another \$40,000.00+ was money that is now in their Budget for the second half, actually the first half or whatever you want to call it, of the Police Officer that the Town voted on last year. There are almost \$100,000.00 of what the Town voted for last year and what the State Legislature voted for last year. If you take that out, which he knows the Committee can't, but if you say that's not the responsibility of the Police Department any more because the Town voted on it and the Legislature voted on it, they are at about a 4% increase which he believes is in line with what the Town is as well. The \$237,000.00 is a little skewed because there are things in there that they can not control.

Maury McKinney stated he just wanted to know if any local non-profit resources have been used in the funding of the Cadet Program, not having been on the Budget Committee for that long, has it always been funded by the Town. Theresa Kennett stated yes. Maury stated he certainly did not question the value of it at all. He would say that he hasn't had a raise in 10 years and hasn't had health benefits in 20 years, but the value of

his job, the value of it to him increases over 3% every year and he thinks the reward is immeasurable so he guesses it's all relative, but he also knows that the company he works for right now has brought in at least 65% of your budgeted line item for that program through local non-profit resources. Just as Chris (Perley) said the taxpayers understand the value and so do the local non-profits. Is the North Conway Police Department restricted from using those resources. Theresa Kennett stated if Maury was asking are they restricted from receiving donations from non-profit organizations, she would have to say she thought not, but was not sure. Dave Doherty stated we can. Mrs. Kennett further stated it would be inappropriate for the Police Department to fundraise. Chief Wagner stated they have looked to fund things through non-profit organizations and you usually have to be a 501(c)(3) to receive it so they weren't able to give it to us as a Town entity; they weren't able to get it to us. They looked at the Ham Foundation and they looked at other charities and they were not able to give anything to them.

Syndi White stated on the incentive pay that went up \$8,000.00; can you explain what the incentive pay is and why it went up that much. Theresa Kennett stated incentive pay is vacation pay and sick time. Chairman Mosca stated it's a payout of vacation and sick time. Chief Wagner stated there are three components to the incentive pay: an educational incentive, a vacation incentive and sick time, actually not a vacation incentive, a longevity incentive which there are only 4 people he thought left in the Police Department, maybe 5, that actually get longevity pay and a sick time buyout. What the sick time buyout does is that they are allowed to have so many hours on the books; after that if they don't use them they get a portion of the sick time that they didn't use the year before. Syndi asked why did it go up so much. Chief Wagner stated he thought because they have people that have been there longer that now have enough sick time. You have to have a certain amount of sick time to be able to sell back, and the people that have been there longer may have enough. That's what that is all about.

Karen Milford stated she had a couple of questions; she was trying to get her head around the retirement calculation. Are all employees in the Police Department subject to that 25.3% or is it just Officers and then Dispatchers and others are subject to a lower percentage. Chief Wagner stated there are two groups: Group 1 and Group 2. Group 2 are Police Officers and they are subject to the 25% and all other employees are in Group 1 which is a lower percentage but it still went up almost 11%.

Karen Milford stated as a piggyback, retirement is obviously going to impact this Town significantly over the next couple of years. Is the Town required, apart from what is in the Union Contracts, to participate in the State Retirement System. Chief Wagner stated yes. Karen asked if it was because it was stated in the Union Contracts or because there is State laws stating that municipalities need to participate in that system. Chief Wagner stated he believed it was State law. Karen Umberger stated you have an option not to participate; it's your choice. Mark Hounsell stated that's an important point to get out there.

Chairman Mosca asked that there not be 15 people talking at once; it's difficult for the viewing audience as well as our Recording Secretary to

try to get everything so he would ask that people please don't do that. Thank you all.

Chief Wagner stated well before our time, but he believes and Lucy (Philbrick) believes that the Town voted on participating in the State Retirement. He did not know of any municipality that did not, but he was not all that sure.

Karen Milford asked if they could find a little more information about that because next year we are going to have a very similar increase Town-wide and, as she understands it, the State Retirement System is significantly under water and if they are pushing all of these costs on to the municipalities, it is going to have a significant impact on the Town. Having a sense of the Town's options with respect to that System, what other options there might be she thought would be important.

Karen Milford asked if the Union Contract, she believed she saw that it expired December 31, 2012; when does the negotiation of the new Contract occur. Dave Doherty stated it started in March and there were two changes this year: the length of the Contract went from 2 to 3 years and there was some language clean up. It wasn't dollars, it was just clean up. Those were the two changes. Karen stated she was sorry, but did the Contract expire December 31, 2012. Mr. Doherty shook his head in agreement. Karen stated so you haven't really looked at the changes yet. Mr. Doherty stated they have a 3 year signed Contract now. Karen stated it has already been signed and Mr. Doherty agreed. Karen stated in March or April the voters will have an option and the Commissioners all agreed. Mr. Doherty stated one issue though, they've got to be competitive. He would rather be a Police Officer looking for a job than a School teacher. A couple of years ago the Department lost a couple of Officers, one got \$15,000.00 more for the same job and the other got \$12,000.00. You have to be competitive all the way through. These guys are in demand and that's part of keeping them.

Theresa Kennett stated that she wanted to add that the Department is now fully staffed; they have 23 Police Officers and 14 are at or below the average pay in that 30-Town Survey. The 9 who are above that have, on average, 17 years of experience so you would think that they would be making more than the average of that 30-Town Survey and people often quibble about the towns in that 30-Town Survey but calculations have been done Statewide and that doesn't change much. Given the level of activity that the Police Department has, we do really need the top echelon of candidates. It is a very specialized skill. In the last several years as they have looked at new hires, they look at people with a 4 year Criminal Justice degree and if they find someone with a degree plus experience, then they are golden. As David (Doherty) said, we have to be competitive; they are not one of the highest paying departments but they have to be competitive in order to attract good candidates. David Doherty stated they start at 92% of the State average.

Karen Umberger stated this is not really a question but more of a statement. Some time in the next couple of weeks she will sit down and put together some true information about the Retirement System so that everyone will know what happened and why the rates got to where they are. She hoped the members will understand that the Legislature did not change it.

Steven Steiner asked what the salary was of the Department's lowest paying Officer. Chief Wagner stated around \$44,533.00. Steven stated going back to the drug dealer, if you had some big drug busts, would those monies be used to offset the cost of law enforcement labor in this town. Theresa Kennett stated not labor, but there are some specified expenditures that are approved for that type of money. Steven asked if it was a law, a RSA and requested that information. Chief Wagner stated he would get that.

Mike DiGregorio stated if he understood what was being said correctly, the starting salary of somebody is 92% of what would be 50% of everybody's pay, just a little bit less than average. He totally understands bringing people on board and in order to attract people on board, you have to pay them properly and you are absolutely right, there are areas not too far away from us that people can go and probably make a few more dollars. He does struggle with the percentage of increase. It was kind of known that there was an issue in the last Contract at 4% when the rest of the Town and municipality, he couldn't remember what the School came in at last year, it was around 3% he believed. During negotiations this year and know that everybody else was quite a bit less than that 4%, can you explain the rationale to extend a 3-year Contract with the 4% again. Dave Doherty stated 4% isn't happening; when they do the reviews, they don't know what they are going to get, they have no idea how it is going to convert to dollars until the State sends it out which is in December. It's a merit system and they really don't know what the dollars are. When they started out, he started about 100 years ago it seems like, Bob Mullin and the Town Manager was Somerville, he's the one that changed it and for good reason because there were step increases. You got a raise every year so they wanted to put it on the merit system and that's how we got here. It has not really changed; the starting pay has gone from 87% to 92%.

Chief Wagner stated he thought it was over 20 years ago that the Town decided and voted to eliminate step raises because they didn't want to just give raises out, so a performance based evaluation was put in place for everybody in the Town. When that 30-Town Survey and the performance based evaluation was put in place, it was the time to compare the Police Department to the other 30 towns in the State. It was not designed to compare the Police Department with anybody else in the Town or any other Department within the Town. It wouldn't be fair to anybody within the Town departments to compare them to the Police Department either. Now if you have to compare the Conway Police Department to the other 30 towns, other Police Departments, he thought we would have to go back to what Theresa (Kennett) said just a few minutes ago, they have 9 people that are above the average of that 30-Town Survey so 14 are at or under the average pay of those 30 towns. A couple of years ago when we were talking about how busy the Conway Police Department is because we all know, at least the ones that were here know, that the Department is the 11<sup>th</sup> busiest town in the State of New Hampshire and he thought it was unfair that you are now trying to take that 30-Town Survey and merit base system and compare us to the rest of the Town because it's not fair and that's not how it was designed. If you do compare the Department to the other 30 towns, they are still below the average. If you take every Policeman in the Conway Police Department, they are at 1% over the average of all of those 30 towns.

Mike DiGregorio stated he was not questioning the merit raise itself, that's something, a system that you guys have been working with, he was not questioning that. What he was questioning is the amount of the percentage and what he is getting at is, are you telling him that all 30 towns, or at least the average of those 30 towns, are giving 4% raises or more and the problem is, as Karen (Umberger) was talking about is that the Retirement System is bankrupt and going bankrupt. It is his understanding that part of the reason that the legislators made the changes they did was because the local towns have control of the raises, yet the State was funding part of this program and he thought that was why he had an issue with the amount of the percentage.

Theresa Kennett stated she just wanted to make a point that 20 years ago, or however long ago it was, while she was not on the Police Commission she does recall that there were two reasons to go from an automatic step increase to a merit based system. The first was to just get away from those automatic increases regardless of performance and the second was to help the Town of Conway's Police Department to become competitive. At that time, we were not paying even near the average of police pay in the State of New Hampshire, they were not attracting good candidates and so this system helped the Department become competitive and now it is helping the Department to stay competitive.

David Doherty said, when the supervisors do those Merit Based Performance Evaluations, nobody really knows what the outcome of that is going to be because the figures from the 30-Town Survey which dictates what those increases are have not yet been released. Even though those increases have averaged out to 4%, the Department is still, as they have said before, in order for you to judge whether or not it's being extravagant, you just have to look at the fact that 14 of the Department's Officers are below that and the 9 that are above the average have, on average, 17 years experience. That Merit Based System and the way in which those raises are calculated has not skyrocketed the salaries so that the Department is the highest paying Police Department in that 30-Town Survey or, of course, the State of New Hampshire, but it has allowed the Department to be competitive and that's what they want and that's what they want for the Town of Conway.

Chairman Mosca stated he was going to make a comment: he just has difficulty with the merit system on the objectivity of evaluating somebody. He thought when you evaluate somebody there's a lot of subjectivity to it and, he wasn't here when this system was put into place, he is not a fan of this system, but it's what we have. He just doesn't think there is as much objectivity as there could be.

Maury McKinney stated he just wanted to ask about the current state of the North Conway Police Department vehicles. There was some information brought last year that there were some vehicles with high mileage and personnel in the Police Department are investments that we, the Town, make so that they are safe. The line item has gone up on vehicles and that's part of the Budget, understand that, but just to substantiate that, what is the current state of the vehicles and what are the plans for the next few years in terms of maintaining that. Rodney King stated that currently this year the Department received 2 brand new vehicles. These new vehicles are not the same as the Crown Vic, they are a much better vehicle, but

they require a complete up fit, so the equipment that is currently in the vehicles will not go in the new vehicle. That is one of their line items that they increased by \$4,000.00 and that is so what the Department can up fit the new vehicle for. They have asked this year for the Town to support the Department in having 2 new vehicles every year because at the current time the #1 cars run any where from 65,000 to 75,000 miles per year. They are out of warranty within the first year. Basically, they like to think that they are getting 3 years out of them, but they are not.

Rodney King stated basically last year they lost 2 vehicles due to unsafe and even having the Town try to repair them was not economically feasible. They are hoping that if they are able to get 2 vehicles every year, they would then be able to issue back to the Town a vehicle that they would be able to use for a few years as they have done in the past. Currently, right now, there is one vehicle that is marginal and the other ones have any where from 150,000 miles and up. Theresa Kennett stated there are 9 vehicles in total and one motorcycle that runs part of the year. Mr. King further stated to remember that the vehicles run 365 days a year, 24 hours a day. Even if they are idling, it's wear and tear on the motor. On another good note, the newer vehicles are more economical and he believes in the years to come the members will see a decrease in the amount of fuel that is used. At the present moment, they are not ready to go there, but they do believe that they have seen a marked improvement in the mileage that the new vehicles are giving them.

Mark Hounsell stated he had no problem whatsoever with the merit pay system; there's no system that is going to be perfect, but he thought this system serves a proper role in determining what a person should be reimbursed for the labor and plus it has been ratified. That's the way we do it. However, he did have a problem with the one stop shopping on the Retirement System. He would kind of like to see the Selectmen, the Commissioners and the School Board look to see if there are other options besides the State Retirement System. Are we bound by State law to participate in a system that is bankrupting us or can we, as has been suggested, find some other options. He did not think there was time this year, but certainly we are looking at a long term problem and it doesn't look like the Retirement System is going to be a safe place and he doesn't know enough about Retirement System options to speak on it. It may be time for us to do something on that nature to control costs. As far as the merit pay, he is fine with that.

Theresa Kennett stated she thought that sounded like a good suggestion for elected officials to work on and maybe we can get some help from Karen (Umberger) as she researches what the State law is and how we got where we are right now. It would be nice to know that as well as what other options are.

Chairman Mosca stated on the Retirement System, as he looked through the Contract, do the employees pay a percentage through the Retirement System. David Doherty stated yes. Chairman stated he didn't need to know what it was, it's not specified in there.

Chairman Mosca stated on over time, last year we talked about the overtime Budget going up, fairly substantially, \$10,000.00. Now it is going from \$45,000.00 to \$55,000.00 and part of that was because of a couple of big

cases and things that were going on that were eating up a lot of hours. Why is it going up again this year. Lt. Chris Perley stated as you know, this year the Department had a significant hurdle in manpower. The Department was down 3 Officers really until December 22<sup>nd</sup> because their last Officer graduated from the Police Academy on December 22<sup>nd</sup>. For all of the year, they were down 3 people for a variety of reasons. One is that it takes time to hire them, the investigation to make sure they are a qualified candidate and then, of course, the training cycles. The Department has an 8-week in house training program as well as going to the Academy. The Department had unusable slots so they had to fill them with something. The Department caught a break with part-time Officers; John Saxby who is a long term employee, professional airline pilot and a former Sergeant, his schedule settled some because of an assignment to a home base so that he had a much more predictable schedule; Gary Sherry who was a Bartlett Police Officer and then a fine Officer for Conway for several years, full-time and had a change in his personal life and went to part-time. The Department had 2 highly qualified candidates who were formerly full-time, but were now available on a regular part-time basis. The Department knew they were going to be short on full-time employment, so they used the budgeted money for the full-time employment and used it as an offset in Specials as well as in overtime. Members will see a cost over run in overtime and a cost over run in Specials, but that was somewhat intentional because the Department needed those bodies to fill that spot. The Department got a great bang for their buck with the part-timers and that's why they utilized them because there were significant gaps in the schedule. Three people is an entire shift if you had them all working at the same time. Now that's completely different for next year because we are up to full staff.

Chairman Mosca stated that's his point, next year you are looking for \$60,000.00 versus the \$55,000.00 for this year. Why is it going up again if we are at full staff. Lt. Chris Perley stated overtime will always go up as a component of the Labor line. Whatever you are budgeting for, whatever business you are in, you have a Labor line which is Salaries and then you are going to have a projected or an actual overtime line. You have to pick a number somewhere and it is always going to be a percentage of the Labor line. For the Department, it's about 4.5% or 5%. If you were developing a Budget from the ground up, you'd probably start with 10%, so the Department's overtime is relatively lean as it relates to Labor, but it goes up incrementally because payroll goes up incrementally. If a man makes \$1,000.00 a year in year #1 and your overtime is \$100.00 and he makes \$1,200.00 in year #2, it's got to be \$120.00, so multiply that times 25 people and you have to have an incremental increase just to stay even. If the money was the same, you'd be short so that's why it goes up.

John Edgerton stated you have contradicted yourself; you had overtime in excess last year because you were undermanned. You are at full strength and you increase the overtime, that's opposite. Theresa Kennett stated no, because the Labor line goes up and overtime is a percentage of the Labor line. If the Labor line increases, so does the overtime. John stated it was stated the Department was using the overtime because the Department did not have enough people and was filling in with overtime. Now you are at full strength and you are saying that you still need more overtime. Lt. Chris Perley stated that doesn't give you one for one; \$1.00 in salary, you have to pay \$1.50, so you are not getting the same coverage. You now

have more people because there are 3 more people here. John stated you are saying that the overtime wasn't used to fill in because you didn't have 100% last year. Lt. Perley stated that was not what he said at all; what he said was that it is not a dollar for a dollar, you don't use a dollar overtime for a dollar in salary, you use \$1.50. John stated he agreed with that, but you are 100% manned and you weren't and you were using overtime to fill in because you were short 3 Officers. Now you are 100% manned and you still want to have overtime to cover 3 more Officers. Lt. Perley stated there are still overtime assignments. John stated it wasn't making sense; Lt. Perley wasn't making sense.

Chief Wagner stated he actually thinks that it makes perfect sense, but the point he wants to make is the Department doesn't usually use the overtime just for extra people. The Department spent \$70,000.00 in overtime this year; \$26,000.00 of it was used just to have extra people out there. On the 4<sup>th</sup> of July the Department has 12 people on; New Year's Eve they have 10 people on. Those are important dates, but the Department also has shootings, people getting stabbed, drug deals that go down; so \$26,000.00 out of \$70,000.00 to actually have extra people on the road or to have the Detectives out. Every other dollar in overtime was spent to cover somebody that called in sick, somebody goes on vacation, Court or training. So about \$45,000.00 out of the \$70,000.00 was used for that purpose. Theresa Kennett stated that actually it was \$55,899.00 in this Budget. There is overtime that has been reimbursed by Grant programs. Chief Wagner stated they had \$55,000.00 budgeted but they overspent it by \$15,000.00 so that's \$70,000.00 and \$26,000.00 of it was used to actually put extra boots on the streets or for extra investigations or for Town events like the 4<sup>th</sup> of July and New Year's Eve. The rest of it was to cover sick time for people who called in sick, for people who took vacation, for Court and for training.

Mike DiGregorio stated that he was still trying to wrap his head around the overtime too. The Department has "x" amount of hours that you have to budget for the year; you put everybody's work together it's "x" amount of hours and he thought what John (Edgerton) was saying is that if you had to cover 40 hours and you only had enough Officers to cover 20 hours then your Special guys you were just talking about were picking up that extra 20 hours. Now you have enough Officers to cover all 40 hours; so in his mind there would be no need for those Special Officers because you have the regular people covering the 40 hours and he was just using 40 hours as a simplistic number; obviously there are thousands of hours to cover for the year and you are telling us that you are now full staffed to cover those hours. Rodney King stated as the Chief alluded to the fact is that they don't know when the next drug bust is coming, they don't know when the next robbery or shooting is coming. This is what we are trying to tell you, we can not control that. They can't say they are only going to spend \$50,000.00 when realistically they would have stayed within the Budget if they hadn't had these added problems. He was not sure they could give a solid number. Mike stated but there are some things you do know about. You know you are going to have 10 Officers on New Years Eve, you know you are going to have 12 on the 4<sup>th</sup> of July and he assumed that those hours have been budgeted and shouldn't be calculated in the overtime budget. Lt. Chris Perley stated the Department doesn't have 10 on at once; there is a lot of overtime for those Town events. Chief Wagner stated he guessed the point is if you have "x" amount of hours for last year that they had for

overtime, you can't cover that same "x" amount of hours with the same money because of the increase in pay. Theresa Kennett stated that's why when salaries go up, the amount of overtime, the dollar figure, goes up.

Greydon Turner stated he believed the question still remains that the \$45,000.00 that was attributed to things like vacations, Court cases and so forth, it would seem to us perhaps that is time that you would schedule in advance, especially when using something like vacation time. Therefore, wouldn't it be more prudent instead of using overtime to figure out a different way to cover that, albeit a regular Officer at regular time versus time and a half or to be able to schedule by saying there are certain times that employees simply may not take vacation time. The summer may not be an option because of our tourist nature. The vacation times are not always available for many companies or organizations during that time period. Wouldn't that be a better way to handle some of that \$45,000.00 in overtime.

Chairman Mosca stated he was going to step in for a second, normally it's cheaper to pay overtime than it is to hire a new person with benefits and everything else. Unless there is a need for a full-time full person, then most of the time it's more beneficial to pay overtime.

Chief Wagner stated the Department does have black out dates for vacations; there are certain times throughout the year that "hey, sorry, you just can't take vacation". Each Officer knows for the next 9 weeks what shift they are going to be working and so we can't say take 2 hours out of your schedule working midnights to come in on day shift to go to Court. It's sort of impossible to really find out; you don't know when somebody is going to call in sick, so it's very difficult to determine when those times are going to be used.

Chairman Mosca stated he didn't know if all members read the Contract, but contractually everyone is entitled to 4 hours overtime for training, correct. Chief Wagner stated he believed it to be 3 hours. Chairman stated he believed it is 4 hours for everybody for training and he has no problem with that, but it is going to contribute to part of the overtime. Chief Wagner stated that's just if they are off duty; if they are off duty.

Peter Donohoe stated he understood the overtime argument, just doing the math here, taking last year's wages and he thought the Chief said it was between 4.5% and 5% was the average, but you were 6% this year and that's a mild variation. He gets the reason for the requested overtime because it's a simple matter of taking 5% times this year's projected wages.

Steven Steiner asked how many holidays do the Officers have. Chief Wagner stated 10. Steven stated so if they work on a holiday, they get paid overtime. Holiday pay is different than overtime. Commissioners stated yes. Chief Wagner stated if somebody works Christmas, then they just get paid their straight time, but they do get a holiday check.

Syndi White asked for an explanation of the \$10,000.00 increase in the Computer line item. Rodney King stated currently the Officer that is maintaining their computer system is retiring this year, so they went to the Town and asked them how they manage their computer systems. They have a contract with a firm and that's why the \$10,000.00 is there, so instead

of having an Officer that would be trained to run their computer system, they are going to subcontract that out and they may not spend all \$10,000.00 as they were only going by the guidance that they received on what the Town Budget is to take care of their system.

Mike DiGregorio asked if any thought was given to what was said at the Selectmen's Office about keeping track of those hours and the reason he says that is because they are absolutely right that they have had an Officer doing their computers, but they've never really separated out how many hours they spend on it. They paid the guy whatever he gets paid; it's a very similar situation that they do with the lights and stuff for the vehicles because they are lucky enough to have somebody that knows how to do that stuff. So instead of spending thousand of dollars, they keep it in house. His question was and he thought the Selectmen had asked, obviously the contracted service they will be keeping track of the time. Rodney King stated they will make sure that they monitor the time. Mike stated the reason that he says that is because some day Mike's not going to be able to do that any longer and you are going to have to know how to budget that. Mr. King stated they use in house labor to equip their vehicles instead of taking it to Ossipee Mountain.

Karen Milford stated you mentioned an Officer is retiring this year, has recruiting started for that because it sounds like it takes quite a bit of time to get somebody on or do we have a seniority with quite a few of the Officers, are there projected retirements going to occur over the next couple of years. Rodney King stated he was not sure there will be, but at the present moment they won't solicit until he officially announces that he is going to retire, but they do believe he will retire this year in July. Karen asked how much notice are they required to give. Mr. King stated actually none; they are not required to do anything. The Officer has told them that he is going to retire this year. Karen stated with the discussion of overtime and being short staffed, it seems to make sense to start that process now instead of waiting until he gives his notice or whatever.

Chairman Mosca stated on the same vein, do we have a list of candidates at the ready. Theresa Kennett stated that every time there is a position open, they do advertise and they get new applications so all of those people that remain interested after they have submitted their application have to pass a physical and some of them don't and those applications, while they may be on file, might not be the people that you would go to if a new position opens because not everybody is looking for a job all of the time. Even though you might have a stack, you would always advertise to see what else is out there.

Mike Fougere asked if there were any other tasks being done internally that would be something that is eventually going to be another bill for the taxpayer. Theresa Kennett stated she thought it was the computers and equipping the vehicles with the light bars and that kind of thing are the only two. Mike stated no one's doing in house maintenance on vehicles or not doing their own oil changes. Mrs. Kennett stated that the Town does their in house maintenance, the Town Garage.

Mike DiGregorio stated just so that everybody's aware, the Town's Service Garage acts like a real business in the sense that there are accurate

records of every vehicle and it is charged back to those Departments with part numbers, slips and all of that stuff so it's not just that the Town fixes a bunch of vehicles, they really keep track of it. Theresa Kennett stated the Department is charged for the equipment parts and then she thought the Town charges \$1.00 for labor.

Chairman Mosca stated he wanted to go back to vehicles before he gets on the Contract questions. The vehicles that are being replaced, why are they being replaced. One you said was a safety reason that couldn't be fixed. Rodney King stated correct and the goal was to have vehicles that need less maintenance and are more reliable. Currently in the back yard, of the 9 vehicles that they have out there, at least 5 of them have over 175,000 miles on them and they are not used every day because they are not capable of being used every day. Chairman stated he hated to ask this, but was going to anyway; would it make sense to just put new engines in some of these cars, what's wrong with the car other than the mileage on it. Mr. King stated that he thought it would be found that most of the vehicles due to the weather conditions that we live in are rot out. Crown Vics haven't been made for 3 years.

Chief Wagner stated this is the first year with the new ones. Rodney King stated he knows that they lost an Explorer last year and one other vehicle that was not inspectable and even with the Town doing the labor, it was not salvageable and he believed that the Town will no longer even accept their hand me down vehicles. He was not being deceitful, but the vehicles running 365 days a year, 24 hours a day is just not a good thing for them. Lt. Chris Perley stated interestingly and to Ford's credit, it's never the engine that fails. They have yet to swap out an engine, it's always the ancillary parts: the transmission, the drive train and corrosion obviously is a significant problem.

Mike DiGregorio stated when it was stated earlier tonight about the 2 or 3 year vehicles, he's talking about the front line vehicle, they get rotated into the second line or third line kind of vehicle and then eventually hit the junk yard at the Town Hall where Earl (Sires) gets to drive around in them. When a Town vehicle is in somebody's driveway and the Town has to have it towed away because it won't start any more is a little embarrassing.

Karen Umberger stated she wanted to follow up on what Mike (DiGregorio) was saying; not every vehicle drives 24 hours a day, 7 days a week in the Police Department. She knows the Chief is not awake 24 hours a day, 7 days a week. Chairman Mosca stated but I see him every where. Karen stated that wasn't her point; she was just saying that the vehicles that the Patrolmen use, yes those would be driven that much.

Mike DiGregorio asked what the intention was for the front line vehicles on the road going forward fully staffed. When he says front line, how many Officers are expected to be on per shift and he didn't want them to give away their strategy. Chief Wagner stated to give a little insight, now that they are fully staffed, they currently divide the Town into two sectors: the south which is down here and the north which is up north. They have divided the Town into 3 parts: a south, a central and a north, so their hope is that they will have a minimum of 4 people on a majority of the time. There will be usually 2 cars with no down time; it's 24 hours

a day, 365 days a year. The other cars, Karen (Umberger) is right, although it may seem like it to Joe (Mosca) he is not up 24 hours a day, but they are not looking to replace his car every 2 years either. They look to put 2 cars on the front lines and then usually there's a supervisor car, Sergeant car and a horrible car. Once the 2 front line cruisers that are running the majority of the time get to 120,000, 130,000 or 140,000 miles, they get rotated to a Corporal's car that is not running 24 hours a day, 365 days a year and then in turn when he is in line to get another car, his car goes to the Detectives and so on and so forth. They have a rotation of where those cars are going to go and usually the front line cruisers last them 2 to 3 years, but they get to the Town and they have 170,000 or 180,000 miles on them and are absolute junk. The seats are sideways and it's not conducive to be in that car for 8 hours on a shift any more. They will have 4 people on a shift now that they are fully staffed and they will, with their overtime, cover if they run short, if somebody calls in sick, they will have the money to cover that person who called in sick.

Chairman Mosca asked who the resident Contract expert was and asked if there were any Officers not in the Union. Dave Doherty stated yes. Lt. Chris Perley stated Sergeants and above. Chairman stated he meant that can be in the Union that choose not to be. Chairman stated he would re-phrase his question because in the Contract it says they don't have to be and he was just wondering if anyone chose not to. Chief Wagner stated he didn't think so.

Chairman Mosca stated under Arbitration, the cost of the Arbitrator is paid for by the losing party; that's what the Contract says; why wouldn't it be a 50/50 split because he is assuming the Union doesn't take cases that they don't think they are going to lose. Dave Doherty stated that helps dissuade frivolous challenges. Chairman stated he was a Union official for 10 years and he didn't take any cases forward that he didn't think he was going to win because it was just wasting his resources and where he was, they split 50/50 and he didn't know what the ratio was, wins to loses were and what the cost was to the Town or what the cost was to the Union. Mr. Doherty stated he has been on for 100 years and he can't remember having one. Chairman stated so if you have an Arbitration, it's few and far between. Mr. Doherty agreed.

Chairman Mosca stated if an employee is appointed, do they have the right to fall back after 6 months. If the Department chooses not to have them in that position, they can go back; if an employee chooses not to take a position, they can go back. If someone goes into a management position, do they have the right to go back. He is a Contract guy and probably no one has read the Contract but him. Theresa Kennett stated your question is that if someone gets promoted, doesn't like it and wants to go back; so if the Patrol Officer got promoted to a Corporal, didn't like it and chose to go back to patrol, that could happen absolutely. Chairman stated it doesn't read like that. Dave Doherty stated that's never happened either.

Chairman Mosca stated he thought that the Chief had already answered this one, employees entitled to longevity pay, there are only 5 or 6 you said. Chief Wagner stated no, 5. Chairman stated so that will eventually be going away, not that it's a lot of money. Chief Wagner stated he thought

that everybody that has longevity is at least in the 20<sup>th</sup> year, so those are the only people that have them.

Bill Marvel asked if it was cumulative, if you leave and come back. Chief Wagner stated no. Dave Doherty stated one starts over again.

Chairman Mosca stated on holidays, why don't the employees get paid the holiday when it takes place, why do they get a check in November for the 10 holidays. It doesn't make sense to him. Karen Umberger stated they like the Christmas money. Chairman stated he understood that, but it doesn't make sense. Karen stated she agreed, but that's what they like. Rodney King stated he made a mistake, there are only 4. Chairman stated his point was that it's not a lot.

Chairman Mosca stated on Vacations, usually it's a week, 2 weeks, 3 weeks, but the way he reads the Contract after 1 to 5 years it's basically 12 days, 1 day a month. Theresa Kennett stated they earn it. Chairman stated what he was saying is that usually you see after 6 months you get a week, after a year you get 2 weeks, after 5 years you get 3 weeks. Mrs. Kennett stated they earn it day by day. Chairman stated he was not saying they don't. Lt. Chris Perley asked if it caught his interest because it is longer than most or just earned in a different fashion. Chairman stated just earned in a different fashion; he had never seen something like that before. Lt. Perley stated it does help mitigate earned benefits when someone leaves, say after a year. If the Contract said 2 weeks vacation a year and they are in that fiscal year, the earned benefit would be 2 weeks of pay in addition to whatever else they have. They earn it by the month or day and a half a month or day and a quarter a month and they leave in July, then the community has no earned benefit liability for those remaining months. Chairman stated point well taken. Mike DiGregorio stated he thought that was how the State Police do it also.

Chairman Mosca stated on Sick Time and payouts for sick time, it almost appears to him as if you are almost double dipping. You can get paid sick time; once you accumulate so many days in your bank and when you retire, you're getting paid for it again, maybe not again, but a second time. Basically, an employee every year once they are there for 5 or 6 years can get paid for 2 extra weeks for accumulated sick time if they don't take it. His question is how many days are used on average per employee and he was assuming that it was not very high because most people would want the money. He was not saying it was a benefit to take away from current employees, but maybe through negotiations anyone hired after or during the current Contract negotiation or Contract going further that you say they can get one or the other, but not both. You can either get paid when you retire for your Sick Time or you can get paid as you are working for your Sick Time, but not both benefits because to him it seems like an awful lot that the Town is paying out and if you look at what is being paid out per year in sick benefits, he thought you could probably cover another full-time Officer with benefits, if not two.

Theresa Kennett stated she thought the Chairman Mosca was misreading the Contract; she thought they could accrue their Sick Time. Chairman stated they can accrue Sick Time but they can also sell back or buy back time every year. Mrs. Kennett stated they can sell it back. Chairman so they get paid for it, but also when they retire, they can sell back 75% of

their time. Mrs. Kennett stated only that which they have not already sold back. Chairman stated once you max out after 4 or 5 years, you can get paid every year until you retire and you're still maxed out. What he was saying is for the long term for the Town if you get rid of one or the other for future hires, not saying to take the benefit away from current employees, but it seems to him that one can almost double dip.

Lt. Chris Perley stated there are three positive elements to the Sick Time, positive for the Town as it stands. There are two short term and one long term. A short term benefit is that you are paying \$.75 on the dollar for the cash out. At the end of the year a person has banked 30 days; they have to bank 30 days first before they can do a sell back and then let's say they earn 10 days in that given year after they already have the 30, that's 240 hours. Then they will get 75% of those 10 days or 7.5 days. That's an instant equity to the community because if they had taken those sick days, if there is not sell back and a sell back is a motivator to work because if you have a sick day, you're going to lose it. Some organizations have people call in sick when they really aren't sick or when they are making those decisions to work they err on the side of staying home. If they use 10 whole days, then you would pay for 10 days of work. If they save it and sell it back, net equity to the Town is 25%.

Lt. Chris Perley stated the other short term is that it motivates the savings of sick time and appearing for work which saves you in overtime costs for those unanticipated shortages that we have talked about which is a net loss of 50% on the dollar, so you are going to pay \$1.50 for the dollar you would have spent had the person shown up versus the 75% for when they don't show up. That is another short term equity. The long term equity is if you allowed somebody to save more Sick Time, let's just say "look it's double dipping, we're paying you now, we're paying you later, just save them all up, we'll pay you at the end". This may come as a shock, but he makes more now than he did in 1985 when he started. It becomes a deferred comp that grows; you're going to pay \$4.00 on the dollar the person earned by the time they cash it in. Anything they can do to retract that growth liability is a benefit to the community. You have two short term equities to the community and one long term equity and it's not double dipping, it's smart money to get them to sell it back. They work more, they cost the Town less and it caps how much they can save.

Chairman Mosca stated what if we did away with Sick Time altogether and give more personal days. Point well taken, he didn't think most people call in sick when they're sick; he thought most people still come to work unless they really can't get out of bed and people call in sick when they have other things to do. It's a reality of the work force. Lt. Chris Perley stated the Department was very fortunate, they have a very healthy work force. One thing he likes about comping sick days is he thought people who have good ethical standards hesitate to call in sick if they're not really sick; they also have a penalty for it, you get in big trouble if you get caught faking an illness. He believes there is a little hesitation in using a sick day if you're not sick, but a personal day is personal and he can use it any time. The Department gets a more consistent appearance at work and that's a good thing, at least for the guy who has to take care of the schedule.

Chairman Mosca stated this one will have to be explained to him and it's not a lot of money, but he just doesn't understand under Uniforms and Equipment, it says the full-time Dispatchers receive \$350.00 a year and full-time Clerks receive \$450.00 a year. They are all inside people, why would they be paid different amounts. Like he said, it's not a lot of money but to him it's a curiosity thing. Dave Doherty stated uniforms for Dispatch and Bob Mullins insisted that the two secretaries wore appropriate clothes all the time so that was the extra \$100.00 for the two ladies. Chairman stated it's not a money issue, it's more of a curiosity issue. Karen Umberger stated they are the only two employees in Town that are not uniformed that receive a Clothing Allowance and we've had that discussion here several times and the Police Commissioners have never agreed to try to negotiate that out of the Contract. That would be like giving Karen (Hallowell) \$400.00 a year so she can wear clothes to work.

Chairman Mosca stated that he thought this question may have already been answered too on fitness, they can go anywhere, they can go to any gym now. It used to be specifically 121, now they can go to any gym they want. Chief Wagner stated no, they have a Contract with Mt. Cranmore now. Theresa Kennett stated but that is up to their discretion where they want to go. Chief Wagner stated in other words when there is a new Contract, they can negotiate where to go. Chairman stated it's up to the Bargaining Unit. Theresa Kennett stated they vote on that. Lt. Chris Perley stated they took the name out just in case things change.

Karen Umberger stated this has just raised a question, in the old Contract it's 121 and that Contract ended on December 31<sup>st</sup> with 121 and so you now have a new Contract with somebody else. Chief Wagner stated it did not end on the 31<sup>st</sup>, it ended some where in the middle of the year. Karen stated so what are you doing now. Chief Wagner stated there is a membership to Mt. Cranmore. Karen stated so it's not any place they want to go and Chief Wagner agreed. Theresa Kennett stated she guessed the point would be that they took the name of the gym out of the Contract so that if there was a change, the Contract shouldn't say the name of the gym. Karen stated you will have a Contract with some fitness membership. Lt. Chris Perley stated they are required to stay fit for their job. Karen stated she understood that.

Mike DiGregorio stated Lt. Perley just said they are required to stay fit for their job, but are they required to go to the gym. Lt. Chris Perley stated no, but there are significant penalties if they fail their fitness test; they will lose their State certification and can not work. Mike stated so as long as they do whatever to stay healthy. Chairman Mosca stated a lot of them take advantage of it. Mike asked if a lot of them take advantage of that membership. Lt. Perley stated they did. Chairman Mosca stated he has met some of them at 121. Mike asked if there was an idea of how many were using it. Chief Wagner stated he had no idea; they are not required to tell them. Lt. Perley stated you do hear them talking about going to the gym. Mike stated so they don't have to sign in or anything to say that they were there. Lt. Perley stated not us, but they probably do at Cranmore. Mike stated he was just wondering if anyone kept track of it to see if it was worth it or not to have that. Chairman stated when the employees were at 121, he could vouch that there were quite a few of the members of the Police Department and the Dispatchers that use the benefit. He thought they are using it and taking full advantage of it.

Karen Umberger stated she had two questions; number one is that it has been indicated that there is no cost increase in this Contract and she finds that to be a little questionable because to her that would say that neither wages nor benefits nor anything else is going to go up during this Contract. In fact wages, benefits, merit pay, holiday pay, everything is going up during this Contract and so she is not exactly sure how we can come to a zero increase in this particular Contract. She knows that she is going to have the same argument with the Town because they also say there is no increase in the Contract. Dave Doherty stated they've had increases in the past for different things, cost items, but it's been awhile now. Karen stated but there's no cost increase in anything. You are not keeping your salaries or your merit pay or your holiday pay at the same level. Theresa Kennett stated she was going to defer to Earl (Sires) on that because that's the language they use when there is not an additional cost item in the Contract.

Earl stated he was here for the random deferral. Earl further stated the DRA Regulations, State law, requires that when the Contract is presented to the voters that it stipulate the cost changes or increases to any new or changed components of the Contract. If it's a Contract that has the same basic language and requirements in it that, according to DRA, is a no cost Contract. That doesn't mean that the costs don't go up. We discuss every year the costs that go up in Labor and all of the other lines, but the way that DRA requires this to be submitted to the voters is "Is there anything in this Contract that has changed that will result in cost increases". It doesn't mean that year-to-year there aren't components of the Contract that stayed the same that resulted in an increase in the Budget, it just means that nothing in the mechanics of the Contract have changed such that a result is a cost increase.

Chairman Mosca thanked Earl Sires for the explanation; he didn't understand that. Earl stated he didn't know why they do it that way exactly, but that's what they do. Karen Umberger stated she would check on that.

Karen Umberger stated her next question and this is the part that really annoys her a lot and that is that you have extended the length of the Contract and have gotten zero concessions. Now that to her is crazy. The fact that we are going to pay more is crazy, but to just simply extend the length of the Contract without no change in the Contract is mind boggling. Theresa Kennett stated she just wanted the members to remember that the increases in the Police Department's Labor line are fully disclosed in the Budget, so there is no question in the voter's mind that there is an increase in their Budget. Secondly, she was not the negotiator for the Police Department, but what she does know is that you have to give something to get something and it is difficult to negotiate a Contract that would, in her mind, be significantly cheaper because you always have to give up something to get something. David (Doherty) is the negotiator and she wanted to let him answer for himself.

David Doherty stated they had nothing else to give; we don't; put yourself on the other side for a minute, are you going to voluntarily agree to take a pay cut. They had nothing else to give; they are there on sick leave and all of the benefits. As a side line, if there is a change in Blue Cross,

if the Town does something different, we are willing to sit down and talk about it and fix that issue. Karen Umberger stated she had no problem with you saying there are no changes in the Contract, but you have given them an extra year which is a benefit to them, not to the Town, and you have gotten nothing in return for providing them the benefit of stability for 3 years and that's all she is saying. If you had come back with a 2 year Contract like what we've had continually in the past, she wouldn't make a comment. You have done something different for the Town. Mr. Doherty stated it gives us stability too. Karen stated the point is that you have changed the terms and conditions. Mr. Doherty stated length only. Karen stated that is the terms and conditions, it's 3 years. Mr. Doherty asked Karen not to do that (hands in the air). Mr. Doherty stated it's good for us too; this is not a one sided deal going in negotiations. Karen stated all she was saying is that everybody else in this Town is limited to a 2 year Contract and if you remember several years ago we had everyone change to a 1 year Contract and we, as the Budget Committee, have said 2 years is fine and now the Police Department is pushing the envelope again to make it a 3 year Contract. Next year she is going to get a 3 year Contract from the Town and a 3 year Contract from someone else. We can't treat our workers in this Town differently and that's exactly what we're doing by the Police going to a 3 year Contract; she thought the Town is at a 2 year Contract, the School is at a 1 year Contract and 2 Unions are at 2 years. So, here we are once again, as a Budget Committee, having this whole random thing of Contract and it just is annoying that we are getting back to that same situation we were in 5 years ago.

Chief Wagner stated this is his 8<sup>th</sup> year in front of the Committee and he has never heard a single member say to limit Contracts to 2 years and he has been in front of the Selectmen for 8 years and he has never heard them say to limit a Contract to 2 years. Which one is different, whose the oddball, who is the odd man out. Is it the School because they have a 1 year Contract; is it the Town because they have 2 years; or is it the Police because they have a 3. He didn't know. Karen stated she didn't either, but that's the point. Chief Wagner stated then don't blame it on us.

Bill Marvel stated he also kind of cringed when he heard the 3 year Contract. He was thinking back 23 years to the 3 year Teachers' Contract which turned out to be a disaster because the economy changed here so abruptly immediately after and it sounds impossible but he thought that included what was a cumulative 40% pay increase. There was a huge pay increase over 3 years; so that was special, but he needs to make sure he understands this and directed a question to Earl Sires. Bill stated to Earl that the no cost increase language is applied to this Contract because the pay increase is not part of the Contract. Earl stated let's just say hypothetically the Contract in year 1 says you will get a 4% raise and it's a 3 year Contract, so each of those years you get a 4% raise. The Contract language stays the same, so DRA requires them to define for the voters those situations where there are changes in the Contract language that would result, new things in the Contract that would result in new cost increases. It doesn't mean that year-to-year in a 2 or 3 year Contract, if you describe it in the Warrant Article language as a no cost Contract, it doesn't mean that the components of the existing Contract each year don't result in an increase. Bill stated the 4% merit pay is part of the Contract or is not. Earl stated it is. Bill stated now

he thinks he is opposed to the Contract because it goes for 3 years. Earl stated he was saying hypothetically 4% each year, the Contract language doesn't change, but the cost does go up. Bill stated you only have one 4% increase.

Chairman Mosca stated he wished to try to explain it. There's a matrix in the Contract that's based on merit and that is not changing so there is no change to the Contract because they are going by that matrix that is part of the Contract. It could be different every year depending on the 30-Town Survey. It's not necessarily a percentage that we are looking at, we are looking at the matrix. Do we want to keep the matrix or do we want to get rid of the matrix and that's something that the Town has to decide in the future if we don't think it is right. Karen Umberger stated if you look at the back of the Contract, the matrix goes from .75% to 6.5% depending upon on whether you are Fair, Medium or Outstanding. So Joe can get a 7% raise; Fred can get a .75% raise based on the merit pay. Theresa Kennett stated it's a merit system. Rodney King stated based on the 30-Town Survey. Karen stated not based on the 30-Town Survey. Mr. King stated the percentage is based on the 30-Town Survey. Karen asked what percentage; she is talking about the merit pay. The merit pay has nothing to do with the 30-Town Survey. The merit pay has to do with how much each employee is going to get the following year based on the merit. The 30-Town Survey establishes your base line for hiring.

Chief Wagner stated the 30-Town Survey has a lot to do with how much the raise is going to be because if they hire somebody at 8% below the average of the 30-Town Survey and the Survey goes up 5%, that person is now 5% below the average. If you look on the left hand side, it give you a percentage of the average. If somebody is 92% of the average and scores an 85 on their evaluation, they get more money. If somebody is 105% of the average and scores an 85, then they get lower, so the 30-Town Survey does have something to do what they get paid and what their raises are going to be.

Chairman Mosca stated maybe it does, but the matrix is what bases whose getting what. That is not changing so there is a zero sum change as far as the DRA language is concerned. A point he wanted to make is that Theresa (Kennett) said the people know what the Budget is; people know what the bottom line Budget is. He didn't think most of the taxpayers go through this the way the members do and know each component in each Department and what their Budget is and whether it's going up or down. Yes, the taxpayers know what the Budget is and they can say it's going up 3% or it's going up 1%, but they don't look to see each Department and see this Department is going up 10% and this Department is going down 8% and all of the pluses or minuses add up to the 1% or 2% overall bottom line. Yes, they do look at the bottom line, but they don't look at the intricacies as we do. Mrs. Kennett stated that's true, but it's in the newspaper, it's on TV, so there is opportunity to understand that the Labor lines are going up and by how much. We've had a 2 hour discussion here about the increases in their Budget.

Mark Hounsell stated he would have it that every worker would have a Contract as fine as this one and he has no problem at all to having it extended for 3 years because it brings stability to a work force who needs to be able to focus on their job knowing that their needs are met, the

thing that so many others in America would like to have and he thought it's fine for the Police Department to present it for a 3 year extension. There is nothing objectionable to the Contract so why would we object to having stability in both the Department and the work force. He would like to see more of these Contracts in place. He would have liked to have seen a Contract for the Librarians who were under attack with their jobs just a few months ago. Chairman Mosca asked that Mark stay on the Police Department. Mark stated he was staying on the Budget but was taking a little side road. He thought it was important that we realize that just because it's tough times for most, it doesn't have to be hard times for all.

Mike DiGregorio asked what the increase in the pay raises were for this year. Rodney King stated \$125,118.00. Mike stated he thought Karen's (Umberger) point was that this 3 year Contract was essentially locking the taxpayers into \$300,000.00/\$400,000.00 over the next couple of years just in pay raises and he thought what she was trying to say was that there was nothing we got back for that. Whether we reduced holidays, reduced whatever. Theresa Kennett asked what would they give to reduce the holidays. Mike stated he was not part of the negotiations right now, he did not know if he has made Karen's point or not, but you have tied the taxpayers into something that's \$400,000.00 over the next few years. The statement you had made before about the taxpayers get to see this stuff, time and time again we've seen Teacher Contracts that have gone out a couple of years and that's \$400,000.00 a year when there's an increase in the Teachers' Contract and then the following year people don't realize that that's now an agreed upon number so that goes into the Operating Budget for the second year and then people will go that your up \$400,000.00 in the Teachers' Budget, well you agreed to it last year. Next year you are going to come forward with an increase of a minimum of \$150,000.00 because you've added another Officer and because of these pay raises and people will say that you're up \$150,000.00, why and the answer is going to be you agreed to it last year in the Contract. These long term Contracts don't give people an opportunity to say "no, we are not going to do 4% next year or the year after".

Dave Doherty stated they were asked once with a flare up about a 1 year Contract, we said we just signed a 2 and have never heard anything about it since. Mike DiGregorio stated the Town went for a 2 year Contract and he understood trying to get longevity in there, but when the Town recently went for their 2 year Contract, we specifically went after that raise and lowered the percentage of raises that were in there; changed the way they did some merit stuff so not everybody would get to that top percent any more. Mr. Doherty stated it depends on how much time you have been with us and where you are on the scale; you can get a 7%, 7.5% or you can get 2%. Mike asked how many people get 2%, because if somebody is getting 2%, are they on the road to getting fired. Mr. Doherty stated no. Mike stated because of longevity you reduce their raise as opposed to if you are giving it on merit; then if the Chief is doing a great job, why wouldn't he get a good raise.

Lt. Chris Perley stated the curve on the raises has a ceiling and a floor. You talk about percentages and he thinks that sometimes that is a little misleading because they start Officers at 92% of the average and then they get a raise. They might have scored an 85 and they get a 4% if they were a

little higher on the scale, but it might be a 5% because the scale went up. As you are there over the long term, even if you score superlative achievements on your evaluation, your raises will start to shrink to an end cap of either 2.5% or 3% he thought without looking at it. So there is a curve that is somewhat counter intuitive that if you have been here a long, long time and are doing a super great job and you always do a super great job, should you get the most amount of money. Yes, you should, but you have to put some parameters in place and you have to encourage the young Officers to come here; you have to encourage the experienced Officers to work hard and the seasoned Officers to stick around, but it isn't all apples to apples. There is a curve and it does cap out.

Lt. Chris Perley stated he thought it was risky to say "well you had a \$100,000.00 increase this year so it's going to be another \$100,000.00 and another \$100,000.00, that's \$300,000.00, there are so many variables. For instance, when you look at the numbers and you do that quick math, you are forgetting that a 27 year veteran is leaving. We are not going to hire a 27 year cop that's been here and has earned the same amount of money. They are going to hire a line Officer. There's a change there; there's a lot of factors, but what he really raised his hand for is when you talk about equity in an agreement, when you talk about getting something, the Union didn't get anything from the Community other than an agreement that we all agree that what is in place serves us equally and he thought that speaks to the part about stability. We, as a community and it was painful and it was debated and it was a lot of work, but we did a really smart thing over the last 4 years and that was add Police Officers because the Department had a dire need and the pool of Officers was great and there was not a lot of demand because a lot of communities were retracting, shrinking, nervous, not really wanting to confront their needs and they weren't hiring and we weren't competing with those communities. Over the last 4 years they have hired some people that would have worked for Keene or Portsmouth or Dover or Rochester or Concord or New Hampshire State Police. Now we've got them in our hip pocket and they have been here 2, 3 or 4 years and they're happy, they're enjoying the work, they're enjoying the area, so we've got stability and we're developing our next generation of veteran Officers. One of the things that adds to that stability is knowing that you are coming to a place that has an agreement that says "okay, everything's not always in a state of flux, here today - gone tomorrow". Like the old days where you would hire somebody on Monday and, after Town Meeting, you tell them to pack up their locker. There is considerable equity to the community, cash value equity in having a stable agreement. Every time he has to re-outfit a new Officer, it costs him \$3,000.00 for the over priced pants, the over priced shirts, the bullet proof vests, the belts, boots, the hat, everything that has a cost. You do that 4 times, you're into it for \$12,000.00 and then he has a bunch of pants and inventory that don't fit anybody and a bunch of belts that don't fit anybody. There is a value to stability and he thought that is overlooked when you say you didn't get anything. We did get something, we got a Union that is satisfied with the way the Community treats them and they work hard every day.

Bill Marvel stated that he just wanted to reiterate, he was afraid that it might be understood that he had acquiesced, he actually still agrees with Karen (Umberger) that the third year, and he wanted to say that no one ever said you can't have a 3 year Contract, it's just that the last major

3 year Contract was such a disaster and he thought the Court helped the municipalities to decide 1 or 2 years is about all you're going to get and if you are going to extend it to that third year and put the Community at the risk of having this generous Contract that might be much more difficult to bear 3 years from now, you might have gotten something for it. What could you have gotten, how many sick days do Officers get now. Dave Doherty stated it depends on how long you've been there. Karen Umberger stated it's 1.25 or 1.5 per month. Bill stated that's a lot more generous than he has ever known. You could have gotten some of that back. Mr. Doherty asked and what would we do for it. Bill stated if you are going to extend the Contract which may not be a benefit to the Community if things collapse further, but it is a benefit to the employee and if you are going to give that, you might have gotten something. It's very discouraging for all Departments when it seems like, and sometimes is but probably not always, that the debate over a Labor Contract every year is how much less the employee is going to do and how much more the employer is going to give for it. Occasional adjusting avoids that. He was going to object to the 3-year issue and he thought Karen has made a good point.

Chairman Mosca asked if there were any last comments to the Police before we move on. Chairman stated we can ask them back in a couple of weeks if there are more questions that come up. Theresa Kennett stated they weren't on the Committee's Schedule. Chairman stated there's a date for last minute questions or for any other questions that may come up. Dave Doherty stated if you have it here, you've got to get a speaker system out here. It's very difficult to hear. Chairman stated the acoustics aren't great back there. Mrs. Kennett stated they couldn't hear so she would recommend that we either get a speaker system or find a place where the acoustics are better. Syndi White stated there are microphones that they use. Chairman stated he didn't know because he doesn't sit back there and he can project his voice a lot louder if need be.

Chairman Mosca thanked everyone for coming in.

#### OLD BUSINESS

Karen Milford stated members just got the Revenue detail so at what point in time would we raise questions on that. Chairman Mosca stated he was actually thinking that we may set another meeting that is not on the schedule to do Revenue and to do Warrant Articles and that would be something we would have to stick in within the next couple of weeks after seeing what people's schedules are; maybe on a Monday night that is beneficial to a few of our members. Chairman stated he would send out an e-mail later on that about another date and see what members think.

Mike DiGregorio stated the Warrant Articles don't reflect the vote from the Selectmen. They voted on the Articles last night to send these to the Budget Committee. Chairman Mosca stated that what has been passed out is not the final version.

#### NEW BUSINESS

Karen Umberger stated that her question was on the School Budget. Chairman Mosca stated that's next week. Karen stated she knew that, but if she is going to review the Budget, she needs to know what she got. Chairman

stated you have what their updated Budget is. Karen stated is all of this stuff here dated the 3<sup>rd</sup> of January, is that the latest stuff that's available and this is what they voted on. What is she supposed to look at for the next meeting because the stuff in the book is dated January. Chairman Mosca stated that was from their Special Meeting; he didn't know who handed those out as he wasn't here. What is in the binder is what we are going by. He was told that was the updated numbers and everything. Again, he didn't know what this is, it was on the table when he got here. All he knows is that Carl (Nelson) left the book and, according to Carl the binder is updated and what we are supposed to be looking at. Karen stated and that's why she asked the question.

Maureen Seavey stated this says it replaces Tab A in the binder. Syndi White stated he (Carl Nelson) had these at the last meeting and he left them behind. This is brand new, she hasn't seen these so she would assume that this would be it. Chairman Mosca stated he would go by the book and not by the handout and if Carl tells us differently then we will have to have another meeting with the School too.

Chairman stated to the members that if everybody is talking at the same time, no one can hear what's going on. He doesn't ask for much, but he does ask for people to pay attention. Carl (Nelson) called him today and said the books were ready and he wanted to leave them here for us so that we would have something to look at. As far as he can tell the members, the book is what to go by. He didn't know what the handout was and unless we hear something different from Carl next week, go by what's in the book. Karen Umberger stated that's what she needed to know.

**Bill Marvel moved, seconded by Danielle Santuccio, to adjourn the meeting at 9:23 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary