

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 14, 2013**

A meeting of the Municipal Budget Committee was called to order at 6:32 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, Bill Marvel, Karen Milford, Mark Hounsell, Doug Swett, John Edgerton, Michael Fougere, Brian Charles, Danielle Santuccio, Mike DiGregorio, Greydon Turner and Syndi White. Also present: Earl Sires, Lucy Philbrick, Lori Roode, Evan Lucy and Lloyd Jones of The Daily Sun.

Peter Donohoe led those present in the Pledge of Allegiance.

APPROVAL OF MINUTES

Bill Marvel moved, seconded by Karen Umberger, to consider and accept the Minutes of January 23, 2013. In favor: 15; Opposed: 0; Abstain: 2 - Mike DiGregorio and Danielle Santuccio.

Bill Marvel stated on page 6, second complete paragraph, last line should read "... probably not crucial". On page 19, first paragraph under School - Miscellaneous, line 6 should read "... and their salaries".

Chairman Mosca stated the plan for tonight is the Precincts, the Town and then the School Warrant. Before we start, he would just like to say thank you to this Committee. We are nearing the end and tonight is very crucial but you've all worked very hard. There have been some great questions, some great dialogue and comment back and forth and he'd just like to thank everyone and to thank everyone for putting up with him because he knows he's not the easiest person sitting up front here. Chairman thanked everyone again and appreciated what everyone did.

PRECINCTS VOTE

Chairman Mosca began with the Redstone Fire Department with a total budget request of \$58,700.00.

Karen Umberger moved, seconded by Brian Charles, to recommend and accept the Budget of \$58,700.00. In favor: 17; Opposed: 0; Abstain: 0.

Chairman Mosca proceeded with the Center Conway Fire Precinct with a total budget request of \$188,775.00.

Bill Marvel moved, seconded by Karen Umberger, to recommend and accept the Budget of \$188,775.00. In favor: 17; Opposed: 0; Abstain: 0.

Chairman Mosca proceeded with the East Conway Fire Precinct with a total budget request of \$57,870.00.

Karen Umberger moved, seconded by Greydon Turner, to recommend and accept the Budget of \$57,870.00. In favor: 17; Opposed: 0; Abstain: 0.

TOWN VOTE

Chairman Mosca began the night with **Article 3** - Operating Budget.

Mike DiGregorio moved, seconded by Greydon Turner, to recommend the Operating Budget, Article 3, in amount \$9,686,674.00. In favor: 14; Opposed: 3 - Joe Mosca, Doug Swett and Steven Steiner; Abstain: 0.

Steven Steiner moved to cut the bottom line of the Budget by 5%. There was no second to the motion.

Steven Steiner asked if we wanted to cut a percentage, would we do it now or do we do it some other time. Chairman Mosca stated whatever you want to do, you can do it right now. If you want to make cuts to line items, if you want to make cuts to departments, then that will change the dollar figure and we will then be voting on that and that will end up as the new default figure he believes. It's our recommended Budget at that point in time.

Steven Steiner stated to everybody that we have sat here for a few months at this point, we have taxpayers out there that are having major problems and we're sitting here just voting on the \$9 Million Budget like it's \$9.00. Danielle Santuccio stated she thought there had been plenty of discussion. Steven stated he understood that, but the point is we need to cut the bottom line, we need to be able to show the taxpayers that we mean business. He has no beef with the Town, they're doing a great job, but the town folks can't afford it. The older folks can't afford it. The medium income of this Town is about \$19,000.00. Bill Marvel stated no, it's \$44,000.00. Greydon Turner stated the census data showed \$34,000.00 a couple of years ago. Steven stated he saw something that said \$19,000.00 to \$20,000.00.

Chairman Mosca stated just so everybody's aware, we also later in the evening will be recommending the Default Budget. The Town has come up with a Default Budget figure of \$9,618,344.00. The difference between the recommended Budget and the Default Budget is \$68,330.00. We can actually set a different number as the Default Budget, higher or lower, however we so choose, but there's another avenue to give the taxpayers a choice between what's recommended and what the Default is. That's out there, we will be doing that later this evening.

Mike DiGregorio stated his comment is that we are not sitting here like it's a \$9.00 Budget. There are thousands of hours that have gone into this over the last several months starting probably in August. It's not an easy thing to do, to put a Budget together and affect people's lives the way we do when it comes to tax dollars, no doubt about that. If you feel strongly about whatever number you have in your head, you make a motion to amend the original motion and see where it goes. That's how it works.

Bill Marvel stated he didn't disagree that even our Town Government and certainly our School District is more expensive than we can afford. What he is concerned about is the long haul. He is literally concerned about whether he is going to be able to afford to live here 10 years from now. If anyone has a specific cut from the Operating Budget to offer, he is

certainly willing to consider it. He has a couple of items in the special Warrant Articles, at least one, and if you count the Police Contract, two. He is looking for some sort of savings that will be long-term, that will grow in time, that we can kind of chip away at an extravagance that has accumulated over time. A couple of years ago when this Committee tried to make a bigger cut, he was sympathetic to that.

Mark Hounsell stated to cut any Budget, and in particular the one we are talking about, for him it requires something to be specific. He needs it to be based on a line item with a rationale connected. Just to do a cut at the bottom because it seems like a big number, he can't support that. He does believe that we are at the point where the property taxpayers have reached maximum. In particular the 13% for the School, but even the 6% from the Town. There needs to be specifics. As far as solving it into the future, trying to look into the future, he didn't believe it was the function of this Committee to do that with this Budget. He understands what Mr. Marvel says about having to solve a real problem. Let's face it, Karen has mentioned it as well and he didn't deny that's a responsibility and a lofty goal, but he didn't think that was before us. What's before us is this year's Budget. He kind of limited the scope of his involvement to what are we going to do this year. In the discussion that's before us is the Operating Budget of the Town, he wanted to know if anybody had any specific areas for consideration. He does not on the Operating Budget have any specific area, but that doesn't mean that he couldn't be convinced that there are specific areas.

Karen Umberger stated the major impact on the Town which accounts for over 50% of the increase is in the Police Department and she knows that the majority of the increase is based on voter approved increases in the number of people that were authorized. Although she is not excited about that, she didn't vote for it when it came about, but it occurred and so we are caught in a situation, particularly with the Police Department that we have voters that said "go for it" and now it's coming home to bite us in the proverbial tax increase. She is not exactly sure how we, as a Budget Committee can say "well voters, we didn't like your decision, so we're going to cut that extra person". That's a very difficult situation that we have found ourselves in.

Karen Umberger stated the other increases within the Town Budget are employee compensation which in many cases are a result of labor agreements. The staff at Town Hall are not members of a Union, they are free will employees, but is it fair to them to not give them increases if, in fact, the labor agreements all come through with increases. We are finding ourselves she thought in relationship to the Town just caught in this situation where she believes the Town has not increased programs, they have not looked at wholesale changes, new programs, any of those kinds of things and that our increases this year in the Town Budget are primarily due to labor costs and additional people that were brought on in previous years. How do we not say yes when the voters have said in previous years, right, wrong or indifferent we want this, this and this. Although she is not happy with a 4.6% increase by any means, she is having a hard time saying we should not give pay raises to the employees on the Town staff, but we should give pay raises to everyone else in the Town. That's the situation we're caught in and, like she said, she's not happy about it, but she doesn't know how you can make up for these pay

raises. She wouldn't say that there is a lot of fat in there; she wouldn't say there's 3% fat in the Town Budget.

Steven Steiner stated to answer your question on fairness, you have so many people in this community working hospitality jobs, working 2 or 3 jobs to support themselves. Their rents are high and they need to be protected too. Karen (Umberger) may not have a problem paying \$20.00 per thousand, but it's just fairness to all. What about the senior citizens that are moving out. They've lived here all their lives. Why should we give in to the Unions. Unions should be trying to come to the table and lower their costs. At his old stomping grounds, they were reducing their Budget by 10% to 20% and this is in a State where they tax everything but the kitchen sink and he thought they probably tax that too.

Bill Marvel stated labor costs are in his sights. We've talked a lot about, for instance, the Earned Benefits cost that have accumulated and that has caused him to look particularly at the Contracts for the Police in this case and also for some of the School employees, teachers in particular. He thought it was 18 days a year the Police get for sick pay; he has never heard of that much sick pay for anyone in his life. Eighteen days of sick days, no wonder they come up so short every time someone retires. Sick days are supposed to be something that is offered to you as a courtesy and you get to use them if you need them. It used to be that people were honest enough to only do that and not use them if they didn't need them and, after a certain small accumulation perhaps they would go away. Now it's an inalienable right apparently, not only to have sick days but to have a h*ll of a lot of them. He will not be supporting the Police Contract for one thing. That's one issue he plans to stand on. First of all, it's a 3 year Contract and second, he didn't think our negotiator did anything for us. It looks like he just sat there and said sure and not just this year.

Mike DiGregorio stated he just wanted to point out to Karen (Umberger) because she was not at the meeting last night, Earl (Sires) had made some cuts yesterday and the number that you see reflected is the number that Earl ended up with. He took out something like \$29,000.00, some money from the Legal Department and the Court case. There was some money and Mike thought it was \$7,000.00 came out of some benefit lines. He didn't have the paper in front of him.

Mike DiGregorio stated to follow up on what Steven (Steiner) was saying. They are well aware at the Selectmen's Office that this is all about property taxes and how it affects people. They have started to have discussions about trying to figure out alternative methods to funding things and they were not sure where that was going to go and it certainly doesn't effect how we vote tonight. It's very difficult as you make these decisions that affect people's lives, there's no doubt about it, but you also have to look at the things that the Selectmen's Office has tried to do in the last few years to cut things. Every time they try to cut something, the voters put it right back in. It's hard to interpret exactly what they mean by that but you could argue it's a special interest group that puts it back in or you could argue that just the majority of the people don't show up for whatever reason. Whether they're happy with the way things are going or whether they're so distraught that they feel like they shouldn't show up. He didn't know, it's hard to read

that, but the bottom line is that when they've tried to make some serious cuts in things, the voters put it back in. The only way the Selectmen's Office can read that is that they're okay with the services that we're providing. They want what they are doing and that drastically changes or that information to the Selectmen's Office drastically changes, he didn't know how they redirect how they are trying to provide things.

Chairman Mosca asked how do we give the voters a choice when the difference between the requested Budget and the Default Budget is only \$68,000.00. There isn't a choice. He understands what Mike (DiGregorio) is saying and agrees with him wholeheartedly, but there isn't a choice unless we do something.

Mike DiGregorio stated we don't make the law; the law says some things have to be in there. As Karen has pointed out, there were Contracts that were agreed upon by the voters; those Contracts carry forward and have to be in the Default Budget, you just can't get around it. If you want to fix the Default Budget, then that's a legislative act. We believe we are following the law in how it's created and if the number turns out that they are very similar in price tag to each other, there's nothing they can do about that. Again, the Selectmen's Office, and he'll use the sidewalks as an example, for years the Town hasn't wanted to take care of all of the sidewalks in Town. It turns out that the law says we have to take care of the sidewalks, it clearly says it. The voters want it taken care of; they've come before the Selectmen's Office saying this is one of the things that we don't like that you're doing and we want it taken care of. We made a change for next year that we're going to bring it in-house because the dollar figures are almost identical to each other as to how they are going to handle that. It's just one example; unless people come before them, directly to the Selectmen's Office saying "we don't like what you're doing", we have to go forward with what they have been doing.

Chairman Mosca stated he would offer up cuts to at least the Police Department Budget personally depending on how some of the other Warrant Articles are voted on. He doesn't want to make cuts to their equipment and other items if we vote to establish Funds for them.

Mark Hounsell stated he had a couple of things; first, off and on from 1999 he has served on the Board of Selectmen and so he is familiar with the Budgets and how they came to this one and he is hard pressed to find an area where there's fat. He heard what Karen (Umberger) said about labor and he agrees, but the voters have approved these Contracts, have been ratified by the voters and they are really sort of off limits because they are Contracts. So you look to other areas in the Operating Budget and the only thing that he can find is this new \$3,000.00 for record retention and he wasn't going to hang his hat on that. He thought the Town Operating Budget is a good one and he thought that it should be recommended except, and that brings him to his second point, that maybe what we should do, because he's going to be making suggestions on Warrant Articles, that we should take those first and then come back to the Operating Budget and assess how those actions may affect the Operating Budget and in particular the line items of the Police.

Chairman Mosca questioned whether members wanted to table Article 3. Multiple members gave the Chairman different ideas at the same time.

Mike DiGregorio stated Point of Order. Mike asked Karen (Umberger) how would you have two motions on the floor at the same time.

John Edgerton moved, seconded by Mark Hounsell, to Table Article 3. In favor: 16; Opposed: 1 - Mike DiGregorio; Abstain: 0.

Chairman Mosca proceeded with **Article 4 - Three-Year (2013-2015) Collective Bargaining Agreement Reached Between the Town of Conway Police Commission and AFSCME Local 3657, Police Department.**

Mark Hounsell moved, seconded by Danielle Santuccio, to recommend Article 4 - Three-Year Contract for the Police Department. In favor: 5 - Syndi White, Mike DiGregorio, Mark Hounsell, Maureen Seavey and Brian Charles; Opposed: 12; Abstain: 0.

Bill Marvel stated too generous, too long.

Mark Hounsell stated doesn't matter; it's in effect any way. If the Town doesn't adopt it, they're going to run on the same Contract and then next year ask for the desired 2 year Contract. You're going to end up with a 3 year Contract any way. He thought for the sake of goodwill, we do what's going to happen any way.

Chairman Mosca stated he completely disagreed with Mark (Hounsell) because he felt if you don't pass it, it gives you an opportunity to go in and change some of the language that should be changed, that hasn't been changed. Mark asked by who. Chairman stated by whoever the next Police Commissioner could be.

Karen Milford stated she didn't know if this was the appropriate time, but she went through some of the Union Contracts and tried to break down all the Benefits in some of the different Contracts. She thought it would be helpful to see it all on one sheet of paper versus wading through 5. She only printed 10 so we will have to share. Interpreting all the language in the Union Contracts could be complicated so she couldn't say there are no mistakes in this.

John Edgerton stated turning down the Contract does make a huge difference. It forces renegotiation of a Contract. That means there has to be a new Contract on the table next year. It doesn't matter if what they do is from year to year, it's from the past. This Contract would be dead.

Karen Milford stated she wanted to take a few minutes to explain her handout to the members. Essentially, and these aren't all of the Contracts that all of the Town and School employees are subject to so she just picked a couple, the key ones. The Police Department being the first one, she went through and just tried by category to list the Benefits that were offered in each of the Contracts. It's a 3 year Contract as has been mentioned; Longevity pay is \$600.00 to \$800.00 a year; 12 holidays; any where from 12 to 20+ days vacation; and 15 days for sick leave or 12 days sick leave depending on when you were hired. She tried to break down how much one can accumulate and how much can get paid out. She thought, and she's only kind of overheard things, but as she understands it, 2

Police Officers have left this year and, as she understands it, the Police Department has already had to pay out \$55,000.00 this year in accrued leave.

Danielle Santuccio stated that's not correct, it's only \$21,000.00 so far. Karen Umberger stated \$21,000.00 and then there's one that is going to retire. Danielle stated it's not a definite yet, they are anticipating.

Karen Milford stated the point is when someone retires, not even including their Retirement Benefits, they're getting \$20,000.00 or \$30,000.00 the day they leave. She went through and listed all the Benefits, the allowances, health insurance, life insurance, the Retirement Plan, Retirement Health. Just to talk about the Retirement Health for a minute because, depending on the Contract, she thought there was some flexibility there. She believes we have to offer retirees Health Insurance, but how much they pay is up to each Union Contract. She believes the Police Contract, again it wasn't clear in the Contract, they may have to pay the same amount that current employees pay.

Karen Milford stated the Town's Financial Statements include for just this year \$236,000.00 in retiree health care costs. This is over and above what we are paying every year into the Retirement System and medical subsidies and so forth. Right now the Town, just the Town which includes Police, has almost a \$2 Million liability of what they've estimated future payments for Health Insurance and other Retirement Benefits will be. That's not what's been paid to the State; this is what the Town is going to have to come up with in the future to cover these benefits. As she looked at this, she feels like sometimes at least with respect to the Police Department, and she'll talk about the School later, not only are they catching up in terms of their salary compared to State averages, but their Benefits are really, really healthy and are going to be putting this Town into a situation where programs and individuals are going to have to be cut in the future just to meet some of these contractual obligations and she felt like wow, we may not see the immediate impact of scaling some of these back and that we have to ask the Police Department to reconsider this Contract now and to renegotiate it now to try to scale some of these benefits back.

Doug Swett stated a few years ago, 5 or 6 maybe, there was a lot of talk about the length of Contracts and at that time we kind of agreed that 1 year was enough. Here we are in this Budget situation, the national economy and everything else, and we're looking at a Contract for 3 years, not knowing what the conditions are going to be in 3 years, but if we pass this thing then we are stuck with what we agree to and we may have to get Governor Walker from Wisconsin out here to straighten it out.

Mark Hounsell stated the Contract that's in place is going to have it's impact. The Contract that's in place will be in place next year if there's nothing done. The Contract that's in place will be in place the following year if there's nothing done. This isn't the Evergreen, this is just the way business is conducted. What we're facing is, do we stay with what's in place now, all of these things that have been pointed out which is very good work because of what is in fact a very good Contract for working people. Do we jeopardize the goodwill and what Chris Perley calls

stability for the sake of the fact we may not change anything. What are we going to change. Who's going to negotiate what. They are not going to give something up without having gained something. This becomes a job for the Police Commission, not the Budget Committee. We're being asked whether or not there's a Contract that's basically the same as what's in place now. A vote not to recommend it is pretty much a vote saying that we shouldn't have entered into this Contract that we have now.

Danielle Santuccio stated maybe that's true. Mark Hounsell stated the voters have spoken and if we're going to listen to what the voters have said. Steven Steiner stated the voters didn't vote on this Contract. Mark stated there's a Contract in place that was ratified. Chairman Mosca stated the voters may have said "yes" to Contracts, but how many people in Town have actually read the Contract and know what's in it. Mark stated that is to say that the voters don't know what they are doing. Chairman stated no, that's not what he was saying, what he was saying is that the voters haven't read it and don't understand what's going on and the fact that the Contract says that there's zero dollars, there are dollars related to this Contract being passed. Because of the Matrix System and the way the law reads, they can say there's no financial impact. There is financial impact. There's a couple hundred thousand dollars financial impact.

Bill Marvel stated he tries to be a fairly informed voter. He did not know how generous the terms of any of these Contracts had become lately until this process. They were not nearly quite as generous the last time he saw the language of the Contracts and you're right about the presentation of it as a zero increase. When Earl (Sires) explained that to us, he realized that he has been duped at least once.

Karen Milford stated one of the questions she explicitly asked during one of the meetings is if the voters do not approve this Union Contract, what happens. As Mark (Hounsell) said, they get paid the same. From her perspective, she feels much more comfortable not voting for this Contract because she feels we are giving them a year to say "gosh, we have concerns about what's in this Contract". We are not hurting our Police Force this year by not approving this Contract but we are asking you to please look at this again. The Town has to pay \$4,400.00 for an Audit that helps look at these numbers. She thought it was specifically for these post-retirement benefit numbers to try to make sure they get a good handle of their liability here so there will be more information that will be available as this year goes on with respect to the implications of approving this Contract. She feels like, just as the Police might be concerned that we're not in support of them, she thought for the Police to turn around and ratify the same Contract if the voters turn the Contract down she thinks would also be not acting in good faith. She thought if the voters do not approve this Union Contract, it should be clear to the Police Commissioners and the Police Department that we feel there are some issues there and they should respond accordingly. Not to say that they would respond in a way we hope, but she does believe they will respond in some manner and she believes that we can bring about some positive change in challenging this at this time.

Danielle Santuccio stated this goodwill that she keeps hearing about from the Police Department, she hasn't been here that long, but every time

they've come in front of her when she has been here, we've had the same concerns and every time they come back, they're asking for more money even though they are very aware of the concerns we have always had. She thought saying "no" to this Contract in the very least says do something different at this point.

Maureen Seavey stated if they don't get a new Contract, it goes by the last Contract and the raises are affected by that. Not voting this, they will still get paid. Chairman Mosca stated they will still get their money. John Edgerton stated they will have to renegotiate a Contract.

Karen Umberger stated the last time that the Police did anything with their Contract was when we had a huge discussion on the Matrix. She wasn't sure how many years ago that was, but it was several years ago and following that discussion they did revise their Matrix as far as percentage of increase that they could receive. She thought that the concept or idea that if we are unhappy with the current Contract, then she thought that turning it down, and she agreed with Karen (Milford), sends a message that we need to re-look at it in the same light as when we re-looked at it in relationship to the Matrix. She didn't know if Doug (Swett) remembers when we did that or not. It's been probably 5 years.

John Edgerton stated he was concerned that the Police Department came to us and said, and he believed this was paraphrased properly, "many of the towns are cutting back their Police Departments and laying Officers off, we have a good chance to hire some really good Officers and increase our Department". To him, that was a kick and it didn't go over very well.

Karen Milford stated the only other thing that she would say is she thought the stronger the benefits are at the end of someone's career, the less we are going to be able to offer people who may want to start their career in Conway. Whether you're talking the Police Department or the Town or the School, the more we're having to pay for Retirement Benefits, the more we're having to pay for retired Health Insurance Benefits, the less we are going to be able to pay new employees. We've heard from the Police Department, we've had some discussion here about the School District, the difficulty in recruiting really high quality employees consistently so she thought not only could this be a message of "gosh we think these Benefits are too strong" but we are concerned about the impact that these benefits are going to have on our ability to pay people fair wages or to have sufficient staff down the road. She didn't think it was just "gosh, we've got to cut costs, cut costs, cut costs", she thought we should just make sure we are being prudent and not setting ourselves up to have to really make some very much more painful costs in the future.

Chairman Mosca proceeded with **Article 5 - Infrastructure Reconstruction Capital Reserve Fund** in amount \$325,000.00.

Karen Umberger moved, seconded by Danielle Santuccio, to recommend Article 5 - Infrastructure Reconstruction Capital Reserve Fund. In favor: 13; Opposed: 4 - Doug Swett, Peter Donohoe, John Edgerton and Greydon Turner; Abstain: 0.

Mark Hounsell stated the first question he had is where is the money for the proposed upgrades of the Recycling Center. Earl Sires stated it is in Town Buildings, Article 10.

Steven Steiner asked Earl Sires what would be the impact if we cut that \$325,000.00 in half. Earl stated the projects that you see might not get done and it would also deplete the reserve that's in there for unforeseen contingencies. Less work would get done this year, less work would get done in future years. The projects that are on the docket are Valley View and Shaw's Way.

Chairman Mosca proceeded with **Article 6 - Highway Equipment Capital Reserve Fund** in amount \$195,000.00.

Karen Umberger moved, seconded by Danielle Santuccio, to recommend Article 6 - Highway Equipment Capital Reserve Fund. In favor: 17; Opposed: 0; Abstain - 0.

Mark Hounsell asked if there was a balance in this Fund now. He knows he has been told there is, but he can't find his notes. Earl Sires stated there's a balance carried each year and one of the functions of the Capital Reserve Fund is to accumulate money for future expenditures. There's not what he would say a significant balance until you get out to 2020 or 2021 which we are 8 years out from that. For the next few years the balances are relatively low.

Karen Umberger stated right now it shows a balance of \$134,000.00.

Chairman Mosca proceeded with **Article 7 - Solid Waste Equipment Capital Reserve Fund** in amount \$75,000.00.

Karen Umberger moved, seconded by Maureen Seavey, to recommend Article 7 - Solid Waste Equipment Capital Reserve Fund. In favor: 15; Opposed: 2 - Steven Steiner and Peter Donohoe; Abstain: 0.

Karen Umberger stated the first time they are buying equipment for Solid Waste is in 2016 and so what we're doing is accumulating money to pay for a Compactor in 2016.

Bill Marvel stated he had a general comment about Capital Reserve Funds that he will amplify when we get to number 9. The longer we're putting money away for a capital item, the more worthless that money is when we spend it. That's why he will be dead against putting any more money in Article 9. 2016 is only 3 years out and how many years have we been accumulating for that.

Earl Sires stated it's a running balance, but you can see the years that other vehicles have been purchased in the year column. We've got vehicles that have been around awhile and he thought this Fund had been in effect since 1998.

Bill Marvel stated he was less opposed to the ones that we're drawing from continually.

Chairman Mosca proceeded with **Article 8** - Landfill Closure Capital Reserve Fund in amount \$1.00.

Karen Umberger moved, seconded by John Edgerton, to recommend Article 8 - Landfill Closure Capital Reserve Fund. In favor: 17; Opposed: 0; Abstain: 0.

Bill Marvel stated this is another one of those 20 year Funds and therein lies the problem. He did not think the Committee should recommend it because he thought this sort of item should be bonded. That way, when we need the money, we borrow it and we pay it back with a little interest as the money becomes worth less. Therefore, we're paying for good money with bad. Whereas now we're putting away good money that's not going to be worth anything.

Earl Sires stated he wouldn't argue with the strategy. What we are faced with here and the reason we are even worried about putting \$1.00 in is that the Department of Environmental Services requires them to be accumulating money for closure. We haven't been doing it for the past few years because we've been waiting for them to get on the Town's case about it to be honest. The Town is required by law to accumulate money for closure. The idea is if you are going to have a Landfill, you have to have money to cover the closure and 30 years of monitoring after the Landfill is closed. They feel that they have enough money in there. There's \$1.6 Million that has been accumulated already and the Selectmen decided to stop putting any more money in. Technically by law they are suppose to be putting money in there. He believes they have enough in there and there's no need to put more in.

Karen Umberger stated the \$1.00 shows that we still have good faith and she will explain that to the DES Commissioner if he asks the question.

Earl Sires stated part of his answer is that they hope not to be putting money in there.

Chairman Mosca proceeded with **Article 9** - Landfill Expansion Capital Reserve Fund in amount \$50,000.00.

Karen Umberger moved, seconded by Peter Donohoe, to reduce this figure to \$1.00. In favor: 16; Opposed: 1 - Mike DiGregorio; Abstain: 0.

Danielle Santuccio moved, seconded by Greydon Turner, to recommend Article 9 - Landfill Expansion Capital Reserve Fund as AMENDED to \$1.00. In favor: 16; Opposed: 1 - Mike DiGregorio; Abstain: 0.

Chairman Mosca asked Earl Sires if this was the Article discussed last night. Earl stated it was and he had a slight update on it. What he would ask is if you have discussion, that's great. As they talked about last night about being open to the idea of foregoing a contribution, one of the things Paul DegliAngeli and Earl realized today is that the commitment to the low bidder to do the project which they are hoping to have is due tomorrow, but they haven't seen it. They would ask that perhaps this be discussed at the Deliberative meeting once they know exactly what's going on, but they are open to the idea of foregoing a

contribution. The problem being if they have to go to the next highest bidder, they may need to have the \$50,000.00 in there to do the project.

Bill Marvel asked Earl Sires if this fell under the same category as for item 8. He realizes this is for something you are planning to spend imminently.

Earl Sires stated he thought Bill (Marvel) had a good point in that the Town is expanding the Landfill, they are going to spend the money that they have accumulated over the last 10 or 15 years. So, we are starting again. We are thinking 16 years out and part of what they are saying is regardless of how this goes, they have a Solid Waste District Committee made up of the 3 towns. We, as a Town and community need to sit down and decide how we are going to handle this 16 year out obligation. There are a lot of questions in his mind: what is the danger of Solid Waste disposal going to be like in 16 years and those kind of things. He thought it was good to start discussing and he didn't have the answer. The first recommendation will probably be start saving up money for the next one.

Bill Marvel asked if it was required to have a closure account. Karen Umberger stated there is no requirement for expansion. Bill stated he didn't know what to say on this because this is for something that we are going to do soon and if that's the case and we need this money, he thought we should plan for it, but at the same time he kind of wanted to send a message this year by not recommending it. He thought this whole concept is a bad idea as far as this particular Article is concerned.

John Edgerton stated to reiterate what Bill (Marvel) was saying; dilution of currency from the Federal Government gives the buying power of approximately 10% less than what you had the year before on an international level. You've got to be able to borrow money as a municipality cheaper than 10%. Bonding is really the appropriate way if it can be bonded. Some of these Articles by law we have to accumulate. He has never been in favor of Capital Reserve Funds because somebody is being taxed today and may not even be alive when it's spent.

Karen Milford stated to Earl Sires that the project itself is a multi-year project, correct. Earl Sires stated he was not sure if it was a multi-year project or not, but it's going to be a one Contract job. It may get spread out over two seasons, but the low bid was about \$1.4 Million, the next highest was \$1.55 Million. They have \$1.7 Million in the bank and there is monitoring, construction management and engineering costs to go in there so at \$1.4 Million they were pretty sure that they could seriously consider not contributing. If we end up with the next highest bidder and you start adding in the other costs, you're getting close to the \$1.7 Million and they may need the \$50,000.00 to finish the project this year.

Karen Milford stated we could approve that next year once we were further along in the project perhaps. Earl Sires stated you probably could, but the Contractor might feel a little bit better if the Town had all of the money in the bank to pay him with at the time. It's something to talk about once they know what the story is.

Karen Umberger motioned to reduce the figure to \$1.00. Bill Marvel and Mark Hounsell both asked if that could be done. Karen Umberger stated yes, you can do anything you want. Mark stated he had a question on procedure, we can amend the figure on Articles. Bill stated he thought we could only recommend it or not. Mark stated he just learned something, he didn't know we could do that. Karen Umberger stated it's our Budget right now, everything is ours.

Karen Umberger stated Earl Sires' comment struck her that said we will know at the Deliberative Session whether or not we have to do it. She guessed she was optimistic as opposed to pessimistic and that if in fact it comes at the Deliberative Session that it has to be higher, then she will be more than happy to make the motion to increase it at the Deliberative Session to whatever it needs to be. That way, when we go to the Deliberative Session we will know that ahead of time and she thought it shows that we are trying to be prudent as a Budget Committee. If our prudence was not good, we can change it.

Bill Marvel stated if this makes the paper, we'll need it. The bidders will make sure of that. Karen Umberger stated she thought the bids were already in.

Mark Hounsell stated he thought Karen's (Umberger) logic is spot on. We're doing what he thought we need to do in the environment we're in and if the information shows otherwise, and he'll second the motion. It may have to be \$40,000.00 or \$60,000.00, whatever it has to be.

Mike DiGregorio stated obviously he is going to vote against this because he is here as the Selectmen's rep, but he doesn't totally disagree with Karen's (Umberger) rationale on this one.

Chairman Mosca proceeded with **Article 10** - Maintenance of Town Buildings and Facilities Capital Reserve Fund in amount \$150,000.00.

Motion by Bill Marvel, seconded by Danielle Santuccio, to recommend Article 10 - Maintenance of Town Buildings and Facilities Capital Reserve Fund. In favor: 15; Opposed: 2 - Peter Donohoe and Mark Hounsell; Abstain: 0.

Mark Hounsell asked what the amount of money was in the Fund. Earl Sires stated \$140,000.00. Mark stated that is for the upgrades.

Earl Sires stated it's basically interior cement work, Loading Bay, some structural work. Mike DiGregorio stated the Selectmen's Office took a tour of the building and he thought there had been a couple of fires down there over the years. He was astonished at how bad it was. Cement falling down, you can see right through the roof and it was pretty bad. At the same time, they are going to make some more ADA compliant spaces and try to re-route things to make more efficiencies. He believes this was a 3 year project. Earl Sires confirmed it was. Mike stated they did look at building a new building to the exact standards of some of the towns that recycle like we do, but we just could not swallow the price tag for something like that. Why would we go out and spend \$1.5 Million or more on something that most of us don't think is broken right now. It does work; the building is not designed for what it is doing, but it does

work. The Selectmen felt as though renovating it would make it more cost effective.

Karen Umberger stated according to the schedule, it shows that this year the money is suppose to go to the Loading Bay and next year it's for the Recycling Building, Office and stairs and paving the sidewalk. That's what the plan is. This year is the Loading Bay and that's at \$138,000.00. She doesn't disagree with the 3 year project, it's the Loading Bay that's the primary focus this year.

Chairman Mosca stated to Earl Sires that last night the Committee was told that the Library may or may not need a new furnace/boiler. Is there one of these Funds to pay for that or is there funding in one of these Funds or if they do need something, is that something that is going to have to be addressed at probably the Deliberative Session.

Earl Sires stated the Town Engineer and other folks are taking a look at the situation and talking with the Contractors involved with it just to see exactly what's going on. Once we know that, obviously we'll know what the price tag is. This Fund is a fairly general Warrant Article. It talks about Town buildings and facilities. We've never included anything from the Library that he could recall. They've typically handled those things separately. It probably would be legal to add money to do it, but since it's a one-time expenditure, he is trying to think of how it might work best. It could be dealt with at Town Meeting; it has to be.

Chairman Mosca proceeded with **Article 11** - Parks Department Vehicles and Equipment Capital Reserve Fund in amount \$20,000.00.

Mike DiGregorio moved, seconded by Michael Fougere, to recommend Article 11 - Parks Department Vehicles and Equipment Capital Reserve Fund. In favor: 17; Opposed: 0; Abstain: 0.

Karen Umberger stated she was not sure what this was. Chairman Mosca stated it was one of those things that they drag behind a tractor that pokes in the ground.

Chairman Mosca proceeded with **Article 12** - Capital Reserve Fund for Police Vehicles in amount \$60,000.00.

Bill Marvel moved, seconded by Steven Steiner, to recommend Article 12 - Capital Reserve Fund for Police Vehicles. In favor: 17; Opposed: 0; Abstain: 0.

Steven Steiner asked who voted against this Article. Mike DiGregorio stated he was not sure. Earl Sires stated he was not sure, but it was one of the Selectmen.

Karen Umberger asked if anyone had any idea how many police vehicles this was. Earl Sires stated 2. Mike DiGregorio stated they have a total of 8 cars now from what we heard yesterday. One just lost a transmission, so they're down to 8. They've decided that a 200,000 miles vehicle, they are not going to replace the transmission for \$2,000.00 to \$4,000.00. It was for 2 and if he recalls, they had money for the lights because these are the newer style vehicles. They are not like the Crown Vics where they

transferred all of the equipment over so there was some equipment that was going to have to be purchased specifically for these cars. He believed these were the new Taurus-type vehicles; they are All Wheel Drive and they are supposedly getting real good gas mileage as well.

Karen Umberger asked if they reduced the amount in their request for a Capital Reserve. Chairman Mosca stated yes, they went from \$35,000.00 to \$21,000.00.

Chairman Mosca proceeded with **Article 13** - PEG Expendable Trust Fund in amount \$130,000.00.

Greydon Turner moved, seconded by Karen Umberger, to reconsider Article 13. In favor: 17; Opposed: 0; Abstain: 0.

Karen Umberger moved, seconded by Peter Donohoe, to recommend Article 13 - PEG Expendable Trust Fund, as reconsidered. In favor: 17; Opposed: 0 - Steven Steiner; Abstain: 0.

Chairman Mosca proceeded with **Article 14** - Expendable Trust Fund for the Purpose of Police Department Equipment in amount \$21,000.00.

Mark Hounsell moved, seconded by Peter Donohoe, to reduce the amount of Article 14 to zero (-0-). MOTION WITHDRAWN.

Mark Hounsell moved, seconded by Steven Steiner, to reduce the amount of Article 14 to zero (-0-). In favor: 4 - Bill Marvel, Doug Swett, Mark Hounsell and Steven Steiner; Opposed: 13; Abstain: 0. MOTION FAILED.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 14 - Expendable Trust Fund for the Purpose of Police Department Equipment. In favor: 6 - Maury McKinney, Syndi White, Brian Charles, Maureen Seavey, Mike DiGregorio and Michael Fougere; Opposed: 11; Abstain: 0.

Karen Milford asked in an Article like this, what are our options in terms of moving this amount into the regular Budget and not having a separate Warrant Article or reducing the Warrant Article to \$1.00. Do we risk increasing the Town Budget, including the Police Budget, and getting it approved in the Warrant Article. Some of these just don't seem to make sense to have separate Warrant Articles.

Chairman Mosca stated he thought that was a point that was brought up during the discussions. He didn't think if it was voted down this year it would have any impact on the Police Budget.

John Edgerton stated he brought this up before. This doesn't belong in a Special Article. It makes their Budget seem like it's flat and pump it into the Special Articles to pump up their Budget.

Danielle Santuccio stated just in response to that because she asked the same question when she met with Chief Wagner and she was not speaking in favor of this, but his answer was that all of those other things that he puts into that Fund had been purchased with Grants before and they hadn't been in the Operating Budget before. That was the response she got to that. Whether that helps you at all. She actually has a list of what

Grants and what year; one year it was a Homeland Security Grant in 2006 and the Server one year was a Special Warrant Article. They hadn't previously been in the Operating Budget.

Bill Marvel stated his general feeling in most of the Departments is that maintenance should be in the Budget to reflect the actual costs of operation. What he has been suggesting privately to School Board members for instance is we should turn this down and not recommend it so that they are encouraged to do that.

Maury McKinney stated like a lot of other people, he has a hard time with this appearing as a Warrant Article. He feels very strongly that it should be in the Operating Budget. His concern is that in the years to come, even though we are only focusing on this year, as the Salary and Benefits Line in the Police Budget gets larger and larger they will begin moving what are really operations on to Warrants and he thought we open ourselves up to some potentially bad situations in terms of being able to fund our Police Department.

John Edgerton stated first of all he realizes because they justify this that it was Grant money and it has to be a Warrant Article to put it in. He says we turn it down because the Grant was fine, but now they want us to take it over and put it into their Budget and he is saying no.

Danielle Santuccio stated she needed to clarify that was the response saying it had always been in the Operating Budget before and she agreed with John (Edgerton).

John Edgerton stated it has to be here because it was Grant money and to put it into the Budget, it had to be a Warrant Article. He was saying to turn it down because "you've had enough". If you want it, go back and get another Grant.

Mark Hounsell asked what was the difference between a Capital Reserve Fund and an Expendable Trust Fund. Earl Sires stated the function is basically the same, but a Capital Reserve Fund is typically for the larger capital items: trucks, vehicles, large projects, that kind of stuff. The Expendable Trust could be for a variety of other things that you are saving for and managing with specific revenue, like the PEG Fund. You can have an Expendable Trust Fund for what they are proposing for Benefits and things like that, not for capital items.

Karen Umberger stated to Earl Sires that she knows that we had passed a Warrant Article on Grants for people. Did that Warrant Article also include items that had been funded by Grants. Earl Sires stated no; his recollection is that it was programs or people. He didn't think it said equipment or anything like that.

Maury McKinney stated he was going to support this Article simply because he thought that the equipment that it's being used for is absolutely vital for the Police to do their job. He hoped that the vote the Committee took on the Contract will send a message to the Police that we really do want to begin looking both short term and long term at containing costs that don't jeopardize things like equipment.

Mark Hounsell stated he was not qualified to talk about the things on the list, if they are needed or not, but he does believe that this is the type of thing that belongs in the Operating Budget. He did not believe there should be this type of use of Trust Funds or Capital Reserve Funds to buy equipment. He thought it should be budgeted before, presented as part of the Operating Budget and more of a truth-in-lending or whatever you want to call it. He is going to oppose the Article.

Karen Milford asked if there was a mechanism to oppose this or do we change it to \$1.00 and then increase the Operating Budget to reflect an additional amount. Do we have a mechanism for doing this. Chairman Mosca stated he didn't think they needed the money in their Operating Budget.

Mark Hounsell stated the question was "is there a mechanism" and the answer is yes. You go back to the Operating Budget and you've added on that line item.

Karen Milford stated but then they could get it double, right. The voters could approve the Warrant Article and then they could approve the increase to the Operating Budget. Danielle Santuccio stated but the Operating Budget is still where it was even without this at this point because they're not going to change that unless they know this is going to be approved.

Greydon Turner asked if the light bars are coming out of this money. Chairman Mosca stated no. Danielle Santuccio stated this is in case something breaks unexpectedly. Karen Umberger stated no, this is equipment replacement. Danielle stated what the Chief told her it was in case something comes up or they have to take it out of the Operating Budget when they weren't expecting to. They will have this Fund and that's just a projection of when they think it might go. That's when the warranties are up and stuff.

Bill Marvel stated the word slush did come to mind. Mainly he wanted to say that yes voting against the Contract is a message, but also voting to put maintenance items into an Operating Budget is a separate message. It has to be made separately.

Mike DiGregorio stated first of all he thought calling it a slush fund is an unfair statement. By having it in here, they can't spend that money any where but on the items that are in this Fund. Also, they just can't spend it wherever they want. It also has to come before the Selectmen's Office before they can spend it. They are going to have to come before us and say "we need a light bar; we don't have one; it's broken". He only says that because there's more of a spotlight on the Selectmen's Office and how they do things than the Police Commissioners who he thought the only other person who ever goes there is the reporter. Karen Umberger stated if he can get in. Mike stated because they are small figure items, it's difficult for people to say that they should be looking out into the future as to what needs to be replaced or not. They did make an argument that everybody else has kind of looked into the future to say what needs to be replaced and what doesn't. Perhaps that's why they tried to put this list together. A truck costs \$100,000.00, a radio or several radios may cost \$5,000.00 or \$10,000.00 he really didn't know. He thought their goal is to look out into the future to see what was needed. Again, before

they can expend it, they have to come before the Selectmen's Office and prove to them that they need a new radio or they need a new light bar because he could tell the members for sure the way the Chief explained his rotation of light bars would not fly in the Selectmen's Office. Just because the Warranty is up, doesn't mean you need one. Mike didn't think that was what the Chief meant, but that was what he said. They are going to have to prove to the Selectmen that something's broken before they get it replaced and this is just one avenue to make sure that that's done that way.

Karen Umberger stated first of all the Budget Committee has been very specific with the Police that they needed to do something to figure out what they needed when in the past. So they did that. Now, the items that they put in this thing she was not the least bit happy with, but they did in fact do what this Committee asked them to do. Her dilemma here is that they did what we asked them to do, but she doesn't necessarily like what they did in relationship to the equipment they decided was important to go into the Expendable Trust Fund. She was caught in a dilemma and didn't know how she was going to vote yet.

Michael Fougere stated what he sees with the Police things is that they broke it down wrong. Instead of breaking it down that we need instead of \$10,000.00 every 5 years, we need \$2,000.00 a year for lights. Instead of \$300.00 for clips for their guns every 5 years, they need \$75.00 every year for it. They broke it down wrong. A \$1,500.00 light bar to him is not a throw away item unless they crashed it or damaged it, it's going to be covered in an insurance policy. Hopefully we can insure them; he was not sure.

Mark Hounsell stated the list that they gave us was a list of what they qualify as equipment, but it isn't really, the whole list or the potential whole list. They may go before the Selectmen and talk about something we've never heard of before and the list becomes whatever it is: meaningless because they'll decide what the equipment is when they decide what equipment they need. Equipment is a big word. He thought the Commissioners need to plan a Budget based on what their needs are for the year's operation. If they need \$21,000.00, then they should have put that in the Operating Budget and not put it here. Like what Karen Milford said, what happens if both passes. They win, it's a nice move. What we need to do is look at what's in the best interest of the taxpayers. The best interest of the taxpayers is for this not to pass and for the Police Commission to deal with it. He is not going to support putting it in the line item that they didn't put it in in the first place. They'll have a responsibility and an opportunity at the Deliberative Meeting to put it where they want to and that way if they win on this one, they win one and so if they win on the other, they win once and if they don't, then they played wrong. There's a game going on here that he did not appreciate and he believes it is a game; we want two bites of the apple. They are not really describing what equipment is. The more we talk about this, the more he really doesn't like it and he doesn't think they treated the Budget Committee's request, he wasn't here, in good faith and so he would suggest that there is no obligation to what they presented.

Chairman Mosca stated based on what he was hearing and he didn't know how the vote was going to go, but is this something that we may want to

reduce the dollar figure down in. Mike DiGregorio asked that we finish discussion. Chairman stated he was allowed to speak also. Mike stated he didn't say the Chairman couldn't, but he wanted to be able to finish discussion on this. Chairman stated he didn't stop discussion on it yet. Mike stated you (Chairman) made it sound like you wanted to reduce something down, but he was next in line, that's all he was pointing out.

Earl Sires stated he would defer to Mike (DiGregorio). Mike stated this is not a double dipping thing. Again, they are not going to be able to spend this money without the Selectmen's approval. If for some reason things have changed and it goes into their Operating Budget, they're not going to be able to come to the Selectmen and say "we've got this money over here to replace radios" and then "we're just going to spend this to replace radios". They were asked because of some, and he uses the term lightly, mismanagement on how things were done in the past to tell the Selectmen ahead of time what they wanted to replace. They were asked that by the Selectmen's Office, they were asked that by the Budget Committee and they've done that. You folks just don't like what's on the list. He looks at this as probably a living document and this is the first year that they've brought it out. He remembers the School years ago was asked to put things on a list and people didn't like what was on that list either, but again that kind of revolves into a better list. He thought that establishing this particular Fund and getting the items on there that are worth being on there and then expending that money the way it should be is not a bad idea.

Mike DiGregorio stated he needed to point out another thing. The Police Commissioners over the past years spent every nickel they were given and often times at the end of the year they did it with equipment purchase. They were asked not to do that any more and they returned \$100,000.00 last year in good faith. They could have easily, it's their Budget just like the Library's, turned around and spent every nickel of that. They chose not to. He thought they were asked to establish this so they wouldn't have to spend their slush money as Bill (Marvel) would like to call it.

Earl Sires stated he has been thinking about it, and he and Lucy (Philbrick) have talked, but he can't recall that the Budget Committee has ever reduced a Warrant Article, probably because the Budget Committee's role is "yes" or "no" and then it goes to Town Meeting and it gets worked out there at the Deliberative portion. He is pretty sure that if the Budget Committee could do that, it would have been done by now. He was not 100% sure on that, but he thought that's the way it's suppose to go.

Mark Hounsell stated he didn't have the answer to that. All he knows is that we are here as a Budget Committee, as a check and balance to recommend and if we wanted to recommend \$1.00 then we could recommend \$1.00. If that's not allowed, then let's find out the hard way. Mark then made a motion to reduce the amount of Article 14 to zero (-0-).

Steven Steiner stated he hated to tell everybody that he has ADHD, but he would really like to reverse his vote on Article 13, if possible. Mark Hounsell stated we'll need a motion to reconsider. Chairman Mosca stated we already have two motions on the floor on a different Article so we

can't go back to that one at this time. We can go back to it once we are done with this Article if you so choose.

Karen Umberger stated why don't we just go forward with Mark's (Hounsell) motion and if we have to reconsider it because we screwed up, we'll do it.

Bill Marvel stated if it's unanimous, then we don't have anyone to make a motion to reconsider. Karen Umberger stated it's the prevailing side that makes the motion. Mark Hounsell stated if we're not allowed to do it, we will be told. Bill stated it just seems odd to him. It's been 30 years since he was on a Budget Committee here, but it seemed odd to him to reduce it at the Budget Committee level. He thought it was recommend it or not recommend it.

Chairman Mosca stated that he was looking at a lot of the equipment they have listed and to him that's every day stuff and most of it should not be in a Capital Reserve Fund. That's his personal opinion and you can't go to work without some of these things.

Mark Hounsell stated he wanted to withdraw his motion because he just thought of something and it is really going to mess up what he was planning to do with the School Budget. He thought you can not change it here, you can amend it at the Deliberative meeting. He thought we can recommend or not recommend before the Deliberative Meeting, but at the Deliberative Meeting one of us can stand up and make a motion to amend the figure. He didn't think we could make that amendment now. He thought we had to recommend passage or no passage.

Chairman Mosca asked Mark Hounsell what he wanted to do with the motion. Mark advised that he reluctantly wished to withdraw the motion.

Mike DiGregorio stated since we are here to beat things out. You (Chairman Mosca) just made the statement that you don't agree with it because of the items that are in there. You then made the statement that you can't go to work without some of these things. Tell me in your rationale what's the difference between the Highway Truck and a gun. You can't go to work without either one of them, so explain what your rationale is because the dollar figure he was sure is more easier for the voters to take that you're not going to have this big swinging tax dollar, but other than that what's your rationale.

Chairman Mosca stated because he thought there was a difference between an Expendable Trust and a Capital Reserve Fund. The vehicles are in the Capital Reserve Fund because we know we need them. You know when you hire a Police Officer he has to have a gun and you need cars and you need light bars. He thought there was cars already in a different Warrant Article that has already been approved because that's not something that you are going to buy every day, but you need the other things, you need to have back ups. That's in his mind, that's him.

Mike DiGregorio stated your (Chairman Mosca) statement was "you need this stuff to go to work" and he was saying that they need a truck to go to work, too. Chairman stated and we have them; and we plan obsolescence. How can you plan obsolescence on these, you can't. There are hand guns

that have been out there for 100 years that still work. Mike stated that part he agreed with.

Mark Hounsell stated he didn't care so much about what's on the items, he didn't think the Committee had a clear definition of equipment. It doesn't really matter what the equipment is. The placement of this on a Warrant Article versus in the Operating Budget is his concern. He believes these items should be in the Operating Budget.

Bill Marvel stated he didn't think that was any criticism of the Department because they were asked, but that request was made to solve what appeared to be a problem, but which was really just a single decision made as many other Departments do at the end of the year when you have things you need and suddenly you have extra money, you buy them. He thought maybe they were doing it right the first time.

Bill Marvel stated he had a question about what Mark (Hounsell) was saying about what we can do as far as recommending a figure. Are you talking about the Warrant Articles or the bottom line at this meeting. Mark stated at this meeting of the mind that we can only recommend the number that's before us, that we can't make the amendment.

Chairman Mosca stated if that were the case, how can we make an amendment to the Budget in Article 3. Chairman called for a 5 minute recess.

Chairman Mosca stated if we so choose to reduce a figure then we're going to go with it and if we're told differently then so be it. Mark Hounsell stated if we are told differently by authority. Chairman agreed and stated that right now we do have the reading of the RSA and it states we do have the ability to reduce. If we increased it, we would have to have another Public Hearing; if we decrease it, there does not have to be another Public Hearing. Danielle Santuccio stated it doesn't say the second part, but it doesn't say we can't. Chairman stated the ambiguity of the RSA is what we are going on.

Mark Hounsell stated if this is approved, the moment this is approved, or anything like this is approved, the taxpayers have spent it. The money was raised and appropriated and put into a Fund that will never find its way back to the taxpayer. If, on the other hand, it's on the Operating Budget and the Commissioners do what they did this year and return funds that weren't spent, it would go back to the taxpayers in the form of the Fund Balance. It would find its way back to reducing taxes. This way it will never find its way back to the taxpayers whether an item is approved for expenditure or not, that money will sit in a Fund, it will be taken from the taxpayer, put into a Fund, never to be seen of again. If it's in the Operating Budget there's a chance it may be seen again. So there's a rationale for not supporting this process.

John Edgerton stated he needed to know if this Expendable Trust Fund was for perpetuity. Doesn't ever have to be spent, it can just sit there, decreasing in buying power at 10% per year. Mike DiGregorio stated they do have a schedule, but he didn't believe it had a cap.

Earl Sires stated Expendable Trust Funds and Capital Reserve Funds can be dissolved by voter action. Karen (Umberger) will remember this, 6 or 8 years ago the Town did that and discovered several little hold over Funds that hadn't been spent in 15 years and those were dissolved by the voters. That's the only way.

Chairman Mosca asked if there was any further discussion on this Article. Mark Hounsell asked what the motion was. Chairman stated the motion that is on the table is the Expendable Trust Fund at \$21,000.00. Mark asked who made the motion. Karen Umberger stated the motion on the floor is to reduce it to zero. Chairman stated Mark withdrew his motion and it was an amendment to the motion. The original motion was to recommend or not recommend the Expendable Trust Fund for \$21,000.00. Mark asked who made the motion to recommend. Mike DiGregorio thought he was the one, but he did not remember. Iris Bowden stated Greydon (Turner) made the motion and Peter (Donohoe) seconded.

Mark Hounsell stated so what you are saying is that we can reduce this figure. Danielle Santuccio stated what she was saying is that it doesn't say we can't, but it says we can not increase it. It specifically states it can not be increased. It does not specifically state it can not be decreased and since the Legislature did not see fit to put it in there, she would go with saying we can do it. Whether we want to or not is a separate question.

Mark Hounsell made a second motion to reduce the amount of the Article to zero. Chairman Mosca asked if there was any discussion on Mark's (Hounsell) motion.

Mike DiGregorio stated his final say, it's not our Warrant Article, but he thought we were going to punish the Police Department for something they were asked to do and he thought what we are doing is wrong. Let the voters decide up or down at the \$21,000.00 figure. They reduced it down from \$35,000.00 to \$21,000.00 in good faith. He says to defeat this amendment and let the voters decide.

Mark Hounsell stated he was not looking to punish anyone. He didn't believe this was about punishing, nor is it about rewarding. This is about budgeting and watching out for the taxpayers and the affordability of it. Their line item in the Operating Budget can be amended at the Deliberative portion if they don't have the \$21,000.00 here. The other thing is if this amendment passes and we're back to recommending or not recommending, he is then going to vote "not recommending" because he doesn't want to establish the Trust Fund. There are two things he doesn't want to do: establish it for \$21,000.00 or establish it at all.

Karen Umberger stated she was opposed to going to zero because she agrees with Mike (DiGregorio) that she didn't think it was a bad idea for them to have an Expendable Trust Fund. She didn't think that was a bad idea. She did think what we are arguing over is what is in the Expendable Trust Fund and she thought that's where our problem is. She was not necessarily hearing anyone say that an Expendable Trust Fund is a bad idea.

Mark Hounsell stated he is. To him it doesn't matter what's in the equipment list. He trusts the Commissioners and the Department to know

what they need whether it's guns or light bars or whatever. He has no ability to comment on the need. What he is talking about is the establishment of an Expendable Trust Fund for this purpose. That's what he opposes.

Chairman Mosca proceeded with **Article 15** - Expendable Trust Fund for the Purpose of Police Department Earned Benefit Payments in amount \$30,000.00.

Peter Donohoe moved, seconded by Michael Fougere, to recommend Article 15 - Expendable Trust Fund for the Purpose of Police Department Earned Benefit Payments. In favor: 4 - Maury McKinney, Greydon Turner, Mike DiGregorio and Maureen Seavey; Opposed: 13; Abstain: 0.

Bill Marvel stated his comment is NFW. Karen Umberger stated she would express it differently. She stated that the Town in good faith is going to have the Auditor look at the Earned Benefits and all of the stuff that is going on and she believes that this is premature and that, in her opinion, if the Town and she would say that is everybody: the Police, the Town, the Library, whoever else belongs to the Town, she thought that there should be only one Expendable Trust Fund if in fact we ever decide that we want to do that. She realizes that the Police budget separately and they do all of this other stuff, but she does also believe that when we are talking about Earned Benefits, we're talking about post-Retirement Benefits and all this kind of stuff that it needs to be in one place so that the people of the Town can understand what this one place means because what happens right now is that we have a little bit here, a little bit here and a little bit here and we don't necessarily put it all together and she thought it was important that we, as a Town, look at where we're going, what we're doing and what it's costing us. She is going to vote no.

Chairman Mosca proceeded with **Article 16** - Conway Emergency Shelter Generator in amount \$50,000.00.

Michael Fougere moved, seconded by Peter Donohoe, to recommend Article 16 - Conway Emergency Shelter Generator. In favor: 3 - Mike DiGregorio, Maury McKinney and Doug Swett; Opposed: 14; Abstain: 0.

Bill Marvel stated when he said NFW, he was actually talking about 16.

Chairman Mosca proceeded with **Article 17** - Software for the Town Clerk/Tax Collector Office in amount \$12,000.00.

Karen Umberger moved, seconded by Greydon Turner, to recommend Article 17 - Software for the Town Clerk/Tax Collector Office. In favor: 17; Opposed: 0; Abstain: 0.

Karen Milford stated the only thing from when we talked about it, it seemed like this is really going to make the Department much more efficient and be able to collect much more in Revenue. While it is certainly an expenditure, she thought long term it would end up benefiting in a positive way the financial status of the community.

Steven Steiner stated he agreed with that totally and in fact talked to the provider the other day and it's something that is going to bring more Revenue in. We can get boat registrations and all of that. He thought one of the best Departments in this whole town is that little counter, the nicest people and they deserve this. He is definitely in favor of it.

Doug Swett stated he thought when Rhoda (Quint) came before us and really represented this thing. He thought she was doing a heck of a job up there and he didn't think she would have been here unless she had a real use for this and needed it. He didn't think for \$12,000.00, if this was the School Department, he wasn't going to say it.

Chairman Mosca proceeded with **Article 18** - Re-Codification of Town Ordinances in amount \$15,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 18 - Re-Codification of Town Ordinances. In favor: 11; Opposed: Bill Marvel, Doug Swett, Steven Steiner, Peter Donohoe, Karen Umberger and Karen Milford; Abstain: 0.

Karen Umberger asked what this was about. Chairman Mosca stated we are taking all of the Town documents that have been piling up for years are going to be compressed into book form. Karen asked if that was the right term. Multiple members said it was. Earl Sires stated this is updating, compiling and producing a new book of all of the updated Codes. Karen stated we are not re-doing any of the ordinances. Earl stated no, not making any new laws or anything like that.

Karen Milford stated she was not against doing this, but thought doing this and the new software in the same year is doubling up in one year. She would rather see it spread out and consider it next year.

Mark Hounsell stated just a note of experience and it wouldn't happen in Conway because they'll do it right, but the State has in the past in re-codification efforts changed law without any one becoming aware of the changes. It is something that needs good attention and he thought \$15,000.00 is money well spent in order to get it done correctly. Karen (Milford) has a point though whether it can wait another year and he was kind of torn. He was thinking the same thing, can this hold off another year and the answer would be yes.

Earl Sires stated they brought this forward and as he mentioned before, some of us are getting to finishing up in the next 5, 6, 7, 8 years, understanding that we want to leave the place in good order and Rhoda (Quint) and others are doing a good job at doing that. It is something that he feels needs to get done. Does it need to get done this year, no but at some point it does. There is a lot of work getting all of the Minutes from the different meetings bound and all organized. The advantage of doing it is it makes it easier for staff that are trying to interpret the law. It also is an obligation of the community. As he said before, governing the community through laws you're obligated to make it understandable to them. So that's part of the whole philosophical thing and the other is housekeeping and it can wait if you decide that's what you want to do.

Greydon Turner stated he didn't think it made any sense to wait. It is something that should be done. Why wait; get it done now.

Peter Donohoe asked when this was last done. Earl Sires stated in 1978 or 1982.

Chairman Mosca proceeded with **Article 19** - Police Drug Evidence Terminator Equipment in amount \$6,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 19 - Police Drug Evidence Terminator Equipment. In favor: 15; Opposed: 2 - Peter Donohoe and Greydon Turner; Abstain: 0.

Chairman Mosca stated he was going to throw his two cents worth in. He thought for what we're getting it's a great investment for the community. It's relatively short money and to have the ability for the citizens of this Town to be able to go to the Police Department at any time to drop off drugs is a great thing to do. Plus, as was described to us by the Chief, it takes someone half a day or longer to drive down to get rid of the stuff and come back. That's an Officer off the streets that could be doing other things. The pay back period is about 5 years and, in his opinion, this is something that is a great investment for the community.

Karen Umberger stated she was not really excited about this until she was listening to the radio today and they were talking about drugs in the water, common ordinary household drugs, that are infiltrating our water. She didn't necessarily want to take other people's medicine when she drinks her water so this in fact would eliminate that because it's a burn facility as opposed to flushing it down the toilet which we should never do but a lot of people do.

Peter Donohoe stated he agreed that it was a good investment, although he does believe that it should be something that occurs at the County level and that the individual towns in the County should take up this issue.

Michael Fougere stated he liked what he (Peter Donohue) said, but what Karen (Umberger) was saying about getting rid of drugs and his recent brush with his wife and cancer, the drugs that she had to buy with different side effects that she took one of and still had 20 in the bottle because it made the condition worse. These are the drugs that we'd be dropping off instead of flushing. Think about the amount of cancer that's in this Valley and the amount of drugs that are periodically spaced throughout this Valley, having some place to dispose of these drugs easily and on a regular basis with no one getting harmed. Six Thousand Dollars (\$6,000.00) is cheap money, but he likes Peter's idea that it should be done on a County level.

Steven Steiner stated that he has done his research on this. The collector's box that he sees in Laconia is just that. They collect the drugs, the drugs go into the Evidence Locker/Evidence Room. In talking with Chris Perley today he was explaining that room is scarce, there is very little room there, but he thought what we really need to do is if we tonight vote it down to zero, find out from the Sheriff if he would buy the Terminator. He has seen the Terminator, he went on-line to see it and it looks like a big 55 gallon drum with all of these attachments to

incinerate the drugs and yes it will do all kinds of illicit and prescription medications. He really thought it should be done at the County level. They need to be a part of this fight on prescription drug abuse and he thought the Sheriff may have the money.

Syndi White stated we're doing the Budget at the County level and there's no extra money in there to do that. That would be something that would have to be put in the Budget and then it would have to go through the whole process just like what's being done here. In terms of that happening this year, wouldn't happen.

Doug Swett stated let the Town buy it and if it comes to a point where we can sell it to the County, then do it.

Mike DiGregorio stated he thought we have to remember the convenience. He agrees with Peter (Donohoe) that if we want to work as a county, the County should buy it. We have to think about what's convenient to get drugs off the street in our town and since we have a lot of people here, from the explanation they have 2 days a year that they have a place to drop things off. He did not think that was very convenient. He doesn't take any of this stuff, he and his wife don't believe in medication period, so they don't take any. He knows there are people out there that have stacks of it and they need to get rid of it and if it's not convenient, it's going to go down the toilet or it's going to go in the garbage. It needs to be convenient and he didn't know if anybody, he guessed they could hop on that Blue Bus and take a trip down to the County facility, he just looks at it that it needs to be here. Our residents are the people we need to worry about and get that stuff off the street.

Chairman Mosca stated let's not kid ourselves, even if it goes through the County, we're paying for part of it. Do you want to pay for part or do you want to pay for all of it. One way or another you are going to be paying for some of it.

Doug Swett stated probably the answer is Wolfeboro should have their own and a couple of other locations and we have ours here.

Bill Marvel stated he has a question that probably should have been asked when the cops were here, it just occurred to him that if this thing is the size of a 55 gallon drum, is it stationary or does it need a building. Steven Steiner stated no, it has wheels to it.

Chairman Mosca proceeded to return to **Article 3** which had been tabled. The Budget is \$9,686,674.00. By a unanimous vote of 17-0-0, Article 3 was put back on the table for discussion.

Steven Steiner stated is there any room after this to cut the Budget or is this it right here. Chairman Mosca stated you can cut the Budget here or we can recommend a different Default Budget. Steven stated being this is his first time and he's looking for a little assistance.

Earl Sires stated the Budget Committee presents a Budget to the Deliberative Meeting so this Budget can be amended. Also at the

Deliberative Session the Budget can be adjusted either up or down by motion of any individual that's there that is a voter.

Steven Steiner stated what he wanted to do was give the voters a chance to say yeah or nay and what he would like to propose is a bottom line cut of 5% and that goes to Deliberative and the voters have to come out do their thing. Otherwise, we haven't really done our job. He didn't think we'd have done our job because we need to cut this Budget and if we just approve what they gave us, we didn't do our job.

Chairman Mosca asked if Steven (Steiner) was making a motion. Steven stated first off, he's a newbie and he's still wet behind the ears, but he was elected to come here and cut this Budget. He has no beef with the Town, but we need to give the folks out there some say and he thought by cutting it by 5% basically, if his math is right, keeps it even keel on what it was last year.

Steven Steiner made a motion to cut the bottom line of the Budget by 5%; there was no second to the motion.

John Edgerton stated on technicalities to Earl Sires, under the law, the Default Budget is that entire by law or can the Budget Committee set another figure.

Earl Sires stated the law specifies the formula that has to be used. In other words, you can't say we'd like it to be \$100,000.00. Chairman Mosca stated we can change it, but it has to be within reason. Earl stated if you decide that something that Lucy (Philbrick) has decided is a valid part of the formula is not, but you have to work within the formula.

Karen Umberger stated the Budget Committee has the authority to set the Default Budget and she agrees with Earl (Sires) that it has to be within the limitations of the law, but there are things that we can do.

Bill Marvel asked if we were discussing the Budget or the Default Budget. Chairman Mosca stated we are discussing the Budget so if anybody has any cuts or anything that they want for the Town Budget, then we will look at the Default Budget once we are done with all of the Warrant Articles for the Town.

DEFAULT BUDGET VOTE

Chairman Mosca stated we are done with the Town's Budget and now we are going to do the Warrant Articles. Karen Umberger stated we have to vote on the Default Budget which we have not done. Chairman stated right and he said we were going to do that when we were finished with all of the Town Warrant Articles. We still have some other Warrant Articles, all of the non-profits.

Mark Hounsell stated he appreciated that the Town spent staff time to come to this meeting and he would just note that we see no one from the School. That speaks a lot to him. Mark thanked Earl (Sires) and staff for coming. Earl stated thanks and said on his departure he was going to say he appreciates the Committee's efforts and that this has really been, probably in the 12 years he has been here, one of the most deliberative

and thoughtful thorough processes that they've been through. You are doing good work on behalf of the voters. They would be happy to stay for the Default Budget if the Committee was going to do it now, otherwise they are going to leave.

Chairman Mosca proceeded with the **Default Budget** while Earl Sires and his staff were present. Chairman stated the current Default Budget is \$9,618,344.00 which is \$68,330.00 less than the proposed Budget.

Bill Marvel moved, seconded by Mark Hounsell, to reduce the Default Budget to \$9,602,530.00. In favor: 10; Opposed: 7 - Steven Steiner, Maury McKinney, Syndi White, Brian Charles, Michael DiGregorio, Maureen Seavey and Karen Milford; Abstain: 0.

Bill Marvel made a motion to reduce the Default Budget on the rationale that we have not seen a Contract that indicates the \$17,312.00 in costs that have been contracted ostensibly by the Library Trustees. We have seen no such Contract.

Chairman Mosca asked Bill Marvel to repeat the numbers. Bill stated \$9,601,032.00. It represents a reduction of \$17,312.00 which may not be the exact figure, but it's approximate and we certainly can discuss it.

Karen Umberger stated she needed a little bit more and Mark Hounsell agreed.

Bill Marvel stated contractual agreements are part of the Default Budget and that's why that figure was included because it's ostensibly a Contract that was made. Karen Umberger stated you mean with the previous Librarian. Bill agreed and stated we have not seen any such Contract. He has no idea if one exists; he does know that the Town Office has been notified that there is a Contract but did not know if they had seen one.

Lucy Philbrick stated she would point out that the figure in the Default Budget for that Contract is \$15,814.00.

Chairman Mosca stated that's the number that is on page 10 of the handout. Mark Hounsell stated he was wondering why that number was different. Bill Marvell stated he was looking at the number that they requested for an increase less the \$1,400.00 for restoring the 2 hours. That would require him to do another calculation. Lucy Philbrick stated the new number is \$9,602,530.00.

Chairman Mosca asked if there was any more discussion or were there any other items that we wanted to change the Default Budget by. Karen Umberger stated we need to vote on that one first.

Mark Hounsell asked what happens, and he agrees with Bill (Marvel), that we should see the Contract if it's called a Contract. What happens to the pay out if it isn't included in the Default Budget and the voters went with the Default Budget. What's the end result.

Bill Marvel stated it isn't included in the recommended Budget. If the recommended Budget passes, they're not going to have it. If the Default Budget passes, they're not going to have it.

Karen Umberger stated it is in fact in there; it's in the Salary line. It's in the Salary line and Benefits, it's there unless we do something later, but we have not reduced the Salary line of the Library to account for any one not being there. Bill Marvel stated that's true. Karen stated it's there, but it's not called the Benefit line, it's just within the Salary line. Bill stated he suspects that was the reason that the Selectmen refused to approve an increase because it was about the same figure. Karen stated that could be.

John Edgerton stated everything in the Default Budget is in the Budget. The only thing that is not there is what was added. If you take it out of the Default Budget or out of the regular Budget. Bill Marvel stated he understood that, but that approximate amount is out of the regular Budget as it is. It's included in the Default Budget simply because it was an additional contractual agreement or at least that's what we were told.

Mark Hounsell stated not knowing if a Contract actually exists because we never saw one, he was wondering if that payment that he heard about through the rumor mill was due in February if in fact that second payment has been paid. Lucy Philbrick stated the second installment has been paid. Mark stated so the so-called Contract that we haven't seen is fulfilled on our part. Earl Sires stated the obligation under that agreement is fulfilled as far as he knows.

Karen Umberger stated she would just say that that financial agreement has to be made public. It has to be made public. Mark Hounsell v. North Conway Water Precinct. The Water Precinct won that case, but you have to reveal the money that was paid out or what the person received. That absolutely has to be done. Mark Hounsell stated and it hasn't. Danielle Santuccio stated there's been conjecture, but no actual document.

Bill Marvel stated the amount has appeared in the paper; he has seen no documentation. He is very leery of a body that can bind this Town to who knows how many additional elements in such a Contract without the Town knowing anything about it and basically having to abide by it.

Karen Umberger stated to Earl Sires the Ambulance Contract went up this year, is that what this is saying. Earl stated it had a cost of living increase. Karen stated the same question on the Grounds Maintenance, is that a Contract that the Library has that has gone up. Lucy Philbrick stated so she's been told. Karen asked if the ground increased. Chairman Mosca stated the cost to maintain the grounds. Karen stated maybe what we should do is make sure that when one of our illustrious people make Contracts that we look at fixed price for a period of time and however long that fixed price is good for is how long the Contract is good for. She knows that we put a cost of living in the Ambulance Contract last time and she was not necessarily disagreeing with that but she was confused about the cost of living increase for Grounds Maintenance. She was not going to fight for \$200.00, it's not worth it.

Chairman Mosca stated to Lucy Philbrick that the difference between the proposed Budget and the Default Budget is \$84,144.00. Lucy stated it sounded good to her. Chairman stated the Default Budget as set by this Committee is \$9,602,530.00.

NON-PROFIT ARTICLES VOTE

Chairman Mosca proceeded with **Article 20** - White Mountain Community Health Center in amount \$35,565.00.

Karen Umberger moved, seconded by Danielle Santuccio, to recommend Article 20 - White Mountain Community Health Center. In favor: 16; Opposed: 1 - Doug Swett; Abstain: 0.

Greydon Turner stated he had a comment and didn't know what kind of bearing it may have. There is a Clinic that will be opening up at the former Citizens Bank in Glen, NH. He did not know what effect might that have on these guys because there hasn't been a Clinic on that end of town ever since he can remember and that's only 20 years.

Maury McKinney asked if that was going to be part of the hospital. Greydon Turner stated no, it's part of the Saco River Medical Group. He knows that they do take care of some low income patients. He did not know what effect that is going to have on their clientele. She said roughly 8% of their clientele comes from the Bartlett and Jackson area.

Karen Umberger stated she didn't believe that it would have any effect at all and she says that because the majority of their patients are either uninsured or with Medicaid and she didn't see that having any great effect at all.

Bill Marvel stated a majority of White Mountain is uninsured or on Medicaid. Karen Umberger stated yes. John Edgerton stated absolutely. Bill stated he thought they just had a sliding fee. John stated it's the only place Medicaid can really get medicine. Karen stated the uninsured pay a sliding fee. Bill stated a majority makes sense and guessed he was thinking almost everybody. Greydon Turner stated Saco River Medical Group does see children for instance that are on the New Hampshire Healthy Kids Program. Karen stated she wouldn't argue that. Greydon stated there is going to be a small effect, it may not be dramatic.

Doug Swett stated he was voting against some of these, not because he doesn't realize what they do, he just thought some of them need to start raising funds through Churches, different clubs and this and that. To go to the taxpayer for this stuff year after year, he won't vote for it. He's not against a lot of this stuff.

Mike DiGregorio stated he would be voting for or against some of these based on what the Selectmen have directed him to do. It may not be his personal opinion, but it certainly may not be the way that he'll vote inside the booth. Karen Umberger stated we understand your responsibilities.

Chairman Mosca proceeded with **Article 21** - The Gibson Center For Senior Services, Inc. in amount \$35,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 21 - The Gibson Center For Senior Services, Inc. In favor: 15; Opposed: 2 - Bill Marvel and Joe Mosca; Abstain: 0.

Bill Marvel stated he had gone to each of these non-profits that have a tax abatement because of their non-profit status and calculated that into the overall municipal assistance that they get and then recalculated our proportionate contribution as they specify the proportions of their usage to reflect that we do give tax benefits that other surrounding towns don't. There are one or two though that didn't really indicate what their proportions were or if they asked any other towns, but the Gibson Center does. He forgot what the percentage was that they asked, but the amount they are asking from us is \$35,000.00. If the tax exemption were incorporated into the overall contribution from municipalities, it should be \$27,929.00. We can't change these figures and he is making the third statement that he will be voting against some of these based on that calculation and thought the Committee should not recommend them, although he would feel sorry to see some of them fail. He would like to encourage each of the non-profits since there again seem to be some that are creeping back on to the dole as it were, he'd like to see them at least recognize our entire contribution. This is one of those that he would least like to see fail.

John Edgerton stated he should probably abstain from the vote on this one because he is on the Board. Their shortfall from the State was \$50,000.00 of money that they used to receive from the State and they are asking the Town to pick up \$3,000.00 of that.

Chairman Mosca stated here's his issue and he knows he has stated it for the past 2 years, but if they are getting State money and they are getting Federal money and in some cases they are getting County money, that's all tax dollars that are already coming out of our pockets. To give it to them three or four times, how many times can you expect somebody to reach into their wallet. Some of the things he votes against are for those reasons, not that he's against the institutions, but how many times can you ask somebody to pay for something.

John Edgerton stated they don't get any Federal funds.

Mark Hounsell stated he thought on this for a long time and it came down to this: eventually we're going to be dealing with \$33 Million for the children of the town and he didn't think \$35,000.00 for the seniors who pay the \$33 Million in most cases is too much. He thought it was a good thing that needs our continued support. It isn't something new and hasn't been tested, he thought it had been proven.

Bill Marvel stated would that mean then that we owe a disproportionate contribution. Mark Hounsell stated he didn't know what that meant. Bill stated it means we are paying disproportionately against other towns at least based on the Gibson Center's calculation of the usage by town. Mark stated he supposed Bill was right, but it still doesn't matter because we've been giving them the money for years. It's a cultural thing. Bill stated it was and he was one of those that now gets the \$3.00 meals he was sorry to say.

Chairman Mosca stated to John Edgerton that John was saying they don't receive Federal funds. John stated he didn't think they received any Federal Funds. Chairman stated it says State/Federal so if they're not,

maybe they should put two separate lines because to him it looks like they are getting money from both.

Karen Milford stated Jack Rose, who she spoke with the other day, did mention that last year they did get a Grant that was split between the Blue Loon, the Gibson Center and RSVP and their transportation programs. She thought it was a Federal Program, but if you say it flowed through the State that she didn't know. John Edgerton stated it's filtered down.

Karen Umberger stated what they do get though is the USDA Food Program. John Edgerton stated that's filtered through the State also. Karen stated she was not so sure.

Chairman Mosca proceeded with **Article 22** - Tri-County Community Action in amount \$13,000.00.

Karen Umberger moved, seconded by Maureen Seavey, to recommend Article 22 - Tri-County Community Action. In favor: 16; Opposed: 1 - Doug Swett; Abstain: 0.

Karen Umberger stated she realizes that Tri-County Cap has been in the newspaper, but this particular program is relatively well managed and it is a direct benefit to the people that require heating assistance. She thought that we needed to continue to support this. Mark Hounsell stated ditto.

Danielle Santuccio stated isn't it a benefit to the Town as well. Chairman Mosca asked how. Danielle stated because then people won't go to the Town for assistance.

Mike DiGregorio stated since that question was asked, it's a huge benefit to the Town because, if everybody could cover their microphone, if someone comes in needing us to pay their oil bill, we're right there helping them. Chairman Mosca stated so he could have the Town come and pay his of about \$6,000.00 a year. Mike stated he was going to say "no". There are many others that they have to say "yes" to, so this helps. Mike asked Karen Umberger to correct him if he was wrong, but he believes this organization expends about \$600,000.00 in fuel assistance for the county. Karen stated it's whatever they get. Mike stated he thought a lot of that comes back to Conway. Chairman stated so the benefits out weigh the request. Mike stated a lot more than \$13,000.00 comes back in and again, people that need assistance come to the Town and this helps that.

Chairman Mosca proceeded with **Article 23** - Children Unlimited, Inc. in amount \$12,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 23 - Children Unlimited, Inc. In favor: 16; Opposed: 1 - Doug Swett; Abstain: 0.

Bill Marvel stated this is another one that gets a tax exemption. As Jackie (Sparks) indicated they try to calculate the exemption into the request and that's reflected in the fact that they come much closer to really doing so, but they miscalculated by about \$4,000.00. They actually get with the tax exemption nearly \$50,000.00 in municipal contributions

and at 56% which is the rate we are asked to pay, our contribution should be \$8,106.00 instead of \$12,000.00. He will say if we continue to approve these, recommend these without them agreeing to incorporate the figure, the tax exemptions, they'll probably never do it, but this one has at least tried to and he guessed he would argue that they shouldn't be penalized for a relatively minor miscalculation.

Chairman Mosca stated he was looking at their documentation; they have 49 children and families in Conway and their costs are approximately \$3,000.00 per child. They are asking us basically to cover the cost of 4 children. To him this is a huge benefit. Bill Marvel stated he didn't disagree with the Chairman, but the 56% figure is calculated on 49 families out of 88. Chairman stated he hears what Bill is saying and it hasn't been spelled out that way to the non-profits. Maybe we should change the form and say that we want them to look at their exemptions first and then what they are asking for and try to come closer. Bill stated that would be helpful. Chairman stated that's something that we have to ask them to do because we've never asked them to look at it that way before. He understood Bill's point 100%.

Mike DiGregorio stated his only issue with this is that it is in our Budget rather than a School Warrant Article because if it's over there it gets shared amongst all of the towns. It was his understanding from talking with Jackie (Sparks) that she does go to the other towns to ask for money, but that being said, this to him is smart money. He thought she said that 50% of the people that come through her program go on to Kindergarten, 1st Grade or whatever needing no intervention at all. We all sit here and we're going to talk about it as we move forward with the School Budget about how much money is being spent over there in Special Ed. This is short money for what we are getting out of it and he thought it needed to be supported.

Chairman Mosca proceeded with **Article 24** - North Conway Community Center in amount \$75,000.00.

Mike DiGregorio moved, seconded by Greydon Turner, to recommend Article 24 - North Conway Community Center. In favor: 16; Opposed: 1 - Danielle Santuccio; Abstain: 0.

Bill Marvel stated he had a question that he should have asked when they were here and maybe someone else did, he saw no indication that other towns were contributing. Are non-residents of Conway prohibited from this. Chairman Mosca stated he could not answer that. Mike DiGregorio stated they can go there and they charge a separate fee; if they are from out of town, it's a little bit higher.

Chairman Mosca proceeded with **Article 25** - Carroll County Transit's Senior Transportation in amount \$3,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 25 - Carroll County Transit's Senior Transportation. In favor: 13; Opposed: 4 - Joe Mosca, Bill Marvel, Mike DiGregorio and Doug Swett; Abstain: 0.

John Edgerton stated this is pretty cheap money and people were considering what the Gibson Center does and what this does. The Federal

law pretty well explains; the Gibson Center is limited to those over 62 or 65, and this is to pick the slack up. They are getting closer and closer to working together so that they can handle those people that need to get to the hospital and get to shop that don't have transportation. It's a really good idea.

Bill Marvel stated in spite of Evan's (Lucy) comments which he didn't disagree with at all and although he is an advocate for public transportation, this one doesn't seem to make sense to him. As he has heard many people state and he has never seen more than one person in that bus at a time, if any. He calculated the ridership on 500 a year and he has been told that it's 6,000, but if it were 5,000 a year, that works out against their entire budget to \$35.00 a ride plus the \$4.00 that the person pays. That's a lot more expensive than a cab ride and it uses a lot more gas. It's been going on for awhile and it doesn't seem to be picking up in usage, that's one complaint. Bill asked if Jack Rose was the Director as he couldn't find his name any where in the paperwork. Karen Umberger stated that he wasn't the Director; the Director was a lady out of Berlin. Bill stated which explains why Jack Rose didn't seem to know any of the answers and he wasn't impressed with the presentation.

Karen Umberger stated this is for the Dial-A-Ride Program, not for the Route Program. On the Dial-A-Ride if someone has an appointment at 8:00 AM at the hospital, they go and get them so they can make their 8:00 AM appointment. It's that kind of service that this is helping supplement.

Mark Hounsell stated he sees these buses all over the place and he doesn't know which one's which, he didn't know if they were doing what Karen (Umberger) says or if they are doing something else, but what he does notice is that the Health & Human Services District Office in Conway which is on Hobbs Street where he lives, has quite a few people riding on it. He does see ridership where it wasn't that long ago that he didn't. It would indicate that more people are riding on it. He didn't know enough about the program, but it does seem to be improving. He is at the point where, and this would be the initial investment because we have never given any money to this operation before, and he was wondering if they have proved themselves sufficiently as to what they're doing. He doesn't know because he doesn't know which bus is which; he just knows that there are a lot of them.

Mike DiGregorio stated it's definitely been given money because it started with a Federal Program and he thought it was something like \$3 Million. The Selectmen's Office did not support it and his issue has been the same issue for several years. They don't make enough money to cover one bus and one driver for one year. They refuse to adjust any of their fees at all. They're taking the Federal and State money to support it and he gets that, he understands that they are trying to get a Program going, but he believes their dollar figure is too low to try to supplement their own issues and this particular Program, in his mind, is directly competing with the taxi service in town. He would not have such an issue with it if they would at least look at their fee structure because he believes it is just too low and it doesn't support 1 bus and 1 driver for the year.

Maureen Seavey stated she has talked to people that do the ride to the hospital, hairdresser and have asked her to speak up on behalf of this. They pay \$4.00; if you take a taxi and you have a certain time that you have to be at the doctor's office, you can't call a taxi the night before and have them there to get you to a doctor's appointment. This is a very good thing for elderly people, handicapped, whatever and you can definitely be there for the doctor's appointment. If the taxi doesn't get your there on time, your doctor's appointment is gone. She thought it was a very good thing that we provide for our elderly and handicapped.

Karen Milford stated her primary concern with this one is that it's under Tri-County Cap, who clearly is having financial issues, and if they're going to be making some decisions this year on what programs stay and what programs go, she thought that if this was a financially viable program they will decide to keep it or they will do everything they can to keep it. If it's not, then it goes. She thought our risk is if we put \$3,000.00 into it, they cancel the program and our money only helped support it for a month or two. For the modest amount of the request, she believed it was worth the risk and let the State step in, look at the program, make sure it's viable and do what's needed to make it continue to be viable and she thought it was worth approving for one year.

Mike Fougere asked if the buses were all wheelchair accessible. Karen Umberger stated yes.

Karen Umberger stated it was in the paper either today or yesterday about Tri-County Cap and the programs that they are definitely going to keep, this happened to be one of them. That was one that was definitely going to stay.

Bill Marvel stated recalculating against the 6,000 rides they claim to have given, it still works out to \$30.00 a ride plus the \$4.00 the person pays. That's against a Budget that doesn't seem to include the cost of buses, so the cost is much more and the rides are costing probably twice as much as this. It could be done much more cheaply. If they are just giving individuals rides, why not send a Chevette.

Evan Lucy stated clarifications only. First of all the Program that Mr. Hounsell is talking about is the Dial-A-Ride, the door-to-door service and in essence you've probably seen a person being taken from their home or back to their home from an appointment. The other buses you see are only on Route 16, that's a different route bus. That's a different system.

Mark Hounsell stated to Evan Lucy, are you saying that those buses that go by Hobbs Street, down Hobbs Street, are Dial-A-Ride buses. Mr. Lucy stated no, when he said on Route 16 only, they do have certain "bus stops" and they've tried to put up signs in different places like between the Library and Saco River Medical Group. That's a "bus stop". Obviously they are not like the city where another one will be by in 10 minutes, but there are public routes.

Evan Lucy stated the other thing that he wanted to say and he wasn't sure of the numbers, but a lot of the monies initially came from the Feds to purchase the buses and get this going. Yes, we taxpayers have paid for it

and we have also paid for a lot of "interventions and wars" that some of us have disagreed with but they happened nevertheless. The funding of those were initially part of the Federal Government's trying to reduce our dependency on foreign oil and so forth and so on.

Evan Lucy stated for clarification, it is short money and yes, it is one of the four groups that Tri-County is going to keep. It will still be around if none of the rest of them are. They over extended themselves and some of the people at the top didn't know what they were doing and he won't name names even though he grew up with one of them.

Chairman Mosca stated his only comment is if we approve \$3,000.00 this year, will it be \$5,000.00 next year and \$10,000.00 in two years because they are going to realize they can't fund it. At what point do we say yes or no.

Mike DiGregorio stated he thought the answer to that question is that when the Federal money runs out, if the Program is established, we'll see.

Bill Marvel stated this is where everyone comes when another municipal agency like the Feds or the State drop out.

John Edgerton stated last year they were misrepresented and it was turned down. This is the second year and they are represented as door-to-door, doing a specific service to the local people to get them mostly to a doctor and back. He didn't think they were going to ask for \$5,000.00, \$6,000.00, \$7,000.00 in the future, they're having a hard time getting \$3,000.00 and they know they're getting a hard time here getting the \$3,000.00. He still thinks we need to give them another chance.

Doug Swett stated these people need a ride, but this procedure is a political ploy. It's very expensive. A gentleman that used to be on this Committee, Doug questioned him a few years ago, and he was voluntarily driving these people. When asked what was the problem, he said fairly short hauls, no problem; some of the more distant ones there had been a problem, but they've always been able to work them out. Now we've got the Government bringing some buses in here, they're going to wear out in who knows how many years and then we are going to be asked to replace them. Everybody is going to have a fit because we won't replace them or perhaps we will. Chairman Mosca stated if they are maintained properly, they should have a 10 year life span; if they are not maintained, it will be less than that.

Chairman Mosca proceeded with **Article 26** - Starting Point in amount \$6,935.00.

Karen Umberger moved, seconded by John Edgerton, to recommend Article 26 - Starting Point. In favor: 15; Opposed: 2 - Doug Swett and Bill Marvel; Abstain: 0.

Bill Marvel stated the same thing, the tax issue. They appear to request a 26.8% portion of the total municipal request from us, giving that request a \$25,875.00, but we are contributing an additional \$14,101.00 if we include the tax exemption which is 42.7%. Again, they are not going to

change it without some pressure. He can't say that for sure, he did ask this time and he didn't get any positive response of we'll try.

Karen Milford stated she believed the Director during the meeting did say with respect to the residential facility which obviously represents a much more significant portion of the costs and it was much more significantly used by Conway residents. She felt that was the Director's attempt to address the issue. Bill Marvel stated it was and she did, but there was no calculation, it was just kind of pulled out of the air. He thought she said "the vast majority". It's not a calculation, it could be a calculation because they know the residences of everyone that stays there.

John Edgerton stated the Director said 80% were Conway. He did not know how many members get charitable requests, but this is the most aggressive charity he has ever been involved with. They are aggressive fundraisers.

Karen Umberger stated she just wanted to point out that they did request less this year than they did last year which shows that they are in fact looking at the percentages and not just putting in the same amount every year. She applauds them for that.

John Edgerton stated the Police Department uses this Agency apparently more than any other Agency to help them.

Chairman Mosca proceeded with **Article 27** - Vaughan Community Service, Inc. in amount \$5,000.00

Mike DiGregorio moved, seconded by Michael Fougere, to recommend Article 27 - Vaughan Community Service, Inc. In favor: 15; Opposed: 1 - Doug Swett; Abstain: 1 - Karen Umberger.

Chairman Mosca proceeded with **Article 28** - North Conway Day Care in amount \$3,000.00.

Greydon Turner moved, seconded by Michael Fougere, to recommend Article 28 - North Conway Day Care. In favor: 14; Opposed: 2 - Doug Swett and Mark Hounsell; Abstain: 1 - Karen Umberger.

Chairman Mosca proceeded with **Article 29** - Northern Human Services: The Mental Health Center in amount \$10,115.00.

Greydon Turner moved, seconded by Danielle Santuccio, to recommend Article 29 - Northern Human Services. In favor: 5 - Steven Steiner, Maury McKinney, Maureen Seavey, Brian Charles and Karen Milford; Opposed: 11; Abstain: 1 - Michael DiGregorio.

Karen Umberger stated this is one of those organizations that had been turned down and have not been applying to the Town and so they decided to come back this year. She didn't remember why it got turned down and if somebody knows that, she would like to hear it.

Bill Marvel stated he had a significant suspicion that it had something to do with the Carroll County Mental Health's refusal to send someone to either council or advise with the Police right out behind this building

when a young fellow took off with a shotgun intending to perhaps do some harm to himself. They just refused and after about a 20 hour stand off, the Police were forced to kill him and that got around and after a couple of years, they started getting turned down regularly where they had been approved annually. That's his suspicion. They then stopped submitting and then they tried again and they tried to lower their amount because you always only ask for \$3,000.00 to start and they got turned down again 3:1 and they gave up. Now they've changed their name, they've changed the management and, as someone pointed out last night, they probably shouldn't be held accountable for the previous deeds of the Executive Director, who is now the Chairman of the Library Trustees.

Bill Marvel further stated that this Agency is doing so well that the Director of this Agency and at least 6 others like it and his wife, who is the Area Director for this one, make \$215,000.00 a year between them. His feeling is that an Agency that can afford to pay those sorts of salaries can afford to take care of their own shortfalls. There is an emotional response to say "this is a needed service", well yes it is and "we should help support it", well should we if that much money is going into Administration. It's basically a family business now.

Karen Milford stated when she used to work at the Echo Group, they had a business relationship with Northern Human Services and they employ about 400 individuals and they provide Mental Health and Developmental Disability services to most of northern New Hampshire. She did not know how many locations and offices they have, but it's certainly not just a family business in Conway. They provide a lot of services to much of northern New Hampshire: Berlin, Colebrook, Littleton, Wolfeboro, etc. A number of years ago there was a big "to do" when they combined with Center of Hope. She thought many people in the community were against those two organizations combining and it was something the State was also trying to accomplish which was to consolidate a number of the organizations throughout the State so that there weren't so many different organizations that had to have administrative services due to all of the billing and things of that sort. She thought they could continue to improve in their inefficiencies and their quality of administration.

Karen Milford stated she does believe that they do provide many good services and as was mentioned last night, most States throughout the country are significantly cutting Medicaid dollars and this organization gets most of their funding from the State Medicaid System. When State and Federal start to cut the funds, they go to municipalities. That's what they are doing, they are getting cuts by the State, significant cuts, and so they are having to look for funds elsewhere. She was not saying she was for or against this per se, but thought it's a very large organization that provides many good services despite some of the significant salaries that are being paid. They do need some financial assistance.

Chairman Mosca stated didn't the Governor today announce that the State is going to come up with \$28 Million over the next two years for Mental Health. He didn't know where it was coming from, but that's what he heard.

Bill Marvel stated the letter that the woman submitted subsequent to her appearance here indicates that they employ 150 people of what she calls Mount Washington Valley which doesn't exist so we don't know what that is. He did notice that they don't have any indication, and this was another problem as the Application seemed to be wildly incomplete, they didn't indicate their tax exemptions, they didn't indicate whether any other towns were contributing so he never found that out. We did find out that the tax exemption that we are giving them exceeds the amount they are requesting this year by a couple thousand dollars and in her letter she basically views that as her right that we owe her and so we owe her on top of that too.

Danielle Santuccio stated it really stood out to her as well when Bill (Marvel) asked her that question about the exemptions what her answer was and, if you remember, she just said they would ask for more if they had to calculate that or give you that, or something like that. That just stood out to her. Bill stated he didn't remember her exact answer, but it was what he would have suggested to the Gibson Center to do to correct that problem: ask other towns and us for a little more to even it out.

Mark Hounsell stated he thought when she came in her presentation was lacking on many fronts. He was almost put out by it, it was long - that's what he remembers most about it and it was primarily on how bad the Mental Health service is which he doesn't disagree with, there are all kinds of problems that need to be addressed, but her presentation seemed to be a lot more about the bigger picture than why Conway should contribute \$10,000.00. It came across that we were obliged to give them this money.

John Edgerton stated when asked about Washington Street she avoided the question because they have property on Washington Street and it wasn't included. When she was asked about the other houses that they house people in, she avoided the question. There are at least two on Tasker Hill.

Michael DiGregorio stated he was abstaining on this Article because the Selectmen's Office has not taken a position on this and he honestly did not know why.

Chairman Mosca proceeded with **Article 30** - Public Skating Rink in Schouler Park in amount \$5,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 30 - Public Skating Rink in Schouler Park. In favor: 12; Opposed: 5 - Bill Marvel, Doug Swett, Mark Hounsell, Joe Mosca and Mike DiGregorio; Abstain: 0.

Karen Umberger stated she has both discussion and comment. She knows that there was an article in the paper today and that the Selectmen are opposed to this, but she thinks the question that needs to be asked and that needs to try to get around is that the Public Skating Rink in North Conway is used a lot and it's used both by people and by tourists. It was her understanding that they, the people in North Conway wanted to re-open the Skating Rink and the Town agreed to put the Skating Rink under their liability policy and that was agreeable. We, the Water Precinct and the

businesses, went forward with that and now what this petitioned Article is asking for is whether or not the remainder of the community is willing to provide some dollars to help support this. Otherwise, they will put up a sign that says "only those that live in the North Conway Water Precinct and tourists can skate here" or something like that. She feels that there used to be a Skating Rink in Conway, it was not used and that's why it was closed, not because of any other reason.

Mike DiGregorio stated that is not entirely true, it was closed when the Ham Arena opened. Karen Umberger stated no, nobody used it. She was a Selectman at the time. Mark Hounsell stated the Ham Arena was opened before the Rink was closed. Karen stated absolutely and no one was using it. They had it open for whatever they did and nobody used it. Mike stated as a kid he lived in Conway Village and that's where the Rec Center was. Karen stated that's when you were a kid. It was closed because of non-use. Definitely the Skating Rink in North Conway is used.

Chairman Mosca asked if there were fees charged. Karen Umberger stated no. Chairman asked why. Michael Fougere stated there is someone manning it now, was there someone manning it before. Karen stated yes, there always has been. Chairman asked why can't we charge \$1.00 fee to use the ice; you'd make the money that you need if it has that much utility. Karen stated that's something that somebody else would have to make a decision on.

Maureen Seavey stated you pay for everything in the town, you pay for trash if you have mattresses or something at the dump or whatever. This is something that's free for everybody and that Skating Rink has been there since the early 1900's, before the Town of Conway even owned Schouler Park. Schouler Park was given to the Town and she was not exactly sure how that was, but that Skating Rink was there. We had a Skating Rink by the Library in Conway, but she still uses the one in North Conway and she thought it was the beauty of the place in North Conway to see the people skating. She sits there and watches, looks at the Railroad Station, it's the beauty of North Conway. To her, this is part of the heritage of the Town of Conway. For the \$5,000.00, kids go for free. There are people in North Conway or Conway that can go after school, they skate for free. It's something that we can give to our community. It's not a lot of money and it's free. To her it's a historical thing. She pays for it in her taxes in North Conway, in the Precinct she's always paid for it for years, she's been on the Budget Committee and she thinks it's a great idea. North Conway gives the water, they also give the water for Schouler Park which everybody uses and you're giving it back to the people of Conway. There are a lot of people in Conway using it, not just tourists. Everybody in North Conway uses it. She uses it and she knows a lot of people that have skated there for years and it just seems like a sad thing to see it go.

Mike DiGregorio stated to correct the record, Karen's (Umberger) is right, it was out in the newspaper today and the Selectmen did not support this; however, the article is wrong, he voted for it. It was Stacy (Sand) that voted against it and her explanation was that she was afraid that if the Precinct didn't kick in their portion of it that somehow the Town would be responsible for the rest. He did not think that discussion came up when the Selectmen were voting and he was kind of

surprised that she did vote against it. As Earl (Sires) explained, if the Precinct did not come forward with the money, however the Precinct has been more reliable in this adventure than anybody, then the Town would have to adjust the hours or have some affect there.

Mike DiGregorio further stated one other thing too if it does pass, he believes the Selectmen's Office should have a discussion whether it should be in the Operating Budget. He personally agrees with Maureen (Seavey), he has lived here most of his life since he was a little kid and one of the first things he did when he came into this town was skate on his ankles in the Skating Rink because he can't skate by the way which is why he doesn't skate any more and he liked the high boards because that allowed him to get around a little bit. That being said, he loves the fact that it is in this town. He likes where it is. He was opposed to moving it when there was some talk years ago about moving it some where else even though it hurts the turf and the grass that's there. The Selectmen made a decision last year to reduce the size of it and move it over to the ball field in an effort to keep it from hurting the grass a little bit. There's no doubt in his mind that the people coming to the Village use that and they have great memories of our town and that's part of it. As for things that Selectmen can do, they have very little effect on people coming here and spending their tourist dollars within our businesses, but we want them to have a good experience and he believes a lot of the things that are done up in North Conway with the Celebration Committee, the Community Center, the Train Station, everything up there makes a good experience for these people as they come into our town and for the residents that want to use that as well. His personal opinion is that it's short money. He is going to vote against this tonight because it did not get supported by the Selectmen's Office which is really going to kill him.

Mark Hounsell stated he did not oppose a Skating Rink at Schouler Park. It's been there forever and he doesn't oppose it, but what he does object to is the unanswered questions that might get answered through this discussion. Who is going to operate it; where does the money go; is the North Conway Precinct going to give the money to the Town; is the Town of Conway going to put this through the Rec Department. We got \$5,000.00 in support of the operation. Who put the Petition in. We've gone from non-profit to no entity and it's a question that's been asked to raise \$5,000.00 for a Skating Rink, but there's no answer to who is going to run it. Who is going to be responsible for it's maintenance and what about the signs that are on the side of the building. Are they going to continue fundraising. To him, this is like a bait and switch.

Mike DiGregorio stated he could answer most of those questions. Karen Umberger stated Mike couldn't answer for the North Conway Water Precinct because he didn't know that yet. Chairman Mosca stated no, but he can answer for the Town.

Mike DiGregorio stated the Town's going to run it. He had the same question about this particular Article because it doesn't say who the money is suppose to go to. Earl (Sires) has indicated that if the money is raised and appropriated, it's going to be by the Town and we're the manager of that organization, it is run through the Rec Department with the fees that come in. What happens is the Precinct donates the money to

the Town and the Town oversees the administration of that. As far as the signs go, we were told that the Committee that put the signs up on the Warming Hut raised that money for the specific reason of fixing the Hut, fixing the Skating Rink itself and getting that for this year, 2012/2013 because there was no way to get that money into their Budget from last year. They have indicated that going forward they are not going to be responsible or make efforts to try to fundraise for signs. That doesn't mean that perhaps the Chamber of Commerce or something like that, and he was just speculating on that. Businesses like to put their signs up in support of things and perhaps there will be some revenue some where else. As it stands right now, there will no one trying to raise revenue based on the signs.

Mark Hounsell stated so there will be no signs. Mike DiGregorio stated there will be no signs, but that doesn't mean that won't change. Perhaps the people that have the name up on the building already don't even know that the sign will come down. He didn't know.

Karen Umberger stated the North Conway Water Precinct has on their Warrant an Article for \$6,275.00 which is the amount that they have been contributing to the Skating Rink for some number of years. They've raised it probably within the last 5 years to the \$6,200.00. It's been supported by the Precinct and she was sure it will continue to be supported by the Precinct. She can't imagine it not. If she is not mistaken, the cost initially to operate the Skating Rink this winter totaled out at \$16,000.00 and some of that included repairing the Hut, but that was the figure. She guessed what they are looking at for next year is \$11,000.00 to actually operate it, but it will in fact be operated, the person running it is the Rec Center, the organization that is running it, they're manning it, they're paying the person that operates it and is the attendant, and the money from the Water Precinct goes over to the Town for that specific purpose.

Bill Marvel stated he lost an early connection in this story and has been trying to get it back ever since. When Karen (Umberger) was talking about the Precinct basically posting this against non-Precinct residents, was that part of the purpose or were you being facetious. (Amongst laughter, someone stated she was joking.) Bill stated if he came from South Conway to North Conway, he's a tourist.

Maureen Seavey stated as long as she has been living in the Precinct that has been funded, the amount has changed, but the Precinct has always been very supportive for years with the Skating Rink. There was one Selectman missing, her sister Mary Seavey, it would have been 2-2-1. She was unable to vote.

Mark Hounsell stated it makes all kinds of sense that the Precinct would support something like this within the Precinct. He lives in Conway Precinct, they talk about things that are relative to Conway Village, within the Precinct, and support those types of things. To him that's great and he could understand why the North Conway Precinct would support a North Conway Skating Rink. Maureen Seavey stated starting the battle again. Mark stated he didn't start it, but would put it out there "what's in it for me".

SCHOOL VOTE

Mark Hounsell stated to Chairman Mosca that the School Board rep was about toast. Are we going to continue tonight. Chairman stated we have to. Syndi White asked if there was a time limit. Discussion followed with multiple members speaking at once on continuing with the meeting tonight or postponing the vote on the School Warrant for some other time. Chairman stated we are going to vote tonight, if members don't want to stay to do it, feel free to leave, but we are going to do it tonight. We are not leaving, he is not leaving.

Chairman Mosca stated he was going to take a 5 minute break and that there were Precinct forms that needed to be signed by the members.

Mark Hounsell stated he thought it was irresponsible of this Committee to tackle a \$33 Million Budget at this late hour with giddiness seeming to be the flavor of the hour. Just because something is expected to be available for printing tomorrow is inconvenient. He would rather be able to speak on these things with a little bit more clarity. There it goes again, he's going to stop talking because nobody is listening. He thought it was a mistake to proceed at this hour.

Karen Umberger stated she totally agree with what Mark (Hounsell) has said. We're doing a lot of agreeing tonight which is an indication. If she is not mistaken, the posting has to be done on Tuesday and so if we could meet either tomorrow night which is not her favorite thing to do. John Edgerton suggested Monday night. Karen stated Monday night is difficult because it has to be posted Tuesday. We've got all kinds of things going on, but she can't disagree with what Mark says.

Chairman Mosca stated he was not available after tonight for the weekend. Greydon Turner stated he understood what Mark (Hounsell) and Karen (Umberger) were saying, but we've also been reviewing this material for a long time and there should be no reason why we can't go through this. We've been over a lot of this a number of times over the last few months and he did think the Committee had a certain deadline here and there are obligations that he has made this weekend as well. He can't be here after tonight.

Syndi White asked if the members could agree to limit the conversation on it because she can see one person taking 30 minutes to discuss one thing.

Chairman Mosca stated he wholeheartedly agreed with Syndi (White), but he didn't think we could put a time limit on people. However, he did think there were a lot of things that get said over and over again by 4 or 5 different people. People have the right to speak.

Chairman Mosca proceeded with **Article 2** - Expendable Trust Fund for New Kennett High School Facilities Maintenance Fund in amount \$54,443.00.

Karen Umberger moved, seconded by Greydon Turner, to recommend Article 2 - Expendable Trust Fund for New Kennett High School Facilities Maintenance Fund. In favor: 13; Opposed: 3 - Steven Steiner, Mark Hounsell and John Edgerton; Abstain: 1 - Bill Marvel.

Chairman Mosca proceeded with **Article 3** - Expendable Trust Fund for A. Crosby Kennett Middle School Facilities Maintenance Fund in amount \$17,086.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 3 - Expendable Trust Fund for A. Crosby Kennett Middle School Facilities Maintenance Fund. In favor: 14; Opposed: 3 - Steven Steiner, Mark Hounsell and John Edgerton.

Chairman Mosca proceeded with **Article 4** - Expendable Trust Fund for Elementary Schools Facilities Maintenance Fund in amount \$9,900.00.

Karen Umberger moved, seconded by Michael Fougere, to recommend Article 4 - Expendable Trust Fund for Elementary Schools Facilities Maintenance Fund. In favor: 12; Opposed: 4 - Steven Steiner, Mark Hounsell, Doug Swett and John Edgerton; Abstain: 1 - Bill Marvel.

Karen Milford stated she has really struggled with how to approach the fact that the voters are not being provided anything to move on with respect to what they voted on last year and that was a Study to be done to look at the closing of a School. Nothing is going to be provided to them that addresses that wish that they gave last year. She is trying to figure out how to address that in her vote and what she is choosing to do is not for any Warrant Article that is facilities that aren't mandated by Tuition Contracts. She voted for the first two because they are required in the Tuition Contracts, but she will not be voting for any of the Elementary School Warrant Articles with respect to improvements because of the fact that no Study is being presented to the voters.

Chairman Mosca asked Syndi White if there was a Tuition Contract for the Elementary Schools. Karen Umberger stated there is a Tuition Contract. John Edgerton stated there is Eaton and Albany. Syndi White stated yes. Chairman stated there is a Tuition Contract for the Elementary Schools also. The first 3 Articles he believed are all part of the Tuition Contracts.

Bill Marvel stated just to perhaps allay Karen's (Milford) fears, he is toying with the idea of making a last minute motion on the floor to direct the School Board to plan for the movement of the 6th Grade to the Middle School, if that would help at all. Syndi White asked if that could be done. Bill stated any citizen can present a motion under Other Business and he may be that citizen.

Maureen Seavey stated Pine Tree also has Eaton kids.

Chairman Mosca proceeded with **Article 5** - the Budget in amount \$33,509,885.00.

Greydon Turner moved, seconded by Mike DiGregorio, to recommend a Budget of \$33,509,885.00; AMENDED to \$33,137,099.00. In favor: 9 - Bill Marvel, Steven Steiner, Doug Swett, Mark Hounsell, Peter Donohoe, John Edgerton, Karen Umberger, Danielle Santuccio and Joe Mosca; Opposed: 8 - Maury McKinney, Syndi White, Brian Charles, Greydon Turner, Mike DiGregorio, Michael Fougere, Karen Milford and Maureen Seavey.

Bill Marvel moved, seconded by Mark Hounsell, to reduce the Budget by \$354,599.00. In favor: 11; Opposed: 6 - Maury McKinney, Greydon Turner, Brian Charles, Karen Milford, Mike DiGregorio and Syndi White.

Mark Hounsell moved, seconded by Steven Steiner, to reduce the High School Co-Curriculum, Line 1400, in amount \$18,187.00. In favor: 11; Opposed: 6 - Maury McKinney, Greydon Turner, Syndi White, Brian Charles, Karen Milford and Maureen Seavey; Abstain: 0.

Mark Hounsell moved, seconded by Bill Marvel, to reduce the line identified as New Computer Training Common Core Assessment by \$63,675.00. In favor: 7 - Bill Marvel, Doug Swett, Steven Steiner, Mark Hounsell, Peter Donohoe, John Edgerton and Karen Umberger; Opposed: 10; Abstain: 0. Motion did not pass.

Steven Steiner moved, seconded by Doug Swett, to reduce the bottom line of the Budget to \$30,662,935.00. In favor: Doug Swett and Steven Steiner; Opposed: 15; Abstain: 0. Motion did not pass.

Bill Marvel stated he was going to make a motion to reduce, but it's not our Budget. Chairman Mosca stated you can reduce the Budget. Mike DiGregorio stated you can't do the Default. Chairman stated you can't touch the Default Budget, but you can the regular Budget.

Bill Marvel stated he would like to amend the regular Budget to \$32,155,794.00 and would like to explain. As useless as they were, he took the first figures that Carl (Nelson) finally gave us for Salaries and he put it against the measure that Conway seems to be over staffed by almost any measure except the one that Neal Moylan will give you. He calculated that the only real savings we can make is a labor reduction and he chose the 4 lowest paid teachers, there are 4 teachers who get \$30,000.00 a year. He has the numbers if anyone wants them, but you won't. He chose two Aides who get approximately \$15,800.00, there is one that gets \$7,061.00 and another that gets \$8,094.00, those were the two lowest and he whacked an Administrator. The only way he could do that because the only salary figures we have for Administrators at the High School were by anecdotal evidence we seem to have an excess of Administration. They have a single figure for Office of the Principal at \$200,000.00+; he divided that by 3 with the intention of reducing a Vice Principal or whatever that person is called and then moved to the next line below that. If anyone wants the figures they are on a sheet of paper that someone else has, which says that the line items are 2410, 110.72 and 2410, 110.75; 75 is the secretarial adjunct to Office of the Principal and there are 4 people in there. He did not know what any of them were paid individually so he divided that by 4. The total Salary reductions amount to \$258,599.00 for 8 people. We were not given benefit amounts, at least for Health Insurance so he low-balled an estimate of \$12,000.00 per person, figuring that even if they are all single family health plans that would be approximate, maybe a little high but probably not. It brought him to a total figure of \$354,599.00 and he subtracted that from \$33,509,885.00.

Chairman Mosca asked for Bill (Marvel) to repeat his total for reductions. Bill stated \$354,599.00; that comes from 4 x \$30,000.00,

\$15,761.00, \$15,894.00, \$71,346.00 and \$35,588.00 and that gave him the \$258,599.00 to which he added in \$96,000.00 in approximate benefits.

Syndi White asked for the bottom line figure. Bill Marvel stated it would then be \$32,155,794.00. Chairman Mosca stated if you take the \$33,509,885.00 which is the recommended Budget and you come up with your \$33,155,286.00; the difference between those two numbers is \$354,091.00. Bill stated that is the figure that he wrote down, sorry. Chairman Mosca stated the total reduction is \$354,091.00. Bill stated no, that's the figure he wrote down, the total reduction is \$354,599.00. Chairman stated not by the numbers you have given to us. Bill stated he was going to recalculate. Chairman stated what he was looking at is what the School Board recommended which is \$33,509,885.00 and your new bottom line which is \$33,155,794.00. Bill stated that is wrong it should be \$33,155,286.00. Chairman Mosca stated the new bottom line is \$33,155,286.00.

Bill Marvel stated except for the Administrator and the Administrative Secretary, he didn't know where any of these other teachers or Aides are. His hope was to shave across the District. This may not do it, but he suspects the number is low to reflect the reduction of 8 employees of this caliber and he supposed the School Board if it were faced with having to make the reductions would have some leeway.

Chairman Mosca asked Bill Marvel why he did not add Retirement Benefits. Bill stated because he found them so difficult to calculate.

Syndi White stated the first comment she will make is on reducing the staff. The School Board looked at all of their staffing and determined the staffing level they needed in each School and that's what they came up with. Secondly, you can bottom line the figure and take out that amount based on what you want, but the bottom line comes to the School and there is no guarantee the School Board will vote to take out any staff.

Mark Hounsell stated the motion speaks to a recommendation that is specific, it's not just a blind cut. The School Board, of course, can do what it wants with the recommendation. The recommendation that he supports and the reason he supports this is he finds himself in the position of supporting the Teacher's Contract and that's going to have an impact. The impact also includes the benefits and retirement. Those cost impacts are real and they're going to be considered. He is not opposed to giving workers the increase that they are seeking in the Contract, but since we are doing that and in order to make it affordable, there has to be fewer of them. He's not basing this on ratio of whether we need them, he can see need. He concedes that everything in here is needed, he's talking affordability. It's at this point that we're looking at a 12% impact on the property taxpayers from the School Budget that can not be supported, can not be recommended. There is no way he can recommend that type of impact. He finds himself supporting the Teachers' Contract then he has to say there has to be fewer of them to offset the impact. The School Board will do what the School Board does. Everyone knows they can ignore us as they will. At least this year at the Deliberative Meeting there will be something specific for the voters to say why the Budget Committee is recommending a number and that number is reflected in Mr. Marvel's study.

Mark Hounsell asked Chairman Mosca how he was going to handle further reductions; will it be in addition to. Chairman stated it will be in addition to, so we will be lowering this figure or do we want to vote on this figure and then go from there and reduce it some more. Chairman asked what was the pleasure of the Committee. John Edgerton stated one at a time and other members agreed.

Chairman Mosca stated the current motion is to reduce the Budget by \$354,599.00 for a new total dollar figure of \$33,155,286.00.

Karen Umberger asked why we didn't just vote on the reduction. Chairman Mosca stated that's what we're voting on. Karen stated never mind the bottom line. Chairman stated he thought we needed to know what the bottom line figure is going to be.

Mike DiGregorio stated this isn't the Selectmen's Budget so he was not going to spend much time defending it, but he did read in the paper that Kingswood spends \$47 Million on their Budget down there for roughly the same amount of kids. People in this room will talk about tax rate, tax base and all of that stuff, there is no doubt about it as Mark (Hounsell) pointed out the percentage is high. He just looks at it as bang for buck. We are at \$32 Million with roughly the same amount of kids. We compete directly with Kingswood and he thought we could hold our own in just about every category and they're spending \$47 Million, \$14 Million more than we are for essentially the same thing.

Steven Steiner stated Mitt Romney lives down there. Mike DiGregorio stated he didn't care who lived down there; his point is that when you're talking about are we trying to teach our kids education, he thought for the dollars we spend, we're doing okay. Yes, it's higher than we want, no doubt about it, but he's just trying to compare apples to apples on performance and how much we spend. There is not a conspiracy out there by administration to raise your taxes every single year, that's not how it works. Again, this is not his Budget and he is not going to spend all night defending it. He knows Carl (Nelson) wakes up every morning hoping that every kid goes to class, he hopes that they all get A's and he hopes that they learn well. He's not waking up going "I hope more Special Ed kids come into my programs, so I can spend more money than I need to". That's what he has to deal with.

Mark Hounsell stated once again, he has always supported and he will continue to support and continue to consider himself and promote himself as pro-education and supportive of the education that's provided by the Conway School District and SAU 9. He has no particular problem with any of the things that they do. A 12% increase to the property taxpayer has to be considered along with everything else if we're going to have a holistic community, we can't forget the people who are going to be impacted by this increase. There were things that were heaped upon the District that we're all a part of that he thought were unfortunate, the biggest being the Retirement. We have to deal with that. We are being asked by this Budget to absorb it, take it and he is of the position of "no, we can't". We can't afford to do it, there has to be some other approach than just resting this on the property taxpayer. Enough is enough; we can't do any more.

Mark Hounsell further stated say we take the 12% increase and we were some how able to recommend one that's a 5% increase. In year's past that would be pro-education, but not if we run the risk of where we are not supportive of a good education, we some how want to reduce the quality of the education, we're not to move ahead, we're looking to move backwards. We think teachers are taking advantage of us or that Administrators are doing a bad job. There is none of that in his position. The interesting article in *The Union Leader* today spoke of another town, Moultonboro, which did do a lay off and they did reduce their School Budget and they are a property rich District. Kingswood is one way and Moultonboro is another. We're looking at Conway. Conway is faced with a serious, serious problem with this Budget and he didn't think it was a bad recommendation to say we just can't afford all of these teachers, even though we need them.

Chairman Mosca stated he thought Mark (Hounsell) put that eloquently and hit the nail on the head. There isn't anybody who is anti-education here. Most of us either have kids or had kids in the School System here and the School System has done a great job, but we can't afford to keep going the way we're going. You hit the nail on the head. It's going to be tough, but it has to be done. Thank you.

Steven Steiner stated he was so tired he didn't know if he could put anything together. The bottom line is this: Mr. Nelson has 30% of this School unoccupied. It comes down to consolidating the Elementary Schools and his numbers show that we're talking about \$3 Million in savings if you do that. This has to be force fed to them. They passed the other Warrant Article last year about studying the closing of one School. He has a feeling they'll never close that School on their own and it will never happen. We have other situations where we could save a h**l of a lot of money and we have to do it. Tonight is the night that we have to do it because if we don't do it, we'll bankrupt this d**n town and bankrupt the taxpayers of this town. When he went to school there was 25, 30 kids in a classroom; they can do it here. As he has said, he has friends who make a h**l of a lot more money than he does, but the bottom line is we have to do something. We can't kick this can down the road. The man wouldn't answer a lot of our questions, he just blew us off.

John Edgerton stated when the tax rate goes over \$20.00 per thousand, the real estate market is destroyed. The second one is the 10% increase in the tax base; the average rental in this town is \$990.00 a month. That makes it \$990.00 a month in every rental unit. You have to understand that a lot of the people that are here sending their kids to school are in rental units.

Bill Marvel stated this is barely a 1% reduction in the entire Budget which was a 12% increase and it reflects his view that we have a serious problem in over staffing and that we have to work at it in a long term gradual manner.

Greydon Turner stated in reference to what John (Edgerton) was saying, the real estate market hasn't necessarily tanked and we've been over \$20.00 for awhile. There are people that come here and buy houses and are remarkably surprised at how low the tax rate is from where they are

leaving to come here. Secondly, yes, you're right if someone is paying rent, but the rent is also coming through in a property tax that the owner of the land is paying any way, so it does kind of get filtered through.

Syndi White stated she understands that it's an awful increase and she wanted to explain a little bit though. When the School Board first talked with Administration they said level Budget, except for those non-discretionary things that they couldn't help which was the Retirement and the Health Insurance. Then what came along was that loss in Revenue of \$800,000.00. It came to \$2.1 Million over. What they did is go back, take a level Budget and made some major cutting, so now the Budget is down like this. The danger zone that you get in is when you start cutting into below and below and below your level Budget, you're affecting programming. Looking at the big picture, it doesn't look that way, you say "what was this big increase" so you are just going down to where you were, but there are things that they can not touch and those things that they can touch affect the kids. She just wanted the members to keep that in mind when they start slicing.

Peter Donohoe asked Syndi White if she was stating then on behalf of the School Board that there is not any excess in Administration. Syndi stated she was not stating that at all. She was just trying to explain where they were and what they did.

Chairman Mosca advised that the amendment to reduce the Budget by \$354,599.00 passed. Chairman asked if there were any further reductions.

Mark Hounsell stated under High School Co-Curriculum, Line 1400, the proposed Budget is \$337,229.00. He proposed to reduce that by the increase to make it level funded and that increase is \$18,187.00. His motion will result in the High School Co-Curriculum being level funded. He thought it could be offset if needed by a Pay-To-Play Policy.

Chairman Mosca stated that will decrease the bottom line to \$33,137,099.00. Chairman asked if there were any further reductions.

Mark Hounsell stated the line that is identified as New Computer Training Common Core Assessment, the proposed Budget from the School Board is \$63,765.00 which is the first year's cost to come into compliance with what he considers to be an unfunded mandate. This is something he believes is constitutionally supported and a motion is in order.

Syndi White stated from the School Board's point of view on this is that we are going to need to have that for the testing. That would be an area that if you take it out, they would have to take it out of some other area.

Chairman Mosca advised that the motion to reduce the Budget by \$63,765.00 did not pass. Chairman asked if there were any further reductions.

Steven Steiner stated he thought we needed to give the taxpayers a reason to come out to the poles or to the Deliberative and he is going to give them a lot more reason. He wanted to change the bottom line to \$30,662,935.00 which represents a 9% reduction.

Chairman Mosca stated that the motion to reduce the bottom line to \$30,662,935.00 did not pass. Chairman stated we are now voting on a bottom line Budget of \$33,137,099.00.

Karen Milford asked if we didn't vote for the reductions, how can we vote on the final figure. Chairman Mosca stated we did vote on the reductions.

Mark Hounsell stated Point of Order. If we've already voted for the reduction, then the bottom line has already been determined. Mike DiGregorio stated you voted on an amendment. Chairman Mosca stated we voted to amend it; now we are voting on that. We voted to amend to a certain figure, now we have to pass that figure. Bill Marvel stated if you voted against it, you are voting against the Budget. Syndi White stated she was confused and needed clarification.

Chairman Mosca stated the original motion was for the full amount the School Board was asking for; that was amended twice which brought it down to a figure that we're now voting on to say "yes" we want this figure or "no" we don't.

John Edgerton stated if you vote yes this is the figure; if you vote no, you vote no on the entire Budget.

Chairman Mosca stated if you vote yes, you're voting for the \$33,137,099.00. If you vote no, you're voting against the Budget because that's the figure that has been amended.

Syndi White stated as the School Board representative, the School Board wanted her to vote for the Budget they presented. That Budget is no longer there and in order to do what she is here to do, is she suppose to vote against it. Multiple members stated to vote against it.

Maury McKinney stated it's either going to be \$33,137,099.00 or it's going to go back to the Default of \$33,635,533.00. Multiple members stated no. John Edgerton stated you're voting against the whole Budget itself. This Article goes to no by the Budget Committee, if no wins. Article 5, Budget Committee "no". Members then all started giving their opinions at the same time.

Chairman Mosca stated to the members that it's very difficult to hear, it's very difficult for Iris (Bowden) because she can't get everything when there is 5 conversations going on. He knows it's getting late, he knows people are getting tired; however, we need to get through this.

Mark Hounsell stated if this Budget figure that we have right now that has been approved by the process; if at this time we do not recommend it, then he would contend that what we are saying is "No Budget Recommendation". We're not saying we're recommending the Default Budget. Chairman Mosca stated no, we're just saying we're not recommending the Budget. Mike DiGregorio stated unless another Amendment is put on the floor.

Karen Umberger stated she was a little confused about this because 11 people agreed to the reduction, then 2 people changed because all we were

voting on was to support that figure which 11 of us had already agreed to do. You're either consistent or you're inconsistent. If you didn't like those numbers, it's just a horrible message to send out there.

Chairman Mosca proceeded with **Article 6** - Retain Year-End Unassigned General Funds not to exceed 2.5%.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 6 - Retain Year-End Unassigned General Funds not to exceed 2.5%. In favor: 1 - Syndi White; Opposed: 16; Abstain: 0.

Chairman Mosca proceeded with **Article 7** - Bargaining Agreement between the Conway School Board and the Conway Education Association in amount \$230,371.00 for 2013-14 and \$266,740.00 for 2014-15.

Mark Hounsell moved, seconded by Greydon Turner, to recommend Article 7 - Bargain Agreement between the Conway School Board and the Conway Education Association in amount \$230,371.00 for 2013-14 and \$266,740.00 for 2014-15. In favor: 5 - Mark Hounsell, Syndi White, Brian Charles, Maureen Seavey and Michael Fougere; Opposed: 12; Abstain: 0.

Bill Marvel stated again and in particular the Sick Days issues. Teachers get 13 Sick Days out of 187 work days plus 3 Personal Days. That translates into about 21.5 days off for a person that works a full year. That's just incredible. You can build up to 150 days and you only need a doctor's note after a 5 day illness and if you happen to use up all of your Sick Days and are still sick and have a disabling illness, you get another 45 days automatically. It's incredible. He would not have voted for any of the last Contracts, if he did, if he'd known this was in there. He also wanted to point out that the only Bargaining Unit, in fact it isn't even a Bargaining Unit, the only employees in this neighborhood, public employees who volunteered not to take a pay raise any year during this year that many of us were getting none or getting less were the SAU 9 employees. The teachers never did; the Police never did; no one ever did. He is dead against this Contract too until those problems are rectified.

Karen Milford stated just going back to the spreadsheet that she handed out earlier, she thought the School Teachers' Benefits are almost stronger, perhaps they don't get paid the same amount, but their Benefits are almost stronger than the Police or the Town or anyone else for working 187 days a year. If she'd looked at the financial statements during 2013, they are budgeting \$308,000.00 of early retirement payments, so someone who has worked for the School District for 10 years can retire at the age of 55 and start collecting some retirement payments. The School Budget also for 2013 reflects \$1.083 Million of Health Insurance payments for retirees. She is telling the Committee we are creating just a huge, huge problem here and we've got to stop it quickly.

Chairman Mosca proceeded with **Article 8** - Project SUCCEED Programs in amount \$44,305.00.

Mike DiGregorio moved, seconded by Karen Umberger, to recommend Article 8 - Project SUCCEED. In favor: 9; Opposed: 8 - Bill Marvel, Doug Swett,

Steven Steiner, Mark Hounsell, Peter Donohoe, John Edgerton, Karen Umberger and Danielle Santuccio; Abstain: 0.

Bill Marvel stated he was not nearly as impressed with the program as others are. Like the North Conway Community Center, we have to recognize here that basic babysitting is a principal ingredient of this. He knows someone who attempted to actually afford some real enrichment through this Program and found it almost impossible because of fluctuating attendance and the interjection of other projects that the kids would all be taken away from to do something else. If you support subsidizing babysitting, then you should support this.

Chairman Mosca proceeded with **Article 9 - School Buildings Maintenance Fund** in amount \$100,000.00.

Michael DiGregorio moved, seconded by Greydon Turner, to recommend Article 9 - School Buildings Maintenance Fund. In favor: 8 - Maury McKinney, Syndi White, Greydon Turner, Brian Charles, Mike DiGregorio, Maureen Seavey, Michael Fougere and Joe Mosca; Opposed: 8; Abstain: 0. (Danielle Santuccio not present for the vote.)

Mark Hounsell moved, seconded by Peter Donohoe, to reduce this Article to \$50,000.00. In favor: Bill Marvel, Steven Steiner, Mark Hounsell, Peter Donohoe, Greydon Turner, John Edgerton, Karen Umberger and Doug Swett; Opposed: 8; Abstain: 0. (Danielle Santuccio not present for the vote.) Motion fails.

Mark Hounsell stated that he would like to propose an Amendment to this Article to \$50,000.00. If this seems to be a direction that this Committee wants to take, he is going to recommend for a few of these to go half. Speaking not against the program, but against the affordability. Put some away, not as much as they are asking and in this case \$50,000.00 instead of \$100,000.00.

Mike DiGregorio stated we did studies on this years ago and when you look at the value of the School Buildings and he thought there was 500,000 square feet that the School is responsible for and you compare that to the Town and the money that's been put away every single year for the Town, although this particular year it was up a little bit because of specific projects, if you do the exact percentage for what the Town was responsible for and what the School is responsible for, the number came out to almost \$800,000.00 a year that should be put away to take care of School stuff. Fifty Thousand Dollars is a drop in the bucket compared to what is out there and identified as stuff that needs to be done down the road.

Mike DiGregorio further stated at some point we are going to pay the piper and maybe John (Edgerton) is right that when we get to pay the piper, we take a Bond out to fix things. He didn't know, but we all know or most of us that have been around here a long time know, what the condition of this particular building was in because Budget Committees and School Boards chose not to take care of the real estate that they owned. Now we added on 200,000 square feet of another building and we need to take care of it. He's sorry but \$50,000.00 is no where near where it needs to be.

Mark Hounsell stated he's not against it, he recognizes the need but he's also looking at the impact to the property taxpayers and it's affordability. We can afford he thought in the sense to half the contribution into this Fund that's going to be capped any way. This is this year's Budget and we have to deal with the problem in front of us and that's this 12% increase in the School Budget. He did not think this was an unreasonable compromise.

Bill Marvel stated he will vote for the Amendment, although he will probably end up voting against the Article because he thought whatever the figure is, it should be in the Budget. Maintenance should be in the Budget. The reason they started coming up with Special Articles was to throw the responsibility on the voters after years and years of School Boards nickel and diming maintenance to keep up their programs instead of presenting a real Budget for the real costs.

Steven Steiner stated again it's his very point of why we need to consolidate the Elementary Schools. Why are we paying for all of these roofs. If it's really about the kids, they need to consolidate the Elementary Schools and get them on this campus and save taxpayers money.

Syndi White stated the reason why this Article is separate and is not in the Budget is because we can bring it all the way up to \$500,000.00 and keep that money in there in case they have something big. If they were running it in the Operating Budget, they couldn't just keep putting this huge amount in there every year.

Doug Swett stated when we were in the process of planning to build a High School here, one of the things that was emphasized by a lot of people was that they should have two Budgets: one for maintenance and one for curriculum/education. No matter what you do to the education Budget, you keep these Schools maintained because before we didn't and they got into an awful mess. They assured us, and in fact in the Tuition Agreements there is some 2% or 3% held out, to build a Fund that way so that we don't get these Schools torn down and then have to spend a ton of money to get them back.

Karen Milford stated just to kind of piggyback on what Steven (Steiner) said, there are two things that she thought are going to kill our Budget going forward and it's the Benefits we are offering in the Union Agreements and it's the number of excess facilities that we are trying to maintain. All of a sudden you have more staff than you need and more facility costs. She is going to be voting against any building improvement projects because she doesn't feel that this is sufficiently getting addressed.

Karen Umberger stated she just wanted to point out that there is currently \$196,000.00 in this Fund.

John Edgerton stated the School Board appears to him to have tried to balance a Budget and then throw a whole bunch of stuff into Warrant Articles and they've done this for years and years. It makes it look like they've only got a 2% or 3% increase in the tax base. You throw in all of the Warrant Articles and it goes up to 14%. It doesn't make sense. The

bottom line including all of the Warrant Articles is the tax increase we are concerned with.

Doug Swett stated he hated to suggest spending money for something else, but until this Town gets a private non-biased person in here to work these Contracts, when you've got friends sitting across from friends, you're going to stay in the mess you're in for a long, long time.

Chairman Mosca proceeded with **Article 10** - Capital Reserve Fund for School Buses in amount \$174,000.00.

Mark Hounsell moved, seconded by Greydon Turner, to recommend Article 10 - Capital Reserve Fund for School Buses. In favor: 15; Opposed: 1 - John Edgerton; Abstain: 0. (Danielle Santuccio not present for the vote.)

Chairman Mosca proceeded with **Article 11** - Conway School District Technology Plan in amount \$75,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 11 - Conway School District Technology Plan. In favor: 10; Opposed: 7 - Bill Marvel, Doug Swett, Mark Hounsell, Peter Donohoe, John Edgerton, Karen Umberger and Karen Milford; Abstain: 0.

Mark Hounsell moved, seconded by Bill Marvel, to reduce this Article to \$30,000.00. In favor: 3 - Bill Marvel, Doug Swett and Mark Hounsell; Opposed: 14; Abstain: 0.

Karen Milford stated the only comment she has is that she found it very frustrating when we asked the IT Director, who she sees here a lot when we are at a meeting, the fact that he had no idea what was in the Warrant Article versus what is in the Budget. To her that reflects a lack of any interest in conforming to any type of Budget whatsoever. She found that very discouraging.

Mark Hounsell stated again he's going to address the affordability by making an Amendment that this figure be reduced to \$30,000.00.

Steven Steiner asked if this had to do with the special testing. Chairman Mosca stated no, this is the upgrades for the computers throughout the system. They do it yearly. There has been \$75,000.00 that has been in every year for the last 3 or 4 years. This is just keeping it going. This is Year 1 of a new 3-Year Plan.

Chairman Mosca proceeded with **Article 12** - Expendable Trust Fund for Special Education in amount \$100,000.00.

Mike DiGregorio moved, seconded by Greydon Turner, to recommend Article 12 - Expendable Trust Fund for Special Education. In favor: 10; Opposed: 7 - Bill Marvel, Doug Swett, Steven Steiner, Peter Donohoe, John Edgerton, Karen Milford and Karen Umberger; Abstain: 0.

Syndi White stated this is a real important one because at any time if you get kids coming into the District that are really high cost. One kid could come in with a \$200,000.00 placement that we have to fund and we've

seen that happen this year where they've had to use money. It's pretty important to have it.

Karen Umberger stated when we were talking about this with Carl (Nelson) just a week or so ago, he said there was \$300,000.00 in that Fund and it's capped at \$500,000.00. We can just not fund it this year.

Mike DiGregorio stated at the same time, he (Carl Nelson) told us they expected to expend he thought \$160,000.00 out of that Fund because they were already in a deficit on the Special Education Budget.

Karen Milford stated she has concerns and she doesn't know enough about this, she doesn't have access to enough information to feel like there are alternatives to the ways they address student's needs. She doesn't think the Budget is of sufficient consideration when they do this and they are not looking at sufficient alternatives to this and the more money you give them to spend, they'll find a way to spend it. She believes if they foresee that they are going to have additional students come into this Program, they will find a way to make the current Aides or the current facilities that they have work for these students.

Syndi White stated you don't understand it. If a kid comes in that is already out-of-District and they move into this District, say a kid is already placed in a Residential School down in southern New Hampshire and their parents move into this District, they have to fund that placement. They can't plan ahead because they don't know. A family with 3 specials needs intensive kids could move in and there's your \$500,000.00. They have no way of planning ahead. That is why they have this kind of a Fund set up for those things that happen.

Karen Milford stated she didn't know the number of students that are in out-of-District placement, but 12% of our students are in Special Ed, not 12% of our students are in out-of-District placement. She does not believe we are efficiently using our money in this area. She can't give specifics as to why. We could have 10 kids come into this and there's no way we are going to build a Fund to protect ourselves from this. She just doesn't want to continue putting any more money into this because she thinks it will just get spent.

Mike DiGregorio stated there are alternatives on efficiencies and some of those alternatives include keeping them here rather than sending them away. Using an example from years ago when they had some deaf students in town, there were enough of those students that were out-of-District but it was more cost efficient to bring them here and hire someone to deal with them directly rather than send them all away. One particular year while he was on the School Board and many of you have probably heard this story before, in October of one year there were 11 kids that moved into the District that were special needs. Whatever their needs were, and he wants to say the number was like \$400,000.00 to \$500,000.00 worth of needs that we had to bring people in house to take care of that. Carl (Nelson) immediately froze the Budget in October of that season. This idea was created back then for just that issue. If you get an influx of kids like that, that money is in there as a buffer. Let's fact it, the reality is that if there isn't money in the Budget to cover these special

needs kids because the law says you've got to do it, the money comes from the other kids. There's no getting around that.

Greydon Turner stated if we have a child in the system and we are not meeting his needs, has there ever been a child that had to be sent some where else and we've had to pay the tuition. Multiple members stated yes. Greydon asked if that comes out of the same Fund. Again, multiple members stated no. Syndi White stated if they can plan ahead, it goes into their Budget. This is here for those situations where we can't plan.

Mike DiGregorio stated to Greydon Turner that if they knew about it, then it goes into the Operating Budget. Someone could move into town tomorrow and we could tuition that kid out to HighWatch the next day and we have to pay HighWatch to take care of him. That's just the way the law is. He doesn't remember whether or not there was still someone at HighWatch right now or not. For years they had somebody that was brought up there every day.

Greydon Turner stated he understood that, but once again his question is: does that money come out of this Fund. Danielle Santuccio stated only if it's unexpected.

Karen Umberger stated the only thing that she could say is that this Article has been funded off and on over the years, sometimes it is and sometimes it isn't. It's gotten up to \$300,000.00 and she was not sure that any money has ever been spent out of this. Syndi White stated yes, it has and we are actually spending it this year. Karen stated the child must of moved here within the last week because when Carl (Nelson) told us that there was \$300,000.00 in, he didn't say "but we're going to have to take out \$150,000.00 or \$200,000.00" to cover something. Multiple members all spoke at the same time basically stating that Dr. Nelson did state that funds would have to be used.

Mike DiGregorio stated what was said is that he (Carl Nelson) is living within his Budget right now, but as it gets to the end of the year, his regular Special Ed Budget is going to be gone and they are going to have to dip into this. Currently they haven't taken money out because they are just in February of a Budget that just started for them in July. Unlike the Town Budget, it's different. They have 4 months to go and they have said that they will expend all of the money in that Budget and they are going to have to dip into this Fund.

Karen Umberger asked what are they projecting for excess at the end of this year. Mike DiGregorio stated zero for right now.

Chairman Mosca proceeded with **Article 13** - Conway Elementary School Partial Roof Replacement in amount \$95,700.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 13 - Conway Elementary School Partial Roof Replacement. In favor: 11; Opposed: 6 - Bill Marvel, Doug Swett, Steven Steiner, Peter Donohoe, John Edgerton and Karen Milford; Abstain: 0.

Karen Umberger stated didn't we just vote to put money in the Building Maintenance Fund; no, we didn't because it came out 8-8. That really

annoys her to ask for \$100,000.00 in there and then ask for another \$95,000.00 to fix a specific problem. That really annoys her.

Mike DiGregorio stated again, it's not his Budget, but the Maintenance Trust Fund is for unknown items. This is for known items.

John Edgerton stated it's a known item and it should have been in the Budget. He said that last year and the year before, it's a known item. This is not something they don't know. This is not something they're putting away.

Maureen Seavey stated sometimes when there is a one time item they don't want to put it into the Budget because you're not going to expend it for the Elementary School next year. That is the idea for the Warrant Article.

Doug Swett stated Jim Hill has said he puts them in here because he knows he can use it for this purpose. If you put it in the Budget, he may not get to use it.

Mike DiGregorio stated they were also asked 2 years ago to put one time items on a Warrant Article. The Budget Committee asked them to do that. Mike asked Karen Umberger to correct him if he was wrong, but if this is for a specific reason, it would not get included in next year's Default Budget where if it was in the Operating Budget, it would. Chairman Mosca stated correct. Karen stated no, it would still be taken out because it was a one time thing in the Operating Budget.

Steven Steiner stated again it goes back to consolidating the schools. You could put on a pitched roof and have it last 30 years instead of a flat roof where we are replacing it every 10 years or whatever it is.

Chairman Mosca stated he thought the membrane was a 25 year membrane and they do portion by portion, if he heard them correctly. Mike DiGregorio stated that is correct.

Doug Swett stated some of us spoke very loudly to put pitched roofs on this new High School and they said people would get hurt. If you go by Fryeburg Academy, there's pitched roofs every where.

Chairman Mosca proceeded with **Article 14** - Tin Mountain Conservation Center in amount \$12,000.00.

Greydon Turner moved, seconded by Peter Donohoe, to recommend Article 14 - Tin Mountain Conservation Center. In favor: 3 - Brian Charles, Mike DiGregorio and Maury McKinney; Opposed 14; Abstain: 0.

Syndi White stated the School Board took it out of their Budget, it was in there originally. When they made the cuts, they took it out because they felt it was a want and not a need. They do have teachers who teach Science and the need was being met. It was one of the items that they cut. She wasn't there when the vote was taken, but she presumes it was for that reason.

Mike DiGregorio asked if the Program had been evaluated by the School Board. Syndi White stated there's been a lot of programs that they would really love to have, but felt they were wants and that they could adequately and appropriately fulfill the educational needs without them. Those were the ones that when they had to make choices in reducing the Budget, that was one of the one's that came out.

Doug Swett stated just remember next year that we need two nights for this. Chairman Mosca agreed.

Bill Marvel moved, seconded by Greydon Turner, to adjourn the meeting at 11:40 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary