

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 29, 2014**

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, Danielle Santuccio, Maureen Seavey, Bill Marvel, Doug Swett, Michael Fougere, Greydon Turner (arriving at 6:40 PM), Stacy Sand, Dick Klement, Frank McCarthy, Steven Steiner, Peter Donohoe, John Edgerton (arriving at 6:35), Mark Hounsell, Brian Charles and Dick Pollock. Excused: Maury McKinney. Also present: Dr. Carl Nelson; Earl Sires, Town Manager; Lucy Philbrick; Lily Gilligan; Paul DegliAngeli; Chief Wagner; Lt. Chris Perley; Sgt. Chris Mattei; Rodney King, Police Commissioner; Lloyd Jones of The Daily Sun and other members of the public.

Steven Steiner led those present in the Pledge of Allegiance.

APPROVAL OF MINUTES

Stacy Sand moved, seconded by Peter Donohoe, that the Minutes of January 15, 2014 be accepted, as amended. In favor: 15; Opposed: 0; Abstain: 0.

Mark Hounsell stated on page 23 "\$8 Million" should be changed to "\$80 Million".

SCHOOL

Chairman Mosca stated that we were going to go out of order on the Agenda. Dr. Nelson has other commitments this evening so we are going to let him go first.

Dr. Nelson thanked Chairman Mosca and stated that he appreciated the opportunity to lead off. Dr. Nelson stated he was going to just go through the packet of information handed out to all of the members and then if there are any questions, he would be happy to try and answer them.

Dr. Nelson stated they didn't have for the Committee last time, but did have now the Default Budget that has been approved by the School Board at its last meeting and the members can see that the Default Budget is \$33,771,150.00 which is \$328,354.00 below the proposed Budget. That's the delta on the Default Budget.

Dr. Nelson proceeded with the Memorandum of Agreement between the CEA, the Conway Education Association, and the Conway School Board. Members can read through it; the bold would be the changes and obviously the line through an item would be something that was dropped from the language. The final tally on it is in the back where the new Agreement would be \$365,125.00 greater than the current Agreement and that equates to about 2.64%. The salary figure is a straight figure of \$1,350.00 per unit member. There are some interesting give backs here where the Teachers Association is now going to pay for part of their Dental Insurance Plan, 5%; that was not true previously. There has been a new salary schedule; \$30,500.00 starting salary schedule that has been put in place. Dr. Nelson

asked if any of the members had any questions at this point on this particular item. There are some other language changes, one in particular is with the Department Heads that provides the opportunity for them to teach more classes than they currently are.

Dick Klement stated though his math is a little different than Dr. Nelson's but he could be wrong. If we assume that the average salary is in the \$40,000.00/\$43,000.00 range and we divide that into \$1,350.00 we're at 3%. That's what he comes up with. Dr. Nelson stated it's close to that; you've got to get your number of teachers. Dick stated he was just looking at it as a rough scale without looking at specific features. Then if he takes the increase that the taxpayers are paying for the Health Care, and he recognizes this is not salary, it's very difficult to incorporate this into a pay package and yet it's taxpayer money and he figured taking the middle ground of \$1,200.00 increase which is the Married Plan and if you put it all together he's over \$2,500.00 and the 6% range for an increase. He was not saying this is bad and he wasn't saying this is good, he was just throwing some numbers out. When he takes Social Security for the last two years at 1.45% per year, that would come to 3% and if he takes the military for the last two years, they're at 2.6% and they've been fighting a war for 10 years. In effect, the Warrant Article did not pass last year. It appears that there is an attempt in this Warrant Article to cover 2 years worth of pay increases, one of which was lost last year. He was just trying to put it into his perspective so he can figure out how he is going to vote on this thing with the Budget going up 9% roughly. Dr. Nelson stated the Budget is only up by about 3%, you're talking about the Tax Rate. Dick stated yes he was and he was sorry. Dr. Nelson stated he would get to that; he has a revised Tax Rate page. Dick stated he has some concerns.

Dr. Nelson stated the next item in the packet is the AFSCME Agreement and that's a 2 year Agreement. Again they are getting a contribution back on the Dental Insurance and if you turn to the last page of that members can see the increase in the first year. The increase in the first year is \$13,133.00 and the second year, this is a 2 year Agreement, is \$46,538.00. Some of the changes in this Contract are the pay increases based on performance; 3% for Commendable, 2.5% for Proficient and 1.5% for Basic. There is no COLA in this one, there was in the previous year and the members can see where the lines are "x"ed out there. There have been some changes in the longevity, slight changes. The District got a give back of \$5,000.00 on the pool for the deductible in this particular Contract. Again, it's a 2 year Contract. Dr. Nelson asked if there were any questions.

Chairman Mosca stated because he was not going to read through the entire thing right now, on the pay increases, the first year it's \$13,000.00 and the second year is \$46,000.00. Why that much of a jump between the two years. Dr. Nelson stated it's the same percentage of salary for both years. When they reviewed the language in the Contract that says specifically for the 2014/2015 School Year, the appropriate performance pay will be awarded. When he talked with their attorneys, they talked about whether there was a Sunset Clause in there meaning that if the Contract wasn't successful then they would automatically get a raise any way and their counsel's opinion was that there is a 50/50 chance on this, they've gone both ways. So they budgeted in that year money to absorb that

so that they won't be caught short. Members can see that if they turn to the calculation page, the one that the Chairman was just on, and look up where it says Performance Pay in the first year, you'll see that they have already budgeted \$29,000.00 for it, so there was no reason to calculate that again.

Chairman Mosca stated on the AFSCME Contract, Article 1.1 reducing from 32 to 30 hours. What was the thought behind that. Dr. Nelson stated to be in compliance with some of the Federal Regulations.

Chairman Mosca stated on the next Article, reducing the probationary period from 90 days to 60 days. Dr. Nelson stated it's the same thing.

Dr. Nelson proceeded with the packet and the next item being a Summary of the Warrant Articles now that they have all been voted on by the School Board and the amounts of those Articles and he has provided the members with a copy of the Warrant Articles and the votes for each of them. Members have seen most of them already. The Board dropped one that it had proposed and they've voted on the rest of them.

Dr. Nelson proceeded with a revised Revenue page. They were able to revise that in an upward fashion and that's what usually happens. They start off in a worse case scenario, they've received more CAT Aid than they anticipated or will receive more so they were able to increase that. They also this past year had to change their carrier in terms of the Health Insurance. Primex went out of the health insurance business and when they moved to a new health insurance carrier, they had to retain a certain amount of money in case claims came in. So they've got that check, that's cleared now so they are now able to add it to the proposed Revenue page which brings about some good news in terms of a reduction in the estimated Tax Rate which is the very next page. Now, looking at the top members can see the actual Budget itself which would be a 4.6% increase or \$.53 per thousand and if all Warrant Articles were to be successful, members will see that it would be a \$1.04 increase in the Tax Rate or approximately 9% increase. That's down from what they had before, they were in double figures before.

Dr. Nelson asked if there were any questions about the information that he just provided to the members.

Dick Klement stated he was looking at the Default Budget and the one-time expenses reductions. There is a reduction of \$92,500.00 for a Debt Service reduction, that means a Bond has been paid off. Dr. Nelson stated yes, that's what it means. Dick stated in that Bond being paid off, he didn't know if he could explain it, you pay off the Bond and that should show a further decrease in expenses so that if you effectively use that \$92,000.00 you're increasing your Budget percentage by \$92,000.00 which is about a third of a percent. Dick asked if he came close to saying that so that Dr. Nelson could understand it. Dr. Nelson stated what he could tell the members is that if they look in the Budget, members will find that the \$92,000.00 has been subtracted, zeroed out and it is in Unit 10. Dick Klement asked Chairman Mosca if he understood what Dick was saying. Chairman Mosca stated no. Mark Hounsell stated he understood Dick's attempt to be noble. Dick stated you have a Bond; you pay off the Bond. When you go in for the next year, let's say you spend \$1,000.00 total in

your Budget and you reduce a \$100.00 Bond so it's really \$900.00 that you've got to pay the next year, but you've come in with another Budget of \$1,000.00 so in effect you've pumped up the Budget when you should have reduced it. There's a bigger disparity between last year and the coming year of \$95,000.00 and we had this discussion several years ago when it was a large chunk that got paid off, several hundred thousand dollars if you recall, and the question came from this panel to the School Board stating "okay, you shouldn't be spending that money, it is in effect in addition to your Budget. You should have subtracted that out beforehand." In the grand scheme of \$33 Million, \$100,000.00 is not overwhelming, but he sure would like it. He is trying to figure out if that thing got accounted for and subtracted so that the increase should reflect that \$92,500.00. Dick asked the members if that made sense or did he make it worse. Dr. Nelson stated it did get subtracted; if you go to the line items and look at it, it's not in there.

Steven Steiner stated in the AFSCME Contract, you stated that you are changing it to 60 days. He would like to see that change; he would like Dr. Nelson to show him the law where it is forcing them to change it. Dr. Nelson stated he probably could. It has to do with mostly the Health Care issues, it has to be done within 60 days. Steve stated he just Googled it, the provision being talked about here for New Hampshire and he doesn't see any change. Dr. Nelson stated he would dig it up for Steven because they do have that.

Dick Klement stated in the CEA Contract, he noticed that Appendix D is back in for the co-curricular activities schedule and that a raise or increase in funding was proposed for that. He was glad that the brackets are still there and there's still some flexibility, but we are at the point now where we're spending almost \$340,000.00 in co-curricular at the High School which is more than you charge for or pay for Foreign Languages, maybe even Science. It just seems that we're increasing funding for what he used to call "x-curricular" because it was outside the normal curriculum and guessed that had been changed by the State of New Hampshire, the co-curricular. Why the increase? Dr. Nelson stated that was part of the negotiating process.

Bill Marvel stated it was difficult to assess the fairness of changes in a Contract without the entire Contract. All members have are the changes. Where can the Committee get a copy. Dr. Nelson stated he would be happy to provide them to the Committee. Dr. Nelson asked if the Committee wanted all 3 Contracts. Bill stated just whatever one's are up.

Frank McCarthy stated he knows Dr. Nelson is saying it's only a 3% increase for this year, but he would like to know what the percentage is if you take into consideration that there was a surplus last year of \$945,000.00. If you base the percentage increase on actual spending from last year, what would that be. Dr. Nelson stated you would still have the same increase. Frank stated he knew it was an increase from last year's proposed Budget, but what is it from last year's actual spending. Dr. Nelson stated he guessed he was not understanding what Frank's question was. Was the question in relation to the Contract. Frank stated no, the entire Budget. In other words, Dr. Nelson was saying that the Budget is increasing 3%. Dr. Nelson agreed. Frank stated that's if you take this year's Budget versus last year's proposed and approved Budget. His

question is if you take this year's proposed Budget and put it up against last year's actual spending, not what the Budget was but actual spending, then what would the increase be. Dr. Nelson stated he didn't know, Frank would have to figure it out but you have it. You have what was adopted and you have the proposed Budget. Frank stated it would be quite a bit higher wouldn't it. Actually based on last year's actual spending, it will probably be over 6%. Dr. Nelson stated he didn't think so. Frank asked if Dr. Nelson could get that figure to him. Dr. Nelson stated he thought he could, but if Frank would just take a look at what they are anticipating in Revenue to turn back, he meant the Unencumbered Fund Balance, members will find that is approximately 2%. Frank stated \$945,000.00 but \$605,000.00 was an expenditure surplus and \$300,000.00 was Revenue surplus so the total is \$945,000.00. So instead of 3% or something, it's going to be 5% or close to 6%. Dr. Nelson stated he would say closer to 5%.

Chairman Mosca thanked Dr. Nelson for coming in.

TOWN

Earl Sires stated he wanted to start with a review of last year's Budget. They were just getting to the point where almost all of their expenditures have been accounted for. Lily (Gilligan) is going to talk a little bit about how the Town ended last year and she is going to give a couple of updates to the Operating Budget. We discussed a couple of these things last week having to do with the Legal Budget and some changes to the Election Budget. After that, we are going to go through the Warrant Articles and talk about the Default Budget. At the end of the presentation, there will be various people to talk about the Warrant Articles as we go through that information.

Lily Gilligan stated the last thing she passed around is the new voted figures for Legal, voted by the Board of Selectmen, they voted to increase it back to the original Budget from last year of \$77,000.00 and if you flip the sheet, the Elections and Registrations has been voted and approved to the new figure of \$110,065.00 and those requests were made by the Town Clerk in reference to the fact that there are multiple additional elections this year and the increases were: \$800.00 overall; \$100.00 for the Moderator for the additional elections; \$500.00 for Ballot Clerks; and an additional \$200.00 for meals for Clerks. Those are there to update the members' Budget books with those new voted figures.

Lily Gilligan stated the document that she handed out that says Actual and Budgeted Expenses shows that through last Thursday's AP run which included a hand full of 2013 invoices that needed to be paid. The total balance remaining is \$106,076.79. The checks are cut tomorrow and are not reflected in these reports because the system, although they are in there, the date she ran the report is 1/29/14 and the date of the occurrence of the check will be 1/30/14, so there's an additional \$8,081.00 that was spent for 2013 purchases this past week, so the Town is down to approximately \$98,000.00 left for the 2013 spending.

Lily Gilligan stated if the members look at the Actual Revenue sheet that she handed out, two pages, and look at the back page, the Town has taken in an additional over Budget of \$35,834.62, so that is the only amount of money left currently without knowing if there are any additional potential

2013. They do know of a hand full, but it's not extensive so this is a small amount of money to put towards Fund Balance for next year's tax offsetting or this year's tax offsetting. Those are the updated expenditures and revenues.

Earl Sires asked the members to go to the proposed Warrant Articles that he passed out earlier. This is kind of an excerpt from the material that the Town uses for the Public Hearing in a couple of weeks, but he thought it would potentially be helpful to the members as well as for some of the new members. Some of the Articles have a little bit of an explanation with them to help the voters when they are looking through the material. He included that just for the Committee's information. This is all of the Articles that have been proposed to date and have been approved by the Selectmen, but they have not taken their final vote on the Warrant so he didn't include their actual votes. He thought most were a 5-0 vote, but there may have been some variation in there. All of the Articles have been approved by the Selectmen, but not placed on the Ballot yet. Obviously that will happen in about 3 weeks. Just walking through this, this is how things will appear on the Warrant.

Earl Sires stated the Operating Budget, Lily (Gilligan) has just given the updated numbers that may appear if the Budget Committee recommends the same Budget that the Selectmen have recommended. If this Committee's is different, the Committee's Budget is the one that will appear on this Article and what will be taken to Town Meeting for discussion.

Earl Sires stated the second Article members see is the Collective Bargaining Agreement. This is for the Public Works Department workers, it's AFSCME #93, Local #859, the Public Works Department. They are required by law to list on the Ballot the effect of those aspects of the Contract that have changed in a monetary fashion. In other words, if there is a clause or a provision in the Contract that changes that will result in additional monies being spent, they have to show that. Now they have a number of \$900.00 on there and they say this every year, that doesn't mean that everything associated with the Town's Public Works employees is only going up \$900.00. They know that Health Insurance has increased; they know that salaries have increased. This is not to say that that's the only increase. This is just to comply with the way that the law specifies that they write this Warrant Article which is to let the public know what the changes in the Contract mean in dollars.

Earl Sires stated the only change in the proposed Contract is a minimal contribution increase for safety boots that the Town require the employees to wear and that the Town funds as part of the Contract. That increase results in \$900.00 additional expenditure based on the terms of the Contract. It is being proposed as a 3 year Contract; all other terms are status quo. The only change in the Contract is the Boot Contribution on the part of the Town. We've talked about the fact that Health Insurance increases by 14%. We've talked about the Pay Plan; the last two years the Pay Plan enabled employees that performed at the highest level to earn a 3% increase and that is also what is included in this Contract for the next 3 years if it is approved. All of the terms are the same except for the Boots.

Chairman Mosca stated he understood the way the law works and he thought most of the people in this room understand the way the law works, however, most of the general public doesn't understand the way the law works. He thought it would benefit the public to know the dollar figure for the salary increases. Earl Sires stated we do typically discuss that. Chairman stated right, but when the public reads the Warrant Article, they are reading a Warrant Article that says it's going up \$900.00. Earl stated he guessed they would also need to read the other material that the Town puts out so that they understand the whole thing. Chairman stated how many people actually get the material. That's his point. He thinks the law stinks and he said this last year, not in those words, but he didn't think it was right and he thought that the general public needs to know the actual dollar figures because this Contract at 3% may be \$100,000.00 or may be \$250,000.00 he didn't know. He thought we do a disservice to the public that's voting on these issues just because the law allows us to. Earl stated the Town is required to comply with the provisions of DRA's Warrant Articles. DRA reviews the Warrant and say "yes this is the way it's suppose to be" or not. Earl supposed that could be something that someone could talk to our legislators about. Chairman stated what about if we say in the explanation the dollar figure is for salary increases over and above and for this year it is "this" and over the three years it could be as much as "this" or whatever it is. Most people don't understand that and again, he doesn't think it is a great law. He understands it, but he was going to say 95% of the people who come and vote read the Warrant Article and say "oh, we're only giving them \$900.00 over 3 years, that's great". Earl stated again he can put it in there. Chairman stated he would appreciate that if the Town could do something like that. Thank you.

Frank McCarthy stated that he understands that this \$900.00 is for steel-toed boots and he was sure they need them, but what does the Contract say. What's in the Contract that says they have to have steel-toed boots and who pays for them. Earl Sires stated he didn't have the entire Contract with him, but there is a provision that all employees must wear steel-toed boots and there is also a provision that says the Town will provide that along with our safety equipment that they use, i.e. jackets, pants and uniforms. It's all part of the inventory of equipment that they use and the Town has it set up that way because people have different preferences on boots, fittings and that kind of stuff. They go and buy their own boots and they can either spend a certain amount and the Town reimburses them. If they spend more than the amount allowed, the Town reimburses them a set figure. Instead of the Town saying "here are your size 12 boots", footwear is important if you're on your feet and working a lot.

Frank McCarthy stated he understood they were important, but does the Contract stipulate that the Town is responsible for the cost of the boots. Earl Sires stated yes. Frank stated if that's true, why is there an increase? Did the cost of boots go up or what? Earl stated basically. Paul DegliAngeli stated the Contract stipulates a fixed price. In 20 years, this is the first increase that they have had for that item - the boots. An employee goes out and buys \$200.00 boots, the Town would still only compensate for the negotiated price which was \$175.00. What they did was look at what the receipts are for because in order for an employee to get that reimbursement, and as he said that's been in the Contract since he first came to town, they have to show their receipt and they have to demonstrate that it's a safety toe. The average price for these boots is

running more like \$225.00 and in many cases employees buy more than one pair of boots a year because they work in the trenches and the boots are wet. Boots last them sometimes not a whole season and sometimes it's a new pair of boots for 3 seasons, etc. What they negotiated Frank, was to get a bigger reimbursement. The Town does not provide the boots, what was negotiated is a fixed amount of money.

Frank McCarthy stated in the Contract, who does the Contract cover; all employees or Managers, Supervisors. Paul DegliAngeli stated currently at the Town Hall there is one Union and that is the Department of Public Works and that's all it covers. It does not cover Paul, it doesn't cover Earl (Sires), it doesn't cover any one who works at Town Hall. It doesn't cover anything but the labor component of the Public Works Department. Frank stated so Managers, Supervisors are not covered. Mr. DegliAngeli stated that's correct. It hasn't always been that way, there used to be a Teamsters Union that covered professional employees that worked within Town Hall, but that was done away with some time ago. Frank stated he guessed what he was getting to was you know at any time where individuals in management, supervisory capacities purchased boots and were reimbursed. Mr. DegliAngeli stated the Department of Public Works Foremen; that's the Foreman of the Highway Department, it's a labor position, but he's management by virtue of the fact that he supervises the labor. Frank stated his basic question was is he covered under the Contract. Mr. DegliAngeli stated the Foreman is not covered under the Contract. Frank stated but he still gets boots. Mr. DegliAngeli stated he does and a uniform and the safety vest and all of the things he needs to be out there.

Peter Donohoe asked if the current Contract expiring is a 2 year or 3 year. Earl Sires stated they had a Contract that expired at the end of 2013 which was 2 years. Peter stated the current one is 3. Earl stated the proposed Contract is for 3 years, yes.

Earl Sires proceeded with the Capital Reserve Funds. He thought most members were familiar with the Funds, but basically they are funds that the Town contributes monies into each year to fund a plan for purchasing equipment and also for the funding of projects in the Public Works Department. Earl stated Paul DegliAngeli is going to talk about those and members will note that a number of them have the plan attached in the back. Before he turns it over to Paul, he wanted to clue the members in, if they looked at the Infrastructure Reconstruction Fund, members will see that it references in the explanation to look at Exhibit 2. Members will have to turn to the back in the packet to Exhibit 2 and that will show you the planned projects that are funded by this Capital Reserve Fund. The Fund is used to contribute money every year, they request money for both current year projects and to accumulate funding in anticipation of future projects. Paul's going to talk about those in detail. Earl has also included after page 5 of the Narrative portion there's a sheet that shows a list of each of the proposed Warrant Articles, the amount of money that is being asked and at the far right column the impact on the Tax Rate on each and every one of the Articles. That's also information they provide to the Committee and to the public.

Paul DegliAngeli stated to Chairman Mosca about getting back to his question earlier about how much those raises actually cost. He went over

to the Highway Department which is the biggest sector of the Public Works Department and the Labor for the 2013 Budget was \$527,000.00 and for the 2014 Budget it's \$546,000.00, so that's \$19,000.00. He guessed he could just as quickly do the Garage because that's listed on the same page, maybe not as quick. Chairman stated that's just one of those things that he understands the law, but he didn't think most people understood the law when they see a \$900.00 figure. If there could be something in the explanation that says what the actual, and he's not talking benefits and he's not talking any of the other stuff because if people want to calculate that out they can, he was just talking salary increases. He appreciates it, thank you.

Paul DegliAngeli stated he was going to go in the same order as the packet and he guessed it started with Exhibit 2. Exhibit 1 is the Summary. On page 2 or Exhibit 2 should be the Infrastructure and once again this is requested level at \$325,000.00 and it shows the projects that are planned for 2014.

Mark Hounsell stated he has often wondered this, what is the demarcation of Washington Street and the West Side Road. Paul DegliAngeli stated that was a very good question. He says that because there was some amount of argument with the DOT over that just this season because, as you probably know, this Washington Street Project is a partnership project. It's the Town, the Conway Village Fire District and the New Hampshire Department of Transportation. Washington Street is a Class II/Class V road. It's designation was created by the State in 1934. What it means is that the State owns the road and maintains it except for the winter. That's what the intent was. In reality, the State owns it and doesn't maintain it. The Town does winter maintenance, but the Town doesn't do any maintenance in the summer and, as any one can see driving Washington Street, neither do they. As you know from your (Mark's) time on the Board, the Town has been arguing with them for some time about fixing the road and they've wanted the Town to take over the road and they've only offered a two-thirds/one-third program. The Town was finally able to get them to offer more and so the Town agreed. That's why they were arguing because they only wanted to do that portion that was theirs. The Town persuaded them that for their dollar Washington Street goes to the apex of the triangle, to the left of the triangle, to the next road which is East Side Road and it goes in front of the old dairy and for their dollar it stops there. For 9-1-1, it goes all the way up to Hillside Avenue just before the bridge and then it just changes the name as you go over the river. Mark stated so the river is the demarcation. Mr. DegliAngeli stated it seems to be, yes.

Mark Hounsell stated that little stretch of road that goes by the Embroidery or it used to be Abbott's Dairy or it used to be the American Legion, but that little strip road that connects Washington Street to where the bridge is, who owns that? Paul DegliAngeli stated the Town argued that as well to convince them (State) that they did and that goes back a lot of history why that would be theirs and not part of West Side and the evidence of the bridge when it was reconstructed and when the river widened and they had to concede so they participated in the reconstruction of that as well.

Mark Hounsell stated this Washington Street Project takes you to the bridge, the new bridge. Paul DegliAngeli stated it does and up to the old

bridge as well, the covered bridge. The Washington Street Project goes both sides of the triangle and includes that little short road and then continues up to the new bridge, the Swift River Bridge. When the Town is done, they then own it.

Paul DegliAngeli proceeded with the Highway Vehicle Replacement. Mr. DegliAngeli stated the allocation or request is up this year and, as you can see, once you get to 2016 it goes back down. The reason for this is the Town brought sidewalk maintenance in-house this year for the first time in its history. Prior to that, the Town subcontracted. The Town needed to acquire the equipment and they did that in this way.

Paul DegliAngeli proceeded with the Solid Waste Vehicle Replacement. This is level funded this year. Mark Hounsell stated he was glad to see that they had that Baler in there. Mr. DegliAngeli stated it was time, 30 years. It works 6 days a week.

Paul DegliAngeli proceeded with the Buildings Maintenance Capital Reserve Fund. Members can see that it listed many buildings. Newly included are the Library and the Police Department. Although there are separate Boards there, it was decided to bring them into this fund and for him to look after them. Lucky me.

Chairman Mosca asked about the sprinklers for the Police Department; isn't that a fairly new building? Paul DegliAngeli stated 25 years. Chairman stated in his mind it's not that old. Mr. DegliAngeli stated the point is that the pipes should have lasted longer than this. He first became aware of a problem with the sprinklers two seasons ago. The Chief (Wagner) advised they were fixing holes in the sprinklers. Mr. DegliAngeli advised to fix the hole and move on. It happened again and then it happened twice. They started to really look at it and started looking at the company that had the Contract and they started asking for maintenance records, the same company that the State of New Hampshire uses when they go out to bid, keeping in mind that the Courthouse is the State's, and we share some of that system and then it branches to the two buildings. What they found was a lack of record keeping, not on the Police Department, but the company didn't have the records and their explanation for that was that those services just weren't done and they claimed in the interest of saving money, but they were more than willing to come and do the repair work every time they were called. We are with a new sprinkler company now and what they know is that the building which was constructed in 1988, the piping that's all in the attic is not properly installed. It doesn't pitch and drain. Water sat and the attic goes from -15 degrees to 130 as a solar space and back and forth and we have problems. That money will fix the problems and there you go.

Frank McCarthy asked how does that money fix the problem? Paul DegliAngeli stated that's a good question, Frank, because it's in the attic, it is an air system and air has to be continually put in, nothing is without a leak. Even a submarine leaks and so you keep a compressor on these systems, so the compressor is compressing air and putting it into the system and the air in August around here isn't the driest and then it condenses in the pipes and that's what the problem is. That combined with the fact that the system has never been flushed in 25 years. The system hasn't had its National Fire Protection Association mandatory 5 year done

ever. He could go on and on and on. The Town let that company go, took bids, got a new company, did some diagnostic work from 2013 and put this number in the Budget.

Mark Hounsell stated he was just curious, has the Court had similar problems? Paul DegliAngeli stated the Town doesn't know, but what they do know is that there's no municipal water there and so there's a sister, a tank and there's a vault and the fire pumps are in the vault and they have a problem in that vault. The Town asked the company if the records and the required hand tags and all were available against the Courthouse because maybe since it's one pump, maybe they were coming and lighting off the pump annually and recording it with the Courthouse, but they didn't. Annually the Town has a meeting with the people that are responsible for the maintenance because they share the cost of plowing, pavement, etc. and the Town informed them a few years ago that upcoming, and members will see it on the sheet, that the Town is going to be doing some pavement and so they had to budget for it. As soon as they have that meeting, the Town needs to bring to their attention the fact that they have a new cost to add and that they're probably not getting what they're paying for.

Chairman Mosca asked if the Contract was a statewide Contract. Paul DegliAngeli stated yes. Chairman asked if anybody in Concord had been notified. Mr. DegliAngeli stated no, but the Town is about to when they have their meeting with them. Chairman stated good, if it's happening here, it's happening in a lot of other places more than likely.

Mark Hounsell stated without stating names, is it the same company that the Library uses. Paul DegliAngeli stated no and he went down to the Library and the tags and the inspection things are hanging right there because he had the same thought. Each building was dealing with their own building person and the Police designated someone and the company was giving the Police a report, we came, we inspected and checked, but as the Town dug into it, what really was necessary wasn't provided and when he asked for it and asked for a call back and an explanation, after the third call the Town selected another company. The company that was doing the maintenance was the same company that did the insulation in 1988. They had a good run; now it's over.

Paul DegliAngeli proceeded with Parks, Grounds Vehicle Replacement. Mr. DegliAngeli stated again it's level funded.

Paul DegliAngeli proceeded with Landfill Closure and Landfill Expansion.

Dick Klement stated in the Parks, Grounds Vehicle Replacement, you show an Aerator on there for 2014. Didn't we buy an Aerator for the Highway Department. Paul DegliAngeli stated no, we were going to buy it for the Parks Department. They didn't because the Aerator they were looking at was going to work from a 3 point hitch, pretty standard, which they would pull behind the tractor that they were using for roadside mowing. When it was decided that the Town was going to get into the sidewalk business one of the options was to trade or sell that Mower, the Cub Cadet that they used for roadside mowing and what they would have used to pull that Aerator because the sidewalk machines also have the capability for mowing. They held up to see what they were going to do and once they got the pricing

for that tractor, they decided to keep it and now they are planning to make this purchase.

Dick Klement stated he seemed to recall that there was a Warrant Article several years ago for an Aerator. Paul DegliAngeli asked Earl Sires that didn't the Rec ask for a Warrant Article and then it was changed. Earl stated yes. Mr. DegliAngeli stated then that Warrant Article never went to the voters. That's what happened.

Paul DegliAngeli stated he thought we were on to discuss Landfill Expansion and Landfill Closure. Last year Landfill Expansion was \$1.00 and the reason for that, the background history is that the Town started putting away money for Phase 3 Expansion 12 years ago and that was based on engineering cost estimates that were 12 years old. The Town said let's design, permit and bid the Phase 3 Expansion prior to Town Meeting so that if those estimates were far off they could ask for more money. It turns out that the estimates were still valid and that bidding in this economic climate resulted in bids that were \$200,000.00 below the estimate. The line item was petty, \$1.00 instead of making the annual contribution.

Paul DegliAngeli stated Phase 3 is built and this is beginning the 14 year cycle for saving for Phase 4. The State of New Hampshire gives the Town permits to build these Phases. The State has a requirement that says that you have to have in escrow all of the money necessary to close the permitted Landfill when it's done. The Town has said to the State that we are not going to do that and the reason we are not going to do that is because you permitted 5 Phases when the Town first went to the State 20+ years ago. The Town has two Funds: Expansion and Closure. If he is saving money towards Phase 3, or in this case towards Phase 4, and when that times 15 years hence come and he doesn't build Phase 4 and he has the Phase 4 money available to work with Closure. All he is going to leave in Closure is the difference between the two and the State has accepted that approach.

Paul DegliAngeli stated the Town is making a request to start putting away money for the Phase 4 Expansion which, at least from where we sit now, is inevitable just as Phase 3 was. Keep in mind, prior to building Phase 3, the Town spent 2 years looking at all alternatives and the bottom line because of our geographical location which is another way to say we have to truck, either over the Notch to Berlin/Gorham area or go to Portland or go to Rochester. Those accounts that the Town was offered ran about \$52.00 to \$55.00 a ton, municipal contracts, multi-year contracts for guaranteed waste disposal. That number agrees with the State number for other municipalities. That's when he gets there, he still hasn't trucked it. The Town built Phase 3 for \$22.00 a ton. Even if you figure that was the construction costs and operations, our employees, their raises, their boots, double it just to be conservative. So \$44.00 a ton is what he can landfill in East Conway for and \$52.00 to \$55.00 a ton is what it costs plus the trucking. The trucking runs around \$20.00 a ton. The Town built Phase 3 because it was in our economic interest. Arguably Phase 4 will be the same unless there is some amazing change in our technology and culture.

Mark Hounsell asked if the cells last about 15 years. Paul DegliAngeli stated the trash rate has been variable. Under the current trash, they

expect it to last at least 15 years under the current rate. Mark stated then we would have one more cell. Mr. DegliAngeli stated we have 2; they just built 3 and they will have 4 and 5. Mark stated so we have 30 years potentially. Mr. DegliAngeli agreed and stated unless trash rates accelerate a great deal.

Paul DegliAngeli asked Stacy Sand if she had the document he gave to her last night. Stacy stated she wasn't sure, but would look.

Paul DegliAngeli stated they have had a lot of discussion, and this is off topic of this Warrant Article, about his Operating Budget. He requested additional hours this year for the enforcement person. It was decided by the Board of Selectmen and he didn't know if this Committee had decided to fund it, equal to this past year, the stats that they have that Stacy (Sand) is holding shows that the Town has been doing a level amount of trash and a declining level of recycling in the last 4 years. In round numbers, the Town has been doing 3,000 tons of trash and have been doing 1,400 tons recycling, then 1,300 tons, then 1,200 tons, then 1,100 tons. This year the first full year of bringing enforcement back, the trash went from 3,000 tons to 2,300 tons. In one year we dropped 700 tons of trash and recycling went from 1,100 tons to 1,300 tons. This is the first time it has turned around. This tonnage amount isn't the total recycling program, this is only what they like to call from the household. This means cardboard, paper, magazines, tin cans, aluminum cans and plastic bottles. It doesn't include computers, steel, bicycles, leaves and yard waste, roof shingles, construction debris, sheetrock, mattresses, upholstered furniture, blah, blah, blah. It doesn't include that. If the members just look at these numbers, from the kitchen if you will, this year the Conway Transfer Station did 56% of recycling. If you add the total numbers through the facility, they actually moved more recyclable materials than buried trash for the first time in their history. That's a little aside, but it was sort of tied into Landfill Expansion and Landfill Closure.

Chairman Mosca stated because you went to the side here, the income for computers, mattresses, TV's and all the other, does the income cover the cost of disposal of all of that material. Paul DegliAngeli stated yes, but let's be clear here, the items the Chairman just listed are a special waste account, a Revolving Fund that has been set up specifically for this purpose: all the items that are tipped. It does not include the recyclables that are free. That Fund this year has a balance of \$70,000.00 in it. That Fund has been going for 9 or 10 years. There have been some years it's in the black, it's in the red, but on the average that total dollars that went through that account over its life, this \$70,000.00 balance is roughly about 5% so the Town has a 5% contingency in operating. It has slowly been growing. Last night at the regularly scheduled Selectmen's Meeting, they asked the Selectmen to authorize them to draw down that account and put that money towards the new Baler which is shown here and leave \$15,000.00 to be able to operate. As soon as they square away the Baler purchase, they will know exactly how much will be taken out of this account.

Bill Marvel asked on the expired 1-Tons, are they going to be bid out or are they trade items. Paul DegliAngeli stated the Town has been doing the 1-Ton Trucks as trade items. The things that they tend to bid out are

smaller than that. The Police Cruisers: they advertise those as "we will pay you to take them"; the Cub Cadet. Having said that, there have been 1-Tons or Pickups that they, for one reason or another, used pretty hard and didn't feel good about using as a trade-in because they want to keep our relationships. They usually advertise that in a sealed bid, but the usual and customary practice is as a trade-in.

Dick Klement asked if it was appropriate to talk about Exhibit 1. You've got the impacts and the amounts, but again building from what Joe (Mosca) said, if you don't put down the Public Works amount, how do you figure the impact, the Tax Rate impact? You have got to put a number in there and \$900.00 is not the number that belongs in there. Lily Gilligan stated the Highway Labor increases are in the General Fund Budget, the Operating Budget. Earl Sires stated they are not part of the Warrant Article. Chairman Mosca stated the number is already in the Budget because of the language in the RSA. Earl stated he could tell Dick what that is once they've calculated it, but it wouldn't be part of the Warrant Article discussion. Dick stated from a Warrant Article perspective, nobody's voting on that Contract. Chairman stated no, they're voting for the Contract. Dick stated they're voting for \$900.00. Chairman stated that's been his argument, but the law allows you to only put in what's a change and this is the only change. Dick stated that's nice, but the law doesn't mandate that you can't put it in. Chairman stated that's why he just requested that they put something in the discussion part. Dick stated the same goes for all of these things. If we have a Capital Reserve Fund, i.e. Police Vehicles, how much money is in that thing currently. He wants the voter to come in there and say "if there's \$2 Million sitting in that account right now, do I really need to add another \$60,000.00". This is hypothetical. Chairman stated if there was \$2 Million in there, the Chief (Wagner) would be out buying more cars.

Earl Sires stated they haven't prepared a spreadsheet for the Police Vehicles because basically it's annually and most of that is expended. If you look, Dick, on all these other Capital Reserve Funds, they show the annual balance each year. Again, people have to show up and pay attention. They try to do as well as they can in educating people and every year we talk about how much the Public Works Department is going up. He started the discussion here with the single driving factor behind the Budget increase this year is personnel costs. They get frustrated sometimes too with the way they have to present information because it's a lot of rigamarole, but nonetheless that's how the State does it so they try to go above and beyond really what the State requires to make sure people have an opportunity to understand this stuff, but it does require their active participation and hope that when people are watching these meetings on TV that it will encourage them to come to the Public Hearings and so on. They publish a Report every year that's distributed all over town and they probably do 5 if not 6 or 7 information packets for the voters every year and put those all over town; they go on the radio and talk about where they are; they go on TV and talk about where they are and encourage people to pick them up. Earl would appreciate anything you can do to help them get the word out that people need to pick up this information and read it. Their hands are somewhat tied in how they present it, but Joe (Mosca) has a good idea about augmenting this more and they'll try to do that.

Paul DegliAngeli stated once again Labor/Wages; there is a Labor line item in the Operating Budget. The Operating Budget is an Article in the Warrant. People get to vote that "yes" or "no". This year the Highway Operating Budget is 1.25% greater than it was last year. People can vote that up or down. He thought it was confusing and it has always been confusing to him that because of the statutes they have to say "Collective Bargaining Unit" and bring that out separately, but that's how it is. He can't put it in two places. It's in the Operating Budget and then vote on a Contract and say "the effective cost of this is" and give it a dollar amount, but all of that is in the Operating Budget.

Dick Klement stated but if they vote down that Warrant Article, it doesn't affect what's in the Operating Budget, it's a separate line item. If you vote down the Contract which includes boots right now, the townspeople have said "no, I don't want to give them that", does that affect the Operating Budget? No. In fact, the townspeople can't vote for that Contract; they have no impact; they have no vote in it; they have no say in it. The other thing is that the members are suppose to make a decision on our recommendations. We need to have the information on how much is in these accounts before we sit down and make a recommendation or else we're just looking at what you've got on this piece of paper saying "I need \$60,000.00 for this" or "\$100,000.00 for this" and not knowing how much money is in the bank. Earl Sires asked which account Dick was talking about. Dick stated any account that you've got here that goes year to year. Earl asked if Dick was talking about the Capital Reserve Funds. Dick stated that would be one of them, Landfill Closure, etc. Earl stated again, every year they publish all of that in the Town Report so it's available for every year and also in the sheets and most of those have a running balance attached to the 10-Year or 5-Year Plan, so that information is in there. Chairman Mosca stated look at the Exhibits. Earl stated they will make sure to point that out in the future because that's a good point. Dick stated we're voting on this in a couple of weeks and that book is not going to be out in a couple of weeks.

Bill Marvel stated the 3-Year Contract idea became somewhat infamous about 25 years ago in the School District when a 3-Year Contract was passed and it really gave something like a cumulative 40% pay increase and that sort of thing led to the Statute he thought or perhaps it was case law that required that the voters have to know all of the financial impacts of a Contract. The unfortunate thing is that there may be 1,000 or 1,200 people who go to vote in April, and we hope maybe they won't all be at the Town Meeting, the one time we had that kind of a turnout it was sort of a disaster, but the fact is most of the people who go to vote are only going to see the Warrant Article and unfortunately won't be listening to this sort of thing. He doesn't even have a television and doesn't get to see himself, thank God. He thought if all of the impacts are stated in the Warrant Article then people can vote at least on that intelligently.

Mark Hounsell stated a couple of things. Once again under the way that we do business in Conway with SB2, the voters are looking to this Committee for Budget recommendations and we scrutinize and take a look at things that they are unable to look at for various reasons. He is encouraged by the questions that are asked in the last two years that he's been here and he thought the Budget Committee scrutinizes well and this conversation and Dick's (Klement) question really talks to how important it is for members

to look down into the details. Now, he says that as a lead in to the provisions of the salary increase for the Public Works Department, there is something contractually that has driven those increases and he would suspect that that's within the language of the Contract. There is probably something that says "in the event the Contract does not pass, there will a such and such increase". In the same manner that Bill (Marvel) asked for all of the Contracts for the Schools, he thought it would behoove this Committee to take a look at the language of the Public employees Contract, just so that we understand what is driving the increase that's in the Operating Budget.

Chairman Mosca asked if that wasn't the Pay Plan that was approved by the voters however long ago. Earl Sires stated ultimately it's based on the Pay Plan and what he will say is that the Contracts for both the last two years and the proposed three years are specific year by year as to what happens. There is an Evergreen Clause in there but because the Town specifies what happens in each of the 3 years not everything in that Contract, in their opinion, would carry on were it not to be approved.

Mark Hounsell stated you have a situation that the PELRB classifies as status quo. Earl Sires agreed. Mark stated your status quo is probably driven by language that says "in the event a Warrant Article", like number one here for the boots, doesn't pass, they still get their increase. Earl stated no. Mark stated he guessed the question is what's driving the increase if it's not a Contract. Earl stated the increase year to year is a component of the Contract. Mark stated that's expired. Earl stated if this Contract doesn't pass and he didn't want to get into too much of what might be their negotiating position at some point, but they would have a position that none of the current components of the Contract carried forward. Mark stated but at the same time the salary portions carry forward and that must be driven by the language of the Contract he would think.

Paul DegliAngeli stated if we didn't pass this Contract, then he would be compensating people for their boots at the old amount. That's why that's all you saw because everything else has been status quo. Yet, when we go over to the Operating Budget as he has pointed out, there was a \$19,000.00 Highway Budget Labor item increase in labor. That included raises plus the additional half man that they have brought on for sidewalk maintenance. That's driven by annual adjustments through a raise, let's call it a raise, to people's wages. There's language in the Contract about that. The raises that the Town gives are not a fixed dollar amount in their Contract. They have a meritorious system which means you get a review, you get a Report Card. The raises this year ran between zero, yes there were people who did not get raises, to a maximum of 2.5%. More specifically they tie it to the Consumer Price Index and say that for the person who scores 75 will get CPI minus something; for the person who scores 85 will get CPI; and the person who scores 95 will get CPI plus a point, but in no case shall it go over 2.5%. He didn't recall the CPI being any less than 1% in quite a while so there's this 1.5% range that people's raises can fluctuate from 1% to 2.5% for all intents and purposes. For the same score one year, an employee can get the same score two years in a row and last year get a 1.75% raise and this year get a 1.25% raise because the CPI went down.

Paul DegliAngeli stated that's the extent of how theirs is which is why when you look at the Operating Budget, that brings you back to what Bill (Marvel) said earlier, the Town doesn't have the kind of Contract that says "well it's a 3 year Contract and in the first year the employees are going to get .5% raise; in the second year they're going to get a .9% raise". The Contract isn't written that way and that was the purpose, Dick (Klement), of bringing forward that Article on Bargaining Units so you couldn't sweep that under the rug in Operating Budgets. It's purpose of bringing that out is to highlight, if you vote on this, this is your financial liability, this is your exposure going forward. It's different from what you've been doing already. It goes up because insurance goes up, fuel goes up, but theirs is within that range of inflation. As he has said, this year they didn't give out anything in excess of 2.5% in that Union.

Dick Klement stated he thought he understood what Paul DegliAngeli was saying, but when he looks at the School and the Unions there and he's not necessarily talking teachers. Mr. DegliAngeli stated he couldn't speak about that. Dick stated he understood, but in their Warrant Article they say "here is the Budget increase for salaries, retirement and all of that stuff". You vote on it or you don't vote on it. If you vote it down, they don't get money. Now the teachers have about a 50/50 success rate over the past couple of years of getting their Contracts approved. The voters have a direct input into whether, and in this case the teachers, would get a Contract and get a raise. We don't have that with the Town employees represented by this Union because it's already built into the Contract, built into the Operating Budget. He is totally baffled as to why we've got \$900.00 out there when it doesn't mean anything.

Earl Sires stated it may well be that what's happening with the School is there are changes in the Contract language that drives a different compensation scheme then they have to list it. The Town's is staying the same and the State law says you only include those things that change. Again, he can't talk about what's going on with the School, but he can tell the members that they are doing what the DRA allows them to do, not any more or less. They tell the Town what they have to have on the Warrant Articles.

Frank McCarthy asked who is the governing body that approves the Contract? Earl Sires stated the legislative body approves the Contract. Paul DegliAngeli added which is the Town Meeting for the Town of Conway. Frank asked if the Board of Selectmen were the governing body. Earl stated they are the governing body, but the voters approve this Contract. Frank stated they approve the Union Contract with the Town employees plus the School. Earl stated the voters do, yes.

Chairman Mosca thanked Paul DegliAngeli for coming in.

Mark Hounsell stated he remembers what he wanted to say. Dick (Klement) was talking about things that happen within language of the Contract and he thought what we should understand is that the status quo language in the Teacher's Contract, last year's Teacher's Contract proposal wasn't adopted so it's status quo. With that there was \$169,000.00 of raises that was allowed to some teachers and some got zero and some got as much as \$2,400.00. That has to do with a provision called longevity. There are

things that drive costs in all of these Contracts that are found in language that remains even in the event a Contract fails it goes to status quo and those status quo arrangements allow for raises to take place that are not necessarily known until we have what Bill (Marvel) requested, the entire Contracts in front of us to scrutinize which he was advised is for the members edification.

Frank McCarthy stated just a point that he would like to make is that may be so but some very small amount of the Contract will carry through, maybe longevity raises or something else. Ninety percent (90%) of it or more, 95% will not. The Evergreen Law was appealed. Mark Hounsell stated he was not talking Evergreen, he's talking status quo. Status quo means if there's no Contract to replace this one, this Contract stays in effect. It isn't Evergreen. You've got to be careful with what you put in the language of all of your Contracts. It's not the same thing as Evergreen. Frank stated he thought it was. Mark stated he knew it wasn't. He sits as a member of the Public Employee Labor Relations Board and deals with it all the time.

Chairman Mosca stated we are now getting off topic so let's get back on topic.

Chief Ed Wagner stated as Earl (Sires) said, they have two Warrant Articles this year: one for Police Vehicles and one for a Total Station. Chief will speak to the vehicles quickly and Sgt. Mattei will speak to the Total Station.

Chief Wagner stated the Warrant Article for vehicles will stay the same as it was last year, \$60,000.00. It will replace 2 cruisers. The cruisers that they will be replacing are a 2008 Ford Crown Victoria with 197,000 miles on it and they are also going to be replacing a 2004 Ford Crown Victoria with over 155,000 miles on it. Quickly, the question has been asked in the past of how much do they save with the Police Department doing their own maintenance on the vehicles. For example, he had his Fleet Officer do up a little worksheet for him and during the 2013 year, they spent just a little over 276 hours on cruiser maintenance. That can be anything from replacing a light bulb to totally outfitting the cruisers and anything in between. That work cost, just the work itself, no equipment, it cost a little over \$7,100.00. If they were to bid that out to the local place that does vehicles in Ossipee, it would have cost them over \$13,800.00. They saved \$6,700.00. For a complete cruiser set up that includes labor and pretty much all of the equipment costs about \$9,000.00 for them to do it and if they bid it out, it would cost over \$16,000.00 so they save about \$7,000.00 a cruiser on outfitting them themselves. They purchase all of the equipment themselves and they outfit them themselves. They have 2 people that do that. Just a quick little thing on that.

Chief Wagner stated that Sgt. Mattei would speak to the Warrant Article on the Total Station, but they are going to change the wording to be a little more generic. The current Article they have written out, they have it spelled out as the Carlson CR5 Robotic Total Station and they want to change that to be just a little more generic. They certainly plan on purchasing that one, but if for some reason they can't get the Carlson CR5 Robotic Total Station, and the way it is written now they wouldn't be able to purchase it, so they want to be a little more generic.

Sgt. Chris Mattei introduced himself to the Committee as a Detective Sergeant at the Police Department as well as a member of the Accident Reconstruction Team. He was here today to talk a little bit about the Total Station, educate people who don't know what that is, let the members know what the Total Station is and why they use it and why it's such a vital piece of equipment here at the Police Department.

Sgt. Mattei stated basically a Total Station is a digital mapping tool that they use on major crime scenes. Any time they have shootings, stabbings which are classified like attempted murder type cases, and they use it a lot for accident reconstruction type of cases where there are pending criminal charges. The Total Station is made up of several components. There is what they call a gun and that gun is an infrared electronic distance meter. That gun is mounted on a tripod similar to what you see a camera mounted on. If anyone has seen any kind of surveying equipment, that's the gun that they use. The unit that the Police Department currently uses now is essentially a surveyor's piece of equipment that was adapted for law enforcement use. That gun has a consolidated light beam, essentially a laser, that shoots out at a prism that is mounted on top of a pole. That point is placed at a point of evidence, whether it be a skid mark in the road, a body or a victim, a gun, a shell casing, a spot of blood, whatever the piece of evidence is that they are trying to record, that point is put at that position. The gun then fires, it's captured by the prism, the prism then sends back that light and based on the components of the driver inside of the gun, it gives them an "xy" coordinate which is basically a distance out and a height elevation. That's essentially what the unit is.

Sgt. Mattei stated the Department currently uses a system that was purchased about 8 years ago and when they purchased that system, they really didn't have any experience with this type of system. They had seen the State Police use it and the Sheriff's Department was using it at different accident scenes, crime scenes and the Department went ahead and purchased one. When they purchased the unit, they basically purchased the most basic inexpensive unit that they could that would fit their Budget and they could get trained on and see if it would work for them. It has become a vital piece of equipment for them.

Sgt. Mattei stated what they do is once they map a scene, they then go back to the Police Department and upload all of those points of evidence into a CAD Program, a Computer Aided Drawing, and they can manipulate that. When he says manipulate he means they can get different views, different angles, they can get a one dimensional photo like a bird's eye view of how everything is laid out. They can take and then manipulate that and make it into a 3D diagram and that's utilized along with photographs of a scene, witness statements, injuries and things of that nature. If they have a vehicle, they secure that vehicle as evidence. They present all of that in Court including this 3D dimensional drawing and it's great because it takes not only the prosecutors, it takes the defense attorneys and it takes the jury right into the scene. That's what this Station allows them to do. It has really become for major cases, it's expected now when you go to Court.

Sgt. Mattei further stated that the unit that the Police Department has now has been a great piece of equipment like he said, but the software is outdated. A new unit that they are looking at, this Carlson System, has many advantages and he will go over some them with the members. It has the quadraplex access compensator in the drivers which are manufactured by Carlson. He will get into what those are in a second. They're manufactured by the same company. Right now the unit that they use is a TopCon GPT 3100W, that's the gun and they use a recon data collector and then they use a crash scene software. When they purchased this unit, and like he said, it was a surveyor's unit that was adapted for law enforcement use. They have 3 different types of hardware and 4 different types of software that they are working with. Although the unit has been very effective, they can only shoot about 60 points, 60 pieces of evidence if you will approximately an hour.

Sgt. Mattei stated they had a major crash scene on 153 last year, they had a young girl that was almost killed, there were major criminal charges coming out of it, they got a prosecution on that, and they shot almost 300 points on that accident scene. They were out there for almost 5 hours just collecting that, not processing evidence, just shooting the scene. The new unit with the quadraplex access compensator and the driver where they are manufactured by the same company will allow them to shoot up to 200 points an hour, so it's much quicker. Basically the quadraplex access compensator is a way that the unit levels itself. When a laser shoots, just leveling using a common bubble level that most of us are familiar with, even though something appears to be level, when you're talking with lasers, it has to be down to a millisecond, a millimeter if you will. The access compensator allows the unit to self level itself and, of course, when you're shooting a scene it never happens on a perfect level road in the middle of the day with no elements. It's always on a hillside, on a road that's dirt or on a shoulder and the unit has to be constantly leveled. What they are finding now with the unit that they have is that they have to stop doing what they are doing and re-level the unit and that causes a lot of problems as far as time goes and it causes a lot of problems with the accuracy of the shots that they get.

Sgt. Mattei stated the driver is basically the software that runs all of the hardware and, like he said, those components are made by Carlson and are a lot different from what they have now. The unit that they are looking at is a Robotic Unit. Right now they need a minimum of two people to run the operation, they always have three on scene because when you are out there for 3, 4 or 5 hours you need to switch off. The current unit you set the gun up on the pedestal, it locks into the prism, the data collector which is the computer that records all of the points is right on the pole so one person just walks around and the gun stays locked on the prism. So as you walk around and put that down, as quick as you can hit the button and walk to the next unit, it's recording a point. It allows for one person to be utilizing that machine and it cuts down on manpower as far as how the machine works. It allows him to send the other people out to do the investigative of interviewing witnesses and things like that. It's going to cut down dramatically on the time they spend on scene and for the public, a roadway or a parking lot or a building, an area shut down because it's going to cut down dramatically the amount of time they are on the scene.

Sgt. Mattei stated the new unit also with the amount of software, increases in software, they can now go back into the scene at the Police Station and get alternate theories as far as measurements go. With the accident scene on 153, he went out there twice, went back to the scene twice to shoot points that either weren't collected by the gun or they just didn't know that they needed it at the time. The new unit will assure collection of those points and also they can go back in and get measurements from point to point after the fact. So the software allows them to do that. The laser is more condensed, it's more precise. Right now with the unit that they have if they try to shoot over 300 feet, they have a lot of problems with that. If they are at an accident scene, they have to make sure that fire trucks have their lights off, all the cruisers have their lights off, there's nothing in the way because they get a lot of refraction. With this new unit with a more condensed laser, they can shoot up to 1,000 feet with this and that leads to not having to move the machine as much which you run into problems with that because once you start moving the machine your points can get thrown off.

Sgt. Mattei stated with the new software, this unit, the Carlson unit, was actually designed by 5 Police Officers down south who was using a system similar to theirs and over the last 5 years have basically written their own software and have worked with Carlson to make this unit strictly for law enforcement. He never gets called out for a call at Noon on a Wednesday; it's always 2:00 AM when it's -30 degrees, blowing snow, or when it's a monsoon in the summer. This unit is designed to weather the elements. The lithium batteries that they use are guaranteed to last up to 8 hours; they have an internal charging system in them. It's a problem they have with their units, they get about an hour in the cold, so they are constantly swapping out batteries. When you swap out batteries, it takes about 15 to 30 minutes, depending on the way the system reacts, to reboot that system and get back to the scene. When they go out to the accident scenes, a lot of the fire guys draw straws to see who has to stay there, to wait with them for the hours on end that they are there. This is really going to speed up the process for them and make it a lot more accurate. The presentations will be a lot better. The evidence that they can present in Court is going to be better and it's going to help them do their job a lot better.

Chief Wagner stated two things before they take questions. There's \$8,537.00 and some change in that account which he just found out from Lucy (Philbrick) and their old system will not go to waste. The Chief has talked with Paul DegliAngeli about the one that they currently have and they can definitely use that, so it won't go to waste.

Mark Hounsell asked if the system that they are talking about, is this something that the State Police and major crime units if they were to come to town they would have compatible equipment. Sgt. Mattei stated yes, that's a great question, as a matter of fact they work with the State Police. He sent some of his guys down last year, some of his Officers, to work with the State Police. Sgt. Wheeler from the TAR Team would do training with them and that was one of the issues that they had. Our Officers went down and did training and when they came back, they really couldn't work that training into our system. They did give some software updates to help with the system, but it was not compatible. The training, what they were doing down there, they were using a Robotic System and

that's kind of what planted the seed to get them looking at this because this is the type of system that State Police TAR Team is using and a lot of the larger, bigger agencies use.

Bill Marvel stated you've had the current system for 8 years. Sgt. Mattei stated he thought it was approximately 8 years. Bill stated so it has at least an 8 year life span. Sgt. Mattei stated he would like to think they could get more out of this and the reason why is with the Carlson System, the company has been in business for over 30 years, he thought since 1978/88 time frame so in excess of 30 years. What they are telling him is that if there are software upgrades, they can get them to the Department. He is hoping that the structure of the gun and drivers, they can upgrade that so that the system is complete. They make all components of the system. The issue that they have with the system they have now is that they have to have it calibrated every 2 years. They take it down to have it calibrated and they say "hey, listen you need to upgrade this; we just don't have anybody that can do that because the system is outdated". The problem they have with the system now is it's taking a lot longer to shoot scenes; it's just antiquated. Figure having a computer for 8 years and try continuing to use the same software and that's really what they are running into.

Bill Marvel stated just for perspective sake, do you know if other alpine town Police Departments have such things. Sgt. Mattei stated no; without a system like this, they would have to wait on State Police to come in and shoot their scene. He was on the Accident Reconstruction Team when he started here 9 years ago and there were several major accidents that they would actually go out and use the old tape measure system. Accident scenes, for example the accident on 153, they would have been out there for a day, for 10 to 12 hours and have half the data that they collect now with the system that they have and to call State Police, a TAR Team, most of them are located in the southern part of the State, based out of Concord or south and you're talking realistically 2 or 3 hours by the time they get up here, assemble their team and get their equipment and then you add another couple hours to actually document the scenes. If we have a major incident on a major roadway, you're shutting that roadway down for a significant period of time.

Dick Klement stated temperature is a major problem and he's not totally proficient, but he understands green doesn't work as well in the cold as red or does he have that backwards. Is there a temperature zone you can use or is it more amenable to work at -20 degrees and up to 100 degrees. Sgt. Mattei stated he liked to work at 70 degrees, and again that's a great point because they can't dictate and bad things happen at night most of the time and that's usually when he's dealing with it and they can't say they are going to wait until the afternoon to shoot the scene or we're going to wait until it gets warmer because evidence degrades over time whether it be an accident scene or a shooting, a stabbing or whatever it may be. They have to go out and work it when they are called. That's why another bonus of this system is, like he said, it was designed by law enforcement, the casing on the unit is better, it's more weatherproof and the big thing with this is that it has a double lens system on it, less fogging and things of that nature. The batteries will last up to 8 hours in freezing temperatures. Does he think they will get 8 hours at -20

degrees? Probably not, but they will get better than what they are getting now.

Dick Klement stated some laser wave lengths work better in cold and his concern was if this was a red laser or a green laser you are looking at. Sgt. Mattei stated he was not sure about that; he would have to check into that. Dick asked what the power was in that thing. If it's working at an extended distance, he assumed the power is a lot more than a laser pointer. Sgt. Mattei stated yes, it did and a lot of it has to do with the reflector system that you are using, the ability for the reflector to pick up to walking and pick up on the gun. If you have a more condensed beam, which is what this has, it's not necessarily that the beam is more powerful than what they have, it's just more condensed. They've got it condensed so that the laser can pick it up better. Like he said, when they are out shooting at night, they have to make sure now that all of the fire apparatus, all the police vehicles have their strobes and light shut off because the prism that they have now has a problem picking that up because of the quality of the beam that they have and that's very dangerous when you tell everybody to shut their lights off when you're on an accident scene. Like he said, it was designed by law enforcement, it was refined by law enforcement and that's one of the biggest selling features because it's going to work better in the conditions they are putting it into.

Dick Klement stated he was asking from a safety perspective because high intensity lasers have been used to confuse pilots in nasty areas of the world.

Mark Hounsell asked how often did they expect, based on past practice, that you would use a piece of equipment like this. Sgt. Mattei stated it varies but on average he would say 6 to 12 times a year which doesn't sound like a lot. They use it for major instances and one of the factors right now is that they have a team of 4 on the Accident Reconstruction Team, and they really need 3 people out there working this. He thought it would be easier with a system like this because it's a one man show as far as running the apparatus, but for major instances they usually use it, they'll have 2 or 3 stabbing, shooting type incidents, armed robberies. Whenever they go to a scene, a felony level scene where a lot of evidence is collected, they'll use the machine on it. It really varies from year to year.

Mark Hounsell asked what is the life expectancy on something like this. You may have said this and he didn't hear. Sgt. Mattei stated as far as the drivers for a unit like this is really based on software. If they can continually increase the software and they have the space in the apparatus to keep up with the software, the life expectancy is a lot longer. Right now the problem that they have with the system that they have is that they have several different pieces of hardware and several different pieces of software melded together in a unit. When they have a software issue, for example, their CAD Program, uploading the data into Crash Zone and they have to upgrade that, they can't just go out and get an updated version of Crash Zone because it's not compatible now with this unit because the unit is a little bit older. One of the big selling features with Carlson is that they make everything; they make the drivers, they make the software, they make the gun and they make the data collector. Whenever they have an issue when they have a software upgrade, it's going to be compatible with

their whole system. The life expectancy of this is a lot greater than what they have now. Mark stated about 8 years. Sgt. Mattei stated he hoped more than that.

Chairman Mosca stated if it lasts 10 years and you use it 6 times a year, you would have used it about 60 times, and that comes out to about \$500.00 per time you use it. The savings that you're talking about in labor is way offset by the \$500.00 per time you are going to use it as far as he could tell. He is just looking at numbers because that's what we're looking at from here. From his perspective from what St. Mattei is telling him, then it's worth getting it just because we're going to save money in the long run. Sgt. Mattei stated he's not saying when they have a scene that he is not going to call the team out, it's just that they are going to be utilized in different areas. Chairman stated if something is taking you 5 hours now and it's going to take you 2 hours with this, then we're saving a lot of labor hours and a lot of manpower that could be utilized elsewhere. Sgt. Mattei stated if we go out to an armed robbery and there are 3 of them, he gets stuck running the gun because he knows how to run the system. That's time taken away from interviewing suspects which is a big component, interviewing witnesses and collecting other data. Yes, it is efficiency. Chairman stated absolutely; like he said, 6 times a year for 10 years, less than \$500.00 per incident, the cost of the equipment is what it calculates out to. To him, it's worth it just in everything else you can do.

Frank McCarthy stated he has a couple of things he'd like to ask even going back to what you went over last week, if you don't mind. Chairman Mosca stated let's stay on the Warrant Articles. We can get back to that afterwards. Frank stated he thought this was for questions. Chairman stated it is, but right now this is Warrant Articles, then we'll go to questions for the Town.

Steven Steiner asked who the manufacturer was of the unit that they have now. Sgt. Mattei stated TopCon and it's a GPT 3100, that's the gun portion and then the data collector which is the small computer that fires the gun is a Recon and then they use a Crash Zone software for the CAD Program. Steven asked if there were any present updates for this gun, software wise, hardware wise. Sgt. Mattei stated not for the gun itself, no. For the Recon data collector you can get software upgrades, but the problem with the Recon data collector that they are having is that the Recon data collector and it's all through the drivers, has a lot of problems communicating with the gun. They'll fire and it won't fire, it won't fire and you have to fire it three or four times before it finally communicates. They've gone to Blue Tooth, they've gone direct line and the issue that they've been told by several different people is that's it just because you have different drivers in there from different components trying to run different software. Being compatible is a big issue with this.

Steven Steiner asked Sgt. Mattei if he was familiar with the new unit he has been talking about and was he familiar with the temperature ranges that this will work at. Sgt. Mattei stated he didn't have an exact temperature range, but it's designed for Accident Reconstruction Crime Scene investigations. Steven stated what he was saying is that he was looking at the unit right now and it was telling him that it will run from

-4 degrees up to 122 degrees, so obviously it's not going to be used at 122 degrees, but -4 degrees, it does get colder than that. Sgt. Mattei stated yes, but this right here is the best system that we have available as far as what they have researched, as far as the software and the conditions they can work in essentially.

Peter Donohoe asked Sgt. Mattei what was the criteria for involving the State Police and does the Town use that form of service from the State Police on a regular basis. Sgt. Mattei stated they have in the past prior to getting their own Accident Reconstruction Team and having their own unit and really the decision that's made is efficiency. When you're talking about calling a team like that up, it takes time and you could make the call down to them, and it has happened in the past, it happened on an accident scene that he worked prior to being on the Accident Reconstruction Team, having the training and having this unit, they may say they don't have anyone that can come up. The State Police TAR Team right now covers, when they've talked to Sgt. Wheeler, they're talking three to four accidents, major accidents a week. There is only so many people on the team and it's pretty good odds that you won't be able to get them up here or if they're coming up, it's going to be delayed.

Brian Charles stated aside from updates, what are the maintenance costs that could be expected year to year. Sgt. Mattei stated they have to recalibrate the machine and, he didn't have the numbers, but he believed it was around \$100.00. Brian stated you are doing that now though. Sgt. Mattei stated yes, you have to do that to keep it certified and that's really the only maintenance that they've done. When it gets calibrated, they clean the lens. There's not a lot of maintenance on it.

Chairman Mosca thanked Chief Wagner and Sgt. Mattei for coming in. Chairman Mosca stated to Lt. Perley that he missed hearing him speak tonight.

Chairman Mosca asked Frank McCarthy if he had a question. Frank stated it wasn't about Warrant Articles though. Chairman stated we are getting to that.

Earl Sires stated the next thing that he was going to talk about is actually what's called an Expendable Trust Fund. This is a Fund that the voters set up some time ago and it specifies a Revenue source to go into the Fund to be used for a specific purpose. Once the voters approve the monies going into the Fund, then the Selectmen have the authority to expend from the Fund for the purpose for which the Fund was established. In this case, it's called the Expendable Trust Fund for PEG, or Public Education and Government TV, it's our Channel 3 that the Town contracts with Valley Vision to provide programming on. The way this works is that each year the Selectmen propose an amount to be introduced into the Fund and then at the same time they negotiate a Contract with Valley Vision for services for the year. This year they expect to receive about \$135,000.00 from their Franchise Fee that the Town charges the cable company to use our rights-of-way to string cable. The Federal Communication Commission allows them to do that. They can charge up to 5%, the Town charges 3%. The FCC also allows the cable company to in turn pass that on to the rate payers of the cable service. If you're a cable subscriber, you'll see a 3% charge on your bill and that is where these Revenues come from. The

Selectmen ask the voters to put money in this Fund and they also represent to the voters that they entered, or have planned to enter, into a Contract with Valley Vision. This year the amount that they have negotiated with Valley Vision is \$97,500.00. There is a Contract that specifies the services that are to be provided and that is available if anyone would like to see it. It's basically the same arrangement, the same terms that they've operated under for probably 5+ years. That's what that is all about.

Chairman Mosca stated his only question, or qualm he guessed, would be is that Channel 3, unless you have digital, you don't get it. Earl Sires stated you have to have a converter. Chairman asked why; isn't that something that could be negotiated so that people don't have to buy converters. Earl stated it was not something that was within the purview of their Contract negotiations. They did this about 2010, they renegotiated the Contract. Towns only have certain regulatory authority that's provided by the FCC. He didn't believe there was anything that the Town could have done about that. It certainly wasn't an issue when they talked about it.

Mark Hounsell asked Earl Sires to refresh his memory; the fee that's charged to the rate payer is only on the TV portion, it's not on anything else. Earl stated correct, it's not on the Internet. Mark stated it's not on the total Time Warner bill and Earl stated that's correct, it's just on the TV portion.

Mark Hounsell asked if the Town could use a portion of this from time to time to help Valley Vision upgrade their equipment, but they retain ownership. Earl Sires stated thanks for bringing that up. They do. Proposing to use \$97,500.00 of the \$130,000.00 that goes in so there is a balance as Mark indicates and that is used to purchase equipment from time to time upon request by Valley Vision. As Mark points out, the Town retains ownership of that equipment. In addition to those funds, there was, when they renegotiated the Contract, about \$110,000.00 came to the Town for capital purchases for the 10 years of the Contract. The Town does have some significant resources there to help for those purchases. He was glad that Mark brought that up.

Earl Sires stated for the next one he has to apologize on behalf of the Town Clerk. She had something come up that prohibited her from being here. She had planned to be here and he really wishes she had been here because she could explain this a whole lot better than he can, but what he understands about this is that she is proposing \$25,000.00 to fund a project over the next several years, perhaps 3 to 5 years, to organize and archive all of the records that are in her vault. These are things like vital records, everything from dog names from the 1800's, there's a lot of Town records, there's Minutes and up until the 90's, and Bill (Marvel) may know when this stopped happening, they would compile a lot of the Town correspondence and information into these giant notebooks every year and they started stuffing them fatter and fatter through the years. The last one is about this thick (demonstration with hands) with all sorts of stuff glued into it or stapled into it and Contracts and Leases and all of that stuff. Any way, the point of this project is to hire a professional conservator archivist type of person to come in and, again as he understands it, organize the material, curate the material in the proper

way meaning store it in the right way, file it in the right way in protective things and organize it so that it's accessible. We've talked over the last couple of years about the fact that as many of us are approaching the culmination of our careers, we want to leave Town records and Town Hall in good order for the next generation of people who end up there. This is one of those things that would provide for the records of the Town Clerk to be maintained in a responsible way over the next 20 or 30 years.

Chairman Mosca asked if this would be computerizing everything also. Earl Sires stated there may be some of that involved. As members know, one of the things that the Town is doing is scanning and maintaining a bunch of stuff in digital format just to reduce space as well. That's what that's about.

Mark Hounsell stated he was greatly encouraged by this initiative because he has been in the vault and he knows what Rhoda (Quint) has to deal with. Earl Sires stated Tupperware to all sort of stuff. Mark stated he didn't know how the Town manages to keep it all in that space and he didn't know how they found anything. It's a chore that's needed to be done and he was glad to see it. Earl stated he would let Rhoda know.

Dick Klement stated that Earl Sires had stated that some was being computerized. Wouldn't it be more secure if you could have the entire records kept in two different locations for survivability reasons and to do that, he would assume, it would probably be easier to put that in electronic format rather than making archival copies of records that fill pallets. Is there any thought process to computerizing the whole thing. Earl Sires stated there may be and he would have to ask Rhoda (Quint) to what degree there will be digitizing involved. He did know that the physical records they are required to maintain those and also for historian sake people want to have those original records. They are not just information, they are historical artifacts that have value. Part of it is to keep those in good condition, too. He will find out about that and, as he mentioned, they are digitizing a lot of their more mundane records like Building Permits. Dick stated you have to remember that we don't teach cursive any more so that the next generation may not be able to read it. Earl stated they may want to convert all of these from cursive, and not only cursive, but as you get farther back the writing gets more fancy, harder to read.

Earl Sires proceeded with funding that the Selectmen are proposing for the Town of Conway 250th Anniversary Celebration which is an effort that the Selectmen were approached by representatives of the Historical Society a couple of years ago pointing out that the 250th Anniversary is coming up and we had quite a 200th apparently about 50 years ago and they wanted to do something similar. The Selectmen have encouraged that, they have quite an effort going on. There's a local committee that's been working for about a year now. There's a variety of things; some of the things that they're planning are expanding on things that already exist. Maureen (Seavey) is on that committee and there are other folks. They're expanding the 4th of July Parade and festivities, bumping that up to be something that's worthy of a 250th Celebration and some other events during the 4th of July week; historical commemoration in early October, the actual founding date of the Town. It will actually start the end of this year,

New Year's Eve 2014 with fireworks and sort of ringing in the 250th. There is a core group of things that will happen and then there are a variety of different organizations, agencies and groups that are planning things to kind of go along with all of this through the year. They want to make the entire year as recognizing the Anniversary. This provides funding for a variety of their efforts and that's what he knows about it.

Earl Sires proceeded with the Eastern Slope Airport Warrant Article. The Selectmen are proposing an Article that requests \$10,000.00 for the support of the Eastern Slope Airport. He will give the short history. There are folks here who can give you the long history if you'd like. The Town did support the Airport for quite some time and started not doing that probably 5 or 6 years ago. The Airport was constructed through the cooperative effort of several towns, including Conway, to move the Airport that had been in the Settler's Green area over to Fryeburg. Members heard a lot about that last time. The Selectmen have come to understand the importance of the Airport to the local, both economy and transportation needs and medical service needs and a variety of other things and are asking the voters to begin funding again by the Town to the tune of \$10,000.00. He thought there was some folks here who have more expertise and knowledge than he does on the Airport and if the members had questions, he was sure they could certainly answer them.

Dick Klement stated as he understands it, once this Warrant Article is passed, then the Town Budget immediately gets expanded to include this for all future years. Earl Sires stated not necessarily. In the past it was presented every year. He didn't believe the Selectmen have taken a position on that. He thought basically they had proposed this for one year and, as he said, in the past any way it had been presented year to year. Dick asked so is it or isn't it; is this going to be an annual request Warrant Article. Earl stated yes.

Mark Hounsell stated even if it was in the Operating Budget which he believes it should be, the voters can amend the Budget although it would be something the Selectmen would have to override because they're bottom line driven. He thought the point is lost when we discuss our involvement with the Airport that we already receive a benefit. Actually we have reneged on a commitment that the Town made quite some time ago to be a participant to the communities of the Eastern Slope Airport Authority and we've been getting the benefits of it, but really haven't ponyed up any resources ourselves.

Earl Sires stated it would be thoroughly permissible under DRA Regulations to include funding for the Airport within the Budget. They recognize that as part of the municipality so it could be. Dick Klement stated and that's why he asked the question. Earl stated it could be, it could be. Dick stated so when the voter votes for this and says "yeah, I'll give them \$10,000.00 this year", but not knowing if he says yes to giving them \$10,000.00 this year that it's going into the Operating Budget automatically so that the voter that is saying "okay, open the coffers", they get \$10,000.00 a year forever. Mark Hounsell stated that's not correct. Dick stated he didn't know whether it's correct or not. Earl stated that might be a question for the Selectmen at the Deliberative Session of what their intentions are. They did not really take a position on that that's all he knows at this point.

Stacy Sand stated she thought they did discuss the possibility of it going into the Operating Budget if the Town showed support for it that it might make more sense, but a firm vote was not taken at that time.

Mark Hounsell stated no current Board can tie the hands of a future Board and in March, you'll have a different Board, it may be the same people, but it will be a different Board. The approval of this or the vote on this doesn't negate whether they put it in the Operating Budget or not. If this doesn't pass, a future Board could still put it in the Operating Budget. That always remains regardless of the outcome of this vote. This vote is specific to something new and he thought it probably should be in the Operating Budget after it passes this year, should it pass. Dick Klement stated that's his concern. Mark stated that's his hope.

Dick stated we're talking about saying "okay vote one time", this has shades of our current government, we vote one time to say "yeah, I'll give them \$10,000.00 this year" and then you're obligating yourself to keep stuffing money down the hole in future years. We can go and tell the Selectmen that "hey, we're going to cut you by \$10,000.00; we want to take the Airport out". They don't have to take the Airport out, they just have to cut the \$10,000.00 if it's reduced by that much.

Mark Hounsell stated this current Board on this current Budget which is before us decided not to put it in the Operating Budget. Your concerns are for future years and no one has a crystal ball to say what a future Board might do. Dick Klement stated he listened to the discussion that was on Valley Vision and a lot of stuff was bandied about by "hey, we've got a line; we can stick it in there; let's put it in a Warrant Article this year and then we can put it in the Budget". That was discussed at the meeting. He knows no vote was taken, but this is another one of those things of we'll just slide it in there and it's there forever. It's kind of government taking over things, but we should be used to that by now.

Steven Steiner stated the only thing he would like to add, in his opinion, when he ran that was part of his platform, that Airport is the future of this area and without it, this area will die. Dick Klement stated he thought the need for that \$10,000.00 to get them to build a better building so that people can come in and have a Latte instead of a cup of coffee. Steven stated no, Dick. Dick stated excuse me, the number of people you don't see this thing as miniscule that come into the Valley. Steven stated he disagreed.

Chairman Mosca stopped the conversation between Steven Steiner and Dick Klement stating that we are not going back and forth. If you have a point to make, make your point. We are not going back and forth.

Frank McCarthy stated he would like to give his two cents in on this. A lot of people that he talked to seemed to be against the Airport and the reason was "I'm not going to give \$10,000.00 so that some rich dude can fly in to go skiing". If you explain to them that if somebody wants to build a factory some where in the Valley, they don't want to have to drive 3 or 4 hours to get to that factory to check things, how the management is doing. They want to be able to fly somewhere, drive maybe 10 or 15 minutes to their factory, check things out and then go check another factory. They

can do that at this Airport. He agrees with Mr. Steiner, he thought it was a very, very important link to the economy for this area.

Chairman Mosca stated to Frank's point, the General Manager at Cranmore sent a letter to the Selectmen to that exact point. The new owners of Cranmore used that Airport to fly in and fly out because they own 3 properties and it makes it convenient to them to come up here. Had that option not been available to them, they may not have bought the mountain. For anybody who has been to Cranmore in the last few years, they've put probably \$10 Million into it and they're putting more money into it. He agrees wholeheartedly on what Frank had to say.

Bill Marvel stated he didn't. They flew in and bought Cranmore with the Town's \$10,000.00 contribution. He always kind of chokes when he hears people explaining that something is going to be our economic salvation. He remembers about 30 years ago a certain real estate agent coming to the Planning Board and lobbying us to approve the site for the Canon Factory Towel Outlet which was suppose to kick start a retail boom here and not that many years later, people started complaining that the low paying retail jobs around here were preventing people from making a living wage, they couldn't live near enough to work so we had to build affordable housing for them. Someone that was very close to that real estate agent was in on that conversation. When he hears terms used like "sustainable development" in terms of trying to draw people to improve our economy and the White Mountain Board of Realtors mentioned in the same sentence, he has a little sense of contradiction there because he doesn't think the real estate business lately has been living off selling the capital from under our feet, the land beneath us and raping the landscape for trophy homes and affordable housing. He doesn't consider that sustainable development. What he sees is private enterprise posing as public interest in order to pick the public pocket.

John Edgerton stated the medical aspects of the Airport are probably even more important. He flew out of the Airport; one of the Angel Flight Systems where you take people who can not afford to get to a hospital, in their particular case they only took children to Children's Hospital in Springfield from airports all over New Hampshire and Maine. Without that Airport, they wouldn't have had a vehicle to be able to do that. Some of the children were taken from Fryeburg to Springfield. That's a different aspect.

John Edgerton stated somebody said something about it being tax dollars and these dollars, \$10,000.00 here and \$10,000.00 there, gives us \$180,000.00 of Federal funds. Those Federal funds are dictated to only be used for an Airport. They can't be used for anything else. It's part of the Air Transportation Budget System.

Earl Sires stated that was it, but he did want to talk about the Default Budget a little bit. That is something, in Conway, the Budget Committee approves the Default Budget. Lily (Gilligan) has worked up the proposed Default Budget as Lucy (Philbrick) has done in the past and they wanted to hand it out, go over it and he would imagine that maybe during the intervening time before the next meeting members would have time to look at that and decide to go from there, but it is your responsibility and

they are providing the Committee with the information, but it's up to you all to make a decision and here's Lily.

Lily Gilligan stated she had passed out the documents at the beginning of the meeting and as Earl (Sires) said, this is the proposal for the Default Budget. She is not mandating that the members accept this, it is just the document that was derived by her review of every single account line in the General Fund according to State law. What she did, according to State law, is take the 2013 Budget figures for every single account line, adjusted them for the allowances, the Labor and Benefits would be at the 2014 rates, that the Operating Expenses that are not under Contract for 2014 would be at the 2013 rates and adjusted for any new Contracts that were signed. There were new Contracts for the Fire Department for the new Non-Precinct Fire Services as well as for the Ambulance Services, there is a new Ambulance Service Contract, so that's where you see the \$4,735.00 increase over last year for Ambulance and \$6,622.00 increase for Fire over last year. The explanation is also showing you that there's also a hand full of Contracts that are in place for 2014 for software services for the Finance Office, the Assessing Office and the Town Clerk's Office. The rest are salary adjustments as well as the New Hampshire Retirement System increases that were only in place for 6 months last year are now the full 12 months this year as well as the Health Insurance benefits increases. The reductions is the \$3,000.00 less owed for the Bonds, Salary reduction in the Finance Department and salary adjustments for Planning, Zoning and Solid Waste due to the fact that there is less overtime expected due to the fact that the Transvale situation has come to nearly a close. She has extreme detail if the members would like it. It's the Default Budget on steroids here in the box if you'd like it.

Chairman Mosca stated he was looking at the Highway and Solid Waste salary adjustments. If the voters haven't approved the Contract yet, how can you have money added in there towards the Default Budget. Lily Gilligan stated the Contract Warrant Article is only for a change due to the increase desired for the boot stipend. It is not a change for how they are given salary increases. Chairman stated that's the point he was trying to get to earlier. There's \$50,000.00 here in salary increases that doesn't show and that's just for this year. Over the life of the Contract, it's \$150,000.00 plus Retirement, so the total dollar figure of the Contract is probably close to \$200,000.00. Even though we don't have to put that, the voters need to know that.

Stacy Sand stated isn't that increase true of all of their Town employees whether they are under a Contract or not. Earl Sires stated if the current Pay Plan were to continue, yes. Chairman Mosca stated when you're approving a Contract, you should know all the costs of the Contract and whether the Contract is passed or not, yes they are going to get the pay increases, but there are still costs associated with the Contract because language can be changed in the Contract or the Pay Plan could be changed through a Warrant Article. If you're not telling the people what they're actually voting on, then they don't know what they are voting on. Nine Hundred Dollars (\$900.00) is not the true figure of the Contract. The true figure of the Contract is, like he said, some where in the \$200,000.00+ range for 3 years.

Mark Hounsell stated he should know this because he's been on both Boards, but why does the Town propose a Default Budget to the Budget Committee thereby having the Budget Committee set the Default Budget and yet the School sets the Default Budget and the Budget Committee has not input. He should know the answer and he doesn't. Earl Sires stated simply 5, 6 or 7 years ago the Legislature provided for towns the ability to vote who does it. In Conway, they decided not to have the Budget Committee do the School and, on the other hand, to have the Budget Committee do the Default Budget for the Town. It was voter action.

Chairman Mosca stated based on the RSA's, everything here has to be in the Default Budget. Earl Sires stated what we have done in the past to sort of finish your question is because we have the staff ability, they have provided the Committee with a calculation of the Default Budget based on the provisions of State law. That's what Lily (Gilligan) is presenting tonight. They may have an adjustment or two if someone pointed out something that they hadn't caught, but pretty much it is what it is.

Doug Swett stated he thought what they were saying here is you'd like to have the Warrant Article explained to the public, the whole story. Chairman Mosca stated yes. Doug stated the RSA, the way it is written in that State of New Hampshire, doesn't let you do it. Chairman stated correct; it doesn't require that it be done and that's why he asked if in the write up, the explanation, they could put in that through the Pay Plan there is going to be other costs, whether it's passed or not. Doug stated he thought they'd sent Warrant Articles down with considerable amount of detail and they get back a re-written Warrant Article. Chairman stated right, but in the explanation they can put other notations. The Warrant Article is the Warrant Article, the explanation is something that is put together by Earl (Sires). Earl stated they put together, and they've been sort of over the years adding more and more sort of explanatory information in these guides that they produce, which some communities don't do, but they've made it more and more involved. You can't add explanatory information to the Warrant Article or even on the Ballot or the Warrant itself. As Doug points out, he couldn't remember what it was, but a few years ago they had this Warrant Article that had a good deal of information and they (DRA) came back and said it was too much. Basically, you present the facts, present them simply and then you can have supplementary information that's given out for voters to read through which is what they try to do and that would be the place where they could add some additional information about the cost of the Contract. Doug stated because of this, they present these Articles with figures of \$900.00 and it sways the way they vote. He means that if the voter read all the stuff in advance, but they won't.

Mark Hounsell stated he thought the practice of the explanation has worked out real well so far. He was originally, not really concerned, looking to see if the explanations actually became a sales pitch. Earl Sires stated they try to avoid that. Mark stated you present the facts and he thanked Earl for that because the temptation perhaps at times might be such that you could. Earl stated it's even tougher when you have to explain at the Deliberative Session when a Warrant Article was changed. They just say it was changed and don't say why because, unless there was something in the actual motion that said why, we're all of a sudden interpreting voter will or we're presenting propaganda. Mark stated you are to be commended for

that because the temptation could be there. Earl stated it has been tempting at times.

Bill Marvel stated he just wanted to say he understood why they don't view the salary increases as pertinent to the Contract, but the irony is what the law requires you to include actually defeats the purpose of explaining to the public because it sort of deceives the voter who isn't otherwise informed to supposing that's the only cost. So adding during the course of this Contract so much salary increase would be entailed in year 1, 2 or 3. Of course, you can't tell for sure.

Earl Sires stated he thought Joe's (Mosca) point was a good one and they can try to put some additional explanatory information in there.

Frank McCarthy stated on Line 3, prior year's Operating Budget that refers to 2013. Lily Gilligan stated yes. Frank asked why, you know, on this one for the Default Budget, he's looking at the Public Safety and Police, more than half of the increase is in the Police Department, \$232,000.00, but it says on here that the prior year's Operating Budget was \$3,310,000.00 but according to the information that we have here and the definitive expenditures for this year, it said that last year's Budget was only \$3,317,000.00, not much of a big difference, but what's the difference. Where did this \$232,000.00 extra come from. Lily asked where was Frank looking at and advised Frank that it was not accurate. Lily gave Frank a sheet that was accurate. Lily passed out an updated bottom line to the members for their review.

Earl Sires stated the up shot of the Default Budget is that it actually ends up being higher than the Operating Budget this year because there was such a significant increase and as Frank (McCarthy) is pointing out, the Police Department and other Departments in the Labor lines. Chairman Mosca stated in the last 4 or 5 years the Default Budget has been higher than the Operating Budget. Earl stated he wasn't sure that it had been; it could well have been as he didn't recall off hand. Lily Gilligan stated it's very close, it's \$5,355.00 more. Earl stated it's not a huge difference.

Frank McCarthy stated when Dr. Nelson was here and he said that the Default Budget was actually going to be lower this year, the School Budget, he went through the roof, he was ecstatic and now to find out that the Town Budget is \$400,000.00 more in the Default Budget than the Regular Budget, what's happening here. It's even more than the School Budget. Mark Hounsell stated it's almost the same.

Mark Hounsell stated the revised bottom line is \$10,134,833.00; the proposed Default is \$10,149,557.00, essentially the same amount. Lily Gilligan stated it's due to rounding, it's up by \$1.00. The State form doesn't allow you to put in the cents where this form from the Town Budget documenting accounting system has it to the penny. She didn't show the pennies, she rounded it so that you're not belabored with all of those extra figures after the decimal point. Earl Sires stated they did check last year's and the Default Budget was lower than the approved Operating Budget. It's the only information that they have from past years.

Frank McCarthy stated going back to last week actually, how many unanticipated departures did you have last year, Officers with more than 5 years experience. Chief Wagner stated two. Frank stated he asked that last week and he thought Lt. Perley said you didn't have any leave. Lt. Perley stated he didn't speak to that last week. Rodney King stated he thought what they said was that there were 3 Officers that left.

Danielle Santuccio stated we can't hear you back there. Rodney King stated we struggle to hear you back here, believe him. Mr. King stated they had 3 Officers leave last year. You (Frank) said with more than 5 years; 2 of them had more than 5 years worth of service. Chief Wagner stated all 3 had more than 5 years. Frank stated the reason he asked the question is because this year you've budgeted \$35,000.00, but you spent \$64,400.00 and now you're budgeting \$35,000.00 again. He just assumed since they spent so much last year, \$65,000.00 for unanticipated departures, you must have had quite a few of them leave. Mr. King stated they had 3, but they budgeted \$35,000.00 last year and he believes they budgeted again \$35,000.00 this year. Frank stated you did, but last year you budgeted \$35,000.00 and spent \$65,000.00. Chief Wagner stated because we don't know. Frank stated he knew that. Mr. King stated he didn't believe that they went over budget. Frank stated he just wanted to know how many left and these anticipated costs, exactly what are they. He knows it's probably in the Contract, but we haven't gotten copies of the Contract yet. Chief Wagner stated when somebody retires, they pretty much know what their buy out is going to be, so they can anticipate what those are going to be as long as somebody tells him they plan to retire. The unanticipated things are when somebody leaves. Frank stated that's what this refers to: unanticipated only, no retirements. Chief Wagner stated it's both. Frank stated that's not what it says.

Danielle Santuccio stated last year didn't you have a Warrant Article as well because you hadn't anticipated departure or was that the year before. Rodney King stated it was the year before. Danielle stated and that got voted down. Mr. King stated it did get voted down and they put it in the Operating Budget. Danielle stated that's what she was trying to get at.

Doug Swett stated you had one retire, right? Chief Wagner stated they had one retire. Doug asked if the other 3 went to other Police Departments or did they just quit. Chief Wagner stated they did not; all 3 of them got out of the Police force.

Frank McCarthy stated the other question he has was on the Merit account. It's suppose to cover merit raises for all employees. Now in the last couple of years you've budgeted \$1,000.00, spent zero; budgeted \$1,000.00, spent zero; but this year you're budgeting \$15,000.00 and in past years you budgeted \$15,000.00, but spent zero. Why do you keep budgeting \$15,000.00 and not spending anything. Chief Wagner stated we talked about that last week. Frank stated he knew that, but he didn't get a good answer last week. Chief Wagner stated you got the answer that's the truth. The answer is we budget for it and it gets divvied up into separate lines. It gets divvied up into Regular Officers line, Dispatchers line, secretarial line. How is it accounted for? He couldn't tell Frank, but he knows that's what happens. Frank stated see Chief that's my point, you've got \$15,000.00, but you spent, according to the paperwork that he has, as far as merit pay, nobody got anything.

Chairman Mosca stated what happens is they budget for merit pay and when people get paid, they put it in the actual line item that it gets paid out of. Chief Wagner stated correct. Chairman stated it just gets reallocated, it's an accounting trick. Lucy Philbrick spoke with Frank in explaining the accounting procedure. Lily Gilligan stated there are no tricks. After speaking with Lucy, Frank stated that doesn't help him out in understanding it when he sees it on here and it's got zero he thinks zero is spent. Lucy stated that's just the way we do it. Chief Wagner stated he thought what Frank was seeing, the \$1,000.00, is what was left.

Mark Hounsell asked if the auditors are satisfied with the way the Town keeps track of things. Lily Gilligan stated yes. Earl Sires stated since she is leaving, he would point out that ever since he has been here the Town has had clean audits that reflect the sound, appropriate and excellent financial management under Lucy's (Philbrick) guidance. So yes they are happy. (Round of applause for Lucy.)

Earl Sires asked how many folks wanted copies of the Union Agreement just so that he doesn't make way more than we need. Danielle Santuccio asked if Earl could e-mail them so that we don't kill so many trees. Earl stated he certainly could and if somebody wanted a paper copy let Joe (Mosca) know, otherwise he will e-mail it to everybody. Joe stated paper copies for Doug (Swett) and Frank (McCarthy).

Chairman Mosca thanked everyone from the Town for coming out this evening.

OLD BUSINESS

Chairman Mosca stated that Monday night's meeting is here in this room at 6:30 PM. We will be discussing the School Budget and then on Wednesday night we are here also. Wednesday he believed is non-profits. It is a joint meeting with the Selectmen. We will call the meeting to order, adjourn our meeting and go to the joint meeting which the Selectmen will run and when we are done, we are going to go back into our meeting.

NEW BUSINESS

Bill Marvel stated he wanted to point out that Frank (McCarthy) was right when he calculated the real increase between the Actual Expenditures in the School from this year to next year's proposed Budget is 6.03%. Danielle Santuccio stated she had 4.54%. Bill stated he only subtracted the \$605,000.00 in actual unspent funds from the \$33.137 Million and then subtracted the result of that from their proposed Budget and came up with a difference of \$1,962,605.00 and that works out to 6.03% of the actual expenditure this year.

Mark Hounsell stated he would be prepared next week to present the School Board's thinking on this but he just wanted to make a comment that he was kind of amused that this \$900,000.00 return to reduce taxes is some how projected as a negative. Chairman Mosca stated it's not projected as a negative, they're looking for the true number of the percentage increase. If you're giving back almost \$1 Million, then the true percentage increase is your Budget minus that \$1 Million you're giving back. It's not a negative. Mark stated but the case is in year's past and previous Boards

have returned money from the Budget. Chairman stated he didn't disagree with Mark. This is just some one else looking at it from a different angle and saying that the real percentage increase is different than the percentage increase and that's true. He has never questioned it and he didn't think any one else has. Mark stated he thought what's lost is the asking from last year to this year is only 3%. Chairman stated the asking is only that, but if you calculate the give back then the asking is actually higher and that's their point. He understood what Mark was saying. Monday we will have more than enough time to discuss the School.

Dick Klement stated in one of the previous Budget Committee Boards a point was raised by a member who is no longer here that since the School was giving back money, they should subtract that money from their request so that they would have less of an impact in future years. The problem is, it's a great thought, but once you give back the \$500,000.00 and reduce your Budget by that much, the next year there isn't a \$500,000.00 surplus. The reason the School has several problems and one is the Special Ed thing. They have virtually no control over Special Ed and how that money has to be spent. The Town is spending almost \$200,000.00 for a couple of kids each. Once you get them out of the local area and into a special school, the money just flows, but the School can't overrun it's Budget. So, if you are within 3%, and think of your household, at the end of the year, you've done pretty good budgeting. He knows it's a lot of money, \$1 Million is 3% roughly, that's an awful lot of money but in percentage terms, they're doing pretty good.

Chairman Mosca stated he didn't disagree and he was going to cut off any further discussion on the School until Monday night. If anybody wants to comment on anything but the School Department, feel free.

Frank McCarthy stated this is a question in general and he thought he knew the answer, in fact he was sure he knew the answer. The general consensus of opinion, who is the governing authority with the Town of Conway. Is it the Board of Selectmen or is it the Town Manager. He believes it is the Board of Selectmen.

Mark Hounsell stated the Selectmen are the Executive Branch and they do the governance. They manage a whole bunch of things, but they can't do something that's forbidden by State law and they can't spend money that isn't approved by the legislative body. The legislative body is not the governing body as he understands the term "governing body".

Frank McCarthy stated according to the RSA's, to transfer an appropriation from one line item to another line item, it takes the authority and the permission of the Board of Governors. It doesn't say anything about a Town Manager. It says the Board of Governors.

Chairman Mosca stated he was going to stop at that because he is going to make one comment and then we are going to drop it and you can not like me if you want to. If the Town Manager came in here and didn't give us this book and he gave us one slip of paper with one number on it, that's what this Board is voting on and that's what the public is voting on. All of the line items in here is their estimate. The bottom line is the only thing we vote on. The bottom line is the only thing that the taxpayer votes on. The \$10 Million is what we vote on, is what they vote on. You

can throw the book away because it really doesn't mean anything. The line items mean nothing. It's their projection of where they anticipate the money is going to go. We, as a Board, the taxpayers vote on one number. Either we accept that number or we reject that number. That's why the Town Manager and the Selectmen can move money wherever they want because we, as the Board and as the public, vote on one number. The same thing with the School Department, you can throw it out the window. If they came in here and gave us one number, that's all we would be looking at.

Frank McCarthy stated so you (Chairman Mosca) are saying we have no fiduciary responsibility to make sure that the Budget is carried out in accordance with law. Chairman stated he was not saying that. Frank stated that is what you are saying; you're saying what we have to do is look at the bottom line and they can move their appropriations any way they want, blah, blah, blah. They can't. Chairman stated yes, they can. Frank stated no they can not; they have to have permission of the governing body, not the Town Manager. Chairman stated he disagreed. Frank stated read the law, he sent a copy to the Chairman. Chairman stated he knew Frank did, but there are other aspects of the RSA's that allow them to do what they do and that's why we, as a body, only vote on a bottom line. Frank asked the Chairman to show it to him.

Mark Hounsell stated remember a couple of years ago there was an attempt to do away with the Budget Committee saying that we would recommend only. There's a 10% factor that is within our authority. Once again, what we see, and he thought working quite well, is this Budget Committee has become the check and balance that this Town has needed and the expertise that is around here really scrutinizes the reason why we have a bottom line so that when we make a recommendation, we have reasons behind those recommendations so the Town Manager, the Selectmen, the School Board and the Superintendent all are smart enough to know that it is to their advantage to present everything as best they can, but it remains an estimate. He is quite certain that the governing body of the Town of Conway is the Board of Selectmen. He is quite certain of that.

Frank McCarthy asked if he could make one more comment. The reason why he thinks this is important, it's not a matter of who governs it and all of that, it's a matter of money, how the money is spent. Let me tell you why. A couple of years ago the Police Department had \$60,000.00 or \$70,000.00 left over. They went out and spent a bunch of money on bicycles and cameras or whatever. Those items were not ever appropriated properly. There was never a legal appropriation for those items and somebody said "oh, they can do whatever they want; nothing we can do about it". They're wrong. In order to move money from one appropriation, it can only go to another appropriation. It can not go to a new appropriation. It must go to an appropriation that needs money that is already there, but is low on money. To move money at the end of the year and buy whatever they want is illegal, period.

Stacy Sand stated all she was going to say is that every Town appropriation is signed off by the Selectmen. There's no Town Manager deciding he's going to do this and he's going to do that. He presents everything to the Selectmen, a body of 5 people make a decision as to whether they sign off on that bill or not. The Police have another layer as does the Library, even though we (Selectmen) sign the bills that pay

it, their Boards are actually managing those funds. When it comes to what the Police spends, the first thing is the Police Commissioners, you need to talk to them because they are the ones that are administering the Police Budget.

Frank McCarthy stated they administer it, but they are not the governing body. Stacy Sand stated they are for the Police Department. Frank asked why is the Police Department Budget in the Town Budget then rather than just a separate Budget.

Mark Hounsell stated he just thought that it's a harsh word to say that an action of moving funds from one line item to another is illegal. That's a harsh statement. Mark asked Frank to allow him to finish as he still has the floor. He thought it was a harsh statement because the authority is clearly theirs to make those type of changes. The appropriation that the voters vote on is the bottom line. They scrutinize it through the Warrant and by listening to us, but the appropriation is the bottom line. Mark again asked Frank to let him finish. Mark stated he thought he was done because he was really quite irritated with being interrupted when he is trying to make a point, a counter-point sir.

Dick Klement moved, seconded by Brian Charles, to adjourn the meeting at 9:33 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary