

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 12, 2014**

A meeting of the Municipal Budget Committee was called to order at 6:05 PM in the Auditorium at Kennett High School with the following members present: Chairman Joe Mosca, Danielle Santuccio, Maureen Seavey, Bill Marvel, Doug Swett, Michael Fougere (arriving at 6:25 PM), Greydon Turner (arriving at 6:13 PM), Stacy Sand, Steven Steiner, Peter Donohoe, John Edgerton, Dick Pollock, Maury McKinney (arriving at 6:40 PM) and Brian Charles. Excused: Dick Klement, Frank McCarthy and Mark Hounsell.

Steven Steiner led those present in the Pledge of Allegiance.

PUBLIC HEARING - PRECINCTS

CENTER CONWAY FIRE PRECINCT

Nancy Leavitt, Treasurer stated the proposed Budget for 2014 was \$174,775.00.

Steven Steiner asked if the Budget had gone down. Mrs. Leavitt stated yes. Steven stated on behalf of the taxpayers he would like to thank you, seriously for caring about the taxpayers.

There being no further questions, comments or concerns the hearing was closed with the proposed budget of \$174,775.00.

EAST CONWAY FIRE PRECINCT

Harry Pendexter stated their Budget for last year was \$57,870.00 and the proposed Budget for 2014 was \$57,650.00. It's a couple of hundred dollars less than the previous year.

Steven Steiner stated again he would like to thank you for doing your job in servicing this community and keeping your Budget as low as it can be.

There being no further questions, comments or concerns the hearing was closed with the proposed budget of \$57,650.00.

REDSTONE FIRE PRECINCT

Ann Michelle Ames, Commissioner, stated their Budget for last year was \$58,600.00 and the proposed Budget for 2014 was \$56,500.00.

Steven Steiner stated he wanted to thank the men and women that service this beautiful community and thank you for keeping the Budget as low as possible.

There being no further questions, comments or concerns the hearing was closed with the proposed budget of \$56,500.00.

PUBLIC HEARING - TOWN

Chairman Mosca opened the Town portion of the Public Hearing at 6:30 PM.

Earl Sires, Town Manager, stated this is the Budget Committee Public Hearing for the 2014 Town of Conway Budget. We have for the folks in attendance and any of you at home that want to come get some, there will be some left around tomorrow for sure, three different pieces of information. We have a public information packet, the draft Warrant as it will appear on the Warrant on voting day and for the Deliberative Session and also Budget detail for the Town Operating Budget. He was going to work out of the information packet and, just for all of those folks that have it, it includes a number of pieces of information: a Narrative, explanation of the Operating Budget both in general and by Department, a Summary Budget spreadsheet on page 9 and then the Warrant is presented in this packet as well with some explanatory information for some of the Warrant Articles, then there are spreadsheets for all of the Capital Reserve Funds, Revenue Projection is included as Exhibit 9 and then finally a Tax Rate calculation at the last page.

Earl Sires stated the proposed Budget tonight that is being considered is forwarded to the Budget Committee from the Board of Selectmen. The Budget Committee in turn will make a recommendation in the next few days that will be placed on the Warrant for the Deliberative Meeting coming up in early March and then folks will attend that meeting and talk about that Budget and they have the ability to make changes and adjustments in the requested and proposed funding at that time. Finally in early April, April 8th he believed this year, we have voting day where everyone shows up at the polls and votes on the Budgets.

Earl Sires stated basically the proposed Budget totals \$10,141,914.00; that's \$455,000.00 or 4.7% over last year's appropriation and that's detailed in Exhibit 1. As we talked about before, the Budget is basically composed of three components that are each overseen by an elected Board; that includes the Police Commission and Police Department, Library Trustees and Library, and the Board of Selectmen/Town Manager Departments are included as well.

Earl Sires stated the Police Department is proposing an increase of 7.4% or almost \$245,000.00 and this is the most significant increase and it's really due almost entirely to increased employee costs. Over the last few years the voters have approved additional staffing and there have been some changes in the way that the Town is required to fund Retirement for Police Officers and other employees and in addition, health insurance has gone up. That increase of \$245,000.00 really is about the employees, the added employees and the added costs.

Earl Sires stated the Library Budget increases by 8% or about \$37,000.00. Again, largely employee costs. The Board of Selectmen/Town Manager Budget increases by just under 3% or \$173,000.00. Again, while there are some other operating increases, that is largely made up of costs for employees. The Default Budget has not been determined at this time, that will be the responsibility of the Budget Committee here in the next couple of days as well.

Earl Sires stated in the Narrative he notes that unlike the last several years, this Budget does not include new employees or expanded programs and he notes again what's driving it is the decisions that have been made over the last few years.

Earl Sires stated significant increases as he noted are employee benefits, health insurance and Retirement increases by \$105,000.00 and that is an amount that includes all of the Selectmen/Town Manager employees except for the Solid Waste employees. They did experience a 14% increase in Health Insurance this year and that's what's driving a lot of that; Police, as he mentioned before, \$245,000.00 employee costs; Highway goes up \$23,000.00, almost \$24,000.00 and that's a variety of operating items and staff costs; Solid Waste is \$24,000.00, almost \$25,000.00 increase, staff there again; the Parks and Recreation Department increases by about \$18,000.00 and around \$11,000.00 of that is due to the fact that this year the Selectmen have decided to include the operating of the Skating Rink in the Operating Budget. It was approved as a Warrant Article last year and the Selectmen have decided now to include that as a component of the Recreation Department. The Library, as he mentioned, increases \$37,000.00 and that's employee costs as well.

Earl Sires stated for decreases there's a short list: \$6,000.00 in Government Buildings and that's associated with efficiencies in some of the Town's buildings that have been created in the rehabbing of those buildings so they have saved on heating costs. There's a decrease in insurance based primarily on how the insurance premium was allocated amongst the Departments, the total that the Town experienced this year is up some what, but the total that's apportioned to the non-Police section is \$17,000.00 less.

Chairman Mosca stated he was going to do the same as last year and everybody should have a copy of the public information packet. Robert Barriault asked should we wait to ask our questions after you go through this whole thing or can we ask questions after each one. Chairman stated he would ask questions on each Article as we do them. Mr. Barriault asked about the Operating Budget and Chairman stated that's the first Article that we're going to talk about.

Article 2: The Operating Budget for a total of \$10,141,914.00. Chairman Mosca asked if there were any questions or discussions.

Robert Barriault stated to Earl Sires, on the Ambulance you indicated that there's approximately a 3% increase for Cost of Living adjustment. He was not sure he understood what Index was used in order to determine that to arrive at a 3% Cost of Living raise. Everything he has seen indicates that the Consumer Price Index, at least the base one, is about 1.5% for last year. Earl Sires stated originally he thought it was a CPI and then it's a built contractual increase each year after the first year he believed is the way it goes, but he didn't have that Contract handy.

Robert Barriault stated as it was written in the Warrant Article last year or whenever it was, the year before last, it said that there would an adjustment each year of Cost of Living increase, but not to exceed 3%. It didn't say that it would be 3%, it just said that the Cost of Living. It seems to him that this is rather a generous increase. Earl Sires

stated he thought the first year, and he couldn't remember and didn't have the Contract handy, after a certain point it became a fixed number in the Contract. He can look that up and let him know tomorrow.

Robert Barriault stated from his point of view, he thought what is stated in the Warrant Article is what the Legislative body voted on and that said that the Contract was for \$157,000.00 or whatever it was a year with a Cost of Living adjustment. It seems to him that the Cost of Living adjustment should be the same Consumer Price Index that is used for almost everything else that's determined. Earl Sires stated again, he would check, but he believed that the Cost of Living referenced a general increase for increased costs and not tied to a particular measure, but he will look.

Robert Barriault stated on the Health Insurance, in the packet that is on the website, there is a list of he thought 6 different Plans. Are all of those Plans made available to employees or do you just select one of those. Earl Sires stated what goes on is the benefit which is the Town paying the 80% is pegged to a particular Plan and then there are two and maybe there's a third that's not often used, but there are two other Plans that are offered and employees can choose to take the amount that is determined by 80% of the mid-point Plan and either buy up by paying more or buy down and the 80% benefit goes a little further towards the premium.

Robert Barriault stated under Legal, the Budgets have been pretty high the last couple of years or so, has that solely been due to the Transvale Acres or whatever you call it. Earl Sires stated it's largely Transvale Acres and we're coming up on the third year into that and he guessed he would say that they have continued to be astounded by how adamant some folks are about keeping things that the Town feels are not legal and the degree to which the Town ends up in Court and tied up. Yes, he thought though that this year the Town has sort of hit the crest and they're going to be hopefully, and he won't even say hopefully, the plan is that those costs are going to come down. The other thing last year that took up a lot of that was the Fair Point tax case that our Assessor has been dealing with and defending, addressing on behalf of the Town, very skillfully along with the Town Attorney for the last 13 years. It's a long story, but he did believe they are starting to see a potential for actually coming to agreement on how much they pay for their property in this Town which they have not been willing to do up to this point.

Robert Barriault stated if the Court rules in favor of the Town on some of these cases, can the Town recover their Court costs. Earl Sires stated the Town has asked Peter Malia to do that whenever possible and they've probably only had 3 or 4 cases that have been resolved at this point and in those situations, the actual Court cases they haven't ended up with attorney's fees, but there have been a couple of settlements where the Town ended up having folks pay the Town back for some of the effort that the Town had to undertake.

Earl Sires stated the other thing about Fair Point and what he wants to emphasize is that it's been a long battle, but there will be a payoff and the Town will get increased tax revenue from that.

Robert Barriault stated he guessed that was it for now. Thank you.

Article 3: Three-Year Collective Bargaining Agreement for the Calendar Years 2014-2016 Between the Town of Conway and AFSCME #93, Local 859, Department of Public Works. The first year's increase is \$4,407.00; the second year's increase is \$26,191.00; and the third year's increase is \$26,967.00, for a total cost of \$89,870.00.

Earl Sires stated he wanted to comment and make sure that he notes that this Article looks a lot different than what it did when he talked about it 2 or 3 weeks ago. At that time, the Town was operating under the guidance that they had been receiving from DRA for quite some time which was only new cost items or newly negotiated items that have a cost impact are presented in the Warrant Article. What was new to the Town, and because the Budget Committee had asked the question, he made sure to look into it, and what was new to them was the multi-year agreement. In a multi-year agreement they have specific guidance for how to list the cost impact because people are not just voting on a 1 year Budget implication, they're voting on a number of years. The Town has to present this, and this is according to DRA's guidance, it shows the cost impact of the 3 years and, as the Chairman said, the first year is only \$4,407.00 because raises are given in November so that's only a 2 month part of the raise. The next year, the raise will be \$26,000.00 as Chairman said, and the next year would be \$27,000.00. What the \$89,000.00 does is the Town is required to tally up the total cost over the life of the Contract. What that's showing is you get a raise of \$4,000.00 in 2014, but you've got that in 15 and 16. Then when you get a raise in 2015 of \$26,000.00, or the employees do, that carries also into 2016 and then in the 3rd year you get a raise on top of that. This \$89,000.00 is the difference between status quo at this point and the end of the 3-year Contract so that's what that means.

Robert Barriault stated these figures that you have here, is this a reflection of any change in the Pay Plan that has been in existence. Earl Sires stated he was really glad Mr. Barriault asked that question because, and Peter (Donohoe) asked a good question the other night, which was when you negotiate an agreement and the Town has negotiated a new agreement that they are proposing for 3 years, you expect to get something for that agreement. The answer to Peter's question was the Town has, over time, reduced the potential raises that employees of the Public Works can get from 5.5% to a calculation that they are using of 2.5% for this Contract life. This was instituted last year in 2013, so what the original proposal from the Union staff was that they wanted to be able to go back to the 5.5%. The Town indicated that it was not willing to do that. They wanted to stick with the 2.5% that they had sort of brought this down to and then the proposal was that the Union would like to see this for a 3 year Contract. Same Pay Plan as last year, but a reduction over time of the last few years so that was the answer to Peter's question. That's what they felt they were getting in this deal.

Amy Snow stated she just had a question, she knows that with the School system if a Contract fails, there's no raises and everything stays status quo, but there's no raises given and everybody stays. She has heard some things and has seen so many meetings on TV that she can't keep them straight, she thought she heard that even if this fails, if this Article

fails, they still get a raise. Earl Sires stated if this Article fails, we're at a status quo situation which means there would be no raise. Insurance benefits would be provided because it's the same deal but the premium happens to go up, but their insurance does carry forward, but no raise.

Robert Barriault asked if the Town was still using this 30-Town Average for establishing what the pay scales will be or is that no longer in existence. Earl Sires stated they are still using that, but they have also moved more and part of this transition over the last few years was to move to using CPI to a certain degree to create the benchmark. He thought John (Edgerton) was talking about CPI being 1.5% and Earl was talking about 2.5% the last time. What Earl had forgotten was that within the agreement and its sort of a long story, but the CPI can't fall below the 2.5% or the number they use, so there's a range. Because it was 1.5%, they were using 2.5% as the floor this year and that's why he was confused. You (John) were right last time. Yes, we still use the 30-Town.

Robert Barriault stated he has never been in favor of that 30-Town Survey. Earl Sires stated they use the 30-Town Survey to come up with the average salary for a position and other information drives the amount of increase you can get based on whether you're higher or lower than the average. They still use the basic Plan, but they've introduced the CPI information into it and that's part of how they are now sort of lower than they used to be.

Robert Barriault asked is that factored into the language of the Union Contracts that this 30-Town Average is included. Earl Sires stated yes. Mr. Barriault stated so there's no way that can be changed without negotiating with the Unions. Earl stated that's correct, it would have to be a negotiated item in the Collective Bargaining.

Article 4: Shall the Town, if Article #3 is defeated, authorize the governing body to call one special meeting at its option to address Article cost items only. There were no questions, comments or concerns.

Article 5: Capital Reserve Fund for Infrastructure Reconstruction in amount \$325,000.00. There were no questions, comments or concerns.

Article 6: Capital Reserve Fund for Highway Equipment in amount \$275,000.00. There were no questions, comments or concerns.

Article 7: Capital Reserve Fund for Solid Waste Equipment in amount \$80,000.00. There were no questions, comments or concerns.

Article 8: Capital Reserve Fund for Landfill Expansion in amount \$75,000.00.

Robert Barriault stated he would like and probably for the benefit of the audience as well, have an explanation for why the Selectmen were not willing to consider examining the way in which we fund for the Expansion going to a bonding because with our debt service now being virtually nil, we have 4 years remaining on the Library and it's about \$300,000.00 or so, it just seems to him that bonding makes more sense especially in view of the fact of that exercise he went through and provided you that showed

that the inflation related devaluation of that money that was deposited was almost 18% reduction. He thought there had been discussions over the last few years about alternative approaches for handling waste whether it be pay-by-the-bag or single stream type where we cart it off to some Plant that processes it and so forth. Who knows, 15 years from now we may find that there might be something more suitable than operating our own landfill.

Earl Sires stated he was going to start with some of the answer and he thought Paul (DegliAngeli) probably would want to talk a little bit about post-Closure and his thoughts about that and probably Stacy (Sand) wants to talk a little bit too. He will give the general answer and that is they do have a Board that oversees the Solid Waste District made up of the towns of Albany, Eaton and Conway. There was discussion, as he recalls, at that Committee and also the Selectmen and the feeling amongst the folks involved was that they wanted to, there was real concern about what might happen if, and he guessed you'd call it, the momentum for saving for the future expansion was lost or discontinued. Their preference was to just sort of to begin right away and start to save for the future and stay on that program. The Selectmen did last night decide to reduce this year's contribution from \$135,000.00 to \$75,000.00 just to sort of take the edge off of things a little bit this year. Paul had talked earlier too with the Selectmen about the fact that once we get to the end of the saving period that those funds would be used for closure if we don't end up expanding the Landfill.

Paul DegliAngeli stated every time they expand a Phase and the Landfill is permitted for 5 Phases at that site, they just built Phase 3 this summer. They are required, the State has a requirement, that the permittee, and that would be the Town in this case, has the funds for Closure in escrow. We, the Town of Conway, told the State "no, we're not going to do that" and the escrow account that they wanted the money in was requiring co-signatures so he couldn't take the money out, the Town couldn't take the money out without the State also signing. They entertained that request for all of a nanosecond and said "no" and they went back and forth over the course of several months with the State and the compromise was the situation we have now which is since we're saving money to build the next Phase, we don't plan to close the Landfill at the end of Phase 2. They've just built Phase 3; Phase 2 has another 9 months to 12 months left in it. He is going to build Phase 3, so why should he put away all the money to close Phase 2 when he is never going to close Phases 1 and 2. He's going to build Phase 3. If it turns out that he doesn't build Phase 3, then the money that they have in their Capital Reserve Fund for Closure plus the money that they've put away for expansion is enough to do closure of all of it. The State has agreed to this and that's the program that we have and every year we, Lucy now Lily, certify this, how much is there, what the balance is, what's projected, how many more years do they have left in the operating Phase, what's the projection they are going to have when they get there. What the State is concerned about is that the Town have the money to properly close the facility. They don't want us to get to the end of the useful life of the Landfill and then have the Town shrug their shoulders and say "we don't have the money to close, sorry" and it stays open to the elements, etc. Our Permit and their continued operating Permit is contingent on the fact that they're putting money away towards this

closure. Is that an absolute must? That was the arrangement we made with the State when they finally approved us.

Robert Barriault stated he didn't disagree with Paul DegliAngeli, he thought it made all the sense in the world to put the money aside for the Closure because as you (Paul) say once you have to close it, you have to have the money in hand, but on the expansion aspect of it, he was not sure that rationale holds because you don't know 13 years from now whether or not that's still going to be the most suitable approach to handling our waste and he thought the concern for not putting that money aside, you might have difficulty passing a Bond if the decision was 2 years out that you wanted to open up another cell that you would have difficulty getting it. He didn't think there would be any difficulty because nobody wants their trash to end up in their driveway so he doesn't see that as a problem at all. His original discussion with Earl Sires and what he had sent him the note on was really he didn't question the Closure aspect of it, he was looking at further ahead for the next expansion as to whether 13 years from now whether that will still be the appropriate way to go.

Paul DegliAngeli stated what he likes to say about the future is: hard saying, not knowing. He can't predict the future and he didn't think anyone here could, but he can look back and say for the last 200 years we've either buried or burned our trash and he can say that when the Town decided to build the current state of the art sanitary lined Landfill that we were the only municipality doing so and that the State was reluctant actually to allow us to do this because of our scale. The reason it made sense was because of our geographic location. Before they built Phase 3, they looked at all of the options and fortunately or unfortunately, depending on how you look at it, because of where we are located, trucking plays such an expense that the only foreseeable option for us is to continue operating our Landfill. While he can't predict the future and while he's not a betting man, he'd be willing to bet a nickel that we will expand into the next Phase because he doesn't see technology that we're going to be able to afford at our coming that's going to allow us to incinerate and pass emission standards at the scale the Town operates on. Now there are a number of scenarios and he openly admits that he can't tell what's going to happen. In Vermont trash is done by county, it's done by the State because that's more efficient because they say okay, here are the populations, here are the distances, here's trucking, cost logistics so we're going to have a facility here, a facility there, a facility there and that's where your trash is going to go. In Vermont they are experiencing with these cyngas incinerators, super high heat, they're really expensive to build but it's done at a State level. We're in New Hampshire and things haven't been as progressive in our house regarding solid waste. Will that change in 15 years, he wished he could tell.

Article 9: Capital Reserve Fund for Maintenance of Town Buildings and Facilities in amount \$175,000.00. There were no questions, comments or concerns.

Article 10: Capital Reserve Fund for Parks Department Vehicles and Equipment in amount \$20,000.00. There were no questions, comments or concerns.

Article 11: Capital Reserve Fund For Police Vehicles in amount \$60,000.00. There were no questions, comments or concerns.

Article 12: Expendable Trust Fund for PEG in amount \$100,000.00.

Earl Sires stated just an update, you may have seen this before at \$130,000.00, we generate about \$134,000.00 a year in franchise fees from the Cable Company for the right to use our rights-of-way for their cable. In the past, most of that \$130,000.00 has been proposed to go into the Expendable Trust Fund for use solely for public education and governmental TV. Over time and in large part because when we renegotiated the Contract, we received in excess of \$100,000.00 for equipment upgrades, most of which is still in there, that Fund is now at about \$237,000.00 as of the end of last month. The Selectmen thought that this year they could reduce the amount that's put in there and the other \$35,000.00 now goes, under this proposal, into the General Fund to create some Revenue that they felt was needed. The \$100,000.00 into the Fund this year, the Selectmen have entered into a tentative Contract and intend to execute a Contract with Valley Vision for \$97,500.00 this year for the same kind of services that we have been receiving over the last few years, so they felt they could fund that Contract in the operating for this year with \$100,000.00 and free up a little bit of Revenue for the General Fund.

Robert Barriault stated when this Fund was originally established, wasn't it established that the franchise fees, the total sum, would be deposited into that Fund. Earl Sires stated he didn't believe it to be the total. Mr. Barriault stated and what was controlled was how much was going out and that was and that the Selectmen would have the authority to. Earl stated over time, a lot of times they haven't put the entire amount in, but it's been several thousand dollars that ended up in the General Fund. He didn't believe that's the case, but again he'll check and if they need to amend that, they certainly will.

Amy Snow stated we have a Contract with Madison or is it the Town of Conway has a Contract with the Town of Madison to use those air waves or is that with Valley Vision. Earl Sires stated they have an agreements that enable a number of different surrounding towns to participate in Valley Vision in several different ways. Some towns are happy to just be able see what's on there, Bartlett is one of those. Other towns have participated over time, Albany being one of those, and they are able to see what's on Channel 3 and they also have some services provided by Valley Vision for some of their meetings and so on. Jackson is involved now, Fryeburg and there is funding also coming from these other towns that wasn't there before, save for Albany. To answer your specific question, there is an agreement that enables Madison, and this gets into some history that he will try to be brief about. They had an agreement through an earlier franchise agreement that provided that several towns shared a Channel and Madison was one of those towns. When they renegotiated in 2010, they negotiated their own Conway Channel 3 and however they worked with Madison to continue to use one day to broadcast their content. Long story short, yes we have an agreement. They provide funding and they still have a day that they get to use on our Channel for

their programming and that's going to continue for the next couple of years, but at some point we will renegotiate that.

Amy Snow stated the funds that we get from Madison and Fryeburg, where does that money go, does that all go into the General Fund. Earl Sires stated that's a good question. Those funds go to support Valley Vision because, and Theresa Kennett was there at the time, and for quite a while there was a struggle and an effort to try to get other communities to participate in funding Valley Vision because earlier on when we had the shared Channel, there were other towns that were viewing the Channel even though they didn't have the right to through the Franchise Agreement, and that's a whole other story, but the concern back in the early 2000's was we're funding to a substantial degree Valley Vision that other towns were seeing without funding. Part of getting our own Channel was to enable us to control who saw it and who didn't and once we disincluded some communities from being able to watch our Channel, they were then more interested in helping to fund it. He told Theresa the other day that the 20 year effort to get other towns to participate has finally paid off. So, to answer your question, those monies go to Valley Vision, not to the Town.

Article 13: Records Retention and Archiving Project in the Town Clerk's Department in amount \$10,000.00.

Earl Sires stated quick note this time on that one. It was originally proposed to be a 5 year project at \$25,000.00. The Selectmen and Rhoda (Quint) have talked and she's willing to reduce that to a 2 year project at \$10,000.00 to sort of get it going and see how it's going to go and then come back and talk about it at that time.

Article 14: Town of Conway 250th Anniversary Celebration in amount \$20,000.00.

John Edgerton stated there's a typo because it shows that the Budget Committee voted and the Selectmen didn't. Chairman Mosca stated it says the Budget Committee voted, we have not and it says the Board of Selectmen have not voted and he was sure they had. Earl Sires stated that 5-0-0 is the Selectmen vote and it was probably his typo because he did this part.

Article 15: Eastern Slope Airport in amount \$10,000.00.

Theresa Kennett stated she wanted to take one more opportunity to encourage support for this Article. She knows it's difficult some times, she doesn't have a plane, she doesn't use the Airport on a regular basis, yet the work she has been doing with several regional organizations, the research they've been doing, the interviewing they've been doing has helped her and others understand that the Airport is an essential component in helping us improve our economic opportunity in this Valley. In just a few minutes you're all going to review once again a \$33 Million School Budget. In a few months, students who have benefited from that Budget, some of them will graduate; 60% of those who graduate will go off to spend more time and more money in their education and when they've finally achieved the level of skill and knowledge that they want, they will not come back here because there's very limited economic opportunity

for them. The remaining 40% who don't go on, who stay back after they graduate from High School will literally stay back because there is limited economic opportunity for them.

Theresa Kennett further stated she thought that the Airport is a wise investment that protects the investment we made in our children as well as the investment that other regions make in their children. Children, who when they grow into young adulthood might want to move here. She's not trying to tell you that the \$10,000.00 Warrant Article or the Airport is the total solution to improving economic opportunity in this Valley, but it is a very strategic part of the solution that many people are working on. The current economy we have is really not sustainable and if we want to make sure that we all have an improved quality of life and that we all enjoy the opportunity to earn a decent living in this community, this is one investment that she hopes this Town will make and that other towns in this region will make. That's it.

Robert Barriault asked if this was a Special Article or a separate Article. In other words, will this be coming up each year for a vote or, if it's approved, will it become part of the Operating Budget. Earl Sires stated that it's intended that this is a one year Warrant Article. They did not take any position on including it. They haven't decided to include it in future years. Mr. Barriault stated so it's a Special Article. Earl stated at this point, yes.

Mike Fougere stated just his two cents, if it wasn't for a working Airport, he wouldn't be here. The Med Flight is what brought him from Lovell to Lewiston and then to Portland. Just his two cents. Thank you.

Article 16: White Mountain Community Health Center in amount \$35,565.00, level funded from last year. There were no questions, comments or concerns.

Article 17: The Gibson Center for Senior Services, Inc. in amount \$35,000.00, up from \$30,000.00 last year. There were no questions, comments or concerns.

Robert Barriault asked Chairman Mosca to indicate whether these are level funded or whether they're an increase or a decrease from last year.

Article 18: Tri-County Community Action in amount \$13,000.00, level funded from last year. There were no questions, comments or concerns.

Article 19: Children Unlimited, Inc. in amount \$13,000.00, up from \$12,000.00 last year. There were no questions, comments or concerns.

Article 20: North Conway Community Center in amount \$75,000.00, level funded from last year. There were no questions, comments or concerns.

Article 21: Carroll County Transit Blue Loon Bus Service in amount \$4,000.00, up \$1,000.00 from last year.

Jack Rose, Chairman of Carroll County Public Transportation, stated he was disappointed to see that the Selectmen declined to support this initiative. We have provided last year an increase of over 1,000 rides to

bringing that total to nearly 4,000 rides for needy people, people who don't have any other means of transportation, who need to get to doctors and shopping and they can't afford to pay taxis. A lot of them are handicapped and they can't ride anything other than a handicap capable vehicle. He's looking for \$4,000.00 and hopefully you will take that into consideration that we don't want to lose this service, the people need it and it's growing every year. He would appreciate the Committee's full consideration when you get to vote on this Article. Thank you.

Article 22: Starting Point in amount \$6,935.00, level funded from last year. There were no questions, comments or concerns.

Article 23: Vaughan Community Service, Inc. in amount \$10,000.00, \$5,000.00 requested last year.

Robert Barriault asked for an explanation. Chairman Mosca stated it's the cost of food. They had to spend \$23,000.00 he believed of their own money last year for food. They serviced over 100,000 meals in the Valley and the cost of food and the cost of doing business, they're just not getting the donations. That's what it is.

Article 24: North Conway Day Care in amount \$3,000.00, level funded from last year. There were no questions, comments or concerns.

Article 25: The Mental Health Center in amount \$10,115.00, level funded from last year. There were no questions, comments or concerns.

Article 26: To see if the Town of Conway will dedicate a section of Greeley Road in the memory of Brian Abrams and to petition to see if the current winter maintenance of Greeley Road will be expanded approximately a distance of .5 miles. There were no questions, comments or concerns.

Article 27: The adoption of a tax cap of 2.5% per year. There were no questions, comments or concerns.

Article 28: Compensation for the Three Members of the Supervisors of the Checklist in amount \$300.00 each from the current \$1,000.00 to \$1,300.00.

Earl Sires stated he wanted to point out that this is an earlier version of the Warrant Article. What it should read is in the third sentence from the end "\$900.00 to fund this increase for 2014" and it should read "after which the compensation will be included in the annual Budget". This is an ongoing funding issue here. There was some question earlier on whether it was to be for one year or if it was ongoing. It was resolved to be ongoing.

Amy Snow asked how many do we have. Earl Sires stated 3.

Chairman Mosca stated that is the conclusion of the Town Warrant.

Robert Barriault stated he would like to ask a couple of general questions on some things here. As far as the Town's Budget, if you look at the past 10 years, the Town has done quite well as far as the Budget is concerned. That 10 year period it's been about a little less than 3% a year which he thought was fairly reasonable. What is disturbing is the

tax assessment, that portion of the total Budget that has to be collected from property taxes. For that same 10 year period, it's almost 80% and this is not sustainable. We can't continue this way. This is saying to him that funds from non-tax sources are just not keeping pace with our costs of services. We can't continue this as far as he's concerned and there's only two or three ways to resolve this. You either find other sources of Revenue to help support that which you are collecting from property taxes or you cut back on your services and your expenses or you, as somebody has apparently put in here, have a tax cap. He was not sure whether he totally supported that. When you get in desperation, you've got to do something and he just looks at this and say he's retired now, he's on a fixed income and he's finding all of these increases just like everybody else is and he's got to make adjustments for it. He doesn't see that occurring here. Looking at these figures that you have here for the proposed impact on taxes, you're talking about the amount raised by taxes is almost an 8% increase. That, to him, is unacceptable. He's not sure what the solution is.

Earl Sires stated he agreed, he didn't know what the solution is but that's been the challenge and it's been the decline in non-tax Revenue and that's what the tax cap Article is trying to get at, it's trying to limit the amount to be raised by taxes because that's what ultimately, particularly in times of sort of stagnating property values, which we are seeing a little light at the end of the tunnel, but not a lot. You're right and he guessed he would point out that over the last several of years there's been a number of things that have been proposed at Town Meeting that would have reduced expenditures somewhat. Those things were reversed by people at Town Meeting or, in fact, proposals that added significant funding were approved. The Police have asked for and have been supported by the community for additional resources. He thought people were aware that the Tax rate was going to go up so he understands the quandary and didn't have an answer and he's not sure either whether he supports the tax cap or not yet.

Robert Barriault stated he really appreciates that the Selectmen last year or year before last made some recommendations to really make some cuts. The fact that the legislative body put it back in and if they do it then live with it. At least he wants to see his elected officials that are in power to make a real effort to try to hold the line on expenses and not just "we'll make these cuts, but we know the voters are just going to put it back in". Earl Sires stated he thought the proposals that were made were genuinely presented by the Selectmen and other outfits of government, but there wasn't they were thrown out there and they figured the people were just going to put them back in. He thought that was genuinely an attempt to do some of this. He thought the Selectmen would say they've been frustrated at times. He didn't know what the answer was, but you've identified the problem.

Amy Snow stated she wasn't going to say anything tonight, she was going to wait until Town Meeting, but she is compelled to speak her mind. When she was watching the non-profits on Channel 3, it just finally dawned on her that we have a lot of redundancy in this town and she's not saying one way or the other for any of the non-profits, but if you think about it, our taxes pay for the Conway Community Center and it does a wonderful job and then we have the North Conway Community Center that wants us to

give them money to service the John Fuller kids because for one reason or another they can't get to the Conway Community Center. In the next portion of this, the School Project SUCCEED is going to want money from us to take care of our kids before and after school because for one reason or another they can't get to the Community Center or the Community Center isn't available to them. She knows what Project SUCCEED does and thought it was a good program, but it just seems that we have all of these entities asking us for money when our taxes are already paying for a perfectly good service that's available to us. The Gibson Center offers rides, but we have the Blue Loon that offers rides and she knows he said that they don't overlap services and stuff like that, but it just seems like we have a lot of redundancy going on and until people start really thinking about how they vote on these non-profits, that's another big part of our tax base. Some people just vote blindly, yes, yes, yes, yes to everything because they want these services and they're all good services and then they turn around and say "I can't afford to pay my taxes". She thought that people just needed to seriously think and vote conservatively to try to keep our taxes at a reasonable rate.

Chairman Mosca stated he was going to jump in on the Park Department and North Conway Community Center and the point you (Amy Snow) made about the John Fuller kids and he knows that was said during the meeting and he thought he jumped in and said "if we only had one elementary school, it's the kids from the Northern part of the town which are serviced by North Conway Community Center and the kids from the southern part of town are from the Town Community Center". He didn't want to throw school names in there and he said that at our meeting the other night. He has concerns on the cost of those and he brought those out. As it was stated, the two different facilities have different programs for the kids so there not duplicated as such. Some of the kids from the southern part of the Town come up to the North Conway Community Center for some of the services that they have and some of the kids from the northern part go down the other way. Again, he hears what she is saying and he agrees, but just as a clarification he thought that needs to be made.

Amy Snow stated she does understand that they don't, but to look at it, we have a Parks Department, we have a Rec Department and we also have to pay them for their offered services. Chairman Mosca stated point well taken.

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

PUBLIC HEARING - SCHOOL

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

Article 2: Kennett High School Facilities Maintenance Fund in amount \$54,443.00. There were no questions, comments or concerns.

Article 3: Kennett Middle School Facilities Maintenance Fund in amount \$17,086.00. There were no questions, comments or concerns.

Article 4: Elementary Schools Facilities Maintenance Fund in amount \$9,900.00.

Robert Barriault stated in the paper today they were reporting that the Bartlett School Budget was down some 2.5% or something like that and when they were breaking down where those savings were, they mentioned he thought \$24,000.00 for the High School Bond. Why is that? This doesn't have anything to do with this, correct.

Chairman Mosca stated we'll bring that up at the end if you'd like. He was sure there was an answer.

Article 5: Conway Education Association Contract negotiations, 2014-15, total cost of \$365,125.00.

Robert Barriault asked if we could hear something about what these costs entail. What is it? What did they negotiate.

Kevin Richard stated to Robert Barriault that all of the Contracts were on page 7. If you go back to the yellow sheets, there's an outline of the CEA Contract and it talks about the CEA/the teachers, it's \$1,350.00 per teacher and there's a 5% contribution to their Dental Plan and you can see where it goes from there. Then there is the CESP which is the support staff is directly below that. He didn't know if that answered Mr. Barriault's questions.

Mr. Barriault asked what did they give up? Kevin Richard stated they've gone without a Contract over the past few years and he turned it over to Janine McLachlan since she was part of the negotiating team. Ms. McLachlan stated she was the Chair of the School Board and she was the Chair of this Committee as well. They actually will now be contributing a percentage towards their Dental Plan, the 5% that Kevin mentioned. They also gave up in regards to language and flexibility with some of the Department Heads being able to teach additional classes. There was also an agreement to reduce the deductible pool by \$2,000.00. There were a number of dollar amount things as well as some language that they were looking to make changes to.

Article 6: The School Budget in amount \$34,099,504.00.

Bill Marvel stated he was just curious to know who didn't vote on the School Board. Chairman Mosca asked if someone was absent from the vote, it was 501. Jim Hill stated he thought that might have been the night that Kelly Murphy may have been absent.

Article 7: The Conway Educational Support Personnel negotiations; \$42,588.00. There were no questions, comments or concerns.

Article 8: The AFSCME Contract; 2014-15 there will be an increase of \$13,133.00 and 2015-16 will be \$46,538.00. There were no questions, comments or concerns.

Article 9: Project SUCCEED in amount \$48,780.00 is the request; anticipated Revenue would be \$20,000.00 for a net of \$28,780.00.

Robert Barriault asked how does that compare with last year. Kevin Richard stated last year it was \$44,305.00. Mr. Barriault stated and yet

they still anticipate that the amount of Revenue is going to remain static at \$20,000.00. It seems to him that if there are going to be increases in these Budgets, if there is any kind of a pro-rated fee, those fees should be also increased proportional to the amount that they're asking for an increase in their Operating Budget.

Article 10: Capital Reserve Fund for School Buses in amount \$75,000.00. There were no questions, comments or concerns.

Article 11: School Buildings Maintenance Fund in amount \$100,000.00. There were no questions, comments or concerns.

Article 12: Discontinuation of the Tuition Trust Fund.

Robert Barriault asked what this was. Jim Hill stated you'll probably remember back when they built the High School they got a big lump sum payment for the vocational portion. What they did was set up a Trust Fund so that they paid off that portion of the Bond over time and this is the balance left in that account, so it's unnecessary.

Amy Snow asked how much was left in the account. Jim Hill stated about \$45,000.00.

Robert Barriault asked if he could go back because the Chairman was going through these so fast it was hard to read these and then try to comment on it. Chairman Mosca stated for Mr. Barriault to feel free.

Robert Barriault stated on Article 11, has any money been withdrawn from this Fund since its existence. What is the balance in that Fund. Jim Hill stated about \$152,000.00, off the top of his head he can't recall. They did do an oil tank a couple of years ago and they have an Elementary Trust Fund and then there is this Trust Fund, some of that money may have come out of this Trust Fund for a fuel tank at Conway Elementary School. That was about \$120,000.00. Mr. Hill stated he could look into that and would let Mr. Barriault know.

Amy Snow stated we have a Building Maintenance Fund for each building and then we have this General Building Maintenance Fund. Jim Hill stated the first three Articles are required under the Tuition Contracts and the way he looks at it is that those are for the long term, for example the roof on this facility. This Maintenance Trust Fund are for those emergencies for the fuel tank that goes, the roof that shatters, the boiler that goes and unanticipated things that you need to have those funds available.

Robert Barriault stated we had a Trust Fund that was for Special Ed. He didn't see it in here; what happened to it. Pam Stimson stated currently they have \$401,000.00 in it and that should keep them covered for quite a while so they did not put in a Warrant Article this year for additional funds. Mr. Barriault stated so the fact is that in the 6 years it has been in existence you've never drawn on it. Ms. Stimson stated that's correct. Mr. Barriault asked why do we have it. Ms. Stimson stated in the event they have students with significant needs move in that they haven't budgeted for, they will have to draw on it and it could be quite significant amount of funding.

Article 13: The adoption of a tax cap of 2.5% per year.

Amy Snow asked if it was a petitioned Article. Chairman Mosca stated it was.

Robert Barriault asked what is meant by a tax cap; are you talking about the Tax Rate or tax assessment? Chairman Mosca stated it would be a 2.5% increase is all that would be allowed over whatever is approved this year. If we approve \$34 Million this year for the School Budget, next year they would only be able to increase that by 2.5% if the Warrant Article were passed and it needs to be passed by three-fifths (3/5) majority.

Robert Barriault stated he was just curious about the article that was in the paper from Bartlett saying that part of their 2.5% reduction in their School Budget was attributed to \$24,000.00 reduction in the High School Bond payment. Why is that? He thought there was a formula that involved equalized valuation. Jim Hill stated the Bond payments, interest is going down as they pay it off, it gets lower and lower each year. Also that portion of the Tuition Contract is based on equalized value. For example, if Bartlett's percentage of the total equalized value when you take all of the towns together, if their equalized value goes down, their percentage contribution of the Bond goes down along with it.

Robert Barriault stated Bartlett has had the showing of a 2.5% reduction in their proposed Budget which will be the second year they've had a reduction. Jackson is going out offering to allow non-residents to go to their school in order to be able to get enough students in their classes. Yet, our Budget keeps going up on the number of personnel and so forth. Since those students eventually come to Conway to our schools, the High School and so forth, why is it we're not making a more concerted effort to tow the line and make some trimming on personnel because that's where the lion's share of the costs in school is labor and benefits.

Chairman Mosca stated he guessed he would attribute that question to Article 6, the Budget in general.

Kevin Richard stated he didn't think there was an increase in the personnel, but the Health Insurance, as you know, is extremely, extremely expensive. In this year's Budget you're talking about upwards of \$600,000.00 of an increase. The other thing that needs to be noted in the Budget is there were two big things that were added to the Operating Budget that typically were Warrant Articles in the past. There was \$125,000.00 added to the Budget for the Middle School Air Handler which was normally on a Warrant Article and then there was an additional \$75,000.00 for Technology that was put into the Operating Budget as well. Now you are talking about \$805,000.00 out of the \$900,000.00 increase that is in the Budget. To maintain those pieces along with the increases of the rest of the Budget, the only real additional personnel that you see is the increase from .6 Reading Teacher at Pine Tree to a 1.0. The High School did reduce 1.5 positions in their teaching staff there. Other than that there weren't any other additional Regular Ed teaching staff. For the Special Ed staff you'll see the increase was 4 Aides that were added because they've had some Preschool students who are moving in for Kindergarten so those are anticipated pieces as well.

Robert Barriault stated he understood the Health Insurance and so forth, but he was sure that Bartlett was experiencing those same increases and yet some how or other they are able to get a reduction in their Budget two years in a row. Maybe we should learn something from them.

Chairman Mosca closed the School portion of the Public Hearing at 8:03 PM.

BUDGET COMMITTEE

Chairman Mosca called the meeting to order at 8:07 PM.

PRECINCTS VOTE

Chairman Mosca began with the Redstone Fire Department with a total budget request of \$56,500.00.

John Edgerton moved, seconded by Doug Swett, to recommend and accept the Budget of \$56,500.00. In favor: 14; Opposed: 0; Abstain: 0.

Chairman Mosca proceeded with the Center Conway Fire Precinct with a total budget request of \$174,775.00.

John Edgerton moved, seconded by Steven Steiner, to recommend and accept the Budget of \$174,775.00. In favor: 14; Opposed: 0; Abstain: 0.

Chairman Mosca proceeded with the East Conway Fire Precinct with a total budget request of \$57,650.00.

John Edgerton moved, seconded by Steven Steiner, to recommend and accept the Budget of \$57,650.00. In favor: 14; Opposed: 0; Abstain: 0.

NON-PROFIT ARTICLES VOTE

Chairman Mosca proceeded with **Article 16** - White Mountain Community Health Center in amount \$35,565.00, level funded.

Greydon Turner moved, seconded by Steven Steiner, to recommend Article 16 - White Mountain Community Health Center. In favor: 13; Opposed: 1 - Doug Swett; Abstain: 0.

Chairman Mosca proceeded with **Article 17** - The Gibson Center For Senior Services, Inc. in amount \$35,000.00.

John Edgerton moved, seconded by Steven Steiner, to recommend Article 17 - The Gibson Center For Senior Services, Inc. In favor: 14; Opposed: 0; Abstain: 0.

Chairman Mosca proceeded with **Article 18** - Tri-County Community Action in amount \$13,000.00.

Steven Steiner moved, seconded by Peter Donohoe, to recommend Article 18 - Tri-County Community Action. In favor: 14; Opposed: 0; Abstain: 0.

Stacy Sand stated she would just like to publicly comment that even though she wants to see people get help with their fuel bills, she would rather see that \$13,000.00 go to energy efficiency measures that will reduce their fuel bills instead of paying for their fuel bills.

Chairman Mosca proceeded with **Article 19** - Children Unlimited, Inc. in amount \$13,000.00, up from \$12,000.00 last year.

Greydon Turner moved, seconded by Steven Steiner, to recommend Article 19 - Children Unlimited, Inc. In favor: 11; Opposed: 3 - John Edgerton, Doug Swett and Bill Marvel; Abstain: 0.

Bill Marvel stated his comment is that he hopes this isn't unanimous because they have increased the Conway proportion of their request fourfold over those of other towns and since we're the one who bears the burden of their tax exemption as well, he didn't think that was fair. They are going in the opposite direction than what he had hoped they would go last year.

Chairman Mosca proceeded with **Article 20** - North Conway Community Center in amount \$75,000.00.

Steven Steiner moved, seconded by Michael Fougere, to recommend Article 20 - North Conway Community Center. In favor: 13; Opposed: 0; Abstain: 1 - Peter Donohoe.

Chairman Mosca proceeded with **Article 21** - Carroll County Transit Blue Loon Bus Service in amount \$4,000.00.

Peter Donohoe moved, seconded by Greydon Turner, to recommend Article 21 - Carroll County Transit Blue Loon Bus Service. In favor: 0; Opposed: 14; Abstain: 0.

Chairman Mosca proceeded with **Article 22** - Starting Point in amount \$6,935.00.

Steven Steiner moved, seconded by Peter Donohoe, to recommend Article 22 - Starting Point. In favor: 13; Opposed: 1 - Doug Swett; Abstain: 0.

Chairman Mosca proceeded with **Article 23** - Vaughan Community Service, Inc. in amount \$10,000.00, it's double their request from last year.

Steven Steiner moved, seconded by Greydon Turner, to recommend Article 23 - Vaughan Community Service, Inc. In favor: 12; Opposed: 2 - Doug Swett and John Edgerton; Abstain: 0.

Chairman Mosca proceeded with **Article 24** - North Conway Day Care in amount \$3,000.00.

Greydon Turner moved, seconded by Steven Steiner, to recommend Article 24 - North Conway Day Care. In favor: 13; Opposed: 1 - Doug Swett; Abstain: 0.

Chairman Mosca proceeded with **Article 25** - Northern Human Services/The Mental Health Center in amount \$10,115.00.

Greydon Turner moved, seconded by Michael Fougere, to recommend Article 25 - Northern Human Services/The Mental Health Center. In favor: 10; Opposed: 4 - Bill Marvel, Doug Swett, Peter Donohoe and Joe Mosca; Abstain: 0.

Stacy Sand stated she just wanted to re-emphasize that they had a horrible presentation, but mental health services are a key component to the safety of our community as well as the health of our community and that is what this is for. You can look at the entire Northern Human Services Budget and get messed up and stuff. This is specifically to make up the difference for the folks who can't afford mental health services and don't have insurance.

Bill Marvel stated if he understood correctly, this doesn't come any where near meeting that figure and therefore he would point out that the more important thing is the fairness of the proportion of the request, besides the notion of whether the taxpayer should be paying for it directly or not.

Chairman Mosca stated that unless there is a State of Emergency tomorrow evening, we will be meeting at the Middle School at 6:30 PM to go over the Town and the School Warrant Articles.

Peter Donohoe asked if there was any possibility of meeting earlier tomorrow; was there anything that would prevent us from meeting earlier. Chairman Mosca stated yes because the posting has to be out 24 hours ahead of time and because we don't 24 hours, we can't do it. If we had thought about that at noon time today, we probably could have. He knows that the snow is not suppose to start until later in the day, so we should be safe.

Doug Swett moved, seconded by Bill Marvel, to adjourn the meeting at 8:20 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary