

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 21, 2015**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Professional Development Room at Kennett Middle School with the following members present: Chairman Joe Mosca, Maureen Seavey, Doug Swett, Dick Klement, Bill Masters, Christopher DeVries, Danielle Santuccio, Frank McCarthy, Terry McCarthy, Peter Donohoe, Steven Steiner, Stacy Sand, Maury McKinney, Mark Hounsell, John Edgerton and Greydon Turner. Absent: Michael Fougere. Also present: Earl Sires, Town Manager; Lilli Gilligan, Finance Director; Chief Ed Wagner, Lt. Chris Mattei and Lt. George Walker of the Conway Police Department; John Eastman, Parks and Recreation; Paul DegliAnegli, Public Works Department.

Christopher DeVries led those present in the Pledge of Allegiance.

APPROVAL OF MINUTES

John Edgerton moved, seconded by Bill Masters, to accept the Minutes of January 5, 2015, as amended. In favor: 14; Opposed: 0; Abstain: 2 - Maury McKinney and Greydon Turner.

Stacy Sand stated there was a typo on page 24, the paragraph before New Business, last line, should read "second seat".

TOWN REVIEW

Conservation Commission

Earl Sires presented the proposed Budget of \$12,056.00 which represents a 21% decrease based on the work plan for 2015.

Earl Sires stated basically the Conservation Commission Budget supports some of the administrative expenses and operating expenses of the Commission and also projects the Commission is going to undertake in 2015. As he was sure the members were aware, the Commission is a volunteer organization that, on behalf of the Town and as an entity of the Town, manages the Town's common lands and open space. Their Budget decreased \$3,144.00. Rob mentioned to Earl that this was the lowest Budget in the last 14 years. Rob wanted to make sure that Earl passed that along. Basically, in the Narrative section it explains some of the projects that are going to be undertaken this year and that would be on page 7. Projects for this year include maintenance and forest management activities in Shedd Woods which is an open space across from Memorial Hospital, the Town common lands in East Conway, Pudding Pond Conservation area over on the eastern part of North Conway, upper Davis and Abenaki properties in Intervale and trail improvements to Whitaker Woods. Basically, unless there are any questions, that's the overview of the Conservation Commission Budget.

Chairman Mosca thanked Earl for his presentation.

Police Department

Chief Wagner stated he thought he would do a general overview of the Police Department Budget. He just picked out some things that he thought were really important to discuss and then if there are any questions concerning any particular line items, he'll answer those questions.

Chief Wagner stated the overview of the Police Department, the Labor increased by \$25,372.00 or 1.2% this year. Part of that increase is the Regular Officers' line which increased by about 3% or \$39,863.00. Another part of that piece is that their Overtime increased by \$7,000.00 and that is to keep up with the Officer rate increase and any needs for overtime within the town. Benefits actually this year decreased by \$5,731.00 or a .5% decrease. Medical Insurance decreased by \$42,454.00 or a 9.9% decrease. Also included in the Benefits, there was a New Hampshire Retirement System increase. There was a rate increase as of July 1, 2015 for Group 2 from 25.3% to 26.38% and an increase in Group 2 from 10.77% to 11.1% and that was an increase of \$25,386.00. There's also some rate increases in Social Security and Worker's Compensation from Primex and they also increased their Earned Benefits line \$5,000.00, from \$35,000.00 to \$40,000.00. What he based that on is there is an average over the last 5 years that the Police Department has paid out over \$38,000.00 each year in Earned Benefits and what really brought that average down is that one year they didn't pay out any, but there was one year they paid out over \$64,000.00 as well. It increased that and he was not sure everybody knows, but he thought the Selectmen were putting an Article on the Warrant for an Earned Benefits line. That may or may not pass and it may or may not offset some the costs of the Police Department in Earned Benefits.

Chief Wagner stated the Operations line increased by \$32,900.00 or a 16.5% increase. The largest increase is \$25,000.00 in their Equipment line for 6 new portable radios. The old ones that are being replaced, as an example and he didn't know if anybody had heard, but it's going around town, up on Dinsmore Road they took down an armed robber out of Lawrence, MA, who was wanted out of Lawrence. Chairman Mosca stated that's why you were in my neighborhood today. Chief Wagner confirmed that was why they were in the Chairman's neighborhood. What they had to do, the Detectives and the people that were there had to borrow patrol radios because they couldn't talk on a secured frequency, so upgrading these 6 portable radios will allow everybody in the Department to have the same radios which is important because if he picked up a radio and he's used to a different one, he may hit a wrong button, so on and so forth. That's what that increase is for.

Chief Wagner stated their Vehicle line is an increase of \$4,567.00 or 3.8%; \$1,872.00 was a vehicle rate increase; the other increase is \$2,695.00 for vehicle equipment. They still have to outfit 2 new cruisers this year that they will hopefully be getting and after this year is done, they'll have to do one more. He is in hopes that this line will decrease next year because they will only have to outfit one new cruiser.

Chief Wagner stated just briefly, their Warrant Articles this year is a Commercial Duty Revolving Fund and that is they just want to change the wording in that Article to allow the Board of Selectmen to authorize the Police Department to purchase vehicle equipment for their vehicles. If that passes, their Vehicle Equipment line next year will go way down because they will use some of the money from the Commercial Duty Warrant Article to offset the price of vehicle equipment. They also have \$60,000.00 for 2 new vehicles this year which is the same as year's past. Just so that everybody knows, there is currently a little bit over \$8,000.00 in that account. They are also asking for a Victim Witness Advocate this year at about \$21,000.00 and when we get to that point Lt. Mattei has a little presentation that he would like to do for the Committee.

Chief Wagner stated that's the overview of the Police Department Budget and if any member had any questions, he would be sure to answer. Chairman Mosca stated the Chief did answer the couple of questions that the members did put out on Administrators and Supervisors.

John Edgerton asked what the special Warrant Articles were. Chief Wagner stated the Commercial Duty Revolving Fund which just authorizes the Board of Selectmen, the vehicles and the Victim Witness Advocate. He guessed he had to say that there is a Warrant Article that he thought the Selectmen are still discussing; one of the Selectmen asked the Police Department to look into purchasing a couple Speed Radar Signs. When you go into Moultonborough, there's a sign that reads out your speed and it flashes if you're going 5 miles over the speed limit. They have looked into that and if the Selectmen would like the Department to discuss that, they certainly will.

John Edgerton stated you don't have the one you used to have. Chief Wagner stated they do not. These are just portable little signs. John asked about the trailer. Chief Wagner stated it was a big trailer and that has been out of commission for probably 3 or 4 years now.

Mark Hounsell stated he knew the Legislature embarked a few years ago on what they call correcting the State Retirement System which means we've had to absorb some increases. Did the Chief have any idea if the increases are over with or is there any indication given at all or is that something we have to wait for. Chief Wagner stated he had no idea. He thought this was the third increase in the last 6, 7 or 8 years. He didn't know if Lilli (Gilligan) had any more information on that, but he usually finds out in October that there's been a rate increase. Mark stated he found it interesting the amount of increase that is in personnel equals the amount of increase in State Retirement or pretty close to it.

Mark Hounsell stated the other question he had was how is that machine we bought a few years ago that does away with drugs that aren't being used any more. Chief Wagner stated it's working really well. Lt. Mattei is usually the one that is out there in his fire suit and destroying those drugs. It's working really well for them. Mark asked if they get a lot of use out of it. Chief Wagner stated they do get a lot of use. They do it 2 or 3 times a year. They try to do it in the colder times, winter and

spring, because it gets really hot. Mark asked if other area Departments were making use of it. Chief Wagner stated he thought the Carroll County Sheriff's Department has brought some. Lt. Mattei stated yes, the Carroll County Sheriff's Department has brought drugs to them, Madison Police Department, other local agencies have brought drugs. When they are doing a burn, they call them to let them know they are doing a burn and they can bring their items over to them. In the lobby now they have a take back drug locker and they have to empty that every two months because it's completely full. Mark stated so these other Departments that at one time had to go to Laconia or Gilford or some place. Chief Wagner stated he thought it was farther south than that. Mark stated so they're being served quite well. Lt. Mattei agreed. Mark stated it's nice of us.

John Edgerton asked if the consumer can drop off drugs. Chief Wagner stated yes, they can drop off drugs in the Lobby in the drug box.

Frank McCarthy stated the recommended Budget by the BOC (Board of Commissioners), \$1,346,874.00, has that changed since this was printed. Chairman Mosca asked Frank what he was looking at. Frank stated he was looking at page 14 of what members were given for the Police Department Budget. Chairman stated the Budget carries over to page 15. Frank stated the BOC recommended \$1,346,874.00, but has that changed since this was printed. Chief Wagner stated he didn't have that number. Chairman asked if Frank was talking about just the first line item. Frank stated yes, Regular Officers. Chief Wagner stated for Regular Officers he had \$1,346,874.00, it's a 3% increase.

Frank McCarthy stated on Officers' Overtime, the next one down, last year you budgeted \$60,000.00 and spent \$108,000.00, that was in 2013; in 2014 you budgeted \$63,000.00 and spent \$92,000.00. Who supervises your Budget and approves the transfer of appropriations, from one appropriation to another, to cover these over expenditures. Chief Wagner stated it was his understanding that it's a bottom line Budget and as long as he doesn't go over the bottom line, then things could be moved around from one to the next. Frank stated he just wanted to get it on record.

Dick Klement stated he had two questions. He was intrigued because he was showing a bottom line Police Budget of \$3.6 Million. Chief Wagner agreed. Dick stated so we're apples and apples with what we have and what you have. He has two specific questions; one is on gasoline for the vehicles and you're asking for the same amount this year that you did last year even though gas has gone down roughly \$1.00 a gallon thereabouts. Members had spoken with Earl (Sires) a couple of weeks back and he said they'd come in during the Deliberative and reduce that. It would sure be nice to get a realistic estimate at this point so that we could look at what you really think it's going to cost, rather than saying "I'll come to the Deliberative after we've discussed this thing for two weeks and come up with some new numbers". He had an issue with the Police Department's fuel budget and probably with the heat and electricity too, although that's probably a different can of worms.

Dick Klement stated on the new radios, you cited encryption; is it encryption or frequency hopping. Chief Wagner stated it's encryption.

Dick Klement stated that we've heard things that the Public Advocate that he guessed would be a Warrant Article, that there is some discussion that you already have a person in mind for that, but wouldn't that come to a formal interview process by the Police Commissioners to determine, publicize, etc.

Chief Wagner stated he didn't know what Dick wanted him to answer first. He has had several conversations with Earl (Sires) reference their gasoline line and he guessed the only answer one could give is that they really have no idea what it's going to do 30 days from now, no less 12 months from now. If they lower it to \$65,000.00 if gas has gone down \$1.00 a gallon and then it goes up to \$4.00 a gallon again, then what do they do. He thought the answer that he's always gotten is that at this point they're not going to lower it, but they will look into it and then discuss it as a staff, meaning himself, Earl and Paul (DegliAngeli) and see where gas is going. He didn't think anybody at the meeting had a crystal ball to know where it's going to go and if they don't budget enough for that line item, then what do they do, they over spend their Budget. He thought it was really difficult to give a solid answer of "yea, in July it's going to be \$3.00 a gallon and in October it's going to go back up to \$4.00 a gallon". They just don't know and he thought that was the clearer answer.

Chief Wagner stated with the Victim Witness Advocate, they did have somebody in mind; that person is no longer available so they will be sending it out for the formal advertising process.

Dick Klement stated when you (Chief Wagner) weren't here, we were discussing with Earl (Sires) at a previous meeting about the unfortunate construction that took place at the Police Station and that more money is going to be required to fix the problems. His question, as he started out with, are we going to get this guy and try and have him/her or whomever come up with the money to fix it. We were told that the Statute of Limitations has gone by. Chief Wagner stated he thought 26 years, pretty much the Statute of Limitations has gone. Dick stated right, but at this point, if it wasn't built to code then, it's fraud. The guy basically said he didn't care about the Code and he slapped it together to get his money. Are we going to try to go after this guy and try to get some money from him and if we can't go after him to get money from him, are we at least going to publicize the name of the firm so that the public will know who defrauded the town. Chief Wagner stated Dick would certainly have to ask somebody that has more experience in building than he does and he certainly doesn't know what the Codes were 26 years ago. He was going to go out on a limb because he hasn't talked to Earl about it or his Police Commission, but he thought the answer is going to be no to all of those. Those decisions are made at a higher grade than himself.

Chairman Mosca stated he had two more people that had questions. On the gasoline, and he was just looking at the line item, in 2013 it was budgeted at \$75,000.00 and we spent just under \$60,000.00; in 2014 it was budgeted at \$71,000.00 and, he knows the final numbers aren't in, but it's at about \$55,000.00; so it seems to him that even if it was brought down to \$60,000.00 or \$62,000.00, based on numbers right now, there should

still be enough money in the line item. Chief Wagner stated he thought they had been very fortunate to be able to gas up at the end of every year. He agrees with the Chairman that they haven't spent the whole amount in that line item the past few years, but like he said, they've been very fortunate to be able to fill up right at the end of the year and carry over 2.5 months of gasoline for the cruisers. A fill up now is \$12,000.00; a fill up last July was \$18,000.00 or \$19,000.00. He thought it was difficult to predict and he wasn't saying that they should or they shouldn't lower that line item. He might feel comfortable with a few thousand, but he certainly didn't feel comfortable with tens of thousands. Chairman stated fair enough.

Mark Hounsell stated staying on the fuel, Chief Wagner had stated that they don't know what it is going to do. He thought we pretty well know it's not going to be the volatile market that we've seen in the past when it comes to oil. There may be swings one way or the other, but he didn't think we were going to see anything approaching \$4.00 in the year 2015 and, having said that, by the time Town Meeting comes around we will have experienced 25% of the entire year and at least during that period of time we've known that we've enjoyed good prices and this Budget which includes this third should consider that. He would appreciate it if perhaps the Department might take another look at the fuel line just to see if there are a few thousand dollars in savings. Chief Wagner stated they would certainly look into it and, like he said, he will have more discussions with Earl (Sires) and by that time they will hopefully be a little more knowledgeable on what the market is going to do. Mark stated thank you.

Frank McCarthy stated the Chief seems to be concerned about moving or finding additional money for gasoline. If you lower the line item for gasoline at little bit, lower that appropriation because gas is going down so much, your come back is "if we go over that, where are we going to get the money". You didn't have much trouble getting \$100,000.00 for over time and that sort of thing, why are you worried about it. Chief Wagner stated he didn't say he was worried about where the money is going to come from, but if they spend their whole Budget and they over spend their gas line then they are over spending their Budget. What the difference is if you look at the Officer's over time, he didn't think one could take that in and of itself, one has to look at the Regular Officer's line that they under spent by \$92,000.00 and their over time Budget which they over spent by \$30,000.00, those offset each other. Gasoline doesn't really have anything to offset it.

Frank McCarthy stated he just wondered why this Budget Committee sits here night after night after night going through every Budget, line item by line item by line item, if the Department Heads and the Town Office believes it's a bottom line Budget and they can do whatever. Why don't we just say okay we're going to raise your Budget 3%, 5%, 10%, that's it, you do whatever you want with the money because that's exactly what's happening. You do what you want with the money regardless. The law says the bottom line is the total of all appropriations, it is not an appropriation. There is a law that says it's a violation to exceed it.

Chief Wagner stated the first question is that he has no idea why you sit up here, you'd have to ask your fellow Budget Committee members. The second question that you had, it is his in particular and theirs as a whole, as Town Administrators just don't believe the same thing you (Frank McCarthy) believe and they are allowed to disagree and he thought on this one all are going to have to agree to disagree. Until he is told otherwise that it is not a bottom line Budget, he is going under the assumption that it is a bottom line Budget. Frank stated you're not disagreeing with me, Chief, you're disagreeing with State law, the RSA's. Chief stated okay then somebody would have to show him that. Frank stated he showed them and they said so what.

Stacy Sand stated when you filled up at the end of the year for the last fill up, do you remember what you paid for that fill up because it was probably more than you'd pay if you bought it this week, wouldn't you say. Chief Wagner stated probably; he thought they pay about \$.75 less than what it is at the pump. He thought he paid about \$1.76 in December, so \$.50 maybe or some where around there though. He just read that gas has gone down \$.08 or \$.09 in the last week in New Hampshire so it would be less now. He thought the total was up around 4,000 or 4,500 gallons and he thought they paid about, he was not sure at this time.

Stacy Sand stated that gets to the point of her next question, do you pretty much have a minimum before you fill up that tank in order to get the rate that you get or you know the rates are low right now, would you consider maybe topping it off to get these lower rates or is it really dependent on how much you buy. Chief Wagner stated he didn't think it was dependent on how much they buy and asked Peter (Donohoe) if he could answer that. Peter stated it doesn't matter. His company's agreement with the Town, if the Town wishes to get 2,000, the Chief's tank can hold 8,000 nominal - actual 7,200, they can get any where from 2,000 to 6,000 or 7,000 at a time and the rate does not change per their agreement. Chief Wagner stated he didn't think it would be beneficial to fill up right now, they just filled it up 3 or 4 weeks ago. They usually fill up about every 2.5 months to 3 months.

Maureen Seavey stated she just wanted to know, this is dated 12/17/14, do you have any more fill ups after 12/17 that would add to that \$55,000.00. Chief Wagner stated no, that was it, 4 weeks ago.

Chairman Mosca asked Chief Wagner if he was going to stay for the review of the Warrant Articles or was he leaving because if he was leaving, the Chairman has questions now and if he was going to leave, we could do it after. It was up to the Chief as the Chairman was sure he had places to go. Chief Wagner asked if the Chairman wanted to review the Victim Witness Advocate now. Chairman stated that one and the Commercial Duty Warrant Article. Is that something that's new. Chief Wagner stated no, they've always had that. They just need to change the wording to allow the Board of Selectmen to authorize the Police Department to spend money out of there. He thought there was almost \$20,000.00 in there now which they could have used to purchase all of their vehicle equipment. It just allows the Board of Selectmen to authorize the Police Department to spend the money out of there.

Chairman Mosca asked about the Victim Witness Advocate. Chief Wagner stated that Lt. Mattei would discuss that.

Lt. Mattei stated the role of Victim Witness Advocate/Assistant Prosecutor position will be as follows: provide crisis intervention and support to victims and witnesses; educate and guide victims through the criminal justice process, what they're going to testify to, times of hearings, plea negotiations, restitution and things of that nature; advocate for needs and concerns of the victim; provide victims and witnesses with referrals and information regarding the availability of social services, mental services, health services, depending on what type of crime they are a victim to; trial preparation for victims and witnesses which is a big thing for them at the Department because the Court system can be very intimidating to victims and witnesses; assist victims and witnesses with property returns and restitution needs; handle the Assistant Prosecutor part of the position in handling the motor vehicle pretrial conferences; handle Misdemeanor B level cases or plea negotiations; assist in trial prep with the current Prosecutor when needed; conduct Review Hearings or Bail Hearings for the Department and then do legal research for the current Prosecutor.

Lt. Mattei stated the main function of the Victim Witness Advocate/Assistant Prosecutor will be, the emphasis will be, on the Victim Witness part. It's very difficult to understand a position like that unless you've been a victim yourself. He was not sure how many members have been victims, but he will just pose a scenario, kind of a similar thing that they did with the Board of Selectmen, just to kind of walk the members through the process. Picture yourself arriving home from work one day and you find the side door of your house has been kicked in, the casings broken, the windows are shattered and as you walk through the house, you find that the house has been ransacked. There's jewelry missing from your bedroom; there's electronics missing from your children's rooms. The house is completely disheveled, things are broken and you find that the door or window that they entered through can not be secured. You contact the police, an Officer promptly arrives at the residence, takes the report, conducts an investigation, is on scene for approximately an hour, maybe two, and as the Officer goes through the investigative process, they find there are items of evidentiary value inside your house, maybe there's some electronic stuff that they find finger prints on, a jewelry box that has prints on it, food in the refrigerator if they went through that. Whatever the case is. The Department now has to take that as evidence, so they're removing more items from your home besides what the suspect of the crime did. After the Officer leaves, you quickly realize that the challenges associated with this incident, an incident you didn't ask for, have just begun. You realize now that you are a victim of a crime; again, something you didn't ask for, you arrived home from work and found your house had been burglarized.

Lt. Mattei stated that there are some questions that a contractor may be able to answer for you such as how do I fix the window or the door. There are questions that your insurance company will be able to ask such as how do I get restitution for the window or door that was broken, maybe some

items that were taken from the home may be insured. There are also questions that you are going to need answered. Their Officers will do their best to answer those questions for you, but unfortunately with the amount of victims that the Officers come across on any given shift, that can be very difficult for the Officer to do. The Officer's role is to prevent crime and to respond to crime; they're investigators, that's really their primary goal, that's really what their training is in.

Lt. Mattei stated some of those questions might be how do I obtain services for my child or other members of the home that don't feel safe in the home any more because the house has been broken into. How do I properly get back the items that were stolen. How do I generate a list of items to present to the Court for potential restitution. Are there any other services out there for me to help me financially if I don't have insurance.

Lt. Mattei stated then when we get to the point where hopefully the suspect has been caught, that's a relief to the victim, but that opens up a whole other set of challenges that the victim isn't prepared for until the process starts. Some of those questions could be the Court process alone, that can be a very overwhelming, intimidating and daunting task for a victim. Such things as what do I testify to; am I going to have to face the suspect in Court; is it going to be a jury trial; how do I get back and forth to Court; where do I go when I get to Court. When you enter the Court process it's not just a one day affair or an hour or two here or there, it can be a step: a probable cause hearing, a bail hearing, a restitution hearing, a sentencing hearing, a full blown trial. There's many, many different things that the victim might be a part of. The restitution side of things: how do I compile a list.

Lt. Mattei stated a lot of the times an issue that the Officers contend with is once a suspect goes to a plea or gets convicted, how do we generate restitution. That can be a very difficult thing for somebody whose missing property; how do I get those values that are consistent with what was taken. Plain and simple, the victim needs someone they can call when they need help. Again, they can call the Officer that's working the incident, but that Officer has 20 or 30 other cases that they may be working on and they can't give that victim the time that they really need.

Lt. Mattei stated now we take this one step further: picture being a victim of a sexual assault type related crime, maybe it's not you, maybe it's a child, a child victim. The amount of services that that individual needs is overwhelming. The child needs services, mental health services, health related services and what about the services of the care giver. Again, picture your child, a grandchild, a niece, a nephew who goes through as a victim of a crime like this. That can be very, very overwhelming for the family and very difficult to deal with, so there are services that the family is going to need: mental health, medical, financial services which are huge. Some times for a family to just drive back and forth to Court can be a strain on their budget. These are things that the Victim Witness Advocate would help with.

Lt. Mattei stated the New Hampshire Bill of Rights states the following and there are approximately 30 items in the Bill of Rights, he has 5 of them here: As a victim of a crime you are entitled to be treated with dignity and compassion; you are to be free from intimidation and coercion from anyone concerning or involving your case; as law enforcement officials we need to make sure that you understand the criminal process, that you don't feel so overwhelmed and fearful of what lies ahead; as an agency we need to listen to your needs and provide unlimited support; as a victim you have the right to be informed about the criminal justice system and the status of your case and the potential role that you may play to achieve the financial disposition; as a victim we will provide you with detailed information regarding the status of all Court cases to include arraignments, trials, hearings, plea bargains which may affect your case; and finally, as a victim of a crime, you have the right to be informed about the available resources, financial assistance and social services.

Lt. Mattei stated just to give the members an idea, he took the last 5 years, basically from 2010 through 2014, they took the amount of victims that they had per year and got an average of 1,500 victims, 1,506 to be exact, per year in Conway. Now he wasn't saying that 1,506 victims needed the assistance of a Victim Witness Advocate, but the point he is making is that if even half of them needed the services, some victims need 2, 3 hours or maybe 2, 3 days of support. When you start talking about sexual assault victims, burglary victims, victims of domestic violence which is a huge problem. Other victims may need 10 or 15 minutes and that can be supplied by the Officer on the scene. Like he said, their Officers do the best they can, but when you start getting into cases that have more investigation, cases that are a little more overwhelming for a family, the amount of time that that victim needs can really be blown up to where it could be hours, days. They have victims of crimes before a case gets taken on the felony level could be 2 or 3 months before they get the services of a Victim Witness Advocate on the felony side down in Superior Court. In those 2 or 3 months, he personally talks to victims on a daily basis and that's difficult because while you're trying to investigate other cases, you have to take these calls because these victims need the support. So that would be the role of the Victim Witness Advocate primarily.

Steven Steiner asked what is the major driver of crime in this town. Lt. Mattei stated drugs, that's a major driver across the country. Steven stated there's a specific case that included the Conway Police at the Marriott where drugs were in the room. Steven asked if Lt. Mattei knew what case he was talking about. Lt. Mattei stated he did not. Steven stated that what he was getting at without p***ing everyone off in the Police Department because, as you know, he was a starch supporter of law enforcement, but he has been in this town for 6 years and you're asking for an Advocate for someone who is a victim. He lost his son and he considers himself a victim and his son didn't die in this town, he was treated so poorly by the Police Department/Sheriff's Department down in West Palm Beach (Florida), he just wants to see his Police Department here that we pay \$3 Million to, to do something about the crime, the drug crime in this town and make it a priority. Wal-Mart can't even fill positions because people go to get their employment tests come up all drug infested.

This whole town is drug infested. We'd have a lot less victims if we could go after these drug traffickers.

Lt. Mattei stated that he agreed with Steven (Steiner) 100% on that. At the Police Department he would love to have a Drug Unit and thought that they needed a Drug Unit specifically to do drug work. They have a Drug Task Force that they call for assistance on a regular basis. They are a phenomenal group of people, very well trained. It's very difficult to get them to come in and do continuous work in our town with the Department because they are so over worked and the Budget and the financing just isn't there. He could honestly tell the members, and would ask Chief Wagner and Lt. Walker to weigh in on this. They could have 3 full-time Officers or Detectives in this town working drugs on a daily basis. The difficult part, and he was not going to blame the law, but the difficult part is working within the confines of the legal system. If he knows there is a drug house and drugs are being dealt out of that house, he can't just kick the door in and go in and do something about it. Quite honestly, that's a 3 to 4 month investigation and he thought that was a pretty realistic number because one has to do control buys, he has to find somebody to actually go in and buy it from that house.

Lt. Mattei further stated our issue in this town is other, and he didn't want to say small town but any community that isn't large where you have 400 to 500 Officers, everybody knows him in this town, he's bought drugs in this town. He's tried to buy drugs in this town, but you just can't, but he has bought in the past. The problem is he is too well known to the suspects and perpetrators to do that. The Officers that come in and are new on the Police Department, they had one of the Detectives that is fairly new that was able to purchase drugs. Outside of that, he has to generate informants, informants then have to go out and do that work. That's a difficult process because informants aren't really inclined to work with you, they're doing it usually because something is being held over their head. So they don't work in the same time schedule as you and I. It could take him a month or two to get one or two buys. So the way the law works, it's a process and unfortunately with the manpower they also have to investigate all of the other crimes that are coming in. Now sometimes it is the cart pulling the horse and he wished that he could get out and just do drug work because he is positive that if he could work drug work for a year straight with enough Officers, he could probably cut down on some major crimes.

Steven Steiner stated he wanted to interject, and as you know, he thinks of himself almost as an expert, he deals with law enforcement all over the country. Just add this: he would much rather see the Department take that money for an Advocate and put it towards training for your Patrol Officers because he could bring Lt. Mattei all over the South and in the Northeast where they use their Patrol guys to do drug interdiction all day long, K-9 dogs, the whole thing and he knows they have free training in St. Petersburg College, at least they did and that might have changed. That's what he would like to see and he thought if the Department had a Warrant on the Ballot, the majority of the taxpayers of this town would pay for you to go after the people causing the problems. That's all. Thank you.

Dick Klement stated he remembered his question. The Department has the Prosecutor down for a 5% increase. We just heard some discussion about in the town, one reads the Conway Daily Sun which may or may not be the correct source of information, but it is for a lot of people, it seems that a significant number of drug related cases are settled in a plea agreement where it's one year probation, a \$50.00 fine or no fine whatsoever. If he was an 18 year old kid and he was out doing some dope and somebody said "yeah, I'm going to make you be a good boy for a year", how's that going to stop me from buying dope. We are our own worse enemy and the Prosecutor by going forward and saying "okay, we'll do a plea agreement" because it's quicker, it's cheaper, etc., we're not teaching these kids the ramifications of being an idiot. He has a problem giving the Prosecutor a 5% increase because he could stand up there, you could hire a neighbor of this town to go up there and say "yeah, time served, one year, go away", sing cumbaya and everybody's happy.

Danielle Santuccio stated she could speak to that. Chief Wagner stated he has been in this line of work for 20 years and he guarantees 100% without a doubt they would rather pay a fine than be on probation. Guaranteed. Chief Wagner asked Danielle if he was right. Danielle stated absolutely, but there are other things involved too, not just what you read in the paper and yep all the States around us, this stuff is legal what you're talking about, so we have to recognize that. There are Federal consequences for other kinds of charges that have to do with financial aid for schooling which all go into that kind of a deal. There's a lot more that goes into it that you don't see in the paper that are very serious. Dick Klement stated but they're our source of information. Danielle stated she didn't know how else to get it out there.

Dick Klement stated you guys (Police Department) are up at the High School trying to teach people in this town that we have a drug problem. There are a number of people that don't believe that we have a drug problem. They say "we don't have drugs" and they're the same ones that have kids that are out there with meth which apparently from what he hears is a bigger problem than one would be led to believe in a small country rural area such as Conway. Danielle Santuccio stated that wouldn't be the Conway Prosecutor dealing with that.

Chief Wagner stated he thought it also needs to be understood that they had 800+ arrests this year. They can't take every one of them to trial. There's just not enough time in the day or the year to do that and like they're saying, there are other things that come into play when they make plea deals. They are not out to ruin a kids life because he can't get student loans because he had a little marijuana on him, but yes, they will make him pay a fine and they will put him on supervised Probation for a year. He understands where Dick (Klement) was coming from and that the assumption or that it may look like every person that is caught with marijuana on them gets off free. He could tell Dick that's not the case, but they're also not out there to ruin the kid's life. They want him to learn a lesson; the lesson is you pay a fine, you're on Probation for a year, but after that you can go and get your student loan so you can go to college and maybe learn at that point that marijuana is not the life for

you. He understands where Dick is coming from, but the reality is just that.

Steven Steiner stated the one thing he would reference the student loans, the truth is that once that student is arrested and processed, he or she can go to drug rehab and get help and they can go back and get their student loan. Their life isn't ruined. Chief Wagner stated Steven was right and he totally understands that. He just wanted to make a point here, there's a difference between drug intervention when our guys go out there and stop motor vehicles to assess the situation, smell the marijuana or do different things. There's a big difference between drug interdiction and actually getting informants to go in and buy from the drug dealers. He gets it and if they had enough people, they would do it. They just don't have the resources to commit 3 people 8 hours a day, 2,080 hours a year, to just do drug work.

Steven Steiner stated what these other towns do is use their Patrol guys and, in fact, it's a morale booster. It's not just giving out traffic tickets. He's ridden with their Chiefs, he's ridden with their Sheriff's, he's seen and talked with them. We need to stop the drug problem. As one famous Chief said to him, probably one of the first places he spoke up in Bangor, Maine, and he said "control drugs/control crime" and that's just a fact. Chief Wagner stated he gets that and he thought the Federal war on drugs is sort of like it is here. Are you ever going to completely stop it, absolutely not. Steven stated we had a war on Cancer, a war on poverty and we're not giving up on those wars. Chief Wagner stated that's true and we're not giving up on that war either. He just wanted to let the members know that every day they go out and do drug interdiction, motor vehicle stops and things like that, but there is a big difference between doing drug interdiction and actually getting informants and buying from the drug dealers at their homes or at their places of business or wherever that may be.

John Edgerton stated he lost his voice and he voted for Starting Point, the non-profit, because they help the Police Department, but he also realizes there's a very limited narrow bracket of advocacy that they can do.

Peter Donohoe stated he wanted to follow up on a point that Chief Wagner made. Have you calculated or does the Chief have any idea what it would cost to put the staff in line to combat the drug problem in this town the way the Chief would like to have it done. Chief Wagner stated that's really a tough question. Like what Lt. Mattei referred to, it is very difficult for himself or any of the guys sitting with him to go out and actually buy drugs. To a certain point, everybody that is employed by the Police Department will eventually be known to the drug dealers in town. They work very closely with the Attorney General's Drug Task Force. On some level he would really like to get one of his Officers on that and, yes, they would help in other communities as well, but when somebody has an affiliation to the Town of Conway that is on that Drug Task Force, they seem to get more work in town, so to speak. They actually had two people from the Town of Conway in the past 5 years that were on the Drug Task Force and it worked out really well because they wanted to clean it up,

they wanted to clean the drug work up in Conway and they got a lot of really good information. He thought that's probably the best way to be able to get the Drug Task Force into Conway. Other than that, he thought it was just resources. When he says resources, he means people to do the work every day, 8 hours a day.

Peter Donohoe asked if that was a 1, 2 or 3 person proposition. Chief Wagner stated he thought it was at least 2 to 3 and now you're talking a pretty good sum of money. Peter stated the drug problem in this town costs a lot of money, too. Chief Wagner stated it really does and that's not the only thing that drives crime, but there's alcohol as well and there are plenty of other things, but he thought that was the best way to probably tackle it on their part so then one person that's employed by the Town of Conway and the Conway Police Department on the Attorney General's Drug Task Force and they have been asked several times, but they just can't commit to that person being gone.

Lt. Mattei stated above and beyond too, the manpower resources are the resources that come with vehicles. You can't use police cars to go out and do surveillance and even the undercover cars that they have look like police cars, so you would need a revolving fleet of vehicles because if you have a vehicle, even two vehicles that you utilized, after a bit of time they would become known to the dealers in town. You would have to be able to revolve vehicles. You also need money to purchase drugs. Every time they utilize a CI, confidential informant, they have to provide the funds. An average buy can cost any where from \$80.00 to \$300.00/\$400.00, so you have to factor those variables in as well and he thought that's why what the Chief said, to be able use an infrastructure to the AG's Office that's already in place and provide manpower to them is more cost effective.

Chairman Mosca stated he was going to end this here and he let this kind of segway out, but we're way off topic and he wanted to get back on topic and the topic is the Warrant Article question. We got on to drugs and he let it go a little bit, but no more on drugs. We are on the Warrant Article and if you want to discuss the Warrant Article, great, but he didn't want to hear anything on drugs.

Stacy Sand stated she would like to give the history of this Warrant Article from the Selectmen's point of view. They had this position in their Budget which they have every right to do. The Selectmen felt that they were trying to keep costs down and there was such an increase in Retirement and some things that were out of their hands and so they said they liked the idea, but not this year. Then they came to us and asked if the Selectmen would consider it as a Warrant Article so they can get it out to the public. At that point, the Selectmen said let the public decide if it's something we can afford this year. The entire time the Selectmen were in favor of having this person available to victims and witnesses, she didn't think there was one Selectman that wasn't in favor of having this person on board. It was just a matter of can we afford it. So that's why it is a Warrant Article versus being in the Budget. The Selectmen want the people to have a chance to decide if it is something we can afford at this time.

Christopher DeVries asked if there was any research done to see if towns of a similar size were utilizing a Witness Advocate. Chief Wagner stated they did. Lt. Walker stated a magazine came today on Police Departments across the country actually bringing in their own Victim Witness Advocates and in Salem, Oregon, they brought in a Victim Witness Advocate and they saw that their prosecution rates, conviction rates went up 20% and their homicides from domestic violence related crimes dropped drastically. There is statistics out there that there are a lot of agencies moving towards adding Victim Witness Advocates to their Departments.

Mark Hounsell stated he was inclined to support this and he wanted to let everyone know why. The Chief mentioned something, the number 1,500 as being a typical load, figure down to maybe 10% of the type of victims who would really need the attention and that would be about 1 a month or so or 10 a month, whatever. There would be a substantial amount of work, but getting away from the heart string pitch which was very good by the way, he wanted to get into trying to quantify it. Knowing a few people that have been victims or have been victimized, not only by the crime itself, but by and large by the process, he thought it was a good aggressive start in the right direction. He would caution that this not be too eager to make this a full blown position without some years of experience with it. That's always his greatest fear when it comes to supporting new positions is that they become more, more, more. In this particular instance, if we're going to serve the public with justice and to protect and serve, he thought it's probably past time that we incorporate this position into the force.

Maury McKinney stated you've answered a number of his questions. One is what the value was to both the community as well as to the Police Department and he thought the points Chief Wagner brought up were very important. What happens if the Article doesn't pass. Chief Wagner stated we don't get it and he thought it was just as simple as that. They, as a Department, talk about it with the Selectmen as well and they are really trying to get this position. They thought it was important enough, if the Selectmen weren't going to support it in the Budget, that they ask the Selectmen to at least put it on a Warrant Article so that people could vote "yes" or "no" for it. They think that it's a very important position that they have within the Police Department. They have victims on a daily basis that, they do their best, but he thought they were falling short of providing them with the services that they really need. The answer to the question is if it fails, then they don't get it and they'll look next year at either putting it on another Warrant Article or in their Budget.

Maury McKinney asked what was the tipping point as far as the timing goes for you, as an organization, to bring this forth at this time. Chief Wagner stated they've been talking about it for several years. He thought the tipping point was that yes, their Budget is up, but it could be up more. They had some things that fell their way like the decrease in Health Insurance and things like that and from his point of view he thought it was just tough to add another \$30,000.00 in a Budget that's already up 4% or 5%. Like he said, they've been talking about it for several years, so

he just thought at this point that maybe this was the right time to bring it in since their Budget is up 1.6%.

Lt. Walker stated he could add to what Chief Wagner has said. He takes a lot of phone calls from victims over the phone and the number one complaint is that they feel, as Lt. Mattei said, that there's just no understanding of the criminal justice system and it's such a daunting process to be in Court. These people feel like they are just a number. When you have a person, a Victim Witness Advocate, that's a personal connection, that's a personal face. They can express their concerns and have the expert person trained to talk to them and explain "this is how it is going to go, day 1, day 2, day 3, week 6 and this is how it is going to go". These people feel relief from that, so it's for the community, it's not for the Police Department, it's for the community and for the victims of crimes.

Dick Klement asked if he was the only one that didn't have a list of the Warrant Articles. Chairman Mosca stated no, none of us do. Dick stated if he could continue then, why are we discussing a Warrant Article that none of us can see. Chairman stated good point.

Danielle Santuccio stated you started off the presentation with a scenario that you come home from work and someone has broken into your house. The crimes that you were listing where you have the victims, and she was really asking because she didn't know she promised, those end up in Superior Court where they have a Victim Witness Advocate, they don't stay in the District Court. Lt. Mattei stated that's correct. Danielle stated so those victims eventually already have somebody that's at the County and you talked about domestic violence victims and Starting Point caters to domestic violence victims and they do a fantastic job and you mentioned child victims but they have resources as well, so the way that she's seeing it is that there is a very slim margin of the victims that you are talking about because either they already have resources that they can go to because most of these crimes you're talking about end up in Superior Court where they have a Victim Witness Advocate already. She didn't know where the overlap was she guessed.

Chief Wagner stated he understood what Danielle (Santuccio) was getting at and he guessed this was the answer, and that Danielle knew as well as anybody here, that even if a Court case ends up in Superior Court, it's with the Conway Police Department for 30 days any way. A felony burglary, they have it for the first 30 to 60 days; felony sexual assault, they have it for the first 30 to 60 days, so they need to fill in that gap. They can tell the Committee story after story how a victim of a crime, let's say burglary, that calls Lt. Mattei because day after day after day either we're calling them back or when they get to Superior Court, they're busy as well, and he thought that's where they need to fill in those gaps, those first 30 or 60 days until they get indicted and then they can take it over. Even when the County Attorney takes it over, they still get calls from the victims.

Lt. Mattei stated he wanted to elaborate on that too. The Chief's right, 30 to 60 days is a minimum and you (Danielle Santuccio) know that being in

the Court system. Realistically, if somebody gets arrested for a felony, depending on the process, whether they get bailed or not bailed, they have a Probable Cause Hearing in 10 to 20, up to 30 to 45 days out. Let's say it's 30 days out, now after the Probable Cause Hearing it could be 4 to 8 weeks before they're indicted; after they're indicted, then they have another month before an Arraignment and they really don't get into the system until the Arraignment. So you could realistically be looking at 3 to 4 months, that's on the high end; on the low end you're talking a minimum of 2 months.

Lt. Mattei stated that the biggest point to make is that if the burglary is reported today and the person is arrested tomorrow. A sexual assault happens today, sometimes sexual assaults aren't made for months, an investigation can take months and months. That victim still has to be satisfied, if you will, during that period. It's not unheard of to say that you could be working with a victim for 6, 7, 8, 9 months, depending on how long the investigation goes. What he has also found in his experience because he works a lot of the felony level cases being assigned to Detectives, is when the victim of a crime reports to the Police Department and the Detective comes in, an Officer takes the original call, a Detective then follows up, whether it be a burglary, a sexual assault, your felony level domestic assault level cases, that Detective is the first friendly face if you will because that's the first person that they spend they're most time with. That individual is usually linked to the Police Department through that Detective. It doesn't matter when they get to the County Attorney's Office, they get assigned the Victim Witness Advocate and the Victim Witness Advocate down there is phenomenal, she does a phenomenal job, but that connection is not there that you have investigating the crime and pulling somebody through that investigation whether it's a week long investigation or a 3 month long investigation.

Lt. Mattei stated it would be nice to have somebody in the Department to, once the Detective takes the call, either bring the Victim Witness Advocate in at that time that the call is taken or the following day or that Monday morning and say "this is your contact". He just had a case just recently, a burglary this summer, the victim was from Massachusetts, he got a call from that victim at least twice a week throughout the entire 8 month process and these calls were 15 or 20 minute calls, very important calls, but that 15 or 20 minutes is in pick up the phone for 15 or 20 minutes, put the phone down, back to work. That's an hour out of your day and he would love to have spent more time, but that takes time away from the other 30 cases you have on your desk. He doesn't know if that answered the question, but it's not as clear cut as just the arrest is made, sent to the County Attorney's Office and then they take over.

Danielle Santuccio stated she understood that but when you're talking about domestic violence felony levels and sexual assaults, there are other resources already in the community who do also ask the Town for money that are there for those people. She understands the connection to the Department, but part of this, and you said it, is to prepare for hearings and testimony, but in that time they aren't testifying, so you wouldn't be preparing them for that, but there are other advocacy groups out there for a lot of them, not the burglary victims. That's a very good example, there

is not anything for those victims. She was just looking at the numbers of the people that you would really need that don't already have something out there before Superior Court.

Lt. Mattei stated they talked about the burglaries and sexual assaults. All burglaries pretty much get to felony level unless they're pled down prior to that or sexual assaults, a large majority go to the Superior Court level. A scenario that they talked about at the Selectmen's Meeting was domestic violence related. A large number of domestic violence are not felony level cases. That's a big problem in this community and in every community.

Danielle Santuccio stated they have Starting Point is what she is trying to say; there is a group out there for domestic violence victims. Lt. Mattei stated yes and it's attaching them to that group and following through. He was sure Danielle was aware that not a lot of people will follow through, as many that should follow through at Starting Point because that resource can take some time to get set in place. He knows the Article that they were reading today, putting the Victim Witness Advocate in place, not only does it assist them on getting the services they need, but a lot of the times, many times, with domestic violence related, and again the scenario they pose is a very viable scenario where you call an Officer to your house for a domestic violence related incident involving another family member, that individual is taken away if it's believed an assault occurred and then the individual left behind realizes they can't afford to support the household with that person out of the home, can't afford the gas, can't get the kids to where they need to be. What happens in these cases, and you (Danielle) know this, they become no victim. If this happens on Saturday night, they show up at the Police Station Monday morning and say "misunderstanding, I don't want to press charges" because they need that person back in the home. That's where they see a lot of it fall short because many times Starting Point, even if the services have been offered, if they haven't followed up, they potentially lose that victim, a witness in the case, and when the offender gets back in the home, domestic violence doesn't usually go in the opposite direction where it started out as a fight or an argument, it's usually argument, assault and it gets worse and worse. It progresses as time goes on. In that instance, where it is not a felony level case, that's when a Victim Witness Advocate would step right in and be able to guide that individual through the Court process that stays in District Court. Their Victim Witness Advocate would work hand in hand with Starting Point to make sure that those services were put in place, to make sure that the individual follows up with Restraining Orders and things of that nature.

Chief Wagner stated he thought the ultimate answer to the question is yes, there are other resources for those victims. They feel that it is very important that those victims also have a resource at the Police Department and that's basically what it comes down to.

Danielle Santuccio stated she wasn't necessarily saying that it wasn't, she just doesn't want to duplicate resources and, if there is that gap, she just didn't know and she really meant it when she said she didn't

know. The burglary victim is a good example because there wouldn't be another resource.

Frank McCarthy stated he had two questions. He was not sure if they still had them, he does know the first term that he served they had this position at County in the County Attorney's Office. Have you utilized that. Chief Wagner stated yes, they do have that and as we were discussing earlier, they have victims that don't rise to that level of a case that goes down to the County Attorney's Office and they have to fill in a gap until it gets to the County Attorney's Office. They could have a victim that, let's go back to the burglary, your house is broken into, etc., that person is their victim and they need their Victim Witness Advocate to speak to that person until it gets down to the County Attorney's Office. It's sort of a fill in the gap sort of thing.

Frank McCarthy stated his second question was and this has nothing to do with whether he's pro or con for the position, in fact he's leaning towards it, but is this position actually going to be in the Budget next year as a separate line item and the year after that. You're adding a position, are you not. Chief Wagner stated yes, he thought the way it's going to be written, he's talked to Earl (Sires) about it but he hasn't seen it written, the way it's written will be on a Warrant Article this year and then into their Budget the year after.

Frank McCarthy stated if it's going to be a permanent position, he didn't think it passed the legal smell test. Chief Wagner stated as he said they had originally put it in their 2015 Budget; they went to the Selectmen and asked them if they would reconsider and they did on a Warrant Article. He knows that they've had other positions that they've put on a Warrant Article that went into their full-time Budget the next year. They have done that in the past. Frank stated he thought that's where it should be, but that was his personal opinion.

Chairman Mosca stated a few more questions and then we are going to end this.

Mark Hounsell stated isn't it often the case, using the burglary for an example, where there is clearly a victim, but there is never an arrest. Chief Wagner stated sure. Mark stated in effect you've had to help that victim for however long it takes and that could be 20 or 30 years. The person whose victimized feels that regardless if it's at the County level, State level or local level. Chief Wagner stated that's the same thing for a lot of crimes, burglary, assault, sexual assaults. There are many times that they never make an arrest. Mark stated he thought it was great that we have the other outfits out there like CASA for children, Starting Point for domestic violence and we have the County doing the best they can, God bless them, but he thinks it's time for us to take care of our own in this regard.

Chief Wagner stated to that point, the Carroll County Attorney's Office does a phenomenal job. The Child Advocacy Center does a phenomenal job with our children victims and Starting Point does a phenomenal job with our adult victims and child victims. Certainly nothing against them by the

Police Department wanting this position. He thought it just goes back to Mark's (Hounsell) point that we need to help and they need to provide a better service for the 1,500 victims every year that we have in this town and that's what it comes down to.

Dick Klement stated one more time into the breach; we don't have any Warrant Articles. Chairman Mosca stated we know. Dick asked then why are we discussing it. Chairman stated because he wanted to and this is the only one that we are going to discuss. There's nothing in writing and we're not going to discuss Warrant Articles tonight. He thought this was a valid discussion whether the members had something in writing in front of them or not. Whether it's tonight or another night, he thought it was very important. To that, he was going to end it with his thoughts and comments.

Chairman Mosca stated he's heard several numbers thrown out on what it's going to cost us from \$21,000.00 to \$28,000.00 to \$30,000.00, so he wants when this Committee does see a Warrant Article, what is it and is that the salary or the total cost. What he wants to see is the total cost. Chief Wagner stated for this year for salary and benefits it's \$21,000.00. If it goes into the Budget next year, it will or course be for a full year, so the salary and if the person requires benefits, they will be paid 80% of their benefit rate and he thought it comes out to about \$43,000.00 if they take all of the benefits.

Chairman Mosca asked what about the incidentals, the overhead, the FICA, the Retirement, etc. Chief Wagner stated that's everything and he could tell the members that this position either has to be filled by a lawyer or a retired Police Officer that still has his certification, his or her certification.

Chairman Mosca stated his other point would be that we're saying it's going to be a part-time position. Chief Wagner stated yes. Chairman stated and it's going to be a Warrant Article for a part-time position. Chief Wagner agreed. Chairman asked what happens when you want to make it a full-time position, is that something that has to go back before the people because he thought it should.

Earl Sires stated the way the Article is written says if approved this will be included in the Budget in future years and people will be aware that this is the intention. Chairman Mosca stated there's a difference hiring someone in a full-time position and hiring someone in a part-time position. The numbers are going to double from \$43,000.00. Lilli Gilligan stated she put the numbers together and this position's pay rate is \$17.50 an hour, for 32 hours a week with 80% benefits. If you were to push it to a 40 hour a week position, it would be \$17.50 x 8 hours x 52 weeks and then calculate out the Social, Medi and then you'd have to add the New Hampshire Retirement System because the New Hampshire Retirement System is only for full-time positions. Chairman asked what's considered full-time, 30 hours. Lilli stated 40 hours. Chairman asked if it had to be 40 and Lilli stated yes. Chairman stated but that's a big chunk of change, that's 25% of the salary right there that's going to be added on if it goes full-time. Isn't that our contribution, 25%. Lilli stated not for a Prosecutor, not for a Victim Witness Advocate. Chief Wagner stated it wouldn't be

Group 2 and it would have to be filled by a full-time lawyer because a retired Police Officer can not work more than 32 hours per week and for them to be in Court, the law says you either have to be a Police Officer or a lawyer to stand in front of the judge. So, it has to be one or the other.

Mark Hounsell stated one of the biggest mistakes this Country ever made was to make it that only Police and lawyers speak in Court.

Frank McCarthy stated what you were just going over, he didn't care that the figure for this year is for half a year, he wanted to see the figures, right down to the penny, of everything included for a full year at a 40 hour week and what it's going to cost this \$60,000.00 in over time. Chief Wagner stated it's not a full-time position so the only thing he could give the members is 32 hours a week for the whole year at \$43,000.00. Frank stated he thought the Finance Manager said something about in order to be full-time it had to be 40 hours and then they get 80% of the benefits and all the rest of it. Chief Wagner stated if it's a part-time position, they get 80% of the benefits because they work 80% of the week. It's not a full-time position at this point and to your point, he didn't know what the process would be to make it full-time. He's just not going to do it on his own. He would certainly come back to this Board and to the Board of Selectmen and say "hey, at this point we think we need this position full-time" and you guys can make that decision, but as of now it's a part-time position, 32 hours a week and if they work the whole year and took the medical benefits, it would be \$43,000.00. Frank stated he would like to see what it will be next year when it goes up to 40 hours which is probably what will happen.

Chairman Mosca thanked Chief Wagner, Lt. Mattei and Lt. Walker for coming in and for their presentation.

Parks and Recreation Department

Lilli Gilligan stated she wanted to start by saying this is the group that keeps kids off the street. She apologized for taking over for John (Eastman), but she wanted let the members know that as the new Finance Director for the Town, she wanted to make some changes in how budgeting is being done with regards to Recreation. In year's past, the Recreation Revolving Funds were being utilized to pay back the General Fund in lumps of money. Last year, and she believed the year previous, it was \$58,000.00 was promised from the Revolving Fund to pay down the expenses on the Recreation expenses. Revolving Funds are intended to be set as Budgets, the Selectmen are the ones that are authorized to expend out of them and set the Budget for them.

Lilli Gilligan stated what they did this past fall, John, herself and Mike Lane and his staff sat down and took a hard look at all of the monies coming into this Fund from fees for Summer Camp and fees for events and fees for programs for the adults and for uniforms and for that sort of thing. They came up with a Budget and presented it to the Selectmen. The Selectmen took a couple of weeks looking over it and approved a Revenue Budget and approved an Expenditure Budget for 2015. The Budget for those

she has sheets if any member is interested in looking at them, but the fees are coming in from Event Permits, coming in from charges that the Town puts upon the canoeing and tubing companies that use First Bridge, they charge them a fee for the use of that docking area, for children's programs, for adult programs, for Summer Camp, but, as you know, the fees that are charged for all of these programs do not pay for how much these programs cost.

Lilli Gilligan stated the approved Revenue Budget is set at an expected \$103,475.00 for 2015 and then an Expenditure Budget of up to \$103,414.00. In 2014, just because \$58,000.00 came into the Rec Revolving Fund and offset some of the expenditures in the General Fund, that wasn't the whole picture. The total spent out of the Rec Revolving Fund in 2013 was \$80,000.00 and this past year it was \$85,000.00. We feel that this is a pretty good projection of how much money may come in and, as long as there are revenues there to pay for them and to also pay for those expenditures that are related to those items. She just wanted to lay that ground work because the Revolving Budgets don't come under the purview of the Budget Committee. She wanted to let the members know why they weren't coming forward and saying "we're also going to give you \$58,000.00". She has the sheets if anyone was interested in receiving them, but she wanted to lead with that. It was her idea as the new finance person, she was more comfortable setting a Budget for the Rec Revolving Fund as opposed to moving monies as a lump.

John Eastman stated the portion that the members are looking at is their General Fund. It's lined out as the members can see, the categories are the same and have been the same for many, many years. Parks Maintenance, Rec Facilities and he will just run down through it. As you can see the Parks Maintenance, the request for the Budget for 2014, the request was the same. The Rec Facilities was actually down a little bit, \$1,660.00. The Personnel was up \$14,455.00 and he will go back to that. The Office Expense was the same. Rec Programs went up \$4,717.00 for a total Budget of \$357,134.00 and an increase of \$17,512.00.

John Eastman stated he would go back to the Facilities. It decreased because some their expenditures that they had in the General Fund as Lilli (Gilligan) described, they were taking funds in for things like Special Event Permits where different events in town, Schouler Park, they needed to run an event so they would rent portable toilets and have other expenses that go to the facilities, that got transferred over into the Revolving Fund because they were taking money in and paying money out and it really had nothing to do with what the General Fund was for. So, that's what that was for.

John Eastman stated under the Rec Personnel, \$10,800.00 was for 3 additional summer staff. Where he came from that was each year they, in their training, have their local liability company come and train their staff. One of the things is that they base their number of summer staff based on a 7:1 ratio, the recommended ratio. Currently, this past year and he'll say this, their numbers are always a year behind because they try to hire based on the figures. Mike (Lane) is here and we have kept good strong records, they have more than 10 years of attendance records and the

reason he is telling the members is because one of the things, a 7:1 ratio, is what their insurance company would like them to have for an adult to kid ratio. That includes not only the Summer Counselors, it includes himself, Mike who is the Assistant, Lenore who is their Teen Coordinator who works in the Summer Camp, and it even includes their Administrative Assistant according to the legal laws. In other words, they get to count them which is actually a plus because they don't need as many staff people.

John Eastman stated their attendance this year went up about 9.5%, it went up 18 kids a day, so their average this year of attendance was 138 which puts them at, and what the insurance company would like them to have, 19 staff people. That's 15 Summer Counselors and then 4 regular staff. They had as many as 156 kids in one day, but they base it on the average and their insurance company allows them to do that. That was \$10,800.00 out of that \$14,455.00. The other addition of \$3,800.00 was some merit increases for the 4 full-time staff people.

John Eastman stated the same thing with the Rec Programs, that shows an increase of \$4,717.00. One of the things that this Board, a few members had some concerns with the elevation of what they actually were budgeted and what they were spending. Getting back to Lilli's (Gilligan) point about how money at the end of the year would get transferred out of it, he would still budget in the regular Budget, it was over \$20,000.00. This year they budgeted \$9,000.00 because some of the things that they were spending in Programs got shifted over to the Revolving Fund because they were having money come in. For example, softballs, they have an adult program and they not only charge them to play in the league and for the lights and everything else, when they buy 30 dozen softballs, they figure that into the fee plus 10% that they charge the adults, so they pay 110%. They have to still purchase the softballs that they use, so instead of that coming out of the General Fund it got put into the Revolving Fund so as money came in, and as Lilli had said, the money going out on the Revolving Fund side can not and can never be more than what you take in. That was the reason that went up slightly, but just putting things into the categories of where they belong for strictly Programs. For example, softballs for their girl's program or bats or some basketballs or kick balls or things that they do on their playground, i.e. hula hoops, Frisbees and those kind of things.

Frank McCarthy stated on the Rec Personnel, have you increased that this year or last year or are you contemplating on increasing that on the Rec Personnel, third line down. The reason he asks is because in 2013 you spent \$220,000.00, 2014 you spent \$219,000.00 and as of the 18th they're fairly close. You're saying the increase is \$14,000.00, but if you go by actual usage, the increase is actually \$32,000.00. Lilli Gilligan stated the amount of money spent in 2014 was \$234,483.71. As she just discussed, this year is going to look wonky because you had \$58,000.00 coming in from the Rec Revolving Fund and offsetting these few accounts to pay for Rec Revolving purposes. This year she'd like to show that this is the Budget for Recreation out of the General Fund whereas this is the Budget out of the Rec Revolving Fund. Looking from year to year, it's going to be hard to compare it.

Frank McCarthy stated all he was questioning was the \$14,000.00 increase. If you go by the proposed Budget, then yes there's a \$14,000.00 increase, but if you go by actual usage for the last two years, it's a \$32,000.00 increase. Lilli Gilligan stated as she just said when she walked up here, the Recreation Personnel line through 2014 is \$234,483.71. The information in front of the members, the column heading is "Spent through 12/18/14". Frank stated the actual was \$234,000.00. Lilli agreed. Even in that, some of the money that was spent in here was paid for out of the Recreation Revolving, so this is not a true showing of how much was truly spent on Personnel and that's why she wanted to create greater transparency by creating these two separate Budget processes.

Frank McCarthy asked if that would be added in as an expense next year. Lilli Gilligan stated no, it was offset with Recreation Revolving money. There will be no offsets going forward into next year. Next year the anticipation is that exactly what's presented here is what is anticipated to be spent out of the General Fund Parks and Recreation Budget. She apologized because taking it from this year to the next and have it be completely different.

Frank McCarthy stated the \$234,000.00 you just said is the actual usage for last year. If that is the actual usage, then the year before probably changes too. Any way, if the actual usage was \$234,000.00 for all the employees they need, why are they asking this year for \$252,000.00. Lilli Gilligan stated the 4 full-time staff people at the Recreation Department, their current salaries plus the possibility of what their merit increases would be on their anniversary date were calculated into this figure plus the cost of seasonal staff for the Teen Center, the bus drivers, the Summer Counselors with the 3 additional personnel that he's (John Eastman) asking for due to insurance recommendations are calculated into this \$14,455.00 increase. Frank stated it's not really that, it's more than that, it's not \$14,455.00. If you take \$252,000.00 and subtract \$234,000.00 that's more than \$14,455.00.

Frank McCarthy stated this is all for salaries, are benefits included in these figures. Lilli Gilligan stated no, the benefits are included in the Employee Benefit section of the Budget. Frank stated so then they are not included. Lilli stated correct.

Maureen Seavey stated she thought it would be good if you updated this. Members are asking questions and usually at the end of the year you add payroll and all of this other stuff on and give us an updated sheet. Lilli Gilligan stated she can do that tomorrow and put it up on the website.

Maureen Seavey asked about the Special Articles that she thought the Committee was supposed to have tonight. Earl Sires stated what they have tried to do is avoid having multiple updates and people shuffling papers and trying to keep everyone on the same page. They will update that, but they just kind of wanted to do that in a paced way that will sort of minimize how many different versions of the documents you have. They will update all of this. They had planned to update it once they had gone

through all of the initial presentations so that you would have it all once they got it out there.

Maureen Seavey stated this is like two weeks payroll and two weeks other bills that didn't come in and some that you haven't paid, but she thought it would be better to have something that shows actual right now and maybe update it for the difference that you haven't adjusted because we're almost 21 days into January and we should have a better view of actual data. Lilli Gilligan stated at 5:10 PM tonight she had the journal entry of all of the prior year expenditures from this week AP into last year. That's how tight it is in getting here and then update this spreadsheet and make sure there's nothing inaccurate and make 20 copies for everybody just wasn't in the cards for this evening. She would be happy to do it tomorrow and get it up on the website so that everybody can have access to the most current expenditures.

Dick Klement stated from a cost perspective and he'll use the School's as a sounding board for this, but they're required to drug test their bus drivers, they're required to run background checks on every employee. Do you have the same requirements? John Eastman stated they do. Dick asked who pays for it? John stated they do. Dick asked where would that be in the Budget. Lilli Gilligan stated that would be in Employee Benefits. Dick asked if that was the General Fund Employee Benefits. Lilli stated drug testing is mandatory. John stated background checks is in Programs. Dick stated that would be Rec Programs and John agreed.

John Edgerton stated after the last 3 or 4 meetings, there's been discussions about we've got the expenses here, but every Budget that he's ever worked with way back to when he was the Chairman of the Budget Committee which was like 40 years ago, we need the income side. We need to know what the Revolving Funds are, how much is in them and where all of the money comes from. You get fees, other people get fees, all kinds of stuff, we didn't get any income statements. How much is paid in taxes and how much is paid here, there and every where.

Maury McKinney stated he had two questions and that was one of them, just wanting to see the incomes because that is a big part of what the Recreation Department can do.

Lilli Gilligan asked if John Edgerton was talking about the Recreation Revolving Fund. John stated the entire Town Budget. Lilli stated the Revenues have not been put together yet. John stated you should have last year's. Lilli stated she didn't have them with her.

Maury McKinney stated on the merit pay increases, what were the amounts on those, is that part of the Contract, is that consistent with the rest of the Town, just wondered where those came from. John Eastman asked what line item it comes from. Lilli Gilligan stated to Maury that at our first Budget meeting a couple of weeks ago we discussed the employee matrix that's voted on by the Selectmen, that's approved by the Selectmen for non-Union Personnel which is what these people would be. This year it's based off of a minimum of the CPI up to a maximum of 3%, so that is calculated on their current salaries and if they were to reach the

maximum, it is a merit based system so that 3% is not the guarantee. Each employee is evaluated on their anniversary date, so every single employee would have a different pay increase for the year because some people may start in January and some people may have an anniversary date in October. Those were calculated person by person and then placed into the Budget in order to achieve the maximum accuracy on that line.

Maury McKinney stated his other question concerned the Benefits. It was encouraging to see a 9.9% decrease in the Benefits from the Police Department. He did have a question about how that came about, whether it was just due to a decrease in rates or a structure with Family Plans, Individuals and things like that. Lilli Gilligan stated they would like to think it was because the Selectmen formed a Health Committee and they brought in the health insurance companies that they did business with for the Town and for the School and studied hard at what the other options were. You can't really say why they went down, fear factor, experience ratings, she was sure there's a couple of things in there, but that was the insurance decrease to premiums that was offered to the Town of Conway, not just the Police Department. Maury stated so we will see that decrease in the Recreation Department. Lilli stated yes, the whole entire town.

Stacy Sand stated she just wanted to ask the other Budget Committee members if they understand what the Rec Revolving Fund is because she knows there are some new members and they may not be familiar with that. Before we go forward and talk about it more, is there any one who would like to be clear on or doesn't understand what the Rec Revolving Fund is. Christopher DeVries stated he would take any additional information if it was provided. Stacy stated basically the money that comes in for fees for Programs, money for league fees and things like that, is, in the past, basically been pooled together in this big Fund called the Revolving Fund and then once a year they take some of that money to offset the Budget. Instead of doing it without she guessed willy-nilly, it's now where those fees are still coming in, but instead of them just going into the General Budget, they are now going into an approved by Selectmen Budget and that's what each member just received and this Budget is under the purview of the Board of Selectmen for the Town of Conway. This will show you why this went down; some of the line items from last year are actually probably missing as well.

Peter Donohoe stated it has been mentioned in the past that some of the fees collected were under review and were also going to potentially be increased to reflect current costs. Is there anything that quantifies what previous fees were to what new rates and what current fees might be for this year.

Earl Sires stated that he just passed out a Summary of the action that the Selectmen and the Police Department have taken on fees for 2015. As Peter (Donohoe) mentioned, there was a fee study done, the Selectmen requested the staff to do a fee study, so all of the Departments came up with recommended fees and this shows the Committee what the Selectmen have adopted and a projection on potential revenue. These things can be, the Police is probably a fairly accurate estimate of an increase; Building and Septic, \$35,000.00 and that's kind of based on what they have been seeing

over the last few years when they would get a couple of big commercial projects and that could be substantially greater. Planning and Zoning likewise if things picked up that would be more. Admin Fees are probably going to be around that \$4,000.00 for a total of \$114,000.00. They are still looking at Special Event fees and facility use fees with recommended fee increases that would generate about \$5,000.00. Specific to the Rec Summer Program, they have not taken any action to increase those fees for 2015, but typically they take a look at that and talk about it in the Spring. He could tell the Committee that 7 out of the last 8 years, some fee increase was applied to the Summer Program tuition. That's where they are at with fees at this point in time.

Peter Donohoe stated so no increases on the Rec side for fees. Earl Sires stated not as of yet. Peter stated he was to understand from something that Stacy (Sand) said that that was being reviewed. Stacy stated they increased those fees before the Summer Program in 2014 and these were all done afterwards. Earl Sires stated for 2014 they were increased. He was just looking at this from a 2015 perspective that they haven't taken any action to do that for 2015 yet. Earl stated the Selectmen also declined to, in 2014, raise any other Rec Program fees. Peter stated other than the Summer Camp fees. Earl agreed.

Steven Steiner stated he had a Revenue question. He asked if they do any sponsorships, commercial sponsorships with hotels and that sort of thing. John Eastman stated as far as Revenue, actual dollars, no. They have had in the past some, they didn't in 2014, but they have had some sponsors for Softball teams where they will buy the uniforms, the Town purchases them and then get reimbursed. Obviously when they get sponsorships like that which is an in-kind thing, they still take it to the Board of Selectmen for approval because they still have to approve. They have had Softball teams, Dr. Hiller sponsors one of their teams, and if they need \$800.00 worth of uniforms as opposed to using General Fund money, he said he'd put up the money if the Town purchased the uniforms, put his name on it, it also says Conway Rec on it. They go to the Board of Selectmen to get approval because they would have to vote to accept the gift on behalf of the Town. It is a win-win. To answer your question, they do but it hasn't been where someone has said they will give \$1,000.00 and just give it to them.

Steven Steiner stated what about signage on the fence, placement of soda machines, he's just throwing things out. John Eastman stated the signage is a great question. One of the things that, and he's not an expert on it and Earl (Sires) could elaborate on it, but the zoning laws are such that the reason you don't see that is because they are not allowed to be facing the public. He was paraphrasing it and Tom Irving could talk more about that. Earl stated he thought that was true for Schouler Park. There's been a real hesitancy to have signage and visual clutter in the historic center of North Conway. Steven stated he was just talking about the ball park in Center Conway by Town Hall. Earl stated he supposed they could do that. Steven stated he was trying to think of ways to generate income to help lower fees. John Eastman stated they do have a banner that hangs on the inside of the fence from Shaw's because they sponsor food for the Teen Center which is another way to cut costs because they do have a small

\$1,000.00 food budget for the Teen Center. They hang it inside so when you're driving by you can't see it, but parents and fans that go there can see it and they're still supporting the Rec.

Mark Hounsell stated he had a couple of questions. On the Fee Study Summary, estimated increase, and he wanted to go to Police that says \$53,000.00. He didn't know what that meant. An estimated increase, if it's an estimated increase, what was the amount before. Earl Sires stated he would have to get that for Mark because he didn't have it handy, it's just a Summary. It's \$53,000.00 less and he couldn't tell what all of the different things were. The Alarm Permits, Fingerprinting, all of the things that they do. Mark asked if he was to assume that \$53,000.00 more. Earl stated yes, the estimated increase in Revenue of adopting fee increases is the number in that column. Yes. Mark asked if at some future point, Earl would let the Committee know what that number is. Earl agreed. It's probably more like \$27,000.00, but he will get the number to the Committee.

Mark Hounsell stated the other question he had has to do with the Recreation balance, Recreation Fund balance. There is a certain amount in there and Earl Sires stated yes. Mark asked if someone could give a little bit of the rationale of the Selectmen on why more of the Fund wasn't utilized. Earl stated the balance accrued he thought very early on in establishment of that and he believed the Town was actually taking some Revenue in that early on, and he's sort of thinking and remembering as he talks out loud, that early on the Town accepted the revenue from participating towns and placed that in the Rec Revolving Fund. They then determined that probably wasn't an appropriate fee source, so the first year or two they developed a \$40,000.00 to \$50,000.00 balance there. That's been used to do a variety of things, more capital project type things like purchase an aerator for Parks or ball field mix and that kind of thing over the years, so it's been used to purchase these larger items to offset the General Fund basically. There's \$40,000.00 in there now and he thought, if he could speak on behalf of the Selectmen, as a source for those kinds of purposes.

Mark Hounsell stated so it's not meant to be used so much for operational but for capital improvement. Earl Sires stated he believed that's the philosophy and that's one of the permitted uses under the establishment of the State law of these funds. Mark stated he recalled from his time on the Board, he thought that was originally as well and maybe not quite as sophisticated as it is now, but it seems to get the job done.

Stacy Sand stated she just wanted to also mention that there is a group in town of volunteers called "Friends of Recreation" and she believes they have numerous sources of donations come to them that eventually work their way to the Rec Department. She has no idea what their budget is because they're not under the direct purview of the Town until they decide to donate to the Town. John (Eastman) works with them, he's on their Board, he works with the "Friends of Rec". That is another source that is not going to show up as income unless they make a donation, kind of like the "Friends of the Library", when they make a donation, one will see that

income source, but it is someone out there who is collecting money from kids programs and such as well.

John Eastman stated just to give a little information on what Stacy (Sand) said, they are a non-profit, 501(c)(3) recognized as a non-profit and their mission is to completely, when they raise money, 100% of it is to support things at the Conway Rec. For example, if you see the white van that's driving around, that was paid for 100%, \$16,000.00, and donated to the Town. Obviously the Selectmen accepted it, but it became part of the Town's fleet which was a very generous thing because they didn't have to come and ask about a Warrant Article. The "Friends" thought that, it was the second van that they've purchased. They do things like improvements, they do the flowers around the Rec, the sign that is out front when you come to vote says "Parks and Recreation", it's a \$3,000.00 sign and that was donated by the "Friends of Rec". They also do something which they believe is very important, and part of their fundraisers, is to help the Summer Scholarship Fund. What their Summer Scholarship Fund is because they charge fees, not just through the Town, it costs money for kids to go on trips. Once a week they go to an amusement park or to a ball game and not every kid has the opportunity, or not every family because some families have 2 or 3 kids, to throw \$19.00 a kid at going to that water park. The "Friends" come in every year and donate over \$3,000.00 to make sure the kids that are in need and the families that apply for the scholarship fund through the "Friends" which was over 54 families. They are very proud of the work "Friends" does because they never, not since he's been here which is 25 years, they've never said to a kid that they can't go to the water park, if you don't have the money - you can't go. They find a way for them to go and the "Friends" have done a really nice job.

John Eastman further stated to get back to what Mr. Steiner said about donations and to back up, the "Friends" do take donations and it doesn't mean that the Town can't, but the "Friends" have taken as an example Our Lady of the Mountain also donates money to the "Friends" to help sponsor kids in the Summer Program on the Town side because there may be a fee of \$160.00. A family might get partial assistance where they can help kids a little bit, but no one gets it for free and that's where "Friends" comes in and other sponsoring agencies. If someone would like to make a donation specifically for the Summer Scholarship to make sure a kid goes to Camp, they honor that and it goes directly to "Friends". There have been numerous things over the years that they've done, i.e. they give away t-shirts and that sort of thing.

Frank McCarthy stated he had two questions. One, just to make sure that he understands, if you go down to the 4th Summer Camp, come across and it says \$12,500.00, but then in the notes it goes that the Summer Camp Counselor offset to the General Fund, the actual cost is \$50,000.00. He is assuming then that the other \$38,000.00 is in this figure here. John Eastman stated it is in the General Fund, that is correct.

Frank McCarthy stated his second question was the Revenue. In the past and now with \$103,000.00 expected, 2015 approved Revenue, will that Revenue be added in to the total Revenue coming into the Town so that it can be

subtracted to come up with the amount to be raised by taxes. Earl Sires stated no, one of the reasons the Rec Revolving Fund was established probably 10 years ago was that the Budget Committee in particular was interested to know what the tax impact of Recreation was and so the purpose, and one of the reasons for doing the Revolving Fund was to take those things that are paid for through fees and remove them from the Operating Budget so that all that's left in the Operating Budget is the amount to be raised by taxes. So if he is asked what is the amount to be raised by taxes for Recreation, it's the total of the Recreation Budget in the General Fund. That's a good question. Frank stated if you did do it the other way, you would have to add \$103,000.00 to the Budget any way. Earl stated exactly. It's two checking accounts for the same function, but the reason they used the General Fund is because the Budget Committee wanted to track the tax impact of Recreation. That's a perfect analysis, Frank.

Christopher DeVries asked if there was a contingency fund or monies available for anything terrible happening to any of the facilities. Earl Sires stated other than the Capital Reserve Funds for buildings in general, there is nothing specific to Recreation. Lilli Gilligan asked what kinds of horrible things was Christopher talking about. Christopher stated a roof collapses, a system not working, the place burns. Lilli stated insurance. Earl Sires stated the Town has a program that we are going to get into in a minute here of Capital Reserve Funds that fund building improvement projects and repair projects so they have things that they know about planned. Some times unforeseen things happen, like this last year the Town had a culvert collapse on River Street in East Conway and so they've had to scramble to figure out the funding. Fortunately they do have the Capital Reserve Fund that they can work with to do that, but with respect to contingency accounts for operating expenses or some unknown one-time operating expense, they don't have anything like that.

Chairman Mosca asked for last questions and there was none.

Warrant Articles/Capital Reserve Funds

Chairman Mosca stated the members would now turn to the Warrant Articles. Earl Sires stated Lilli Gilligan was going to hand out information on the Warrant Articles. What she is going to hand out is a Summary Sheet that lists all of the Warrant Articles, their amount, tax rate impact and other information like that. This is a Summary Sheet and also with that is all of the Capital Reserve Funds schedule. Earl further stated that they didn't have the written Warrant Articles tonight because they wanted to try to focus on getting through the Warrant Articles and not have too much information. What they will do, if people want to do it this way, is post all of the verbiage of all of the Warrant Articles tomorrow either through e-mail or on the web so the members can look at it there. Rather than make 20 or 30 copies tonight that they're going to have to revise 2 or 3 times before the Public Hearing, they figured they would do it this way and try to focus tonight on getting through these and then put the written Articles up for you to see. Hopefully that will be enough for this discussion tonight.

Earl Sires asked that the members take the packet just handed out and put it in the back of the Budget book, that's going to be the start of the Capital Reserve Fund Warrant Articles information and he will be working from that tonight and, as he has said, they will revise it as needed, but will try to minimize the revisions.

Chairman Mosca stated the first question he was going to ask because he knows it's going to come out, what's the balance in all of the Funds. As you are talking about them, advise what the balance is. Earl Sires stated if you go to the first sheet, the balance in each of these Capital Reserve Funds is shown on the detail for each one of them.

Earl Sires asked to go back to the first page so that he could orient the members for what is there and then go to the different Capital Reserve Funds with Paul (DegliAngeli) coming up first. Basically, this page is a Summary, lists each Warrant Article. So if you started by talking about the Capital Reserve Fund for Infrastructure, they have the amount requested for 2015, next column is the tax rate impact, what was approved for 2014 so that the members can see the difference and the actual dollar difference in the far right hand corner. If the members wanted to then add up, for example, go all the way down and see the difference between this year and last year, and one of the things he wants to make sure everyone understands right at the start is that these requested Warrant Articles are \$414,000.00 more than last year. That amounts to a tax rate increase over last year of \$.29, so say \$.30. So right off the bat, all things being equal, we talked about the Operating Budget being a 1.6% increase, relatively modest, but the real work is going to happen in the Capital Reserve Funds this year. That's what they are talking about. They do that for each of the Warrant Articles and at the bottom members will see the 2014 Warrant Articles not repeated in 2015 so members can see what isn't here this time and then at the very bottom there are two Warrant Articles that were presented to the Selectmen, but the Selectmen did not endorse and forward on for this Committee's consideration. That was \$38,000.00 that isn't there now. The other piece of information is if members look at the amount requested, the 2015 column, the first column and go down to the total there, 2015 amount for Warrant Articles is \$2,354,000.00. That's \$1.00 on the tax rate; that \$1.00 is up about \$.70 from last year; that's the \$.29 increase.

Frank McCarthy asked Earl Sires to repeat what the total was. Earl stated the total for Warrant Articles this year is \$2.35 Million. It does include the \$825,000.00 for the Grant, but it has no tax rate impact, so the total dollars are actually greater than the tax impact rate because that \$825,000.00 in particular and also Valley Vision are not funded by taxes so they don't have a tax rate impact. We're fortunate for that, but the ones that do have a tax rate impact is \$1.00, \$.99.

Chairman Mosca stated to say that the \$825,000.00 doesn't have a direct tax impact, but we're all paying for it indirectly through Federal taxes. Earl Sires stated it is Federal funded. Chairman stated exactly, but where do the Federal funds come from. Earl stated there's no local tax impact. Chairman stated right, but we're all paying for it in some way, shape or form. Earl stated he wouldn't argue.

Infrastructure Capital Reserve Fund

Earl Sires stated that Paul DegliAngeli was up first. Mr. DegliAngeli stated on page 2 is the Infrastructure Capital Reserve Fund which he knows has Doug Swett's complete support. Chairman Mosca stated there is a \$75,000.00 increase this year, but he is also looking out that every year after this you're increasing by \$25,000.00, so by 2020 you're up to \$525,000.00. Mr. DegliAngeli stated yep, there will be an ever shrinking balance. Chairman stated exactly, why. Mr. DegliAngeli stated because that's what it costs. Chairman stated he knew that was what Mr. DegliAngeli was going to say.

Paul DegliAngeli stated in the last 5 years they have had 3 of these large culverts collapse. They know where they are, they know they're condition. The way they've been proceeding is not keeping pace. Chairman Mosca stated the cost to repair River Street is less than what was anticipated. Mr. DegliAngeli stated it is, the bids came in at \$20,000.00 less than they anticipated and they spent, he thought they calculated, \$48,000.00 more than they would have if they had fixed it on schedule and not the collapse. Temporary bridge, temporary fix for the winter. Chairman asked if they were looking at speeding up to take care of some of these. Mr. DegliAngeli stated that's what we're doing.

Paul DegliAngeli stated if you look a little closer, one will see that each of the years has the projects that have been scheduled in the Plan. The Plan was conceived in 1998 and those projects that were identified back in 1998 will finally be completed in 2020 by the schedule. In addition, in each of these years leading up to 2020, one will see a bridge or a culvert in there. Now these are not all of the bridges and culverts remaining, but they commissioned a Study this summer and these are the ones they feel they have to do by this date. This date is 5 years hence, so by then they will have looked at each of those others at least 5 times, some of them twice in the Spring and Fall and after every storm, some of them get looked at 3 times a year, and they'll budget accordingly. As of putting this Plan together, those remaining structures aren't in immediate need and he defines immediate by next year or up to 5 years.

Paul DegliAngeli stated the members will notice that they have a culvert on the West Side Road, near Frechette Oil, north of Birch Hill, pass the Lobster Trap, and it was put in by the State when the State abandoned the Old West Side Road, and he was looking at Mark Hounsell and maybe Mr. Swett, anybody who remembers raise their hands, but that was the 1970's. This culvert is 16 feet down and it's 98 inches in diameter. If the Town loses it, there's West Side Road, but it's only 8,000 people a day during the summer.

Mark Hounsell asked if that culvert would last until 2019. Paul DegliAngeli stated he sure as heck hoped so. They are hoping not to replace it, but to just line it because that would be the most cost effective way. To dig down 16 feet to put in something that's 98 inches in diameter, that's expensive.

Mark Hounsell asked where the Skimobile Bridge was. Paul DegliAngeli stated Skimobile Bridge is on Skimobile Road looking at the south slope on Cranmore, it goes from Kearsarge on the corner/in the vicinity of Mr. Fernandez' home, right down the bottom is Kearsarge Brook, and that's Skimobile Bridge. The bridge is fine, it was put in in 1986, but the deck is no longer fine so they need to take care of that.

Mark Hounsell asked what was wrong with the Old Bartlett Road. Paul DegliAngeli stated what's right with that would be a much shorter answer. Mark stated he thought there was some work done back in 1998. Mr. DegliAngeli stated there was. The Old Bartlett Road goes from this bridge, Skimobile Bridge, north around a 90 degree corner and then intersects with Kearsarge Road. The work that was done in 1998 goes from Skimobile Road up to about Whitaker Lane where there's a bridge that the Town rebuilt a decade ago. From there, the rest of the way and around is shot, in fact, it's one of the roads that he shimmed, all are familiar with that lovely product, so that they could glue it together literally so they could plow it again this year. Someone asked during the Budget process about how much we spend by not getting to these things in time and the Town spent \$37,000.00 on grader shim this year and, as he said earlier, \$48,000.00 on this culvert. There's a good piece of pocket change.

Dick Klement stated obviously next year when you come in, you'll have changes for 2017, 2018, 2019 and 2020. His question is are these normal repairs. Paul DegliAngeli stated yes. Dick stated a road goes bad and has to be repaired after 30 years; why are these always coming to us as Warrant Articles instead of being in the base Budget. He means this is roadway maintenance, it's normal, it's got to be done, but we're making believe that because a bridge deck is bad, we need a Special Warrant Article for that. He doesn't understand; why isn't this just put in the basic Budget or are you afraid of what's going to happen when the townspeople see that they are up another \$2 Million.

Paul DegliAngeli stated the reason it's not there, don't get hung up on the term Warrant Article, the term to be hung up on is Capital Reserve. The Town started doing this in 1998 because they inventoried everything and realized there was a lot of work that went beyond maintenance. He remembers this Town Meeting where he stood up and said there was reconstruction and there was maintenance and he used the analogy of someone's house and painting every 7 years, that's maintenance. Replacing rotting sills, you know jacking it up, replacing a rotting sill or perhaps replacing a cut stone granite foundation in a rotting sill and putting it back down on to a cast concrete foundation, that's reconstruction. At that time, they broke all of the roads and infrastructure into 3 categories: nothing needed, maintenance and those things that were too far gone that they needed reconstruction. So all of those things, that last category, that third category, went into a Capital Reserve Fund where the Town was going to save and they were going to add money to it and attempt to level fund it so that it didn't go up and down and hit the taxpayer in the pocket. The Town stayed level until this year because it's obvious they're not keeping up and because some of the projects he's done since 1998 are now coming due for maintenance. A stitch in time saves nine, right. Back then those items got on to the list because they were either improperly

constructed to begin with or because they had not been maintained and so they were past maintenance and they let them go, they fully depreciated them and they needed to be reconstructed. Some of those items have already come back around. They took some criticism in the Public Works Department for paving the North-South Road. They took some criticism for paving the West Side Road. There are worse roads in town, that's correct and they're on this list, but those roads have already been reconstructed and he has an obligation to keep spending that stitch and not nine.

Dick Klement stated he had no argument whatsoever. Paul DegliAngeli stated those roads move from this list into the Operating Budget, but here because we're saving and we wanted to have a balance for that unforeseen thing, the only way to do that in the State of New Hampshire, is to have a Capital Reserve. Now, all these many years the Town has maintained a Capital Reserve balance between \$250,000.00 and \$300,000.00. Look at this, that balance, we're not doing that. Once we get to 2020, as you (Dick) said stuff happens, he's completed everything they know about, all of the known things. Now they may expand to things like Modock Hill Road, the gravel portion of Davis Hill Road, Dolloff Hill Road, and notice that all three have two things in common: they all have "Hill" in the name and they're all gravel. So, so far, they've had no plan for that, they've just circled the wagons and tried to maintain the existing paving, infrastructure, bridges, etc.

Paul DegliAngeli stated what happens in the future, he doesn't know, but as of this point in time, in 2020 they will have completed everything that's been identified back in 1997 and instituted back in 1998. It was a 10 year Plan in 1998, 22 years ago. Now in fairness, the Town did a lot of road work for \$.20 on the dollar because the Federal funds through Rural Development which funds water and sewer in rural communities and through the ARA funds, otherwise known as stimulus or Obama bucks or what have you and because and only because the Town had Capital Reserve Funds were they able to coordinate with the North Conway Water Precinct and the Conway Village Fire District. Remember those are not departments of Public Works, in many towns they are, but here they're not. They would come and say "we want to do this" and we'd say "okay" and scratch this project, we're going to do this one instead. Again, he was going to restate this, they were paying \$.20 on the dollar for this road reconstruction. That was a really good deal. They did 10 years of work in 3 years under ARA and anybody who drove around in the summer was aware of that.

Paul DegliAngeli stated that's the good news and that's one of the reasons why it's taken longer and the other is that things have collapsed along the way because stuff happens and they keep reshuffling. He has these other structures, as Mark (Hounsell) asked is it going to last until 2019, he sure hopes so and it looks good this year, but Tasker Hill Bridge was one of those bridges that they were looking at every Spring, every Fall and after every major flood and they had applied and it was on the list to do, it was on the list to do that coming season and that Fall it collapsed, catastrophically it collapsed. He's saying these all need to be done now and they're rolling the dice for this 5 year program. The other way to do it, is do them all next year and have a Bond issue. It was talked about quite a bit. Staff, Earl (Sires), himself, Lilli (Gilligan),

the Selectmen, this is the approach they are taking based on what they saw, what they inventoried this summer.

Frank McCarthy stated on line 3, Wheeler, just so he understands what's going on, life expectancy 12 years, you're going to purchase one he assumes in 2019. Chairman Mosca asked Frank what he was talking about. Frank stated he was talking about the Capital Reserve Fund. Chairman asked which one, there's 4 of them, 5 of them, 6 of them. Frank stated he was still on Equipment. Chairman stated we're on Infrastructure. Paul DegliAngeli stated he was looking at page 2, lower right hand corner. Chairman stated that's the one we're on right now.

Maury McKinney stated he wasn't sure if he was reading this right, we're looking at a situation in 2015 of having a beginning balance of \$261,000.00 and ending in 2020 with \$104,000.00. It looks like over a 50% decrease in our Capital Reserve Fund for Infrastructure. Whether we go to Bond or not, do you (Paul DegliAngeli) feel like that's responsible, is that enough. He knows Mr. DegliAngeli used a number a couple of years ago of wanting to have something like \$200,000.00 or \$250,000.00 in this particular account. He was just wondering why you were able to justify the 50% decrease over 5 years.

Paul DegliAngeli stated it was talked about and he suggested that this was the minimum and that he would like to see a higher balance, but, as you know, this number is for 2015 is a \$50,000.00 increase over what it has been. It has been level at \$350,000.00 for years and, as you can also see, it goes up quite a bit and so this is what the Selectmen felt they could do.

Maury McKinney stated have there been times over the last 15 to 20 years where we've been this low on this particular Capital Reserve account. Paul DegliAngeli stated no, this will be the lowest, but in fairness, they don't have all of these roads to coordinate with either the Precinct or the District. They have literally finished everything they had identified to do. They have spent their bonding authority and we are no longer eligible for RD funds. It's not as dynamic a situation. They are willing to give it a go, exactly a little good luck is what is needed.

Chairman Mosca asked what would be the cost difference by bonding it versus going out over 5 years. It looks like \$3 Million is needed to bond it all. Earl Sires stated he didn't have the sheets and the information here, but they did have a discussion with the Selectmen the other night about bonding and he thought the upshot of that was that there were a couple of alternatives: let's do only the projects that are over \$200,000.00 because you don't want to bond for a \$60,000.00 roof job or something like that, so \$2 Million or maybe just do all of the culverts at \$1 Million. They looked at 10 year pay offs and 15 because you don't want to go 20 or 30 on \$1 Million or \$2 Million because the interest is crazy. The Selectmen thought that even under those scenarios of \$1 Million or \$2 Million for 10 or 15 years the interest was just not worth the gain because it did two things: one, total interest was in the several hundred thousand dollar range in any of those scenarios because you're still making a relatively substantial bond payment every year of \$250,000.00 for

10 years or 15 years, it didn't really change the amounts that are going to have to be raised and appropriated because they have relatively large projects spaced out over time or you do them all at once and have relatively large bond payments spaced out over time plus you're paying interest. The Selectmen thought that it was most prudent to go with this approach, save as you go, pay as you go.

Peter Donohoe asked what kind of inflation factor is built into these 5 years out projects, has that been calculated into that. Paul DegliAngeli stated they use 2.5. Peter asked what are the bonding rates like right now. Earl Sires stated 3.5. Peter stated so it's not quite a wash. Earl stated that's 3.5 right now projected, who knows. Peter stated the 2.5 is also a projection, it could go to 4. Mr. DegliAngeli stated and gas could be \$.60 tomorrow. Peter stated it will, mark my words. (lots of laughter)

Mark Hounsell stated he thought Paul DegliAngeli's Department does an excellent job and he really appreciates the hard work and the almost impossible task you found yourself in 2014 with all of the different things going on. Well done there. Mr. DegliAngeli stated thank you. Mark stated based on the past performances and everything and knowing how you think and how the Selectmen worked through this, he thought this was the ideal plan to have this Infrastructure Reconstruction Plan laid out as it is and it has his full support. It's a lot of money, but it's a lot of work. The only caution he has is the West Side Road. He hopes it's not as dire as he thinks it is and he'll go with Mr. DegliAngeli as the expert on going to 2019, but maybe just to calm his mind the Town might see if maybe something could be bumped or swapped out because that would be catastrophic.

Paul DegliAngeli stated it would be. They have a second culvert there as well that's one of the ones that they looked at. Mark Hounsell asked which one was that. Mr. DegliAngeli stated it's in Moat Brook, also on the West Side Road. It's not in this first 5 years, but it's one of the structures he was referring to. West Side Road has 3 structures, the deck on the bridge over the Swift River and that bridge was built, and he was going to defer to Mark, in 1977 and in 2000 he did a partial deck rehab, so 15 years ago already, a partial deck rehab. That means the portion that he didn't do is from 1977/78. Its time has come and they aren't doing anything ahead of schedule. Mark stated you've got that 5 years out there. Mr. DegliAngeli stated like he said they're not doing anything ahead of schedule.

Steven Steiner stated he was thinking that maybe we should close down Route 16 and collect tolls, but seriously, he agrees with Mark (Hounsell) that it would be catastrophic. It's just too bad there's not enough savings that we could get from the School to help pay for this instead of bonding and all of that. Chairman Mosca stated let's not go there or you won't ask another question tonight. Don't take shots at people that are not here, not now, not just schools in general, just don't do it.

Highway Capital Reserve Fund

Chairman Mosca stated let's proceed to the Highway Capital Reserve. Paul DegliAngeli stated that's on page 3 and he thought Frank (McCarthy) had a question there.

Frank McCarthy stated he did want to echo what Mark (Hounsell) said, he thought Mr. DegliAngeli does one h*** of a job, a true professional and not only the work that gets done in town, but you make your Budget so easy for him to understand. Mr. DegliAngeli stated thank you. Frank stated line 3, Wheeler, he didn't really know exactly what that was, but it has a 12 year life expectancy. One was purchased in 2007, 2019 would be the 12 years and you've scheduled \$140,000.00 for one machine he would assume, but what's the extra \$40,000.00 in 2015 for.

Paul DegliAngeli stated some of these vehicles have gotten stretched 12, 15 years in life expectancy when the economy wasn't good. It wasn't a staff recommendation, but it was something they felt they needed to do to have a tight Budget and they ended up losing through rust dump carts, dump bodies that they couldn't inspect the vehicles. A Wheeler is a larger dump truck, the kind you see in construction companies, it has multiple axles and in these machines, instead of putting in a separate sander, they purchased a dump body that had a sanding belt underneath it, so you could just fill up the dump body with salt. They went with the low bidder and it was built for light duty. It didn't last as long as the cab and the chassis and everything else. That's what that \$40,000.00 is for. They had planned to put a new plow package on it, but they couldn't at the time because there wasn't enough money and so they kept an old plow package that was 30 years old, but they kept running it, so now that's what they're doing here.

Chairman Mosca asked if the members had any other questions on this Capital Reserve Fund.

Solid Waste Equipment Capital Reserve Fund

Chairman requested that Paul DegliAngeli proceed with the Capital Reserve Fund for Solid Waste Equipment, page 4.

Chairman Mosca asked why was it \$30,000.00 last year and \$105,000.00 because he couldn't remember. Several members stated the Baler. Paul DegliAngeli asked what the question was. Chairman stated the Warrant Article request, last year it was approved at Town Meeting for \$30,000.00, but everything on here for the next 5 years is \$105,000.00.

Mr. DegliAngeli stated it was dropped at the Deliberative portion because they had programmed the Baler from here and two things happened: they got a Grant from New Hampshire for the Baler and the Baler ended up costing a lot less money than they had programmed which was a big surprise because what they programmed was based on what they paid back in 1988 for the existing one. It's just a supply and demand issue it turned out because back then it wasn't as popular, recycling programs, etc. There must be more competition because the machine they just purchased is much, much

more machine than they owned, heavier built, heavier duty and it cost the Town less than it did back then. The other thing is that they had a balance in the Special Revenue Account. If you go to the Transfer Station and you're charged for an item, i.e. electronics, furniture, they have this Special Revenue Account and they used a portion of that balance. They didn't use it all because some years they were in the red and some years they were in the black, but over the life of that account through dollars that they have put in, after 12 years of operation, the balance that they had was almost 5% of what they had expended. He thought that was good news, it's not a ridiculous balance because he'd rather have 5% to the good than be short 5%. They felt they could use some of it, a good chunk of it, and they put it towards the Baler.

Chairman Mosca asked if there were any more questions.

Landfill Expansion Capital Reserve Fund

Chairman requested that the members continue with the Capital Reserve Fund for Landfill Expansion.

Paul DegliAngeli stated this one is a real moving target. The Town can estimate what it's going to cost to expand the Landfill and those numbers are pretty good. They've built 3 phases and each time, they're estimates have been spot on. It's a matter of dividing the number of years of life by what it's going to cost you. This is what it's going to cost you in today's dollars, then you assume 2.5% inflation and you do present worth/future value and there you go. The moving target here is how many years is it going to last. When they built Phase 1, it was predicted to last 8 years and it did. When they built Phase 2, it was predicted to last 8 years but they stretched and got serious about recycling compliance. Now they've built Phase 3 and just today he's completed the numbers which are part of his Annual Report and trash is down. This year we did 2,200 tons. When he started this business, we were doing 10,000 to 11,000 tons a year. This year is the first time in the history of the recycling program here that we just cracked 60% of recycling percentage. Eighteen years, nineteen years, twenty years, that's a long time, something could change, something could happen to one of the commercial landfills. There could be new laws in the State of New Hampshire. He can't predict the future, but at the current trash rates, they took the middle of how many years they think it might last, what it might cost with the projections, what inflation might be and this is the number they came up with.

Paul DegliAngeli stated what they've done in the past, as they've gotten closer to construction, they fine tune that number. They start putting away less. They've never had to put away more; we've been fortunate. From where we are now, this is their best educated estimate.

Maury McKinney asked the 60% recycling number just used, is that based basically on tonnage going into the Landfill and tonnage going out. Paul DegliAngeli stated this is a good question. The Town had been for a number of years estimating what the residents did by household as opposed to the commercial because the commercial number was getting skewed because they would take waste from some of the commercials, but they would take all the

cash recyclables. There is a lot of retail in this town. There's a lot of cardboard boxes. These companies install their own loading docks, they've got their own Balers, he doesn't get anything that's recyclable from the Supermarket, but every couple of weeks the Town gets a roll off compactor of produce. For a long time, the Town was doing just what was estimated came out of people's houses, i.e. tin cans, paper, let's take out big metals, let's take out yard waste, just what came out of your kitchen and that's not a hard and fast number because who's to say that your bicycle kind of came out of your garage, but big heavy iron recycling is down because it's worth so much money now and there are facilities close by that that's fallen out. They sort of distilled it down to two methods and they check them both. This year one method yielded 61.9% and that's the one they're publicizing. The other method yielded 64%. If he takes the gross method which takes into account, but he's taking waste from a large producer like a Supermarket, like a Shaw's and he's getting recyclables, if he simply looks at everything he buries in the Landfill and everything he ships out, it's 59.1%. He's calling it 60% and patting ourselves on the back.

Dick Klement stated on page 4, when does that get implemented; you're saving up every year and at the end of 2020, you're up to \$736,000.00, what's the magic number to make Phase 4 work. Paul DegliAngeli stated the magic number is \$1.8 Million. Dick stated so 2030 is roughly the time that you're ready, if you stick to \$110,000.00 a year. Mr. DegliAngeli stated that's what he was alluding to earlier. If the trash rates stay where they are now, we've got 20 years of life. Dick stated okay, which brings him back to a discussion that happened with this Board about 6 or 7 years ago which was "why am I putting away money that I am going to spend in 20 years and it's going to be worth less in 20 years than what I'm putting away and might be better off not hitting the taxpayer with money now, but bond it in 20 years". Dick stated he was not saying that he agreed with that approach.

Paul DegliAngeli stated the answer to that is the same answer to "why don't we bond our Infrastructure", it's the cost of financing. You avoid the cost of financing. There is a cost to borrow.

John Edgerton asked aren't you required by law to accumulate to closing the Landfill. Paul DegliAngeli stated but this is expansion.

Paul DegliAngeli stated this is the second part, those of you that have been on the Committee for a number of years and he wasn't saying John (Edgerton) is old, but the Town is required to have all of the money in the bank to do closure. Now, this is a requirement of the State of New Hampshire, the Town has said to the State of New Hampshire that they understand that for a commercial landfill, but we're a municipality. Yea, but it would sit there and not be good for the environment if you didn't close it. The Town does not plan to close it. He just built 3 and he doesn't plan to close it, he plans to build 4 and after that they plan to build 5. Tell you what, as long as he has enough money in the bank for a combination of closure and expansion, he's been saving for Phase 4 to expand it and he gets there and the Town says "we're not going to build Phase 4" or we don't produce any more product that needs landfill, we

recycle 100%, then he's got the combination of the closure funds and the expansion funds and together they are enough to do the closure.

Dick Klement stated so what then are we doing with this money; is it accumulating in an interest bearing account or is it just sitting there in somebody's shoe box under their bed. Earl Sires stated it's in a barely interest bearing account. Paul DegliAngeli stated he was reminded of a story about this coal miner in West Virginia that came in with a wad of wax, he broke the wax open and he had money rolled up and that's what he did because he didn't believe in banking institutions, but because the Town has to put its money in a public deposit investment pool, you know something that's secure, they might as well have it in a shoe box. They do get interest, but it's extremely little.

Chairman Mosca asked the members if they had any further questions.

Maintenance of Town Buildings and Facilities
Capital Reserve Fund

Chairman requested that we proceed with the Capital Reserve Fund for Maintenance of Town Buildings and Facilities.

Mark Hounsell stated this is one where he thought it was about time for someone to start talking about the need to begin conversation, how's that for staying in the back at the starting line, it's time that we need a new Town Hall, that thing is a joke. We need to take a picture of it, tear it down and build a real one and in there put a Police Department because the current Police Department that we have doesn't serve our needs. He'd let the Recreation Center and all the other stuff stand by themselves, but we're throwing money down a rat hole trying to keep that Town Hall operating. It's embarrassing; it's embarrassing to go to the attic and it's even more embarrassing to go to the cellar. In between it's not healthy, it's not safe. There's not good parking and we can do better than that. Somehow we have to start addressing that need.

Paul DegliAngeli stated interestingly it's not on the spreadsheet. Earl Sires stated there have been a lot of conversations and the Selectmen have done a lot of thinking and work over the last 15 years. They have files that every 3 to 5 years they sit down and work with the Selectmen to look at alternatives and they've looked at everything from adding on to the building, buying a building, moving into another space somewhere that might come available, putting offices in the Attic. They've also identified the needs; they have space needs because they are pretty cramped in there. The real needs and the real important shortcomings of the building are really revolving around the fact that it is not a building that was built for the modern world obviously. They don't have the storage capacity that they need, a fire proof vault and that sort of thing and they don't have the security, both in the building and the location of the building. They don't need to look to far around any more to see the kind of things that go on.

Earl Sires further stated the more he's thought about it over the years, really the answer to Town Hall is that they have a space that's been

programmed and planned next to the Police Station and the Courthouse for 20 years and the real answer is to build a new building there that meets all of the needs of the Town and the people that come into the building and the people that work in the building for the next 50 to 100 years. Next to the Police Station increases security; you could do a combo kind of a building that adds on to both the Police Station and create some additional space. Who knows when that will happen; you're talking a couple million dollars, but he agrees with Mark (Hounsell) that looking at trying to finagle what they have, they've put money into it and they've improved it over the last 15 years, but the real answer is at some time we need to get a new building. That's his spiel on that for the year.

Paul DegliAngeli stated in the interest of sparking conversation and he was addressing it to Mark (Hounsell) as one of the Library Trustees, they have a rather healthy number in 2016 for the Library and he put that down there to get conversation going. The Library is the original building with an addition. The original building's roof is original and that year was 1901, they did about \$5,000.00 in roof repair this year and took a bunch of photos and the Town would like to redo the roof as it is now, historically accurate in slate and copper, this is the estimate that they have from the company. If you want to use the same sort of roof and trim work that's on the addition, it's \$100,000.00 to \$125,000.00, about half. Usually he doesn't give an opinion and he doesn't have an opinion, but in this case he thought it would be awful nice to preserve the building in its original condition.

Mark Hounsell stated just to let everybody know, next Monday this is going to be a topic of conversation. They are not going to make any determination at the Board of Trustees about this topic: architectural versus the traditional architectural slate. He thought the only way the Trustees, and he was speaking way out of turn, will go with this is if there was some sort of fundraising component for the difference. He thought it would be very hard, very difficult for him to sit back, as much as he loves that building and grew up looking at it, to say to the taxpayer that they want a slate and copper roof. On the other hand, there are very few buildings in this part of the State that have that type of historic value to it, so he thought it was going to have to be a combination of public support and private support.

Dick Klement stated he had two comments. At the Police Station, the monies in 2015, will that correct all of the problems associated with the poor construction. Paul DegliAngeli stated no; that's as honest an answer as he could give. Dick stated at some point you are going to have to come in and do other stuff that's not on this list yet. Mr. DegliAngeli stated as you can see, there is nothing else programmed. He went through with the Building Inspector and Steve Solomon, Fire Chief, who was providing services for the Redstone Fire Department because they have jurisdiction here, but they subcontracted if you will to Chief Solomon, who has training in co-compliance, etc. and what they have listed is what they agreed needs to be done and so beyond that we will be back to maintenance of the building. Does it correct all of the Code deficiencies was the question you asked and he answered no, but it's items that those gentlemen as the Code enforcement people felt were livable. What you see programmed

here for the fire pump loosely is something that they felt very strongly about having fixed and, as you know, the Town spent \$75,000.00 this year for the sprinkler system.

Dick Klement stated his other question is the expansion of the garage. Please correct him if he screws this up, but 4 years ago there was a Warrant Article to replace the garage. Paul DegliAngeli stated for the Service Garage. This is a different building. Dick stated we refurbished the Service Garage. Mr. DegliAngeli stated they did. Dick stated now we are looking for an expansion to the Highway Garage because you don't have enough space for the vehicles. Mr. DegliAngeli stated correct. Dick stated if we had gotten to spend the \$800,000.00 on the Service Garage and done it the way it was dreamt to be done, would we have needed this \$345,000.00 expansion to the Highway Garage. Mr. DegliAngeli stated yes. Dick stated the true needs, at that point in time, no one was talking anything about any other space being required, so it made it look like to him and this red flag jumped up saying we didn't get enough money for the one Garage, we just patched it for \$500,000.00 instead of spending \$800,000.00. He might be wrong on the numbers, but now we need another \$350,000.00, gee that comes close to \$800,000.00 now doesn't it. What kind of expansion are we talking about here in 2018.

Paul DegliAngeli stated this building is where they store all of the equipment for the Highway Department. Basically it's a rectangular building with doors on either side with columns up the middle and they're looking to build 4 more bays which is 2 bays wide, 2 deep. That's as simple as he can put it. This building was built in 1988. He has a picture and he invited all of the members to see it on the wall in his office, of the Highway Crew in 1974 and you can count the number of guys in the Highway Crew and he could tell the members now that they have the same number of guys in 2015.

Dick Klement stated he was not talking about the guys, he was just talking about the building. Paul DegliAngeli stated what's different is that we had wing men back then, there were two guys in the vehicle, etc. etc. and we no longer do that. They are running much bigger vehicles and as you can see, the Parks and Rec Department have their own now and they don't have a separate garage for them. Like Town Hall, it's time they need to start thinking about it. It's a need; it's coming. We're not abandoning the existing building, they would probably expand what they have and redo the insulation package in the existing building because they've had such a positive outcome from the Service Garage.

Chairman Mosca asked if there were any more questions.

Parks Department Vehicles and Equipment
Capital Reserve Fund

Chairman requested that we proceed with the Capital Reserve Fund for the Parks Department Vehicles and Equipment. Since no one had any questions or comments, Chairman requested that we proceed to the Capital Reserve Fund for Police Vehicles.

Police Vehicles Capital Reserve Fund

Chairman Mosca stated there is a Capital Reserve Fund for Police Vehicles that every year gets \$60,000.00 for 2 cruisers. Mark Hounsell stated unequipped.

Earl Sires asked if the Committee was done with the Capital Reserve Funds. Chairman Mosca stated yes. Earl stated we talked about the Police Vehicles when the Police were here, right. Chairman stated it was touched upon briefly.

Earned Benefits

Earl Sires stated that he and Lilli (Gilligan) could talk about Earned Benefits. The Chief also mentioned that he's had trouble over the last few years dealing with these unexpected departures and payouts and so on and that's related to both retirees and the departure of folks that have been here for quite a while. He came in with a fairly significant Budget addition and Earl talked with the Selectmen about perhaps establishing this Capital Reserve Fund which again there would be a contribution to and it's a non-lapsing account so there's monies available to fund unexpected departures and to also fund planned departures. One of the things that the members may have noticed that a number of Town Department Heads at Town Hall are getting to the point where retirement is 3, 5 or less than 10 years out, so we're going to start seeing a turnover and they thought it would make sense to plan rather than having to deal with ups and downs in the Budget to deal with these things. This is something to think about. They've lived without it for some time, but they are also evolving as an organization to the point where it's going to become a more significant factor over the next few years so they thought it might make sense to discuss that. That's what that is all about.

PEG Cable Television

Earl Sires stated PEG Cable Television is something that we've all gotten used to seeing. Basically, what happens is the Town is allowed to charge the Cable Company for the use of the Town's rights of way. That is currently a 3% franchise fee that the Cable Company pays to the Town, but then the Federal government allowed them to pass that onto their customers which they do under a line that says "Franchise Fee". While it's paid by the Cable Company, they try to make it clear that it's coming to the Town. Those revenues are deposited and proposed to be deposited into a Trust Fund each year and this year it's \$110,000.00. This is non-local tax money into this account. Once it's in there, the Selectmen are then authorized to use that for purposes of public education and government TV.

Mark Hounsell asked hasn't that typically been about \$130,000.00. Earl Sires stated the revenues received have been in the \$125,000.00 to \$130,000.00 range over the last 2 or 3 years. In the past, all of that money, particularly when it was more in the \$100,000.00 to \$110,000.00 range was deposited into that Trust Fund. Over time that Trust Fund has grown to where it has a pretty significant and pretty healthy balance and the Town also received in their 2010 renegotiation of the Franchise Fee

Agreement \$110,000.00 for equipment to be used over the 10 years, 2010 to 2020. The Selectmen felt that Fund was healthy and instead of putting the entire \$130,000.00 of Franchise Fees into the Trust Fund, they would put \$110,000.00 in and the remaining \$20,000.00 or \$25,000.00 this year will go into General Fund Revenue just to support general Town operations. The Selectmen have actually entered into a contingent Contract with Valley Vision, who provides the programming and technical service to the Town, for 2015 so that if this money in this Warrant Article is approved, they will execute the Contract and he thought the amount of that was \$104,000.00 this year. The scope of services is exactly the same as it has been over the last few years. That's what that's all about. It may have been more information than you wanted, but that's the story.

Mark Hounsell stated Valley Vision maintains very quality programming and their Budgets never take a sharp increase, they're very solid and reflects a solid arrangement he thought. He misunderstood because he thought what we received was \$110,000.00, but we're still receiving up to \$130,000.00. Earl Sires agreed.

Dick Klement stated he had two comments on this line. He finds it irritating that the Town has no tax impact, there is a tax impact to everybody who's got cable because they're paying that tax. It makes it seem like it's free money, it's not free money, but the other part is that a number of years ago that money was used for video educational purposes. The High School received money out of PEG for their Video Lab, doing games and so on and so forth. The Selectmen in their all knowingness then felt that they could suck off some of that money for other purposes and it need not be spent in education. He finds that offensive.

Earl Sires stated if it were true, it might be offensive. Dick Klement stated but they're not using that \$130,000.00. Earl stated here's why: they had started to do that way back and then also 5 or 6 years ago funding some work in the video production area in the High School. The reason it didn't go forward is because the High School, what they were doing was Conway alone was providing funding to the School District to the benefit of all of the surrounding towns. What the Selectmen wanted to see happen was the School Board include that in their Budget, so the Town would give the School the money and they would have it in their Budget and then they could tuition that out to the other towns. The School Board chose not to do that, so the Selectmen discontinued the funding because they didn't think it was fair to only have Conway providing the funding. That's what actually happened.

Dick Klement stated if that happened, it was never communicated to him in the 6 years he was on the School Board when that took place. That's a mystery to him. He just has a problem with that. You've got cable taxation going for purposes other than cable. Earl Sires stated right, just like you have car registration fees and building permit fees, go to all sorts of other General Fund purposes. This is a General Fund Revenue that can be used for any Town purpose. It's no different than any other revenue stream.

Mark Hounsell stated the PEG Program has historically done wonders for our School system. He can remember back to when he was on the School Board before 2006, there was part of the agreement that we had on the Board of Selectmen that Time Warner had to put a mile worth of cable every so often. They were more than willing to work with the School District to send a mile worth of cable up the conduit to the new High School providing service to the High School. Since that time, they've been able to put both live feed to both the Basketball games and the Football games and they continue to open their doors at PEG, at Channel 3, to welcome children to come in to participate in their own programming. He could tell those present that they're more than welcoming to students and for the educational part of the Public Education Government programming. There's nothing but success surrounding the Franchise Fee which the cable payers pay, not cable subscribers to the Internet or cable subscribers to the telephone, just the television. It's a modest fee and people pay that as a Franchise Fee and it goes to the Town, it's part of the contractual right that they have to bear to be able to run their cable. He could not think of a better thing that we have done in servicing the community, including the students, especially the students, in putting this money where it belongs. To say that it hasn't benefited the schools is just not paying attention to the historical fact.

Earl Sires stated not to belabor the issue, but to get to the issue of other town participation, this might make you feel better. The Town does provide through Valley Vision as Mark (Hounsell) mentioned live broadcasts of school events and that kind of stuff. They do now also charge the other towns: Bartlett, Madison, Jackson, Fryeburg, Albany a \$5,000.00 fee just to watch the programs. So they are getting participation from the other towns to help support some of these efforts that do benefit the schools, like the live broadcasts of sports events and that kind of stuff. That's that.

Eastern Slope Airport

Chairman Mosca stated he wanted to proceed with Eastern Slope Airport. Earl Sires stated this was an Article that was first proposed last year after some years of not being presented to the voters in Conway. There was a lot of discussion last year about the importance of the Airport economically, for medical flights and so forth. There was discussion about whether this would appear as a Warrant Article into the Operating Budget. The folks from the Airport Authority did represent last year that they would do this several years, present this and this year again, it's being presented as a Selectmen's Article. The Selectmen indicated that they would present this for several years, 2 or 3 years, and if it were to be accepted each of those years, then they would consider putting it in the Operating Budget. It's here again, same amount as last year to fund the general operations of the Airport.

Town Hall Water System

Chairman Mosca proceeded with the Town Hall Water System. Earl Sires stated Paul DegliAngeli would speak a little bit, he will talk about the

technical details and then Earl will talk about some of the financial details, but Mr. DegliAngeli would go first.

Paul DegliAngeli stated the Town has a Well over at the Public Works property that services the Public Works facility, Town Hall, the Church next to Town Hall, the Fire Station and a few residences. It was put in in 1949. It was put in because at that time the Town stored their salt there and at that time people in the area had dug Wells and had shallow Wells, much like folks in Redstone have and by virtue of storing the salt there, they contaminated all of the Wells. The Town moved the salt storage to where it is now, behind the Police Station, and they drilled a Well. The casing to that Well which is approximately 20 feet deep before it reaches bedrock is rusted, rotted, holes have formed so that ground water, shallow water, is infiltrating the Well and with that they're bringing salt from treating the Public Works yard in the winter time. There were two fixes evaluated: one is to repair the casing which is a matter of lining it and if you can get a good seal with the bedrock, you know it's 99% that it'll solve the problem and that was estimated to be about \$14,000.00. The other fix was to drill an entirely new Well and to go out back, the lot is quite large and they only use about one-third of it, so to go further back, hydraulically upstream and drill a new Well that wouldn't be subjected to any salt and heaven forbid they had a leak in their diesel storage, they would have a problem. That's what you see before you. The Selectmen voted for that option.

Earl Sires stated the Selectmen did that based on a lot of discussion with the neighbors that participated. There are 7 households, a Church, and another municipal entity that are on this water system. The discussion the Selectmen had basically revolved around the principle that while the Town feels a responsibility to provide clean drinkable water to these folks, it doesn't necessarily feel that it should be free forever. The Selectmen have said no one else gets free water, even if you have your own house, you have your Well and the costs associated with that. They worked a lot with the folks surrounding the system, that use the system, and came up with a Shared Well Agreement that the Town has sent out to the others now and are waiting for all of the folks to respond by signing on to this Agreement because the Selectmen need to have participation of all of these folks because the plan is to upfront the costs of the Well and it's going to be somewhere between \$20,000.00 and \$30,000.00. They're asking for \$30,000.00 to make sure it's enough, hoping it's \$20,000.00 and then over 10 years there will be a payback to the Town of the capital investment by the folks on the water system and also monthly water costs like any other water system. Their monthly cost would be comparative to and probably less maybe than if you're in a Precinct or something like that. That's the idea here, \$20,000.00 to \$30,000.00 investment, participation by the users, and repayment of the capital and operating costs.

Chairman Mosca asked how many users there were. Earl Sires stated 9 total, 3 of the user accounts they would consider Town accounts: the 2 Garages and the Town Hall. John Edgerton stated and the Fire Station. Earl stated the Fire Station is the fourth and then there are the 5 residences.

Chairman Mosca asked what happens if the residences don't sign on. Earl Sires stated they are hoping they will because the Selectmen have basically indicated they want to see full participation. The problem really becomes a problem for less participants, then the monthly and capital repayment costs go up so they are hoping that everyone will realize this is a good deal. Some folks said "gee, the fact that we have been getting free water has been built into the value of their house and that's a good deal" and "that's going to make our property not as saleable". The Town's response was if you have a good Well that's built in the right place and you have a Water Agreement and you know you have water, that's a better asset to have for your home than a system where you're not sure what's going on.

Mark Hounsell asked if the Town would be subject to the PUC. Earl Sires stated no, he talked with Mark Naler and they are not fortunately.

Chairman Mosca asked if there were any other questions concerning the Well.

Dick Klement stated the water usage here is probably about 70% to 80% government and remainder these private individuals. Earl Sires stated 5 and 4 on user accounts. Dick stated right, but he was talking about the water usage, gallons per day. Earl stated he thought a household volume is probably greater. The Town is not showering a lot at Town Hall. Dick stated he guessed he was not involved in this in terms of him not owning one of those homes, but if you came in and contaminated my property with your stuff and then told me "okay, I'll make it good, I'll drill you a well and you get the water" and then you come back and say "my Well's no good any more, so it's going to cost me \$20,000.00 so I want you to kick in every month", he wouldn't be a happy camper. Earl stated some of those folks weren't.

Dick Klement further stated for the Selectmen to say that "you've had free water for 20 years, now it's time to face up and pay for it", he thought we have a moral problem and he wasn't saying it wasn't needed to put a Well in, but it's darn unfortunate that this has to take place.

Mark Hounsell stated he lives in a Precinct that's putting out all kinds of money to upgrade it's water system and North Conway's putting out all kinds of money to upgrade it's water system and people are forever drilling new Wells and the houses that are far less older than 70 years at some point there has to be some sort of forgiveness to the guy that dumped the salt in 1949. How long does the Town have to provide free water to someone. How long does the harm continue; is it all the way to the end of eternity. These houses have had the benefit of being treated right for 70 years and they're being given the opportunity to upgrade their system and to pay their fair share for what is new because whatever they had in 1949 wouldn't be surviving today whether or not the Town dumped salt.

John Edgerton stated he believed everybody could drill their own Wells except for 2 of the homes. They don't have the land from the septic problem and the space, they can't drill a Well.

Mark Hounsell stated speaking of a moral problem, he has a moral problem with him having to pay for those folks to have free water. Earl Sires stated the Selectmen's position, as he said, moral obligation to provide water, not to provide it for free forever.

Victim Witness Advocate/Police Prosecutor

Chairman Mosca stated the Police Prosecutor we spoke about at length already, but his only question: the number that's there is \$21,000.00 and he's heard others. Lilli Gilligan stated that's her figure and it's accurate; she put it together. Chairman stated right, but it was said it was \$43,000.00. Lilli stated that's if it's for the whole year next year, \$43,000.00 is what it would cost next year. This is a July 1st start date. Chairman stated he thought that had to be in the Warrant Article that this is for this year and that next year it's going to be \$43,000.00 so that the people understand the full impact of it because he didn't get that, it didn't click in his brain. He understands what's being said, but when he looks at it at first, he thought it was a whole year and it's not. He thought it needed to be explained to people what it really is.

Frank McCarthy stated he didn't think it should be a Warrant Article.

North Conway Multi-Purpose Trail

Chairman Mosca continued with the North Conway Multi-Purpose Trail. Earl Sires stated the long and short of this is a mile and a half trail being proposed from North Conway Village up to Intervale Crossroads at the Post Office, going in part through Whitaker Woods. It's endorsed by the Conservation Commission, the Selectmen. It would be paved at some point. A lot of discussion on that. They don't know if they are going to get this Grant, should know in a week or two. The total project will cost \$850,000.00; the Grant is about \$650,000.00. The Town is working with a group of folks that are trail advocates and so on in town and they would raise the money from local sources to complete the \$850,000.00. If either of those things don't happen, this project will not go forward. The intent of the Selectmen is that this is entirely funded by sources other than local property taxes. That's what that is all about.

Mark Hounsell asked about maintenance. Earl Sires stated it would be a maintenance expense over time. The Town would probably do that; if it's paved then it's probably significantly less on an annual basis than if it weren't.

Mark Hounsell stated it wouldn't be unexpected to see in 15 years a request for pavement. Earl Sires stated no, not unreasonable at all. Mark stated so there really is no free walk way. What does it do for the idea that maybe some day the State may see the need to put the Bypass through, doesn't that go through that same area. Earl stated the Bypass alignment actually is different than where this would go. There was discussion about could the North-South Road be pushed through with this trail there, for that to ever happen, the trail in most of its location wouldn't conflict, but the order of magnitude of pushing the North-South Road through would mean you could probably readjust the trail within the Budget of that. As

he said, the routing and the public discussion about how this is going to be surfaced and where it's going to go is ongoing and will happen when they know they actually have the money.

Mark Hounsell stated he guessed his concern is future costs. Earl Sires stated there would be some future costs.

Portable Radar Speed Signs

Chairman Mosca proceeded with Portable Radar Speed Signs. Chairman stated we've already talked about that. Earl Sires stated the Police did talk about that. Stacy Sand stated we haven't talked about it here. Chairman stated no, we didn't discuss it, but the Police Chief gave a brief overview of what it was. Earl stated the Selectmen have not yet acted to forward that one officially.

Default Budget

Lilli Gilligan apologized to Chairman Mosca for torturing him, but she has prepared the Default Budget and she'd like to give it to the members so that they can have time to look at it so that when the Town comes back, if there are questions, they'll be prepared to respond.

Other Town Matters

Chairman Mosca stated he wanted to ask questions on the Articles that did not get the Selectmen's support. The illuminated Stop Signs he didn't really care about, but the Crime Scene Evidence and Accident Mapping, he was for it last year, he is for it this year and he thought the people should have the opportunity to vote for something that's going to be a tool for the Police Department. He knows we are always talking about saving money and when's the right time and when's the wrong time to put something on, but this is something that in the long run will help the Department and to him it's short money and he didn't know why we weren't doing something that would be a benefit to the Police Department.

Stacy Sand stated she could speak for herself and why she voted against it. One is it's \$30,000.00 and we're desperate to look for ways to reduce this Budget and things that are absolutely needed. She asked questions such as if they had lost any cases due to not having this particular type of equipment and using what exists; how many times do they use it per year. Basically, the one that they have they use about 5 times per year. They've never lost a case with the evidence they've used with the present system. Is it more difficult and not as high tech as what they're proposing, absolutely, but on a very tight Budget the Selectmen are trying to present, she thought it was felt that it was not absolutely needed this year, not to say they won't keep bringing it. She thought it was a luxury item that we can't afford right now. She thought there were other Selectmen that felt the same.

Dick Klement stated this form for the Default Budget looks surprisingly like the form this Committee was given by the Redstone people which made no sense when they showed it, makes no sense when he sees it now. Can you

go back to the spreadsheet that looks like that for the Default Budget so that on one page he'll know where he is. There's no total here that he can see, he sees sub-totals. You would think the last page would be the total and it isn't. This is obviously a State of New Hampshire form. Thank you.

OLD BUSINESS

Christopher DeVries asked if we had given up on attempting to project everything that we're looking at. He knew one way probably wouldn't work, but there has to be other ways it can be done. Chairman Mosca stated it was being looked into.

Dick Klement moved, seconded by Greydon Turner, to adjourn the meeting at 10:03 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary