

## CONWAY BUDGET COMMITTEE

### MINUTES

JANUARY 4, 2017

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, Jim LeFebvre, Dick Klement, Pat Swett, Bill Marvel, Bill Masters, Terry McCarthy, Michael Fougere, Steven Steiner, Peter Donohue, and Pat Kittle.

Also present were Selectmen's Representative, Mary Seavey; School Board representative, Mark Hounsell; East Conway Fire Representative, Doug Swett; Center Conway Fire Representative, John Edgerton; Redstone Fire Representative, Michael Tetreault; Town Manager, Earl Sires; Town Finance Director, Lilli Gilligan; Town Clerk/Tax Collector, Rhoda Quint; Public Works Director, Paul DegliAngeli; and Acting Recording Secretary, Holly Meserve.

#### PLEDGE OF ALLEGIANCE

Mr. Donohue ~~Chairman Mosca~~ led those present in the Pledge of Allegiance.

#### REVIEW OF MINUTES

There are no minutes to review.

#### REVIEW OF PRECINCT BUDGETS

Center Conway Fire: Glenn Merrill, Chief; Albert Eaton, Commissioner; and Nancy Leavitt, Treasurer/Clerk appeared before the board. Chief Merrill stated the proposed 2017 budget is \$254,550.00.

Mr. Mosca asked if the Board had any questions; Mr. Klement stated when look at the overall numbers the 2017 budget is approximately \$15,000 over the 2016 budget, but 2017 is \$50,000 over what was actually spent in 2016. Ms. Leavitt agreed. Mr. Klement asked if this is due to this being the first full year for a full-time Fire Chief. Mr. Merrill agreed. Mr. Klement asked if this is primarily due to insurance and salary increases. Ms. Leavitt answered in the affirmative.

Mr. Hounsell asked if the \$14,000 in the retirement line is just for the Chief. Ms. Leavitt answered in the affirmative and stated that social security and Medicare are now part of retirement so the rate is higher. Mr. Klement asked if we should be seeing the same kind of increase in the other fire department budgets. Mr. Mosca stated not all of the fire departments have full time Chiefs so we shouldn't expect the numbers to be the same. Mr. Mosca asked if there were any further questions from the Board; there were none.

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**East Conway Fire:** Peter Campo, Commissioner, appeared before the Board. Mr. Campo stated the proposed 2017 budget is \$57,650.00 which is the same as prior years. Mr. Mosca asked if the Board had any questions; there were none.

**Redstone Fire:** Neil Henry, Chief; and Michelle Ames, Commissioner, appeared before the Board. Chief Henry stated the proposed 2017 budget is \$61,000.00. Chief Neil stated they would like to increase their budget just under 10% in order to increase the equipment capital reserve. Ms. Ames stated that they would like to replace an engine in the next few years.

Mr. Mosca asked if the Board had any questions; Mr. LeFebvre asked how old is the engine you want to replace. Chief Neil stated he believes it is a 1991. Mr. Mosca asked if the Board had any further questions; there were none.

### **OVERVIEW OF PROPOSED 2017 TOWN BUDGET**

Earl Sires, Town Manager, appeared before the Board. Mr. Sires stated he is here to discuss the proposed operating budget for the Town of Conway for 2017 that has been forwarded to the Committee from the Board of Selectmen with their recommendation. Mr. Sires stated that it is organized in the same way it has been in the last couple of years.

Mr. Sires stated there are nontax revenue projections and detailed budget line information for each department that starts on page 11. Mr. Sires stated each of the departments have expenditures for the past 5 years, including 2016, and the right-hand column provides explanatory information for each of the items.

Mr. Sires stated the proposed 2017 Town Budget is \$10,776,569.00; this is an increase of \$262,476.00 or 2.5% over 2016. Mr. Sires stated this budget is composed of three separate pieces; the Police budget which is overseen by a Board of Commissioners, the Library budget which is overseen by a Board of Trustees and the Administrative budget which is overseen by the Board of Selectmen and the Town Manager.

Mr. Sires stated the proposed Police budget increases by 4.6%; this is due to employee costs and a voter approved Union contract. Mr. Sires stated the proposed Library budget is level funded; however, employee costs increase due to a current part time position being made full time, but other lines have been reduced to level out the funding.

Mr. Sires stated the Town budget increased by 1.4% or \$90,726.00. Mr. Sires stated 2016 is the final year of the Ambulance Contract; we are in the process of negotiating a new contract and think we have it finalized. Mr. Sires stated only the remaining parts of the existing contract are in the Budget, January to May; that is the only piece within the budget, the rest will be presented to the voters in March and April. Mr. Sires stated once a full contract is approved, the Town budget will increase.

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Mr. Sires stated the significant changes to the budget are employees benefits primarily health insurance; there was a 3.8% increase in health insurance which resulted in a \$55,058 increase. Mr. Sires stated this is significantly less than other Towns in New Hampshire and has a lot to do with the fact that the Town of Conway is rated on its loss experience which helps our health insurance rates.

Mr. Sires stated the highway pavement line increased significantly in order to fund some needed road repairs; we need to spend some money over the next few years to catch up. Mr. Sires stated the only decrease is the Ambulance Contract, however, it is not really a decrease. Mr. Mosca stated the Conservation Commission line increased by 134% and asked why such a large increase. Mr. Sires referred to page 19 and stated they purchased the Marshall Land on the West Side Road and reduced other projects, they are now asking for something more similar to year's past.

Mr. Klement asked if the building on Route 16 just north of the railroad tracks is located in the budget. Mr. Sires answered in the negative and stated it is being taken care of by others. Mr. Klement asked if it would be included in the conservations lands. Mr. Sires answered in the affirmative and stated likely with the Whitaker property, but will remain grass and trees.

Mr. Donahoe thanked Ms. Gilligan for providing information to the Board ahead of time and asked when will updated 2016 information be available. Ms. Gilligan stated she updated payroll today, but will still be receiving invoices over the next 6 to 8 weeks. Ms. Gilligan stated she estimates approximately \$160,000 in outstanding invoices and \$9,976,517.00 has been spent so far.

Mr. Edgerton asked do you have any idea what the ambulance warrant article amount will be. Mr. Sires stated the Board of Selectmen approved two contracts with two different providers at their meeting yesterday, however, the Board voted later in the meeting to reconsider their vote at next week's meeting.

Mr. Klement stated at last year's deliberative session there was a plea from a new town member that wanted to maintain the increases in the patriotic fund and it was passed; there is a 1% increase, what is the reason. Ms. Gilligan stated the \$200 increase is for flag replacement throughout the Town.

There was a brief discussion regarding salary increases; and was determined it could be discussed in each department as they are reviewed.

**PRESENTATION OF PROPOSED 2017 TOWN DEPARTMENT BUDGETS**

**Elections and Registrations:** Rhoda Quint, Town Clerk/Tax Collector, appeared before the Board. Ms. Quint referred to page 11 of the TOC 2017 Proposed Operating Budget and stated the 2017 proposed budget for Elections and Registrations is \$119,122.00.

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Ms. Quint stated there is a reduction in ballots due to the drop in the number of elections. Mr. Mosca asked if there were any questions; Mr. Klement asked if the number of elections was going from 4 to 1. Ms. Quint answered in the affirmative.

Ms. Quint stated they are proposing to replace voting booths; they are old and a lot of the trays have broken or have come off the frame. Ms. Quint stated voting booths are expensive; they would like to replace 3 sets of four booths a year. Ms. Quint stated we do supplement the number that are required by using tables with cardboard stands for those who wish to sit. Ms. Quint stated that is the only item being increased. Mr. Mosca asked if there were any further questions; there was none.

**Finance and Tax Collector:** Rhoda Quint, Town Clerk/Tax Collector, appeared before the Board. Ms. Quint referred to page 12 of the TOC 2017 Proposed Operating Budget and stated the 2017 proposed budget for Finance and Tax Collector is \$297,923.00. Mr. Mosca asked if there were any questions; there were none.

**Planning and Zoning:** Lilli Gilligan, Finance Director, appeared before the Board. Ms. Gilligan referred to page 13 of the TOC 2017 Proposed Operating Budget and stated the 2017 proposed budget for Planning and Zoning is \$199,822.00 which is a 3.2% increase. Ms. Gilligan stated there are no increases to any line except the salary line. Mr. Mosca asked if there were any questions; there was a brief discussion regarding salaries. Mr. Hounsell left at this time.

**Public Works:** Paul DegliAngeli, Public Works Director, appeared before the Board. Mr. DegliAngeli referred to page 13 of the TOC 2017 Proposed Operating Budget and stated the 2017 proposed budget for ***Government Buildings*** is \$93,972.00, which is a 4.21% decrease. Mr. DegliAngeli stated the decrease is due to fuel/heat and electric rates. Mr. Mosca asked if there were any questions; there were none.

Mr. DegliAngeli referred to page 16 of the TOC 2017 Proposed Operating Budget and stated the 2017 proposed budget for ***Highway*** is \$2,133,924.00, which is a 2.1% increase. Mr. DegliAngeli stated it was a level funded budget, but suggested the Board of Selectmen entertain a 2% increase for paving. Mr. DegliAngeli stated we need about \$500,000 a year in current dollars; we went for 2% as we thought that was responsible, a little below, but can make it work this year. Mr. DegliAngeli stated we are underfunded in this item and this is an attempt to fix that.

Mr. Mosca asked if there were any questions; Mr. LeFebvre asked if highway fuel is pre-bought. Mr. DegliAngeli answered in the negative and stated we do better purchasing in bulk. Mr. Klement asked where does underspent money go. Mr. DegliAngeli answered in to the General Fund.

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Mr. Sires stated when the year ends you have some lines that are underspent and some that are overspent, but by law the budget has to net out or be under. Mr. Sires stated if all those lines are underspending, which is our pattern, that money goes into our fund balance. Mr. Sires stated that accumulates year to year, but can be used to offset taxes which has been the practice of the Board of Selectmen. Mr. Sires stated we don't spend money to just spend it. Mr. Klement asked if there is a cap on the fund balance. Mr. Sires answered there is not a cap, but a percentage that is dictated by the Federal Government.

Mr. Marvel stated in 2015 overtime and regular labor were separated, but it doesn't seem the overtime increases with the labor. Mr. Marvel stated last year there was a lot more regular labor and not a lot of overtime, was that do to not a lot of snow. Mr. DegliAngeli agreed. Mr. Marvel stated this year we have budgeted for about 60% more overtime, is that mostly for winter. Mr. DegliAngeli answered in the negative and stated we do our own construction, too. Mr. Mosca asked if there were any further questions; there was none.

Mr. DegliAngeli referred to page 17 of the TOC 2017 Proposed Operating Budget and stated the 2017 proposed budget for *Solid Waste* is \$843,756.00. Mr. DegliAngeli stated that the Town of Conway pays 88% of this budget and the Towns of Albany and Eaton each pay 6%. Mr. Mosca asked if there were any questions; there were none.

**OLD BUSINESS**

Mr. Mosca asked if there was any old business; there was none.

**NEW BUSINESS**

Mr. Mosca asked if there was any new business; Mr. Swett stated there should be mikes available for presentations as you cannot hear all of the presenters. Mr. Mosca stated we can look at getting that setup.

**OTHER – OPEN TO PUBLIC FOR QUESTIONS**

There were no questions from the public

**ADJOURN**

The meeting adjourned at 7:38 pm.

Respectfully Submitted,



Holly L. Meserve, Acting Recording Secretary