

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
January 6, 2016**

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, Vice Chair Danielle Santuccio, Doug Swett, Pat Swett, Bill Marvel, Bill Masters, Peter Donohoe, Mark Hounsell (arriving at 6:35 PM), Jim LeFebvre, John Colbath (arriving at 6:35 PM), Christopher DeVries, Terry McCarthy, Dick Klement, John Edgerton and Frank McCarthy (arriving at 7:20 PM). Absent: Pat Kittle. Also present: Iris Bowden, Recording Secretary; Earl Sires, Town Manager; Lilli Gilligan, Town Finance Director; Rhoda Quint, Town Tax Collector; Paul DegliAngeli, Town Public Works; Chief Ray Leavitt, Nancy Leavitt, Albert Eaton, Commissioner; Glenn Merrill, Assistant Chief; Ann Michelle Ames, Commissioner; Chief Neil Henry; Harry Pendexter and Peter Campbell.

Peter Donohoe led those present in the Pledge of Allegiance.

TOWN BUDGET REVIEW

PRECINCTS

CENTER CONWAY FIRE PRECINCT

The members of the Center Conway Fire Precinct present for the meeting introduced themselves to the members: Nancy Leavitt, Treasurer; Albert Eaton, Commissioner; Glenn Merrill, Assistant Chief; and Ray Leavitt, Chief. Nancy Leavitt stated their total Budget for 2016 for the regular budgetary items is \$161,050.00 which has gone up \$4,375.00 from last year. They also have a Capital Reserve for Equipment for \$30,000.00 and they are asking for a full-time Fire Chief at \$48,000.00 and both will be Special Articles.

Dick Klement stated on the first page, under Labor, you have a salary of \$10,000.00 for the Chief. If that Warrant Article is approved, does it make the salary \$58,000.00 or does the \$10,000.00 go away. Chief Leavitt stated yes, the \$10,000.00 will go away. Dick stated the \$48,000.00, this is full-time, does it include all benefits. Chief Leavitt stated that will actually start on July 1<sup>st</sup>.

Terry McCarthy stated that's only for half a year, correct. Chief Leavitt agreed. Terry stated so for the next year it will be doubled to \$96,000.00, correct. Chief Leavitt agreed. Commissioner Eaton agreed.

Bill Marvel asked if this reflects the reputed Master Plan of sort of moving the Conway Fire Department to Center Conway. Chief Leavitt stated no, it doesn't. Commissioner Eaton stated they had not discussed that at this time. Chief Leavitt stated actually, to be honest, what's happening is that he has been involved with the Fire Department for a very long time and he has been Chief for a fair number of years. Frankly, he is getting to the point where he just can't do it as much as he used to. So it's time

to start looking for somebody to do something along those lines and frankly, to do everything that a Chief is required to do, there's no way somebody could hold down a regular job and provide the service to the Precinct to the level that needs to be done. It is not him that is going to be getting the Chief's job.

Chief Leavitt stated he had a list of things and he can go through it at this time or not, but there's a number of things that are required by Statute that the Chief has got to do. This last year frankly kind of proved to him the fact that they needed a full-time Chief because they had about four different incidents that happened that they were fortunate because he had time enough and had done the work so that it was there barely. They covered their bases; they had a couple Fire Department members that got hurt and, if you all have dealt with insurance companies, you know they are going to come in and check your training records, they are going to check everything else and the Precinct did have that stuff available. Again, if they have somebody take his place and is working a full-time job, they may not have that ability to provide that documentation and then you're holding a liability on the Precinct side. They are fortunate that they have someone that can take that position and he feels very confident in his abilities.

Bill Marvel stated so the answer is yes. Chief Leavitt stated he supposed, in a round about way, but it didn't really have anything to do with the Master Plan.

Jim LeFebvre asked if Chief Leavitt could go into a bit more detail on the basis of what he has there because Jim thought it would be good for his education if no one else. Chief Leavitt stated he could do that.

Chief Leavitt stated one of the things is that it is going to be a working Chief, it's not going to be a desk job Chief. He wanted to emphasize that fact. One of the things, if a member has listened to Steve Solomon and Pat Preece when they've talked, is the one thing that they find is people, the lesser departments or the smaller departments, are looking for answers, and he had some today, on insulation of stoves and stuff. People come to the Station and obviously no one is there, so then they go to the Conway Station and Conway Station says "here's the telephone number; you'll have to go find them". It will be nice to have somebody at the Station to be able to be directed to.

Chief Leavitt stated on insurance issues, particularly this last year, insurance companies, because they've been whacked a lot across the country and not just here, but there is something called ISO and it's an insurance rating thing and they've found in Conway that they were not up to snuff on their ISO ratings. He has fielded a number of phone calls on homes that were not necessarily in his area, but some homes that were more than 5 miles beyond the mythical distance from a Station. Whether you've got hydrants or not, your insurance rates go sky high, just that magical thing. One building that actually happens to be in Eaton that they cover, they cover that part of Eaton, he bets he had probably four different insurance companies that called him. Glenn (Merrill) was at the Station and he fielded two or three calls, so they spend a fair amount of time just on that one piece of property.

Chief Leavitt stated by Statute they are required to do Fire Inspections which are tough to do on a part-time basis because they have to be done during the day, normal business hours, and that becomes an issue. The other thing is that the State in its infinite wisdom, and again it's kind of to make it easier for people to get Fire Permits, it's been a nightmare for them because people can go on-line, get their Fire Permit now, and the Precinct gets a little print out of it. The problem is nobody really measures 25 feet from their home, they put in a fire pit and the Precinct gets a call stating there's smoke behind the house and they go look and find out that the fire pit, in one case was probably less than 10 feet off the step of the deck. In Center Conway they probably do around 250 to 270 Fire Permits a year, give or take.

Chief Leavitt stated also the Chief will be available during the day time which is when all of the Departments have problems fielding personnel. This last year they have a 12% probability that they are going to have more than one call in the day time. Yesterday was a good example because they had three calls yesterday. With personnel being limited, they can't leave their place of employment that many times or they're going to be looking for other employment some where else. Again, it's a case of the Precinct trying to provide that type of service.

Chief Leavitt stated they are responsible to inspect schools and providing the documentation on that, places of assembly, businesses and then the other thing any home, private residence, even though Conway doesn't inspect a private residences, if there is any State money or Federal money, i.e. foster kids or adult aid things, they have to go in and inspect the home for life safety. There are a number in Center Conway. They are also responsible for inspecting burner installs and again those are time sensitive things.

Chief Leavitt stated when they go to a call, this is something the Committee is going to hear about down the road, but they had a CO alarm call at a private residence and they get there and there is probably two or three kids and eight or ten adults all of which did have the CO thing; none of them went to the hospital, but they did have positive CO. None of them went to the hospital, but they did have CO. It was an on-line house rental thing and it turned out they got called there because everyone had headaches so they go for a medical call and then find out that people are renting this place skiing or whatever. This happened to be in the summer time and there were 8 people sleeping in the basement and there was no other access except through the kitchen. If you know anything about most home fires, they are probably going to originate in the kitchen which meant that ended up having him do follow up inspections with the home owner. When it was explained to the home owner that if something ever happened, she'd have a huge liability. She ended up selling the property. There are a number of homes in the Valley through on-line stuff. Go check it out, there is some stuff.

Chief Leavitt stated that he also wanted to point out that Center Conway is not a sleepy hamlet any more. He could remember when he joined the Fire Department in 1978, they could go 3, 4, 5 months without a call and that is not the case now. Looking back at all of the records, Center Conway,

and he thought probably Conway too to a certain extent, evolves on a 10 to a 12 year cycle as far as growth goes. We are coming back into that because they have signed off on a number of new home permits this past year. Some they call mega mansions, one is not very far from Bill's (Marvel). There are some very expensive homes being built in Center Conway and along with that comes the services.

Chief Leavitt stated as he said before, the State requires every month they have to submit reports to the State and the Federal Government. EMS Reports have to be filed with the State within 24 hours.

Chief Leavitt stated they also have a lot of mandatory testing to cover themselves from insurance standpoints on various equipment. They test annually hose, ladders, pumps, air packs, personal protection equipment and then they have to have organized training and have the documentation, i.e. reports of such available. They also have to be able to do pre-plans which they have started working on; everything from a little house to the Town Hall or schools. That's pretty time consuming.

Chief Leavitt stated the Chief also does the payroll for the Department. There's a lot of stuff and that's only the tip of the iceberg to be honest. There is a lot of other stuff that could be done as the Chief and, like he said, he is getting tired. It has been almost 40 years of doing it and some of the members were here when he started 40 years ago.

Jim LeFebvre stated to Chief Leavitt that the 10% of the iceberg was quite impressive. Thank you.

Pat Swett stated this \$48,000.00 which next year will be \$96,000.00. Chief Leavitt stated actually it will probably be a little bit less than that; it will probably be some where around \$82,000.00 or \$83,000.00 because there was some start up stuff that was going to be in there. Pat asked what the benefits were over and above this. Chief Leavitt stated the benefits are health insurance and that's negotiable for when they hire a Chief. He was sure the Precinct would pay a percentage of whatever it is and then there is the State Retirement which everyone knows is a pretty healthy part of it. The other thing is in the State of New Hampshire, to be a full-time Chief or anyone, you have to go through a testing process so that person will have to do that as well.

Dick Klement stated he guessed he misunderstood because he thought that \$48,000.00 fully covered all costs. Chief Leavitt stated for half of the year. Dick stated but that would include benefits, retirement, Social Security and everything. Chief Leavitt stated there is no Social Security on a municipal entity. It's the State Retirement.

Chairman Mosca stated the \$48,000.00 includes everything. Chief Leavitt stated for half the year. Chairman stated so it's not separate and Chief Leavitt stated no.

Dick Klement stated he had one question about the Fire Calls. The Precinct went down from \$16,900.00 and went back to requesting \$11,000.00. In lieu of what you just did last year, does that make sense. Nancy Leavitt stated the \$16,900.00 she has to separate that, she just got the numbers Monday

night. She has to break out the Fast Squad Calls and Training Wages because right now it is all lumped in.

Peter Donohoe asked Chief Leavitt what was the rationale that was used to come up with the salary, any comparative basis done. Chief Leavitt stated to be honest this Chief will be the lowest paid Chief in the State of New Hampshire. What they did was kind of looked at what they thought was an adequate pay scale irregardless of what other Chiefs are getting paid. Frankly most Chiefs, just the salary, in the \$70,000.00 to \$80,000.00 range. They also kind of talked to the person they are looking at and asked what could he do it for.

Peter Donohoe stated on the Actual for 2015, not relating to the Chief now, Heating, Propane, Foam, Fast Squad Calls and Training Wages are all empty. Are those that way because you haven't closed the books out and don't have those figures yet. Therefore your 2015 Actual is going to be somewhat more than the \$165,000.00 that's shown here. Nancy Leavitt stated what happened on the Heating is that the Precinct had prepaid the prior year and, because the price of Oil went down, they still have a credit and they are working off of that credit.

Peter Donohoe stated Propane, Foam and Fast Squad Calls and Training Wages. Nancy Leavitt stated as she had said, the Fast Squad Calls and Training Wages is all included in the Fire Calls. She needs to break that out. She was just provided with those figures Monday night. Propane they haven't had to use any of that; there have been no deliveries this year; that's for their generator.

Peter Donohoe stated so the \$165,000.00 is pretty close to what your actual expenditures are for 2015. Chief Leavitt stated to be honest, they probably won't spend all of that. They try never to spend it all. What they do is look at what the worse case scenario would be.

Chairman Mosca thanked Chief Ray Leavitt, Nancy Leavitt, Albert Eaton and Glenn Merrill for their presentation and for coming in.

#### EAST CONWAY FIRE PRECINCT

The members of the East Conway Fire Precinct present for the meeting introduced themselves to the members: Harry Pendexter, Commissioner and Peter Campbell, Commissioner.

Mr. Pendexter stated that last year their total Budget was \$57,650.00; they spent \$57,510.00 and their Budget for this year is \$57,650.00.

Chairman Mosca asked if any member had any questions. There being no questions, the Chairman thanked Harry Pendexter and Peter Campbell for their presentation and for coming in.

#### REDSTONE FIRE DISTRICT

The Members of the Redstone Fire District present at the meeting introduced themselves to the members: Ann Michelle Ames, Commissioner and Chief Neil Henry.

Ms. Ames stated that last year their Budget was \$40,500.00 with \$15,000.00 additional to go to the Fire Equipment Capital Reserve Fund. Unfortunately on the paperwork submitted to the State, they didn't specify that it was the Fire Equipment Capital Reserve Fund and not the Legal Fund, the State denied the Redstone Fire District having the \$15,000.00. That is why it's not in there.

Ms. Ames stated they have spent \$40,483.00 of the \$40,500.00 and she believed it was about a \$17.00 gain. This year they are asking for the same thing, but instead of \$15,000.00 to the Fire Equipment Capital Reserve Fund, they would like to put \$10,000.00 in because they need to have extensive repairs done on Engine 2 which is a radiator that is about \$8,000.00.

Chairman Mosca asked if any member had any questions. There being no questions, the Chairman thanked Ann Michelle Ames and Chief Neil Henry for their presentation and for coming in.

#### ELECTIONS AND REGISTRATIONS

Rhoda Quint, Town Tax Collector, presented the Budget for Elections and Registrations of \$125,940.00 and stated that as the members are aware in 2016 the Town has 4 elections and that is reflected in the increase in her Budget for Elections. Basically what the members were seeing is what the cost is for programming the memory cards for ballots. For the elections that are Federal and State, the ballots are actually paid for by the State. The rest of her Budget is basically registrations and the lien process, deeding process, her postage, cost of notices, etc. etc. She didn't know if anyone had any questions for her as the Budget was pretty straight forward and she was only asking for what she needs, not what she wants. In fact, she would like fewer elections, but here we are.

Chairman Mosca asked if any member had any questions. There being no questions, the Chairman thanked Rhoda Quint for her presentation and for coming in.

#### PLANNING AND ZONING

Earl Sires, Town Manager, presented the Budget for Planning and Zoning of \$193,519.00, basically an increase of 2.5%. The increase is largely, if not exclusively, due to staffing costs. Pretty much status quo.

Chairman Mosca asked if any member had any questions. There being no questions, the Chairman thanked Earl for the presentation and for coming in.

#### PUBLIC WORKS DEPARTMENT - HIGHWAY

Paul DegliAngeli, Public Works Director, presented the Budget for the Public Works Department - Highway of \$2,154,023.00, an increase of 1.9%.

Mr. DegliAngeli stated he thought this was the warmest night he had been out for a Budget meeting for several seasons. Mr. DegliAngeli asked if there were any questions.

Jim LeFebvre asked that Paul DegliAngeli go into more detail on the Highway over time. Mr. DegliAngeli stated that's a good question. Last year was the first year that Highway Over Time was broken out, it was always part of Labor. Lilli (Gilligan) the Town's new Finance Director wanted to break it out. The Town had historically when he first started, that was 24 years ago now, they had taken a percentage of Labor and that was how they had come up with the over time and it was all bundled together. In separating it, the Town sees that they are in fact using more over time. That's about all he can say about that.

Jim LeFebvre asked if Mr. DegliAngeli had any feeling on how that would break out on snowplowing versus paving. Mr. DegliAngeli stated by paving he thought Jim meant the summer construction season because the Town crew doesn't do any paving, they subcontract that all, so that's bid by the ton and whether that takes them 8 hours or 16 hours, the Town pays that by the ton in the paving line item. However, they do have over time in the Highway Department Construction and this year was the Town's biggest year in terms of the number of projects, most dollars that the in-house Highway Department took on. He didn't have that number for Jim; what that was for that time of the year versus historically what the Town has paid for in snowplowing. He could state to the members that this November and December the Town was under on the winter maintenance.

Peter Donohoe asked Paul DegliAngeli to update the Committee on the Public Works Inspector status. Mr. DegliAngeli stated as you look around town, they have been getting busier and busier and 2 years ago the Town's Inspector retired; it was the Town's former Highway Foreman. After he retired from being the Highway Foreman, he continued to do inspections for an additional 17 years and he retired. The Town put money in there to hire someone seasonally and you may recall the conversations from last year with Frank McCarthy. The Town was unable to attract anybody at the rate and instead the Town had someone who work per diem, if you will, on smaller jobs like paving and what not and the other jobs went to engineering consulting firms and they were paid for by the applicant. The Town has had some negative feedback about that through the developers who are generally the applicants. Peter stated it depends on the Engineer. Mr. DegliAngeli stated the developers will always have that to grouse about, but this specifically was that it doubles what it costs them. The Town has increased it a little and see if they can attract someone this season.

Chairman Mosca stated on Vehicle Maintenance, in 2014 the Town spent \$133,500.00, through the beginning of December it was \$66,000.00 for this year with \$110,000.00 budgeted. There is \$110,000.00 budgeted for next year. Why the big difference between the two years and why would we need \$110,000.00 for this coming season. Mr. DegliAngeli stated first he wanted to say that they track their vehicle maintenance with a software program. All of the Town vehicles have an ID number; each vehicle has a computer chip type key that needs to be plugged in to get fuel. This way they can keep track on its fuel usage, its mileage, its oil changes, the schedule of maintenance. They are able to print that out by vehicle or by

Department, they go back and look at the historical numbers and then during Budget season he takes the 8-Ball and asks "Is \$110,000.00 a good amount", he flipped it and it said "yes". If you had years to go back, you'd see that the Town has been all over the board. We've had a light winter so far. When we get to Capital Reserve and you look at the spreadsheet for that equipment, you will see that it is nicely arranged by vehicle and by year, replacement date and where we are in the cycle. All he can say is that it is random. He could put a new vehicle on the road in September and in November it could be all broken apart at the shop because it hit something plowing. Just the luck of the draw.

Chairman Mosca stated on Vehicle Fuel, it is \$131,000.00, oil prices have dropped, the Town is at \$83,000.00 and you are looking for \$113,000.00. Paul DegliAngeli stated vehicle fuel like heating oil, like salt and Highway over time traditionally are visited at the Deliberative Meeting because hindsight is 20/20 and that's going to be a few more months of vision. Chairman stated oil prices have hit a low of 2008 today. Mr. DegliAngeli agreed and stated that it would be highly appropriate to substantially reduce this at the Deliberative.

Chairman Mosca stated on Highway Inventory. Paul DegliAngeli stated if you look to the left at 2014 you see that year shows a negative number, the Town actually spent less than what was budgeted. Chairman agreed. Mr. DegliAngeli stated every year, year in and year out, he budgets \$5,000.00. The way Highway Inventory works is that is the account to which the Service Department, the mechanics, purchase all the parts to service any vehicle in any department. Keep in mind the Town services the Police Department, the School Department and Highway. When they do the work, then those parts get transferred from Highway Inventory. At the time of producing this report, the Town was not done reconciling the end of the year and he expects that number to drop. On the years that it shows higher, then they have bought something and put it in Inventory or they haven't done that repair yet. One year they had just bought a new School bus engine and it was sitting there. One year they bought a lot of rubber and waited for those plows to come in with a breakdown and then we would replace their 6 tires. In 2014, the Town had just that; they carried some things over from Inventory that they purchased in 2013 and then used them so it showed as a credit in 2014. That is how that has been fluctuating. For the whole picture you have got to look back.

Chairman Mosca asked if Garage Tools was the same. Paul DegliAngeli stated Garage Tools is different. In Garage Tools the Town had planned this year for a software upgrade which, he didn't know if there were any mechanics here tonight, but you buy new vehicles, the Town has laptops by manufacturer, by GM, by Ford pre-programmed to plug into the vehicles, etc. The Town is due for some. The Town's hardware had to be replaced which is what the Town was holding out for here and the Town's subcontractor just didn't get to it in 2015 as anticipated, so this is going to be an early 2016 buy. That's why he carried that number over.

Chairman Mosca asked about Salt and Calcium. Paul DegliAngeli stated again that's the weather. Chairman stated it seemed to him like we had a pretty rough winter/spring. Mr. DegliAngeli agreed that it was long and it was cold, but last year's snow fall was actually slightly below average. We

enjoyed good snow for skiing, but it stayed cold. The other thing to note there is that the Town has changed the way it is buying salt. Historically, the Town buys 3,200 tons, that's the Town's 14 year average, at that usage this year, the Town will spend \$30,000.00 less. The Town's usage is going to be down because of the weather. Again this is something that is entirely appropriate to adjust at the Deliberative.

Jim LeFebvre asked Paul DegliAngeli to go into the way the School reimburses the Town and how the Town and the School interface on when the vehicles need repair and that type of thing. Mr. DegliAngeli stated it's no different with the School or other Departments or the Police Department for instance. The Town has two expenses in the Service Department: one is the overhead which is the building utilities, the facility and labor and then there is parts. Those are the only two costs. At the end of the year the Town has all of the Work Orders that were by Department, Lilli (Gilligan) makes a ratio of that and that ratio is how the Town charges the overhead. If there was a building repair, the electric bill, the fuel bill, etc. There are some other items that go into overhead like rags and miscellaneous lubricants and things like that. By and large the rest of it then is just that pass through, that transfer from 1410 to parts for vehicles. It's as simple as that. The School Board decides what the replacement interval should be, what the schedule/life expectancy of a bus, etc. should be. Again the Town tracks the buses.

Jim LeFebvre stated based on what he was seeing, were there any that should be repaired or replaced that he was aware of. Paul DegliAngeli stated no. If you recall, a few years ago they tried to go to longer lives which is all well and good, but he thought they may have been looking at what was being done on the Town side. The Town had some things programmed at 10 year, re-programmed them to 12; the Town had some 12 and the re-programmed them to 15. The success the Town had with that was because it kept a balance in Highway Capital Reserve - Highway Equipment. This way if at the 12<sup>th</sup> year, the year due for replacement, the truck is exhibiting no problems, then you keep it for a 13<sup>th</sup> year and you're on your way to 15. If in that 13<sup>th</sup> or 14<sup>th</sup> year you blow an engine or the Town is looking at a repair that is \$30,000.00 or that's above the 12 year average for that vehicle annually, bad investment. It's time to cut your losses and buy the new bus. What the School Board had done was to extend the life of the vehicle and then they hamstrung the staff a little bit by not funding a contingency at the bottom. They had that 12 year old bus, it blew that engine, they had to put money into that engine to keep the bus on the road because they didn't have the money for a new bus. The Town had joint meetings with the School and they understood that and have made a change back. There are no problems that he is aware of and currently their program is good.

Jim LeFebvre asked Mark Hounsell if he had anything to share on that. Mark stated as they have done in recent past, the School Board is going to be asking in a Warrant Article for 2 buses this year which is about what it always shakes down to. We did, as a community, go through that whole process of what's cheaper: buying new or replacing old or fixing old and we've pretty much have gone through the Bus Study and everything and found that buying new is the wiser way. Paul DegliAngeli stated to keep in mind

that the School is not replacing buses at 5 or 7 years, they are running them 10 or 12, same as the Town has done with the Highway vehicles.

PUBLIC WORKS DEPARTMENT - SOLID WASTE

Paul DegliAngeli, Public Works Director, presented the Budget for the Public Works Department - Solid Waste of \$813,873.00, an increase of 0.5%. Mr. DegliAngeli asked if there were any questions.

Chairman Mosca stated in General Maintenance, \$13,400.00 was spent in 2014, at least \$11,300.00 in 2015, yet the Town is only asking for \$7,600.00 in 2016. Paul DegliAngeli stated he just spent all of that money and things are fixed. Chairman stated he knows and he was just looking at the numbers from the past few years and was wondering if that was something that we might want to say "all right, we're going to increase that a little bit and decrease the gas line a little bit". Chairman did not know. Obviously things work out from year-to-year, but it just caught his eye when he was looking at the numbers. Mr. DegliAngeli stated you plan the best you can. Chairman stated he was just saying that maybe that one should be raised up to \$12,000.00. Mr. DegliAngeli stated specifically what happened this year is that there was a heater and according to the heating contractor, it was better than 40 years old so it was a good piece of equipment, he couldn't get parts for it, so rather than invest in a 40 year old piece of heating equipment, the Town replaced it and so they went over the Budget. It's hard to say, but he was trying to be conservative and if the Committee wanted that boosted, he didn't think it would hurt any one's feelings. Chairman stated he thought there was some give and take on the line items so he didn't think it was going to change the bottom line all that much. That's just him.

John Colbath stated on the Landfill, the Town does have a whole new building.

Dick Klement stated on Monday night there were some questions for Paul DegliAngeli and that was basically in the recycling arena with the revenues going down every year it appears. Is that principally due to the fact that the Town is getting less money or is there less product. Mr. DegliAngeli stated it's a good question and let him first say that the Town tracks recycling as a percentage based on weight of all of the materials that go through the Transfer Station. Everything that comes in gets weighed one way or the other. Everything that gets shipped out is weighed because everything that gets shipped out either costs the Town per ton or the Town makes money per ton, so everything is done on weight. The Town's recycling percentage this year, and they finished the numbers yesterday, is 59 point something percent, he is going to call that 60% which no one is going to see any where else in the State that high. The Town is recycling all that it can; they have opened all markets, all commodities that they can. Having said that, there's one commodity that's down and that's metal. The Town moves less metal than it used to and that's because metal is so high and because a recycler opened up nearby in Tamworth and metal just got diverted. Metal no longer came into the Transfer Station. People were taking it and selling it. Across the board where it's metal, plastic, paper, cardboard, all commodities are currently

down. Recyclables are commodities, they go up and they go down; currently, they are down.

Paul DegliAngeli stated he thought he understood there was a question about is there a better way of handling the recycling, would single sort service better, etc. Is that something you are interested in. Dick Klement stated that was just raised as, he guessed, a question of opportunity rather than a recommendation if you will. When the line is questioned if it costs more to get rid of the stuff than what you are getting crosses one another, there may be another option and this Board was just trying to say, for example, if the Town went to single sort recycling, could we reduce the number of employees at the Transfer Station since there wouldn't be anybody to work, fewer people would be needed. He doesn't pretend to have the answers to that, but it's just a question of the Town is going down from \$128,000.00 to an estimated \$80,000.00. That's about \$50,000.00 in reduction and the Town may be spending the same amount for labor that is being spent for the revenue.

Paul DegliAngeli stated the labor is there because the Town is still handling the materials. As he said, the material hasn't fallen off; the trash has fallen off because of the recycling enforcement and that's an interesting story there. The Town's recycling percentage has grown. It hasn't grown because the Town's recycling quantities have increased; the recycling percentage has grown because the people who are recycling stayed as customers of the Transfer Station and the people who weren't recycling left, so the trash quantity went down at the Landfill and therefore the Town's percentage is up.

Paul DegliAngeli stated with regards to the single stream, the Town investigated this 3 or 4 years ago and he was trying to see if there were options and avoid building Phase 3 of the Landfill and the Town had a very definite number there. They knew what Phase 3 of the Landfill was going to cost and so the Town knows what a cubic yard of Landfill space costs or a ton of MSW. One of the things the Town looked at was if the Town could do this more efficiently and it turned out at that time, and the markets were high at that time, at that time it was a break even and it could go either way. Since that time, as you (Dick Klement) have correctly observed, the commodity prices have dropped which means had the Town selected that option the Town would currently be paying tipping fees for the recyclables. In order for them to manage them, to handle them, there isn't enough profit out of it that the Town would actually be charged a tip; the Town has fallen below that threshold. The good news is that the Town made the right decision and are doing the most cost effective thing for Conway. The bad news is that the revenue is down.

Paul DegliAngeli further stated the other thing, if you are thinking about it as well, if it's too expensive to handle these recyclables and it's too expensive to do them as a single stream some place else that can handle them, should we just landfill them. There, as he said earlier, the Town knows what a ton costs in the Landfill. Now what you are doing for every ton of recyclables that you bury, you are now costing, it's \$22.00 a ton for the Town to landfill MSW which is a fancy way to say "Municipal Solid Waste", household trash, the Town doesn't run an industrial facility here and the Town is not a hazmat facility. It's MSW; it's trash from your

home. That costs \$22.00 a ton. MSW has a certain density. Take plastics for instance, a ton of plastics occupies almost five times that space, so at \$22.00 a ton or \$100.00 of a ton of plastic in the Landfill because there is only so much space in the Landfill. Should things get much worse and you want to revisit that, then the Town would look at that cost avoidance.

Dick Klement stated he wasn't suggesting that the Town stop recycling because he didn't want 50 people on his front yard with signs saying "Don't Kill the Environment". (laughter)

Jim LeFebvre stated to Paul DegliAngeli, just on an estimate basis, the current recycling program, can you give any idea on how long it will extend the life of the Landfill. Mr. DegliAngeli stated that's a really popular question. The Town has a Landfill Expansion Fund that was budgeted on 22 years. At the Town's current rate, you will see 30 years out of this Phase. The Landfill was designed and built the year before he started with the Town. He got here just in time to start operating Phase 1. The consultants projected that Phase 1 would last 8 years and it did right to the day, pretty close. At that time the Town was doing 10,000 ton of trash a year. It was projected that the trash would increase and Phase 2 had a higher capacity, but was intended to last 8 years. Phase 2 lasted into the teens because of recycling enforcement happened during Phase 2. The Town built Phase 3 based on, gosh Phase 2 is lasting longer, the Town postponed it, but we better build it because we don't know what is going to happen. Things continued to drop and the Town still hasn't put their first piece of trash into Phase 3. That will come 2016 season. At the current rate, it would be a 30 year Landfill for Phase 3. The Town is permitted for Phases 4 and 5, but it is too far to say we know what the future is. Jim stated it's hard to predict the future.

Paul DegliAngeli further stated what he could tell the members is that in Massachusetts and Vermont, the State is regulating what goes into Landfills and they don't allow them to put in all household waste anymore, they have to compost or incinerate for that portion. Composting is happening all over. In Maine, they've put something in the Legislature, but it hasn't trickled down yet. In Maine you can't bring solid waste from out of state into a State of Maine Landfill. In New Hampshire, there are no rules, there are no controls on what gets buried and the more the merrier. They transport trash from Massachusetts into New Hampshire. When that changes, when the Landfill space to the north of us is no longer, the Town's model locally is going to change. He can't predict that or know when. All he can say is that at the current rate of trash, it's a 30 year Landfill. Jim LeFebvre stated so that's your best scientific, wild a\*\* guess. Mr. DegliAngeli stated again, take out the 8-Ball and say "Is 20 years a good time to plan for an expansion" and if it comes up "yes" you go with it. Jim stated he appreciated that and asked to be excused about for the commentary about the wild a\*\* guess. Mr. DegliAngeli stated okay.

Bill Marvel stated he had a general question and would save it for after the completion of the presentation.

## GOVERNMENT BUILDINGS

Paul DegliAngeli, Public Works Director, presented the Budget for the Government Buildings of \$103,871.00, an increase of 0.6%.

Paul DegliAngeli stated as the members know, the Town has a Municipal Buildings Capital Reserve account for major building work. This is strictly for utilities, routine maintenance, supplies and here the Town looks back historically to see what there is, carry the number forward and if they know there is going to be a hike in the utility rates, once again, judicious use of the 8-Ball here is used.

Chairman Mosca asked the members if there were any questions on Government Buildings and there were none. Chairman thanked Mr. DegliAngeli for coming in.

Bill Marvel stated to Paul DegliAngeli that maybe Earl (Sires) mentioned to Mr. DegliAngeli, looking back over the Town Budget for the past 10 years, he found that it's gone up about 22% overall with the Police Department going up 72% itself and the Library 36% and when you take all of that out of the Town Budget, the Town Budget has only gone up 3.4% for what's left in 10 years. Earl mentioned something about paying off Bond Debt and Bill hasn't gone through the rest of the Departments to see how they've done individually, but he does see that the Recreation is up over 10% in just 2 years. Does Mr. DegliAngeli have any explanation for how it stayed so relatively stable than the rest of the Town Budget and it is mostly yours.

Paul DegliAngeli stated he could only guess that those other Departments are not using the 8-Ball. (laughter) He would state that the leadership they get from the Town Manager is top notch.

Bill Marvel asked if there had been any consolidation of personnel. Paul DegliAngeli stated the Town has dealt with growth by cross-training, so when you say consolidation, there's a picture in his office of the Highway crew from 1974, so this is the gang that provides winter maintenance and he invites anybody to come into his office and take a look at it and you can count the number of bodies there. If you look at the number of people in the Highway Department today, it's exactly the same number. How did we do that? In that day, there was less to do; trucks weren't as large; there were wingmen in the trucks; those guys are in the picture. Today the Town is using much bigger vehicles so one plow driver can carry the bigger distance; the vehicles are limited by time or the amount of sand or salt that they carry; the Town no longer has wingmen so that's less people. They also take people from the Solid Waste Department. They have actually grown a Parks and Grounds Department, subset of Rec and used to be done within Highway. There is some growth and those folks don't have a lot to do in the middle of winter; there are maintenance jobs. The Town has expanded by cross utilization, trying to keep the labor down because the labor is the largest part of any Budget.

Bill Marvel asked if there were any services that the Town has dispensed with. Paul DegliAngeli stated no, and then took that back saying that the Town used to cut \$5,000.00 to \$10,000.00 worth of trees every year along

the roadside. Folks in the Highway Department would drive around and say "that one's dead" and the Town would commission to take it down. Now the Town lets Mother Nature; they put the 8-Ball away and take out the dice instead, but it is working. Other than that, he guessed the Town's biggest dollars these days are in Capital Reserve and in Infrastructure and the Infrastructure, if you look at that, members will see that Highway Infrastructure, the Town embarked on a 10 year program in 1998, and 20 years later the Town still has 10 years worth of work to do. The Town had the collapse of the culvert over East Conway way; had the collapse of the Tasker Hill culvert a few years prior to that. These things had been inventoried, they had been on a report, the Town knew they were going to collapse. The Town has re-looked at all of those things and the Town has put more money in. So if you look at Infrastructure Capital Reserve, there's some money there, but in the Operating Budget, the Town has had attrition. People who have been with the Town a long time, the labor rates are higher, they retire and someone is a little lower. There's no magic here; the Town is just trying to be lean and efficient.

Bill Marvel stated it just seemed unusual. Paul DegliAngeli stated well, the winds may turn against us in a couple of years. Bill stated that's what he was afraid of.

Mark Hounsell stated he would just like to continue on that because Bill (Marvel) brought this up last week and he thought it was noted as a good thing and really the response was one of humility. He thought if we are looking at this budgetarily, what we can say and he thought there are times when we should do this, all of us are engaged in raising the money and finding the direction over the years can be pretty much satisfied that it's an extremely efficient operation, that being the operation of the Town. When you go to Town Hall, you are always met with the sameness and it is solid. It comes from staffing, but it also comes with the planning and the fact that there are so many eyes involved in looking at it. He was once a wingman on the East Conway Road and it's a good thing that that period of our history is over. The equipment has produced itself to the degree that we can be efficient, but really what he thought we should just take a moment and say about all of us is we run a very frugal operation when talking about the services we provide to our community and he thought a shining example of that is the increases that we haven't experienced that Bill has brought out. Mark further stated he thought it was time to say "thank you" to the staff, to us and to the people of the town.

Paul DegliAngeli stated he guessed to that he would say "thank you" and "you're welcome".

Chairman Mosca again thanked Mr. DegliAngeli for his presentations and for coming in.

#### OLD BUSINESS

Jim LeFebvre stated he believed that the Finance Director (Lilli Gilligan) said she would have updated information from the Library for this meeting. Earl Sires stated they did not have it. Jim stated maybe he misunderstood the comment. Chairman Mosca stated that Lilli stated she was going to have

the entire spreadsheet done and it is not quite ready yet; hopefully it will get emailed out tomorrow or the next day.

Lilli Gilligan stated the payroll journal entries were almost completed by the end of the day, but then there's the general entries back in 2015 to mirror the 2016 journal entry and then to update the sheet. She hoped to be able to email everybody by the end of the day tomorrow and it would be available on the Town web site on the Finance page (conwaynh.org) on the Finance page and any body that doesn't have availability to those resources, copies will be available in Karen's (Hallowell) office. Lilli apologized but it is extremely time consuming.

#### NEW BUSINESS

Chairman Mosca advised the members that at the meeting next Wednesday, January 13<sup>th</sup>, is the Committee's first night with the School Department. It is not on the schedule, but Jim Hill will be coming in to present what we got for the \$287,000.00 spent. He is going to be first on the Agenda and he is going to be coming in with the engineering firm. Chairman actually has some information that Jim (Hill) emailed to the Chairman and he will get it out to everybody by the end of the week so that we can have a head start of what is coming. Chairman further stated that he thought it was important that the members know what we got for that and maybe take a stand ourselves on something.

Dick Klement stated in light of what The Conway Daily Sun had. Chairman Mosca stated he was not going to talk about the School right now. Dick stated he understood that, but he was talking about for next Wednesday. In light of what they had, might we not ask the Chair of the School Board to attend to give the rationale as to why they determined they would not get a Bond. Chairman stated he thought the representative from the School Board could handle that. Jim LeFebvre stated that was Mark's (Hounsell) job. Dick stated he would say that the Chair of the School Board speaks for the School Board and Mark is speaking for the School Board he agrees, but he thought the representation should include the Chair as to determining why the vote was the way it was because he thought Mark voted in one direction and the vote went the other way. Chairman stated he wasn't going to go deep into this and asked Mark for a quick comment.

Mark Hounsell stated just a real quick comment. The Chair and he voted the same way on the particular issue you (Dick Klement) are talking about, but that's irrespective. Mark is the representative from the School Board and if you don't think he is doing the job then write the Chairman and have them replace him.

Frank McCarthy stated that he would like to ask if there is any way possible not to use Wednesdays for meeting days. He has to be in Concord every Wednesday, that's when the House is in session. Chairman Mosca stated he understood that, but that's the way the Schedule was voted on and approved and it is what it is. Frank stated he thought the Chairman stated this wasn't scheduled. Chairman stated no, all of the meetings were approved back in October/November. Jim LeFebvre stated he thought what Frank was referring to was Jim Hill. Chairman stated Jim Hill is not on the original Agenda, but he will be here.

Jim LeFebvre moved, seconded by John Edgerton, to adjourn the meeting at 7:35 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary