

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 1, 2016**

A meeting of the Municipal Budget Committee was called to order at 6:35 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, Peter Donohoe, Mark Hounsell, Jim LeFebvre, John Colbath, Terry McCarthy, Dick Klement, John Edgerton, Pat Kittle and Frank McCarthy. Excused: Bill Marvel. Absent: Christopher DeVries and Bill Masters. Also present: Iris Bowden, Recording Secretary; David Smolen, Library Director; Lilli Gilligan, Town Finance Director; Earl Sires, Town Manager; Lucy Philbrick; Chief Wagner; Lt. Christopher Mattei; Lt. George Walker; Rodney King, Police Commissioner; Paul DegliAngeli; and Kevin Richard, School Superintendent.

Dick Klement led those present in the Pledge of Allegiance.

LIBRARY

Chairman Mosca stated that the members had asked David Smolen, Library Director, to come back this evening because there were some issues that we wanted to have cleared up concerning the Library Budget last time and to make sure things are in the right line items and he thought everything had been straightened out. He believed David would go over this quickly and if anybody has any questions, we'll go from there.

David Smolen stated just as a follow up to his previous appearance, he gave the members the document that he will be reporting from. He compiled the Children's Orders for 2015 and as the members will see, Order No. TM, that's how he knows it's a children's order because that's the initials of their Children's Librarian so he knows that she was the one that put in the order. It turns out that they spent on Children's books approximately 92% of the Budget and on their Audio/Visual line they were slightly over expended so between Children's AV materials and Children's Books they spent approximately 97% of the allotted amount.

Peter Donohoe stated just so he can understand Mr. Smolen's reconciliation, the current year expenditure as of 12/15 on that line item was a mere \$4,545.00 and you have caught that up now to \$7,102.61. So, from the 15th of December you encumbered another \$3,000.00 plus, is that right. David Smolen stated he was just reviewing the orders and no, they didn't do \$3,000.00 in December. If you look at the Order numbers, there are dates on them, and they did do some ordering at the end of the year; however, it's not \$3,000.00, it's maybe \$1,500.00 approximately.

Mark Hounsell stated he thought what this record represents is going back from the questions that were left the last time, going through the invoices and clarifying them. He didn't think the members were going to see any huge swings. He thought it was a better accounting of what went to Adults and what went to Children.

Terry McCarthy stated the question was before that you were putting the Adult and Children into one invoice, correct. David Smolen stated correct. Terry stated so you have a decrease here for the Adults since you've separated them out. Mr. Smolen stated actually if look at, approximately they did spend approximately the allotted amount of the Adult book line. The Adult book line is \$12,275.00 and it's over expended by \$2,361.00 which is almost the amount that the Children's book line is under expended which is at \$2,600.00, the figure in the Budget sheet. So they pretty much even out.

Chairman Mosca stated he was looking at what was handed out tonight, the second page, showing a balance of \$18,000.00. How much can we cut from your Budget for next year.

Mark Hounsell stated he was not sure that was a question to ask the Director as much as recommendations that we might make to the Selectmen or the Trustees. It's just a matter of process. He's not going to be able to tell you where cuts might be if you're looking for any.

Chairman Mosca stated between now and the Deliberative, or between now and next week, this body has to come up with a Town Budget whether we agree with the number that the Board of Selectmen has or not. Next Thursday evening we are going to vote on the Budget and his guess is that number is going to different than the Selectmen's number.

Mark Hounsell stated could very well be. Just to refresh everyone's mind to the process, this is the Selectmen's Budget and it includes the Police Department's Budget and it includes the Library's Budget. To the degree that the Commissioners assist the Selectmen in the making of that Budget and do their role, the Trustee's prepare the Budget and do their role. At this point it remains a Selectmen's Budget. If we cut here and there, the executives can still go to the bottom line. There has to be rationale, again he says this every year and it's good to hear it every year even for himself, we need to make rationale for any line item whether it's Library, Police or anything if we are not in agreement with the Budget. He didn't think it was really right to ask Earl (Sires), David (Smolen) or Chief Wagner where they would cut. They are presenting the Selectmen's Budget.

Chairman Mosca stated he wasn't going to pick on anybody that's sitting at that table, but in one of the Budgets, it has line items of Fuel at \$2.50 and we all know they are paying only half of that. Obviously, that's something that we, as a Committee, have to look at. Mark Hounsell stated he agreed with Chairman, but what he is saying is that comes through discussion and not being put on the spot of "where would you cut". Chairman stated he was looking at \$14,000.00 in Benefits that he's going to probably recommend be cut from the Library Budget unless you can tell me why I shouldn't. Just to let you know.

Frank McCarthy asked Chairman Mosca to please do him a favor and recite, he didn't hear it, the question that is being thought of as being improper. Chairman stated he asked the Director where would he cut and Mark's (Hounsell) right, the Director doesn't set the Budget, the Trustees

set the Budget and that's something that gets sent to the Board of Selectmen and then the Board of Selectmen make a recommendation based on that figure that comes from the Trustees. So Mark is correct in what he is saying that the Chairman shouldn't be asking the Library Director. Like he said, he's looking at a \$14,000.00 overage in Benefits and someone is going to have to explain to him why that is what it is, between now and next Thursday night.

Frank McCarthy stated he apologized because he misunderstood the question and he thought the question was "what are you going to do with that money" and being a lapsing Budget, he knows what he is going to do with the money.

Peter Donohoe stated he just wanted to make the observation that to sort of join on to what Chairman Mosca was saying, about a 4% Budget surplus and a 4% request for increase, that there's clearly some room in this Budget in his opinion.

Doug Swett stated it might help everybody if they used a mike please.

Chairman Mosca asked if any member had anything else for the Library at this time.

Mark Hounsell stated he had to step aside. The last comment is especially alarming, it kind of gets his attention that we, as a Library, do a real good job of managing our money, it almost seems like there may be some thought that's a reason to cut a future asking. Sometimes the next Budget contains things that the previous Budget doesn't contain. He thought maybe that's the type of question one might want to have instead of saying "you're 4% under last year and you're asking 4% more, what's changed" might be a proper question instead of "there's room to cut".

Pat Swett stated in response to that she thought any Department or any one that's presenting a Budget here is going to say it's bare bones. That's no different with the Librarian as it is with the Police or anyone else.

Chairman Mosca asked if anyone else had any questions or comments concerning the Library.

Jim LeFebvre stated he appreciated the fact that Mr. Smolen came back and did a better job of breaking out how your Budget was actually being managed. That's something that is an important thing to do when you're standing in front of a Budget Committee. As the Director doing this type of work, you need to understand that because if you do not do a good job there, you may very well run the risk of having your Budget significantly slashed. Thank you for coming back.

Chairman Mosca thanked David Smolen for his presentation and for coming back.

TOWN REVIEW UPDATE

Chairman Mosca asked if any member had a question for anyone from the Town side of the Budget at this time in time.

Mark Hounsell stated in response to the Recreation Summer Camp Program fees, he just has two questions. The first one is what are the fee rates and the second one is do you know how much of these fees are paid by the Friends of the Conway Rec. Earl Sires stated he could get the exact information, but he believed the fees are, and he wants to say, \$140.00 or \$150.00 for the summer. Mark asked if that was just for the first child. Earl stated yes, there are various discounts: Early Bird Registration discount where you can sign up for half of the fees and that kind of thing. Earl stated he didn't have numbers exactly for how many kids have scholarships through the Friends of Conway Rec, but it's a significant number.

Mark Hounsell stated by just using your math, using \$140.00 as the average, that's roughly 62% of the cost. Mark questioned whether he was reading this stuff right; it's \$225.00 cost per child. Mark asked how many days. Earl Sires stated it's 8 weeks, 4 days a week and the other 8 days are trip days which are paid for separately. Mark stated \$5.65 a day, pretty good for you; that's the total cost. The user's paying of the \$5.65 is \$3.50; might the Selectmen consider looking at that. Earl asked in terms of increasing that and Mark stated yes. Earl stated the Selectmen have done that and every year in the Spring they review the rates and he will certainly bring that up. The Selectmen's concern is that as they start to push the fees higher, the scholarship rates increase or it's just pricing some folks out. They have been trying to balance that and have had some serious discussions because one of the ways to deal with the occupancy load at the Center would be to raise rates and have a disincentive and the Selectmen don't want to do that. Mark stated he agreed that the Town had to be careful with rates, but he thought it was pretty hard to argue that \$3.50 is not an expensive day for Day Care. He didn't mean that, it's much more than Day Care, but a place for your child to go and have a safe recreation day during the summer for \$3.50, that's a pretty good deal. Earl stated that he would convey that to the Selectmen.

Chairman Mosca asked if there were any other questions concerning the Town Budget. There being none, Chairman asked Earl Sires to briefly go over the proposed Warrant Articles updates.

Earl Sires stated there are three areas or three things that have changed or that will change from what the members have seen before. The first one is, and a couple of these things the Selectmen haven't acted on yet, but they will be looking at tomorrow. One of the things, and the Town did this last year and the Budget Committee did not recommend this first one which is: Shall the Town if Article #__, and that would refer to the Police/Union Agreement, so basically if the Police/Union Agreement is defeated, would you authorize the governing to body to call one special meeting to address just the cost of that Article alone. In other words, if the Union Contract is defeated, will the voters authorize the Selectmen to

have another meeting to look at it again. As he said, last year the Selectmen supported it, the Budget Committee did not.

Earl Sires stated the second one is the content is really the same, the language has changed a little bit. This has to do with the proposal that the Town of Conway assume the responsibility for sidewalks within Conway Village Fire District. Really what's changed is towards the end the Article is contingent as it was before. If you start on the third line of the last paragraph, it's contingent on the District agreeing to provide funding in the amount of \$90,000.00 for the construction of sidewalks along Main Street and they agree to transfer ownership of the Sidewalk Plow that they own to the Town. This requires an Agreement to occur to those items before the Article will take effect. Basically, same deal, a little different wording. The Article doesn't take effect unless the Selectmen and the Conway Village Fire District Commissioners agree that the District will provide \$90,000.00 for the sidewalks and that they'll turn over the Plow and the associated attachments.

Mark Hounsell asked if the Commissioners were authorized by law to dispose of property that's owned by the people of the District without permission from the people of the District specifically granting them that authority. Earl Sires stated he was not an attorney, but the Town understands that, particularly in light of the Warrant Article that was passed by the voters in the late 1990's, where these sort of responsibilities can be transferred and they're based on the negotiation of the terms of that and the Town would believe at this point that's what allows this to happen, but they can certainly double check that.

Mark Hounsell stated he would like to state that if that were to pass, and as unfortunate as that would be, it would require some of us to file suit to stop it. He didn't believe any entity can dispose of property that's owned by the legislative branch without permission from the legislative branch. The Selectmen might want to check that out.

Dick Klement stated to Earl Sires that the last time Earl was up, it was discussed the problem and necessity to bring some labor on at some point in time to take over those duties and he didn't see an increase that would accommodate that. Earl Sires stated if the members look at the indented three lines, Operational Costs for 016, staff and Materials \$18,000.00. That's just for, he couldn't remember if it was for 2 or 3 months, 2 months because they are only raising and appropriating money for 2016, that \$18,000.00 will cover that, but it will be significantly more than that for an entire year.

Dick Klement stated so when they vote for this, they're voting for \$18,000.00 and what the voter doesn't understand is that next year in the Budget there's going to be another bump. Earl Sires stated he hoped that this Committee and other representatives of the Town will make sure that the people hear that.

Chairman Mosca asked doesn't that have to be in the Warrant Article; didn't we find that out with the Police Contract a couple of years ago that a multiple year Contract doesn't always go. He knows that you can't

always put the cost up for infinity, but for a couple of years, we should know what the cost is going to be. Earl Sires stated he could certainly get that for the Committee. The difference here is that this isn't a Union Agreement and State law does provide for the full cost projection on Union Agreements. For a regular Warrant Article, you really can only deal with the amounts to be raised and appropriated for the Budget year. He certainly hoped that everyone would have a discussion and he anticipates that it will be discussed that this is just two months and if you multiply that by six, you're looking at \$108,000.00. He believes that is one of the reasons the Selectmen wanted to have some cost share from the Village District as this negotiation occurs because they wanted to come up with a deal that would be palatable to the rest of the town.

Mark Hounsell stated the thing that muddies it up and he can't understand on this Article is it almost looks like it was put in to make sure that the Article doesn't pass. It's bringing a whole different topic about sidewalks transfer and adding construction of Pollard Street. That seems to him to be a whole different conversation, yet it's contained in this Article and this is a strange place to put it. He thought it should be a separate Article.

Earl Sires stated it's probably not the most straight forward Warrant Article that the Town has ever had, he'd grant Mark (Hounsell) that, but the first three lines are typical in that when you are going do something you have tell everybody what it's going to cost and ask to raise and appropriate the funds for it. If this happens, the Town has to make this Lease payment to buy the equipment, the Town has to have monies in there for operational costs of \$18,000.00 and the Town would take on the responsibility for constructing a sidewalk that the Town wouldn't have had to take the responsibility for in the past. Those things sort of happen automatically. Then in addition the Selectmen are trying to create and convey to the public the deal that they've proposed which is in addition to that what does the Town get out of this deal: we get some equipment and some funding, and when he says "we" he means the entire town, to do the sidewalk project when that happens. The Town is trying to set it up so that it's a separate agreement and that everyone understands that the Agreement has to take place for this Warrant Article to pass. A little bit cumbersome.

Mark Hounsell stated he guessed he would like to ask the next question of the Selectmen's representative, John Colbath. Does it make sense to you that the Pollard Street question should be contained in the other question; if so, why. John stated he would say "yes" on behalf of the Selectmen. The Selectmen re-worded this one, they thought about it and did different things, but part of it, as he said before, was based on the Public Hearings that were held which involved both the sidewalk issue and Pollard Street reconstruction and the sidewalks. The majority of the voters present there wished to go forward with the construction of Pollard Street and the sidewalks. He felt that was why it should be part of it and he thought the fellow Selectmen felt the same way. He agrees with Mr. Sires that it's not the best or the easiest. They were sort of forced into the issue because of the previous vote of the Village Water District asking the Town to take over the sidewalks. Like you (Mark Hounsell) said

before, that's a legislative act, the Town is just not going to take them over without it being the will of the people to go along with that request.

Mark Hounsell stated to John Colbath, don't you see that even at the hearing they were handled as two separate things. His question is why aren't there two separate Warrant Articles to reflect that hearing instead of putting it all into one. We now have an all or nothing thing. John stated he didn't know; he guessed the Selectmen could go make and reconsider it. They never considered it as two Articles, they lumped it as one.

Earl Sires stated he would answer it by saying that these three things don't happen unless the voters vote to take on the responsibility of the sidewalks. If you were to have a separate Warrant Article, for example, for Pollard Street, it would have to say in the event the Town takes over the sidewalks, will the Town pay \$20,000.00 to build the sidewalks. That's sort of equally cumbersome. There are contingent situations on all of these things, so there's no easy way to do it, this was the best way they could come up with so far unless somebody has a better idea.

Mark Hounsell stated so what remains because of the time frame for posting Warrants and all of that stuff, this Article can be changed by the body at the Deliberative Meeting. Earl Sires stated absolutely.

Earl Sires stated the last one is, and Mr. McCarthy might want to introduce the State Legislation that this is based on, but this has been proposed by the Selectmen, it would be a question to the local voters as to whether they would want to adopt the program that Representative McCarthy has been working on.

Frank McCarthy stated he read through the Article and he didn't see that there was any problem. He thought the Town would have the prerogative to design it as you see fit although in the second paragraph at the bottom, he would suggest a change at the bottom. It says "said exemption shall extend for a period of 5 tax years from date of approval", it should say "from the date of completion of construction", because it's approved before construction, they say your application is accepted, they start the construction and the construction might go for a year or year and one-half, whatever, and when the construction is finished, that's when they start getting the tax break.

Chairman Mosca asked if there were any further comments. Mark Hounsell stated perhaps it should say "Certificate of Occupancy".

Earl Sires stated the interesting thing here is that April 1st is really a critical issue for the Town's assessing records because they assess whatever is there on April 1st, so if a project is 80% built, the Town is going to assess it on April 1st as 80% constructed. He understands what Frank's (McCarthy) point is and what Mark (Hounsell) was saying, so Earl thought he would meet with the Town Assessor. Earl knew what everyone was trying to get at which is they should receive the benefit once they have the taxable value.

Frank McCarthy stated that Bill was enforced in Coos County for some time or something very similar. That's the way the law reads in Coos County. It begins at the end of construction. Earl Sires stated all right.

Mark Hounsell stated he had no objections to this piece of Legislation, in fact he thought it has some good points for various reasons, but as he understands it, it has not been signed into law yet. Frank McCarthy stated it has not. Mark stated he is very weary of hooking on to a Bill, which is what this is, until such time as it's a law. He was just wondering if it might be a year too early for this Warrant Article. He has been down there and this thing could turn into a cigarette tax, not that Frank would let it, but it could turn into something different than what it is.

Dick Klement stated his comments echo Mr. Hounsell's.

Chairman Mosca asked if there were any further comments on this issue or any further questions at all for the Town or any of the entities that fall under the Town, i.e. Library or Police. There being none, Chairman thanked Earl Sires and everyone from the Town for coming out tonight.

SCHOOL REVIEW UPDATE

Chairman Mosca stated final questions for the School. Chairman did receive a message from Superintendent Richard earlier that he was at a School Board hearing for Eaton and thought he would be here, his message said 6:00 PM, but Chairman thought he meant 7:00 PM or close to that. He is not here yet. Chairman asked if there were any questions to be forwarded to Mr. Richard; Chairman could write them down or Iris (Bowden) could write them down and get them to the Mr. Richard tomorrow. He did not know if any member had anything at this time for the School Department or maybe something Mark (Hounsell) might be able to answer.

Chairman Mosca asked one more time if any member had any questions or comments for the School Department at this time. There being none, Chairman moved on to New Business.

Mr. Richard arrived at 7:00 PM and advised that he had the responses requested by Mr. Marvel concerning teachers. Mr. Richard passed out the responses to the members.

NEW BUSINESS

Chairman Mosca stated that next week this Committee has the petitioned Warrant Articles due on Tuesday, February 9th; Public Hearings for the Town, School and Precincts are on February 10th starting at 6:00 PM at the High School.

Terry McCarthy stated to Chairman Mosca that February 9th is elections. Chairman stated that's just the last day someone can petition a Warrant Article. The Town Hall is still open and the School Department is still open. It has nothing to do with us.

Chairman Mosca stated February 10th is the Public Hearings at 6:00 PM at Kennett High School and February 11th is voting on all of the Budgets and Warrant Articles. That will take place here at the Middle School starting at 6:30 PM which is next Thursday evening. Then there is nothing until the Deliberative which is on March 7th and March 9th.

Chairman Mosca stated he would suggest that everybody take a good hard look at all of the line items in both the School and Town Budgets and if there are any changes anybody wants to make before voting next week, it would be appropriate to do so at that point in time. He thought there were several line items in both the Town and School Budgets that we can look at for some relief, and he wasn't saying a lot of relief, but he believed there were some that are there. What we vote on will be our Budget, not the Board of Selectmen's Budget and not the School Board's Budget. They may be similar and they may be completely different.

Chairman Mosca reminded everyone that the meeting Wednesday, February 3rd, was for the non-profits. It is a joint meeting with the Board of Selectmen. Chairman Mosca will chair the meeting this year and he will stick to the 10 minute time limit as best as possible.

Chairman Mosca stated that there were still non-profit packets on the back table; if a member didn't have the packet, they should pick it up tonight because Chairman wasn't carrying the box with him on Wednesday night, although it would probably be in his car.

Vice Chair Danielle Santuccio moved, seconded by Jim LeFebvre, to adjourn the meeting at 7:10 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary