

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
February 10, 2016**

A meeting of the Municipal Budget Committee was called to order at 6:00 PM in the Loynd Auditorium at Kennett High School with the following members present: Chairman Joe Mosca, Vice Chair Danielle Santuccio (left the meeting at 8:00 PM), Doug Swett, Pat Swett, Peter Donohoe, Jim LeFebvre, John Colbath, Terry McCarthy (arriving at 6:29 PM), Dick Klement, John Edgerton, Bill Marvel, Bill Masters (arriving at 6:20 PM) and Pat Kittle (arriving at 8:35 PM). Excused: Mark Hounsell and Frank McCarthy. Absent: Christopher DeVries. Also present: Iris Bowden, Recording Secretary, members from the Town, members from the School and members of the public.

Chairman Joe Mosca led those present in the Pledge of Allegiance.

PUBLIC HEARING - PRECINCTS

EAST CONWAY FIRE PRECINCT

Harry Pendexter presented the Budget for the East Conway Fire Precinct. Mr. Pendexter stated last year their Budget was \$57,650.00 and they spent \$57,510.00. This year their Budget is \$57,650.00.

Chairman Mosca asked if there were any questions. There being none, Chairman thanked Mr. Pendexter.

REDSTONE FIRE DISTRICT

Chief Neil Henry stated their Budget for this year is \$55,500.00.

Chairman Mosca asked if there were any questions from the public or the media. There being none, Chairman thanked Chief Henry.

CENTER CONWAY FIRE PRECINCT

Chairman Mosca stated for this presentation he was going to step away as Chair and have Vice Chair Danielle Santuccio take over.

Nancy Leavitt, Treasurer and Clerk, stated last year their Budget total including the Special Warrants was \$186,675.00 of which they expended \$167,382.37. This year their Budget is \$239,050.00.

Vice Chair Santuccio asked if there was any public comment.

Joe Mosca stated he had an issue with the Fire Chief's position that is going on the Warrant as a Special Warrant Article. Being new to the District, he hasn't heard anything and if he didn't sit on this Board, he wouldn't know anything about it. His neighbors don't know anything about it. A \$200,000.00 home right now, approximately \$166.00 for the Precinct and if this goes through, it's going to raise it any where between \$80.00

and \$100.00. So it will go from \$166.00 to some where between \$250.00 and \$270.00. He thought that was a huge hit. He understands the work that is involved. Right now he believed we have two Fire Chiefs in Town and this would make three. If the other two Precincts decide they want, then we will have five Fire Chiefs in town. The City of Manchester has one Fire Chief; the City of Concord has one Fire Chief. The Town of Conway which is a lot smaller, he doesn't understand why we need all of the Fire Chiefs. He understands all of the work and to Chief Leavitt kudos to everything he has done over the years and Mr. Mosca knows this is not for Chief Leavitt, but he just doesn't understand why we need it. He hoped Chief Leavitt could answer his questions.

Chief Leavitt stated he hoped he could answer Mr. Mosca's questions in the sense that when you compare Concord, Manchester or frankly almost any other town that has only one Fire Chief and he understands that. The difference is that Manchester has a number, and he wasn't exactly sure how many people work for the Fire Department, but he's guessing it's probably in the 50, 60 and maybe even 100 people that work on there. Conway Village does have one Fire Chief, but they also hire he believed 4 or 5 full-time people as well and then they have per diem people that work that do a lot of the inspections along with the Chief and everything. North Conway has full-time people and they also utilize per diem people to assist the Fire Chief.

Chief Leavitt stated in Center Conway it's essentially him and what it comes down to quite frankly as you know, is that he is going to be stepping down fairly soon and his job is pretty flexible from the hours that he works. He works nights for the most part so he has his days pretty much free so that he can work around stuff. To ask somebody to come in and do what he does because if it's not a full-time position, they're still going to have to hold down a full-time job, have a family life. That's not going to happen and still maintain an active Fire Department and even to the point that he has flexibility, there are some things that even get by him. He could tell everyone that he could probably go to Pine Tree tomorrow and find some violations, nothing really major, but they would be violations. Yesterday at the voting Polls there was actually a violation there that probably he should have been there even before the Polls opened to inspect some stuff. They had a rescue call there. They went to go out the back door and it wasn't clear. Had there been more of an emergency and a lot of people tried to get out that door, it could have been a pretty bad catastrophe.

Chief Leavitt stated there's a lot of things like that. The Police Department calling twice this past week, one at 2:00 AM and one at 4:00 AM, which he was able to handle. Again, someone who doesn't have his flexibility, it's not going to work as efficiently. They are aware too that there is an impact on the tax thing. They don't spend every nickel that they've got and he thought they were pretty conservative in their approach and they have some of the best equipment in town. They started out with a Cavs Fire Truck before anyone else had one. They provide EMS with a licensed advanced level Ambulance.

Chief Leavitt stated what you get for your dollar is pretty well utilized and he could tell everyone that if we go to a town wide system, it's not going to be any cheaper, it's going to be more expensive and your going to get essentially the same service. He would also offer this invitation and he thought Mr. Mosca was right in the sense that not a lot of people know about this and that's because the press doesn't come to their meetings so they have a hard time getting it out there. They invite them in to talk and he invites any member of the Budget Committee or the public for that matter that would like to come to the Station, he will give a tour, sit down with you, go over what they do in a little bit more detail because he thought he could make Mr. Mosca understand that without going into a lot of time here tonight as well as the neighbors.

Chief Leavitt stated the tax impact this year, they have a fair amount of money left over that they are putting back to offset the tax impact and he thought it was almost the same amount of \$48,000.00, so they are putting some back and there are some minor cost savings things that having a full-time Chief would help out on. Their forestry truck came with a plow so now they are not hiring somebody to plow their door yard, they're doing it themselves and that person could do that. It just makes it more efficient. Again, he would very much welcome Mr. Mosca and any one else to meet with him and go over it.

Bill Marvel stated he had two questions and the simplest is what's the date of the Precinct Meeting because he missed it last year, never saw it. Chief Leavitt stated it will be up on the sign, but it is March 24<sup>th</sup>. Nancy Leavitt stated it is in the paper 3 times prior to the date of the meeting.

Bill Marvel stated his other question was that Joe (Mosca) commented that this would raise the tax on an average home \$80.00 to \$100.00, but this is only half. Chief Leavitt stated he wasn't sure Joe's figures were exactly right. Joe stated he was basing it on full-time for a full year.

Vice Chair Santuccio asked if there were any further questions. There being none, she thanked Chief Leavitt and Nancy Leavitt.

Chairman Mosca closed the Public Hearing on the Precincts at 6:10 PM.

#### PUBLIC HEARING - TOWN

Earl Sires asked if he could be heard because he had to split the difference (share with Lilli Gilligan) here and he was getting to the point where he can't see his paperwork with his glasses on and he can't see the Budget Committee with them off. So, he'll just have to figure out how this is going to work. (laughter)

Earl Sires stated he handed out two pieces of information tonight, one is a Summary sheet that's entitled "Town of Conway Proposed Operating Budget Reductions By Department" and then the Budget packet. He was going to start by going over the Summary sheet, the single piece of paper that's kind of a cover sheet for everything else. This is something that came out of the Selectmen's meeting this last week based on reports back to the

Board of Selectmen from the Town's Budget Committee representative, John Colbath. John came back and briefed the rest of the Selectmen about some of the concerns that the Budget Committee had raised over total spending, both in the Operating Budget and in the Capital Budget on some of the Warrant Articles and so on. What this does is it summarizes for the Budget Committee and for the public the changes that were made to the proposed Budget from the one that the members had been looking at for some time since the middle of December.

Earl Sires asked the members and public to go to the bottom, the Summary is that the Selectmen reduced the Budget by \$243,259.00; \$113,000.00 of that came from the Operating Budget and \$137,000.00 came from various Warrant Articles. One of the things of course reported back was discussion about fuel costs and those sort of things. That is underlying some of these reductions: heating oil, fuel. They had some other things happen with their Sick Leave Buyout and so on that made it possible for them to reduce that as well. In particular, salt materials in the Public Works Department could be reduced as well and that was significant if you look under that Highway line it was \$60,000.00. As you know, we haven't had a particularly brutal winter and so they felt that was a reasonable reduction. They also thought, depending on what oil and fuel does in the next month, they might be looking at potential additional reductions in March at the Deliberative Session. The Selectmen used an amount of \$180,000.00 for gasoline and diesel, so that's what that is based on.

Earl Sires stated as far as Warrant Articles, the Selectmen have reduced the contribution to the Infrastructure Reconstruction account by \$50,000.00 and what that does is it leaves a lesser balance at the end of the year than the Town would have had, but all of the Projects scheduled for this year do get funded.

Earl Sires stated the Selectmen reduced the Capital Reserve Fund for Town Buildings by \$57,000.00 because there were two Projects that amounted to \$57,000.00 and those were in the Gym at the existing Conway Rec facility and, as most of you probably know, there's been discussion about perhaps moving the Conway Rec facility to the Middle School. So the Selectmen decided to defer any work on the existing Gym pending this discussion during the year. As you know, they haven't really begun that discussion with the School Board so they don't really know where that is going, but the Selectmen felt that it made sense to hold until they saw where it was going.

Earl Sires stated there was one slight increase just yesterday and they had to adjust upward the cost of doing sidewalks on Pollard Street as part of the assumption of the Conway Village Fire District sidewalks. Those are the changes from what the members have been looking at and they wanted the members to be aware of those sort of right off the bat.

Earl Sires stated what he has tonight is the Budget Committee's Public Hearing packet and in that 40 some odd pages there is a variety of information. It's pretty comprehensive; they have discussion of the Operating Budget, all of the Warrant Articles and the Warrant is presented in here as it will appear on the ballot subject to any amendments or

changes at the Deliberative Session. They have a Warrant Article Summary Sheet and he will kind of hit these in a minute, but he wanted to quickly go through the packet so that everybody here, at home and in the audience will know what is in the packet. In the packet there is also #3 is a quick discussion and Summary of the total Budget, Operating and Warrant Articles and an estimated Tax Rate calculation.

Earl Sires stated there is also all of the Work Plans and all of the projected yearly schedules for the Capital Reserve Funds. A discussion of projected Revenue and then also a pretty detailed, the last thing, study or treatment of the proposed Default Budget. As the Town has done before, Town staff's exercise in looking at what the Default Budget looks like. The number mentioned in this packet is that number, but as all members are aware and he will advise the folks at home that the Budget Committee actually sets the Default Budget. It will be up to you to take that information and work with it as you see fit according to the law and determine the Default Budget.

Earl Sires stated he would start by briefly going over the Operating Budget. The proposed total is \$10,500,845.00, that's an increase of \$156,876.00, it's a 1.5% increase over last year. As the members are aware, this Budget represents three major components: the Police Department, the Library and the Administrative Section of the Town under the Selectmen and Town Manager. The Police Department Budget increases by 2.4% or a little over \$88,000.00, largely staff costs there. The Library increases by 1.7% of \$8,100.00, again employee costs. The Town Administrative Budget is up 1% or \$60,000.00. The Default Budget as projected at this point by staff is \$10,645,158.00, that's \$144,000.00 more than the Operating Budget.

Earl Sires stated the increases are Elections and Registrations; there are 4 elections this year and they had the first one yesterday as most are aware, so a \$16,000.00 increase there. Benefits went up largely Health Insurance increases and New Hampshire Retirement contribution changes, \$63,000.00. The Police Department, as he mentioned, went up \$88,000.00, largely labor costs there. Parks and Rec, labor again \$18,000.00.

Earl Sires stated the decreases are: they reduced the Legal Budget by \$25,000.00. Insurance is down \$22,000.00, but that's more of a schedule of payments issue rather than any real cost difference and Lilli (Gilligan) can explain that if the members would like in a minute. Highway, as he mentioned, fuel materials are down so they are \$20,000.00 down in that Budget.

Earl Sires stated he wouldn't go over all of these unless there are questions, but if the members would turn to page 24, they start the discussion of all of the Warrant Articles and there are some explanatory paragraphs for some but not all of the Warrant Articles. It kind of explains some of the ones that have a little more background needed than others. On page 27 is the beginning of the actual Warrant that would be seen at Town Meeting. You, the Budget Committee, are required to have all cost items shown and presented at this meeting, so he wanted to make sure

that everybody knows that all of the Warrant Articles are here along with the Operating Budget.

Earl Sires stated on page 31, he will just point out that's a sheet that Lilli (Gilligan) prepares that shows the amount for Warrant Articles being requested in 2016, in the next column what the Tax Rate impact is and the difference in the last column over last year. If one goes down to the bottom right corner \$253,948.00 is the increase this year over last year with respect to Warrant Articles. Just to point out what those are, they are largely Capital Reserve Funds that fund the Town's Projects and vehicles for various Departments.

Earl Sires stated other Articles this year they have support for the Eastern Slope Airport, Vehicle for Town Hall employees, the Crime Scene Evidence and Mapping Equipment, the Town Hall facility and needs analysis, getting the Library placed on the Historic Register, repairing the roof of the Library. Earl stated he would point something out there that's a significant change just in the last 24 hours. Originally that was structured to be a \$250,000.00 Warrant Article with fundraising by the Library for \$50,000.00. The Trustees met with the Selectmen last night and have proposed that, for a couple of reasons that: the total amount looks like it has been reduced to \$200,000.00 and because of timing and trying to get the project up and running for this year, they weren't confident they could raise that 20% or \$50,000.00 this year, so they requested that the Selectmen present this just as a straight up "we need \$200,000.00" to repair the roof, so that's how that reads now.

Earl Sires stated then there is a proposal by the Selectmen based on the request by the Conway Village Fire District to take over the responsibility for sidewalks. That has some background to it as well and we can talk about that if people are interested, but that would be a \$67,000.00 expense for the Town to take on that responsibility.

Earl Sires stated finally there is an Article that proposes to change the terms of compensation for the Tax Collector and it would also raise \$1,200.00 this year to fund those changes if approved.

Earl Sires stated on page 32 it talks about the total projected Budget and the Tax Rate. If you look down there, third line, \$12,433,000.00 which is the total capital and Operating Budget which is an increase of \$415,000.00 or 3.5% in total spending over the prior year and, as he said, that's \$177,000.00 in the Operating Budget, Warrant Articles \$203,000.00 and proposed Non-Profit Warrant Articles are \$35,000.00, so those are the increases over last year.

Earl Sires stated the Selectmen have also worked with both Revenue projections and the existing Fund Balance or Fund Balance at year end 2015 to use some of that Fund Balance for offsetting current year expenditures, both in the Operating Budget and in one of the Capital Reserve Funds. They are planning to use \$750,000.00 in Fund Balance and he would point out that the Town finished 2015 with a contribution to Fund Balance which essentially means money going into the checking account some where in the neighborhood of \$800,000.00 to \$850,000.00. Largely under expenditures,

again we had mild weather and were able to save money in a variety of different areas. He wanted to make sure that everybody understands that the Town didn't have expenditures and they didn't spend money on things they didn't need to spend it on and ended up putting significant money in the bank at the end of the year. That was about \$600,000.00 in under expenditures. Lilli Gilligan stated it was \$511,000.00 in under expenditures, about \$150,000.00 more in Revenues than anticipated and \$110,000.00 less in abatements than were projected and used for tax rate setting.

Earl Sires stated the Selectmen plan to use about \$750,000.00 in Fund Balance to offset taxes and if you do that and if you use the Town's current Revenue projections, and he always says this when he gets ready to talk about what they think the Tax Rate is going to be, that this is based on several, 8 or 10 assumptions about a variety of different things and if these things all go the way they think they are right now which they won't, we'll have a Tax Rate increase of about \$.06 per thousand.

Earl Sires stated he thought the Selectman and staff had done a good job in mitigating some of these needed increases and expenditures and trying to keep the Tax Rate down to some reasonable amount. They are hoping that if a few things go their way, that they might be able to do what they did again this year which was keep the Tax Rate level.

Earl Sires stated so that is sort of the Overview; again \$.06 Tax Rate increase proposed. Hopefully that was enough information and not too much and they will certainly answer any questions that anybody might have.

Chairman Mosca stated he would begin going through the Warrant Articles, he wasn't going to read them, he was just going to say what they are, starting on page 27.

Chairman Mosca stated **Article 10 - Operating Budget** for \$10,500,845.00. Chairman asked if there were any questions on Article 10. There being none, Chairman proceeded with the next Article.

Chairman Mosca stated **Article 11 - Collective Bargaining Agreement for the Calendar Years 2016-2017 Between the Town of Conway and Conway Police Department**. Chairman stated for 2016 the increase will be \$21,774.00 and in 2017 the increase will be \$72,378.00. Chairman asked if there were any questions on Article 11.

Bob Barriault stated he apologized to Chairman Mosca for when the Chairman covered the first Warrant Article, that is the Operating Budget. He had some specific questions regarding some of the line items within that Budget and asked if he should do it now or at the end. Chairman stated right now is fine; we are going to do each Warrant Article, so ask away right now. Our resources, Earl (Sires) and Lilli (Gilligan) are right here.

Bob Barriault stated on the reductions that the Town has for fuel, does the Government Buildings include the Town Hall, the Rec Department and also the Garage because all of those had line items with pretty

substantial amounts for fuel. Earl Sires stated he thought the answer was yes. Mr. Barriault stated there's a lot here to try to absorb in 10 minutes. Lilli Gilligan stated it includes the Town Hall, the Garage, the Rec Building, the Whitaker Building. Mr. Barriault stated okay, you've answered his question.

Bob Barriault stated another question he had, and he spoke to Earl (Sires) earlier about the Ambulance Contract. When he looks at the line item, he sees that the Consumer Price Index has been adjusted correctly, but it doesn't look like a corresponding adjustment was made on the Budget figure. Lilli Gilligan stated the Budget changed with the change from the .03% CPI to .14% CPI resulting in an \$18.00 increase. Lilli asked what page Mr. Barriault was looking at; on page 10 which shows the percentage increase of 1.7%, the CPI is applied to the last 8 months of the year. The first 4 months, the Contract runs from May 1<sup>st</sup> through April 30<sup>th</sup> so the CPI is adjusted to the last 8 months of the year and then the 1.7% increase is because in 2015 the CPI that was used for the Budget calculation was lower than what the CPI ended up being for that period of time. The amount of money that was budgeted for Ambulances in 2015 was \$159,396.00, but the amount of money that was actually paid per the Contract was \$161,294.00. The 1.7% increase is based off of the Budget figure for 2015 versus the proposed Budget for 2016.

Bob Barriault stated he wasn't sure that he followed all of that; he just looked at what was appropriated for 2015 and what you've got for the Budget. Lilli stated if you look at page 18, the amount of money that was programmed in the Budget was \$159,396.00 and then the next column over shows what was actually paid in Ambulance Contracts which was \$161,294.00. If you take the CPI for 2015 which was recalculated again today thanks to your phone call and we appreciate that, it increased from the last time that they looked at it at the end of November and the CPI for 2015 is .14%. When they apply the .14% to the amount of the current Contract and then pay under this year's Contract for the first 4 months and then the new Contract with the .14% increase for the last 8 months of the year, the new amount that will be paid is \$162,160.00 plus \$18.00 with that new calculation. Lilli stated she can't change these Budget figures after they were voted on by the Selectmen last night. The \$18.00 difference was from your call today. Mr. Barriault stated he guessed he gets it.

Bob Barriault stated he would like to ask another question under the Patriotic. He could understand why there was a 31% increase in 2015 because the Town had its 250<sup>th</sup> Celebration, but he sees that now there is an additional 33% increase over the 2015 Budget which, if you look over a two year period, that's almost a 70% increase which he thought was pretty substantial.

Earl Sires stated this was talked about by the Budget Committee and Chairman Mosca had pointed out that the Town had talked about this being a one year increase last year and here we are again. The Chairman is right and a couple of things have happened. Some of the costs that had been assumed by business and donations are in this Budget because the Town is not sure if that is going to happen. That is not a known thing so they included those here in case they are not going to be funded. Secondly, one

of the things that had happened in putting on the 4<sup>th</sup> of July for the 250<sup>th</sup> was, and they went through about a year of preparation thanks to the leadership from the Police Department and the Town's first responders, of planning on how to address a large gathering, 10,000 people, in a relatively tight space. They learned a lot about what they needed to do, the levels of staffing that they should have, both from the Police Department and from the Rec staff, the kind of resources the Town needed to have like having an electrician there all day which cost about \$900.00, but they realized they couldn't really guarantee or they couldn't really provide the level of safety that they needed to given the modern atmosphere without increasing these costs. They thought they were going to be doing this as a one year thing, then they learned that the Town really needs to continue to staff it and to allocate the resources that they had in 2015 going forward. They did have this discussion with the Selectmen, they went to the Selectmen in October and stated that they were projecting increased costs for the reasons he just outlined and that there were some options: down scale the celebration and just have fireworks and do a number of other things, but they recommended if continuing at this scale they need to be able to staff and prepare for it. The Selectmen chose to continue to put it on at this level. Long answer.

Bob Barriault stated he appreciated Earl (Sires) answering because for those that don't have the benefit of watching on Valley Vision and so forth, he thought an explanation was really in order for that sort of a sizeable increase. He further thought that most people understood the increase for last year because of the 250<sup>th</sup> Celebration and so forth, but when you look at it over a two year period, that's a pretty substantial increase for this.

Chairman Mosca stated it was suppose to be a one time increase last year, the fact that it's up even higher this year, last year was suppose to be the 250<sup>th</sup> Celebration, but it was suppose to go back to what it normally was. It's not going back to what it used to be, it's just a bigger celebration. His point during the hearings with the Town was of the 10,000 people there, how many were actually from the Town of Conway. He thought the Police Chief stated about 1,500. He may be wrong, but somebody did say that. It's a small number.

Bob Barriault stated it appears to him in all budgeting and he's not taking any pot shots at the Town at all, but he means that in all Budgets once something is added very rarely is it every taken out. He just thought, and he wasn't necessarily voting one way or the other whether it's justified or not, but he really thought an explanation is in order so that if you get anybody at the Deliberative Meeting they have the opportunity to know exactly why this increase has occurred. Thank you.

Bob Barriault stated he had just one more question unless somebody else wants to speak. Chairman Mosca told Mr. Barriault to go for it. Mr. Barriault stated on the Rec Department, if you just look at the Recreation portion of the Budget which is the Personnel, Programs and Seminars, he noticed there was a pretty substantial increase in the Seminars. It's like four times what it has been budgeted for in the previous two years and he guessed he would like to have an explanation for that and, if he may, just

a couple more things. If you total those up, that represents about a 5.6% increase, that is just for Personnel, Programs and Seminars. Programs was a pretty substantial increase and again, for 2015 he could understand that because of the 250<sup>th</sup> Celebration and the Rec Department being involved in a lot of that. Again, that's over with and if this is all justified, then his next question is on that 5.6% is any adjustment being made in the fees to help compensate for that increase.

Earl Sires stated good questions and the answer is similar to the answer of the 4<sup>th</sup> of July and that is that the Rec Summer Program has grown over the last 10 years, enrollment has increased and increased and they are averaging about 165 kids a day there. They have talked about this before, they choose to staff at a level that's recommend by their insurance company which is 1 staff member for every 7 kids. As the numbers have gone up, they've had to staff up. They've got that going on and some of that, if he's not mistaken, this is also where they are reflecting some of the staff increases for the 4<sup>th</sup> of July. Primarily this is being driven by the Summer Program. Again, they went to the Selectmen in the Fall and said we have this issue with an expanding Program and costs going along with it. The Selectmen have some options: increase the fees significantly; limit enrollment; or staff up and understand that the costs are going to increase. The Selectmen chose to keep the Program at the level that it's at. In other words, not limit enrollment certainly and they do take a look at the fees in the Spring and he suspects they will see some level of increase this year. The Selectmen haven't done that yet, but they will take a look at it.

Bob Barriault stated he brought this up last year before the Selectmen and he thought there was an automatic method in which this could be done without having to be constantly asking whether or not any adjustments are being made. He is all in favor of the Rec Department and he is certainly willing to pay his share of providing that service, but in the same light he thought when you look at especially the Summer Program, that's a d\*\*n good program and very inexpensive for people and if the increases are due to that program regarding more personnel and so forth he thought that should also be reflected in the fees to at least help to offset some of the costs to the taxpayers. Earl Sires stated noted.

Larry Martin asked Earl Sires about the Sick Leave Buyout, how did that come about. Was that a policy change or is it across the board for both Union. Earl stated that is a benefit that employees have and that is they can after they've accumulated a number of hours, they can choose to sell back at the end of the year their accumulated leave of whatever may remain from that year above this threshold. The reason you are seeing some of these reductions here is because they make those buyouts in January and Lilli (Gilligan) has now looked at what the actual numbers were and what they were budgeting. She has now reduced to the actual over the budgeted and that's why you're seeing some savings. Mr. Martin stated it's because before you were projecting and now you have actual. Earl Sires stated yes.

Larry Martin stated his only quick question is when the Town took the \$750,000.00 out of the Fund Balance, what did that do to the percentage. Earl Sires stated good question. It keeps the Town, as you know being a

former Selectmen, the DRA recommends at 5% to 15% retainage in Fund Balance. The Town currently, with the contribution that they are projecting, will be at around 8%, so the Town is down towards the lower end of the 5% to 15% recommended, but they've come to feel over the last few years that because the Town has the Capital Reserve Funds where there are also balances and have budgeted items that can be worked with by the Selectmen in case of any kind of an unforeseen situation like a culvert collapse that the Town is not aware, they are comfortable in having contingencies for unforeseen circumstances covered there as well as through the Fund Balance. They are comfortable having the Fund Balance be towards the lower end. Good question.

Chairman Mosca asked if there was anything else on the Operating Budget. There being no further questions or discussion, Chairman proceeded with Article 11.

Chairman Mosca stated **Article 11 - Collective Bargaining Agreement for the Calendar Years 2016-2017 Between the Town of Conway and Conway Police Department**. Chairman stated for 2016 the increase will be \$21,774.00 and in 2017 the increase will be \$72,378.00. Chairman asked if there were any comments or questions on Article 11. There being none, Chairman proceeded with Article 12.

Chairman Mosca stated **Article 12 - If Article 11 is defeated, would authorize the governing body to call a special meeting to address the cost items only in Article 11**. Chairman asked if there were any questions on Article 12. There being none, Chairman proceeded with Article 13.

Chairman Mosca stated **Article 13 - Capital Reserve Fund for Infrastructure Reconstruction in amount \$750,000.00; \$250,000.00 to come from Fund Balance**. Chairman stated the current balance is \$500,702.00 which figure can be found on page 34. Chairman asked if there were any questions on Article 13.

Bob Barriault stated when this Infrastructure Capital Reserve Fund was set up the justification for it at that time was to forecast what we would need in order to reconstruct our roads so that in the long run we would realize savings and he totally supported that. He was on the Budget Committee at the time when that was first presented and he thought it has been a good policy, but it seems like the last few years the amount that we are appropriating each year seems to be going up higher and higher. Are we reaching some point where we are going to realize some of the benefits that we thought we were getting by introducing this program.

Paul DegliAngeli asked Mr. Barriault if he was really on the Budget Committee in 1998. Mr. Barriault stated yes. Mr. DegliAngeli stated the last two years the message has been we're approaching our 20<sup>th</sup> year of a 10 year program, so when the Town first started the program, when they first did inventory of everything, the price would have been too staggering to introduce it, so they actually spent something like 6 years, 8 years slowly ramping it up to get to a place where they thought it would be sustainable. In doing that, you take a 10 year program because when they first looked at everything that was his charge. He was told he had to

do something here and can we get it all done over the next 10 years. The answer was no because you don't want to pay that much, simply put. So the Town started ramping it up and they took 6 to 8 years ramping it up which now put 10 years farther out. We've had tough budget years. How many people here have heard the phrases "not this year", "this is a bad year", "it's not a good year" and we had the recession etc. The Town actually made cuts and that's what he did. The Town continued to defer maintenance. Last year the Town had another culvert/bridge collapse. When he says another, it was the third one in 5 years. So last year it was on River Street, the Swetts neighborhood; 3 or 4 years prior to that it was Tasker Hill Road.

Paul DegliAngeli stated so that was the subject; why are these things falling down, why don't we know about them, why isn't the Town fixing them ahead of time and the answer was because the Town had been holding the bottom line. You know rust doesn't sleep or rust doesn't stop, so the Town has been holding the bottom line and deferring things and now they are collapsing. To make matters worse, things that the Town reconstructed are now due for maintenance, so they made the investment and now it's time for the stitch in time and if the Town doesn't do it, we're going to spend the nine.

Paul DegliAngeli stated these other items still haven't spent the nine cents on those and so the increases that you see are an attempt by the Selectmen to finally get ahead of this. So to replace these collapsing large culverts and to try to get the roads back on track. Meanwhile we have a maintenance item not in Capital Reserve, the Town has a paving maintenance item and that has a pretty significant number on the order of \$500,000.00. It's half of what the Town needs to maintain the existing paved roads. The thought was that when the Town finished with the reconstructions or at least those that they knew about at the time and every 3 to 5 years the Town retakes inventory to see what's going to be maintained and what are just going to be let go and then have to reconstruct. The thought is if they can accelerate and finally get done with this 10 program which is now approaching its 20<sup>th</sup> season and will be at least 25 years if you look at the spreadsheet, when the Town gets that done, those dollars will drop off. Where else is he going to spend it, but they are going to go into the Operating Budget in pavement because that's what it is going to take to maintain the pavement or it's going to degrade. Mr. Barriault thanked Mr. DegliAngeli for the explanation.

Nick Stanciu had a quick question for Paul DegliAngeli on infrastructure and asked for an explanation on sidewalks and whether the infrastructure includes sidewalks and, if so, for what part of the town does it include sidewalks and if it's not included in other parts of the town, can it be detailed out a little bit further.

Paul DegliAngeli stated the Town owns all of the sidewalks in town except for those which are within the Conway Village Fire District. In the dollars, what he has is just for those that he has within the town.

Paul DegliAngeli stated getting back to what he said a moment ago, he's looking across and seeing Larry Martin in the audience who lives on Maple

Manor. Mr. DegliAngeli received an email from Mary Conlin who used to work for the Town, Finance Director for many years who lives on Limac Circle and these are two subdivisions that were built long before he came to town and the Town reclaimed all of that pavement, they did a pavement maintenance thing about 11 years ago and it's shot, it didn't work. So what the Town needs to do is add that to the infrastructure for capital reconstruction. In other words, that road bed, those gravels which that pavement sits on is poor material. It's a wet area, it's not well drained. So that needs to be added. This is an example of where the Town spent a lot of money in pavement and to do that money in pavement every 10 years, the Town is now looking at if they do the reconstruction and the Town spends these extra dollars and how far out does those curves cross. Is it a worthwhile investment to reconstruct or does the Town keep putting pavement in that sinks into the ground essentially.

Paul DegliAngeli further stated this is to say nothing of the gravel roads that are seeing development pressure. Davis Hill comes to mind. There are a lot of folks that built pretty fancy houses on Davis Hill and they are in Town Hall three or four times a year wondering when are you going to pave that road. His answer is that the Selectmen have no plans to pave that road; it's a gravel road and it was when you built there. The Town is starting to see that type of pressure.

Chairman Mosca asked if there was anything else on Article 13. There being no further questions or discussion, Chairman proceeded with Article 14.

Chairman Mosca stated **Article 14 - Capital Reserve Fund for Highway Equipment in amount \$300,000.00.** Chairman stated there is currently a balance of \$56,321.00 right now. Chairman asked if there were any questions concerning Article 14. There being none, Chairman proceeded with Article 15.

Chairman Mosca stated **Article 15 - Capital Reserve Fund for Solid Waste Equipment in amount \$110,000.00.** Chairman stated there is currently a balance of \$128,700.00 in the Reserve Fund. Chairman asked if there were any questions concerning Article 15. There being none, Chairman proceeded with Article 16.

Chairman Mosca stated **Article 16 - Capital Reserve Fund for Landfill Expansion in amount \$110,000.00.** Chairman stated there is currently a balance of \$112,901.00 in the Reserve Fund. Chairman asked if there were any questions concerning Article 16. There being none, Chairman proceeded with Article 17.

Chairman Mosca stated **Article 17 - Capital Reserve Fund for Maintenance of Town Buildings and Facilities in amount \$218,000.00.** Chairman stated there is currently a balance of \$121,531.00 in the Reserve Fund. Chairman asked if there were any questions concerning Article 17. There being none, Chairman proceeded with Article 18.

Chairman Mosca stated **Article 18 - Capital Reserve Fund for Parks Department Vehicles and Equipment in amount \$25,000.00.** Chairman stated there is currently a balance of \$3,380.00 in the Reserve Fund. Chairman

asked if there were any questions concerning Article 18. There being none, Chairman proceeded with Article 19.

Chairman Mosca stated **Article 19 - Capital Reserve Fund for Police Vehicles in amount \$65,000.00.** Chairman stated there is currently a balance of \$6,762.00 in the Reserve Fund. Chairman asked if there were any questions concerning Article 19. There being none, Chairman proceeded with Article 20.

Chairman Mosca stated **Article 20 - Public Educational/Government Cable Television (PEG) Trust Fund in amount \$110,000.00.** Chairman stated there is currently a balance of \$207,917.00 in the Trust Fund. Chairman asked if there were any questions concerning Article 20. There being none, Chairman proceeded with Article 21.

Chairman Mosca stated **Article 21 - Eastern Slopes Regional Airport in amount \$10,000.00.** Chairman stated this is the third year of this request. If this request passes for the third year, it will automatically go into the Budget next year. Just so everyone is clear on that. Chairman asked if there were any questions concerning Article 20.

Bill Marvel stated his original question was going to be is this the third year. He guessed his ulterior question now would be why this particular non-profit gets that benefit and his final question which probably has an obvious answer is once it goes into the Selectmen's Budget is it not then subject to increase at the whim of any Selectman who happens to have a pilot's license if he can sway his Board members.

Earl Sires stated he needed to figure out which order to answer Bill's (Marvel) questions. The third question is "yes"; once it goes into the Operating Budget of course it's part of the Operating Budget and the Selectmen would recommend every year a number for that line item and it could be up or it could be down. The answer to Bill's first question is this is the third year, yes. The answer to Bill's second question is, once he remembers what it was, the Selectmen feel that the Airport represents a government function, part of the transportation infrastructure of the community and because of that they felt that it was appropriate to include it in the Operating Budget once the three years of approval by the community had happened. Earl further stated the Chairman (Mosca) stated automatically, it will still be up to the Selectmen, but they have gone on record saying that if it does pass for three years with he thought a healthy affirmative vote that they would put it in the Operating Budget.

Bill Marvel stated then was he to understand that if it fails this year, what will happen. Will it simply die or will it come back in the normal fashion of a non-profit like the other public transportation requests.

Earl Sires stated he suspects, and he doesn't want to predict the future saying what the Selectmen might or might not do, but if it were not to pass this year then certainly the Selectmen would take that as a message that it is not something that needs to go into the Operating Budget at this point, although they would be free to propose that still. The Selectmen could then either not propose anything, wait for a Petitioned

Article to come back in, or put it back on exactly as it is or in some near form to that for the next year. Hard saying. It is not a non-profit. There was a lot of discussion on that and John points that out and Earl thought that was why the Selectmen had taken ownership of the Warrant Article feeling that it is actually part of the transportation infrastructure.

Bob Barriault stated by definition and this being a Special Article, it's one time expenditure. Earl Sires stated he believed that was the case. Mr. Barriault stated it may be the Selectmen's prerogative to say they want to include that as part of the Operating Budget, but he would think that the legislative body would have to approve that because each time this has been presented is as a Special Article which is a one-time expenditure.

Earl Sires stated certainly the Town would want to look at that to make sure that they are doing it according to the law, but he thought going into 2017, it would be the Town's understanding any way, that the Selectmen would have the prerogative to include it in the Operating Budget and that's subject to all of the discussion and so on at Town Meeting like anything else in the Operating Budget.

Chairman Mosca asked if there were any further comments, questions or discussion concerning Article 21. There being none, Chairman proceeded with Article 22.

Chairman Mosca stated **Article 22 - Vehicle for Town Hall Employees in amount \$20,000.00.** Chairman stated right now the vehicle that the employees get to use has 250,000+/- miles on it. It is something that is either handed down by the Police Department or from the Highway Department. The Town is just looking for something that's decent because some employees travel around with a lot of money back and forth to the banks. That's his two cents on it.

Earl Sires stated the Town does have a vehicle with hundreds of thousands of miles on it or at least it looks like it, so they have that one, but they don't use it very much. They are very, very thankful that they now have two vehicles from the Police Department, one of which is just 10 years old and not bad and the other one is 15 years. They look pretty good painted and they are happy to have those vehicles. So they have the one that really needs to go away that Chairman Mosca was talking about and then they have the Sedan that was the Chief's, then the Detective's and then not sure what before it came to the Town. It's a pretty decent vehicle and they use that when they have to go to Concord or whatever. The Building Inspector has this Expedition solely for his use. The issue comes up particularly in the summer time when they have their summer help going out and doing the measuring and data collection for the Assessor's Office. They need that vehicle essentially full-time which really leaves nothing for anybody else. The idea was to get a small economical vehicle that could be available for travel to places around the State and within town if needed.

Bob Barriault stated if that Warrant Article is passed, he noticed that there are two line items in the Operating Budget for mileage. Would those

be eliminated? Is that why that mileage is in there because the Town doesn't have these cars. Earl Sires stated he did not have any sort of projection about what the impact would be, but he would expect that mileage costs would go down. Obviously, if the Town doesn't incur those costs, they won't spend the money so it will be there at year end.

Chairman Mosca asked if there were any further questions or comments on Article 22. There being none, Chairman proceeded with Article 23.

Chairman Mosca stated **Article 23 - Crime Scene Mapping System for the Police Department in amount \$27,200.00**. The sum of \$13,600.00 will come from a New Hampshire Highway Safety Program Grant and the other half will be raised through taxes. Chairman asked if there were any questions or comments concerning Article 23.

Amy Snow stated didn't we do this a couple of years ago. Chairman Mosca stated it was and it got pulled. It was on last year's and it got pulled. Both of those would have been on the taxpayers for the whole amount. This year it's back and there is a Grant to pay for half of it. Briefly, the system that the Police Department is using now, the hardware and the software are two different manufacturers and they don't always communicate properly and it is so old that they can't update things. This is just going to be a benefit to the Police Department.

Chairman Mosca asked if there were any further questions or comments on Article 23. There being none, Chairman proceeded with Article 24.

Chairman Mosca stated **Article 24 - Town Hall Facility Needs and Site Alternatives Analysis in amount \$40,000.00**. Chairman asked if there were any questions or comments concerning Article 24 and asked Earl Sires if he would give a brief on this Article as to what it is.

Earl Sires stated as you know, there has been some discussion over the last year or two about where the Town is going with the Town Hall Facility and it has been looked at a number of times over the last 15 years really at the staff and Selectmen level and have talked about a lot of different things, including expanding on the current site, expanding the building; purchasing an existing building and rehabbing that; and building a new building. The Town has property between the Police Station and the Court which was originally and is set up to be a location for a Town Hall if that is where they go. The Selectmen are getting serious about these discussions and what they want to do with this Study is to hire technical experts: engineers and architect types to come in and look at the building and really provide an analysis of its suitability both for the amount of space they are going to need as they go into the future and also its structural, its Code and Life Safety Code characteristics just to see if, and to what extent, that building and that site could accommodate a Town Hall for the next 50 years for the community. The Selectmen felt that when they got up in front of the community to talk about the need, they wanted to have an Analysis done by some experts that they could point to that would answer the questions for everyone.

Chairman Mosca asked if there were any questions or comments concerning Article 24. There being none, Chairman proceeded with Article 25.

Chairman Mosca stated **Article 25 - Place the Conway Public Library Building and Park on the National Register of Historic Places in amount \$10,800.00** and of that \$8,640.00 will be funded by a Grant from the New Hampshire Division of Historical Resources and \$2,160 would be raised through taxes. Chairman asked if there were any questions or comments concerning Article 25. There being none, Chairman proceeded with Article 26.

Chairman Mosca stated **Article 26 - Repair the Roof of the Conway Public Library in amount \$200,000.00.** Chairman asked if there were any questions or comments concerning Article 26.

Bob Barriault stated he was just curious, but what is the nature of the problem of the roof; is this on the new section. Earl Sires stated no, it's the original and he may end up handing this over to Paul (DegliAngeli). It's a 100 year old roof; the old building; slate and copper; it was fixed 50 years ago. It looks like those sorts of roofs last 50 years without needing some repair. Looking at the jointing in the copper and the seams and that sort of stuff, more than the slate.

Amy Snow asked if she could go back to **Article 25**. Chairman Mosca allowed her to do so. Mrs. Snow stated she just wanted to go back to the National Historic Register; does that restrict the Town from doing anything to the Library by being an historic building or the park itself. Earl Sires stated as he understands it, it doesn't restrict the Town from doing anything. It's sort of a status, it's a recognition of the value of that building to the community and it's historic import, but if the Town were to do something really bad and ugly and non-historic, it could be de-listed would be the penalty.

Chairman Mosca asked if there were any further comments or questions on Article 26. There being none, Chairman proceeded with Article 27.

Chairman Mosca stated **Article 27 - Assume the Operational Responsibility for Sidewalks Located Within the Conway Village Fire District in amount \$67,214.00.** Chairman asked if there were any questions or comments on Article 27.

Randy Davison stated he lived in the Conway Precinct. Last Spring the Precinct voted for those sidewalks to go back to the Town and it has always been a concern that he's had that some where along the line that Precinct voted to take over the responsibilities of those sidewalks. Last Spring it was voted to send them back, if you will because he was under the impression that that small Precinct has been paying an exorbitant rate for the Fire District and the Precinct itself in addition to maintaining the sidewalks. He was under the impression, well not the impression, the fact that everyone in that Precinct pays for all of sidewalks in this town as everyone within Conway, so last Spring he was really surprised when they voted those sidewalks to go back to the Town which he very seldom knows of towns that own, or Precincts that own sidewalks. He didn't know

who made the decision, but thought it was a very bad decision as a person who lives in the Precinct to take over the responsibility of the sidewalks from a town. His question is: if this gets voted down, whose responsibility is it. The Precinct voters voted that the sidewalks go back to the Town. Who takes on the onus or the responsibility if the town votes it down or doesn't take over the responsibility of maintaining those sidewalks.

Earl Sires stated that's a very good question. What the Precinct has done, although the language is "transfer the responsibility to the Town", they've basically set in motion a process that's established in law and also through a Warrant Article that the Town passed back in the late 1990's that states that, and he's going to give the short version because this has gone through a lot of discussion and legal opinion and so on during the last year, but the upshot is that the voters of the Town must approve the Town accepting the responsibility for sidewalks. The Town has no obligation to accept those sidewalks legally, maybe morally from what's right and what's wrong standpoint or an equity standpoint, you might say that the Town does have that responsibility.

Earl Sires stated what this Warrant Article does, and what the Warrant Article from the late 1990's provides for, is that the Selectmen can negotiate with the Precinct Commissioners for the transfer of this responsibility. That then must be presented to the voters for action. What this Warrant Article represents is the Selectmen's proposal to the town wide voters for this transfer or acceptance of sidewalk responsibility. He would also like to add that because this action if approved has an expense side to it, that's why you see these costs items totaling \$67,000.00 there.

Earl Sires stated if this Warrant Article does not pass, that would be the answer to your question as to who is going to do what or who is responsible would be posed to the Conway Village Fire District Commissioners and not to the Town. As he understands it, while the voters have asked the Commissioners to work towards transferring the sidewalks, if that doesn't happen then it is still up to the voters and up to the Commissioners at Conway Village to determine what, if anything, they are going to do with sidewalks in the future.

Amy Snow stated she was the Bookkeeper for the Conway Village Fire District. She is not speaking for the Commissioners, but they had their Public Hearing last night. By law they are still responsible for the safety of those sidewalks until such time as someone else takes them over. They never have lost the ability to maintain them, they have to keep them safe for pedestrians. There is a Warrant Article to be voted on at the March meeting giving back the authority to maintain and construct sidewalks until such time as the ownership is transferred to whoever takes them over. She does have a lot to say about this Warrant Article, but she is going to wait until the Deliberative Session.

Paul DegliAngeli stated just a point of clarification: the sidewalks originated within the District. They weren't Town sidewalks that the District took over and now wants to give back to the Town. Roll back the

clock a lot of years and you've got the Town and then you had a District formed because there was density and there were water and sewer issues, sidewalks and then fire protection. In Conway Village, the same quasi-municipal entity has those responsibilities: fire, water, sewer, sidewalks.

Paul DegliAngeli stated in North Conway you have the North Conway Water Precinct that did water, didn't do sewer at the time, did fire. Sewer came later, but there was a sidewalk and lighting Precinct separately and they folded and the Town took those over. Just a point of clarification.

Randy Davison stated he guessed he's been in this town long enough that this is his concern: as he has been, and he thought this was fact, led to believe that what happened is that the citizens of the Village were not comfortable or were not happy with the maintenance of the Village sidewalks so they actually took over the sidewalks. This was before his time, but it wasn't probably the smartest move. Now the Village, and they have a fairly small Precinct, and he was sure people know how much the Village is being taxed in regards to the Fire and Water District. When he read over the proposal here and what the Precinct has to do in order for the Town to take over the sidewalks, he was under the impression that Precincts do not own sidewalks in most communities, the community owns the sidewalk. He was really taken back when he read what the Precinct has to give to the Town in order for the Town to be responsible for the sidewalks that he thought the Town should own.

Bob Barriault stated this may be a legal question, since there are dollar figures associated with this Warrant Article, is it subject to amendments at the Deliberative Meeting. Earl Sires stated yes. Mr. Barriault stated then if so, if there are changes made in it, does that negate the intent of the Warrant Article since there are conditions for approval.

Earl Sires stated good question. He believes that as long as the intent remains which is to transfer the sidewalks, the terms of that transfer can change. That's the opinion from the Town Attorney at this point. One could have a situation at the Deliberative Session where this is substantially changed and he supposed it could end up "shall we transfer the sidewalks" and then the Town accepts responsibility. It could change, but he didn't believe it would be negated, so stay tuned.

John Skelton, a Pollard Street resident, stated noting construction of concrete sidewalks along Pollard Street, he guessed he would address the people behind that project. It seems to him that we have sidewalks along our Main Street, we have north and south, and it doesn't seem we have comparable neighborhood as far as a need of a sidewalk. It was recently torn up for some sewage issues and now it's going to be torn up again for sidewalks. There is certainly not children walking to school through there because there is a bus stop, actually a couple of bus stops in that neighborhood, so when it gets to that point and he guessed probably at the Deliberation Meeting he thought it might be appropriate to consider if that \$27,000.00 is really wisely spent and if that's needed.

Larry Martin stated point of clarification; no matter what happens with amendments or whatever, if it comes down to no dollars change hands or whatever happens, it still has to go to the voters on a ballot as to whether they want the Town to take these sidewalks or not. Is that not correct? Earl Sires stated that's correct it would be on the ballot. Mr. Martin stated that's the bottom line. Earl agreed and stated Paul (DegliAngeli) could probably talk about the need and how the Town got to proposing sidewalks there.

Chairman Mosca stated that he wanted everyone to get their fair shot, but the School was scheduled to start at 7:00 PM and it is 7:40 PM right now, so unless there is a specific question to answer, he would like to keep moving on.

Paul DegliAngeli stated Mr. Skelton asked what's the need to have sidewalks on Pollard Street. It's a very good question. They went to the Selectmen and said that Pollard Street was on the schedule in the Infrastructure Capital Reserve Program to be rebuilt. It's not in good shape. There are two almost sidewalks on either side of Pollard Street which of course belong to the District. Nothing's easy here. So they asked "what's the pleasure", rebuild the road without sidewalks, rebuild the road with sidewalks on either side, rebuild the road with a sidewalk on one side. So it was decided to hold a Public Hearing and people came at the Public Hearing to have that question answered. The result was the Selectmen decided to put a sidewalk on one side. That was just how that process went.

Chairman Mosca asked if there were any further questions or comments on Article 27. There being none, Chairman proceeded with Article 28.

Chairman Mosca stated **Article 28 - Terms of Compensation for the Elected Town Clerk/Tax Collector**. Chairman asked if there were any questions or comments on Article 28.

Larry Martin stated he would direct his comment/question to either Earl (Sires) or Lilli (Gilligan). What's bringing this on. It has always been that the elected Clerk received from Permits and whatever of her wages and didn't fall under the purview of any guidance of the Town. Now we are putting it in place. Is this on a temporary basis or from here on out.

Earl Sires stated that's a good question. About 10 or 12 years ago when the current Clerk/Tax Collector was elected there was discussion at the Selectmen level about compensation. As Larry (Martin) has mentioned, there are a couple of ways of doing it and in some towns the Clerk keeps fees and so on and so forth. Here is has been a salaried or compensated position for some time and the Selectmen wanted to ask the voters how to compensate the Clerk/Tax Collector. About 90% of this Warrant Article is already in place. It's about the last sentence and a half that's been added. The Clerk has been compensated similarly to other Town employees for the last 12 years with the exception of the Clerk's annual increase was based solely on the CPI and not on any other kind of evaluation or any kind of merit pay as other employees are. Other employees, over time, their ability to earn annual increases has sort of declined from in the 5%

plus per year down to 2.5% and in some cases 3%. Even so, the Clerk/Tax Collector position hasn't kept pace with that and is actually sort of stagnated because CPI over the last few years has been, as we talked about the Ambulances, is less than one-half a percent. The idea is that the Selectmen are asking the voters to approve a slight change to the compensation package that would at least enable the Clerk to receive some percentage increase each year which is proposed to be 3%. The proposed \$1,200.00 to be raised and appropriated would be the amount for 2016.

Larry Martin asked if the \$1,200.00 is in the Budget as a raise. Earl Sires stated yes.

Chairman Mosca asked if there was any further questions or comments on Article 29. There being none, Chairman proceeded with Article 29.

Dick Klement stated there's been a Warrant Article that's been withdrawn. Earl Sires stated yes. Dick asked if Earl would explain why it was withdrawn. Earl stated the Article, and he was presuming Dick was referring to the tax incentive or tax rebate Article. Long story short, the Selectmen had worked pretty hard on creating a Warrant Article that would adopt a provision of a law that's being discussed in the Legislature currently. This program would enable new or expanding construction related to industrial business to receive a tax deferral or a tax rebate. While the Selectmen are very supportive of that, they discussed this last night, and the fact that the law hasn't actually been finalized and adopted, in their mind it would make it premature to adopt something by reference when they don't really know what it is going to be. As Mark Hounsell mentioned, sometimes things start out as one thing and end up as something very different. The Selectmen decided to hold off and wait another year.

Chairman Mosca stated **Article 29 - Tri-County Community Action in amount \$13,500.00 for fuel assistance.** Chairman stated the request for last year was \$13,000.00. Chairman asked if there were any questions or comments concerning Article 29. There being none, Chairman proceeded with Article 30.

Chairman Mosca stated **Article 30 - The Gibson Center for Senior Services, Inc. for \$35,000.00.** Chairman stated the request this year is the same as last year. Chairman asked if there were any questions or comments concerning Article 30. There being none, Chairman proceeded with Article 31.

Chairman Mosca stated **Article 31 - Vaughan Community Service, Inc. for \$10,000.00.** Chairman stated the request this year is the same as last year. Chairman asked if there were any questions or comments concerning Article 31. There being none, Chairman proceeded with Article 32.

Chairman Mosca stated **Article 32 - The Mental Health Center for \$10,115.00.** Chairman stated the request this year is the same as last year. Chairman asked if there were any questions or comments concerning Article 32. There being none, Chairman proceeded with Article 33.

Chairman Mosca stated **Article 33 - North Conway Day Care Center for \$3,000.00**. Chairman stated the request this year is the same as last year. Chairman asked if there were any questions or comments concerning Article 33. There being none, Chairman proceeded with Article 34.

Chairman Mosca stated **Article 34 - Starting Point for \$8,101.00**. The request last year was for \$6,990.00. Chairman asked if there were any questions or comments concerning Article 34. There being none, Chairman proceeded with Article 35.

Chairman Mosca stated **Article 35 - White Mountain Community Health Center for \$35,565.00**. Chairman stated there was no Warrant Article last year; they did the previous 8 or 9 years that he's been on the Board. They thought with the Affordable Care Act they wouldn't need as much, but it turned out that they still need the help from the towns so they are back this year requesting the same amount they requested two years ago. Chairman asked if there were any questions or comments concerning Article 35. There being none, Chairman proceeded with Article 36.

Chairman Mosca stated **Article 36 - Carroll County Transit Blue Loon Public Bus Service for \$4,000.00**. Chairman asked if there were any questions or comments concerning Article 36. There being none, Chairman proceeded with Article 37.

Chairman Mosca stated **Article 37 - North Conway Community Center for \$75,000.00**. Chairman asked if there were any questions or comments concerning Article 37. There being none, Chairman proceeded with Article 38.

Chairman Mosca stated **Article 38 - Children Unlimited, Inc. for \$14,000.00**. Chairman stated last year's request was for \$13,500.00. Chairman asked if there were any questions or comments concerning Article 38. There were none.

Chairman Mosca stated that covers all of the Warrant Articles. Chairman asked if there were any further questions for the Town before he closes the Public Hearing.

Bill Marvel stated on page 32 there's a reference to War Service Credits; what the he\*\* are those. Earl Sires stated that is the technical name or the State Law name for Veteran's Exemptions.

Chairman Mosca closed the public hearing from the Town at 7:50 PM.

#### PUBLIC HEARING - SCHOOL

Chairman Mosca opened the Public Hearing for the School at 8:00 PM. Chairman stated that if there is anyone that wants to speak, they need to state their name and use a microphone.

Superintendent Kevin Richard stated they have gone over the Budget. One the first page of the packet, what everyone would see is just all of the Articles. What he would like to do is go to page 2 and that's the Unit

Summary proposed. He wanted to walk those present through that as it gave an overall look at the Budget.

Mr. Richard stated the overall Budget down at the bottom everyone would see that the Budget is up \$329,000.00 or about 1%. Some of the highlights going across: Special Education costs as everyone sees has gone up significantly; they do have some significant needs and they are also identifying some students and some services at a younger age. That's up about 5.3%; that's a major increase in the overall Budget.

Mr. Richard stated the High School is down and that's due to a reduction in a Math Teacher at that point. Kennett Middle School is down \$82,000.00 as well. There were quite a few of retirees at the Middle School last year, essentially no change in staffing at the Middle School. Elementary Schools are up just a little bit and a lot of that has to do with the increase in Health Insurance. John Fuller is down \$106,000.00, but \$60,000.00 of that was the Rotating Maintenance Fund, but they've also reduced one Elementary School teacher at John Fuller in this Budget. Pine Tree again is up \$36,000.00 and Health Insurance makes up most of that.

Mr. Richard stated Unit 8 - Technology is actually down a little bit. The Career Tech Center is up \$5,000.00 and Unit 10 which is a district wide pieces is up \$209,000.00 and that is where a lot of that is retiree Health Insurance costs. The overall Budget, once again, is up \$329,000.00 or 1%.

Mr. Richard asked everyone to flip to page 3 and stated just a different way to break out the Budget. On page 4, the Revenue page, and everyone could see the estimated Revenues. Last year they had quite a bit of Unencumbered Balance, this year not so much, it's gone down from \$1.5 Million to \$535,000.00 estimate. The other pieces are relatively stable. Taking a look at the overall tuition, everyone would see a difference between last year of \$9,255,000.00 to \$9,317,000.00 so they are actually seeing a little bit of an increase in the tuition. Conway's District Assessment is \$13,338,000.00, an increase of about \$106,000.00 to the Town of Conway.

Mr. Richard asked everyone to flip the page and stated the Tax Rates, so to make up for that assessed taxation would be a total of \$11.98 and that's an increase of \$.08 per thousand or an increase of .64% on the Tax Rate before any of the Special Articles. If all of the Articles, including the Contracts, are approved, it would add another \$.68, bringing the Tax Rate up to \$12.65 per thousand or an additional \$.75 which is a 6.34% overall School Tax Rate increase.

Mr. Richard stated on page 6, the Default Budget as calculated comes out to \$34,899,850.00 which is actually \$74,672.00 higher than the proposed Budget for this coming year. There are some explanations of the Warrant Articles followed by the actual Warrant.

Chairman Mosca stated **Article 2 - Renovations at the John H. Fuller Elementary School in amount \$1,700,000.00.** Chairman asked if there were any questions or comments concerning Article 2.

Bob Barriault asked if someone could tell him, you have the interest rate for the cost for the first year, so you're only paying interest in that first year. It says \$.02 per thousand, could you say what the cost would be in the year when you first have to pay the principal plus the interest. Jim Hill stated the first year, the effect on the Tax Rate was about \$.02. The first full year of payment it will be about \$.10 per thousand, approximately \$137,000.00 per year. Mr. Barriault asked if it was for 15 years. Mr. Hill stated 20 years at 3.15% although they haven't sold the Bond yet. That will be done this summer.

Amy Snow stated every year we put money into Building Maintenance Trust Funds, is there any money in there to help offset any of this for John Fuller. Jim Hill stated he thought over the years they've tried to maintain those Trust Funds for emergency needs. For example, if they have roof shatters, if they have serious boiler malfunctions, etc., he thought that's been the main purpose of those, as well as, particularly the Trust Fund for the High School, that's been set up because they know that in the relatively near future they are going to be looking at repaving the road, replacing the multiple acres of roof on this building, so to basically dip into those savings accounts for these types of things when you're talking about \$1.7 Million isn't the way to go.

Bob Barriault stated he attended the Budget Committee meeting where the School handed out this Study that was done and for John Fuller to do all of the improvements that were proposed or recommended was \$2 Million and you're going with \$1.7 Million. The items that have been eliminated, are you now saying these are not needed. Mr. Barriault stated he had a follow up question depending on what the answer is. Jim Hill stated that is absolutely not the recommendation from the Facilities Committee; however, that was the motion that was made and adopted by the School Board.

Bob Barriault stated he guessed he would suggest that if the intention is that you're going to do this piecemeal and then later on you're going to come back saying "well, let's add an additional \$300,000.00 to do the rest of things on the list", he thought that was inefficient and not the way to go. What he would suggest for the Deliberative Meeting, could Jim Hill have what the added cost would be on the Tax Rate if the \$300,000.00 was added, based on the 3% or so, he doubted it would be more than one or one and one-half cents per thousand more. Mr. Hill stated he would absolutely do that.

Chairman Mosca asked if there were any further questions or comments on Article 2. There being none, Chairman proceeded with Article 3.

Chairman Mosca stated **Article 3 - Expendable Trust Fund (New Kennett High School Facilities Maintenance Fund) in amount \$54,443.00 with \$36,148.00 offset by the sending towns.** Chairman stated currently there is \$483,127.00 in the Fund Balance. Chairman asked if there were any questions or comments on Article 3.

Bob Barriault asked if any of those funds have been used. Jim Hill stated they did one year because there was a security assessment and they had some minor expenses out of this Fund.

Bob Barriault stated correct him if he is wrong, but he seems to recall that at one time we, the taxpayers, were told that those funds, although we show the percentage that would be the responsibility of Conway and that for the sending towns, but the sending towns are not actually billed for that until the money is actually expended. Is that correct? Jim Hill stated no.

Janine McLaughlan, Chairman of the Conway School Board, stated just as a reminder on those and the next two, they are actually driven by the Tuition Contracts as to what money has to be appropriated on an annual basis.

Chairman Mosca asked if there were any further questions or comments concerning Article 3. There being none, Chairman proceeded with Article 4.

Chairman Mosca stated **Article 4 - Expendable Trust Fund (A. Crosby Kennett Middle School Facilities Maintenance Fund) in amount \$17,086.00 with \$7,626.00 offset by the sending towns.** Chairman stated currently there is \$154,584.00 in the Fund Balance. Chairman asked if there were any questions or comments on Article 4. There being none, Chairman proceeded with Article 5.

Chairman Mosca stated **Article 5 - Expendable Trust Fund (Elementary Schools Facilities Maintenance Fund) in amount \$9,900.00 with \$1,219.00 offset by the sending towns.** Chairman Mosca stated currently there is \$79,650.00 in the Fund Balance. Chairman asked if there were any questions or comments on Article 5. There being none, Chairman proceeded with Article 6.

Chairman Mosca stated **Article 6 - Collective Bargaining Agreement Between the Conway School Board and the Conway Education Association, a one year Contract, estimated increase to be \$476,301.00.** Chairman asked if there were any questions or comments on Article 6. There being none, Chairman proceeded with Article 7.

Chairman Mosca stated **Article 7 - Collective Bargaining Agreement Between the Conway School Board and the Conway Educational Support Personnel, a 3 year Contract; first year: \$58,581.00, second year: \$64,631.00 and third year: \$69,446.00.** Chairman asked if there were any questions or comments on Article 7. There being none, Chairman proceeded with Article 8.

Chairman Mosca stated **Article 8 - Collective Bargaining Agreement Between the Conway School Board and the American Federation of State, County and Municipal Employees (AFSCME), a 2 year Contract; first year: \$10,233.00 and second year: \$45,501.00.** Chairman asked if there were any questions or comments on Article 8. There being none, Chairman proceeded with Article 9.

Chairman Mosca stated **Article 9 - Operating Budget in amount \$34,825,178.00.** Chairman asked if there were any questions or comments on Article 9. There being none, Chairman proceeded with Article 10.

Chairman Mosca stated **Article 10 - Project SUCCEED in amount \$38,600.00.** Chairman asked if there were any questions or comments on Article 10.

Amy Snow asked if Project SUCCEED is paid for also by the sending towns at all or is that strictly Conway. Mr. Richard stated some of the kids would pay tuition for Project SUCCEED and it's on a sliding scale. Mrs. Snow asked if the sending towns pay a portion of this Article. Mr. Richard stated yes, they also pay a portion of the Article.

Bob Barriault asked how does this figure compare to last year's. Mr. Richard stated it's pretty much the same and it was \$38,077.00 last year.

Chairman Mosca asked if there were any further questions or comments concerning Article 10. There being none, Chairman proceeded with Article 11.

Chairman Mosca stated **Article 11 - Purchase of one full size school bus and one handicapped school bus in amount \$155,000.00.** Chairman stated there is currently \$45,000.00 in the Fund Balance. Chairman asked if there were any questions or comments concerning Article 11. There being none, Chairman proceeded with Article 12.

Chairman Mosca stated **Article 12 - School Buildings Maintenance Fund in amount \$100,000.00; the Fund will be capped at \$500,000.00.** Chairman stated there is currently \$185,000.00 in the Fund Balance. Chairman asked if there were any questions or comments concerning Article 12.

Amy Snow stated she was stuck on **Article 11.** They want to raise \$155,000.00 to buy a school bus and you said there is how much in the Fund. Chairman Mosca stated \$45,000.00. Mrs. Snow asked is that going to be used as well or towards this or not at all. Jim Hill stated it's always boilers and school buses, that's what gets all of the questions and he didn't know why. They used to put the money in the Reserve and take the money out; that money in the Reserve will not be used. In the past what has happened is if they have had any type of catastrophic bus accident where basically a bus has been totaled, that money has been able to be withdrawn to pay for a used bus to supplement the fleet.

Amy Snow stated she was just curious on what the actual purpose of the Fund was when it was established originally; was it for the purchase of school buses or for the repair of school buses. Jim Hill stated it was for the purchase of school buses and the way that it worked was, for example, if they had budgeted \$90,000.00 for the purchase of a school bus and when he went out to bid and was able to buy that bus for \$85,000.00, then that \$5,000.00 balance remained in that account and over 15 or 20 years it built up to that \$45,000.00. There were some complaints actually, and he thought it was either at this Board level or at the Deliberative Meeting about putting the money in and taking it out. They responded by stating they were just going to go and do a direct purchase. For clarification, if that happens now, if he budgets the \$155,000.00 and he buys those two buses for \$150,000.00, that \$5,000.00 does not go into the Reserve, that money goes back to the taxpayers.

Chairman Mosca asked if there were any further questions or comments concerning Article 11. There being none, Chairman returned to Article 12.

Chairman Mosca asked if there were any questions or comments concerning Article 12. There being none, Chairman asked if there were any questions or comments on the School Budget as a whole.

Bob Barriault asked if we still had the Special Education Trust Fund in existence. He knows that at the end of 2014, there was something like \$400,000.00 or more in there. Have we ever withdrawn any funds from that. Since you now are able to withhold a certain percentage of your Fund Balance, do we really need to have that Special Education Trust Fund any more and could that money be returned back to reduce the taxes.

Pam Stimson stated it can be returned back; however, she would advise against it. The recommendation to the School Board this year was to, over the next years, maintain about a \$325,000.00 balance there. The cost of a significantly impaired Special Ed student moving in could exceed the cost of what they have right now in the Special Ed Trust Fund. She does not believe that it would be fiscally responsible.

Chairman Mosca asked if there were any further questions or comments. There being none, Chairman advised that he was going to close the School portion of the Public Hearing.

Chairman Mosca closed the School portion of the Public Hearing at 8:20 PM.

#### BUDGET COMMITTEE

Chairman Mosca called the meeting to order at 8:30 PM.

#### PRECINCTS VOTE

Chairman Mosca began with the Redstone Fire Department with a total Budget request of \$55,500. Chairman asked if there was any discussion on the Redstone Fire Department. There being none, Chairman called for a motion.

**Jim LeFebvre moved, seconded by Peter Donohoe, to recommend and accept the Budget of \$55,500.00. In favor: 11; Opposed: 0; Abstain: 0.**

Chairman Mosca proceeded with East Conway Fire Precinct with a total request of \$57,650.00. Chairman asked if there was any discussion on the East Conway Fire Precinct. There being none, Chairman called for a motion.

**John Colbath moved, seconded by John Edgerton, to recommend and accept the Budget of \$57,650.00. In favor: 11; Opposed: 0; Abstain: 0.**

Chairman Mosca proceeded with Center Conway Fire Precinct with a total request of \$239,050.00. Chairman asked if there was any discussion on the Center Conway Fire Precinct. Chairman called for a motion to be discussed.

**John Edgerton moved, seconded by Jim LeFebvre, to recommend and accept the Budget of \$239,050.00, as amended to \$191,050.00. In favor: 10; Opposed: 1 - Doug Swett; Abstain: 1 - Pat Kittle.**

Bill Masters stated the question he has is on the Fire Chief. Is that not the residents of the Precinct to be making that determination rather than the Budget Committee. In other words, the funding for the Fire Chief was put in and isn't that a Precinct issue. Chairman Mosca stated Chapter 32, Section 16, Subsection 1, the Budget Committee votes on the Budgets for the Town, the School and any whole subsidiary within the town. The three Precincts we are voting on, we control their Budgets. We can change them, we can amend them, we can do whatever we want to them. The other two Fire Districts because the Conway Fire District includes Albany and the North Conway Fire District includes parts of Bartlett. This Committee has no control over that. That's the Statute, that's what the lawyer said because he want to him already.

Peter Donohoe stated he was also uncomfortable about this for a couple of reasons. When he asked Chief Leavitt at the presentation on how they arrived at the salary that they're proposing here. He simply said he thought it would be about the lowest in the State. He didn't know how much, if any, homework was done and he's not faulting anybody for that. He sees there is some value, but he also agrees with the contingent earlier in the meeting by a person in Center Conway who said that this could perhaps pave the way for the other Districts perhaps seeking a Fire Chief and the duplication that is going on in the town has to be addressed.

Chairman Mosca asked if there was any further questions or comments. Chairman stated the Budget can be amended if any one so chooses. At this point he is going to step away as Chair and ask Jim LeFebvre to be Chair for this Center Conway Fire District so that he can speak.

Joe Mosca stated his problem with the Fire Chief is someone in the District that no one knows. They are proposing to increase the taxes by more than 50% for each homeowner in the Village District and there's not a word out to anybody if you're in the Village District. If you haven't seen a Budget Committee hearing, if you haven't been to a hearing, you wouldn't even know that there is talk to put a new Fire Chief on and to him that's wrong.

**Joe Mosca moved, seconded by Bill Masters, to reduce the Budget by the amount of the request for the Fire Chief which is just over \$48,000.00 for the first half of the year. In favor: 10; Opposed: 1 - Doug Swett; Abstain: 1 - Pat Kittle.**

Chairman Pro Tem LeFebvre stated he believed that if he stepped aside he is not a member of the Budget Committee for that purpose. Joe Mosca stated he just gave away his position as Chair because the Chair can't make a motion, so he's asking Jim LeFebvre to be Chairman Pro Tem and he's still sitting at the table. Chairman Pro Tem LeFebvre asked if Mr. Mosca was speaking as a private citizen. Mr. Mosca stated no, he was speaking as a member of the Budget Committee and is asking to seek to reduce the Budget by the amount requested and he would have to dig that number out to give

you the exact number for the motion. Mr. Mosca stated he would be reducing the Budget by \$48,00.00 and the Budget would be \$191,050.00.

John Colbath stated Point of Order. John asked if the Precinct Budgets come up at the Deliberative portion for discussion. Chairman Mosca stated no, they don't. John stated so this is where the action would take place.

Bill Marvel stated he had another parliamentary procedure inquiry. If we're just lowering the amount that we're going to recommend, then the Precinct when it votes will simply see that recommendation. Chairman Mosca stated our recommendation is what will be on the Warrant as per Chapter 32. Whatever the Budget Committee recommends is what goes on their Warrant. It would be the same thing as any other entity that could increase that by up to 10%, but no more. Bill stated it will be on the Warrant of the Precinct. Chairman stated as what's recommended by the Budget Committee.

Doug Swett stated you weren't notified of the Precinct Meeting; it wasn't in the paper. Chairman Mosca stated it has not been and he thought that's what Chief Leavitt stated earlier that it had not been. Chief Leavitt stated they were going to put something in the paper, but nothing as of yet.

Bill Marvel stated it was Nancy (Leavitt) who said that last year the Annual Meeting had been noticed three times in the paper. When he said that he missed last year's meeting because he didn't see any of those, he thought Chairman was right because he hasn't seen any notification of this meeting or this issue. He will add that 2 years ago, maybe 3, they did vote to have a paid Fire Chief and it failed.

Chairman Mosca stated the motion to amend has passed. The number that will go back to the Center Conway Fire Precinct would be \$191,050.00.

Chairman Mosca stated that is all of the Precinct Budgets.

#### NON-PROFIT ARTICLES VOTE

Chairman Mosca proceeded with **Carroll County Transit Blue Loon Public Bus Service** in amount \$4,000.00. Chairman stated a motion to recommend this Article is in order.

**John Colbath moved, seconded by Jim LeFebvre, to recommend Carroll County Transit Blue Loon Public Bus Service in amount \$4,000.00. In favor: 0; Opposed: 12; Abstain: 0.**

Bill Marvel stated this is one of only 2 that he's opposed to. He couldn't find his notes, but he did remember his reasons. They are only now starting to market this service after years and probably should have done that at the beginning because he's been noticing over the last couple of years how many people he sees on the bus. It is usually empty, although he did see one fellow get off the bus at Shop N Save one day last summer and he was the fellow who was at Town Meeting arguing in favor of the bus because that's the only way his wife could get around, but he was the one

riding it. The lack of use is really a result of failure to market as well as perhaps indifference on the part of the public. The other issue is the money. Mrs. Raymond said that they were trying to work towards asking the towns for no money and, in fact, they are asking for more. As little as it is and as much as he favors the topic of public transportation, he's never been able to support this.

Dick Klement stated when he asked the question of whether they would ever be self-supporting, the response from their representative was as all transportation, they will never be self-supporting. He is concerned that they have no concept of the impact of having to get new vehicles. They believe that the Government is just going to come down and give it to them. He notes that the Board of Selectmen voted against it 1-4-0.

Chairman proceeded with **Northern Human Services - The Mental Health Center in amount \$10,115.00**. Chairman stated a motion to recommend this Article is now in order.

**Peter Donohoe moved, seconded by John Colbath, to recommend Northern Human Services - The Mental Health Center in amount \$10,115.00. In favor: 7; Opposed: 5 - Bill Marvel, Dick Klement, Doug Swett, Bill Masters and Jim LeFebvre; Abstain: 0.**

Bill Marvel asked if Chairman Mosca was choosing these in order. Chairman stated no, he had his own list that he was going by and apologized for any confusion. Bill stated he thought maybe the Chairman was choosing them in the order of the ones that he won't vote for. This is the other one. His view of giving municipal funds to non-profits is somewhat like his responses to his kids when they would ask for something; he would start with "no" and digress from there. The "no" just gets a little stronger with this one, even though an agency does good things, good works and he knows because he has heard from members of this Committee over the years praise this organization, at least the modern version of it. That doesn't really translate into it being appropriate for the Town taxpayers to give cash to that organization. However, if we're going to, he thought it's simple courtesy on their part to incorporate the tax revenue that we loose on their non-profit status into the request, proportionately with other towns and because of the \$12,850.00 tax loss from this agency and the apparent attitude that we owe it to them which we are obliged to give them by law, but not obliged to give them an additional \$10,000.00. He didn't feel that the Town should give them the additional \$10,000.00 because it gives Conway a disproportionate burden of the cost.

Dick Klement stated his concern about this one is that their expenses in salaries and wages benefits has gone up rather dramatically. In 2015 the Actuals were \$308,000.00 and they are requesting \$426,000.00 and everything else goes up correspondingly. That's worrisome to him and he didn't know if he could support this.

Chairman Mosca stated having had a close friend use the services recently, he can't speak highly enough about what good they've done. He thought \$10,000.00 was a small amount of money to help an organization that helps people that are unstable. That's his two cents.

John Colbath stated he would agree with the Chairman, unfortunately or fortunately, he works in the business where he sees these services all the time. Access to mental health in this country, you can go on a waiting list for 3 to 6 months to have your nervous breakdown or you present in the Emergency Room at just increased costs to get into the system so that you have access to it. The Budget is outrageous, but the bottom line is there aren't enough services or providers for the services that are needed especially with the Heroin and Opiate crises that is going on in the State now. With a lot of the non-profits it bothers him that they come for public support to get money, but if they weren't desperate enough to do it because we, as a society, don't fully support these organizations. The mental health system is one of them. All of the statistics show that a good majority of the over crowding in our prison systems is the result of an inadequate mental health system. Looking for return on investment, he thought this was a good investment to give the Town a return back from it.

Bill Marvel stated if no one else has anything, he will duplicate the arguments that you guys are making are valid for giving them \$50,000.00, \$100,000.00 as well as for \$10,000.00. They were providing those services before they started asking the Town for money and if agencies are going to start looking at the Town as another source of funds to increase every year, then he thought we should at least have some criteria for equity and we're not getting the equity out of this one that we are for some of the others. It is sort of unfair to those who are on smaller budgets and are incorporating their non-profit revenue benefits into their requests.

Chairman Mosca proceeded with **The Gibson Center For Senior Services, Inc. in amount \$35,000.00.** Chairman stated a motion to recommend this Article is now in order.

**Peter Donohoe moved, seconded by Jim LeFebvre, to recommend The Gibson Center For Senior Services, Inc. in amount \$35,000.00. In favor: 10; Opposed: 0; Abstain: Bill Marvel and Jim LeFebvre.**

Bill Marvel stated he was against the first two and on this one he can't find himself against it, but neither can he vote for it simply because of the disparity between the actual proportion of use and the proportion of combined cash and tax revenue donation from the Town. It's not enough that he could vote against it, he thought George (Cleveland) said that 72% of the participants are from Conway and better than 80% of the total benefit in cash and tax exemption is from Conway, but it's enough of a difference that he will abstain from this one.

Jim LeFebvre stated for the purposes of clarification they're asking for \$35,000.00 in revenue from the Town and they get a \$26,000.00 and change tax abatement with a total output there from the Town of about \$62,000.00. He understands Bill's (Marvel) point.

Chairman Mosca proceeded with the **North Conway Community Center in amount \$75,000.00.** Chairman stated a motion to recommend this Article is now in order.

**Jim LeFebvre moved, seconded by Pat Kittle, to recommend the North Conway Community Center in amount \$75,000.00. In favor: 4 - John Colbath, Doug Swett, Pat Kittle and Pat Swett; Opposed: 7; Abstain: 1 - Peter Donohoe.**

Jim LeFebvre stated when we had the discussion about the \$75,000.00, one of the questions that he asked the Director was regarding his new building and how much that would be if they should get a tax abatement on that. The tax abatement on the current building was approximately \$16,000.00 and he believed it was estimated that it would be three times for the new building because it's twice or three times the valuation of \$1.5 Million versus \$400,000.00. On that basis alone, he has a serious concern about this \$75,000.00.

Doug Swett stated he should have asked this question before but when they first started this drive to build a building, he understood that they needed the space in addition to what they had. He didn't see it stated any other way until lately and now he sees they are looking for someone else to go in there, the old building. There's another thing, they've got a private source, it's not a big source he guessed of funds that's written into the deal. He wonders if they've had to give that up because they are not using that building. He knows there was a private fund that kept money going there and he didn't know if it had something to do with Harvey Dowd Gibson or what. He didn't know how it worked.

Chairman Mosca asked John Colbath if he could respond to Doug's (Swett) statement. John stated he could respond to part of it. The first part of it: they did change how they were going to do the building because the original proposal was to put a sizeable addition on to the building and they would have incorporated it and used the building. When they found out they couldn't do that, they did say that they were going to separate and they were going to find some other compatible use for the building. There have actually been 3 different organizations that have looked to get into that building.

Doug Swett asked who has the right to lease it. John Colbath stated he believed it would be with the Board of Directors of the Community Center.

Terry McCarthy stated she didn't know if this would answer Doug's (Swett) question, but she was just in a meeting with Ryan (Sommer) the other day and she knows that the old building is being leased to the Ski Museum, but the Gibson Center is the ones that are paying the \$300,000.00 for the renovation of the building. Pat Kittle stated he believed that it was the Gibson/Woodbury Foundation that is paying for it. John Colbath stated the Gibson/Woodbury Foundation is going to participate in the renovations because of the connection with Harvey Gibson with it. Then because they want to increase the Museum exposure in the north country, they're going to lease it for \$1.00 a year to the Museum.

Dick Klement stated if he understands it, we are still going to have \$16,500.00 of tax exemption and they are going to pay \$1.00 a year to use it so that there's no income going, he didn't understand it, this is really interesting.

Chairman Mosca stated his issue with this, and it was brought to our attention at the last meeting when we were discussing non-profits was the enabling legislation that was passed in the late 1990's and was amended the last time in 2005, which states that the North Conway Water Precinct not only will provide water and fire protection, but also recreation and he believes that they should at least be asking the Precinct for money as well as the Town, if not just the Precinct. That's his issue with the \$75,000.00 at this time.

Bill Marvel stated the note he has is really moot because it says "reduce"; well we can't reduce the number so that really changes his view on it.

Chairman Mosca proceeded with **Children Unlimited, Inc. in amount \$14,000.00**. Chairman stated a motion to recommend this Article is in order.

**John Colbath moved, seconded by Pat Swett, to recommend Children Unlimited, Inc. in amount \$14,000.00. In favor: 10; Opposed: 2 - Doug Swett and Bill Masters; Abstain: 0.**

Chairman Mosca proceeded with **Starting Point in amount \$8,101.00**. Chairman stated a motion to recommend this Article is in order.

**Jim LeFebvre moved, seconded by John Edgerton, to recommend Starting Point in amount \$8,101.00. In favor: 11; Opposed: 1 - Jim LeFebvre; Abstain: 0.**

Jim LeFebvre stated he was a contributor to Starting Point as well as is his wife who was in the audience tonight, he believes in their mission. However, he also has a problem with the fact that they are asking for \$8,101.00 and they get a tax abatement of approximately \$7,400.00 if he recalls properly. He has an issue with folks doing what he calls double dipping into the system here. On that basis, he would also encourage Starting Point to look at enhancing their revenue through additional fundraisers as a way to overcome some of the need to get money from the Town.

Bill Marvel stated it seemed to him that while she was sitting in the room he calculated the apportionment of the tax exemption and the request with what she was asking from other towns. He didn't see the figures in front of him, but he thought they apportioned it correctly. They have 176 of their clients are from Conway which worked out to be about 40% and Bill asked how much are they getting altogether. Jim LeFebvre stated about \$15,000.00 when you throw in the tax abatement plus the \$8,101.00. Bill asked what their total request was from other towns. Terry McCarthy stated almost \$30,000.00. Bill stated so it's almost the same; 40% almost 50%. Bill stated he was having trouble finding their total request from towns. Bill stated it is \$29,300.00 from the other towns and they are getting \$15,000.00 from the Town, guesses it was pretty close.

Pat Kittle stated he would say that the \$29,300.00 would really include the tax abatement if Bill (Marvel) was looking at the total; \$36,000.00 or

\$37,000.00 is about the total municipality support, including the tax abatement. Bill Marvel stated so that makes it almost exactly correct.

Chairman Mosca proceeded with **North Conway Day Care in amount \$3,000.00.** Chairman stated a motion to recommend this Article was in order.

**Peter Donohoe moved, seconded by Bill Marvel, to recommend the North Conway Day Care in amount \$3,000.00. In favor: 7; Opposed: 0; Abstain: 5 - John Colbath, Doug Swett, John Edgerton, Terry McCarthy and Bill Masters.**

Chairman Mosca proceeded with **Vaughan Community Service, Inc. in amount \$10,000.00.** Chairman stated a motion to recommend this Article was in order.

**Pat Swett moved, seconded by Peter Donohoe, to recommend the Vaughan Community Service, Inc. in amount \$10,000.00. In favor: 10; Opposed: 0; Abstain: John Colbath and Terry McCarthy.**

Chairman Mosca proceeded with **Tri-County Community Action in amount \$13,500.00.** Chairman stated a motion to recommend this Article was in order.

**John Colbath moved, seconded by Jim LeFebvre, to recommend the Tri-County Community Action in amount \$13,500.00. In favor: 11; Opposed: 1 - Pat Kittle; Abstain: 0.**

Chairman Mosca proceeded with **White Mountain Community Health Center in amount \$35,565.00.** Chairman stated a motion to recommend this Article was in order.

**John Colbath moved, seconded by Jim LeFebvre, to recommend the White Mountain Community Health Center in amount \$35,565.00. In favor: 11; Opposed: 1 - Bill Masters; Abstain: 0.**

Bill Marvel stated this is probably not even necessary to say, but an Agency that doesn't ask for the money when it doesn't need it needs to be, not rewarded, but certainly not punished for that.

#### DEFAULT BUDGET VOTE

Chairman Mosca stated the last item on the Agenda and to get it out of the way tonight is the Default Budget for the Town of Conway in amount \$10,645,158.00.

**John Colbath moved, seconded by John Edgerton, to accept the Default Budget in amount \$10,645,158.00. MOTION TABLED.**

Dick Klement stated he didn't think we were going to be doing this one tonight. He thought it would be done with the Town tomorrow. Did he misunderstand. Chairman Mosca stated he was just trying to get something out of the way. Dick stated he didn't know if he had all of the numbers ready to do that one and he apologized.

Chairman Mosca stated there's a motion on the table that's been seconded. We can ask that the motion be rescinded or we can table it. Dick Klement requested that the motion to be tabled until tomorrow. Chairman stated it has been requested that we table this motion until tomorrow evening.

**Jim LeFebvre moved, seconded by Bill Marvel, to adjourn the meeting at 9:10 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary