

Municipal Budget Committee - Town of Conway

Tuesday, January 8, 2020

Professional Development Room

Kennett Middle School, Conway, NH

Present:

James LeFebvre, Terry McCarthy, Ellin Leonard, Michael Fougere, David Jensen, John Edgerton, John Colbath, Ted Sares, Greydon Turner, Frank Jost, Sarah Frechette, Eric Dziedzic, Mike Laracy, Michael Tetreault, Diann Ryan, also present, recording secretary Nadine Armstrong

Excused: Cheri Sullivan (not excused on Monday)

Meeting called to order by at 18:30 by James LeFebvre; Michael Tetreault led pledge of allegiance

James: getting started with library presentation

John Colbath: this year on page 10 is the overview budget and in far-left column is the page number

James: Did everyone hear what John said? Page numbers for budget are in overview budget on page 10

David Page: Trustee, Conway Public Library; David Smolen, Library Director and Chair, Peter Innes

Trustees developed responsible budget for this year for the library

David P. - if you look at the budget for 2014 when David Smolen first joined us it was \$502,361.00 and our budget that the trustees presented was \$528,450 over 6 years a 5% increase; which is testament to David's management and excellent leadership. With that that very small increase we have seen an incredible increase in our circulation, and incredible increase in our program attendance and is a testament to David's management and to our excellent staff that we do what we do with the resources that we have available to us.

Wanted to explain to everyone where we are in discussion with the selectmen currently; we had our last board of trustees meeting the same day the selectman was meeting to discuss our budget. The selectmen did recommend a cut of \$10,000 from the budget; took us a bit by surprise but we understand their rationale however we are looking forward to meeting with them to discuss; Tom Holmes suggested we meet with them next Tuesday and certainly some trustees can be there to have that conversation.

Ted Sares: is that reflected in these figures

David Page: the budget here today is the budget from the selectman; this is the one the selectman has proposed. I hope in conversation with the selectmen that we will reach an agreement and that we will be able to close that \$10,000.00 gap. John may be able to speak to this better. My understating is that we projected \$8000 less in revenue to be handed over to the town this year and realize that is increase in tax impact. That said the 2020 budget is less than the 2019 proposal; yes, that is an additional \$8000 in tax impact, but it is still a very modest increase. So,

we hope we can reach an agreement on that. The other point of contention I understand, not having been present at the selectmen's meeting, is that we requested that we create a legal services line of a very modest \$1,000; the understanding with the town has always been if we incur legal costs those are the libraries to pay, which is reasonable. We are not using town dollars for our legal expenses. We tend to not have a lot of legal expenses but whenever a legal question comes up in my six years on the board, it's important to remember that we are our own separate government body; we have our own personnel manual, we have all the legal rigamarole that the town has. If we make a change to our personnel manual, we have not consulted a lawyer because we do not have the money and we look at our budget and say well, are we going to spend \$1000 fewer on books this year so that we can pay a lawyer to confirm this complies with labor law. We feel that it is necessary to have this line in our budget because we don't want to be penny wise and pound foolish

Ted: How much do they want in there

James: For the legal? \$1000

David Page: yes, we had requested \$1000

Ted: No way; you have access to Concord; when I was a trustee and I was a trustee for many, many years and there was a lot of chaos and legal expenses and nothing like what you've seen in the last six years, you have no idea what we went through. Any legal services incurred we went through Concord and went through the associations and got them free, why would you need \$1000, for what? When was the last time you paid a lawyer to do anything?

David: This year. We retained Peter Malia in regard to labor law and attended meeting with us to make sure we were compliant

James: anything else on your \$10,000? If not, I'd like to give the select board representative a change to respond.

David Page: absolutely, and I'd be happy to answer any questions.

John Colbath: Mr. Holmes will have to help me out on this one. It was brought to our attention that either through grant or income or revenue that there was a sum of money that was kept.

James: If you feel more comfortable having Mr. Holmes address it, by all means

Tom: David Smolen informed me during budget season that they have a statute that they found that would allow them to keep the money that Albany pays for use of the library and library cards but in order to keep that money they need to have a written contract so they need to use a lawyer to help develop the contract which is what the \$1,000 is for. Albany pays about \$9,000 so the total is \$10000. I believe what the selectmen's position was if you're going to keep the \$9,000 we're going to get \$9,000 less and you have control of that money, you can take the \$1,000 for the lawyer out of that money as well and going forward we know we are getting \$9,000 less and you're going to keep the Albany money; statute is clear that they can do this but I think the selectmen's position was if you're going to do this, use your own money.

James: All set? Keep this short, we want to go over the rest of the budget

David Page: Think that's a reasonable position to take but think we need to look at is also the bigger picture. When the trustees sat down, we said, what are the libraries need and came up with a modest increase. Yes, it's fair to look at the library retaining that \$8000 as an increase in a sense, it does add to the tax impact or \$9000 or it's between, or \$8400 but our total increase, even if you add in that \$8400 is negligible and if you think about the goods and services that are being paid for, the maintenance costs go up every year, the cost of books go up every year, we want to be able to give our well performing employees raises every year. It's a very modest

increase overall and ask that everyone think of this in that context that this is still a very responsible budget

Sarah Frechette: the library wants the \$10k that the selectman suggest that they don't have and have a \$1000 line item for legal services

David Page: the ten is inclusive of both amounts

John: On top of that they want to keep the \$8400 also

Sarah: From Albany?

John: From Albany, yes

Ted: since one of our jobs is to look out for taxes and such and which have increased more this year, property wise, than ever before or for many years; I think the \$1,000 increase is reflective of a one off situation and don't see that going anywhere; looking in the past I've never seen it and looking in the future, I don't see it. I would you say, you'll think about these things; of course, we are not voting on them. I would ask the group to think about the fact that it's a one off and wherever we can save, we save

David Smolen: point out statute in question that also allows the library, that empowers the library to retain these funds also says it shall be in addition to the appropriation, this is a very key point in understating this situation. I understand this situation is very esoteric but in other words, if you look 202A:11; allows the library to retain photocopier money; we probably get \$4800 a year in photocopier money so no one is suggesting that we cut \$4800 just because we retain photocopier money this statute allows the library to keep it in addition to the appropriation. So, in other words, because we retain that money it does not mean the library can be cut by the same exact amount.

James: Comment appreciated. If I understand correctly from what I heard previously, the library will be appearing before the select board next week?

Tom: they have been agenda'd, yes.

James: On that basis, I would like to have the unanimous consent of the board or the committee to table this \$10,000 discussion at this point until such time that the select board has a chance to relook the issue. Is there any issue?

Sarah: I kind of object because I would like to ask a question.

James: Go ahead, ask the question.

Sarah: is this the first year that you've been aware of the statute or the first year that the statute has been made available?

David: This has been the governing statute for a long time and David Smolen has been bugging us about this since his arrival seven years ago and it is in speaking with the municipal association and other libraries this is how it is done.

Sarah: So, you've had the opportunity to take advantage of this statute but have not?

David Page: That is correct, this is an overdue correction to the way we do business. This is the way it should be done under the law.

Sarah: And now you're only able to collect on the previous year is and cannot collect any further back than the previous year?

David Page: Correct

Sarah: Thank you, no more questions

John Edgerton: does this really mean \$18k?

John Colbath: for the bottom line it does, it appears that it does.

James: if there are no further questions I would like to go into the rest of your budget, and we'll defer the \$10,000 discussion until the select board has had a chance to reproach it

David Page: May I make one correction? it would be an additional \$10k the \$8000 is already baked into the selectmen's budget. Their budget includes that \$8400 coming to the library. What we are suggesting is that there be another \$10,000 added back in.

James: if there are no further questions or commentary, I would like to move ahead

Ted: Just an observation, please note that he referred to the municipal association and finding information

James: thank you, please continue with the rest of your discussion

David Smolen: Library salaries proposed 2% increase. Decrease in benefits line, which is fantastic.

James: benefits line, look like 30% of your salary, is that the approximate value of your benefit package for your employees

David S. - benefits is something we get directly from the town, depends on the choice's employees make, we have 4 full time employees and some people take a single plan, some 2-person, family

John Colbath: is the benefit package that appears to be 30% of the salaries, is that the usual amount, is that where it usually is?

David Smolen: I think it is pretty consistent, that it's in that range

John Colbath: I think it is too

James: Remember what we are trying to do is not only educate the budget committee but educate the viewing audience through channel 1301

David S: Book lines and collection lines, very stable and small increases or none

Electronic materials is down, that's \$1600 and the trustees are probably going to take care of some of those expenses this year. Biggest decrease this year is the \$30,000 on the building and maintenance line; original trustee budget was at \$39,000 for that line; major projects related to the sprinkler system which are about \$4000 that we would like to get done this year, 2 projects in that area. Last few years line was at \$34948 number so we do have some sprinkler system issues that we would like to address. Technology slightly down precisely because of changes we made that have improved service without increased cost used to be \$25/26k and we have made changes without negatively impacting service and that is an example of how we've been able to save money. Small increase in programs line; we had about 700 programs at the library last year; door count is up this year, circulation is up, program attendance is up. We are asking for a slight increase in the professional development and again, we are asking for \$1000 in the legal services line although right now it's at zero.

John Colbath: just a curiosity questions, adult periodicals and electronic materials, is adult periodicals written materials? Or is it

David: Periodicals are traditional magazines; electronic materials are like downloadable books service, last year we checked out about 11,000/12,000 electronic books, downloadable. We have an app called Libby, can download it, just need a library card. We do offer downloadable books. The trustees are picking up some electronic materials costs this year

John Colbath: in the electronic materials, are you EBSCO hosts and do you do a lot of research for people?

David: yes, EBSCO service and electronic databases. Yes, we help people with using EBSCO host database like Consumer Reports, full texts of that for free, thousands of free journals

John Colbath: So those are free services that people come in to use?

David Smolen: Yes, the EBSCO is through the state library, so we do help people with that routinely. The other thing I want to make clear is with electronic materials we had last year

about 14,000 hours of public computer usage and that's a tremendous amount of what we do. We do a tremendous amount of tech reference, closing the digital divide, internet haves and internet have nots. We are constantly helping people with using internet and using technology and it's a big part of what we do

Dave Jensen: you eluded to circulation and visitors can you give us an idea of those numbers are?

David Smolen: I apologize, I do not have it in from of me, but circulation was about 86,000, the door count was about 87,000. That's something we have dailies on. We keep daily statistics; monthly statistics and the computer usage is very big; like I said over 14,000 hours which was a big jump.

James: any other questions, seeing none. Thanks for coming.

Finance up next

Tom Holmes: we covered finance the other night as part of tax collection. It's combined in your hand out as one department so we went over it already so we can skip to employee benefits. I'll be returning to finance briefly later tonight when we get to recreation because we discovered more good news. I have to be upfront with you, tonight's subject matter is one I am least confident about in the entire budget, it is not by bailiwick.

We are covering employee benefits (pg. 13) these are set by insurers and state, and we have no say in the matter. We have premium increases for about 6%; workers comp rates set on a percentage of payroll; these are all kind of fixed rates. NH Retirement system decreased to 11.17 and we are getting some help there. We didn't have any retirement scheduled in 2019 and now we have our bookkeeper who has announced her retirement midway through the year, so we put some money aside for her for things like unused vacation and sick time. Any questions?

James: flex benefits take a look, what percentage of, I assume that's the standard benefits that all personnel are entitled to ask for or get. Do you know what percentage the benefits are to the actual salaries?

Tom: I do not, the town maybe is a little different than the library because it isn't in one place because we have a solid waste district, police, library and so on. This number would exclude solid waste costs because shared with other towns (Eaton, Albany, Conway) so \$535 I would have to look at what are you saying a percentage of total salaries?

James: Yes

Tom: I've never done that so I'm afraid I can't answer that until the next meeting

James: The reason I ask is because this year I am trying to get a total compensation package for both the town and the school

Tom: Would you make a note of that please (speaking to Kathy, new finance director). We will get that answer for you for our next meeting.

James: Thank you. And they have another meeting with us in February

Tom: Any other questions on employee benefits? Moving on to insurance

Insurance:

Primary insurance carrier is Primex; multi-peril and automobile (page 15); you will note there is a significant increase in auto fleet, however some of it not really an increase, some is just normal premium increase; what happened this year was that when I started getting into the budget this year with Ms. Roode, the bookkeeper, we discovered town has 83 vehicles and the police

department has 13 of those vehicles but the premiums were being assigned to the town and police department 50/50. I don't know why that is. I contacted the former finance director and she said it was based on accident history, but I don't have any backup data for that. For this year until I can get Miss Golding on that to determine what's going on there, we are just straight proration price per vehicle so now the police's line item is going down for just the 13 vehicles that they have and town is picking up 70 vehicles they have; if we are wrong or right, it's left pocket, right pocket the point is there is allocation issue that I'm not sure I can support until I can figure out the answer

James: it's a place holder is what you're telling us

Tom: Well no, it's an 80% increase on the town side and a corresponding decrease on the police side. I think that's about it. Multi-peril is up. Any other questions?

TANS

Town has not had to use in many years (Tax anticipation note) - in case of cash flow problems, in case town has to cut a huge check to the schools or precincts or demands on cash flow; people not paying taxes, tax going out late. We have a short-term loan type of arrangement with banks to borrow money to even out our cash flow. Have not had to use in many years but did use last fall and reasoning was a budget impasse between state and governor and delayed tax bills throughout the state. Tax bills were supposed to be out by November and hardly anyone had tax rates approved by November 1. Had to make school payroll payment for many millions of dollars and we went and borrowed money to cover that float until time tax rate was set and bills went out, only was received back and we paid back the loan. Not out of a TANS but we are putting out a warrant article; going to need another ability to pay involving the Main Street Project. The way the project is arranged is that the town is responsible for 10% of the cost, precincts are responsible for some of the cost, and state responsible for majority of cost but town finances project and is responsible for cash flow; when contractors show up and have a staging cost for \$500,000 we have to pay them out of town unrestricted fund balance and hope state pays us back really quickly. We have gone back and forth about whether we go for a warrant article for a line of credit or use unrestricted fund balance which we've concluded is the best method. Have also looked to see if we could use TANS but it's not tax anticipation it's state reimbursement anticipation so it's not really correct to do that. The fact that we can use unrestricted fund balance to manage the financing of this multi-million-dollar project is interest free to the town, so we have chosen this route.

Unrestricted funds

Ted: where is the good news

Tom: we don't have to go over finance

James: if you and school were on same fiscal year would the rationale for TANS go out the window

Tom: I have no idea

John Edgerton: When I was treasurer of the town, to get this to get through, I had to borrow \$26mil for the year and it involves the treasurer of the town borrowing and investing money every Tuesday for the entire year. And you're borrowing \$26 mil back then, more than that now \$38-\$40 mil

James: It's more than that, it's over \$38 mil, you're talking about school budget?

John Edgerton: School plus town

James: \$50 mil

John Edgerton: So, you'd be borrowing \$50 mil and the treasurer is going to go nuts because he's got to keep it up to date as to whether he is borrowing or paying back

James: Understood

Tom: Given the chance to think about it, I could say that probably not is the answer to that and he's right about the history, just because town and school go on same fiscal year the tax bill rates are the same statutorily so the major source of our income is still going to come in in those months

James: any other questions, no, moving on

Revenue:

Abatements: revaluation this year and surprisingly not a large increase of abatement requests to date, deadline is March 1; this time in 2004, the last time there was a major tax increase due to a revaluation, there were more than 100 abatement applications; we are in the couple of dozen or less so I think people understand that yes taxes went up so real estate values went up so there has been some good public relations in regard to why the bills went up.

Also have several appeals in the pipe, 3 homeowners that are appealing the Kearsarge Zoning Ordinance also appealed their property tax bills in 2017 and going forward and that's ripe for hearing probably this year. That is 3 homeowners that are possibly going to get some abatement back or not depending on how the Kearsarge situation goes. Also, two other major cases currently are the phone company who is appealing the values the assessing department has on their occupancy on their public rights of ways and Walmart from 2017 and have a conference call coming up. That could have some significant abatement impact on the overlay, and we have this estimate at \$75,000 as what might happen this year. As you can see, we did not come close to the previous year. Better to be safe than sorry when estimating revenue. That is the only negative in the list. The rest is all positive credits coming into the town.

James: John and I both have a question; John please go ahead.

John Edgerton: You said reason for tax increase was revaluation, no, revaluation divides the tax; the tax went up ten percent for the school, that's what raised the taxes. The school budget went up ten percent and everyone had to pay. Reevaluation just stabilized where that ten percent went.

Tom: Maybe I should be more clear, there was a larger increase on homeowner's taxes than on commercial properties because of the revaluation shift so some of the increase that homeowner's saw was not just due to budget increases but you're absolutely correct about the budget increases as well.

Ted: you can't go to school for an abatement

Tom: We handle all the abatements for precinct, school, county, state, all of that

James: On abatements, does that include nonprofits that come in for abatements also

Tom: No, they are not on the tax rolls to begin with. After that, the rest are positives, it's expected money that comes in. It's important to mention we revisit this every quarter throughout the year to see how we're tracking on these best guesses at this point and we can make adjustments throughout the year the final adjustment being in the fall just before the tax rate is set when we can determine our revenues and what kind of money we'd have in fund balances to mitigate the tax impacts. I'll go down, land use, changes taxes, yield taxes, payments in lieu of tax, is that clear to everyone, does anyone need know what they are? Excavation taxes, these are taxes other than property taxes; anyone need to know more?

Interest on late tax payments; I could see this getting reduced a little bit; mathematically this is due to statute change previously interest rate on overdue taxes was 12 and 18% and has been reduced and is now is 12 and 8% so there may be an impact on that as well as the good economy means that people should be paying their taxes on time; some interest on that number.

Licenses, permits and fees we are pretty stable, UCC filings is minimal. Motor vehicle; biggest nut here in the entire revenue budget is auto registrations, decals, boat registrations so-forth so you got \$2 mil if you'll note the second to the last column is as of December 9 when the bank statements come out \$1.955; I am pretty sure we probably exceeded \$2 mil by the end of the year, I'll get that number within a few days. Level guessing on that revenue projection Building permits: you can see we exceeded our budget; that was due to some of the larger projects that were getting off the ground. We have increased the revenue projection due to the fact that we may see a large Cranmore hotel as well. These building permits for projects this size run into the tens of thousands of dollars in building permit fees. I still don't think we're going to see a Market Basket permit this year though.

James: Now at supreme court, is it not?

Tom: There are three cases; one of them is at the Supreme Court. Smaller stuff: dog license fees, dog fines, pistol permits, vital statistics requests, alarm permits, marriage licenses. Cable franchise fees might be in jeopardy. FCC has made a ruling that the cable franchise fees given to towns can be adjusted downward for things like that they supply the town outside of the franchise fee, things like value of peg channel and the place on their dial, our current contract requires that they have an office in Conway and is open five days a week and they could use that and say fair market value of that is \$20,000 and we are going to take \$20,000 out of your franchise fee. That is new this year or their current contract has a litigated nationally. We have a consultant renegotiating our cable franchise fee, it's every ten-year agreement and her latest advice is that we don't sign anything until this latest picture clears up.

Shared state revenue: Surprise to us last year; part of the budget compromise by the state legislature and the governor and it's a two-year budget issue and we got \$188k unexpected last year and are expecting \$188k this year, it's already budgeted at the state

Rooms and meals tax grant: Usually received at the very end of the year and why there is a zero in the 2019. And we are anticipating around \$520,000 from that. There is an odd anomaly in the Airbnb and short-term rental type issue whether short term rentals pay rooms and meals taxes. The money we send to the state is based on the number of people who pay those taxes in town; which is fine, the state should be getting more from Conway because of the ubiquitous development of all these short-term rentals in the last few years. However, the money we get back from the state is not based on the money that we send the state. It is based on the number of year-round residents that are in town. And as more short-term rentals take over and they are not year-round residents, we actually get less rooms and meals tax than we are sending to Concord. I'd like to see that changed.

Dave: can you estimate the difference between what gets sent and what comes back

Tom: I can't at this time. I am trying to gather data based on the issues on short term rentals right now and I am in communication with the DOR, it is difficult to get data from DOR, they denied my request for information.

Dave: They are interested in our knowing that

Tom: Well I asked if when Airbnb pays the DOR a check through their website, does it come with a list of names and properties attached so that you know who is paying and who is not. They told me it's confidential. At last night's selectman's meeting they gave me permission to

move ahead with that and officially request 91A data to try in ascertain; we are trying to get an inventory of these properties which is going to be a warrant article later on and we want to make sure if we do get the ability to license and regulate that one of those regulations that this committee may come up with is that we want proof that they are paying their rooms and meals taxes

Ted: observation, not sure about short term rental path because that's very debatable and I think we need to be careful with that. You have an opinion and I have an opinion and they are not the same.

James: for public and board, could you explain what 91A is?

Tom: 91A is a NH state statute that governs public disclosure of public information to the public. The government keeps records, meetings, minutes, emails, and all of that stuff is considered public information except for a very narrowly and specifically defined number of items in 91A:3. 91A is the public disclosure statute.

Highway block grants; we rely on that money to do our road projects every year; railroad taxes, we get paid because we have a railroad that runs through town, albeit it's a tourist railroad; Department of Interior Forest Lands, it's a payment in lieu of taxes, I think we have a zero on that one, we are not sure we are going to get that one again this year. Solid waste fee, solid waste district that I referred to once and Albany and Eaton pay their fair share of total budget. We have a deal with school where we maintain and repair their vehicles and school busses and they reimburse us for labor and materials and overtime and everything except small amounts of minor fluids and fuel same situation and garage, I think that's minor parts and stuff. Income from police department, perhaps the chief could be more specific about that in general when he gets up here; fingerprint fees, that's pretty self-explanatory; planning board filing fees, plans, engineering costs, zoning board the same reason. Income from town office, very minimal, for instance copying costs.

Legal income: none lately

Notary fees: minor

Income from welfare: someone waiting for SS disability could takes months if not years, if the town has to step in and help them out, we ask for money back and some people do.

Income from highway, don't know; I'll have to ask Paul about that; make a note to get answer for next time

James: solid waste recycling and hauling, please make a note of that.

John Colbath: we plow and maintain for the school district like the high school

Tom: Oh yes, now that you mention it, that might be it. We also plow for the district courthouse and the police station.

John: That income goes to the highway department income

James: Tom, on the solid waste recycling and hauling if you would verify what that is?

Tom: I believe that is from recyclables that we sell to third party market

James: Any impact with what's happening closure of a lot of recycling facilities?

Tom: You can see we're down. We collected \$233k in 2018 and we budget \$125k and only collected \$83k through December 9 so the answer is yes. Now we're estimating \$90k.

James: That may in turn have a long-term impact on the opening of another landfill

Tom: Yes, it does. Solid waste fees, that's if you're dropping off mattress or electronics at the solid waste transfer station. Fines, that's for people who may not recycle, and we catch them.

Town hall water, we have a water system that serves several properties surrounding town hall that dates back to the 40's, maybe the 60's. From where we stored our salt, it contaminated their

wells and we put in a water system way back when and supplies these properties with water. This includes Center Conway Fire Department and the DPW garage and some residences directly around Town Hall. They are billed quarterly.

Sale of town property: nothing yet; there is the old rec and there is an issue with that; Interest income: money in bank; fireworks donations for patriotic purposes offset; court fines, self-explanatory; prop/liability dividend we have gotten in the past and never know if we are going to get. Workers comp, same thing. Health insurance, if the town employees are healthy and do not have many medical problems, they will kick us back a little every year. Parking tickets going down because people learn. The first year we had tickets at Diana's Bath it was a windfall, but they have figured out they can't do that...or most of them.

John Colbath: plus having an attendant at Diana's Baths.

Tom: We do have an attendant that helps guide people. Miscellaneous, I couldn't tell you, it's miscellaneous. Over/short is just an accounting thing. Registration holders, I'm not even sure what that is. Library funds, this is what Mr. Smolen was referring to. You will see it was budgeted in 2019 for \$19,470 and has been reduced to \$10,000 because of their desire to keep whatever money Albany pays them. Conservation funds: nothing. I'm not sure where that's coming from either. John (Colbath) do you know?

John Colbath: It is timber cutting in a way.

Tom: Oh yeah, we cut our own land and get revenue from that.

John Colbath: And miscellaneous revenue we, trustees, there are several scholarships that people donate money too, but we never know how much it's going to be. Some years it's \$25k and the next year there may be no contributions. Questions on revenues, no.

James: thank you

Parks and Rec - joined by John Eastman, recreation director

Tom: Okay Ted, remember how I said I had good news, well here it is. You recall the other night we discussed the \$3k in finance for online registration for recreation programs well it's also here, it's duplicated. So, we are going to be taking out \$3k from finance and keeping it in Parks and Rec where it belongs.

John Eastman: this year has been a busy year for our department. Traditionally what you're used to...my budget last year was up 2.8%. If you look it's at 12.9%. I have explanations. Parks maintenance - increase \$8,119, \$3,119 is really just for 3 parks employees based on performance, the extra \$5,000 relatively new, board of selectman wanted to see start again maintenance of some 30 some cemeteries that we are now the stewards of. We still have, in the park's maintenance, the parks maintenance guys are full time. They work for me from April to November 15 and then they go over to the highway to plow snow and do our sidewalks. And one of the things they do, not only do they keep up our ball fields, not just for recreation, they mow all the grass at Town Hall and Veteran's Triangle in Center Conway but we also have over 55 parks and cemeteries and one of the questions that I was asked a few years ago by a different board of selectmen was is every year we go in and do small maintenance but doesn't include repairing fences or stones or anything of that magnitude; most cemeteries have been abandoned and it's the towns obligation to maintain them but the other answer to the board about why we do it is that I don't know. This is my 30th year here and the Town of Conway was maintaining and taking care of cemeteries before I got here in 1990. When I came in, we just picked it up. Our previous board of 5 or 6 years ago had us downsize as much because at the time we only had 2 parks employees. We have 3 now and selectmen thought it would be appropriate to put in \$5k to

help with maintaining of all of our cemeteries. That doesn't mean you are going to see anything drastic; we have some fences and chains and granite posts that need to be fixed. We have one parks employee whose expertise comes from maintaining cemeteries so he can also help fix the stones. That \$5k was not in budget before and added this year.

Facilities: up \$2,475; \$1,725 is an increase as a result of us moving to this facility but extra cost with extra fields we had to have portable toilets and maintenance of them; \$1,725 increase for portable toilets. At Conway Lake, for the lake host we now keep portable toilets for September and October when we used to pull out in August because there is still a lot of activity on the lake. Not a lot but enough. They cost us about \$90 each and we have about 20 totals throughout town. We pull them out early as we can but had to have extra here.

Tom: Background: portable toilets were an issue with lease negotiations with school because they'd have to look at them; little kids need immediate help and wouldn't make it back to school so that's why they're there.

Ted: Many of these expenses are a result from moving from A to B, are they one time or ongoing? Are they going to be embedded into the budget?

Tom: 8000 sq. ft. vs 22000 sq. ft. costs are increased; more expenses because facilities much larger. Victim of our own success. Attendance of these programs since we moved here is up 15%.

Ted: We shouldn't lose site of the fact that the reason for this is because we had a very generous person in this town and if he didn't do what he didn't we wouldn't be here on this item. So, we got a real break here.

Tom: Cost comparative, we looked into building a new building and the cost would have been around \$4mil and we got in for \$350k taxpayer, \$350k donation, \$300 private donations from community to make it happen

John Eastman: \$750 increased maintenance and go up West side and see the Washington Street fountain, starting to get a little old and need maintenance. We overspent money this year. We needed a new pump and have new electrical lines put in and again I don't want to say that it's not a lot of money but I don't think, or I don't think the selectmen have entertained the idea of us going in with a backhoe and tearing out that fountain...people seem to like it. We even put in an LED light this year so it's pretty neat.

Skip over personnel but will come back to it.

Office expense up \$1,120 and is Spectrum fees; went almost 3.5 months with interrupted service. Tried to keep old number but it did not transfer. We now have a new phone number. Increase is because we had to change our numbers we went with Spectrum and got away from Consolidated because we had different a phone carrier plus cable and internet carrier. So, we bundled. Our increase has gone up about \$100/month, but it is the best thing we could do to have everything together.

John Colbath: what is phone number

John Eastman: 603.901.1139, we have two numbers, 603.901.1140

Rec programs up \$4,310, \$3,000 which was put in by the selectmen; true programs up 15%, we do bring in some money in our rec revolving fund. \$1,310 we have to buy more basketballs, floor hockey nets, etc. service 250 kids in the summer alone. We probably have over 50 programs for kids. We don't go out and just buy new basketballs every year. If we need them, we buy them, but we don't just go out and buy 15 new basketballs every year.

Mr. Marshall very generous and always comes in with extra basketballs for our biddy basketball program. The other thing is \$3,000 recommendation at urging of selectman for a software

program which is designed to do everything; signup, pay for it, etc.; before everything being done old fashioned way; new form of registration software and able to register online; can do monthly and quarterly reports about participation and revenue; puts us in 21st century.

Dave Jensen: Tom you had mentioned that you are already seeing 15% increase in participation; what impact on revenue does this have; if costs are going up a little it's important to see how revenue is going up in conjunction.

John Eastman: We are projecting revenue to go up slightly but not 15% it might be close, \$9,000/\$10,000. This coming spring, I will give my report to the Board of Selectmen and I give recommendations about what the fee structure should be because summer camp is a lot different than a soccer program. Summer camp is every day and I too think that it shouldn't all be on the backs of the taxpayers. I think people have to have skin in the game. If you're going to be here 4-5 days a week, that parent should pay. And that's finding that number and I and make recommendation to selectman as to what fees should be and they do go up incrementally. I do anticipate with this software program that with credit cards we will be charged 3%, I anticipate again that I can say but for example if you play soccer and it's \$10, I don't want to go up \$.30 we will go up like \$1. For every extra dollar spent the town will take in \$.70 and it doesn't sound like a lot but we're dealing with hundreds and sometimes thousands of kids and repeat in these programs and I think that will bring in some extra revenue.

Sarah Frechette: Do we have a breakdown of revenue?

John Eastman: We do not. Revenue doesn't come in to reduce taxes; we have a rec revolving fund so when people pay the money gets turned in, it goes into the rec revolving fund which at end of year doesn't have to revert back, it stays there and selectman can only spend it on only rec related things. And they do Sarah. For example, we take in \$100k per year and \$25k at the end of the year in my budget we have taken like \$25k out of the rec revolving fund and applied that to personnel to lower the cost of our cost of the 16 councilors. It doesn't pay for it all. It costs about \$55k to employ the people we employ to watch the kids but the money we take in for these fees some of that money the selectmen do give some relief to our general fund budget. Now, it's at their discretion they can say we can take this much \$10k, \$20k and with this building, the selectmen took most of the revolving fund money from last year which was over \$115k; they spent \$89k, we needed air conditioning but that didn't come from the taxpayers, that came from our fees and so it goes to the good parts of we need some things they may spend it from the rec revolving fund

Eric: Do you have a balance of the revolving fund?

Tom: Not here but we can get it to you.

Sarah: Can we get balance but get breakdown of each year so we can see changes

John: Personnel side, \$38,169; \$2,000 is for a Diana's Bath attendant, that \$2,000 Mr. Holmes can tell you more about it but he used to have his own town manager's budget, it used to come out of him, and he moved it from his to mine because it was more in that parks and rec kind of thing.

Tom: Forest service contributes 50%, issue is also traffic and impediment to commerce that the people lining up create and the town had to step in a do something about because it was chaos up there. Even at this cost, it only represents attendance on the weekend.

John: So, there is \$2k out of the \$38k. If you remember last year at this time, if you take another \$18,000 in order to move into such a facility in order to cove the acreage, not only from the outside but the inside, we had to hire other employee and was for a part year (didn't start until June) and \$18k was for half year and last \$17k and change, we employ including our full

time staff, 5 full time staff that doesn't include parks, but 5 recreation people including myself and over 22 seasonal and part time people, 27 employees, and merit increases as well.

James: For full time employees are benefits factored in?

Tom: No. Under the employee benefits section. I'd like to make one more point about the cost avoidance; the cost of a newer, larger race center are up however, prior to this the school was spending tens of thousands of dollars per year to maintain that mothballed space and now we are occupying it for the cost of \$1/year and the cost of any increase in the utilities due to our occupancy. So, we were able to save the school quite a bit of money as well.

James: any other questions on rec services

John Eastman: Patriotic purposes: 4th of July has gone up a little; every year I sit in front of the board of selectman, we do same thing we do every year, just costs have come up a little bit, fireworks cost \$11k, fire service \$1k, stage and lights \$4500 before we even do entertainment; half of entertainment is free and last year we just did local talent on so that we could pay as little as possible; one group we paid \$200, one group \$900, it was small. We pay for electrical services to have an electrician because we have vendors and we do pass the hat, I send out my counselors and they grab a kid because people don't like to say no to kids when they ask to make donation and I think we bring in anywhere from \$900-\$1100. We also have vendors and they are all non-profit. There are no for-profit vendors. They pay \$175, that money also comes in as a revenue stream for that and we have to have 26 portable toilets, and they're \$100 each so you do the math there. So, every year, I say to the selectmen, it's a menu, what do you want? We can just have fireworks and that's it. But if we have just fireworks, we are going to have 5-6000 people show up and I need a sanitation plan so there isn't anything new in plan, we do best we can, tell selectman, not a concert promoter but I do it.

Sarah: we used to do New Year's Eve celebration, was that parks and rec?

John Eastman: No. I will tell you; this past New Year's Eve and we've done it for about 7 years, is the town is responsible with the help of the Conway Celebrations Committee and the Chamber/Business association. The businesses pay for fireworks on New Year's Eve. The deal is, we the town, I get the permit, we get the country club, we pay the fire department, they help pay the bill and I supervise it because that's my expertise with getting the permits with the state fire marshal, so those are paid for strictly by the businesses. On 4th of July, that's not the case. Veteran's Day is with the North Conway American Legion, Memorial Day is purchase of flags, but I'm not involved with that or the legion. They do that on their own. Not one penny of tax money goes to fireworks on new years

James: If anyone wants me to turn my hat on as the Legion command, I'll be happy to talk about why the Legion gets \$3,000 for flags and other things. Otherwise I'd say let's pass on that.

Tom: I think we are done,

James: Thank you for coming in.

Police department next (pages 15 and 16)

Chief Wagner and one of his lieutenants here tonight:

Chief: When I saw I was eighth on list, not sure if good or bad so I just jotted down a few things to help understand

Labor line up \$77,796 due to raises for employees;

Benefits down \$6,260

Operations up \$18,837

Vehicles down \$11,229

Professional services stable so there is an increase of \$79,044 for the police department

If I break down each line separately

Labor: \$49,500 for our regular officers, \$8k for dispatchers,

James: that's all-in salary increases Chief?

Chief: there are some smaller, what is that \$56k it's up \$77k so there are some smaller increases to our buy backs, our victim witness advocate, so everyone gets a 3% across the board

Benefits: professional liability is down \$4,566; medical insurance is up \$4,126; workers comp down \$6,556 and retirement is down \$2,354

Operations line \$18k like I said of \$18,837

Ted: medical insurance increase is small percentage, the increase in medical insurance

Chief: The total increase was I believe 3.7

Ted: Nah, I'm seeing, hang on, 522724 to 526 so it's small and you didn't say it that way, you just said the amount and people are going to say oh, oh. Say the percentage and it...good for the people on TV to know

Chief: It is small. So, our radio maintenance up \$18,837 and that is basically because most of our portable radios are unsupported. Much like our dispatch consoles that we are having replaced this year through a grant through the state. I have ten portable radios that are unsupported, they no longer make any parts for them or you can't replace them or anything and within 3-4 years I have another 14 that will be unsupported. So, at some point I need to start replacing 24 portable radios. They are about \$3,100 a piece so I will be replacing about 6 per year for the next several years to get radios that are actually supported by Motorola.

David Jensen: Can you expand a little more on the dispatch system? That was a big conversation last year. Where is that and what is happening?

Chief: Sure. Basically, there were two parts to the grant that we got. Our dispatch center needs to be replaced, and if anyone has been by the police department recently, they see the big tower, the 120-foot tower that's up now. That will not be up and running on our personal radios until some other work is done for other departments up on Oak Hill in Edelweiss. So, the sheriff department is replacing a tower on Thompson Hill which I believe is in Moultonborough or somewhere over there. They are taking the current tower that is up there and moving it to Oak Hill and replacing the tower that is on Oak Hill. Once the new tower is on Oak Hill, we will be able to put all of our equipment up there on our tower and start running off of our tower. I just spoke with Ossipee Mountain Electronics yesterday but did not have a timeline for when our dispatch consoles will be replaced. But I expect it to be within the next two months or so, or I'm hoping. All equipment is in, it's paid for, they just need to put it together and come and install it. They are currently working on a large console replacement in Laconia and that's what taking up their time

David: how much did grant cover

Chief: All of it except for the tower, the town bought the tower.

James: will you need security; I keep hearing rumors that you will need some sort of security system for it.

Chief: No but we put a fence around it

Michael Fougere: Jersey barriers

Chief: 8ft high fence with barbed wire so hopefully no one will climb up there

Chief: overall up \$79,044 to \$4,082,305 or a 1.97% increase over 2019

Terri McCarthy: are you having a hard time keeping dispatchers? What's your turnover rate?

Chief: only person that has left within last jeez it's been a while, left to take a police job in Southern Carroll County; had a couple people we had hired that just couldn't do the job which sort of put us behind the ball.

Terri: It's a hard job

Chief: It's a very hard job, people don't understand how difficult it is.

Terri: Can I ask what the average salary for dispatcher is?

Chief: If I guessed it would be total guess, can get that for you if you want

Michael Fougere: last year we were discussing purchase of tasers, how are we doing with that, have they been deployed at all? What's the recharge fee?

Chief: doing really well, no one has been tased.

Michael: used to be a problem with recharge after being deployed

Chief: Like I said, no one has been tased yet. We have had to pull them out, maybe a half a dozen times and threaten use of the taser; recharge fee comes with package we bought; get free charges if it is deployed. We actually did have to deploy it one time at a dog, one of our officers got bit and it didn't work

John Colbath: Follow up question about console and towers and when we had discussion last year, there was concern about memorial hospital tower and relay and is that all fine?

Chief: Well we don't know yet. We are hoping the tower at the police station solves those issues. There are issues with memorial hospital and KHS, hopefully our tower is tall enough to reach down to the high school without having to have school or town purchase more equipment; I think that would be about \$50k. We have spoken with the school about that, but we are hoping that the tower solves those issues but won't know until it's up and running.

James: any other questions, seeing and hearing none, thanks for coming in. Old business? New business: not meeting on Monday January 13, for default budget stand by I'd like to talk to you after, we are having a meeting on the 13th but only for the default people. Our next meeting is the 15th of January. And that will be the school for the first time, units 1-5 and the overview. Also, next time also received a rough idea what we are looking at on January 27, anticipate we will also have a few more prior to the conducting of that meeting. That meeting is being run by us. No other new business; Conway Daily Sun not attending again, for the viewing audience if you would like to talk to the Conway Daily Sun about this, they are responsible for putting out public information about what goes on in the town and if they don't start showing up they are going to miss not only the town hall stuff but the school. We deal with over \$50mil worth of budget appropriations every year and I find this to be somewhat disturbing

John Colbath: Is there a school board rep to this committee still?

James: There is. Apparently, she sent email late this afternoon, 4:30ish that she would not be able to attend this session. I do not know why she was not at the January 6th session however I do hope to see her at some point in the very near future to discuss this with her.

No public commentary, no one from the public here. Unfortunate that it is.

Motion to adjourn Mike Tetreault; second David Jensen; all in favor; adjourned at 19:55