

1 CONWAY MUNICIPAL BUDGET COMMITTEE

2 Monday, January 9, 2023

3 Marshall Gymnasium

4 Conway Recreation Center, Conway, NH

5  
6 The meeting was called to order at 6:30 PM. The following Budget Committee members were  
7 present: Chair Peter Donohoe, Vice-Chair Frank Jost, John Colbath, Bob Drinkhall, Dave Jensen, Bill  
8 Marvel, Terry McCarthy, Quentin Lewis, Ellin Leonard, and Stacy Sand.

9  
10 Excused: Randy Davison, Kit Hickey, and Jim LeFebvre

11  
12 Pledge of Allegiance was led by Mr. Colbath.

13  
14 3. Approval of Outstanding Minutes (1/4/2023):

15 Stayed until the minutes were completed.

16  
17 4. Town Review:

18 A. Precincts:

19 Redstone, Chief Henry, and Commissioner Coughy

20 2022 budget was overspent by 8%, the fund balance was used to cover the overage.

21 2023 budget increased by 4%, two categories increased by 15%.

22  
23 **Mr. Colbath** brought attention to the lack of a Budget Committee representative from the  
24 Redstone precinct.

25 **Vice Chair Jost** asked for a breakdown of business in 2022. **Chief Henry** said they had  
26 approximately 50 calls with most of them being for car accidents.

27 **Ms. Sand** inquired what will happen to the proposed budget if they merge with  
28 Center Conway. **Commissioner Coughy** explained the merger is contingent on two warrant  
29 articles passing and the selectmen allowing Center Conway to expand their boundary to  
30 include Redstone. Redstone would dissolve on January 1, 2024, and all assets would be  
31 turned over to Center Conway.

32  
33 East Conway, David Campbell

34 \$61,351 was expended of the \$61,490 budget for 2022

35 The proposed budget for 2023 remains at \$61,490.

36  
37 **Vice Chair Jost** inquired how many calls they responded to. **Mr. Campbell** advised they had  
38 approximately 45 calls, most of them were providing mutual aid and responding to accidents  
39 except for the slaughterhouse fire.

40 **Chair Donohoe** brought attention to the lack of a Budget Committee representative from the  
41 East Conway precinct.

42 **Mr. Drinkhall** inquired if they were considering any consolidations. **Mr. Campbell** said he  
43 doesn't have anything to say about that this evening.

44 **Ms. Sand** inquired why they didn't increase their utility lines for inflation. **Mr. Campbell**

45 explained the line items are consolidated and they are not in the business of predicting  
46 expenses and can cut back in other areas to cover costs. They did not increase the contribution  
47 to the reserve fund this year.  
48

49 Center Conway, Chief Merrill and Commissioner Eaton  
50 The total proposed operating budget is \$328,155 including \$60,000 for capital reserve fund  
51 and a \$4,000 warrant article for computers. This is an increase of \$1,038 from the 2022  
52 budget.  
53

54 **Ms. Sand** inquired if the “fire truck payment” means the fire truck is paid off. **Chief Merrill**  
55 stated it does.

56 **Vice Chair Jost** asked for their activity in 2022 and if the Chief has seen a raise over the past  
57 3 years. **Chief Merrill** said he has received a 3% increase every year; however, to keep the  
58 budget flat his increase will be stayed. They responded to 142 fire calls, 154 EMS calls, and  
59 approximately 50 mutual aid calls.

60 **Mr. Colbath** asked what the balance is for the capital reserve account. **Chief Merrill** said it is  
61 \$155,173.01.

62 **Mr. Marvel** inquired if Center Conway provides all fire service to Eaton. **Chief Merrill** said  
63 last year they received \$14,000 for coverage and they responded to 27 calls. With the increase  
64 in fuel cost, this year the annual fee went up to \$16,000. **Mr. Marvel** asked if Center Conway  
65 were to absorb Redstone and East Conway would they be the largest fire department. **Chief**  
66 **Merrill** said yes.

67 **Chair Donohoe** inquired if there is a cap on the capital reserve account. Chief Merrill said it  
68 is not capped as it is used to purchase new fire equipment.

69 **Mr. Colbath** commented on why the North Conway precinct’s budget is not reviewed by the  
70 Budget Committee, which is because they overlap with Bartlett to cover the Water and Light  
71 Precincts. Any precinct that is covered by two municipalities does not have to be reviewed by  
72 the Budget Committee.  
73

74 B. Conservation Commission:

75 **Rob Adair, Chair Conway Conservation Commission**

76 The proposed budget is level funded at \$18,700  
77

78 C. Elections / Town Clerk / Tax Collector:

79 **Louise Inkell, Town Clerk**

80 One election is budgeted for this year, with some extra to cover a potential special election.

81 The Town Clerk’s office had one employee go from part-time to full-time and that increase is  
82 reflected in wages and benefits.

83 The budget includes two new computers and upgrades to other equipment.  
84

85 **Ms. Sand** inquired about the responsibilities that justify moving the part-time employee to  
86 full-time. **Ms. Inkell** explained they will help with processing taxes and provide extra  
87 coverage to allow the Town Clerk to focus more on law changes.

88 **Mr. Lewis** inquired about the sick leave incentive. **Ms. Golding** explained an employee can  
89 choose to buy back any sick time over 240 hours.  
90  
91  
92

93 D. Assessing

94 **Mary Beth Walker, Contracted Assessor from Corporate Consulting and Cori Hilton,**  
95 **Assistant Assessor**

96 There is a change to mapping expenses based on the number of subdivisions and mergers  
97 anticipated from Planning. One computer will be replaced and there are changes to the wages  
98 and benefits line items. If accepted, \$81,000 has been added to the budget to perform the  
99 revaluation and assessment in 2023 instead of 2024.

100  
101 **Ms. Sand** inquired if the overtime is for the revaluation or because Cori is the only employee,  
102 and she gets a lot of overtime. **Mr. Eastman** explained it is a combination Cori is often there  
103 by herself and works evenings and Saturdays to generate reports. She will perform additional  
104 overtime when assisting with the revaluation.

105 **Ms. Sand** noted her understanding of why the revaluation should be done this year is the  
106 utilities will be charged at a true assessment as they are currently under assessed. If the  
107 revaluation is done this year, will the benefits be seen this year. **Ms. Walker** explained the  
108 entire community is under assessed and legislation requires the utility value be changed every  
109 year using the median ratio. When the median ratio goes down the utility assessment  
110 decreases and must be offset in other places and the tax rate increases. The utility formula is  
111 100% compared to the current 55%.

112  
113 **Mr. Drinkhall** inquired if commercial property values have increased as rapidly as residential  
114 properties. **Ms. Walker** explained residential properties are at 55%, commercial properties  
115 are at 65%, and mobile homes are at 45%, therefore homeowners will see the highest  
116 percentage increase.

117  
118 **Chair Donohoe** inquired if there is a downside to doing the revaluation in 2024. **Ms. Walker**  
119 explained the utility values would continue to decrease and the tax rates would increase. Also,  
120 all properties would be assessed equitably across the board, which is not happening now.

121 **Chair Donohoe** inquired how the changing real estate values would affect the rates if the  
122 revaluation was done next year. **Ms. Walker** explained if the revaluation was done in 2023,  
123 they would use a certain period for sales that are based on market value. However, if the  
124 revaluation was conducted in 2024, they would have to use a snapshot in the future where  
125 sales could increase or stabilize.

126  
127 **Vice Chair Jost** inquired if conducting the revaluation in 2023 would mean the next  
128 revaluation would be in 6-years or does the mandated 5-year cycle reset. **Ms. Walker** said the  
129 next revaluation would be 5 years from now.

130  
131 E. Parks and Recreation / Patriotic Purposes

132 **Mike Lane, Director of Parks and Recreation,** presented an overview of the proposed  
133 budget noting the overall budget is up 4.49%, which incorporates an 8.71% increase in wages  
134 for merit increases and an increase in summer staff. Additionally, there is a slight increase for  
135 meetings and conferences and technology, a 15% increase for electricity, and a 5.7% decrease  
136 for maintenance due to a two-year purchase of fertilizer.

137  
138 **Mr. Donohoe** asked how many children attended the summer program. **Mr. Lane** said they  
139 had 306 students register for the program in 2022.

140 **Ms. Lewis** inquired why last year’s maintenance budget was \$46,845 with only \$5,336  
141 expended. **Mr. Lane** explained insurance funds received for a bus that was totaled in an  
142 accident last year, were put into the maintenance fund. There were less issues and vandalism  
143 in the parks this past year and the parks crew have done a fantastic job being fiscally  
144 responsible and finding a way to fix problems without spending money. **Mr. Lewis** inquired  
145 why the budget is not closer to \$46,000, and is it anticipated the need for repairs will increase.  
146 **Mr. Lane** said the fertilizer purchased came out of the revolving fund rather than the regular  
147 budget.

148  
149 Patriotic Purposes: **Mr. Lane** stated the three events being Memorial Day, July 4<sup>th</sup>, and  
150 Veteran’s Day are all level funded.

151  
152 **Vice Chair Jost** inquired if the cost for fireworks has level funded or if there will be a  
153 reduction in the fireworks display or other celebrations. **Mr. Lane** explained the costs  
154 jumped from \$4,000 between 2021 and 2022 and there is an anticipated increase this year.  
155 There is a \$3,000 balance and with revenue from vendors in Schuler Park there should be  
156 enough to offset the increase.

157  
158 **Mr. Marvel** inquired if the budget has been gradually increasing or was there a large leap to  
159 reach such magnitude. **Mr. Eastman** explained that outside of the \$5,000 increase in 2021,  
160 the budget has been gradually increasing over the past 2-3 years particularly with the cost of  
161 fireworks. Steps have also been taken to reduce expenses, such as using a trailer instated of a  
162 stage and hiring local talent rather than bigger names.

163  
164 **Chair Donohoe** inquired if they had investigated alternatives to fireworks, such as a light  
165 show. **Mr. Colbath** said the future of light shows is drone shows which start at \$100,000,  
166 therefore fireworks are a better bargain and the company used by the town has always been  
167 very good.

168  
169 F. Ambulance

170 **Chief Solomon, Conway Village Fire District**, stated the operating budget in 2022 including  
171 warrant articles 10-11 (ambulance contracts) was \$309,116. The 2023 operating budget is  
172 \$344,660, which is an 11% increase in accordance with the contract approved by the  
173 legislative body in 2022.

174  
175 **Ms. Sand** sought explanation of the 2022 and 2023 budget figures. **Chief Solomon** explained  
176 the 2021 and 2022 operating budgets from the previous contracted service were level funded.  
177 That contract ended on April 30, 2022, and the new contracts started on May 1, 2022, per the  
178 2022 approved warrant articles 10 & 11. There are two budget lines in 2022, the operating  
179 budget and the warrant articles, for a total of \$309,116. Per contract there was a \$35,000  
180 increase between 2022 and 2023 operating budgets. The current contracts were negotiated so  
181 they would expire at the end of the calendar year to avoid confusion. **Mr. Colbath** clarified  
182 that the ambulance contracts are for 3 years and approved by the selectmen. An ambulance  
183 service is not required or mandated; however, the legislative body chooses to have it and the  
184 town provides it. With the current market the town typically must pay what the companies ask  
185 for and there is still a cost to anyone who uses the ambulance service.

187 **Mr. Drinkhall** inquired if the extra \$26,000 paid to Conway Village is for the coverage area  
188 and level of service. **Chief Solomon** said it is both and during the last contract negotiations  
189 they asked for a higher amount for being locally owned and providing paramedic services.  
190

191 **Mr. Jensen** inquired if Conway Fire District dissolves will there then be a Conway town wide  
192 ambulance service and eliminate the need for a 3<sup>rd</sup> party contract. **Chief Solomon** explained  
193 the intent is to finish the existing contract which ends in 2026. After that it is possible to have  
194 a Conway ambulance or a privatized service to cover the entire town. **Ms. Sand** inquired if  
195 the non-precinct contracts would be eliminated and if Conway and North Conway would  
196 remain separate districts. **Chief Solomon** advised it would be one service for the entire town,  
197 whether a town or privatized service. On the fire side, Conway Fire would cover Conway  
198 Village and non-precincts only.  
199

200 **Mr. Colbath** stated there is a warrant article for a charter commission for the town, which  
201 could change how the town is governed and services rendered.  
202

203 **Mr. Drinkhall** inquired about the ability to split up the cost for services with a town-wide  
204 ambulance and multiple fire departments. **Chief Solomon** advised it sounds more  
205 complicated than it is, and it is begin done now.  
206

#### 207 G. Fire / Emergency Management

208 **Chief Solomon, Conway Village Fire District**, reviewed the fire/EMS budget noting it  
209 includes the director's stipend, maintenance for fire ponds, and a 22% increase for the non-  
210 precinct fire contract, which will affect the non-precinct taxpayers. The formula consists of  
211 the previous year's budget for all five fire departments (up 15% in 22), divided by equalized  
212 valuation for Conway Village, times the non-precinct equalized valuation (increased in both  
213 areas by 34%) to reach the one-year contract amount that increased by \$88,961 from last year.  
214 It is anticipated the formula will look different in 2024.  
215

216 **Mr. Colbath** inquired if this formula will equalize what non-precinct taxpayers pay. **Chief**  
217 **Solomon** said it will not, the non-precinct will still pay less than Conway Village for the same  
218 service, unless the Conway Fire Department is dissolved then they would each pay the same  
219 amount. **Mr. Colbath** inquired if the effect on taxes. **Chief Solomon** said there will be a  
220 slight increase for non-precinct taxpayers.  
221

#### 222 H. Building Inspection

223 **Paul DegliAngeli, Town Engineer**, reviewed the budget for building inspections, noting they  
224 have been tasked by the selectmen to begin residential building inspections and STR  
225 oversight. To comply with this task, they need to hire an additional full-time code/zoning  
226 enforcement person who will also handle STR regulation and an additional full-time  
227 administrative assistant. The proposed increases for the 2023 budget only represent 8 months.  
228

229 In response to questions from Mr. Marvel, **Mr. DegliAngeli** said the building permits have  
230 not been increased. Revenue from commercial building permits between September 1, 2021  
231 through August 31, 2022, was \$625,899.37, the highest amount in history for Conway.  
232 Annual revenue from residential building permits over the past three years averaged \$25,000.  
233 Conway's residential permits at \$40 and 10 cents per sq ft are 1/5<sup>th</sup> of surrounding towns cost.

234 The proposal is for a \$100 flat fee and 70 cents per sq ft for new construction, 50 cents per sq  
235 ft for renovations plus cost for plumbers, electricians, etc. It is anticipated the town will  
236 receive \$175,000 in revenue which is 7x what is received now. Commercial fees are more  
237 complicated and based on the value of work. Revenue from commercial permit fees is  
238 projected at \$180,000. The moratorium will not affect residential construction, new  
239 commercial construction greater than 50,000 sq ft, or commercial renovations. Research  
240 conducted shows the time has come to comply with State laws and the life safety code and  
241 begin residential inspections. The town needs to make sure homeowners and contracts are  
242 complying with the permit. There have been several properties coming out of current use,  
243 which is a sign that construction is forthcoming.

244  
245 **Mr. Lewis** inquired if the building inspection department currently pays for itself and if that is  
246 the goal for the future. **Mr. DegliAngeli** said no, but it will with the proposed fee changes.

247  
248 In response to questions from Ms. Sand, **Mr. DegliAngeli** explained presently the only  
249 residential inspections done are in response to tenant complaints, which are conducted by the  
250 building inspector. Zoning conducts reviews of foundations to ensure compliance with  
251 setbacks. A total of four positions are budgeted for in this department; building inspector;  
252 assistant building inspector, zoning enforcement/STR, and administrative assistant. In  
253 addition, with the present building inspector retiring in early June, the budget also includes 3  
254 days per week for him to assist with training. A discussion ensued on proposed reorganization  
255 to fill some of these positions and the need to hire at least two new employees. There has  
256 been an average of 260 building permits issued per year over the past three years. Although  
257 land is finite, people are migrating to the northeast and there are no signs of construction  
258 slowing down.

259  
260 **Mr. Jensen** asked what effect the moratorium on hotels would have on Red Jacket  
261 renovations / construction. **Mr. DegliAngeli** said the renovations would be allowed;  
262 however, if they decide to increase their footprint it would require a site plan to be reviewed  
263 by the Planning Department.

264  
265 **Mr. Drinkhall** of the effect on staffing for commercial activity in residential areas. **Mr.**  
266 **DegliAngeli** explained they are waiting for the court's decision, which is based on the town's  
267 interpretation of their own zoning. If the decision is in Conway's favor the enforcement would  
268 be stopping STR. If the decision is not in Conway's favor the enforcement would be through  
269 oversight of the program.

270  
271 I. Health and Welfare

272 **John Eastman, Town Manager**, presented an overview of the Health and Welfare proposed  
273 budget, noting it is level funded for an annual stipend of \$2,750. There are also kennel fees  
274 associated with any animals taken to the Humane Society.

275  
276 **Mr. Lewis** noted the stipend, social security, and retirement were expended but not budgeted  
277 for. **Ms. Golding** said the GL numbers were changed last year and it is budgeted correctly.  
278 Additionally, they just learned this year, where the health officer is a full-time employee, they  
279 must deduct social security and retirement from his payment.

280

281 Welfare: **Mr. Eastman** reviewed the welfare budget, noting wages increased by \$6,129 based  
282 on a merit increase. Information technology is level funded at \$1,500 for the GAP program  
283 that provides the ability to determine the applicant originated in Conway. Based on Ms.  
284 Parker's' diligent efforts in saving the town money, there was \$950 expended of the \$30,000  
285 welfare department general funds for rental assistance.  
286

287 **Mr. Colbath** commented on the many non-profit agencies within the community that work  
288 collaboratively with each other and Ms. Parker to provide cost effective service to those in  
289 need.  
290

291 **Mr. Drinkhall** inquired if Ms. Parker is paid hourly or salary. **Mr. Eastman** said she is paid  
292 hourly.  
293

294 J. Executive

295 **John Eastman, Town Manager**, presented an overview of the executive budget, noting  
296 wages are up 7.35%, information technology is down \$5,000, equipment is up \$1,000 for a  
297 new copy machine, mileage is up\$1,000 as it is part of his contract, and book binding is up  
298 \$499 to allow old town reports to be bound in sets of four.  
299

300 **Mr. Marvel** inquired if the hiring of a new town engineer would mean there would be two  
301 town engineers. **Mr. Eastman** said no and explained the intent is to hire someone to replace  
302 Mr.DegliAngeli upon his retirement in 2025. It is anticipated they will need 18 - 19 months  
303 for training.  
304

305 **Mr. Colbath** made a statement related to hiring a new engineer, but it was inaudible.  
306

307 K. Other

308 **Mr. Eastman** spoke on the previously discussed legal ramifications to the paid parking  
309 program, noting upon seeking legal counsel they were advised based on NH Statutes 231:130  
310 and 131 and Supreme Court decisions, excess revenue can be devoted to purposes for streets  
311 without meters, and the answer was yes. Revenue received can go into a special fund or a  
312 general highway fund that is used for maintenance, snow plowing, salt, fuel, police, etc.  
313

314 **Mr. Jensen** inquired of the impact of the tax rate for a median home and what was used for  
315 the median value. **Ms. Walker** advised the median value from 2019 is \$208,400; however, if  
316 the revaluation was done in 2023 the median value would be \$372,000. There is an  
317 anticipated 21 cent / \$1,000 decrease in the tax rate. **Mr. Jensen** asked if the projected  
318 revenue and expenses could be provided for 75%, 50% and 25% occupancy and how that  
319 changes the tax impact.  
320

321 **Chair Donohoe** inquired about when the final expenses for 2022 would be available. **Ms.**  
322 **Golding** advised she hopes to have them done by January 31, 2023. The amount of expenses  
323 as of today are \$11,757,460.  
324

325 5. Town Default Budget Group:

326 **Chair Donohoe** reminded the committee of the default budget meeting on January 10, 2023, at  
327 Town Hall.  
328

- 329 6. Old Business:  
330 A. John Eastman responses to CMBC December 31, 2022, questions to Town staff.  
331 **Chair Donohoe** advised it was decided most of the town questions have been discussed,  
332 therefore this agenda item is moot.  
333
- 334 7. New Business:  
335 **Mr. Colbath** commented on the benefit of the rec program and Marshall Gymnasium.  
336
- 337 8. Public / Media Questions or Comments: None  
338
- 339 9. Adjourn:  
340 **Mr. Jensen moved, seconded by Mr. Drinkhall to adjourn the meeting at 8:45 p.m. Motion**  
341 **Carries (10-0-0)**  
342
- 343 Respectfully Submitted,  
344 *Lisa E. Towle,*  
345 Recording Secretary  
346