

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
September 13, 2004**

A meeting of the Municipal Budget Committee was called to order at 6:40 p.m. in the Meeting Room of Conway Town Hall with the following present: Janine Bean, Doug Swett, Ted Sares, Melissa Stacey, Betty Boucher, Phil Dighello, Bill Jones, Randy Davison, Michael DiGregorio, Rick Paquette, Selectmen's Rep., Karen Umberger. Also present were Town Manager, Earl Sires; Finance Director, Lucy Philbrick; and Police Chief, Shawn Billert.

**1. Review/Approve Minutes (6/7/04):** The following corrections were noted by Mr. Sares: Pg. 1, 3<sup>rd</sup> para., 3<sup>rd</sup> sentence from end, should read "...that the Budget Committee is not *technically* obligated...."; next sentence: word fowl should be changed to *foul*; last sentence should read "He said he *also* feels the ethics policy is flawed. Pg. 2, last full para., should reflect Mr. Paquette received 12 votes, Mr. Manseau *1* vote. Pg. 5, 3<sup>rd</sup> full para., Mr. Sares asked that the last sentence be deleted in its entirety. Pg. 6, last sentence, Mr. Sares wished to add after the word meeting "*in the same manner as he did on compensation.*" **Motion was made by Mr. Jones, seconded by Ms. Boucher, that the Minutes of the June 7<sup>th</sup> meeting be approved as amended. Motion carried with 10 votes in the affirmative and Mr. DiGregorio abstaining as he had not been present at that meeting.**

**2. Consider Resignation of Bob Barriault: Motion was made by Mr. Sares, seconded by Mr. Swett, that the Committee accept Bob Barriault's resignation with regret. The motion carried with 10 votes in the affirmative and Ms. Umberger voting in the negative (she stated her no vote was because she did not want him to resign). Motion was made by Mr. Jones, seconded by Mr. DiGregorio, that a letter be sent to Mr. Barriault expressing the Committee's appreciation for past services. Motion carried with 9 votes in the affirmative and 2 negative votes.**

**3. Discuss Posting Position Vacated: Motion was made by Mr. Sares, seconded by Ms. Umberger, that the filling of the vacancy be handled in the same way the last vacancy was handled; to advertise in the Daily Sun and set a deadline date.** Discussion: Mr. Sares noted it is costly to advertise; also this Committee broke the policy. He said he would prefer that people come back to the next meeting with some names. Mr. Davison said he has no problem with inviting Mr. Manseau back, and no problem with appointing him.

Upon question of the policy Mr. Sares referred to, Ms. Umberger explained we had placed a deadline date in the newspaper for people to come forward, she had suggested to Mr. Manseau if he was interested in applying for the Budget Committee that he do so, which he did, but not prior to the deadline date, and some people objected to that. Ms. Bean clarified that the mistake was that at that meeting the Committee listened to Mr. Manseau after the deadline. She said she voted for Mr. Paquette because he answered the deadline in a timely manner – the policy was not intentionally broken.

Mr. Sares proposed each member come back with names, make the public aware that there is an opening in the Budget Committee, asking them to submit their names and come up with the best we can based on that process. Ms. Umberger said she feels that any time you are advertising to replace a public official it needs to go into a newspaper the same as with contracts,

etc. Mr. Jones said he agrees that at a cost of only about \$40 to put it out to people who might be interested, it would be a fair way to do it.

It was agreed that the position would be advertised for two days (over a weekend) with a deadline date of Nov. 5<sup>th</sup>, placing the ad on Oct. 22<sup>nd</sup> and 23<sup>rd</sup>. **The motion carried with 10 votes in the affirmative and Mr. Davison voting in the negative.**

**4. Discuss Overexpenditure of Police Budget:** At 7:00 p.m. the Committee was joined by Police Chief, Shawn Billert, to discuss overexpenditure of the police budget in the Commercial Duty line. Mr. Billert reported \$100,000 had been budgeted for the year. It is reimbursed 100%, plus administrative fees; no cost to the town. Mr. Billert expressed the difficulty in estimating what they will spend, noting it depends on whether the projects start on time, unanticipated requests for police details, and such things as road races - it is constantly changing. He noted current construction is going to slow down mid October, but possibly another section could be starting this year.

Mr. Sires explained \$30,000 more than the budgeted total had been billed out – the department has receivables of \$130,000 out there, but payables of \$92,000. Mr. Sares questioned whether this is significantly different from what Chief Dicey asked for. Mr. Billert stated it may surpass it slightly. He requested that the Budget Committee approve 2700 hours more, or about \$80,000, noting \$80,000 will get them through January 1<sup>st</sup>. If they do not use the \$80,000, it cannot be used for anything else. Mr. Billert said every hour the officer is out there the contractor is charged \$35 per hour, \$30 goes to the officer, \$5 to the town. Mr. Davison suggested the town can actually make some money on this. Mr. Jones asked whether there is any affect on the tax rate because of benefits. Mr. Billert stated there is some. Mr. Jones stated “then it does cost the town something.” Mr. Billert contended the town still makes out with it. Ms. Bean said we are not really raising \$80,000; we cannot spend the money if we do not raise and appropriate it. Mr. Sires explained the police feel they will overspend by \$80,000. In order to make a request to the DRA, we have to have the authority to spend up to the additional \$80,000 - it is the ability to spend more money than was raised originally.

Mr. Davison questioned whether the hours put in are overtime hours. Mr. Billert said they are set hours which they put in on their day off or time off – they are not ordered to do it. He said the \$80,000 includes the \$30,000 overage; \$80,000 is an estimate as there is no way of knowing where the State is going. Ms. Umberger questioned how many years the \$100,000 figure has stayed the same. It was felt it was at least five years. Ms. Umberger noted in the last couple of years things have changed – the account went over last year and this year. Noting Phase 5B is starting next year, Ms. Umberger stated she would expect the Budget Committee should see a different figure than the usual \$100,000.

Mr. Sares questioned whether the \$30,000 is tied into the labor agreement. Mr. Billert said yes, it is a contractual agreement. Mr. Paquette questioned where any left over money goes. Mr. Sires stated they will not spend it unless they do the commercial duty, then the money coming in from the contractors covers it. Mr. Sares questioned who sets the hourly rate, noting the \$30 is part of the labor contract. Mr. Billert told him the Police Dept. and Police Commissioners. Mr. DiGregorio stated they can also hire private contractors to do it.

**Motion was made by Mr. Sares, seconded by Mr. Jones, that subject to the provisions of RSA 32:11, the Budget Committee grant authority for the Police Commissioners and the Police Chief to over expend the commercial duty budget by \$80,000.**

Discussion: Mr. Davison felt the town should look at letting them do it privately, and save the town money. Ms. Bean asked Ms. Philbrick whether the town makes money by bringing it into the general fund. Ms. Philbrick said they pay the officers, plus retirement and medical; they are full time officers who are already getting the insurance. Mr. Sires said there may be some on the plus side. They will be looking at this this fall. Mr. Sares stated he does not see how it could be minus, it can be a plus, but they should not be doing it to make money, and noted because the fees are predicated on a billing, we are not going to lose money. Mr. Jones agreed that if we are only taking in \$5 per hour and taking from that expenses which include some benefits plus pension, we need to look at this situation, we do not want to make money on it, but need to make sure it is not costing us money.

Ms. Boucher said some of these officers use the vehicles and questioned how many we are taking away from our officers on patrol and who covers this? Mr. Billert said if the construction people request a cruiser they are charged a fee of \$15 per hour; however, it is very rare that they do ask for a cruiser. He acknowledged if a cruiser breaks down, it is the town's responsibility. Ms. Stacey called for the question and discussion ceased. **The motion carried by unanimous vote.**

**5. Discuss Town and School Revenues and Expenditures:** Ms. Stacey stated the town is doing fine, there is nothing to "red flag" except the police over expenditure. Mr. Sires said he is pleased with the way things are going, we are presently tracking right where we want to be. He reported that he will be meeting with Selectmen on Tuesday to discuss general budget policies and concerns, will be meeting with department heads on Wed.; the third week in October their budgets have to be in. Mr. Sares requested that the Budget Committee be advised as to when the first meeting is with the Selectmen to discuss the budgets.

Schedule of meetings: Ms. Bean stated we have a tentative meeting scheduled for the first of Dec., traditionally we do not meet over the Christmas holidays. Ms. Umberger commented that last year the school was not ready when we asked them to be, which is the real crunch side of it. She expects the town to be ready by the first of Dec. with a rough draft. Ms. Stacey stated last year we had to cram to get it done, there was not a lot of time to review, we were trying to squeeze other people in around Dr. Nelson's schedule. She suggested the Committee may want to consider asking the school to be ready a little earlier than last year. Mr. Sires stated the town is anticipating having the budget available around the 13<sup>th</sup> or 15<sup>th</sup> of Dec. Ms. Bean said we were planning to meet in Dec. to review the school's current budget and can have the town presented at that same time, but will ask the school to have as much ready as they can. We can have as much detail as we think we need.

Questions on town budget: Mr. Jones noted insurance and ambulance are paid in full at this point, and wished to know whether there is any advantage to that. Mr. Sires said the contract calls for a certain payment schedule; the liability insurance is paid annually in July.

Valley Vision: Mr. Sares noted a warrant article was passed giving the Budget Committee the right to review the Valley Vision budget and make non binding recommendations. He said he wants to make sure we do that in sequence so their budget is not a done deal. He asked that the record reflect that “we do not get snookered on that – do not want the sequence to fall apart.” Mr. Sires advised that will be discussed with the Selectmen; typically, the contract is negotiated in the early part of the new year, the Selectmen want to have that draft agreement for the deliberative meeting. Mr. Sares said when the contract is done with Adelpia we want to make sure we look at what is being transferred to make sure whether some of that can be given back to the town. Mr. Sires said by our contract with Adelpia there is a franchise fee payment, at the same time Selectmen will be discussing the warrant article for the trust fund for PEG services; then a warrant article is crafted that would allow money to be placed in the trust fund at the discretion of the Selectmen. The Selectmen then enter into an agreement with Valley Vision to use those funds to support PEG. Mr. Sares said he wants to see it before the warrant article is crafted. He was assured he will get the warrant article when he gets all the others, and that will be the time to address that.

After some discussion as to the school and the town rotating who would be first to present their budgets, **Motion was made by Mr. Davison that the school would be ready first to present their budget this year. Seconded by Ms. Stacey. The motion carried with 8 votes in the affirmative, Ms. Umberger and Ms. Bean voting in the negative, and Mr. Swett abstaining.**

**School Budget**: Ms. Umberger questioned what is coming back to the taxpayers from the school, noting that the bottom line on Pg. 5 shows \$475,453 expense surplus, on Pg. 6 it shows \$421,737 revenue surplus. Mr. Davison questioned whether the amount they spent, and surplus, is in addition to the figure that was quoted. Ms. Umberger said when the DRA sets the tax rate in Oct., if there is excess in the school budget it will be used to reduce the taxes for the school side of the equation in the tax rate. Mr. Davison said he then questions what money they are not utilizing, noting we never see an amount readjusted.

Ms. Stacey questioned the school lunch program (ending fund balance \$19,625) and where this money goes. Mr. Sares said you will not find the surplus shown, it is a bank transfer, a paper maneuver. Ms. Boucher said (if there is \$40,000 in a fund) it is her understanding that all money is supposed to go through the Budget Committee unless it is unencumbered, and wished to know why we are not being told what they are using it for. Ms. Bean said she thinks because it is a federal food program and goes back into the program. Ms. Stacey said we get State reimbursed for the students who get free lunches, etc., if they are paying the same rate, that rate should be lowered. Ms. Bean said we need to ask how the food program is run in the school district – the parameters under the federal program. Mr. Jones, referring to a letter from Dr. Nelson dated Sept. 8, noted the lunch program bottom line is not affecting the tax rate, it is a self-supporting, continuing program; the money is put back into the program to buy equipment, etc., but acknowledged this needs to be clarified. He stated it is not going back into the general fund – we only have to analyze to make sure it is fair and equitable, and truthful

There was a great deal of discussion dealing with the many differing figures for surplus and the fact that whatever the amount, it seems to have been spent. Mr. Davison, noting an ending fund balance in the summary of general fund expenses and receipts, suggested if

\$870,000 is going to be returned, the rate should be changed, that he sees a surplus coming, but the tax rate is always the same as the last year.

Mr. Dighello suggested requesting a breakdown from Dr. Nelson as to what the original surplus was before they spent any money (total by departments), how much they spent, what's left.

**Bond Budget:** Mr. Sares said he wants the new school, but reminded the Committee that a year ago he suggested the Budget Committee could change the nature of what was being proposed for the school and was told if we changed the essence of Appendix B, we could be sued by the other towns for breach of agreement, so he abstained. He wished to point out that any relationship between Appendix B and what is on the table now, is totally non-existent.

Ms. Bean noted according to the school paperwork the revenue sheet shows \$700,000 for the land, \$200,000 for future athletic fields, \$1,000,000 for road construction. She said it was her understanding that the donation was \$2 million which was for the road – the school print out shows they have spent \$700,000 for the land purchase from the site donation money. The bond vote (\$46,345,000) included a donation; the warrant article stated the bond was \$46,000,000 plus \$100,000 interest. Ms. Bean stated spending has to be consistent with Appendix B. The bond vote, including donations, should be \$48,145,000. Mr. DiGregorio noted \$1.8 million was taken off prior to the bond vote. Mr. Sares noted we have a one-story building which went to three stories. Ms. Swett stated there are two-story sections and three-story sections involving classrooms.

Mr. DiGregorio said his understanding is we would get into trouble if we changed the overall concept – what classes were offered, what amenities were offered, fields, etc. – those are the things you should not be able to change. He said he does not care about the design of the building as long as we do not have 40 kids in a class instead of 15. Mr. Sares said their concept was, making design changes would be impacting program changes. Ms. Umberger said they are not cutting classroom sizes – the State requires 900 s.f. minimum. They cut a health classroom – instead of having two they only have one, but are still offering health within the minimum 900 s.f. Question – was the whole amount of \$700,000 for the tunnel and athletic fields renovation?

Ms. Umberger suggested an entire meeting be devoted to the bond – where they are and what's going on. Ms. Stacey agreed, but also feels it needs to be broken down further. Mr. Swett said this bond has three figures – middle school, vocational center, high school. It passed with the idea that we would not push money from one to the other.

It was agreed Dr. Nelson would be asked to attend a meeting with the Committee on October 20<sup>th</sup>, or the 27<sup>th</sup> if that is not convenient.

Mr. Jones said with another meeting we could move up the request for new members to a new date. **Motion was made by Mr. Sares, seconded by Ms. Stacey and carried, to change dates, leaving it up to the discretion of the Chairman. [Decision was to advertise a deadline date of Oct. 15<sup>th</sup>, with the ad being published on Oct. 1<sup>st</sup> and 2<sup>nd</sup>.]**

**6. Discuss Valley Vision:** Discussed previously under item 5.

**7. Other Business:** Ms. Stacey noted there was a rule last year that meetings will end at 9:00 p.m. Mr. Sares was against a specific time stating we could have a hot issue being discussed at 8:55 p.m. It was agreed we would wait until the December meeting to address this.

Archeological dig: Mr. Sares said as a Budget Committee member looking over the funds that are being spent, he has never seen anything more mind boggling and he hopes the people who own the property are paying for it. Ms. Bean advised that was discussed at the meeting last week and the school will take a stand on it. Mr. Swett commented that this is the third dig, with no guarantee that this will be the last one.

SAU Office: – Mr. Davison expressed concern as a Conway taxpayer that we are “soaking \$800,000” into a building the town gets \$1.00 for. He noted they will be doubling the amount of space in the building, and questions what they will do with it. He felt it is not a good use of taxpayer money or what they are doing with the facility. Ms. Bean expressed that it is an SAU issue and taxpayers need to go to those meetings when they are building the SAU budget and let the School Board know where we stand. Mr. Sares said the power of that Board is weighted in favor of Conway and if all the Conway people showed up they would have some impact. Mr. Swett said the figures have been discussed for over a year – they have considered leasing, going somewhere else, going to Kennett. They have already spent a great deal to update the sprinkler system, etc. in the old building. They have  $\frac{3}{4}$  of the money set aside and will not have to have a bond to raise that money.

Mr. DiGregorio questioned whether everyone wants them to go over to the high school. Ms. Umberger said for the original discussion Dan Jones attended the meeting, and then attended the Dec. SAU meeting, to tell them we were in disagreement. Unfortunately, they voted to do what is occurring now and she is not sure we have any more say in it unless the Conway School Board stands up and says we are not going to do that. We need to encourage the other towns to pass the article that says you do not have veto power, but do have the opportunity to vote on it.

Mr. Swett said there is an RSA that states if you add 100 students to a school you will have to have “X” number of square feet to go with it. Also, people need to understand this SAU budget comes up every year and no one has anything to say about it except the School Boards involved. Ms. Bean pointed out we have the weighted vote, Conway has the power to say no.

**At 8:50 p.m. Motion was made by Mr. Jones, seconded Mr. Sares and carried, that the meeting be adjourned.**

Respectfully submitted,

Gail T. Currier  
Recording Secretary