

MUNICIPAL BUDGET COMMITTEE

Thursday, February 16, 2017

Professional Development Room

Kennett Middle School, Conway, NH

Chairman, Joe Mosca called the meeting to order at 6:31pm. The following members were present: Vice Chairman, Jim LeFebvre, Mike Fougere, Pat Swett, Terry McCarthy, John Edgerton, Doug Swett, Bill Marvel, John Colbath, Steve Steiner, Richard Klement, Pat Kittle, Mark Hounsell, Mike Tetreault, and Bill Masters. Also present: Lisa Towle, recording secretary, Lilli Gilligan, Finance Director, Kevin Richards, Superintendent for SAU #9, Becky Jefferson, Director of Finances for SAU #9, Janine McLaughlin, Chair of the Conway School Board and Joe Lentini, Vice Chair of the Conway School Board.

Excused: Peter Donohoe

Absent: Frank McCarthy

Steve Steiner lead those present in the Pledge of Allegiance.

Review of Minutes:

Minutes of January 11, 2017 motion to accept minutes. Motion by Dick Klement and second by Jim LeFebvre.

Discussion of minutes: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Minutes of January 18, 2017 motion to accept minutes. Motion by Jim LeFebvre and second by Mike Fougere.

Discussion of minutes: none

In favor: 14; Opposed: 0; Abstain: 1. Motion carried.

Minutes of January 25, 2017 motion to accept minutes. Motion by Dick Klement and second by Bill Marvel.

Discussion of minutes: none

In favor: 13; Opposed: 0; Abstain: 2. Motion carried.

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Chairman Mosca called to the attention of all members the rules and procedures of the Budget Committee, including the ethics policy. If anyone thinks there is a conflict of interest, they should let me know as the chair. As defined a potential for financial and material gain to a Budget Committee member or a member of his or her immediate family. Immediate family defined as member's spouse, parent, sibling, children, or in-laws. When we get to the non-profits if anybody sits on a board they may want to recuse themselves, not that there is a gain but it just looks better.

FIRE PRECINCTS:

Center Conway Fire Precinct: \$254,550. Motion to accept precincts proposed budget, so moved by John Colbath, second by Mike Fougere.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

East Conway Fire Precinct: \$57,650. Motion to accept precincts proposed budget, so moved by John Colbath, second by Steven Steiner.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Redstone Fire District: \$61,000. Motion to accept precincts proposed budget, so moved by Bill Marvel, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Chairman Mosca asked if anyone would like to put a time limit on discussion? He suggested a 5-minute time limit with the exclusion of the budget article for the town and the budget, CEA contract, and the bond articles for the school. So, a 5-minute limit on everything except for those four items, everybody okay with that?

Moved by John Colbath and second by Dick Klement.

Discussion:

Dick Klement asked if we could add that one person can only speak once. Mark Hounsell objected to the suggestion. Chairman Mosca suggested that a person can only speak once on an issue except for those 4 items.

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Bill Marvel asked, when you say the budget, what about incidental parts of the budget? Chairman Mosca clarified the operating budgets for both the town and the school, line item by line item. Bill Marvel asked about rebuttals, if someone makes a motion and explains it then someone, counters that what about rebuttal. Chairman Mosca responded that for everything except those 4 articles, I don't think there is going to be a lot of discussion. If there is something I will take it up at the time and go from there.

Mark Hounsell noted that we spent a lot of time and this is an important night, I know we have to do time management, but the thing that makes a good budget is the discourse. I hope on those four items, I have no problem with the others, but I hope on those four we can have decent and polite deliberation until we are exhausted from anyone of our points of view. Chairman Mosca further noted that if we spend 5-minutes on everything that is about 3.5 hours' time.

TOWN WARRANTS:

Chairman Mosca advised that he is skipping Article 8 at this time as that is the town budget and they will address that last.

Page 26 of the booklet that was passed out last night or that is on the website.

Article 9: Approve collecting bargain agreement between the Town of Conway and AFSCME #93, local 859, Department of Public Works.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 10: If article number 9 is defeated to have a special meeting to reconsider the article.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion:

Dick Klement noted that we had something similar last year and I don't remember if it was the school or the town. Chairman Mosca advised it was the town and it was voted down last year. Dick Klement stated he hoped we would do that again.

Mark Hounsell stated that he doesn't support second bites at the apple, we have done a lot of work and if people say no, then they said no.

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Bill Marvel stated same thing some of the greatest resentment we ever had between the Town and the school is them coming back again and again with a slightly lower budget or a slightly lower contract.

Vice Chairman, Jim LeFebvre stated “ditto” with everybody else.

John Colbath stated that it is in the wording of the DRA, it comes from a recommendation and that is why it is in there.

In favor: 3; Opposed: 12; Abstain: 0. Motion defeated.

Article 11: Ambulance Service 5-year contract between the Town of Conway and the Conway Village Fire District.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion:

Mark Hounsell stated that he is going to vote for this but reluctantly, I don't think it is a contract that incorporates all our needs and I especially take exception that it is a 5-year contract. The reason I am going to vote for it is because both the precinct and the town have an escape clause where they can give notice they want out. There is not really a 5-year contract if the governing bodies, so I am going to vote for it but it's time for this issue to be dealt with and for some reason this doesn't seem to be.

Bill Marvel stated that the only thing he will say in defense of it is that at least the adding up the five figures comes to the actual cost of the contract, unlike other contracts.

Chairman Mosca advised that he is voting against it and his reason is, I think it is too high and I think there was potential for the town to take Care Plus and do a 5-year contract with the whole town and it would have been less money. I am just looking out for the taxpayer's pocketbook and so that's my reason for voting against both 11 and 12.

In favor: 7; Opposed: 8; Abstain: 0. Motion defeated.

Article 12: Emergency Ambulance Service between the Town of Conway and Care Plus Ambulance Services. It is same exact contract as the one with the Conway Village Fire District.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion:

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Mark Hounsell if there isn't some sort of provision to recognize that Conway Village Fire District provides really good service but they cannot afford to do it without a contract. I think we gotta understand that perhaps next year the Conway Village Fire District will cease running an ambulance service and then you will get Care Plus and only Care Plus or Life Star, but Conway Village runs the risks without a contract of not being able to continue. My objection to the contract is not that, because it has this escape clause I can support it, I don't like the contract format, it does not recognize the true needs we have in this town nor does it recognize the valuable assets that we have in this town. It's a poor contract but better than nothing because of the risks of not passing.

In favor: 8; Opposed: 7; Abstain: 0. Motion carried.

Article 13: Non-Precinct Fire and Rescue Protection Agreement between the Town of Conway and the Conway Village Fire District, funded by non-precinct tax payers only, there is no cost to the town.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 14: Non-Precinct Fire and Rescue Protection Agreement between the Town of Conway and the North Conway Water Precinct. Something funded by non-precinct tax payers only, doesn't impact the town.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 15: \$75,000 to fund the LED street light conversion project.

Motion to accept the proposed budget, so moved by John Colbath, second by Mike Fougere.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 16: \$750,000 for Capital Reserve Fund for Infrastructure Reconstruction. Current balance is \$250,661.

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Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 17: Capital Reserve Fund for Highway Equipment \$300,000. \$187,269 is current fund balance.

Motion to accept the proposed budget, so moved by John Colbath, second by Mike Fougere.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 18: Capital Reserve Fund for Solid Waste Equipment, \$115,000. Current fund balance is \$209,037.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 19: Capital Reserve Fund for Landfill Expansion, \$1. Current fund balance is \$223,237.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 20: Capital Reserve Fund for Maintenance of Town Buildings and Facilities, \$200,000. Current fund balance is \$172,820.

Motion to accept the proposed budget, so moved by John Colbath, second by Mike Fougere.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

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Article 21: Capital Reserve Fund for Parks Department Vehicles, request is for \$10,000. \$10,251 in the fund balance.

Motion to accept the proposed budget, so moved by John Colbath, second by Pat Swett.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 22: Capital Reserve Fund for Police Vehicles, raise and appropriate \$70,000. Fund balance is \$10,756.

Motion to accept the proposed budget, so moved by John Colbath, second by Mike Fougere.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 23: Raise and appropriate the sum of \$1 for the Public Educational/Government Cable Television (PEG) Trust Fund, fund balance is \$212,391.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion:

Dick Klement asked isn't the fund balance for this getting kind of high? Chairman Mosca answered that is why there is only \$1 going in this year instead of the normal \$110,000. Dick Klement responded, it thought we were using this money to provide stuff at the schools, stuff at the town and I see we do live reporting of football games. I think this money needs to be spent on the schools instead of keeping it in a trust fund and that is what I have a problem with, not the \$1, but I have a problem with the \$200,000 sitting there and being used for other stuff.

Chairman Mosca asked if Lilli Gilligan had any comments. Dick Klement asked if we are taking comments from the public or are we just talking among ourselves. Chairman Mosca answered that because Lilli is here as a representative of the town and the budget. Dick Klement stated we have a representative of the town on the board. Mark Hounsell stated that Mr. Klement is right and we are in the voting mode now and all public comments should be withheld. Mr. Colbath is here to represent the selectmen. I think any dialogue discussion among any of the members tonight should only be among the Budget Committee members. I do appreciate your eagerness to get information but they have had their chance. Chairman Mosca noted that the question was not brought up last night or in previous meetings so I was just giving. Chairman Mosca asked if John Colbath had anything? Mr. Colbath stated he just had a general comment that it is well

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managed as a Board of Directors, there is openings on the Board of Directors, public members can participate in it, and that's the governing body that governs. So, it's a representative of the school and town, Mary Seavey sits for the town and there are public members who sit on the board and that is how they govern the spending of the money.

In favor: 13; Opposed: 2; Abstain: 0. Motion carried.

Article 24: Raise and appropriate \$10,000 the Airport.

Motion to accept the proposed budget, so moved by John Colbath, second by Steven Steiner.

Discussion: none

In favor: 13; Opposed: 2; Abstain: 0. Motion carried.

Article 25: Lease of Town Property is for the Construction of a Solar Energy Generating Facility. 2,457,000 square feet at the Conway landfill that will go from a 1 year to a 20 year lease.

Motion to accept the proposed budget, so moved by John Colbath, second by Mike Fougere.

Discussion: none

In favor: 13; Opposed: 2; Abstain: 0. Motion carried.

Article 26: Going from a 1 year to a 20 year lease for 250,000 square feet of property at the current Conway transfer station for Solar Energy Generating Facility.

Motion to accept the proposed budget, so moved by John Colbath, second by Mike Fougere.

Discussion: none

In favor: 13; Opposed: 2; Abstain: 0. Motion carried.

Article 27: To see if the Town will vote to discontinue completely and absolve an 870 foot long Town road known as McMillan Lane.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion:

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Dick Klement stated that the way this is written is they will construct and complete if found necessary by the planning board, that doesn't mean that they are replacing it, that means maybe they are replacing it if the planning board says, I can't support that.

Chairman Mosca stated I think that anybody who uses the North-South Road and goes in through the mall to go to Home Depot or Staples would be insane to vote for this the way it is worded. That's my personal opinion.

Steven Steiner stated I am working on a transaction that involves that and for full disclosure that McMillan Lane is supposed to be pushed back and it's going to be, I mean I am not talking to the language here, I am just saying the road is going back. Chairman Mosca responded that allegedly what is going to take place and the way the article reads are two different things. Again, I think that anybody who votes for this article the way it is written is insane, that's my personal opinion.

Mark Hounsell stated that with everything that's going on I am not fully aware of this except it seems on the surface to be a good thing, but I would like to hear more about your objections if you would elaborate, because I am uneasy about it. Chairman Mosca responded, my objection to this is if the developer closes the road there is no guaranty a new road will be built and that's what we were told in the hearings with the town, that another road would be built and I think that is what Steven is eluding to right now, that another road will be built. Even if there is a road built it is going to be a private way and at any point and time the owner can close it off to the public. To me again anybody who uses the North-South Road who wants to stay off of Route 16 to go to the businesses that I mentioned, they may not have an access and they may have to go out to Route 16. That for me is insane, the way this is written it's crazy.

Mike Fougere sounds like it is going to make it to the point of okay we closed it off make your own access and that is going to open up a new access onto the North – South Road. Sounds like they are forcing our hand by removing the road, alright we are not going to build a road again what are you going to do. The town wants access to North – South Road we are going to put a road in or an access point. They are inadvertently forcing our hand to give them a new outlet onto North – South Road.

Pat Kittle stated that at the risk of sounding insane I am going to talk in favor of it. It doesn't make any commercial sense for the owners of this, if this passes through for them to close that road, because that road accesses all the properties they own in there. I don't see the same risks that you see. Chairman Mosca responded that the road is from I don't know building on the corner. The road that they are talking about discontinuing is the road from Home Depot that comes to the next stop sign when you are looking at the hotel. So, the other road coming in that wraps around the property is still going to be there, that is not going away, it is just that one section of road. Pat Kittle stated "going away in terms of it being a town road, maintained by the town". Chairman Mosca noted the way the article reads it does

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not say that. The way the article reads is the way we have to vote, I understand and if the article were written differently I would be all for it, but the way it is written I can't support this.

John Colbath commented that again like Earl said last night it was lawyers wording added to it and it is scary and it depends, that sentence in the middle, how you read it as a modifier that, that part that says, if found necessary by the planning board is supposed to go with an alternative road prior to closing would need to be working. The McMillan Lane as it is now is a privately owned road that the private people allow public access to. Chairman Mosca clarified that right now it is a town road, it says right there on the second line. John Colbath commented that they are going to replace it with a full riveter road coming out on the back. Chairman Mosca commented what they are asking for us to give up a town road that runs through the middle of their property and there is nothing in there that says they have to build another one. It says if the planning board deems it necessary.

Mark Hounsell commented I understand the desire of the developer to get that parcel of land so they can develop it and I have no particular problem with that, however it is another example of we are going to give something up and we are going to rely on a developer or a business person who has a business model to do something that might benefit us later if they get around to it. I don't like going that way and what we have now is a good system where you can go from Route 16 McMillan Lane over to Common Court and get on the North – South Road. It is not necessarily smooth but it's a way and you are right we could say yeah we believe them and we hope they do but that doesn't mean they are going to. So, we are giving something up for a future pie in the sky and I have seen this town do that so many times, I am not going to be a part of it. Our job is just to make a recommendation, it will be up to the selectmen to convince the voters otherwise, but I am not going to vote to recommend this to the people of the Town of Conway.

Bill Marvel wonder if Pat Kittle got what he wanted to say said?

Pat Kittle commented I have seen the plans of what they are doing and my belief is that there is still going to be a road, but it is going to be a private road that connects those places, so that is just what I am saying.

Doug Swett commented isn't that the best access that Home Depot has? Isn't this a slap in the face to a big business to take that out? It takes you right to it. They have a big investment up on that knoll.

John Colbath responded that the perimeter road along the back would go the back of the property and come out approximately where the old athletic club was, where there is already a rear entrance in place to Home Depot, so it could connect right to the parking lot of Home Depot there also. Chairman Mosca commented, I have heard all this, I am reading an article, what the article says doesn't say that. We have to vote on the article and the wording of the article and again the way the article is worded I can't support it.

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In favor: 2; Opposed: 12; Abstain: 1. Motion carried.

Article 28: To see if the Town will vote to modify the Elderly Exemption from property tax pursuant to RSA.

Motion to accept the proposed budget, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 29: To see if the Town will vote to adopt the ordinances and “The Code of the Town of Conway”.

Mark Hounsell asked if this is a non-money article? Chairman Mosca answered it is. Mark Hounsell asked why would we be voting on it? Chairman Mosca answered we don't need to. Mark Hounsell commented that we should be silent on non-money articles. Chairman Mosca answered let's not waste our time.

Page 34... Nonprofits.

Article 31: To raise and appropriate \$13,500 for Tri-County Community Action.

Motion to accept the motion, so moved by Mark Hounsell, second by Bill Marvel.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 32: To raise and appropriate \$35,000 for the Gibson Center for Senior Services.

Motion to accept the motion, so moved by Mark Hounsell, second by Steven Steiner.

Discussion: none

In favor: 14; Opposed: 1; Abstain: 0. Motion carried.

Article 33: To raise and appropriate \$10,115 for the Mental Health Center.

Motion to accept the motion, so moved by John Colbath, second by Jim LeFebvre.

Discussion:

Bill Marvel commented that this year the refusal to recognize the tax burden the town assumes because of this non-profit was less disdainful than it has been in the past, but the arguments in favor of this contribution were the same as those in favor

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of the non-profit tax exemption. That and the fact that this agency survived for many years without a contribution from the town leads me to continue to oppose it. Notwithstanding the salaries that are paid through it.

In favor: 12; Opposed: 3; Abstain: 0. Motion carried.

Article 34: Vaughan Learning Center, raise and appropriate \$3,000.

Motion to accept the motion, so moved by Mike Fougere, second by Steven Steiner.

Discussion: none

In favor: 13; Opposed: 0; Abstain: 2. Motion carried.

Article 35: White Mountain Community Health Center raise and appropriate \$35,000.

Motion to accept the motion, so moved by Jim LeFebvre, second by Mike Fougere.

Discussion: none

In favor: 14; Opposed: 0; Abstain: 1. Motion carried unanimously.

Article 36: To raise and appropriate \$8,704 for Starting Point.

Motion to accept the motion, so moved by Mike Fougere, second by Pat Swett.

Discussion:

Vice Chairman Jim LeFebvre commented that in the future where all these articles are getting a tax abatement I will be voting against them based on the fact they are getting a tax abatement. Plus, they are asking the town for additional money. That is just my personal opinion.

Chairman Mosca responded that a couple years ago when the police chief was in hear discussing how Starting Point saves the town thousands of dollars every year by being the first responders where the town would have to have their welfare person or someone else there doing the work, what they save us is much more than we give them in abatements and what they ask for.

In favor: 14; Opposed: 1; Abstain: 0. Motion carried.

Article 37: Tri-County Transit Bus Service, raise and appropriate \$ 4,000.

Motion to accept the motion, so moved by John Colbath, second by Mike Fougere.

Discussion:

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Dick Klement commented when we asked where they got the busses from their answer was oh that's capital money we don't include that in there, so they're deciding what they tell us they are getting for money versus what they are really getting and I am sorry I can't support that at all I think they are playing a shell game with us. Chairman Mosca countered capital funding and operating funding are two different types of funding. Capital funding comes from grants from the federal government and the state and the operating revenues come from the money they raise from donations, fairs and some of it from the state. It is two different pots of money, we are asking them for something that's operating side so we never asked share capital. Dick Klement answered we have asked the question every year where are you going to get the money for the busses and how's your maintenance coming and they kind of just don't really answer that question. Chairman Mosca responded I agree with that but this year we had a new presenter and I thought did much better and answered a lot of questions for us.

Bill Marvel commented it was a lot more clear especially the apparent over budgeting each year. I kind of want to vote for it, I would like to see some success there, but every time I look at the bus it is empty. When I looked at the number of rides that were given, I can't remember the figure, but it was kind of exorbitant, it would have been cheaper to hire a cab I think. I understand that it takes a long time, but they have been at it a long time. I would like to see some public transportation, but I just don't know if it is going to work here.

Chairman Mosca responded someone who comes from a public transportation background you never make money in public transportation. You can't charge high enough fares to cover your costs.

John Colbath commented I thought that the presenter consistently said, no bus is the federal government, very consistent, it's all our tax dollars. To answer the taxi question my cousin went from North Conway to Madison, \$45 one way in a taxi and his family.

In favor: 8; Opposed: 7; Abstain: 0. Motion carried.

Article 38: Vaughan Community Service, raise and appropriate \$17,000.

Motion to accept the motion, so moved by Jim LeFebvre, second by Mike Fougere.

Discussion: none

In favor: 13; Opposed: 0; Abstain: 2. Motion carried.

Article 39: North Conway Community Center, raise and appropriate \$65,000.

Motion to accept the motion, so moved by Mark Hounsell, second by Steven Steiner.

Discussion:

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Steven Steiner commented there was a little discussion with us a couple meetings ago and as a parent who lost a child to drugs, I really feel that this organization that works on, most nonprofits, work on a shoe string, maybe they have a bigger shoe string, but I really feel we need to reinstate the \$10,000. Chairman Mosca answered we can't, it is a petitioned warrant article we can't change. Steve Steiner responded if I could I would. Chairman Mosca further responded that if you did, I don't think I would pass this committee. I think it may pass at this, I think if you change it, I don't think it would pass.

Mark Hounsell commented to make everyone understand, I did suggest some time ago as other members of this board had, that North Conway Community Center should begin to process weening themselves off the town. I never did at any time do that in an attack mode, of which I have been charged of doing, I never would attack the North Conway Community Center, I have been going there since I was 7. It is a good organization, but it is an organization that has grown and I think has grown to the point where a lot of kids will go where they can support themselves. So, I appreciate the fact that they are beginning the process of weening themselves off. I am happy to support the \$65,000. I would never want to do anything to take the rug out from underneath them, but at the same time we have a responsibility and that \$75,000 level is too much in the current situation that we are in. I am supporting \$65,000 this year and I hope that they will continue the process of weening themselves off and I will do whatever I can from my position as County Commissioner to help them find grant money to overcome the loss of Conway taxpayer's money. I want to make that very clear.

Bill Marvel commented the presentation we got both pleased me that they had listened but it also gave me the suggestions that the town's entity should be charging more for what is often just babysitting unrelated to this but that is what I got out of it.

Chairman Mosca commented I applauded them when they came in on the night, my concern was whether or not having a House of Worship in the community center would have an adverse impact if we gave money to them and if that would allow every other House of Worship in town to start requesting for funds. I put the question to the town manager, he sent it off to the attorney and came back saying no it wouldn't happen, there are some laws and there's some legislation, it's not the church that is asking for money, the church just happens to use that facility on Sundays. So, it is two separate entities, there wouldn't be an argument to have every other House of Worship in town come before us asking for nonprofit money. That is something that was in my head and I wanted to make sure that was clear before I voted on it. I want to cross the "T's" and dot the "I's".

In favor: 14; Opposed: 1; Abstain: 0. Motion carried.

Article 40: To see if the Town will raise and appropriate \$14,000 for Children Unlimited, Inc.

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Motion to accept the motion, so moved by Pat Swett, second by John Colbath.

Discussion:

Chairman Mosca they are looking to fund a completely different program than they funded in the past. There is an issue where they may not have delivered services that were billed to the district. There is nothing pending legally from what I am told there isn't any action, it is just some accounting maybe. Because of that and the fact that they are asking for a completely different program than they have always asked for in the past, I will not be supporting this article.

Mark Hounsell commented I will not be supporting it either, I think that the condition of the center of Children Unlimited needs to be addressed at this time, I am wishing them well but I don't think it would be good practice for us to do anything this year.

Steven Steiner commented if I recall they were talking about the opiate addiction situation they were attacking that. Chairman Mosca responded that is not what they were asking for money for.

In favor: 2; Opposed: 13; Abstain: 0. Motion defeated.

Article 41: To see if the Town will accept Royal View, Regal Circle, Palace Court and Camelot Court (off of Henderson Road which is off Davis Hill Road).

Motion to accept the motion, so moved by Mike Fougere, second by Dick Klement.

Discussion:

Pat Swett asked if these roads are up to town spec? Chairman Mosca responded, I do not have the answer to that. John Colbath answered apparently, they are up to spec and the governing rules before the town accepts they need to be 85% built up and it does not meet that and it will not meet it because some homeowners bought adjacent lots to protect their view. There is no covenant at a later date sell those lots to be built upon. So, they want their cake and eat it too.

Mark Hounsell commented I am unaware of the particulars but when I look down and see that it doesn't even carry the support of the selectmen, I am reluctant to support that in which they do not on article like this. Having been a selectman I know that roads are something you really look at and if this petition can't get a majority of the Board of Selectmen that's cue enough for me not to support it.

In favor: 0; Opposed: 14; Abstain: 1. Motion defeated.

Article 42: Shall the town adopt the "all veteran's property tax credit" under RSA 72:28-b.

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Motion to accept the motion, so moved by John Colbath, second by Jim LeFebvre.

Discussion: none

Mike Fougere noted he should abstain because I would benefit from it.

Mark Hounsell commented we have a very good ethics and we by large follow it, I fouled it a few times, by large we follow it. The intent is when there is an obvious conflict, an issue like this is not a conflict we are all taxpayers and we are all beneficiaries of what we qualify for. We are talking about something that, those of you who are veterans there is in my opinion no conflict. The law says you decide yourself if you feel there is a conflict, so whatever you decide is fine with me. I don't personally feel that any veteran is in conflict if they vote for this. Chairman Mosca responded I fully agree with Mark on that.

Bill Marvel commented I don't agree with that. If you are going to get a \$500 exemption that's a direct benefit and if you are one of those I certainly would abstain were it me.

John Colbath commented the burden of paying for this will be shifted to people who are not veterans so we will all be impacted in some way equally from it so technically we could all abstain. Again, it is semantics or ethics as how you look at it, I either way see no conflict, I think it is a vote of conscience and if you, again in my opinion, you are going to get a benefit from it, you damn well earned it, if you vote for it more power to you.

Mike Fougere commented I threw out the abstention because the \$500 windfall from it because if you served from the time of non-conflict. Chairman Mosca responded vote with your conscience.

Pat Kittle commented I disagree because with what John said and I really agree with what Bill said because if Bill as a veteran doesn't have a conflict to vote for something that is going to give him an extra \$500 in his pocket, I as a spouse of a school teacher shouldn't have a conflict voting on the school contract. I think it is the same directive, I agree it should be your own conscience abstaining if you need to but I don't see a lot of difference between that. I do think the veterans have earned it.

Dick Klement commented there are different categories to this piece of legislature. Those of us that were fortunate enough to serve during war time already have this benefit. For those that signed up and too bad they weren't shot at because there was no war, this is what we are talking about. This is the difference, some of us have this benefit already others don't. This one says hey if you joined but didn't have to fight you are going to get \$500, to me that is \$500 given, there is a benefit received from it. If I was in that category I would abstain.

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Chairman Mosca commented that Pat Kittle said it best, if there is a windfall, so if you fall under this I will ask you to abstain.

John Edgerton commented that the problem with this, is that we are trying to bring a few people in, since 1990 everybody has been able to get into this, because they never been out of war or the conflict criteria is. There is a very small group of people between Vietnam or between WWI and WWII, WWII and Korea, Korea ran into Vietnam, but then from Vietnam on there was another gap, very few people. The biggest thing, that in the military, I'll give the Air Force for example, only about 2% ever went into combat and yet they get collected because they were in the time frame. Those who were in the non-conflict area can't and I think it should be even for everybody. Chairman Mosca responded I am not arguing the point of that, I think it is more the point if it benefits you directly by our policy and procedures you should abstain.

Mark Hounsell commented I think a veteran's benefit should be a veterans benefit, those people who served, those veterans who served in peace time [if we actually ever had that]. Those people signed up with the understanding that if they were called to war they would go. There is something there, they are either fortunate or unfortunate, but their willingness to go is sufficient for me to support them having expanded veteran service.

In favor: 14; Opposed: 0; Abstain: 1. Motion carried.

Article 8: Raise and appropriate \$10,773,365.

Motion to accept the motion, so moved by John Colbath, second by Mike Fougere.

Discussion:

Dick Klement motioned to reduce the operating budget by the cost differential between last year and this year, and that is about \$250,000. Jim LeFebvre seconded the motion for purposes of discussion. Chairman Mosca commented to reduce the budget by \$250,000. Mark Hounsell commented so it is to reduce the budget by \$250,000, I have to ask what line item? I mean if we just got \$250,000. Chairman Mosca responded just off the bottom line to make it the same as it was last year. Mark Hounsell commented I have to object to that method of budgeting. If we can find cuts on specific line items then we should discuss those, to do a hack job at the bottom just because you think the bottom line number isn't right is not the way to do budgeting, it's an easy way, but not the right way.

Pat Swett commented whether I vote for it or not is not the point, but we have always been told, you cannot tell us where to cut, so the only thing we can do is cut the bottom line and let somebody else figure out where they are going to get it from. Mark Hounsell commented I think Representative Frank McCarthy has pointed us in a direction that is actually becoming more and more incorporated and that is that you can't do budget line item transfers as willy nilly as perhaps have been done

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in the past. When people transfer funds from the bottom line because they can. I think things are tightening up. If you follow things in Concord these laws are starting to tighten up, that line item transfers will require some sort of approval from someone. So, in line with that emerging thinking about line item transfers I think it is careless of us just to say \$250,000 you take it from where you want, when at the same time there are some of us that believe line item transfers should be the way you manage a budget not just lopping off the bottom and say have at it. Chairman Mosca responded I agree with you, but to Pat's point I know we have always tried to do that with the school budget, try to find line items, but even if we suggest to cut \$250,000 from fuel say the governing body can say we are going to cut \$250,000 from landfill. Whatever we say isn't what necessarily done from the governing body perspective. Mark Hounsell responded that is because we are not the governing body. Shouldn't you think that if we see a need to cut \$250,000 wouldn't you think that if we were budgeting we would be able to identify or suggest to the selectmen what we would like to have them do or just gonna say have at it. There is no logic to lopping it except we don't spend the money. Chairman Mosca responded I understand your point, point well taken, however. Doug Swett commented this happened years back and they demand that we fill out a big list of where we cut and they would say this is fine but we don't have to pay any attention to you anyway, its happened. Bill Marvel commented that the selectmen in my experience have generally honored whatever we suggest if we make a specific suggestion. The patriotic purposes last year was a good point both here and at the down meeting.

John Colbath hasn't this number almost always changed at the deliberative meeting? Chairman Mosca answered not always but it has the last two years, but not always. I think the last two years more because of fuel and a fluctuation in the fuel markets, but I think prior to that it hasn't changed a lot, just the last couple of years.

John Colbath commented that no matter how this number changes the default number is going to remain the same. Chairman Mosca responded the default budget remains the same, yes. John Colbath responded which will be higher than this number. Chairman Mosca answered correct.

In favor of Reducing the Budget by \$250,000: 5; Opposed: 10; Abstain: 0. Motion Defeated.

Chairman Mosca noted we are still operating at \$10,773, 365 (Discussion ensued as to who voted for it)

Bill Marvel motioned to reduce the bottom line by \$8,894. Chairman Mosca stated motion by Bill second by Jim LeFebvre. Mark Hounsell asked what the motion was. Chairman Mosca answered the was a motion was to reduce the bottom line by \$8,894. Bill Marvel is going to discuss. Bill Marvel explained it was from Library benefits. Again, I have special knowledge about this because I was a trustee last year and I remember that the library included I think it was a \$9,000 addition

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to technology or thereabouts that was supposedly a one-time expense and like many one-time expenses it was replaced by something else which ended up being a shifting of labor that didn't really raise the salaries line because it was essentially a wash, but it did create changes in benefits that lead to an increase in this amount. I came to this figure by subtracting the default budget amount for benefits, which would have been last year's benefits plus increase, from the proposal for benefits and came up with \$8,894. I am doing that partly because it just seems like a temporary one-time expense has been replaced by a permanent and significantly increasing expense. You know how that happens, I mean the patriotic purposes, what happened there and it's the same sort of thing. I have been sitting through the budget talks at the library and I see things that make me think there is an effort to try to reduce the increase in the overall budget through surreptitious and this is one of those means.

Mark Hounsell commented I have to say that I have similar concerns about the library budget as it pertains to what looks like a level funding pretty much, but in actuality I think what plants a seed for some rather significant increases in future years. The seeds being in labor. I am sure the trustees will have more discussions. I am not a trustee any longer, I enjoyed the opportunity but the opportunity and the work I did there, I am concerned about the direction the library is going as it pertains to labor costs increases while at the same time boasting a level funded budget. If we pass this budget, we are stuck with future increases that we will have little opportunity to do anything about. The last two years' increases have been, I think under a 1/2 %, this year it's not much higher but next year and the year after it could be. I am supportive of the motion on this line item. What was the number again? Chairman Mosca answered \$8,894. Mark Hounsell responded I support that and also because it is a specified cut not just a lopping at the bottom.

John Colbath commented a point of order based on the previous discussion we would reduce the bottom line. Chairman Mosca responded the bottom line would be reduced by that much. Mark Hounsell commented but we have identified. John Colbath further commented that we have identified but that doesn't have to be. Mark Hounsell further commented at least we identified and that's the communication.

Bill Marvel commented one thing I noticed in the vote on the budget at the trustee level was that there are only 2 votes against this budget which included these changes and one of them was our former finance director and I would be very adverse to opposing anything that she was in favor of favoring something that she was opposed to particularly.

In favor of Reducing the Budget by \$8,894: 12; Opposed: 3; Abstain: 0. Motion carried.

The budget figure we are looking at currently is \$10,764,771. After discussion, the correct number is \$10,764,471, which is the number we are working off of now.

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Motion to recommend the budget of \$10,764,471, so moved by Jim LeFebvre, second by Bill Marvel.

In favor of the amended number: 14; Opposed: 1; Abstain: 0. Motion carried at \$10,765,771.

That concludes the warrant for the town we have one more issue before. We need to vote on the default budget number. The default number is on page 26, \$10,761,335.

Motion by Mark Hounsell, second by Mike Fougere.

Discussion:

Chairman Mosca commented I know Lilli does a great job putting this together for us.

In favor of the amended number: 15; Opposed: 0; Abstain: 0. Motion carried unanimously and the default remains at \$10,761,335.

Page 22 of the packet we need to vote on the revenues.

John Colbath motioned that we recommend the bottom line of revenue of the \$3,890,331. Motion by John Colbath, second by Mark Hounsell.

Discussion:

Dick Klement commented that income from highway in 2016 they only collected \$27,777 and they are assuming they are going to collect \$60,000 this year. John Colbath responded I believe it is because we administratively manage state work so it is a wash item. We take it in and we get revenue from it.

John Edgerton asked if Tom Holmes estimates and increase in property evaluation to reduce taxes. Chairman Mosca answered I don't believe so, the question was never asked.

John Colbath clarified it is a wash item it is revenues from snow plowing Eagles Way roads and we obtain income back from the school district for doing it. It snowed a lot this year so. Dick Klement commented this is next year. Next fall you had \$28,000 that you collected and now you are asking for \$60,000. I would like to make a motion to reduce that number by \$30,000. John Colbath commented I believe there is maintenance things and it is going to be re-overlaid with pavement. Chairman Mosca responded Eagles Way will be done, that is correct, so there are going to be revenues generated from that. Eagles Way is going to be repaved the town will do the work and the school will pay back. Dick Klement commented we should ask the school if they are asking the town to repave it this year. Chairman Mosca responded it is, it is on the schedule, that was discussed. Dick Klement clarified the school is going to reimburse the town to the tune of

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about \$30,000 for repaving Eagles Way. Chairman Mosca responded that is what the school representative is saying. Mark Hounsell commented we are also paying North Conway Water Precinct to raise the man hole covers, so there is a fair amount of work there. Dick Klement further commented there is not enough money there to pave a road, if if you put an inch and a half on top or an inch. Chairman Mosca responded I don't know where the numbers come from but if that is part of what they are saying is going to be revenue and that is coming from the representative of the school I have to go by what we are being told. Mark Hounsell commented I don't know the exact dollar swap but I know these revenues are based on that component somehow, I don't know who gets what kind of money, you know I am not sure who is doing all the work but I trust Paul D. and Jim Hill have worked out all the details that agree with both the town and the school. Pat Kittle commented I point out too that in 2015 right next to it was \$62,000, so it is up and down. If it is a wash account there was some major work in 2015, not so much in 2016, and they expect to do major work in 2017. It generates revenue to offset an expense that the town does, that is what a wash account is. Dick Klement asked so someone is paying to have to work done. Chairman Mosca answered the school.

Motion to made to reduce the line item by \$30,000 anybody want to second it? Vice Chairman, Jim LeFebvre stated he would second it for discussion. Chairman Mosca noted motion made and seconded to reduce by \$30,000.

Discussion: none

In favor of Reducing the Income from Highway from \$60,000 to \$30,000: 2; Opposed: 13; Abstain: 0. Motion defeated.

In favor of Revenues at \$3,890,331: 14; Opposed: 1; Abstain: 0. Motion carried.

Chairman Mosca noted that wraps up the town warrants, we are going to take a five minute break and come back on the record at 8:00 p.m. for the school.

SCHOOL WARRANTS:

Chairman Mosca advised the committee, we are going to skip Articles 6 & 7, do everything else then come back to 6 & 7. We are going to do the budget last and the teachers' contract second to last, I think those are the two that are going to take time.

Article 2: the bond, to raise and appropriate the sum of \$2,100,000 for upgrades at Conway Elementary.

Motion to accept the motion, so moved by Mark Hounsell, second by Mike Fougere.

Discussion:

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Chairman Mosca commented I will state for the record that I am voting against it not because I don't think the work needs to be done, but on principle of the cost and the added cost that is being borne to the taxpayers by doing it over 3 years. I think it all should have been bonded last year and I am sticking to that. I don't disagree the work needs to be done.

Dick Klement commented I would be inquiring to why there were 3 people on the school board that were against this bond and the rationale behind it. Mark Hounsell responded the school board has voted to recommend this and I am speaking for the board. Individual members have expressed themselves in other forums and they can come and answer that question sometime for themselves. I am not here to speak for individual board members. The school board has voted to support this and I encourage us to do so to get this work completed.

Doug Swett commented it is a lot of money, but if this thing goes to heck in the middle of winter what's it going to cost then to get it straightened out. Chairman Mosca responded like I said it needs to get done, I don't have a doubt it needs to be done.

Bill Masters commented I am not anti-doing this, but I think after talking to Andy [unknown last name] the boilers and the pumps and the hot water heater can be replaced for about a million. Once we get hard figures for that I would support that work being done. It was proposed last year that we could have one mobilization fee for the two schools and they would have replaced the boilers, taken out the flaking tank which is a problem and dealt with the 40/60 boilers that are up here. The work really needs to be done, what bothered me more than anything else, they did all that, didn't touch the problem area, right over here which was a failure of the boiler. So, here we are, it's not like our academic year is in the basking 70 degrees, our academic year runs through the coldest part of the year. So, those boilers need to be done, if we can get a hard figure to substitute that I would support it. Chairman Mosca noted we cannot change the bond figure, the bond figure is the bond figure, it is 2.1 million, we can't change that. Bill Masters responded we can't change the wording but we can change the dollar value I believe. Chairman Mosca responded no we cannot.

Bill Marvel commented I was please despite the extra expense of seeing the bond trifurcated you would say, simply because that implied at least for a couple years there was the hope, fantastic as it might be, that the school board would actually consider reducing an elementary school. I guess I am in favor of this one but I won't be next year. Not because I don't think that work should be done, but because I am getting tired of the school boards insistence of keeping all three schools no matter what.

Pat Swett commented I agree with you and last year I voted to do all three, but majority ruled and that's in the past. I think we need to move forward.

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John Colbath commented Dick's question which may be an important one, that can be asked at the deliberative session, which would be an appropriate time. Dick Klement responded I would hope to get an answer tonight.

Steve Steiner commented I am going to vote against this, but I want to send a loud and clear message to the school board and to Siemens that \$100,000 one year, I was a contractor for 25 years, that's crazy. Chairman Mosca responded it's not when you look into the fact that the original cost was to put out a bond for all three schools and the cost savings by buying 6 boilers and burners and some of the other equipment, you don't have the savings by doing it 3 separate times. So, it's not on Siemens as much as it is on us and the way we decided to do it.

Bill Masters questioned we in a deliberative session. Chairman Mosca commented the deliberative cannot change the bond. Bill Masters asked they can't change the bond. Chairman Mosca answered no, the bond is the bond. They cannot change the dollar value, they cannot change the wording, and it has to pass by 60% on election day. The bond is the bond it cannot be changed

Mark Hounsell commented I just want to make a very important point, I understand the rules and procedures and I do my best to work within them, but I want to make the Chairman aware that I will not sit here and put up with personal snipping so you may want to make sure that certain members understand that because it would get, unfortunately ugly, I am not taking personal snipping. Chairman Mosca responded and I agree.

Dick Klement commented if we don't vote in favor of this and it doesn't pass, what are we doing to the children. I mean if the boiler goes south, you know you are kind of stuck in the middle. It is a needed improvement, if this thing doesn't get at least the majority support from this board, there will be people voting against it and there may be enough voting against it where it doesn't pass.

Bill Masters commented was my memory off wack when I thought last year in the deliberative session they raised the dollar value on the bond issue for Fuller and if that is the case then that is an invalid movement, so the point being. Chairman Mosca responded you can change the dollar value, you can't change the wording. Bill Masters further commented that is exactly the point I was getting at, you can change the dollar value but you can't change the intent of it. Chairman Mosca answered correct. Bill Masters commented the point I am getting at, if they can change that to a million, I think we could recommend that they address that issue somewhere along the line the school could come back in with really hard figures and deal with the boilers, the three pumps, the two boilers and a hot water system and that corrects the situation, but also reduces by a million. Chairman Mosca responded but not doing the total job, not putting the electrical work in, not putting everything else in. Bill Masters responded its already in. Chairman Mosca stated it's not all in. Bill Masters stated as I understood it with Andy **** that was all set up over there and had been done prior to, that's what he told me last year. So, unless I am mistaken on that it's all set to go and I sat down with him and had a

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discussion and he said if we could come up with some hard figures and I said what do you feel and he said somebody has got to request that. So, all I am saying to you is we could do this for about a million dollars which saves \$1.1 million and we have a greater chance of really addressing that issue, which I really want to see done.

Mark Hounsell commented two years ago, we voted almost \$300,000 to do engineering, that engineering has produced three conceptual plans. We did John Fuller last year and this year the school board, has done the work through committee, has done the work through engineering, has had long conversations about many points. This is more than just boilers and pumps, although those are important savings that we will realize, but those pumps and that boiler will be insufficient to solve the problem. This 2.1 buys us new air systems that brings in fresh air, healthier air for our students. This brings in life safety improvements that are needed because it's the law that we got to get things like drop cords off the floor so we have to run new conduits, electrical. The work that was done at John Fuller last year took every inch of our strength to get it done in time, but it was a tremendous job done. This plan that has been thoughtfully laid out by the whole community including this Budget Committee. First the engineering then John Fuller the next logical step is to fix up Conway Elementary. To not do that would be a huge mistake and for this Budget Committee not to give it sufficient support because of inaccurate information would be unfortunate. Chairman Mosca responded correct me if I am wrong Mark, I think part of the additional cost is also the fact that we are going to empty the school. At John Fuller, they worked around everything and found it was too much of a hassle and headache and they are going to bring in boxes and take everything out of the school and empty it. I think that is part of the additional cost also. I will say that Mrs. Swett changed my mind on the way I was going to vote by what she said. What happened last year is last year, what happened this year is this year so you can't look at the past.

John Colbath commented I am for it for several reasons one we paid an extensive study we came up with experts, reputable people who have made recommendations and I think we would be penny foolish to quibble about it. I am in testimony that my sons who go to John Fuller school, the work that was done there has made a world of difference in the environment in which they are in the school and Conway Elementary students deserve that same outcome.

In favor: 13; Opposed: 1; Abstain: 1. Motion carried.

Article 3: the high school trust, \$54,443 offset by \$35,663.

Motion to accept the motion, so moved by Mark Hounsell, second by Pat Swett.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

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Article 4: The middle school trust fund, raise and appropriate \$17,086, offset from sending towns \$7,308

Motion to accept the motion, so moved by Mark Hounsell, second by John Colbath.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 5: The elementary trust, raise and appropriate \$9,900, offset from sending towns \$1,188

Motion to accept the motion, so moved by Mark Hounsell, second by Mike Fougere.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 8: Project Succeed raise and appropriate \$53,998.

Motion to accept the motion, so moved by Mark Hounsell, second by John Colbath.

Discussion: none

In favor: 12; Opposed: 2; Abstain: 1. Motion carried.

Article 9: New busses to raise and appropriate \$93,500, fund balance is \$47,409.

Motion to accept the motion, so moved by Mark Hounsell, second by Pat Swett.

Discussion: none

In favor: 15; Opposed: 0; Abstain: 0. Motion carried unanimously.

Article 6: CEA Contract between the CEA and the Conway School Board. Estimated increase is \$461,926, the first year, \$468,005 the second year, and \$482,627 the third year. Raise and appropriate the sum of \$461,926 for the upcoming fiscal year.

Motion to accept the motion, so moved by Mark Hounsell, second by John Colbath.

Discussion:

Mark Hounsell commented the teachers' contract has been talked about quite about by a number of us and a number of other people who have talked about it and we may not have heard from. What I want to kind of give you is a brief reason why we should do this and a solid reason why the school board is unanimously recommending this to us. When you look at the yearly estimated increases you are

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looking at figures that are relatively close to what it has been raised in a series of one year contracts. The difference here is we are getting it done over a 3 year period. Let me tell you what that 3-year period buys us, it buys us time and time is money. We have an opportunity in front of us now to go into a new area of solid progress in accordance with a community developed and a community endorsed strategic plan. That's what this does, it is an important component of it. It is a lot of money but we get a lot of value for our money. We have wonderful teachers who do a wonderful job, who want to be able to stay here and live here and thrive here as much as we want everyone to do regardless of their occupation. The current method of doing annual contracts has caused this district to suffer and that suffering can be alleviated if you give the next school board the 2 years that are necessary for us to relieve ourselves from having to do constantly one year contracts that never ends and that time is taken away from us when we can be looking at other things like where we can better source health insurance. That is the opportunity that is in front of us that I believe we need to take advantage of. Again, it comes back to time, there is only so much time in a school year and it won't be long before we are putting together another needs based budget. The most important need we have is to make sure we can have a workforce that not only feels appreciated but is part of going forward. It will bring us stability beyond anything I could express to you tonight. I am asking for you to please support this contract, recommend it to the voters, they are wise enough to figure out what your opposition might be or if you don't have opposition to it. I want you to look at it differently besides the addition of the numbers, I want you to look at it based on what we are getting for it, the value of it. It is absolutely a wonderful opportunity for us and I think we need to thank Janine McLaughlin who has been on the school board for 9 years, she has proven herself to this community over and over again that she can be relied upon. She has personally taken the leadership in this and that leadership has produced something that, quite frankly a year ago, I didn't think was possible. I am now impressed it is not only possible it is appetizing to think what we can do for our students if we were to put this issue behind us once and for all and move forward. It is not a perfect contract, I admit to that, there are things that we could do, but didn't do them. It is a negotiated process, we can't just change things, we can't even be privy to the negotiations, but what came out of negotiations is a good step forward and it's in line with what the community has asked us to do. So, I am asking you to reconsider your opposition if you are in opposition to it and look at what this will do for us. I thank you.

Bill Marvel commented I have a number of reasons for opposing this contract, you have heard all of them but I guess I will go through them again. One of them is the lack of clarity in the actual expense of the 3-year contract. As I pointed out in another 5-year contract the actual expense was reflected by adding the 5 figures, the actual expense here is not reflected by adding the 3 figures. That really is a minor issue, I think the real problem is that in the case of a 3-year contract you have 2 years as Mark admits, you don't have the pressure of pleasing the voters with a reduction in force. You have 2 years when you can hire, add people on and I am only in favor of contracts that are combined with a reduction in the educational staff at our schools. One practical way to get at that is to get the

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considerable population of teachers behind the idea of a reduction in force and one way to do that is to combine it with their contracts. You hear about the increases for starting teachers, well you know Wednesday nights I know a woman down the hall with 25 years of teaching experience and a masters degree that is working at 8:00 – 9:00 at night while we are here who is making about what a starting teacher will make under this contract. I don't think that morale is so much an issue because of salaries, obviously, that plays a part, but I think things like administrative favoritism, particularly at the high school affect morale. Unless I see a contract for one year that shows a reduction in force I am not going to be in favor of it. I think that rejecting this contract is the best way to reduce the budget over the long term. The budget itself is so complex now and so personnel heavy that you can't really deal with it. You are dealing with goliath and while Mark finds it appetizing that the school board would have all that free time, that makes me nervous.

Pat Swett commented I will be voting against this contract for the simple reason I don't like the idea of voting 3-years down the road with the economy the way it is today. We approve it this year, who knows if we are going to have the money to support that vote this year and the year after. As far as the time consumed, I was on negotiating team a good many times and it is only the people that are on that committee that take up most of that time. I think we should stick to the one year.

Mark Hounsell further commented I want to address something Bill said and it's about staff reduction. Before I say that I will say that Bill Marvel has been consistent in his opposition to multi-year contracts, that's an issue in and among itself. When it comes to talking about staff reduction, it causes me to wince, we went into the needs based budget approach only after we found out that we needed to develop a plan. So, the process if you might remember of putting that 5-year strategic plan together was one that was all inclusive. More and more effort was put into inviting people then probably anything I have ever seen. It was open it was inclusive and it resulted in a plan that is identifiable and able to steer us in a direction. The needs based budget, I am reading from our overview, is defined as one that is fiscally responsible and allows us to continue working towards achieving the goals of the community generated strategic plan. When you go down to staff reduction, I think it is important that since fiscal year '12, there has been a 4% reduction in enrollment, there has also been a 4% reduction in staffing across the district, granted that is not all teachers, but that is a reduction. So, the school board does look at staffing, we do look at the responsibility of bringing a fiscally responsible needs based budget to you, we do that. It's a little sad to hear that we don't or suggest that we don't, we really do. The other thing I wanted to point out is, when we are talking about looking forward instead of looking backwards we are talking about making a school environment that is better for our children. People may think I am playing on your heart strings, but I am not because this country right now is in a position that if we do not educate our children and our grandchildren, how do we expect them to be prepared for a future that when I think about I am overwhelmed. I never thought about cell phones when I was there age I can't image what will be there and the world condition. The world is different than it was. When I was born, there was 160 million Americans today there is over

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320 million, that's doubled in population in 65 years. What's the next 65 years going to be? We have to do more because we are going to have more. We are going to have more responsibility, more struggle. This budget is a proper budget to address the needs of our children. So, put the past to the past and let's look to the future because that is where this is leading us to. This is leading us to a better future.

John Edgerton commented for ten years we have delayed putting the 6th grade for the benefit of education into the middle school. It has been determined by the educators that to put the 6th [you brought up the subject]. The benefit and better education aspects, it has been delayed for ten years and now as far as I know it is put off for another ten for some, nobody wants to deal with the contracts. It's harmful to the 6th grade to not give them the middle school educational environment, period.

Vice Chairman, Jim LeFebvre commented it is the position of the school board, I believe Mark, that you are not willing to look at closing any elementary schools, is that correct? Mark Hounsell answered well the school boards official position is that we are operating 3 elementary schools. A future school board can change that position, but right now it is the position of the school district that we are going to operate 3 elementary schools. Now I understand that there are those of you who think we are not doing a good job with our facilities, that we should maybe consider closing one. Well that's not what's on the table and if you are going to use that as a political leverage to get something that you don't have, then sleep well tonight. We are talking about this year, we are talking about the next year. If you want to use this as a political leverage to stop something good because you are not getting what you want to get, like I said sleep well tonight. Pat Swett called for a point of order, I think we are getting off. Mark Hounsell responded no I am not getting off, I am answering the question. Chairman Mosca concurred he is answering the question. Mark Hounsell stated I am not done yet Mrs. Swett so you may get a Hounsell headache before I am done. Chairman Mosca responded go ahead Mark. Mark Hounsell continued my point to this question is that this is a vote about the future. If you don't like the way, the school board has made its decision about the facilities then I would encourage you and ask you to please run for the school board. This isn't the school board, this is a budget committee, if you don't like that we haven't closed a school don't take it out on the kids. Run for the school board and change the policy. Vice Chairman, Jim LeFebvre responded I will defer.

Dick Klement asked we are talking about article 6, aren't we? Chairman Mosca answered yes, we are talking about the CEA contract. Dick Klement commented ok I wasn't quite sure. If I might speak to that. My math says it's about a 4.5% increase per year. Chairman Mosca responded it is 4.3 and 4.25 is what the actual break down is because of the way the multiplier works, but yes, it is a 13.5% overall, but the way the multiplier works. Dick Klement commented so I personally receive 3/10 of 1% social security raise and you that's the way the world works. Who's going to pay for this raise for the teachers? I mean if you don't subtract some money someplace else, you are asking the taxpayer to pay more money and you get

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to the point where and my feeling is at some point you run out of other people's money.

Pat Kittle commented so I will not be able to vote on this I will abstain because I am a spouse of a teacher here in the district. I have been involved in operating a number of union facilities in the past and I have negotiated contracts with union employees. Even from a management standpoint, and there are different times when we have done short term contracts, but most of the time we tried to do longer term contracts. It just provides a certain amount of stability both for the employees and management group. As long as when you look at the contract the increases are what you would see in a year by year contract, I think it is a reasonable way to go. I think there is some benefit and stability. I recognize folks who are a little uneasy about committing to this year, next year and the following year, but there are some true benefits to that as well.

Bill Masters commented I think there are benefits for long term contracts, there is no question about it from both sides. I keep going back and saying this is a typical solution of throwing more money trying to get something stabilized. I have had a lot of experience dealing with development programs and opening up new programs and offices and staff. It takes a minimum of 3 years and we have a system here where you have only 2 years at the middle school. I see a phenomenal benefit for the students to, they come in have their first year to get accustomed to the new facility and the protocol that goes with that. The second year they are getting into the academics and the third year is to show what to do. I can tell you from my own personal managerial experience that it takes well educated people coming into new systems at least 3 years to operate up at a journeyman level. So basically what we are doing is short changing the middle school kids by not giving them that third year. First year they get in, second year they are more comfortable with it and third year to show what they do. As it stands now, the first year they walk in the door closes and the second year it hits them on the fanny on the way out. That doesn't give them a chance to really deal with it. I am in favor of dealing with these issues and I am in favor of long term contracts. I think it has to be coupled with that fact that you can get the focus is educating the kids and giving them the best education and we are not doing that at some point and time it is beyond my imagination. Chairman Mosca responded I don't know about anybody else in this room but when I was in middle school it was only 7th and 8th grade and I know it has changed since I have gotten out of school but it is what it is.

Mark Hounsell asked are we talking budget or are we talking policy because this is not a policy committee. It's a budget committee and what is before you is a warrant article put before you by the school board that reflects a policy and a strategic plan. I think our discussion should be around the fiscal impact of that not whether or not we should have this school open and that one closed or what the curriculum is. Chairman Mosca answered I agree and I allowed some leeway and I will rein it in. Mark Hounsell further commented I don't mean to say that those people who were talking fiscally about not liking a 3-year contract that is legitimate debate, but

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talking about whether we should. Chairman Mosca responded I agree I have allowed people leeway and I will rein that in.

Pat Kittle commented I was thinking about you had said Bill earlier about the reduction in force and I don't think, I recognize that without a one year contract year after year that takes a certain amount of pressure that can come to bear on that. Even with this, if this passed the school district can still reduce force, they can still do that, it's just that it sets the wages for the people who are remaining, I believe that is correct. Chairman Mosca responded that is correct. Bill Marvel responded yes that is correct but the politics of it make it affective and the school board only recently started reducing. We have, we were told a 4% reduction in workforce and a 4% reduction in students, but we have had over the years, I forget what the exact figures were now, about 25-30% increase in students and a 194% increase in teachers. So, we are not gaining. Educational staff as opposed to bus drivers and custodians and not all of that staff is covered by this contract, but it's the major contract and there will be another for the non-contractual.

Chairman Mosca commented everybody knows my feeling I am a huge proponent of multi-year contracts, I have negotiated several of them myself. I think as Pat said it brings stability, lets everybody know what is coming, what they are giving up, what they are getting and it lets the new people know the same thing, this is what it is. I have my reservations about the cost but looking back over the last couple of years the cost are in line with what has been approved for the last couple of years. I still haven't decided how my hands going to go.

John Edgerton commented I am possibly going to pass this but I don't like the 4% increase and what it is going to do for me is make the next school budget extremely tough to pass if it even has a 2% increase.

Mark Hounsell commented I know that and I believe that to be a sentiment that people would respect. For next year, I am willing to look at these areas and I want to have the time to do it. Health insurance is a place that we can look, but just like everything it takes time. There are opportunities I believe in front of the district where we can look at outsourcing health insurance from other vendors than what we have been told is a limited few. This doesn't seem to be that is the case there's not a limited few we need the time to do it. Chairman Mosca commented and when you are negotiating contracts every year it takes up a lot of time.

Vice Chairman, Jim LeFebvre commented just a look at the entire situation here we have a possible \$36 million school budget, a bond issue of \$2.1, a teacher's contract of \$1.4, if all these issues pass, if I recall properly, will the total increase be somewhere in the range of 9%? \$1 / \$1,000. Chairman Mosca commented for a \$200,000 house it is going to add \$200 to your tax bill. But the town has kept the same figure for the last 3 years.

Bill Marvel asked I was wondering Mr. Chairman what your thoughts were on the legality it set aside, on the clarity of the cost of the contract in the warrant article?

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Chairman Mosca answered I have had contact with at least three different people from DRA and everybody is different. Most people say that there should be some type of total, whether cumulative total or aggregate total, but the one person actually sent me what they send out is what they would say is approved and it is pretty similar to the language here. So, it depends on who you talk to and it depends on the different day of the week. I know that the town was told one thing in 2014 and the same person that told the town something in 2014 told me something different a month ago. I don't know how things change but things change. Bill Marvel commented my question was what you think of the clarity of this. Chairman Mosca answered I think the clarity, I don't think anybody is going to be mistaken looking at the numbers, it's a \$1.5 million contract. Well, \$1.4 million and if you do it cumulatively it is \$2.8. If we pass a one year contract every year it is still cumulatively cost the same amount of money. Bill Marvel commented but every year you see that and you know that. Until Pat mentioned that this is more than \$1.4, I didn't catch on and I am fairly conversant with the English language. Chairman Mosca commented like I said, I think if it were challenged, whoever challenged it would lose, I do, unfortunately.

Mark Hounsell commented they would lose because we have written correspondence from the DRA on this point and this warrant article is legally prepared and it is a proper one and it is in line with what we have done for contracts. To say it is \$2.8, well of course it is, it is a matter of math to get to that. To say that is going to be the cost of that is errant, it is not going to be the cost of it and that can be proven by historical fact, these costs are estimated costs that are overstated in most cases and every case that we have. So, I yeah, it is \$2.8 million cumulative but it would be anyway. I believe it is an attempt to take the eyes off the importance of it and put it on something that doesn't even make sense to consider it. If the question is whether or not the people are going to be confused, well they shouldn't be we talked about it for two months now and we got another month to go. Chairman Mosca commented I think there has been enough written and everybody's point of view has been stated. Again, the DRA has approved it and that's all we need to worry about.

Bill Masters commented going back to what Bill said, the average person that I talked to out there has no idea of what they are voting for and what it is going to cost them straight across the board. The point being that's well taken in terms of not understanding what these things mean to them in a long-term basis, unless it is printed in black and white. Chairman Mosca commented like I said the last couple of contracts were about the same amount of money, if you add them all in its one year, one year, one year or 3 years it is still going to cost the same no matter if you pass three 1-year contracts or whether you pass one 3-year contract. The cost is going to be the same, the cumulative cost is going to be the same. You get to vote 3 times.

Pat Kittle asked assuming this passes next year when we sit here will we have another article that asks for that. Chairman Mosca answered if it passes on election

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day that's it, it is what it is. Pat Kittle asked we still have the budget but you have no warrant. Chairman Mosca answered right there's no contract for 3-years.

Chairman Mosca commented I think we have talked about it enough and everybody knows what they are going to do.

Doug Swett commented like I said the other day if you can write these yourself and not be controlled by the DRA, you could explain it a lot better to the public, but you are not allowed to do it.

In favor: 4; Opposed: 9; Abstain: 2. Motion defeated.

Article 7: That budget, raise and appropriate \$36,240,608, with a default budget of \$36,234,101.

Motion to accept the motion, so moved by Mark Hounsell, second by John Colbath.

Discussion:

Mark Hounsell commented I will answer anyone who wants to go next.

Chairman Mosca asked any motions, any line items, and any reductions.

Steve Steiner commented last night we had a chance to listen to a gentleman who comes to these meetings every year, Bob Barriault. He has, what blows my mind, he is like the only man that shows up at the meeting and ask questions, but the rest of the taxpayers should be there too asking questions because if they knew their tax bill was going up by a minimum of \$59/\$100,000, which is devastating and now I hear possibly \$100/ \$100,000. It is going to be devastating not only to residential homeowners in this town but to businesses. The school has to do something with its budget. You know I hear about the needs based budget, taxpayers need a break. Chairman Mosca commented to your point didn't Mr. Barriault say he was in favor of the school budget, he had an issue with the contract because he didn't see enough coming back, but he said I believe he didn't have a problem with the dollar figure of the contract. (Discussion ensues with multiple people speaking at one time). Steve Steiner continued to comment what I would like to see is I want to see a budget that has a definite difference, so people have really two budgets to vote on. I mean right now the present difference is \$6,500. I mean I would like to see, I would make a motion for a 13% reduction. Chairman Mosca asked which is how much, what is the dollar figure? Steve Steiner answered \$4,711,279.04. Chairman Mosca clarified so you want to reduce the budget by \$4,711,279,04? Vice Chairman, Jim LeFebvre commented I will second it for the purposes of discussion because I don't believe anyone in this room should be silenced. Steve Steiner commented it is \$31,529,328.96. So, by closing a school, by increasing class sizes, reduce staffing and some administration we should be able to get to that number.

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Discussion:

Dick Klement commented I believe that when we do a percentile reduction we can't include things like bonds and stuff like that and I will probably need some help from Kevin. Chairman Mosca responded you can do a percent on the budget, you can do whatever you want, it's not touching anything else the issue comes if it were to pass the school board could add back 10% then the DRA would start looking at warrant articles after and before to make up the difference in funding.

Steve Steiner commented at the beginning of the budget season we all voted and passed a motion to send a letter to the school board for level funding and obviously, they didn't get the message. Chairman Mosca responded there was an email that I sent. Steve Steiner further commented but the town heard it and I just think that if the town can hold their budget line for three years, the school should be able to do it too. Chairman Mosca responded one the town hasn't held their budget line for 3 years, the town budget has increased every year for 3 years. The tax rate but they have more money, they have a rainy-day fund that they can actual take money out of to help offset the taxes and the school doesn't.

Mark Hounsell asked we are talking about a \$4 million dollar cut, I would like to know which line items that \$4 million dollars would come out of because I think it is important for good budgeting to be able to identify those areas of cuts instead of just lopping at the bottom which is a lazy man's way of doing it. Steve Steiner responded, like I said earlier increase class sizes, personnel cuts, close school. Mark Hounsell asked so you are talking policy? Steve Steiner answered you asked a question I gave you an answer. Mark Hounsell asked well what line items you didn't give me that? Steve Steiner answered as you know Mark we vote on the bottom line.

Bill Marvel asked will I be able to extrapolate into the current budget if I am going to talk about the reduction. Chairman Mosca answered you are going to talk about the 13%. Bill Marvel responded well no, actually I was going to reflect on it from the budget as it is, may I? Chairman Mosca answered yes, I will give you a little leeway but if I think you are going way off I am going to stop you. Mark Hounsell commented the motion is on the cut. Chairman Mosca answered right the motion is on the cut, that's what we are discussing.

Bill Marvel commented generally what I was going to say is that my thought is that the budget should be reduced significantly, but those reductions should be very gradual, that's my complaint about the contract. Having a chance every year to make sure we have a reduction in the major cost item which is personnel. That's one of the things Bob Barriault said last night is that most of the budget consist of things you can't touch, so that is what you have to reduce. Wholesale cuts while they are certainly appealing, I would

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love to pay that much less in taxes but it just seems destructive. I think it would be much more credible to widdle away, but that's what I want a chance every year to widdle.

John Colbath commented with both the town budget and the school budget, we have been through a whole budget season here. I think both entities did a good presentation and most of the increases were related to such things as healthcare benefits. There was an increase of a position at the middle school, a liaison position at the school, but most of the increases and there were some decreases fell into the 2-4% range. In the career and technology center, I think there is a 5.64% increase and I don't remember what that is related to, but I think it is the addition of a new program. So, I think the school board has been very reflective of trying to keep it a zero budget and most of the increases at both the town and school were things that are out of the control if we continue to offer the benefits that we offer.

Dick Klement commented in reading the data that was provided to us by the school, the school budget is \$894,987 over last year's budget. If we look at the elementary schools, we are spending \$1,260,000 over the state average for students. Middle school is \$196,000, but the high school is under the state average by \$320,000. I would submit to you it has to do with economy of scale and that reducing the budget by a \$1.2 million would bring the elementary schools down to the state average but you can't do that unless you close a building. You can't because there are a lot of onesies at each elementary school. You can't say that ok I am only going to have one fourth grade teacher when there are 60 kids. It's the only logical way to get down to the state average or approximately the state average I would think that is doable if people want to do it.

Chairman Mosca commented we are on the 13% reduction, anybody else want to add anything before I call for a vote.

John Edgerton commented the last time this happened the school board put back in 10% which is only 9%, so that the overall interest here instead of 3 is only going to be 4% less. You take 100% and you take 10% off you get 90, you take 10% off that is 9, ok, simple mathematics.

Chairman Mosca commented if I am looking at the numbers right the proposed operating budget for the town is up 2.5%. The proposed operating budget is up 2.35%. People are saying that the town has staying in line, I am just stating facts as presented. Think we have beat this horse.

In favor of Reducing the operating budget by 13%: 2; Opposed: 13; Abstain: 0. Motion defeated.

Dick Klement moved to propose a motion that the school budget be reduced by \$1,260,000, that would be to reduce the cost of education at the elementary schools to the state level. Jim LeFebvre seconded for the purpose of discussion.

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Discussion:

Mark Hounsell commented using the budget process to leverage a policy decision is not the appropriate function of this board. I would encourage people to run for the school board if they want to do something like close the school. That's what it comes down to \$1.2 million from whatever, because the real reason is to cut a school. That's not the point that's not the issue, the school board is not cutting a school. So, find another place for the \$1.2 million or run for the school board and change the policy.

Chairman Mosca asked the bottom line would be \$34,980,608. Any further discussion on the motion to reduce by \$1.26 million.

In favor of Reducing the operating budget by \$1.26 million: 6; Opposed: 7; Abstain: 2. Motion defeated.

Chairman Mosca asked any other reductions, line item changes? Okay we are going to vote on article 7. All those in favor of the operating budget at \$36,240,608?

In favor: 9; Opposed: 6; Abstain: 0. Motion carried.

Old Business/ New Business:

none

Other – open to public for questions:

none

Mark Hounsell moved, seconded by Mike Fougere, to adjourn the meeting at 9:11 P.M. Motion carried unanimously.

Respectfully Submitted,

Lisa E. Towle, Recording Secretary

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