

MUNICIPAL BUDGET COMMITTEE

Wednesday, January 17, 2018
Professional Development Room
Kennett Middle School, Conway, NH

Chairman Jim LeFebvre called the meeting to order at 6:35pm. The following members were present: David Jensen, Mike Tetreault, Terry McCarthy, John Edgerton, Steve Steiner (arrived at 7:18 p.m.), Doug Swett, Bill Marvel, Joe Mosca, Bob Drinkhall, Mike Fougere, Pat Kittle, John Colbath, and Bill Masters Also present: Lisa Towle, recording secretary

Excused: Pat Swett and Ted Sares

Mr. Edgerton led those present in the Pledge of Allegiance.

CHAIRMAN LEFEBVRE'S OPENING REMARKS:

- This is the second Town session with review of budgets for Conservation, Police, Recreation Department, and warrant articles.
- January 24, 2018 at 6:30 is the second School session.
- January 29, 2018 at 6:30 is the final session for the Town, please get any provide questions in writing no later January 27 to assist in efficiency at the meeting.
- January 31, 2018 is the non-profit session, which in my absence Mr. Jensen will be running this meeting. Please be prompt as there are a lot of presenters that evening.
- February 13, 2018 is the last day for petitioned warrant articles to be presented.

CONTINUATION OF TOWN BUDGET REVIEW:

Robert Adair, Chair of the Conservation Commission presented the proposed budget.

- The commission manages 11 properties, 2500 acres of town land including 450 acres of State owned land.
- The budget is \$3,000 less than last year.

Chief Wagner and Lieutenant Mattei presented the Conway Police Department Budget.

- The overall budget is \$3,911,113 with an increase of \$10,919 over last year.
- Personnel: regular officers increased by \$12,597 which includes a \$20,000 AG grant.
- Salaries increased by 3% due to raises per the union contract.
- Dispatch OT line was increased by \$6,500 to allow for staffing of 2 dispatchers between 8:00 a.m. – 12:00 a.m.
- Retirement increased by \$36,253 that is the full years increase set by NHRS which raised the percentage to 29.43% for Group 2 employees.
- Health insurance had a 10% decrease in premiums but increased by \$67,910 due to changes in personnel elections.

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- Office equipment decreased by \$5,500 after knowing the actual cost outsourcing of transcripts.
- Vehicle equipment decreased \$3,000 as they have completed the conversion to the new Ford interceptor, therefore there is no need to buy new equipment.

Questions:

Mr. Edgerton: With only one dispatcher on at a time how are they covered? **Chief Wagner:** We are scheduled to have 2 dispatchers from 8 am to midnight with the secretaries covering as needed. However, midnight to 8:00 a.m. there is only one dispatcher on and no coverage for breaks.

Mr. Edgerton: We have heard that rather than calling 911 a quicker response can be received by calling 356-5715? **Chief Wagner:** That is for sure.

Mr. Masters: Is there a problem with the communication system in terms of dead spots, are you experiencing this, and how is it being addressed financially? (further discussion was withheld until warrants were discussed)

Mr. Masters: What would be an estimated cost for an SRO? **Chief Wagner:** Depending on the marital/family status it could be approximately \$75,000 - \$85,000.

Mr. Marvel: Professional services legal costs shows \$444 left is that good fortune? Is the 800% remaining in 2017 a typo? **Chief Wagner:** Yes, it is good fortune and the 800% looks wrong ☺

Mr. Marvel: What is the difference between NHRS group 1 & 2? **Chief Wagner:** group 1 is police and fire and group 2 is everybody else.

Chairman LeFebvre: The OT budget last year was \$95,000 and you spent \$116,000, can you comment on that. **Chief Wagner:** The OT was related to being short staffed, which has been since April 2017 to present, however, we did hire someone who is presently at the academy.

Chairman LeFebvre: Can you and Ms. Gilligan in your perspectives comment on how healthy the NHRS is, should we anticipate seeing an increase in the amount of money we contribute, and do we have enough money in the system to cover needs? **Chief Wagner:** It is my understanding that group 1 is healthier than the fire side and group 2. **Ms. Gilligan:** As part of the standard protocol there is an increase every other July, you can refer to the audit report as they must report how much they are underfunded. I don't have a further opinion on meeting needs as I am not a NHRS specialist.

POLICE DEPARTMENT – WARRANT ARTICLES:

Lt. Chris Mattei presented the warrant articles:

- #4, The police department CBA for 2018-19, 2-year contract calls for \$8,365 increase the first year and \$48,333 increase the second year, for a compounded total of \$65,063. The

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addition to the contract is \$500/year increase for special assignments. This is a \$35,000 decrease from the 2016-17 2-year contract.

- #12, The request for appropriation of \$70,000 for the CRF (Capital Reserve Fund) for Police Vehicles. With an expected balance of \$59,000 at the beginning of 2019, the hope is to be able to purchase vehicles earlier and at the current year price. Ultimately, building the account up so that in 2021 we can order 2 vehicles at a time at current year price.

Chairman LeFebvre: How is the maintenance on the current vehicles, any blown engines? **Chief Wagner:** We have, as we went with a different type of turbo charger engines and we are having some difficulties, however, we have converted to a different engine this year.

- #14, To raise and appropriate \$450,000, through grants and contributions to for a new console system at the police department. The current system is from 1988-89 and was a hand me down from the Carroll County Sheriff's Office. During the 911 conversion it was discovered that first responders couldn't communicate with each other. In 2005, the State provided a grant from Homeland Security to upgrade most of the communication systems. For years we have dead spots in town and I don't think you can ever get rid of them, but I would like to limit them as much as possible. The main dead spots in the district are at KHS and Memorial Hospital, being you can't communicate when you are inside these buildings, this is also affects the fire precincts. The current console runs off Windows XP, which is no longer supported by Microsoft and if it goes down we can only do band-aid fixes. We can upgrade the system for \$25,000 - \$35,000. In addition, the digital interface unit allows communication from one entity to another, which is no longer being supported by the manufacturer as of 2018. The life expectancy of the current system is 10-12 years and we are at 13 years, it could last another 10 years, but we can't take the chance. We have applied for a \$450,000 grant through the State, we have been told that there is only a 20% chance we would get it as well as the system we are looking at would not qualify. If we get this grant we can put it in this warrant article and spend the money in 2018.
- #15, To establish a CRF for Police Communication Equipment, for future replacement cost approximately 15 years out. The Selectmen approved to put \$100,000 in this fund.

Questions:

Mr. Jensen: How does the decision of NH opting out of the Nationwide First Responder system, affect your decision? **Chief Wagner:** Well the Governor opted out then a week later opted back in. We have been in communication with the NH State police to see if we can get on their towers and we meet with them in a couple of weeks to see if this is possible. We also received a letter from a company in Portland, ME, that saw an article in the Conway Daily Sun and proposed they could complete the project for \$350,000, we will be meeting with this company to review their proposal. This is a serious thing we need to do as our only back up is the Sheriff's Office and it is unclear how long they could sustain taking on our calls before needing more staff or upgrading their system.

Mr. Jensen: Do the State police experience the same dead spots? **Chief Wagner:** Fundamentally it is a different system, which is the system we are looking to acquire. The

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problem is the terrain and you may never get rid of dead spots, they just won't be in the middle of Route 16. The system basically has different towers and once you key the mic it cast to all at once and then in a circle fashion it figures out which one is best to transmit back to the police department.

Mr. Jensen: When you reach out to the fire departments do you need to reach out to them individually or can you reach out to all of them at one time? **Chief Wagner:** The fire departments are on a totally different system which is analog compared to our mandated digital system. They all go to the same channel, but when we tone them out each fire department has their own signal even though they speak on the same channel.

Mr. Marvel: Questioned the need for a 15-year CRF rather than asking for the money in 15 years when it will be needed. **Chief Wagner:** The flip side is 1.3 million now or over time, not sure which way is best. **Mr. Marvel:** That is why we have bonds. **Mr. Edgerton:** You are taking tax money now and not using it for 15 years, when you could obtain a bond, as the person using the bond pays for it, and there may be some way to finance it. **Chief Wagner:** We are at a critical point with the communication system and we are working on obtaining different bids which could result in the system being cheaper. If we don't get the grant, in my opinion I think we should bond it out.

Mr. Edgerton: Something to think about is putting police and fire on the same integrated system. **Chief Wagner:** It can't be the same system as the fire precincts won't go digital and the police were mandated to go digital in 2001-02.

Chairman LeFebvre: Can you talk more about the one bid for \$1.3 million and one for \$350,000 from Portland, ME. **Chief Wagner:** Radio Communication Management in Portland, ME contacted us based on an article they saw in the Conway Daily Sun. They advised that they did a similar system in Lincoln, ME using Cellex and Zetron Max opposed to Motorola for less than \$350,000. However, they did use the word upgrade, so we are not clear if it was only an upgrade or replacing the whole system.

Mr. Colbath: Ossipee Mountain Co. provided a convoluted presentation, where they presented a wonderful State Police system where they can communicate from the seacoast to the Canadian border, it was stated they were not willing to share, yet now 2 weeks later they may be willing to share, there are just too many unknowns. The town has not prepared for future and the system needs replacement now and we don't know the best way to fund it as there are so many variables. **Chief Wagner:** We will know it the spring if we get the \$450,000 grant, although the money will not be dispersed until the fall.

Mr. Mosca: The wording of the article is confusing as it states raise and appropriate then it says the entire project would be funded out of grants and contributions, don't we have warrant articles because of the effect on taxes. **Ms. Gilligan:** To spend money, grant or otherwise, it must be authorized by the town.

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Mr. Mosca: You are looking to install a new console for \$450,000 +/- now and create a CRF at \$100,000 per year for the next 10 years, that's \$1 million plus, why are you looking to double it now? **Chief Wagner:** The \$1.3 million quote was to do the entire system, the \$450,000 will just do a replacement of the current dispatch console. The other \$900,000 is for towers, radios, simulcast systems, etc, but I don't think that part of the system is bad. Honestly, I don't know where we will be in 15 years.

Chairman LeFebvre: With the inability to communicate at KHS, how do you communicate with the SRO? **Chief Wagner:** We use a land line phone as we also have limited cell service there.

Mr. Tetreault: Will this upgrade require the fire departments to upgrade as well. **Chief Wagner:** The fire department upgrade will be included.

Parks and Recreation Department:

John Eastman presented the Parks and Recreation Department budget.

- The overall budget is up \$13,772, primarily due to rec personnel, with 3.5 FT and 24 PT year-round staff. The other categories are down or flat from 2017.

Questions:

Mr. Marvel: Does the personnel budget just salaries or does it include benefits. **Mr. Eastman:** It is just salaries. **Mr. Marvel:** The insurance is taken care of by the town? Do you know what the figure is for the insurance cost? **Ms. Gilligan:** I don't have that figure.

Mr. Steiner: Where are the negotiations with between the town and school regarding the potential rec department moving to KMS? **Mr. Holmes:** That is not ripe for discussion as negotiations are ongoing and once they are settled the results will be made public.

TOWN WARRANT ARTICLES:

Mr. Holmes and Ms. Gilligan presented the proposed warrant articles, which have been passed by the Board of Selectmen.

- #3, the operating budget of \$11,078,998 and the default budget was supplied by email and hard copy this evening to all committee members.
- #4, previously discussed by the police department.
- #5, the request for a special meeting to address article items only.
- #6, \$850,000 for the Infrastructure Reconstruction CRF (current balance is .00), to be used for deferred paving projects that have fallen behind in previous years (Thompson St., Grove St., and Seavey St.). **Ms. Gilligan:** These projects total \$925,000 that will be offset by the \$167,572 highway block grant (handouts were provided to all).

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Mr. Kittle: If the warrant article is successful all the money will be expended on these projects. **Ms. Gilligan:** As long as we stay within budget \$91,172 will be left at the end of 2018.

Mr. Mosca: \$850,000 seems high compared to past years, is there a way to smooth it out?

- #7, \$350,000 for the Highway Equipment CRF, to be used for a roller, basin cleaner and truck, and grader. There is presently \$235,276 in the fund.

Mr. Marvel: Regarding CRF, when it is going to be expended for something we buy every year, I have no objection, rather it is when the funds go on for years that I have an issue.

Mr. Jensen: Is the town willing and able to hire out the basin cleaner to generate revenue? **Mr. DegliAngeli:** There are many problems with that, being we have one basin cleaner and 700 structures to take care of every spring and fall, as well as a short list that we clean after a major storm. We would be overwhelmed as if we did for one we would have to do for all. **Mr. Colbath:** It would be a liability issue as well.

- #8, \$135,000 for Solid Waste CRF, no purchases anticipated for 2018 and you will see that it is drawn down to \$3,300 in by 2020.

Mr. Mosca: To help offset the budget and keep the tax rate stable, can you forgo putting anything into the CRF and bump it up the next 2 years? **Mr. DegliAngeli:** It is up to the committee to make that request to the selectmen, but you are really robbing Peter to pay Paul. We have a fiduciary obligation to the tax payers to keep up with maintenance.

- #9, \$65,000 for Landfill Expansion CRF, for the anticipated cost to close a cell and open another. The life expectancy of the landfill has been extended due to the success of recycling.
- #10, \$250,000 for Maintenance of Town Buildings and Facilities CRF, for a long-planned expansion of 2 bays at the highway garage, installation of a video camera system at the transfer station and replace the boiler at the library.

Mr. DegliAngeli: This building is from 1988 and although we don't have more staff (we do borrow from Parks and Recreation and the landfill), we have more equipment, which is how we cover more ground with larger more efficient equipment.

- #11, Parks Department Vehicles and Equipment CRF, \$7,000, no anticipated purchases in 2018, eventually building up to purchase a new van that is used to transport kids to events.

Questions:

Mr. Edgerton: Potter Rd is not part of the CRF for Infrastructure? **Mr. DegliAngeli:** We don't have any gravel roads on there. The repair on the bridge came out of general highway repair.

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Mr. Masters: In the CRF for infrastructure what was deferred paving project for \$235,000? **Mr. DegliAngeli:** Due to the economic recession, we were asked to hold level budgets and we couldn't take away from compensation, utilities, or salt. The economy got stronger (as indicated by the current prices) and we are playing catch, which is spread out over 3 years.

Mr. Masters: Is the NH DOT tied into the Route 16 upgrade? **Mr. DegliAngeli:** It is an LBA (Local Public Agency) project, which means we are going to develop the contract, design, permit, build, and fund the project. DOT will reimburse 90% and what you see here represents our 10%.

- #12, previously reviewed by the police department
- #13, \$75,000, Public Education / Government Cable TV PEG Trust Fund, which is level funded and we often have a surplus from cable franchise fees.

Chairman LeFebvre: How much is the rent paid by Valley Vision? **Mr. Holmes:** I think it is \$8,000.

Mr. Tetreault: Is there a reason you keep \$40,000? **Ms. Gilligan:** It is the amount that is needed to pay the bills to Valley Vision from January 1 – town meeting.

A brief discussion ensued regarding plans for the present town hall upon relocation of the town offices.

- #14, Communications Console for Police Department, previously discussed.
- #15, Police Communication CRF, previously discussed.
- #16, to increase the 3 Supervisors of the Checklist compensation by \$500 based on the State law requirement to attend precinct meetings and the increased work load.
- #17, \$2 million for Multi-Purpose Path, this is a private group and it is entirely funded by sources other than taxes. They have \$1.3 million in grants that the town must be the receptacle for.

Mr. DegliAngeli: This trail will go from Cranmore to Hemlock trail head and is anticipated for those who want to get out and take a stroll. They do have a maintenance fund with \$300,000, it will be paved but not plowed in the winter. The path will not cross any snowmobile trails; however, we have been working closely with the local snowmobile club regarding gates.

- 18, \$7,500 for a new website for the Conway Public Library to be funded from the Library Trustee Donation Account. **Mr. Smolen:** The library needs their website updated to make it compatible with mobile devices.

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Mr. Colbath: Clarified, these funds are from voluntary contribution for late fees and if monies had been expended out of the jar you would not need a warrant article, however, since the monies went into an account and were saved you need approval to expend them.

Mr. Kittle: What is the balance of the fund now? **Mr. Smolen:** \$19,000.

- #19, to see if the voters will allow the operation of KENO within the town. Keno must be approved in each town for the game to be offered in establishments with valid liquor licenses, such as taverns and restaurants and proceeds benefit all day kindergarten.

Mr. Colbath: This was put before the voters in Laconia and Berlin and was overwhelmingly approved.

Mr. Mosca: This is an article the board is not voting on as there is no money component.

- #20, Property Tax Exemption for Properties of Industrial Use. Rep. McCarthy sponsored this Statute, being that new construction for industrial/commercial properties would be given a 5year, 50% reduction in the property taxes. This does not include agriculture and the building of a new barn; however, they get a current use tax breaks. (further discussion ensued)
- #21, \$10,000 for the Eastern Slopes Regional Airport. **Mr. Thibodeau** provided a copy of the profit and loss statement as well as the 2018 proposed budget. The accounts receivable is high as there are some hanger fees that have not been collected yet. There are 3-years remaining on our versatile tractor lease. The budget is \$270,890 and after all expenses are paid it leaves a balance of \$332. We receive \$150,000 annually from the FAA, which we chose to forgo this year, so we can put the money towards the anticipated 2019 hanger construction. 90% of the funding comes from Federal funds, 5% from State funds, and 5% from local funds.

Mr. Drinkhall: There is no amount next to Carroll County have they not committed? Have they in the past? **Mr. Thibodeau:** They have not committed and up to this point they have not contributed, however, we are asking for \$3,000.

Mr. Steiner: I had read previously that part of the airport was being sold. **Mr. Thibodeau:** There was a proposal from Poland Spring to purchase a portion of the airport for a new bottling plant, but this was quickly voted down by the Town of Fryeburg. **Mr. Steiner:** Inquired of what capital improvements are being made this year. **Mr. Thibodeau:** We are going to concentrate on the transient hanger for larger aircraft and usual routine maintenance.

Mr. Mosca: The runway extension is \$17 million roughly, so the local contribution is going to be 5% or \$850,000. **Mr. Thibodeau:** That does not necessarily hold true in a project of that size. There are two sources of funds through the Federal Aeronautics division, being the entitlement fund (\$150,000 annually) and the discretionary spending

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funds, which is the fund the runway expansion will come from entirely, except for smaller things that need to be done but are not covered by the discretionary fund.

Mr. Jensen: Can you talk about the traffic at the airport. **Mr. Thibodeau:** The count is good, we had a good summer, December had 258 landings and 258 take offs. **Mr. Jensen:** How many of those landing is transient vs local? **Mr. Thibodeau:** The sign-up sheet in the lobby indicates that 60-70% are transient and bound for the Mt. Washington Valley.

Mr. Marvel: Why does Brownfield not contribute to an airport that is on its border? **Mr. Thibodeau:** You would have to ask their select board, a representative goes to their board as I am here to ask for contributions.

Mr. Marvel: Why does Eaton only contribute \$300 and we are paying \$10,000? **Mr. Thibodeau:** We have tried to get more and are fortunate to get anything.

Mr. Swett: I am in favor of this as Life Flight lands there and it is worth the lives that are saved. **Mr. Thibodeau:** That is a critical point that I forgot to bring up as we had a dozen life flights out of the airport. We are the nearest airport other than the helipad at Memorial Hospital as they decommissioned the landing strip at the forest service. We also have Angel Flights, which is a non-profit organization that transports patients with non-life threatening medical needs to their destination for care.

Mr. Holmes advised that there was a snafu with receiving the questions that were presented to the town and they just got them today. For clarification purposes, based on the information provided this evening can we strike question number 6 pertaining to the Conway Police Department? **Chairman LeFebvre:** Yes, that will be fine.

REPORT FROM THE BOARD OF SELECTMEN REPRESENTATIVE:

None

REPORT FROM THE SCHOOL BOARD REPRESENTATIVE:

None

REVIEW OF MINUTES:

Postponed until the next meeting.

OLD BUSINESS:

Chairman **LeFebvre** reached out to Ms. Sands regarding the vacancy and she declined so we will be putting an ad in the paper for another person to fill the vacancy on the Budget Committee.

NEW BUSINESS:

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Chairman LeFebvre reminded everyone that February 13, 2018 is the last day to submit petitioned warrant articles. March 5th and 7th are deliberative session dates.

PUBLIC COMMENT:

None

ADJOURN:

Mr. Edgerton moved, seconded by Mr. Steiner, to adjourn the meeting at 8:35 PM. Motion carried unanimously.

Respectfully Submitted,

Lisa E. Towle, Recording Secretary