

BOARD OF SELECTMEN AND MUNICIPAL BUDGET COMMITTEE

Wednesday, January 31, 2018
Professional Development Room
Kennett Middle School, Conway, NH

Chairman Dave Weathers called the meeting to order at 6:30pm. The following Selectmen were present: John Colbath, Steve Porter, Mary Seavey, and Carl Thibodeau. The following Budget Committee members were present: David Jensen, Mike Tetreault, Terry McCarthy, Doug Swett, Bill Marvel, Joe Mosca, Bob Drinkhall, John Edgerton, Pat Kittle, Ted Sares, Bill Masters, Mike Fougere, Steve Steiner, and John Whittier. Also present: Lisa Towle, recording secretary

Excused: Pat Swett and Chairman LeFebvre

Chair Weathers led those present in the Pledge of Allegiance.

OPENING REMARKS:

- Each presenter has 10 minutes except for the Humane Society who has 20 minutes.
- **Mr. Sares:** Over the years we don't vote until the end of the public hearings which is often a rushed situation, I would urge the group to ask questions today so you are fully informed and ready to vote.
- **Mr. Jensen:** The following is a statement from Chairman LeFebvre; "Of the eleven Non-Profits making a presentation this evening, six receive a tax exemption or abatement. With over \$215,000 in funding requests added to the tax exemptions of more the \$115,000, Non-Profits would, if all requests are supported by the voters, receive more than \$330,000 in funding and exemptions. It is my belief that Non-Profits should have to choose between the funding request or the tax exemption or abatement. Otherwise, they are benefiting from "two bites of the apple", something that a "for profit" business would not get."

NON PROFIT BUDGET PRESENTATIONS:

1. Northern Human Services
Eve Klotz, Area Director, Conway/Wolfboro Region; I am the new director as Jane MacKay retired on January 1, 2018. I have been the clinical director in Carroll County for 17 years working in both Wolfboro and Conway. NHS has maintained a community health office in Conway since 1970, initially in Memorial and Huggins Hospitals then over the years have acquired a building of our own in Conway and Wolfboro. We were asked to have a presence in Moultonborough and opened a satellite office there where we will be integrating into some primary care options. We provide 24/7 emergency services in Carroll County which requires both a psychiatrist and clinician on call to evaluate anyone for acute psychiatric needs. This is an unfunded State mandate, we do have contractual relationships with Memorial and Huggins Hospitals. We are staying level funded and asking for the

same \$10,115. In Conway we saw 276 uninsured or underinsured people, totaling 1,364 hours and \$208,018. The funds from the town help to support underinsured or uninsured who are not the same people in the State mandate group, rather they are people who don't have programming available and this supports them to come in for outpatient services. Without funding we would be limited in what we could do, we could only provide services for State funded clients. We are excited to announce that this year NHS won the contract for the new Carroll and Coos County Drug Courts. We have a full team who have been going through training and starting next week we will be managing drug court. We have contracted with Mary Croasdale to perform LADC evaluations and work with those clients in the drug court.

Questions:

Mr. Sares: You didn't get the requested amount last year you would have ended up slightly in a deficit. **Ms. Klotz:** Yes, that is true, we would have.

Mr. Marvel: It seems implied that the amount requested is based on usership, however, it doesn't seem to be proportionate based on what you are asking for from other towns. For example; Eaton has one client and you are requesting \$358.00; Conway has 276 clients with a request of \$10,000; and Wolfeboro has 126 clients with a request of \$7,500. **Ms. Klotz:** Last year 992 Clients were seen throughout Carroll County and 276 were from Conway and that represents 27% of the Conway residents and the amount of money we are asking for is around 22% so you are getting more services for less money. **Mr. Marvel:** Why do the portions vary so widely? **Ms. Klotz:** I am not sure how This is data collected on our clients and given to me by our controller. We are not asking much more of Conway as we provide a site and see more clients. **Mr. Kittle:** It appears the population percentage matches the request.

Mr. Drinkhall: Do you request money from the County? **Ms. Klotz:** We do not. In collaboration with the Carroll County House of Corrections we will have a therapist that specializes drug and alcohol treatment providing services at the jail. We did get grant funding for this program that the county had to approve as they would be accepting the funds as revenue.

Mr. Steiner: Do you have audited financials and if so, can you forward them to us? **Ms. Klotz:** Yes, we do, and I would be happy to get them to you. **Mr. Sares:** Why do you need that? **Mr. Steiner:** I run a non-profit and if you seek funding you need audit financials as the paperwork shows money is used properly. **Mr. Whittier:** I would make a motion to require that from all of them. **Mr. Weathers:** To my knowledge I have never seen a motion made during one of these meetings, but when we request if of an individual we will have them forward it to the town hall and they will get it out.

2. Vaughan Community Service, Inc.

Denise Leighton, Administrator; we are requesting again the \$17,000 as we are still leasing the current building and we have not gotten our grant funding for the new food pantry. We are hoping to start building in the Spring if we have all our funding together.

Questions:

Mr. Marvel: Last year you served 3341 people is that 3300 diff services or different people? **Ms. Leighton:** We do have duplicates each month, especially the elderly and those on a fixed income who come in monthly to use the food pantry, but we also have new clients.

Mr. Steiner: Do you have audited financials? **Ms. Leighton:** We are no longer required by the State to provide an audit financial, which was cost prohibitive for us, so the board decided to do a compilation.

Ms. Seavey: I support Denise it is more important to feed a mouth than how many people come. Mouths need to be fed, so if those people want to come in every week to be fed that's a mouth fed versus 330 people coming in, so its how many meals you are giving out.

Mr. Porter: The economic outlook is not promising and there is an increasing burden in the valley on the food pantries. There are a lot of families having issues on a regular basis, what the community and Vaughan do is hats off and we shouldn't question them.

Mr. Colbath: The 3384 clients represent duplicate business; however, the unduplicated number is the 142,170 meals that were provided over the last year to Conway residents who came to the pantry. **Ms. Leighton:** We provide families with 2 weeks' worth of balanced meals, thanks to many entities such as Hannaford's and Walmart. **Mr. Mosca:** 664 of those clients were over 60 and 980 were under 18, half of people are elderly and kids and that is significant.

Ms. McCarthy: If the food pantry wasn't there the town would have to come up with a lot more money for individuals to eat healthy.

Mr. Colbath: There are other food pantries in town like the Brown Church, however the White Mountain Community Health Center food pantry has closed, and those people are shifting to other places for services. **Ms. Leighton:** We have been asked to be a satellite service for White Mountain Community Health Center's clients in need of food, which will be an after-hours service.

Ms. Leighton: We also have a discretionary fund that allows us to help those who the Town of Conway can't and in the last 2 weeks I have provided \$1,500 towards fuel as fuel assistance has run out and people are out of money.

Mr. Drinkhall: Under income-donations, in 2016 it was \$2,500 and 2017 \$178, is that something you do fundraising for? **Ms. Leighton:** This is unpredictable general donations, such as when we receive an unspecified check to Vaughan. **Mr. Drinkhall:** Do you do fundraising? **Ms. Leighton:** Yes, last year we expected \$9,500 and received \$10,375.92.

Mr. Whittier: Part of your business is under the 501c3 tax code? All of it is, where the Learning Center receives State funding it used to be required to have an audit, however it was stopped 2-3 years ago.

3. Vaughan Community Service, Inc. DBA Vaughan Learning Center

Heather Ouellette, Director; we are requesting the same \$3,000 to help with subsidize the cost for families you are just above the guidelines to receive State assistance. We offer a sliding fee scale to help families, but some of them still just can't do it and the \$3,000 helps us.

Mr. Marvel: The 20% increase in salaries, is this for an extra person? **Ms. Ouellette:** That is for extra staff as, the State allows us to have 100 kids and that is where we are at so that is the need for an extra person. We also gave staff wage increases; however, you will see that they are still not making much at \$19,000 - \$22,000 annually.

Mr. Marvel: In the past you did not have bad debt, yet last year you had \$12,000. **Ms. Ouellette:** A couple years back we had a director that just didn't work out and we have been trying to collect this with some success, but we had to write the rest of it off.

Mr. Steiner: Do you have an audit financial? **Ms. Ouellette:** No, same answer as before.

Mr. Steiner: It looks like you raised \$500,000, it is my understanding that after a certain amount you must report it. **Ms. Leighton:** In my 28 years, I have never seen the building filled like it is now, and she is at capacity, but I will check into this.

4. Tri County Community Action Program Inc./Blue Loon Bus

Brenda Gagne, Transportation Director: we are asking for level funding at \$4,000 to support the Blue Loon Transit in the Town of Conway. A portion of the funds we receive from the town will go to support long-distance trips, the rest of the funding will be applied to the operating cost to match the federal money received every year. We saw a 2% increase over last year with an increase in trips for Medicaid recipients and veterans. We need to recruit more volunteers as there is a large need for Medicaid recipients and veterans who need trips outside of town. We have been able to save a substantial amount of money by cutting back on expenses, one of them being the vehicle repair costs. We have a strong maintenance department and I can say that the busses are in good operating condition.

Mr. Colbath: You are referring to preventative vehicle maintenance rather than repairs?

Ms. Gagne: Yes, we always did preventative maintenance, and our new fleet manager has

gone to Ford for further training on servicing the busses. Our entire fleet is now in wonderful shape and we just had our DOT audit and they were very pleased as well.

Mr. Weathers: Are the volunteers using their own vehicles and are they being paid mileage? **Ms. Gagne:** Yes, they have a mileage reimbursement and tolls.

Mr. Drinkhall: You have a cost of unit of service cost of \$34.01, but I don't see a cost for vehicle depreciation, what would be the true cost per ride including gas? **Ms. Gagne:** We figure out costs based on the allowable cost according to federal guidelines we must follow, and depreciation is not inclusive. I will be happy to find out the answer and get back to you. I know that when we complete our monthly productivity report on all of our vehicles for DOT we are not allowed to include depreciation as part of the cost as it is not reimbursable. We operate the busses, but DOT owns 80% and TCCAP owns 20% until they are no longer in service then the agency takes the depreciation costs not the program.

Mr. Marvel: I presume "trip" refers to one way? **Ms. Gagne:** Correct.

Mr. Marvel: Last year Robert Boschen mentioned that you had been reviewed by a rural municipality in Kansas to see if they wanted to do the same thing and I was wondering if you knew which community it was? **Ms. Gagne:** We did they contacted us and came up to Berlin and met with other providers throughout the State, however, I don't remember the location.

Mr. Whittier: A depreciation schedule on a vehicle wouldn't show up on a profit and loss and doesn't affect the non-profit as it wouldn't account for direct income, however it would show us on audit financials. **Ms. Gagne:** We have those.

Mr. Drinkhall: Have you asked for county funding. **Ms. Gagne:** We asked once in 2010 and have not asked since as we felt it was double dipping by asking both the town and county.

5. The Conway Area Humane Society

Virginia Moore, Executive Director and Nathan Miles, Chair; we are here to request a town warrant. We have been and continue to provide services to the community. We are in the process of growing our services including spay and neuter, taking in strays, handling cruelty cases, and a lot of animals that need our care and this would continue to help fund that. This year we have had several cruelty cases come into the shelter from Conway and meeting their medical needs have been costly to the shelter.

Question:

Mr. Sares: The increase I am seeing seems to be reflective of the Wolfeboro situation.

Ms. Moore: Although, we did take in some of the dogs from the Wolfeboro case, I was referring to cruelty cases in Conway and we had four of them last year.

Ms. Moore: We are asking for \$10,000 as this is the first time we have asked for warrant money from Conway and we need it. Based on the community needs and the increase in cruelty cases. When we have cruelty cases it ties up the shelter, we spend money to care for the animals but have no money coming in from adoption fees as we don't have space for other animals that would be up for adoption. To further explain our need for the funds; we have all kinds of cruelty cases the majority which come from Conway and there are a lot of animals who are surrendered in really bad care and the shelter is paying for that care.

Mr. Sares: Do you receive periodic donations? **Ms. Moore:** We bring in money with events, grants, the adoption and program services, and contributions are one of the larger lines. **Mr. Sares:** Have contributions increased over the years? **Ms. Moore:** Yes, and so have our services and expenses. **Mr. Miles:** They are not proportional, we have cases that we are spending \$1,000's to for the animals. **Ms. Moore:** For the Great Danes we brought in \$50,000 in donations but spent \$65,000.

Mr. Kittle: Comparing 2016 to 2017; revenue stayed constant and you reduced payroll, but what stands out is the increase in program services. **Ms. Moore:** The spay and neuter program is new, and we didn't do the entire year. We also had a lot of expenses related to cruelty cases again because our kennels are tied up and we had no income to offset the costs. **Mr. Niles:** The program services is what brings in the revenue for animals.

Mr. Kittle: In 2016 you ended the year with a \$112,000 net income after expenses? **Ms. Moore:** We had a donation anomaly that wasn't offset by expenses, those funds went back into the shelter to help cover our biggest expenses of medical and personnel.

Mr. Mosca: The petition that was signed by 50+/- asked for a \$1,000 warrant article, therefore the request for a \$10,000 warrant article is out of order. **Ms. Moore:** That was supposed to be a sign in sheet.

Mr. Edgerton: The animal control person drops animals off to you? **Ms. Moore:** Yes. **Mr. Edgerton:** That's paid for by the town, how? **Ms. Moore:** The police department pays her. **Mr. Edgerton:** They drop off animals to you, how do they pay you? **Ms. Moore:** They don't.

Mr. Whittier: Is the \$125,000 net income cash on hand or did it go into an investment, as I see other income which usually denotes an endowment or investment. **Ms. Moore:** We do have an investment and it has approximately \$400,000 and it is an endowment fund that we leave alone.

Mr. Marvel: I noticed the salaries are significantly higher than the salaries at the daycare previously discussed. **Ms. Moore:** If you think working in an animal shelter isn't working with people you are mistaken, it is more about the people than animals and is one of the highest stress jobs. Getting people to work there and to keep good staff is difficult. If you compare the salaries in N. H., you will see we are the lowest paid. **Mr. Miles:** There are multiple times a day that we have to call the police to deal with people in our lobby. The main issue is that we provide a community service and there are a lot of services the community pays for and we are not one of them. **Ms. Moore:** We go to schools to educate on humane education, kids of all age groups visit the shelter on a regular basis. We offer short term free housing of animals for those who are in the hospital, lost their home, and DV situations. We started a pet for life program where we help to keep animals in homes through offering a food pantry and low-cost vet care.

Mr. Steiner: You have an audit financial? **Mr. Niles:** Yes, we prepare financials at the end of the year and we are audited by a 3rd party.

Mr. Sares: I think the town has a definite accountability and I have no problem supporting anything that has to do with animals and particularly dogs.

Ms. McCarthy: What is your capacity? **Ms. Moore:** We have 33 kennels and can house up to 100 cats, which we haven't done in a long time due in part to the spay and neuter program.

After discussion, Chairman Weathers advised that he didn't think the warrant article could be amended, even if it was an error, however the question would be presented to legal counsel for further clarification.

6. White Mountain Community Health Center

Keven Porter (JR), Executive Director; I took over for Patricia McMurray 6 months ago, we are asking for same as last year being \$35,565. WMCHC takes care of people who are uninsured and underinsured and the town funds along with grants help cover these costs. With the affordable care act, we are seeing increased deductibles and copays for people. We saw 1,237 patients from Conway last year costing \$2,869 per patient.

Questions:

Mr. Sares: Due to the new tax act donations are going to decrease which makes this funding more important to people.

Mr. Kittle: Where you are new to the group could you provide some of your background to us. **Mr. Porter:** I retired from the Navy after 33 years, I have set up health care centers and ran health clinics throughout the world in combat. I spent a lot of time in the area growing up and the position came open and I applied.

7. Tri County Community Action Program, LLC

Andrea Brochu, Division Director for Energy, Elderly, and outreach services; we are requesting the same \$13,500 from Conway for our community contact office located in Tamworth that services Conway residents. Last year we assisted; 429 Conway residents with fuel assistance totaling \$340,000, 11 of those households received weatherization totaling \$78,000, and 421 received electrical discounts totaling \$22,000 for an overall total over \$450,000 which includes food donated to food pantries in the Conway area.

Questions:

Mr. Whittier: What is the status of TCCAP and the conservatorship. **Ms. Brochu:** We were released from the conservatorship in 2015, we are out of work out from the bank from the bankruptcy as well. We now have Jeanne Robillard as our CEO and the agency has made great strides financially, we have had our 3rd audit with no findings and we have cash on hand. **Mr. Whittier:** Have you started to pay back the State money? **Ms. Brochu:** We are not obligated to pay back the State money, at this point we are building cash flow and paying past debt. **Mr. Whittier:** I would like to see audit financials. **Ms. Brochu:** I will provide it to the town office.

Mr. Drinkhall: What are the qualifications for TCCAP weatherization and is it always subsidized? **Ms. Brochu:** We have 2 programs; one is low income weatherization where her eligibility is determined based on their poverty level. TCCAP looks at 60% of the State median household income, size of the home, and the number of people in the home. The second program is with Home Performance with Energy Star, where we subcontract with the electric companies such as Eversource and they pay for our services and it is not subsidized.

8. North Conway Community Center

Ryan Sommer, former Executive Director and Julia Cummings, VP; we are requesting the same \$65,000 as last year. Every year the organization continues to grow in terms of hours of operation, attendance, and multi-generational usage. The facilities hours increased by 28-30 hours weekly and the hopes are to move toward a 7-day operational organization. We strive to utilize town funds accordingly for what it was intended for which is a multi-generational recreation facility.

Questions:

Mr. Drinkhall: Do you request funds from North Conway Water Precinct. **Mr. Sommer:** We do not.

Mr. Whittier: What are the differences between the services here and the Conway Rec Department. **Mr. Sommer:** We recreate kids from JFS and Conway Rec from PTS and Conway El. We do have some duplications in the youth programs, but when the facility was being built John and I sat down and looked at programs that would not duplicate one another.

Mr. Steiner: Hypothetically if we lost the building in Center Conway, could North Conway handle those kids? **Mr. Sommer:** It would put a strain on the facility as it wasn't built for that. In my opinion, how things are set up now the two entities work well together and although the organization could do it, I don't believe it is in your best interest. What you are looking at and moving forward with is in the best interest of the organization.

Mr. Porter: There is no unit to measure the importance of the North Conway and Community Rec Centers and what they are asking for is minimal compared to what they do for the children in the valley. **Mr. Mosca:** The Community Center offers adult programs and the Rec Center is more focused on children. **Mr. Sommer:** We also offer senior programs and we are really a multigenerational facility

9. Children Unlimited, Inc.

JoAnn Kelly, Executive Director and Barbara Ross, Director; we ask for support for our resource center which is the only certified center in Carroll County. We support families in the home to stay out of the DCYF¹ system and our center has the highest success rate. We provide parent education classes and childhood scholarships. The needs in the community have grown and we have added more families due to the opioid crisis and DCYF now requires families coming out of their system to have resources, so we are bridging them from/ intensive to independence. We served 40 families last year in Conway and as of July 1 we have served 36 families to date.

Questions:

Mr. Drinkhall: There was \$40,000 budgeted for private insurance yet only \$660 was expended, can you explain what happened there? **Ms. Kelly:** We are still trying to get what insurance companies owe us from over a year ago for the different programs at Children Unlimited.

Mr. Whittier: Is this a new program of going into the home up to 21. **Ms. Kelly:** We have had this program for 6-7 years; however, I had not previously asked for funds from the town for it.

Mr. Whittier: Is the Medicaid billing you are referring to for Title 1 or more specific?

Ms. Ross: There is a specific way you can bill for home visits under this program, which is new to the resource center.

Mr. Mosca: The 2018 proposed budget is \$195,000 and with proposed income of \$240,000, with a \$45,000 surplus, how important is the money from Conway? **Ms.**

Kelly: We have to hire another Full-time staff person due to the high number of referrals. **Mr. Mosca:** Looking at the 2016 and 2017 actual expenses are down \$35,000,

¹ DCYF = Division of Children Youth and Families

so I don't follow your logic of things going up as all I see are things going down. **Ms. Kelly:** We do have short falls when it comes to what we are contracted for and the expenses to run the program. **Mr. Sares:** In comparing 2017 and 2018, the discrepancy is in salaries.

Mr. Marvel: In 2016 you budgeted \$136,000 yet you only budgeted \$113,000 in 2017 and spent \$19,000 more, what happened there? **Ms. Ross:** It is from the increase in services, we recently hired a new staff member and we have to hire another, and our expenses related to providing services has increased.

Mr. Steiner: Do you have audit financials? **Ms. Kelly:** We are audited by an outside agency every year. **Mr. Steiner:** Can you forward them to the town office.

10. Gibson Center for Senior Services, Inc.

George Cleveland, Executive Director; since 1979 when we started in the basement of Memorial Hospital getting a few meals out. Now we provide 71% of our services to Conway residents providing congregate meals, meals on wheels, transportation services, and wide array of social and educational programs. We are asking for \$35,000, which is the same as previous years.

Questions:

Mr. Marvel: What is the cost for a single meal on wheels? **Mr. Cleveland:** We are not allowed by the Federal government to charge for the meals, however the suggested donation is \$3.00.

Mr. Sares: Do you anticipate the budgeted \$289,000 in donations? **Mr. Cleveland:** I know we are concerned with the possible affect the tax-deductible donation might have, which will affect our income.

Mr. Colbath: Do you have audit financials? **Mr. Cleveland:** I will be thrilled to send it to you.

Mr. Kittle: How many volunteers do you use. **Mr. Cleveland:** There is a core of about 200, some are every day, once a week, or a couple times a month. **Mr. Colbath:** Have you tried to put a financial value on the volunteers. **Mr. Cleveland:** Last year it came out to be 12,000 hours and if you use the suggested \$18-\$25 per hour or any other figure it is a substantial amount.

11. Starting Point.

No presenter appeared

REVIEW OF BC MINUTES:

Motion by: Mr. Marvel, seconded by Mr. Edgerton to approve the minutes from the January 24, 2018 Budget Committee meeting. (13-0-4 [Mr. Drinkhall, Mr. Sares, Mr. Fougere, and Mr. Whittier])

ADJOURN:

Mr. Mosca moved, seconded by Mr. Fougere, to adjourn the meeting at 8:23 PM. Motion carried unanimously.

Respectfully Submitted,

Lisa E. Towle, Recording Secretary