

1 CONWAY MUNICIPAL BUDGET COMMITTEE

2 Wednesday, December 14, 2022

3 Professional Development Center

4 Kennett Middle School, Conway, NH

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

9
10 Excused: Terry McCarthy

11
12 Pledge of Allegiance was led by Vice-Chair Jost.

13
14 **Chair Donohoe** advised with the late submission of the Town Subcommittee's questions, that agenda
15 will be removed as questions have been provided to the town for review and action.

16
17 **Ms. Sand moved, seconded by Mr. LeFebvre to allow public comments after the discussion on**
18 **Town Paid Parking Program. Motion Carried. (11-1-0)**

19
20 3. Approval of Outstanding Minutes (10/19/2022):

21 **Ms. Sand moved, seconded by Mr. LeFebvre to approve the October 19, 2022, minutes as**
22 **written. Motion Carries. (9-0-3[Mr. Drinkhall, Mr. LeFebvre, and Vice-Chair Jost])**

23
24 4. Town and School Executive Overviews of Operations:

25 **John Eastman, Town Manager, and Kathleen Golding, Finance Director,** presented an
26 overview of the Town's proposed operating budget, which is \$14,325,657. The long-term vision
27 is to increase revenue to maintain a somewhat stable tax rate.

- 28 ▶ The town received extraordinary unanticipated revenue and the Selectmen chose to return
29 \$750,000 of the unreserved fund balance to lower the tax rate.
- 30 ▶ After an approximately four-month review process, the Public Bathroom Committee decided
31 not to go forward with building public restrooms in North Conway. It is anticipated the
32 \$399,000 approved for this project will be returned to the voters in 2023.
- 33 ▶ The revaluation by law will occur in 2024; however, the Selectmen, through a
34 recommendation from the contract assessor chose to conduct the revaluations in 2023. The
35 goal is to get to a 95-100% valuation. This \$85,000 expenditure would allow the town to gain
36 an approximate \$300,000 in revenue from utility tax, that they have been missing out on for
37 several years. Any revenue is expected to be available by the end of 2023 as reports are due to
38 the DRA by September 1st.
- 39 ▶ The proposed expansion of the building department will include an increase in the building
40 permit fees. Barring the Supreme Court decision and the Selectmen's direction on short-term
41 rentals, a licensing officer could be necessary. Staffing within the building department would
42 increase by \$132,473 with the addition of a full-time Code Enforcement Officer, a full-time

43 administrative assistant, and a part-time Building Inspector. Mr. DegliAngeli will provide a
44 more detailed presentation of the proposed changes at a future meeting.

- 45 ▶ The projected \$450,000 increase for the revaluations, expansion of the building department,
46 and the parking program will yield a \$750,000 annual increase and allow the tax rate to
47 decrease 10-11%.
- 48 ▶ Non precinct fire increased by 21% (\$88,961) for North Conway, Conway, and Center
49 Conway. The Ambulance agreement will increase by \$258,000 this year.
- 50 ▶ The utility budget is up \$125,000 due to the increase in diesel and heating fuel. The cost per
51 kilowatt has doubled, however, Mr. Smith is working with a third party and might be able to
52 decrease the cost per kilowatt for all government buildings.
- 53 ▶ This is a contract negotiation year with AFSCME. An agreement has been reached on a one-
54 year contract that allows for a 4% COLA for a \$28,000 increase to the budget.
- 55 ▶ The cost of health insurance increased by 9.3%.

56
57 In response to questions from the committee, **Mr. Eastman** stated the following.

- 58 ♦ He is unable to answer specific questions related to the revaluation, but he will have the
59 contracted assessor attend the next meeting to answer any outstanding questions.
- 60 ♦ The Planning Board is discussing implementation of a moratorium on commercial and
61 residential building projects; however, that will not affect any permits issued or applied for
62 prior to such implementation.
- 63 ♦ For FY 2022 approximately \$750,00 of revenue came in from building fees and with an
64 increase of 1.5% to the fees and historical data, it is anticipated the revenue would remain the
65 same if not a little higher.
- 66 ♦ There are two and potentially two more petitioned warrant articles for the town to assume
67 responsibility for roads. Should the articles pass, and the roads meet town standards, there is a
68 proposal for an additional driver and dump truck at the highway garage. If the articles for the
69 road fail the new driver and dump truck will be removed from the budget.
- 70 ♦ A Building Inspector and/or a Code Enforcement Officer will be necessary for
71 implementation of residential building inspections.
- 72 ♦ The town has a 3–4-year rotation plan for replacing the computers.
- 73 ♦ The fund balance for FY 2021 was \$4.2 million. The town is required to maintain a fund
74 balance of 5-17% of the tax rate appropriations and after removing \$750,000 they still have a
75 healthy 9.9% unreserved fund balance.
- 76 ♦ There is a warrant article addressing dissolving the Conway Fire Department. It is anticipated
77 there would be no effect on the 2023 budget; however, the 2024 budget would absorb the
78 operating costs associated with the fire department. **Mr. Colbath** stated there are many
79 unknowns that will not become apparent until preparing for the 2024 budget.

80
81 **Kevin Richard, Superintendent SAU #9**, presented an overview of the school's proposed
82 operating budget.

- 83 ▶ The proposed operating budget is \$40,254,150, an increase of \$266,000 or .67 of 1%.
84 Approximately 80% of the budget is related to personnel.
- 85 ▶ This budget does not include the warrant articles or CEA contract as they are in negotiations. .
- 86 ▶ Kennett High School had minor changes to personnel due to a reorganization that eliminated
87 an administrator position.
- 88 ▶ There are some vacant positions being budgeted for and until they are filled, contracted
89 services are being used to fulfil those duties.

- 90 ▶ All non-union personnel have been budgeted for up to a 3% performance raise.
- 91 ▶ Health insurance premiums are not to exceed a 9.9% increase.
- 92 ▶ Fuel cost is currently budgeted for \$4.50 / gallon.
- 93 ▶ Enrollment as of October 1, 2022, was provided and per request a break down of enrollment
- 94 by grade level was also provided.
- 95 ▶ The warrant articles were reviewed.

96
97 In response to questions from the committee, Mr. Richard stated the following:

- 98 ♦ The General Maintenance Trust Fund has not been utilized in the past as bonds were used.
- 99 The request for an additional \$200,000 into the General Maintenance Trust Fund is to cover
- 100 anticipated large projects such as the KMS roof, replacing windows at CES and JFS, etc. **Mr.**
- 101 **Davison** stated the Capital Improvement Plan addresses the upcoming projects, specifically
- 102 the overlay for the KMS roof.
- 103 ♦ The School Board has worked very hard to get all CBA on the same insurance plan, although
- 104 they do not have to agree to it. With 500 employees on the same health insurance plan, it
- 105 benefits all employees with lower rates and provides the ability to negotiate with the insurance
- 106 companies for lower rates. **Mr. Davison** noted the school district received \$500,000 back
- 107 from the insurance company.
- 108 ♦ KHS has five staff who participate in the discipline of students. (Principal, Dean of Students,
- 109 Student Safety Coordinator, SRO, and Hall Monitor). There has been an improvement in
- 110 student behavior; however, there is a small group of repeat offenders in grades 10 & 11 that
- 111 the school is working with.
- 112 ♦ The Cooperative School District and JMA have been taken off the table and Conway along
- 113 with the sending towns will begin tuition contract negotiations.
- 114 **Mr. Davison** advised the 20-year bond for KHS and KMS will be finished next year. Also, the
- 115 school district returned 1.25% of their general fund balance to reduce the tax rate.

116
117 5. Town Paid Parking Program Discussion:

118 **Mr. Jensen moved, seconded by Vice-Chair Jost to table discussion on the Town Paid**

119 **Parking Program. Motion Fails (8-3[Mr. Jensen, Mr. Marvel, & Mr. Colbath]-2[Vice-Chair**

120 **Jost & Mr. LeFebvre])**

121
122 **Discussion:**

123 **Ms. Sand** advised the proposal is to spend \$240,000 to create the Paid Parking Program which is

124 anticipated to bring in \$750,000 in revenue. Two full-time parking enforcement personnel will be

125 hired to work M-Sa 9-5 and Su 12-5.

126 **Mr. Colbath** advised the Selectmen voted unanimously for residents to obtain a parking pass for

127 \$5.00. This will be determined through an electronic system based on vehicle registrations.

128 **Ms. Sand** expressed concern with increasing staffing levels with no guaranty of revenue. **Chair**

129 **Donohoe** noted Mr. Smith stated the projected revenue is a reasonable assertion.

130 **Mr. Davison** expressed concern for non-resident business owners who will be required to pay for

131 parking as they already pay property taxes.

132 **Ms. Leonard** expressed concern with the program as it has not been determined the to be

133 justifiable.

134 **Mr. Marvel** stated the Selectmen have made it clear this is program is not being developed to fix

135 a problem, rather it is merely a means to generate revenue.

136 **Mr. Marvel** inquired why this was added to the operating budget and not put forward as a

137 warrant article. **Mr. Colbath** stated to increase revenue and last year's unsuccessful article, there
138 was a 3-2 vote to add it to the operating budget.

139 **Mr. Lewis** inquired of the business owner's opinion on this program. **Mr. LeFebvre** noted in his
140 discussions with several business owners, they are not in favor of the program.

141 **Mr. Marvel** inquired if a survey has been conducted on how many parking spaces are being used
142 daily. **Mr. Colbath** advised an official survey has not been conducted.

143 **Mr. Davison and Ms. Sand** discussed redirecting attention to gaining revenue from the room and
144 meals tax.

145 **Mr. LeFebvre** suggested adding this agenda item to the January 4, 2023, meeting or having an
146 additional meeting to further discuss this topic with Andrew Smith present. **Chair Donohoe**
147 advised he will work with Ms. Day to come up with a plan.
148

149 6. Public Comments on the Paid Parking Program.

150 **Peter Edwards, Co-Owner of Zeb's General Store**, spoke on behalf of 100+ small locally
151 owned businesses in North Conway and 650+ employees. The proposed parking program's
152 projected \$1.1 million revenue is disingenuous and can't be backed up. The program is punitive,
153 discriminatory, and unsafe. Additional concerns discussed are lack of communication with North
154 Conway business owners, misrepresentation of data pertaining to parking spaces and the need for
155 a parking program, the lack of adequate cell service, and taking away from the charm and
156 uniqueness by adding signs.

157 **Laura Cummings, owner of White Birch Books and representative of the White Mountain**
158 **Independents**, stated based on her studies of paid parking North Conway does not meet the
159 qualifications. They do not have a parking problem, there is not enough accessible free parking
160 for residents and employees, and they do not offer public transportation. She is opposed to
161 investing \$250,000 in something that has not been researched adequately, that will hurt local
162 businesses, be unattractive, and will only generate revenue for the parking app and credit card
163 processors.

164 **Daymond Steer, Conway Daily Sun**, inquired of the Budget Committees responsibilities. Stating
165 his understanding is the Budget Committee could change the budget amount prior to the
166 deliberative session, which if approved would be moved to the warrant prior to the vote in April.

167 **Mr. Donohoe** stated he is correct. **Mr. Marvel** stated a recommendation can be made, but the
168 decision would be made by the voters at the deliberative session. **Mr. Lewis** stated this is a
169 bottom-line budget, meaning if they move to take out \$240,000 it doesn't necessarily eliminate
170 the parking program. **Mr. LeFebvre** referenced RSA 32:16 and 32:18 and offered to provide a
171 name to the DRA for further information.

172 **Mark Hounsell, Conway**, stated this is a program that has been discussed for 24+ years and is
173 currently being presented with conservative numbers. This program will create tax relief during a
174 time of growth within Conway that comports with the master plan.
175

176 Committee member comments:

177 **Mr. Colbath** clarified the selectmen voted 4-1 in favor of the Paid Parking Program and 3-2 in
178 favor of adding the \$240,000 to the budget instead of putting forward a warrant article.

179 **Mr. Davison and Mr. LeFebvre** stated they would have preferred the parking program be put
180 before the voters and not added to the operating budget. **Mr. Colbath** stated the decision was
181 based on the need to move forward with the project timely and a public referendum would put the
182 project behind. The Selectmen followed Robert's Rules and Selectwoman Seavey, who was
183 wavering, chose not to revisit the vote.

184 **Ms. Sand** reiterated her concern related to the effect the parking program will have on North
185 Conway businesses and the importance of the State Representatives coming together and propose
186 a bill that would allow additional tax on the tourists.

187 **Mr. Jensen** stated for immediate revenue enhancement, the Selectmen should move forward with
188 increasing the building permit fees as represented by Town Manager Eastman. A brief discussion
189 ensued.

190 **Mr. Colbath** stated for clarity purposes, the Budget Committee makes a recommendation to the
191 legislative body. At the deliberative session, that number can be accepted, rejected, or altered, but
192 not increased by more than 10%. The Budget Committee also recommends the default budget to
193 the legislative body. A discussion ensued regarding SB2 towns.

194
195 7. Openings on Conway Municipal Budget Committee - Potential Candidate:

196 **Chair Donohoe** advised this agenda item is being tabled as the potential candidate is not in
197 attendance.

198
199 8. Discussion and Planning: Town Default Budget Committee:

200 **Mr. Jensen, and Mr. LeFebvre** volunteered to join Chair Donohoe and Vice-Chair Jost on the
201 subcommittee. **Vice-Chair Jost** is in communications with Diane Ryan who has served
202 previously on the subcommittee. Chair Donohoe will confirm the meeting date / time/ place and
203 notify the members of such.

204
205 9. Old Business: None

206
207 10. New Business: None

208
209 11. Adjourn:

210 **Mr. LeFebvre moved, seconded by Ms. Leonard to adjourn the meeting at 9:30 p.m. Motion**
211 **Carries (12-0-0)**

212
213 Respectfully Submitted,
214 *Lisa E. Towle,*
215 Recording Secretary