

CONWAY MUNICIPAL BUDGET COMMITTEE

Monday, January 30, 2023

Professional Development Center

Kennett Middle School, Conway, NH

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

Absent: Randy Davison as he was attending the School Board meeting.

The Pledge of Allegiance was led by Chair Donohoe.

Chair Donohoe provided opening remarks:

- The February 1st meeting will be held at Town Hall.
- The joint board meeting has been rescheduled to February 8, 2023, at the Marshall Gymnasium

3. Approval of Outstanding Minutes (January 11, 2023):

Mr. LeFebvre moved, seconded by Mr. Colbath to approve the minutes from January 11, 2023 as written. Motion Carried. (10-0-2 [Mr. Drinkhall and Ms. Hickey])

4. Town Review:

A. Library

David Smolen, Library Director, stated the \$611,702 Library budget was unanimously adopted by the Library Trustees and Board of Selectmen. The budget increased by 6.5% due to salaries, maintenance and repairs, fuel oil, and electronic materials. There are consistent attempts to find savings without sacrificing service. In 2014 the library budget was \$502,361 and has tracked inflation over the past 9 years to the budget presented today.

In response to the Budget Committee Members, **Mr. Smolen** stated the library is the busiest after school and in the evening, due to programming and community groups, use the meeting room. To save money through the reduction of hours, there would need to be a significant cut which would be detrimental to the library and community. The library currently has four full-time staff and 6.5 FTE. The 8.5% increase in salaries is a COLA increase that is in coordination with the town government. The legal expenses incurred last year cannot be discussed. The 30% increase in IT is related to increasing internet access using first light fiber as many programs are reliant on fast internet, paying \$1,200 per year for email service that was previously free, and some small vendor increases. Wages were underspent last year because there was one person out on unpaid FMLA and some staff turnover. Most of the unexpended funds relate to personnel matters, such as status changes for insurance benefits. Often a line item doesn't go as predicted and any budget line can be over or under expended. The supply line has not increased in several years and this year we asked for an additional \$1,000. In regards to revenue, the trust fund pays a portion of the curator, there are

45 nonresident fees, and some staff hours were covered by grant funds. In accordance with the
 46 RSA the library trustees are authorized to retain certain funds from income generating
 47 equipment, trust fund money, and donations and can be expended within the same year
 48 without appropriations. There is approximately \$5,000 in revenue that is not reflected in the
 49 budget. There is a donation option through the website. Primex covered the cost associated
 50 with damage done to the front pillars because of an automobile accident. The library
 51 purchases unique specialty materials that circulate well such as DVDs, talking books, and
 52 large print books.

53
 54 **Ms. Leonard** stated the library is worth every dime and would recommend they be open
 55 longer and especially on the weekends
 56

57 Library Warrant Article:

58 **Mr. Smolen** explained the library seeks \$22,140 to support new hardware and software for
 59 the public computing system. Since the article was written a \$10,000 grant was received from
 60 the NH Charitable Foundation to support this project, bringing the request down to \$12,140.
 61 The second-year cost will drop to \$2,500, which is the same amount that has been paid over
 62 the last nine years.
 63

64 The current vendor that has been providing service for the last nine years, informed the library
 65 he will no longer cover business computer systems or support the product they are using. This
 66 forced the library to seek a new product to provide technology to the community, which is
 67 central to the library operations. The new system will continue to offer traditional
 68 workstations as well as tablets that can be signed out by library patrons. The computing
 69 system is set up to protect patron privacy and will wipe the tablets clean upon return.
 70

71 In response to Budget Committee Member questions, **Mr. Smolen** stated the library will have
 72 six tablets available for patron use within the library. There has not been a plan b if the article
 73 doesn't pass as it is anticipated the article will pass and we encourage the committee members
 74 and public to vote for the article as it is critical to library operations. The traditional amount
 75 has been included in the budget and there could be savings depending on the implementation
 76 of the new service. The library is open to everyone including the homeless and mentally ill,
 77 everyone is treated with courtesy, respect, and dignity. **Mr. Eastman** stated the article can be
 78 amended at the town meeting with an explanation and a motion and second.
 79

80 B. Police Department

81 **Chief Mattei and Lieutenant Kelley-Scott** presented the proposed budget for the Conway
 82 Police Department which has increased by \$126,000 or 2.89%. Stating he broke the 40 line
 83 item budget into five categories being; labor, benefits, operations, vehicles, and professional
 84 services.

- 85 ▶ The overall increase to the labor category is \$117,000 or 4.77%. The regular officer line
 86 increased by \$31,685 which encompasses the 3% raise based on evaluations, which will
 87 only affect November and December 2023. The union negotiated a one-year contract that
 88 included 6% COLA increase and nonunion personnel will also receive a 6% COLA
 89 increase. The special officer line increased by \$45,000 for a part-time officer and I have
 90 someone with 30 years of experience who I can put in the mix. In the past this line item
 91 has only been used to cover Mr. Saxby's services for putting the new cruisers together,
 92 which costs less than \$6,500. Currently the department is down three officers with another

93 officer retiring in July. There is one applicant that will be going to the academy in June.
 94 The applicant pool is very small, which is an issue across the country. This is why the
 95 department returned \$200,000 last year and will again this year. Dispatch increased by
 96 \$29,000, which reflects the COLA increase and a new full-time position to minimize the
 97 amount of time there is only one dispatcher on duty. This amount is being offset by
 98 reducing the previously requested dispatcher overtime budget by 50%, which will fund
 99 half of the prorated salary for 2023. There is a \$28,000 increase for a part-time records
 100 clerk to work 3 days or 28 hours per week at \$21.00 per hour with no benefits or
 101 retirement.

- 102 ▶ Benefits have an overall decrease of \$4,500. Medical insurance is up 9.8% with a \$6,000
 103 increase because of new staff replacing those that have retired or resigned. Retirement has
 104 a \$10,000 decrease due in part to new staff replacing those that have retired or resigned
 105 and the State is reducing the retirement rate as of July 1, 2023. Social security is up \$7,200
 106 and professional liability is down \$2,700.
- 107 ▶ Operations have an overall decrease of \$1,700. Electricity increased by \$1,000, uniforms
 108 increased by \$1,500 to cover new positions, and telephones decreased by \$1,300. The
 109 DARE program has been eliminated for a reduction of \$3,500 as the program needs to be
 110 updated and the department is working with the elementary schools to come up with a
 111 different way to stay involved with the schools. Vehicles have an overall increase of
 112 \$15,000. Maintenance and equipment increased by \$1,000 each, insurance increased by
 113 \$1,200 and gasoline increased by \$11,600.

114
 115 In response to Budget Committee Member questions, **Joanne MacKenzie**, Dispatch
 116 Supervisor explained how 911 calls are answered by NH Public Safety Answering Point
 117 (PSAP) prior to being transferred to the appropriate department. Conway dispatchers also
 118 cover fire and ambulance services and serve as back up for Carroll County dispatchers and
 119 handle 55,000 calls per year. A discussion ensued relating to services provided and the
 120 benefit of always having two dispatchers on duty. **Chief Mattei** explained the reason why the
 121 part-time officer would be reduced to 24 hours per week next year, which is based on the
 122 retirement rules. Currently, the department has 35 employees, including 24 sworn officers
 123 inclusive of the Chief and Lieutenant, 7 dispatchers, an office manager, senior clerk, and a
 124 part time victim witness advocate, animal control officer, and Mr. Saxby. If this was not a
 125 tourist town, they would have approximately 9 sworn officers; however, Conway is the
 126 busiest department in Carroll County including the Sheriff's and State Police. Wages are
 127 determined by inflation and comparison with other Carroll County departments including
 128 State Police. The average starting pay is \$26.63 with Conway at \$25.62. The COLA increases
 129 will bring the average starting pay to \$27.10 and Conway to \$27.16. There are approximately
 130 22 union employees and 15 nonunion employees. The busiest times are between 6 - 10 a.m.
 131 with project morning, 8 a.m. to 5 p.m. is busy with community accidents, and 2- 8 a.m. tend to
 132 be slower, but it is dependent on the time of year and weather conditions.

133
 134 Police Department Warrant Articles:

- 135 ▶ The capital reserve for police vehicles has increased to \$74,000 due to the increased cost
 136 for cruisers.
- 137 ▶ The one-year union contract for an increase of \$111,635 that reflects the 6% COLA. This
 138 might decrease at the deliberative based on the academy dates.

139

140 In response to Budget Committee Member questions, **Chief Mattei** explained the process for
 141 hiring a noncertified officer and providing them with 12 weeks of in-house field training prior
 142 to attending the academy, for a total of 8 months of training prior to being in a cruiser by
 143 themselves. It is hard to attract officers from other police departments because they are
 144 making more money and not working as hard. The cruisers are generally replaced every five
 145 years and between 100,000 - 125,000 miles at which time the town takes them over.

146
 147 C. Planning and Zoning

148 **Paul DegliAngeli**, Deputy Town Manager / Town Engineer, answered Budget Committee
 149 Member questions, stating the master plan is a guiding document that informs the community
 150 of changes to the planning and zoning ordinances and was funded through ARPA funds.
 151 Postage increased to cover the increased work and notifications to be sent out to abutters. As
 152 with other departments, the new finance software has allowed for IT budgets to be removed
 153 from one lump sum line item into individual departments, which is why you see the increase.
 154 It is anticipated there will be a number of code changes that will need to be done through the
 155 contracted service eCode. The increase in wages is for the planning and zoning assistant who
 156 used to take compensatory time in lieu of overtime pay, but the law says we have to pay her.

157
 158 D. Finance

159 **Kathy Golding**, Finance Director, presented an overview of the finance department budget
 160 that is up 4.13%, stating wages have increased in line with other town departments, insurance
 161 increased by 9.8%, retirement decreased based on the State decreasing the percentage to
 162 13.35%, association dues remain at \$300, and meeting and conferences remains at \$1,000. IT
 163 was overspent as the hosting fees for the cloud-based service were not considered last year
 164 and will be \$19,000 for 2023. Equipment maintenance was budgeted for two new computers,
 165 but that will stagger over the next two years. The final bill from the audit has not been
 166 received and will stay level funded. Bank fees are for all departments and cover such things as
 167 bounced checks. Earned benefit is overspent as there was an unanticipated retirement from
 168 Solid Waste and there are two retirements planned for next year from the Building
 169 Department and Solid Waste.

170
 171 In response to Budget Committee Member questions, **Ms. Golding** stated there is a
 172 spreadsheet that lists all computers within the town departments and when they are due for
 173 replacement. The four new computers within the Town Clerk's department are required due to
 174 a software upgrade at the DMV. A discussion ensued related to the past and present hardware
 175 upgrades.

176
 177 E. Insurance

178 **Kathy Golding**, Finance Director, presented an overview of the insurance budget, stating
 179 Primex provides workers compensation, unemployment, property liability, and fleet
 180 insurance. The numbers provided are only associated with the town and these represent not to
 181 exceed prices and could go lower.

182
 183 In response to Budget Committee Member questions, **Ms. Golding** stated there have been a
 184 few claims that have driven an increase in property liability. Primex used to be part of the
 185 Local Government Center, which is now the NH Municipal Association. The accident at the
 186 library is not part of the town's claim and has no effect on these rates. **Mr. Eastman** stated
 187 there is work being done behind the scenes to ensure the town is made whole.

188 F. TANS

189 **Kathy Golding**, Finance Director, stated the town did not have to use TANS this year.

190
191 In response to Budget Committee Member questions, **Ms. Golding** stated the law does not
192 allow the town to have a contingency line item, but there could be a warrant article for one.
193 She will get a report back to the committee on the status of collections, although the bank
194 account looks good.

195
196 G. Revenue

197 **Kathy Golding**, Finance Director, provided an overview of revenues, stating the projected
198 amounts are conservative as they can be amended throughout the year as the actual revenues
199 don't get reported to the DRA until September 1st. The highest revenues came from motor
200 vehicle registrations and building permits. The town received \$870,000 from the State for
201 rooms and meals tax.

202
203 In response to Budget Committee Member questions, **Ms. Golding** stated when registering a
204 vehicle, the State fees are based on the GVW and town fees are based on the age and MSRP,
205 which is the same for every town. Payment in lieu of taxes is when an exempt property offers
206 to make an agreement with the town to pay a portion of the tax rate.

207
208 A discussion ensued among the committee related to room and meals data and what the town
209 is receiving compared to what is being contributed.

210
211 In response to Budget Committee Member questions, **Mr. DegliAngeli** explained commercial
212 permit fees are based on the value of work done and how the proposed increase will affect the
213 permit fees going forward. A resort community puts a disproportional burden on residents,
214 which is why we need to push for licensing STRs, homesteader exemptions, etc. The only
215 way to make Conway more loveable for those homesteading here is to generate more revenue
216 and adjust what the homesteader is paying compared to the second homeowner, investor, etc.
217 Under the new building permit, a home that is not yet habitable the town has the right to
218 inspect it. A renovation permit allows the town to enter the premises to verify the work was
219 done to code. The zoning enforcement officer would implement licensing for STRs and
220 address zoning violations that are brought to the town's attention.

221
222 H. Default Budget

223 **Kathy Golding**, Finance Director, provided an overview of how the default was derived. The
224 default budget is \$12,918,097 which is \$1,407,560 less than the proposed operating budget. Vice
225 Chair Jost who was part of the committee who worked on developing the default budget stated
226 there is no wiggle room as the process is set by the state and does not consider inflation cost.

227
228 A discussion ensued among the committee pertaining to the development of the default budget for
229 the school district.

230
231 In response to Budget Committee Member questions, **Ms. Golding** stated she has not been able to
232 close the books as there continue to be outstanding invoices. The default budget has been
233 submitted to the DRA for review. **Mr. DegliAngeli** stated they are obligated to maintain public
234 safety and they only have control of the bottom and will do what they must do to work within the
235 budget that is approved.

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Vice Chair Jost moved, seconded by Mr. Jensen, to approve the \$12,918,097 default budget. Motion Carried. (11-0-1 [Mr. Colbath])

Vice Chair Jost thanked Diane Ryan for volunteering her time to assist the subcommittee in the development of the default budget.

Ms. Sand stated approximately \$850,000 of the \$1,407,560 cut from the budget for the default budget is proposed new hires and programs.

A discussion ensued among the committee regarding the proposed parking program.

Mr. LeFebvre moved, seconded by Vice Chair Jost, to authorize Chair Donohoe to speak with town staff to determine if putting the parking program in the operating budget compared to a warrant article was a timing issue related to starting work on the program. Motion Carried. (11-0-0 [Mr. Marvel was not present during the vote])

5. Old Business:

Chair Donohoe provided committee members with a written answer from the airport.

6. New Business: None

7. Public / Media Questions or Comments:

Daymond Steer, Conway Daily Sun, inquired:

- ▶ If the committee was seeking additional information from the selectmen regarding the selection of a vendor for the proposed parking program to determine the fee structure and quality of life implications. A discussion ensued among the committee members.
- ▶ Clarified what Chair Donohoe will be asking town staff. Mr. Donohoe stated he was tasked with inquiring why it was more beneficial to add the parking program to the budget compared to a warrant article. A discussion ensued among committee members.
- ▶ With the situation in Ukraine has the committee considered making any adjustments to the budget to reflect potential increases based on this situation, especially with diesel fuel. A discussion ensued among committee members.

8. Adjourn:

Mr. LeFebvre moved, seconded by Mr. Jensen to adjourn the meeting at 9:44 p.m. Motion Carried (12-0-0)

Respectfully Submitted,
Lisa E. Towle,
Recording Secretary