

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 4, 2006**

A meeting of the Municipal Budget Committee was called to order at 6:34 p.m. in the meeting room of the Conway Town Hall with the following members present: Chairperson Melissa Stacey, Phil Dighello, Bill Jones, Randy Davison, Bob Drinkhall, Betty Boucher, Carl Rosenthal, Debra Deschenes, Russ Seybold, Dick Vitale, Maureen Seavey and Karen Umberger. Also present were: Becky Jefferson, Mark Zangari, Laura Jawitz,, Brian Hastings, Martha Cray and Carl Nelson.

PRECINCTS

Chairperson Stacey noted that the fire precincts have been added to the schedule for January 30, 2006.

DISCUSSION REGARDING SECRETARY

Chairperson Stacey noted that Martha Tobin has resigned effective immediately and read her letter of resignation. Martha has new and increased responsibilities in Human Resources at the Center of Hope organization and will not have the time to function as Secretary. Her resignation was accepted with regret. Ted Sares has agreed to take minutes for tonight and also on January 11 as a minimum.

SCHOOL BUDGET REVIEWS

Dr. Nelson passed out a large packet containing answers to questions that previously had been raised by the Budget Committee members, He indicated that this year each of the elementary school principals would be making their own respective budget presentation and that Mark Zangari would start off with John Fuller.

JOHN FULLER SCHOOL

Mark distributed a six page packet highlighting the John Fuller budget request. He noted that the total budget request was for \$ 2,147,741 with an increase of \$ 179, 023 or 9.09%. He added that most of the lines were flat.

After Mark finished his presentation in which he covered the mission and vision of John Fuller, Phil Dighello asked if he thought there would be a future drop in enrollment and Mark relied that he thought it would be stable. Betty Boucher asked if there was any maintenance money in the June budget. Dr. Nelson said there was not. Randy expressed a major concern with how the maintenance amounts seems to cycle from school to school each year with specific reference to the 60k amount. Its like a "bubble," he noted,

and has a “yo yo” impact on the school budgets, and gives an unrealistic picture as well. Carl Rosenthal asked what the percentage increase was on health insurance and Dr Nelson replied it was 19.4% as a guaranteed maximum. Bill Jones inquired why the maintenance budget was not in Jim Hill’s budget and Dr Nelson replied that it goes into each building for better control. Betty asked if we have replaced all the asbestos and Dr Nelson replied no but that what remains is abetted. Phil asked what the state recommended class size was and Mark replied that it was higher than what we have. Karen Umberger asked how many teacher days we have and how do you divide out the substitutes. Dr. Nelson said it was 180 days times the number of employees. Becky added that in regard to the substitutes, you have to go back and get the two-year average and budget against it. Karen said she still is not satisfied with that answer because there must have been something before the two years and where or what is it? She said you had to budget against something and somehow you managed to pay the substitutes in past years, but now all of a sudden, you can’t find the money and somehow that’s not quite fair. Phil asked if there were any new positions. Mark said the Student Support Center one. Betty asked if the \$ 8,000 was an estimate for the windows and Mark said it was a formal amount. Betty said the numbers on page 5 don’t jive with the total. Mark said that was because he did not include a number of miscellaneous items for purposes of simplification. Bill Jones asked what kind of windows these were and Mark said Andy Greigel could answer. Bill Jones asked why the cost of oil has not increased at John Fuller. Mark said Jim Hill will provide an answer,

Randy Davison questioned the need for a new librarian given the amount of money the town invested in the Conway Library and given what he considers budgets that are “exorbitantly” over the state average. He questioned the timing and added that librarians require a masters degree which will result in higher salaries. Dr. Nelson said the schools try to meet state standards at every juncture they can. Bob Drinkall asked why the heat bill was what it was given the fact the cost of fuel has gone up and was told. there will be less fuel consumed this year.

PINE TREE SCHOOL

Laura Jawitz distributed a six page (green) information packet highlighting the budget request for the Pine Tree School. She indicated the proposed budget was for \$ 2,039,147 with an increase of \$ 155, 557 over last year and which represents an overall percentage increase of 8.26%.

Randy reiterated his concern about the “yo yo” affect of the moving maintenance load (60k) and said it gives a confusing picture of the true budget. Russ Seybold said the principals really don’t have much say in the matter since the maintenance committee gives them their priorities and that’s what they have to do. Maureen Seavey said that if the 40k item appears as a special warrant, so should the Alarm System (\$23,000) . Dr Nelson said he did not want too many warrant items, but Bill said that’s what they are there for, for the voters to vote on. Betty asked how many schools don’t have an alarm

system and Laura said just Pine Tree and that it was a safety issue. (There are three hearing impaired students in Pine Tree). Phil wondered how an aide can have a salary of 13k and have health insurance costs of 11k. Karen inquired as to the addition of a Support Services person, and Laura said there was a change in the manner in which this person can assist the teachers and that it has worked out very well. This person works with children who have behavioral issues. Mark said all the indicators and numbers have shown improvement in this area. Bill Jones (along with Russ Seybold) asked for a job description of the librarian position and Carl Nelson said he would furnish same. Laura added that the purpose of the librarian was to teach students how to manage media and access information, and that the objective was have a school built around a library. Also, it would coordinate with the Town library. Randy noted that 300 students per librarian was a little exorbitant in his opinion. He asked if the schools ever had a full time librarian. Laura said they had two in the past. Randy asked where the priority was between the behavioral person and the librarian and Laura would not say. Karen asked why “School to Career” was being reinstated. Laura indicated it was being “prioritized back” into the budget and that it is being contracted. Karen asked if there were any grants this year and Laura said she did not know. Betty said that if any grants go away, this will have to come back as a special warrant article and requested a copy of the written contract.. Dr Nelson said he would provide same. Karen asked if we do any leveling among the three schools on proportionate sizing. Laura said they did it in the past by districts. Bill Jones asked what the kindergarten projections are based on. Laura said they get completed forms from all the pre-schools. Randy said that supplemental items becoming a part of the core budget is a concern.

CONWAY ELEMENTARY SCHOOL

Brian Hastings distributed a ten page information packet. He noted that the increase is in the amount \$ 38,140 or a percentage increase of 1.93%. He indicated that enrollment has gone down, but costs have gone up. We had the 60k moving maintenance amount last year but not this year. He said he shoots for low class size. Karen asked if special ed people were included, and Brian replied in the negative. Karen asked what a 504 student is. Brian said it is someone with accessing issues. He said it would be a handicapped student if the situation involves access issues. Karen asked how many coded students are in Conway El. Brian answered that there were 55 with 15 being 504 students.

At this point Russ Seybold initiated a lengthy Budget Committee discussion regarding health insurance costs. He said he knows its important that the teachers receive appropriate coverage but somehow more of the burden should be shared. He noted that while this is a national issue, it is also one that Conway voters have to absorb as well, and some of them don't even have coverage for themselves. He said it's a question of how we get to the problem without hurting everybody. He noted Carl has to get the message back that this is a major issue and needs to be addressed. Regarding the issue of Health Insurance rates, Phil Dighello said that for several years now he has asked both the town and school to consider changes to the health insurance coverages in an attempt to control

costs to the taxpayers. With the exception of some small changes made a few years ago

In the HMO plans, not much has been done. In 2001 the taxpayers cost for a family health premium for the town was \$6,310 annually compared to \$12,744 today, less than half. The school costs have risen even more. The health insurance plans that we pay for are still very liberal with "no deductibles" which is almost unheard of in the private sector. Last year when the teachers went from a two year contract to one, Carl mentioned that one of the reasons for this was so they could address the health insurance problem on an annual basis. As far as I know neither the town nor school has done this in the new contracts. Every year we seem to get the same answer when questioning health benefits, "The contracts are already done, we will address it next year". I am suggesting that the Budget Committee send a letter to both the Board of Selectmen and School Board requesting that this issue be reopened now and that changes in the health insurance coverages be seriously discussed. I would also suggest that the letter request progress reports at all the Budget Committee quarterly meetings throughout the year, before any new contracts are finalized. I will discuss at future budget meetings different ways that some NH towns are using to control health insurance costs. Dick Vitale said that when he was a selectman in Bradford, the Municipal Association, administrator of the health insurance, told us that the rates were going up 42 % because the previous rates were miscalculated and the insurance company had to recover their losses. I immediately contacted an insurance broker and was able to get a policy for the town that was only 12 % above the previous rate. I did that by changing the deductibles, and modifying the shared costs within the plan. When the employees saw what I had done, they threatened to quit. I told them to please give me 2 weeks notice so that I could put there vacancies in the paper. I told them with the new policy, that they would have a prescription plan that would save them hundreds of dollars a year. That was the trade off. I also told them that if we kept the old policy, their shared cost of the premium would also increase 42 %. I showed them the figures and proved that their take home pay would drop. They bought it and we dropped the Municipal Association insurance and went with Health Source directly. Our premium went up 12 % not 42% Does anyone care to research the plans the teachers and town employees have? Is this negotiated during the contract or just accepted? Why does the school pay \$200 more than the town for the family plan ? This is outrageous !. The boards should be called to explain. How are these contracts negotiated that we have such problems? The negotiators should work from different levels. Increase co-pay, increase deductibles, look at caps, look at an 80-20 split with respect to sharing the burden, etc. The point is we have many options to go after and that's what we should start doing. Dr. Nelson said, that picking up on Phil's idea, he would be glad to work with the Town on looking at this problem on an ongoing basis. Deb Deschenes said that the Boards have made some strides over the years but the rates keep going up. She noted that she and Sheryl Kovalik are looking at these items at present. Bill Jones said let's start here in Conway and change it. Phil indicated that a person who owns a home assessed at 200k pays \$ 500 in taxes towards Health care and 800 for a 300k home.

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Karen asked why each of the three schools Performance amount went up about \$ 1,000. Becky said it was due to non-contract (non-union) people. Bill said he had several Andy

Greigel and Jim Hill questions on page 9 of Brian's handout. Randy said that lawn and machinery issues should be building maintenance budgetary matters. Dick added that there needs to a Capital Reserve fund so that many of these items could be put in it. At this point, Chairperson Stacey referred to a memo from Jim Hill dated 12/23/05 and found in the large packet of information Dr Nelson distributed. She noted that much of what is being discussed here is covered in that memo.

Brian passed out a sheet detailing what the goal was of Family Support Liaison as well as indicating the target population and exactly what it is the Family Liaison will do. He stressed this was not a new position and would perform a major coordinating service. Melissa asked if this duplicated some of the services provided in the valley such as the Center of Hope. Brian said no, that none of the organizations in the valley perform a coordinating function to help the families. Karen wondered just how many "Number One" priorities we can have, indicating that something has got to give. Betty, referring to page 8 of Brian's handout, asked what are "specific holes" to be plugged and what are the books for the new curriculum. Brian said they would be doing a lot of work in Math. Randy noted that we should take into account that the kids from Conway El come from different backgrounds. Betty asked who takes care of truant students. Dr Nelson said they are covered by the principal, the guidance office, and the school resource officer. Bob Drinkhall said he would like to know where we will be, budget wise, when the new school is figured in, as these are very overwhelming figures. Carl said he will work up some figures for Bob. Betty thanked the three principals for coming in and making their presentations.

Karen then asked about a February 8 Town School meeting to discuss Health Insurance costs. In response, Phil made a formal motion to discuss health insurance issues between the town and the school on February 8, 2005. Betty seconded the motion. The motion passed 9-0-3 with Dick, Russ and Deb abstaining.

ADJOURN

Bill Jones moved, seconded by Betty Boucher, to adjourn the meeting at 9:14 p.m. The motion to adjourn carried unanimously.

Respectfully submitted by:

Theodore R. Sares
Acting Recording Secretary