

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 25, 2006**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Meeting Room at the Conway Public Library with the following members present: Chairperson Melissa Stacey, Phil Dighello, Bill Jones, Randy Davison, Russ Seybold, Robert Drinkhall, Betty Boucher, Maureen Seavey, Rick Paquette, Carl Rosenthal, Karen Umberger and Deb Deschenes. Also present were Dr. Carl Nelson, Superintendent/SAU 9, Martha Cray, Assistant Superintendent/SAU 9, Neil Moylan, Director of the Career and Technical Center at Kennett High School, Kevin Richard, principal of Kennett Middle School, Jack Loynd, principal of Kennett High School and Becky Jeffers, Financial Director/SAU 9.

Chairman Stacey started the meeting by advising the Committee members that a new recording secretary had been found. Chairman Stacey advised that Karen Hallowell, Holly Meserve and herself, had interviewed three candidates for the position of Recording Secretary. It was their recommendation that Iris Bowden was the most qualified for the position. All Committee members introduced themselves. **Betty Boucher moved, seconded by Karen Umberger, to approve Iris Bowden as the Recording Secretary.** There being no discussion, **the motion carried unanimously.**

Bill Jones stated that he would like to see a letter sent to Ted Sares thanking him for his services. Chairman Stacey promised she would take care of it.

APPROVAL OF MINUTES

Karen Umberger moved, seconded by Bill Jones, to approve the Minutes of December 14, 2005. Karen Umberger stated that on Page 7, second to last paragraph: "Karen noted that the Selectmen tell the school what they want and who is to attend" should be changed to Earl. Chairman Stacey stated that on Page 7, third paragraph down: "Randy Davison noted that he had expected..." should be changed to "Chairman Stacey noted that she had expected...". Randy Davison asked the Chairman whether the information asked for in paragraph two on Page 7 had been received. Chairman Stacey advised that she had called and talked with Jim and that he will bring the information with him to the meeting on February 1. Randy responded that he didn't want to beat a dead horse, but if you ask for information one shouldn't have to go through a tunnel to get it. Chairman Stacey advised that she could get copies before hand if that is what was wanted. **The motion passed with all in favor except for Randy Davison, who abstained.** When asked why he was abstaining, Randy advised that there was more discussion than what is

in the Minutes, too much discussion was left out. Chairman Stacey asked Randy if he thought the Minutes were too brief and Randy agreed.

Betty Boucher moved, seconded by Bill Jones, to approve the Minutes of January 11, 2006. Karen Umberger suggested that on Page 1 under *Welfare*, five lines from the bottom, that we take out "...and BJ said there was not." Randy Davison advised that he would again be abstaining as there was a lot more discussion than what is in the Minutes. **The motion passed with all in favor except for Randy Davison, who abstained.**

SCHOOL BUDGET REVIEW

Chairman Stacey asked Dr. Carl Nelson to present his information. Dr. Nelson started by advising that each Committee member had been given a packet with the information requested at the January 4, 2006 meeting; a packet with requested information submitted by e-mail by Karen Umberger and he believed the questions were answered to the best of their ability with the time they had; a Memorandum with revised pages; and a sheet Mark Zangari provided for class counts at John Fuller. Dr. Nelson then proceeded to review the "blue pages" attached to the Memorandum. The budget for the High School has been revised down by \$100,000.00 and that a Special Education tuition student will not be in the system next year. Karen Umberger asked Dr. Nelson where is the change, where is the line. Dr. Nelson replied on Unit 3. Dr. Nelson proceeded to advise of a new Revenue page which gives a new estimated tax rate and that there was a difference now of \$.92. At this time the AFSCME contract figures were not available. Dr. Nelson also pointed out that the final figures presented also carries a payment of interest of \$60,504.00. The Conway School Board has approved the Budget. The Default Budget is lower by \$346,786.00 or 1.2%. As requested, the Default Budget from years past is available and you can see we have been very consistent with the pluses and minuses.

Dr. Nelson's final presentation was the Warrant Articles. He advised that Article 2 is a new Article for the bond of \$2,500,000.00; estimated \$150,000.00 can be used for the construction; and the payment on interest which has to be made in January 2007. Article 5 was changed because of both a Default Budget and a regular Budget. Article 6 is blank as there is no agreement with AFSCME. Article 7 is for CESP in amount \$44,760.00 which is greater than last year by approximately 2%. Article 8 is new as they did not have the numbers of \$399,686.00 for the CEA which is a 3.5% increase over this year's contract. Article 14 was acted on by the Board (6-0-0) that calls for tuition contracts for both Eaton and Albany. Article 15 is upgrading phone and security systems for the schools listed. The next time we meet Chair Mark Hounsell will comment on this. The Board recommendation is 3-2-1. Article 16 is mechanical and lighting upgrades in the Conway Elementary School. Mark Hounsell will comment on this as well as Mike DiGregario.

Karen Umberger asked when the discussion on all of the Warrant Articles is going to be. Chairman Stacey advised that it will probably be discussed next week. Karen also asked about questions on the contracts. Chairman Stacey advised that she assumed Mark Hounsell wanted to be here for that discussion with Jim.

Dr. Nelson then turned the presentation over to Neil Moylan, Director of the Mount Washington Valley Career and Technical Center. Mr. Moylan thought that he would take this opportunity to give the Committee an overview as to who and what the Career and Technical Center is and what they do. They presently have 10 programs: ECE, Auto, Culinary, Business, Marketing, Drafting, Property Management, Graphics, Machine Tool and Bridges to Work. Bridges to Work helps those students with IEP's or 504's to get ready for working in the community.

Mr. Moylan advised that they have a system comprised of community members who oversee what is done and how the resources are being used. Each program's advisory committee meets several times a year to review curriculum and make sure all is in order. There is a check and balance system used to make sure that all is on target. They have had steady growth over the last 5 years. They currently have 1153 student seats enrolled for the current year. Many of the students go to State competitions; there are 23 other Career and Technical Centers in the State. They have had over 350 students participate in the competitions and have had 50 students place first, second or third. Several students have gone on to National competition. They have a strong Adult Education Program with over 850 adults taking courses at night. They have had students come back and be productive members of the Valley. The staff/teachers in some of the programs are former business owners or have worked in the course they are teaching.

Mr. Moylan further advised they were going to have their first inductees this Spring into the National Technical Honor Society. He further advised that once the Career and Technical Center moves to its new facility, they will be NATF certified. He encouraged all to come see what is going on; the doors are always open.

Karen Umberger asked Mr. Moylan if this Center only covers the Mount Washington Valley and where the next nearest Center was located? Mr. Moylan replied that Kingswood is the closest. Karen further asked concerning the business program, what is being taught. Mr. Moylan replied that Accounting 1 and 2 and Business Ethics. Bill Jones asked how many seats are there and Mr. Moylan responded with 1153. Bill further stated that if 95% take a course, what kind of a commitment are they making? Mr. Moylan responded that the courses are 60 or 90 minutes long which means they have 30 minutes of classroom instruction and 60 minutes in the lab/shop. If it is a 60-minute class, they have 30 minutes of instruction and 30 minutes in the lab/shop. Phil Dighello stated that Conway students would be around 400 to 450 and Mr. Moylan stated he was not sure. Betty Boucher asked Mr. Moylan if he would get that figure to us. Mr. Moylan stated he would try.

Mr. Moylan then discussed the budget changes which saw an increase of 6%. Mr. Moylan stated the reason for the increase is that they are moving an instructor in property and trades from part time to full time. The reason for moving to full time is the building trades in the Valley. Line 1300 is increased \$4,498.00 or 4.53% as new books are needed for the Culinary course. The present books are 25 years old. Construction books are needed for carpentry, electrical and plumbing. Marketing is going towards fashion marketing. With the NATF Certification, a few tools are needed. Line 2210 shows an increase of 14.46% or \$840.00. This is basically for the NATF review team. The Center has to house the team for 2 days and for supplies or for whatever else is needed. Line 2620 increased due to the price of gas. The Culinary Department works with gas and a small increase was put in to anticipate any energy increases. Overall, with an increase with the instructor, new books and the NATF there is a \$32,000.00 increase or 4.19% increase.

Karen UMBERGER asked Mr. Moylan if the reason there is an increase in property management was because of need. Mr. Moylan responded that it is in demand. Karen asked if the increase is because the electives that are offered in the other areas are unattractive or do they look at the Career and Technical side as being fun. Karen asked for confirmation that the credits needed for graduation is 80 and Jack Loynd agreed.

Bill Jones asked about the NATF Certification and where the team comes from. Mr. Moylan responded that he thought the automotive inspector comes from Concord, but he wasn't exactly sure. Betty asked under whose direction does it state that we have to house and feed the team. Mr. Moylan responded that NATF directs that. Betty Boucher asked about the \$3,000.00 set aside pursuant to the CEA Agreement for courses and that nobody took any courses. Dr. Nelson responded that \$40,000.00 is put aside for courses that teachers get reimbursed for; each teacher is limited to 3 courses. The \$40,000.00 is divided up between the Middle School, the High School and the Elementary Schools. Betty proceeded to ask how many times have we not had anybody take courses for reimbursement. Russ Seybold inquired about the statement that 68% of the students at any point in the day are in class. Jack Loynd responded that figure only applies to Seniors. Jack further stated that the figures are: Grade 9 is 98%; Grade 10 is 93.5%; Grade 11 is 87.2%; and Grade 12 is 69.8%. Only 9th Grade is acceptable at this time.

Kevin Richard, principal for the Kennett Middle School, gave his presentation. This is the second year as a Middle School which services 7th and 8th Grades from 5 Elementary Schools, Madison and Freedom. They have two teams for each grade; every day there are team meetings. The NWEA testing is computerized testing which gives the students and staff immediate feedback. This is one more piece of assessment needed to continue to re-organize. You will see on-going change in the budgets. The school you see now is different than two

years ago. Karen Umberger stated that at this particular time you are establishing base lines and are these the tests for No Child Left Behind, State requirements? Mr. Richard responded that there are three different ways; they don't like to use one assessment. The State NECAP Assessment is paper and pencil test; fill in the bubbles; use assessments within the class. The testing gears towards students and their ability level. If a student gets two questions wrong, it drops down a level. Karen Umberger asked if there were testing requirements beyond this for 7th and 8th grade students. Mr. Richard stated that this year NECAP Assessment is both 7th and 8th grade. Karen further asked if this forms the base line for tests that go on at the high school level and are the same tests used for Special Ed? Martha Cray, Assistant Superintendent stated that there are 3 points of assessment: Grade 3, Grade 6 and Grade 10. Initially tested in writing, assessed in reading and math. No Child Left Behind, each child in grade 3 through 8 must be assessed annually. Fall Assessment is based on same standards and curriculum as Grade 10.

Randy Davison stated that the budget is up 11% and the School Board needs to be fiscally responsible and this budget has some real concerns. In 2003, there were 403 kids due to population enrollment. There is a class loss of 100 students over 3 years. There was no reduction in force. Last year you went after the Arts. You determine reduction in force when population goes down. Middle School has 4 teams. Prior to 2003, two teams and split teams. It is difficult to do reduction in force but need take into consideration the taxpayers. Enrollment in each grade level mentioned it had guidelines for State of New Hampshire for 30 students per class max. To me, a reduction in force should have happened. Look at other comparisons: librarians. There is only one librarian for 7 through 12 and 1 librarian for each elementary school. When you have a loss of 100 kids over 3 years something has to give. Do you want those numbers? We show some small numbers coming through. What is your enrollment now? Mr. Richard responded with 297 students. Randy continued stating that when Jack does his ... State average for grades 5 through 8 are 21 kids per class. We are not going to solve this, but we can tell what happens and someone has to get this under control. Deb Deschenes intervened stating a big portion was Special Ed and an out of district placement.

Mr. Richard stated that class size is a piece that needs to be addressed. The decision made last year was for shorter periods with smaller class size. The Unified Arts fall into that and there are 18, 19 and 20 or 20.1 in 4 periods not 5 periods. The average class size in the 8th grade is 17 students per class and the average for the 7th grade is 14 students per class. As for the Unified Arts, the average class size for the 8th grade is 20 students per class and 16 students per class for the 7th grade. The numbers are low on purpose.

Randy Davison continued with his concerns for reduction in force. The State standards are mentioned a lot but not taken into consideration. 11% is high. Reorganization may be a good thing. 403 is a lot to go through a Middle School.

Karen Umberger asked what was considered Unified Arts. Mr. Richard advised that the Unified Arts included Health, PE, Art and Music.

Mr. Richard proceeded to explain that with the separation of costs for the Middle School, transferring salaries, health insurance. More experienced teachers means more money. There has been no turn-over of teachers in the Middle School. No one left last year. In 3 to 5 years staff members may be retiring. Randy Davison stated that the more experienced teachers should be able to have a higher number of students, handle a higher number of students.

Mr. Richard stated that they will have to contract services for a deaf student. Bill Jones asked for a detail of the services. Mr. Richard stated that they would need a teacher for the deaf or an interpretator wearing aids for the student.

Karen Umberger asked if this testing at a cost of \$6,000.00 is continual or if this was a one-time cost. Mr. Richard advised that the testing is a per student fee. The \$6,000.00 will actually decrease to a sum of about \$4,000.00 next year, about \$15.00 per student.

Jack Loynd, principal at Kennett High School, gave his presentation. Mr. Loynd advised that testing is showing above the State average. There was an extremely high percentage of Seniors participating in the SAT's; 90% took the test and scored above the national average. There has been a decrease in the failure rate of 10% school wide. Mr. Loynd then advised that there are still areas that need improvement as is pointed out in his written presentation. The drop out rate is 5.5% over 4 years with only 80% graduating.

Karen Umberger asked if Special Education students are tested in all areas or how does that all come together. Mr. Loynd advised there are two ways of assessments. Karen asked where she would be able to find it. Dr. Nelson responded that Maureen Soraghan would be at the meeting next week and probably better able to answer. Mr. Loynd responded that some Special Ed students take the tests with some special accommodation, depending on the IEP. If it is in the IEP that a calculator will be used, then a calculator will be used. Last year, two students did portfolios and submitted them to the State.

Mr. Loynd further stated that they are looking for support for Special Education and low income students in Math; looking for funds for self-study and curriculum revision; improve reading and writing; class size up to 24 students could be effective; increase electives for the Juniors and Seniors; have a high functioning School To Career partnership; support from businesses in the Valley. Mr. Loynd further stated that he anticipates close to 1,000 students next year. He is hoping that the drop-out numbers will decrease. The High School encourages full class loads for 9th grade students; tried in 10th grade, but less successful. Mr. Loynd further stated that the High School has had a reasonable increase in the budget over the last few years.

Randy Davison commended Mr. Loynd on having a stellar budget compared to others and his ability to maintain the budget and take care of the students' needs. Randy felt this should be acknowledged and he advised Mr. Loynd that he appreciated his explanations and that overall, Randy would support the High School Budget, but knowing you have a huge amount of kids utilizing space and doing something about it.

Betty Boucher asked Mr. Loynd what the drop out grant was for. Mr. Loynd advised it was to assist in drop out prevention, jobs for graduates; having staff member teaching job related skills. The Apex Grant was received from the Department of Education to assist in identifying 8th grade students you are on a track for dropping out; build educational program for students identified as being at high risk. Karen Umberger stated that at the elementary schools there seems to be a lot of comments about low-income students. A later concern implies dealing with education of low-income students is one of the reasons classes are kept at such a level because of the low-income student. They are placing a lot of emphasis on this. They have come through 6 grades of specific targeting of those people then come to Middle School where they keep class size small to do better. We have supposedly spent additional money so that when they arrive at high school we wouldn't be seeing drop out rates that we have concerning that whatever is going on prior to the children going to you. Instead of 5% would have a 10% drop out rate. Those don't seem to be benefiting of the goings on in the high school. I echo what Randy Davison said. Over all, the high school has probably done the best job in managing the budget and producing the results I expect. I don't know if any of you here can answer the question on the low income or not.

Mr. Loynd stated that those at risk are taken out of study halls and given directive study in a small class. There are a significant number of students repeating courses. We work very hard to keep kids in school. Bill Jones stated that Special Education has taken a tremendous jump. Mr. Loynd advised that there is a lot of variation in that; out of school district placement must pay room and board; or a student lives at home and is transported back and forth. You may have a reduction some year but we have no control over it. Maureen Soraghan be better able to answer that.

Betty Boucher asked how high is our drop out rate and what are we doing about it. Mr. Loynd responded the rate from last year was 5.3% to 5.5%. By providing more support in the 9th grade the rate decreased. The decision to drop out involves the community offering students jobs without high school diplomas.

Randy Davison stated that having students in smaller classes doesn't mean they will excel. Jack is seeing results from what he is getting from the lower levels. We pay over \$1,500.00 to \$2,000.00 over State budget per child in the Middle School. Jack has done well with what he has to work with. It will be interesting in the next 2 years to see

how they make out. Over all, I didn't see a lot of discrepancy and that is something we can applaud to his budget. The others should look at reduction. I was really thrown. When numbers go down, the budget doesn't keep escalating. Administrators and the School Board need to realize this. I thought 11% a bit much.

OTHER BUSINESS

Chairman Stacy discussed the meeting notice on 2/08 on the health insurance. Dr. Nelson advised that he did not get it. Chairman Stacey asked Dr. Nelson to bring the difference between 504 and IEP with the cost for each to that meeting.

Bob Drinkhall inquired about the difference figures. Dr. Nelson advised that Blair of Lee Kennedy was preparing same.

Chairman Stacey handed out the non-profit packets to each member for review prior to February 4th. Bill Jones asked if anyone had heard from Tim Hall and whether he is coming in. Chairman Stacey stated that she saw him at Town Hall with Earl and he was suppose to fill out the forms and apparently that didn't happen.

Chairman Stacey advised the Committee that the meeting on February 8th would be concerning health insurance. Chief Wagner, Commissioners, Town and Dr. Nelson would be present. Bill Jones stated that Dr. Nelson just stated he didn't know about the meeting. Chairman Stacey stated that she told him about it.

Randy Davison advised that he saved articles on the fuel costs available and same was passed to each member. Karen Umberger asked Deb Deschenes whether she would be representing all three unions. Deb replied yes. Deb suggested to Chairman Stacy that she call Dr. Nelson to have someone from the unions attend and call Earl and have him do the same.

Chairman Stacey stated that after looking at the schedule, she suggested that maybe a different date should be considered for the actual vote, either February 22nd or March 1st. Karen Umberger advised that the Warrant is posted on the 27th the latest. Chairman Stacey stated that it looks like we will have to go on the 22nd. Karen further stated that another problem was the Wiley Court Betterment was coming back to the Selectmen and that wasn't going to be heard until the 21st. Karen suggested we can either vote on it without knowing anything or we can wait until after. They will have figures but will not have the Selectmen's opinions before that. The Selectmen would not be discussing this until that time. Earl is working on what needs to happen on the meeting on the 15th concerning Wiley Court. Chairman Stacey asked if anyone was going away for February vacation, as 8 members were needed for a quorum. **Motion made by Betty Boucher, seconded by Bill Jones, that the meeting for the vote be February 22nd**

at 6:30 PM at the Town Hall. Chairman Stacey was not sure if we could have the Town Hall on the 22nd, but would find another place to meet if the Town Hall was not available.

Phil Dighello stated that he had a Petition to have an article added to have the Budget Committee do the default budget. Deb Deschenes stated that last year before they voted, there was an article in the paper that supports why we are doing this. Some people had issues with what was said at the time. The School Board is keeping a professional manner about this. Betty Boucher stated this Board doesn't just look at figures; they look at students and taxpayers. We are looking out for everybody. If no taxpayers, no income.

Randy Davison had some information to pass out that he brought. He found it was helpful last year, so he printed out what the vote was with fiscal responsibility, historical prospective.

Russ Seybold stated that he was favoring a relatively small class size with a maximum of 20 students per classroom.

Chairman Stacey asked if there was any information that she could get that we don't already have. Karen UMBERGER stated that if they could have insurance policies and what is included would be beneficial to everybody. Maybe we could also have the cost breakdowns of various policies from people that have similar plans. I don't know if anyone has any information on Health Savings Accounts or Medical Savings Accounts. It is very hard to look when you don't know what you are looking for. Maybe we could ask someone with a business to bring in his policy to show what a business does. I would like to see what things are different. Russ Seybold stated maybe someone from the industry should speak and share that information with us. A health provider that knows the ins and outs since they have a broader scope. Karen agreed. In the past, we have only talked to AMHA. Maybe it is time to talk with someone who is a broker. Bill Jones added that also needed is a good understanding and time frames; fix or cut, it is the end of the line. Chairman Stacey brought up why not put it out to bid, maybe that is something that we need to do to make cost cuts; start putting things out to bid. Phil Dighello stated that he thinks the problem with the Municipal Association is that they don't offer enough plans. He would like to see a plan and what it covers to see how it compares what certain towns are doing: charging the employee more or higher deductibles. Different towns are doing different things. It would be a good idea if there was a quarterly report on health insurance to plan what to do before the contract is up.

Russ Seybold requested that as we move through the voting process we need to be very careful in the Minutes for each and every vote.

Chairman Stacey reminded members that the meeting on the 30th was at 6 PM and not 6:30 PM at the Town Hall. The Precincts and Town budgets, the Valley Vision budget would be reviewed.

Motion made by Betty Boucher, seconded by Phil Dighello, to adjourn the meeting at 8:59 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary