

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
February 7, 2007**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairman Melissa Stacey, Robert Drinkhall, Maureen Seavey, Pat Libby, Phil Dighello, Doug Swett, Crow Dickinson, Rick Paquette, Bill Jones, Betty Boucher, Deb Deschenes, Bill Aughton, James LeFebvre, Karen Umberger and Kirk Smith. Also present were Dr. Carl Nelson, Pat Swett, Martha Cray, and Cindy LeFebvre.

Chairman Stacey advised the members that the next meeting would be on February 12<sup>th</sup> at 6:30 PM at Town Hall on the Town. Deb Deschenes stated that on the 12<sup>th</sup> she has a School Board meeting and will not be there. Chairman further stated the Notice for the public hearing should be in the paper either already or by this weekend. Public Hearing at 6:00 PM at Conway Elementary. Meeting on February 19<sup>th</sup> to vote at 6:30 PM.

SCHOOL BUDGET REVIEW

Dr. Nelson stated the pink color of the hand outs is to make sure that this is the final draft. School Board met Monday night and reviewed the Recommendations from Budget the Committee; appreciated attendance.

James LeFebvre stated the cut at John Fuller could be brought back and Dr. Nelson stated that could be what happens when they have Class Reduction Money; will look to determine which school has the most need. John Fuller is in the running, depends on what money amount is.

Karen Umberger stated it was her understanding \$90,692.00 was not for teachers but for whatever Jack wanted and Dr. Nelson stated no, equivalent of two teaching positions in personnel area. Karen stated comes out of personnel and Dr. Nelson stated that is the way the School Board envisioned it.

Rick Paquette stated that speaking for himself, it has never been his position to ask the School Board to remove positions at High School or consider it but to look at the entire package and consider moving personnel in the entire school system; confused on who is driving this notion of head count reduction within the school system; never his position to make that call. This budget person said he would like to look at the entire system; because of small Middle School class bubble to High School makes sense to move some from Middle School to High School. Not sure \$130,000.00 in personnel slice will be played out. If High School believes need positions in High School, perhaps take teachers out of Middle School. Dr. Nelson stated at the beginning made statement that School Board looked at the Budget Committee Recommendations and how several Board members felt at this point in time should not add teacher positions at High School; looked at validity of thinking and came up with these conclusions.

Bill Jones stated it was his understanding on the \$90,000.00 that it would allow Jack to cut to his best advantage; didn't say cut new positions and doubt in this situation if that is going to happen. Deb Deschenes stated original reduction has to come out of that position. Dr. Nelson stated budget \$90,692.00, reduction could be half a person; providing flexibility. Bill stated not to eliminate and Dr. Nelson stated that's in the future, we'll see. Bill stated future is now. Dr. Nelson stated \$90,000.00 less in High School budget. Normally in the past have had a stipend pool of \$32,000.00.

Chairman Stacey stated class size reduction; John Fuller is not the only school and Dr. Nelson stated what we do is sit with Administrators primarily in the Elementary School where funds are needed, 3 principals, myself and Martha.

Phil Dighello stated he was at the meeting and heard very little discussion about repositioning; was kind of disappointed. Dr. Nelson stated heard considerably about the Middle School; looked at spending and this is not the year to change things. Will continue structure of the Middle School. Board is not ready at this time.

Dr. Nelson stated on Summary Sheet of budget now represents a 6% increase in the expenditure side. On the Revenue page you will note the amount of the District Assessment is down again because of reductions.

Dr. Nelson stated Attachment #3 - Tax Rate Information has the revised tax rate, down by \$.14 in Conway and then after Warrant Articles. Attachment #4 - Preliminary Default Budget shows a difference of \$309,000.00.

Crow Dickinson stated he didn't understand a couple of things. Default Budget is deductions of one-time expenses and Dr. Nelson stated pieces of equipment purchased for example. Crow asked if there was a list of those and Dr. Nelson stated yes, Attachment #7.

Dr. Nelson proceeded with Attachment #5, a Summary of Increases/Decreases. Attachment #6 is the final draft of the Warrant Articles that the School Board has approved. In Article #2 the final figure will be \$31,045,854.00 and, of course, the Budget Committee's recommendation and default to be provided by the Budget Committee. Article #15 is the phone systems recommended by a 7-0 vote.

Dr. Nelson stated to Crow Dickinson that Attachment #7 is the example of one-time expenses. Crow stated these are the one-time expenses and Dr. Nelson stated the one-time expenses for 07/08, \$254,366.00 would be the items that we would recommend out of next year's budget. Attachment #8 are the answers to questions concerning Project Succeed that Christine has provided.

Karen Umberger stated going back to #5, what is this. Dr. Nelson stated Phil had asked to take a look at all positions, new positions and the crossing dollar amount. Chairman Stacey asked Deb Deschenes who did not

vote, re-vote numbers don't add up the same. Deb stated they voted at two separate meetings. Chairman asked who the one person was and Deb stated Randy.

Karen Umberger stated what happens if Articles 3 and 4 don't pass and Dr. Nelson stated won't have a Trust Fund. Those are set up by the Tuition Contract. Karen stated these Articles a) establish and b) put money in; if don't pass and Dr. Nelson stated don't have fund to put money into. Contract designed to deal with maintenance in the future. Karen stated so money comes from other towns includes the Trust Fund and Dr. Nelson stated includes their piece of the Trust Fund as well as Conway's. Karen asked if the other towns are billed and Dr. Nelson stated their share of the bond, Operating Expenses and Trust Fund, three different pieces. Karen stated Trust Fund is 2007 money and the tuition is 2006 money and Dr. Nelson stated based on those numbers. Trust Fund based on total construction; 3% divided by 20; right now estimate based on two bonds.

Betty Boucher stated this is the first time for a Trust Fund, billing sending towns; if a sending Town doesn't agree to send same back and Dr. Nelsons stated it is part of their payment obligations. It would become surplus at end of the year.

Karen Umberger stated how much from sending towns and Dr. Nelson stated he knows that, but didn't know if he had calculation with him. He could certainly get that; he will bring to the public hearing.

Phil Dighello stated on Attachment #5, these are the new positions being created and the payroll involved; look at bottom 22.32 position increase; subtract the Custodians and so forth. Overall adding 15 new teaching positions for a cost of \$555,513.00. Phil wanted to make it clear to this Board so they know what is being proposed. Dr. Nelson stated when looking at that and \$222,000.00 of Special Education Aides that are I.E.P. driven. Phil stated still have new positions and Dr. Nelson stated start adding up find considerable amount of money necessary, not desired, necessary to comply with Special Education regulations. Phil stated still have extra teaching positions and Dr. Nelson stated yes.

Karen Umberger asked to go through the positions required and Dr. Nelson stated custodians and maintenance, Special Education Aides - 7. Crow Dickinson asked what I.E.P. is and Dr. Nelson stated Individual Education Plan.

Bob Drinkhall stated just go down the list we have here, just absolutely required. James LeFebvre stated go down list and state which are required. Dr. Nelson stated bottom left hand side add Special Education 7 Aides, I.E.P. driven; Teacher's Assistant not required; Nurse not required; new Nurse; Librarian required, only have one. Administrative Assistant not required; secretary not required. Secretary for Special Education not required; Aides (Non-contract) not required; Professional not required; Library Aide not required; Reading Specialist of 1.0 at Pine Tree and .6 at Conway Elementary required by the Standards.

Phil Dighello stated on Reading Specialists there was a lot of discussion; really don't need them. His opinion being a Standard is set by the State. Dr. Nelson stated it is in the State Standards. Phil stated that is really not a requirement. Dr. Nelson stated Board has considered them to be in there. Martha Cray stated having just had a school go through approval process, it is conditionally approved, because it does not have a Reading Specialist on staff; having a Reading Specialist at the Elementary Schools are required for an approved program. State requires a Reading Specialist at the Elementary School or will have a conditionally approved program. Phil asked what do they do if not approved by the State on an elementary level and Martha stated they send people here and help us get it done; we wouldn't have to close the school. Tuition Agreement states maintain an approved program. It is essentially achievable for Elementary, more complex for High School.

Dr. Nelson stated the only other one required is the Special Education teacher fourth from the bottom at \$45,346.00.

Bob Drinkhall stated general question, from 10 years ago budget has doubled, results of drop out rate and test scores. Dr. Nelson stated doesn't go back that far, goes back a ways. Rick Paquette stated he needed a real number. Dr. Nelson stated enrollments are in your book back to 1976. Bob Drinkhall stated in 10 years the budget has doubled; results regarding drop out rate and test scores; goals and cost of attaining the goals. Rick Paquette stated give us a dollar figure. James LeFebvre stated he didn't think the point was getting across. Chairman Stacey stated 10 years ago what was the value of money. Bob stated a rough calculation.

Dr. Nelson proceeded with Estimated Revenues; actual Unencumbered balance is \$1,006,779.00.

Crow Dickinson stated very interesting discussion; however, if he has no interest in including any new teachers it is impossible for him to make that separation because School Board has decided this is their budget, not taking anything out. Karen Umberger stated to Crow his statement was not exactly true because the budget that goes to the deliberative session is the budget number the Budget Committee proposes. That would be the budget at the deliberative session and they can do whatever they do.

Maureen Seavey stated those taking tests, only get a percentage of taking test now and that could lower. Dr. Nelson stated it is in the Report Card. Maureen stated over those period of years requested and Dr. Nelson stated don't know about going back and getting percentage that took that testing. Maureen stated 10 years ago could be higher.

Phil Dighello stated the value of money today from 10 years ago can be found on the internet, easy enough to do. Dr. Nelson stated you do that and I will do the rest of it.

Bob Drinkhall stated the Mineral Springs - the property tax is \$2.00, the entire tax is \$2.00. Dr. Nelson stated it is in Current Use; ask Assessor, no value, only historical.

Betty Boucher asked what number to maintain Spring House and Dr. Nelson stated the Property Management Class is going to be responsible for taking care of that area, good learning experience for them. Betty stated she wanted to make a recommendation like she did with maintenance, keep budget up and leave money alone. Chairman Stacey stated have you seen building and Dr. Nelson stated they are not doing renovation; done by volunteers.

James LeFebvre stated he would like to re-visit grounds equipment. Chairman stated Deb Deschenes is School Board representative should be addressed to her. James stated question is what is the position of the School Board as to their logic on one-time Warrant Articles. Deb Deschenes asked purpose of putting in budget and not Warrant Article. Dr. Nelson stated if a Warrant Article and it failed for whatever reason, have invested over \$1 Million in fields that we will lose if not taken care of. Deb stated she would guarantee that will be removed from the budget next year.

Bill Jones asked about the condition of the fields, not going to be active for sports, not available. Dr. Nelson stated not accurate, at this time they have been told one area will more than likely be usable and that the football field will be able to be used, not have practice but for games. Bill asked what percentage and Dr. Nelson stated up to 70% to 80% to be usable. Bill stated spring of this year and Dr. Nelson stated fall or next year. Bill stated spring of 08 and Dr. Nelson stated large portion in the fall of 07, all available in the spring of 08.

Phil Dighello stated rationale for not being in Article. Dr. Nelson stated we as a community made the investment, need to maintain. Phil stated what if budget fails. Dr. Nelson stated will still have in.

Karen Umberger asked about additional money for plowing the parking area; plan to buy new truck or continue to contract it out and Dr. Nelson stated probably contract out at this point. Bill Jones asked if that was an accepted street and Dr. Nelson stated private, School owned. Bill stated responsible to plow whole street and Dr. Nelson stated we may contract with the Town. Karen asked if there was an agreement with Kennett to pay a portion and Dr. Nelson stated he pays a portion of it. Karen stated for the sale of land was Kennett responsible for a portion of the cost and Dr. Nelson stated he thought 11%.

Betty Boucher stated she did like the idea about contracting with the Town and having them plow. Karen stated the reason Town should not plow, all towns share in the plowing of the road. Town did not suggest that is where the school be built.

Bill Jones stated on that equipment vote on new equipment. Deb Deschenes stated 6 to 1, but that equipment is in the Operating Budget. Kennett High School original budget was \$8,069,365.00, reduced by \$298,212.00; numbers revised to \$7,771,353.00 revised to increase \$853,000.00. Middle School \$4,379,114.00 originally reduced by \$124,927.00 revising to \$4,210,959.00, keep in mind have Special Education budget bubble from

Elementary. Career/Technical was \$919,995.00, reduced by \$3,726.00; most of reduction came from health insurance for a total of \$916,269.00, \$96,055.00 increase from last year. Pine Tree original budget was \$2,271,544.00, reduction of \$83,832.00 out of that is the increase of \$60,000.00. John Fuller original budget \$2,271,544.00, reduction of \$77,658.00, a 4<sup>th</sup> grade teaching position, for \$2,193,886.00, \$3,500.00 from last year. Conway Elementary original budget \$2,212,979.00, reduction of \$71,404.00, \$32,000.00 increase for total of \$2,141,575.00. Total fuel savings of \$146,257.00; health insurance \$64,435.00. Overall that is what we looked at; looked at list from Budget Committee; School Board came up with additional cuts across the board. Everybody took hits; think budget putting forward right now is a \$.14 decrease, not counting the Warrant Articles; pretty fair budget; we all know next year is projected; think it is very fair. Hopeful of getting your support this year.

Phil Dighello stated on the Middle School mentioned Special Education bubble by what number and Deb Deschenes stated \$250,000.00 of the increase of \$415,381.00; \$250,000.00 of increase is Special Education bubble. Kennett Middle School operating this year 100% on their own, do not share budget any more. Phil stated it glares at you, look at Middle School \$4.2 Million; look at High School \$7.7 Million; Middle School 299 students; High School 930 students, three times as many students and Middle School has more than half the High School budget; see as a problem in the future, big complex for not many kids. Middle School budget more than half for one-third of the kids, big, big expense, biggest expense. Deb stated Conway School Board looked at the Middle School, looked at number and right now that is the way they educate. Not going to make snap judgment. She understands concern; not going to make snap judgment. Phil stated not asking to do that; look back to whole renovation, not analyzed; was 1,300, now less than 300 using 2/3 of the space.

Bob Drinkhall stated he attended Monday night's meeting and was very disappointed; \$90,000.00 represents .0133; total cut representing .00418. In other words, he didn't feel it represented what this Committee was asking for. In addition, vacillated back and forth whether or not we should be choosing specific line items. He didn't feel Budget Committee should micro-manage, but cap the budget. Deb Deschenes stated decrease 06/07 - \$10.78 tax rate; with new budget tax rate projected at \$10.64, \$.14 less than last year. Bob stated excludes Warrant Articles, should expect greater decrease. Deb stated that upset her; originally showed increase, looked again. Bob stated he felt there should be more of a decrease in the overall budget. He didn't want to micro-manage, doesn't have the knowledge and training the Conway Principal and Middle School have, should be their decision. Still feel increase too great. Deb stated improve drop-out rate, focus on test score; in order to do that, have to be in good programs to achieve that. Bob stated that is why he asked for comparison on goals for the future and what costs would be and he would like that before he decides.

Betty Boucher stated over the years we have made our recommendations to the School Board to more or less cut budget. Only thing we can do is make recommendations; bottom line is the only place Board can do any cutting.

James LeFebvre stated issue of health insurance at meeting on the 5<sup>th</sup> it was stated the current contract can be re-opened; is that something Board will do. Deb Deschenes stated have already had one meeting with Union for CEA; information at that meeting willing to look at \$500.00 deductible part. On 2-27, we are going back to open and discuss health insurance again; \$500.00 seems most favorable. James stated \$500.00 would save \$875.00 per person, seems like win/win. Deb stated in all fairness, have to give them the opportunity to review.

Phil Dighello stated on health insurance, last year negotiated to pay a small portion, gave a one-year contract. He was really bothered with two-year contract, have clause can open up really means nothing. Look at contract cost \$4,261.00, \$4,661.00 next year, close to \$1 Million. He hates to see a two-year contract and it disturbs him, tired of hearing 1% now, \$.14 decrease. Two things: basing it on hypothetical amounts of money from State that may change and secondly, not looking at spending. Look at spending alone, \$1.7 Million on budget; 10% spending increase. Talk about tax rates, look at spending: 10% increase; just the way he looks at the budget. Tax rate is never going to be what is projected; state these are the approximates, may very well change.

Dr. Nelson stated he wanted to remind everyone that the tax rate is based on current assessed values and projected tax rate has been lower in reality. Phil Dighello stated legislation has yet to make decision defining adequate education. His position has been before adding on additional payroll, stay status quo, prefer status quo see what funding mechanism is next year and act on that. Deb Deschenes stated Operating Budget is \$.14 decrease. Taxpayers decide what they want to vote for on Warrant Articles. Phil stated the School Board recommended this spending package; saying you want to spend \$2.7 Million more than last year, you are recommending it. Deb stated 6.7% increase which is \$.68 more than last year.

Karen Umberger wanted to clarify at the health insurance meeting held in October provided figures to Jim. Prior to January that information was provided to Jim Hill. Deb stated she didn't have it and she is a School Board member. Karen stated Jim Hill had it, Earl Sires had it, my question to you: did you talk about health insurance. Deb stated of course they did, but that was in negotiations and she didn't feel comfortable talking about it.

#### OTHER BUSINESS

Karen Umberger stated she had distributed an alternate Default Budget. She specifically looked at High School and Middle School, each item listed and dollar value. When she added it all up total was \$163,925.00. At High School added new positions, electric and heat; additions were Librarian, Custodians, difference budgeted last year. Water/sewer is the difference budgeted last year and this year; Insurance, Cleaning Supplies, and electric and heat were the difference. Then to Middle School, English teacher in the budget, Aides, Remedial Support, contract solid and that came to \$91,841.00, added in Nurse, Librarian and others

for \$298,395.00. Next group of numbers represents last year's budget plus additions for Middle School and High School; didn't remove anything from Conway Elementary, Pine Tree, John Fuller and Career/Technical. Could deduct teacher from John Fuller and Pine Tree, last year of \$29,099,184.00; next adding the Debt Plus for \$29,480.354.00; subtracted out all of the things that were Warrant Articles for \$753,618.00 which brings us to \$28,726,739.00; health insurance not sure, added Retirement of \$209,602.00 represented from last year, School Lunch, minus \$142,000.00 for fuel which ends up with \$29,139,692.00 total Default Budget which is less than the \$30,726,782.00 figure that the School came up with. Difference is the School identifying one-time expenses at \$59,000.00 and she identified \$250,000.00 as one-time expenses; that is basically where the difference is.

Deb Deschenes stated on Page 2, Conway Elementary, John Fuller and Pine Tree "could deduct a teacher" rationale. Karen Umberger stated School eliminated a teacher for next year, if go to Default. Deb stated she didn't think that can be taken out. Karen stated if you are looking at Default Budget, take out expenses not incurred; take out expenses not going to following year. Deb stated before you look at Default Budget, have State Guidelines and Karen stated that was not exactly what the RSA says. Deb stated Warrant Articles, Special Education \$218,000.00 and Karen stated that was the number provided by the School Board as a reduction; that was the figure that was provided; this was the figure right here "Default 06/07 less \$218,281.00".

James LeFebvre stated on Attachment #4 from present default of \$30,736,782.00 and Karen's stated \$29,139,691.00; \$1.6 Million differential. Chairman Stacey stated just the fuel amount Karen didn't have and Karen stated also didn't have health insurance.

Karen Umberger stated the Selectmen's budget is \$8,710,265.00 by a 4 to 1 vote. Reviewed Administrative Assistant to hold to 19 hours per week. Selectmen supported remaining at 24 hours, opposed to reducing to 19 hours. Chairman Stacey stated did reduce Recreation Budget by \$40,000.00 to account for money going into the new Revolving Fund.

Phil Dighello stated on the original \$8,739,187.00, new \$8,710,265.00 for a \$28,922.00 difference. Karen Umberger stated pluses and minuses.

Maureen Seavey stated \$40,000.00 expected to get in fees and Karen stated plus all of the adult programs. Rick Paquette asked on other programs before the Revolving Fund, where did they go and Karen stated went in as Revenue. Chairman Stacey asked who voted against and Karen stated Mark (Hounsell).

Bill Jones asked if there were any changes in the Warrant Articles and Karen Umberger stated the Non-Fire Precinct article; original was going to have money tied to it and now it is not. Going to carry money for Non-Precinct Fire in the budget but only voting to approve the contract for 5 years starting 1 January 08.

Bill Jones asked about the final figure from Warner Cable and Karen stated Earl Sires had been in contact and they have indicated check sent either today or tomorrow.

Karen Umberger stated invited Valley Vision on the 12<sup>th</sup>. Bill Jones asked if budget had been submitted and Karen stated yes, \$83,000.00.

Chairman Stacey reminded Committee members next meeting on the 12<sup>th</sup> at 6:30 PM.

**Bill Jones moved, seconded by Betty Boucher, to adjourn the meeting at 8:33 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary