

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 7, 2009**

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, Karen Umberger, Doug Swett, Jim LeFebvre, John Edgerton, David Jensen, Ben Kane, Dan Bacon, Sheryl Kovalik, Bill Aughton, Bob Drinkhall, Betty Boucher and Mike Gilmore. Also present: Dr. Carl Nelson, Ray Shakir and Ron Cudu.

Chairman Stacey welcomed everyone back and stated that on the *Schedule* Karen (Hallowell) and she noticed a typo for February 2nd and February 4th, meetings at 9:00 PM should be changed to 6:30 PM. Sheryl Kovalik asked if it was the same for February 7th and Chairman stated no, that time is 9:00 AM for the non-profits. There has been some confusion with a few calls on the non-profits, but everything seems fine. Chairman further stated that in case of a delay or cancellation, WMWV will be notified no later than 2:00 PM; try to wait at least to that time. If she has the time, she will try to contact everyone by phone and Karen (Hallowell) will e-mail everyone. Chairman further advised that the letters to the Precincts went out today reminding each to bring their budget with 14 copies and forms and be ready to present to the Committee.

Jim LeFebvre stated to close out last year, last year ended with a \$691,000.00 surplus, obviously good management of funds and revenues. Dr. Nelson stated that was primarily Special Education numbers; anticipated what the I.E.P. goals were going to be. By the end of the year, we may not be using all those monies; budgeted for worse case scenarios. Jim asked if the monies were returned to the Town and Dr. Nelson stated it was used to offset taxes; only asked the Town for \$500,000.00 in taxes.

SCHOOL

Dr. Nelson began by wishing Happy New Year to everybody. He further stated that information could also be found on-line at www.kennett.k12.nh.us. The School Board provided targets for the budget for the 2009/10 school year; come in at a zero increase for the Middle School and the Elementary Schools, except for health insurance and fuel. At the High School, there was to be no greater an increase than 2.5%. We hit those targets and in some places exceeded; decreased by \$44,121.00. This lowers the 4.9% increase to 3.5%; the SAU budget was reduced by \$55,827.00 at the last Board meeting; \$1,500.00 below this year's Operating Budget. Dr. Nelson further stated that he would not go through everything tonight, but try to hit the highlights and answer questions. If there are any questions after tonight, Dr. Nelson requested that they be e-mailed to him through the Chair and he would try to have a response for the next meeting.

Dr. Nelson proceeded with Tab A, Budget Summary - this will show each unit. Special Education, Unit 2 was done in accordance with the I.E.P.'s, so will be greater than zero - has to be that way; services must be

provided; \$72,000.00 increase. Unit 3, High School - you will see a 3.4% increase because of health insurance and fuel; does not include custodial, have one in that budget. Middle School - there are 2 custodians included in that budget. Unit 10, Totals - the \$44,000.00 mentioned earlier is \$37,000.00 now and becomes a negative \$6,500.00. New percentage increase is 1.35%. Dr. Nelson further stated that it is his plan to ask the Conway School Board to consider some other reductions Monday night and depending on how they act, may have a different story for the next meeting.

Karen Umberger asked what other new positions were added at the High School. Dr. Nelson stated he would get to those in a minute. Sheryl Kovalik stated the marching orders given did not include staff increases for mandates and excluded health insurance and fuel; increase was to be no more than 2.5% at the High School. Dr. Nelson stated in some cases positions were eliminated in another place.

Jim LeFebvre stated given the fact the School has changed the way it is presenting the budget this year, the line items do not match up from last year. Jim asked if it was possible for a Summary Sheet from last year to be provided like this year. Sheryl Kovalik stated it would be relatively easy to do; they gave all of the building Principals a sheet to look at as a starting point. Jim stated as an example, Technology has been completely stripped out and he would like to see that line. Dr. Nelson stated he thought one would see apples to apples but he would go back and bring it in next week.

Dr. Nelson proceeded with the Summary Sheet on the Bond Issue. This is a summary of the position changes; it illustrates to Unit 3 which is the third column of numbers, the parentheses means it has been eliminated; and in turn look at the new positions that Jack has added which replaced the positions above. The teacher for GED Options is new; same thing with the Family Liaison position, that is targeted at the drop out situation.

Michael Gilmore asked for a further explanation. Dr. Nelson stated on the very last page, eliminated a teacher at the High School, World Language, and then the 4 positions that have the parentheses have been taken away. Total new positions: 3 custodial positions; Middle School World Language teacher, one-half secretarial position, additional 1:1 Aide at Middle School and one-half time teacher at Kindergarten at John Fuller.

Karen Umberger stated she did not see the eliminated positions and Dr. Nelson stated Unit 4 - Middle School, look for the parentheses, those positions eliminated, mostly Aide positions. Karen stated on Aides, she remembered last year having a discussion on a significant increase occurring at the Middle School and the effect it would have on the High School. This year she didn't see it. Dr. Nelson stated they have reduced a number of Aides which effect the High School. When a student is at High School, an Aide is no longer needed. Sheryl Kovalik stated the Board charged Carl and the Special Education Department with Randy Davison and Janine McLachlin to do a review. They made recommendations and specifically made cuts; felt there was some excess. Karen stated the bubble at the Middle School has been deflated this year and she was not seeing the transition in the High School. Dr. Nelson stated that was not

an uncommon situation when kids leave Elementary School for a 1:1 to get continued; in the Middle School, midway through Middle School try to reduce the use of the 1:1 Aide.

Jim LeFebvre stated one of the School Board meetings discussed the possibility of contracting out the three new custodians. Dr. Nelson stated there has always been discussion; frankly our own employees will do better. Sheryl Kovalik stated she did speak with Jim (Hill) and the reason he gave was better productivity; wouldn't have management control and supervision; don't have the same quality. That has been his (Jim's) contention. Same result at the High School; get much better performance at the High School. Dr. Nelson stated at the High School the custodial group have really taken a team work sense of pride; share Sheryl's feelings on that; feel we would lose productivity.

Karen Umberger asked if the \$50,198.00 salary was with benefits. Dr. Nelson stated yes, anything there represents the full package. Karen stated if she was looking correctly, estimating a \$4,000.00 increase in health insurance. Dr. Nelson stated probably actual number, usually budget for 2-person. Karen asked if the current World Language teacher at the High School is qualified for the Middle School. Dr. Nelson stated he was not sure. Karen stated it could be a net zero. Dr. Nelson stated that is not in the bottom line of this budget this year. Karen stated she read in the paper that they are expecting 17 teachers to retire. Dr. Nelson stated no, 10 have chosen to take early retirement. Karen asked if this budget reflects them leaving with new hires or current salaries. Dr. Nelson stated with early retirement, contract indicates they would get a percentage of their salary for 5 years plus health benefits.

Jim LeFebvre stated in reading the want ads he noticed an ad for an English teacher, certified from 5 to 12. Dr. Nelson stated certification is 5 to 12. Jim stated he would like to know how many people fall into that category that can cover Middle School, High School and Elementary School. Dr. Nelson stated that would take some research; have to look at records. Jim stated he was just giving a heads up. Dr. Nelson stated he expected the School Board to act on the resignations Monday night.

Mike Gilmore stated on contract employees, not every contract states that they can do what they want. Sheryl Kovalik stated it was the stated opinion from Jim Hill, based on his experience. Mike asked why hiring contractors; why wasting money. Sheryl stated she was not sure how to answer and she requested that the question be deferred to Jim (Hill). Mike stated if he hires someone and he doesn't do the job then he is fired. Sheryl stated she understood maintenance has to be done and requested that Jim (Hill) answer that question. Mike stated he would like Jim to answer.

Jim LeFebvre called Point Of Order: believe the School Board has asked that we defer until she has Jim (Hill) in here; can go around the table and accomplish very little.

Karen Umberger stated showing a head of department for Unified Arts; didn't have that last year. Dr. Nelson stated Unified Arts is the Music, PE and Art programs. Sheryl Kovalik stated we had it in the original

budget but it failed; pulled from the Default Budget. Dr. Nelson stated it falls within the 2.5%.

Dan Bacon asked about the Team Leaders for the Freshmen and Dr. Nelson stated the Freshmen class have 3 teams; each team deals with the 9th Grade in a similar fashion as the 7th and 8th Grade teams; have found 9th Grade is a difficult period and the Team approach has been successful. The Team Leaders take charge, determine particular problems kids may have, refer kids to Guidance, review Report Cards, discuss issues.

Raymond Shakir asked for information on a typical health plan, annual deduction typically with a co-pay and what the deadline was for filing Warrant Articles or Petitions. Dr. Nelson stated February 7th or 10th was the deadline. Chairman Stacey stated same as the Town; has to be in by 5:00 PM with 30 signatures. Dr. Nelson stated turned into his office. Dr. Nelson further stated that the health insurance co-pay to a doctor is \$5.00 and no deductible at this point in time. Sheryl Kovalik stated the requirement is the employee pays 20% of the premium. Dr. Nelson stated it is an 80/20 split, if that is what you mean; prescriptions are -0-; \$20.00; \$30.00.

Karen Umberger questioned the \$4,000.00 for all Team Leaders. Dr. Nelson stated new Team Leaders; he thought it was \$1,000.00 per Leader. Sheryl Kovalik stated it was the total payment. Dr. Nelson stated he would have to check to verify. Karen stated did not have last year and Dr. Nelson stated not at the High School. Karen asked in co-curriculum what is increasing on that. Dr. Nelson stated that is to add a Mountain Bike coach and another coach and he wanted to say additional stipends; can tell more next week. John Edgerton stated it looks like 2-1/2 positions are being added and Dr. Nelson stated yes. Daniel Bacon asked how many hours are put in and Dr. Nelson stated it varies, another couple of hours or one hour.

Karen Umberger stated probably can't answer this on the current contract, doesn't one of those Leaders teach less than the other teachers and Dr. Nelson stated the Department Head teaches less. Karen asked if money was negotiated in the contract. Sheryl Kovalik stated current contract does not diminish, same teaching. Ben Kane stated in the budget, have 3 teachers with responsibilities for a group of students, aid with the transition into High School. It is a proactive measure. Dr. Nelson stated that is correct; early focus on dealing with at risk kids.

Jim LeFebvre asked on the Department Heads, what are their responsibilities. Dr. Nelson stated there are a number of things: curriculum, coordination, observe classes - do not evaluate, help teachers out when necessary, budget and order supplies for that Department. Also responsible for dealing with the Standard Assessments applications. Jim asked if the person in charge of English is not active in evaluations, who is. Dr. Nelson stated the Principal, Assistant Principal would have the responsibility for evaluations and final observations.

Karen Umberger stated on the Eagle Academy the Director position has been reduced, who is going to lead. Dr. Nelson stated Director is going to

remain Neal Moylan; reduction has to do with the budget from the year before. Karen stated added an Eagle Academy teacher. Dr. Nelson stated have reduced some of the costs; look under reductions. Karen stated she was trying to come to grips with this, if stipend reduced for Eagle Academy, who is going to be in charge, what is being paid. Dr. Nelson stated the current person gets a \$12,000.00 stipend for this. Originally the Director position was a teaching position not affiliated with the regular part of the day. We reduced the position to \$12,000.00 and moved monies to other places. Dan Bacon asked where the monies received by Neal Moylan were shown and Dr. Nelson stated in the Eagle Academy expenses. Karen Umberger stated it has been said the Eagle Academy is our option for non-traditional education and to allow people to come back in; concerned about dropping the Director; but she thought she understood the change in the stipend. Dr. Nelson stated it is a reorganization.

Dr. Nelson stated that they have added programs for another way to get students to graduate, have about 4 programs. Karen Umberger asked Dr. Nelson to go through them. Dr. Nelson stated Eagle Academy, GED Options, ED Options (on-line course) and access to virtual High School (on-line). Karen asked if all of those would get a student a Kennett degree and Dr. Nelson stated if they get the credits. Sheryl Kovalik wanted to clarify by stating they can get their GED through the GED Options; have to keep until 18 and this allows us to help. Dan Bacon stated the other thing is the Work Based Program; he had been helping with that. Dr. Nelson stated Dan was right, there is a 5th program.

Chairman Stacey asked if there had been discussion by the School Board on the resignations; there are a lot of experienced teachers retiring. Sheryl Kovalik stated it is an unfortunate turn of events; many wrestled with their decision but because of changes in the law, they had a window of opportunity and many were forced into making a decision which she thought was very difficult for them. Chairman stated her concern is Pine Tree is losing its Horizon teacher, each Elementary School has their own specialized program; how will it effect the budget and how are they going to find somebody to replace them. Dr. Nelson stated they will start the recruiting process soon; just went over the list and will start soon. Sheryl asked if this was the kind of answer the Chairman was looking for. Chairman asked what the feeling of the School Board was. Sheryl stated she said at the meeting that it was her feeling that when somebody requests retirement, it should be honored. Chairman asked how it was being handled in the budget and Sheryl stated we budget for the regular; not a beginner, but somebody with a 2-person family. Dr. Nelson stated to be very businesslike about it, for some positions there are a good number of qualified young of age with good qualifications; some positions will be very difficult to fill. Dan Bacon asked if those hired will come with the proper certifications and Sheryl Kovalik stated we shoot for the best qualified candidate. There are shortages in Math and Science.

Jim LeFebvre stated at several School Board meetings concerning the 18 year old, you were still trying to figure it out. Dr. Nelson stated the GED Options is a piece; ED Options runs about \$12,000.00 to \$14,000.00, the one non-piece is how much time teachers have to spend with those that don't want to be there.

Karen Umberger asked how much has been spent on ED Options and Dr. Nelson stated it was not in this year's budget. Karen asked if it was a CD and Dr. Nelson stated you purchase seats in a class, 25 seats and students can select to go on-line and take its courses. Once a course is completed, a seat becomes vacant for another student. Doug Swett asked if there was always 25 seats and Dr. Nelson stated it is a contract services type of thing. Karen stated not a CD actually and Dr. Nelson stated it was an on-line program; a person oversees and monitors the kids; it is funded with a Federal Grant. Mike Gilmore stated have paid for up to 25 seats whether used or not and Dr. Nelson stated that is what we are using. Mike asked if all 25 seats were being used and Dr. Nelson stated we have used it this year. Mike asked about guaranteed seats being used and Dr. Nelson stated he couldn't answer that right now, 23 or 24 he believed. Karen asked whether more seats could have been purchased and Dr. Nelson stated he didn't know the breakdown, would have to ask Jack. Karen stated she would like to know the answer at some point in time.

Chairman Stacey asked about the Rotating Maintenance Fund. Dr. Nelson stated every year we put \$60,000.00 in the budget to be rotated to each Elementary School; this year it is John Fuller. When Jim is here, he can give more detail; basically renovates a section of that building and then moves on to another building.

Dr. Nelson proceeded with the Revenue section, Tab G. Once again faced with best case and worse case scenarios, depends on the State, we know what the tuition is going to be. Looking at the third column, 100% State Aid looking at Revenue, projecting State Aid for Building and Catastrophic Aid; best case is 100%. We are told that they are holding back 95%. In the past brought Building Aid back up; don't know if that will happen this year. Catastrophic Aid, we are told, is under funded at the State level. If all happens as it should, Conway's share is \$15.5 Million and if you look at the sheet passed out earlier, you can see Conway's share in the \$33 Million budget. Conway is responsible for one-half.

Mike Gilmore asked if there was any way to organize this thing so that someone can understand it. Dr. Nelson stated he could do whatever is asked. Chairman Stacey stated we flipped from the first page, flipped to the next page to see why we get the Adequate Grant and then back to the first page. Dr. Nelson stated worse case scenario, you are at \$16,140,000.00 in terms of what Conway needs to raise; doesn't include additional monies.

Chairman Stacey asked if Christine was still Grant writing and Sheryl Kovalik stated Dick Clement has approached repeatedly; had someone before. They don't know if it is lucrative; there are several ways: can hire someone and have them take a cut of any Grants they bring in, but don't know if that still exists. Dr. Nelson stated we have in the packet for you the list of Grants we anticipate for 2009. Chairman stated her concern was that we never see new ones. Dr. Nelson stated you will see a \$61,000.00 Technology Grant. Chairman stated that Christine probably doesn't have a lot of time to research. Sheryl stated she did not personally object if we could get someone without paying them with positive results. She was not prepared to hire an unknown person who will

keep \$50,000.00 to \$60,000.00; not prepared to recommend that. Chairman advised that there is a Grant being given to Vermont people because New Hampshire doesn't apply; it was just a thought process to get Grants. Sheryl Kovalik suggested that it be incorporated in the Recommendations to look at hiring someone at no additional cost as a Grant Writer; possibly getting a percentage of the funds.

Jim LeFebvre asked where the \$691,000.00 surplus shows up and Dr. Nelson stated it won't show against last year.

John Edgerton stated if the Daily Sun were here; there are plenty of Grant Writers in the Valley. Chairman Stacey stated the Daily Sun never comes to these. Sheryl Kovalik stated they tried to raise interest, there was an endless amount of publicity with a very short line to help; people are busy.

Betty Boucher stated she would like to have it listed when Grants start and when they end. Dr. Nelson agreed.

Mike Gilmore stated asking for a volunteer for academic money might be different. He knows a few people that might look into them; doesn't know what to write. A lot can't write, but good at looking; may find volunteers for academic.

Dr. Nelson proceeded with Tab H - the effect on the tax rate. Best and worse case scenario picture has everything lined up, excluding Warrant Articles, not including the \$44,000.00 that is going to be deducted; a new computation will be done. If we get best case scenario, it is a \$.20 increase in the tax rate. Again, doesn't include the reduction of \$44,000.00. Sheryl Kovalik stated doesn't actually say, it just lists the percentage on the documents.

Chairman Stacey asked about setting up the exact dates for presentations and Dr. Nelson stated he would give a listing; Jack, Maureen, Jim and Dale. Karen Umberger stated she wanted Technology. Dr. Nelson stated he would put Technology towards the end.

Dr. Nelson proceeded to review Tab B, Warrant Articles. Article 2 don't know the default yet; waiting to finalize Articles 3, 4 and 5, Maintenance Trust Articles. Articles 6, 7 and 8 are negotiated contracts; we are currently at impasse with 2 out of 3 and the other Union is deliberating on a potential agreement tonight. Jim LeFebvre asked if no agreement made and Dr. Nelson stated stay at the same contract level, no movement in any category. Sheryl Kovalik stated the steps, we still have a step left. Dr. Nelson stated communication is still going on; we have always communicated. Chairman Stacey stated the Police went without a contract for 3 years. Sheryl stated they still got their raises and it wasn't painful.

John Edgerton stated until the State pulls the laws where a contract stays open, he was in favor of turning it down. Doug Swett stated the law that goes into effect after July; if we don't turn it down, we are going to be paying for 30 years; why vote for a contract, presently in slavery. Sheryl stated the current contract could be viewed as slavery, locked

into current with health insurance. There is still reason to hold out for less painful perpetuity. Doug stated other side, if we do turn these contracts, perhaps we could get the teachers to get the evergreen clause off the books. Dr. Nelson stated he believed legislature was being submitted to reverse or alter that. John Edgerton stated someone has to take the State to court; can't pass laws in perpetuity. Dr. Nelson stated it is what it is.

Dr. Nelson proceeded with Warrant Article 9, Project Succeed - down significantly. Chairman Stacey asked if they were cutting time and Dr. Nelson stated no, the same as before. Christine does have her report in here.

Dr. Nelson proceeded with Warrant Article 10, the Expendable Trust Fund. We tried to level it out last year. Karen Umberger asked if the \$850,000.00 was gathering interest and Dr. Nelson stated it should be. Karen asked if this \$850,000.00 is the total in the savings and if this was going to end this Expendable Trust Fund. Dr. Nelson stated to be closed out within the next year; won't have the exact number. Karen stated this is not going to stop this year and Dr. Nelson stated going to see another Trust Fund, small amount because everything used up.

Dr. Nelson proceeded with Warrant Article 11 - another Trust Fund for Special Education; currently \$100,000.00, looking to put another \$100,000.00 with a cap of \$500,000.00. This deals with Special Education expenses during the year.

Mike Gilmore stated on Article 10 the \$850,000.00 would be pulled and offset tuition, then the added interest would go into the General Fund. Dr. Nelson stated it stays in there until it is closed out. Mike asked why the General Fund; why take proceeds to fund something else. Every last cent should go to that cause only. When does the interest get paid; is the interest paid while open. Dr. Nelson stated we don't know what the exact amount is at this time. Mike stated if writing a check, what is the value. Dr. Nelson stated have to have the exact amount. Mike stated can't anticipate what the money will be and Dr. Nelson stated correct. Sheryl Kovalik stated there will be so little left; will write in such a number up to the amount involved. Mike stated point is if asking the taxpayer to approve an expenditure for Project A, all interest and funds go to Project A, not deferred to anywhere else. Dan Bacon stated make sure left over funds go back, revert back.

Jim LeFebvre asked on Article 11 if there was some way to show what we currently have in the account. Chairman Stacey stated run into the same thing. Dr. Nelson stated at the end could put the current balance and see if it is bounced by DRA.

Mike Gilmore stated write \$100,000.00 per year and any interest will compound and add up every year; to only add \$100,000.00 or money contributed. Jim LeFebvre stated Article 11 will be kept at \$500,000.00. Dr. Nelson stated could last longer. Chairman Stacey stated by the time we get done with the fund, would have \$500,000.00 in it. At any time the School Board can remove from it; could be listed for the next 4 years and then not see for a few more or could have to use it this year.

Karen Umberger stated if keeping at \$500,000.00, that is not what you just said; the \$500,000.00 being talked about is what the balance can go up to. If no money spent in 3 years and earns \$20,000.00 then the 4th year put in \$100,000.00, by the 5th year only put in \$80,000.00 because you capped for \$500,000.00. That is probably when we initially did this because what that is saying in my mind, if put in \$500,000.00 going to go over with interest and have exceeded cap. Jim LeFebvre stated should look at \$100,000.00 for five years less interest. Karen stated could end up in a situation. Sheryl Kovalik stated the intent by putting a cap: it is not a retirement fund, not trying to accrue funds, use funds for unanticipated Special Education expenses. If Catastrophic Aid ends, this could be the year to draw from that; would make small dent, but that is why it is there.

Mike Gilmore stated all agree in wording; voters need to know trying to establish a fund. We will not fund this in excess of \$500,000.00 and if we get to year 4 with \$400,000.00, will only ask for \$80,000.00; do not want to exceed that amount. Not trying to go and add every year, \$500,000.00 maximum. Jim LeFebvre stated should be less interest in there somewhere. Mike stated taxpayer was never asked. Karen Umberger stated already established the Fund. Sheryl Kovalik stated we should present information in the book we talked about, putting a more descriptive piece using common English and explaining more clearly what DRA prevents us from doing; we can do a better job at explaining. Mike stated DRA should have explanatory language in there somewhere around 8th grade level; do feel that we lost intent.

John Edgerton stated it would simplify if all Trust Funds have a balance, state what it is. Dr. Nelson stated he could get that; didn't have that information with him.

Dr. Nelson proceeded with Warrant Article 12 - Buses; Jim (Hill) has the numbers on that. John Edgerton stated he had seen buses only half full or less. Chairman Stacey stated because required by law one mile or more must provide transportation; whether they take it or not, must have a seat available. Mike Gilmore stated most of the time, kids already dropped off. John stated this was when leaving the school. Dr. Nelson stated when in sports season, stay after school; when over, need transportation. Dan Bacon asked if the buses were additions or replacements and Dr. Nelson stated replace and move to spare. Chairman Stacey asked to have Jim bring his folders.

Dr. Nelson proceeded with Article 13 - Technology: obviously money in budget but Article runs for a 3 year period at \$75,000.00 per year; description in the back provided by Dale Anderson. Mike Gilmore requested Tab identification and Dr. Nelson stated tab list page has a brief description and then another section in the back tabbed O and pink and there is a 3 year Technology Plan.

Dr. Nelson proceeded with Article 14 - Maintenance Trust: very similar to Warrant Article last year. No Warrant Article for roofs or other maintenance, also capped at \$500,000.00 maximum. Chairman Stacey stated if at \$500,000.00 maximum, can't do a roof and Sheryl Kovalik stated that

is right. Chairman stated couldn't do Pine Tree in a full year, ran into prices much higher. Sheryl stated to be honest, an argument went back and forth, we know we need to have funds; ran into it this year with the oil tank. There are going to be those things that come into play. Sheryl would be happy to entertain different cap recommendations.

David Jensen questioned the idea behind creating a Trust Fund in advance. Chairman Stacey stated plenty of arguments for and against; why make grandchildren pay. Mike Gilmore stated do we carry payments and save paying someone else interest; have Town people contribute not wait to pay someone else all the interest. John Edgerton stated budget concept: current people pay for current bills. Mike Gilmore stated he absolutely agreed. Last year brought up a usage charge, should pay for what we use. Doesn't have to be replaced or get to use between now and 20 years, they are using it. He calls it a usage fee, but it boils down to we should pay as we go along; he thought that was the intent when establishing Trust Funds.

Dan Bacon asked if there was a schedule and Dr. Nelson stated you do have one in Maintenance. Chairman Stacey stated can go to the SAU office. Sheryl Kovalik stated that the budget is also on-line. John Edgerton stated last year gave us schedule for 20 years for all buildings.

Karen Umberger asked why decide on a cap. Chairman Stacey stated because we pushed for it. Sheryl Kovalik stated to be honest, she couldn't remember about the cap, simply a requested amount. It may have failed last year. Chairman stated when it came to us, it was Article 16, two versions and we picked the one with a cap.

Dr. Nelson proceeded with Unexpended Revenues. This has to have more discussion; your guidance appreciated. Dr. Nelson proceeded on to Article 15 - Small Trust Fund. Karen Umberger stated she thought this was what Mike was talking about; the money for Elementary Schools should in fact go to maintenance in the Elementary Schools, not in the General Fund; should be targeted for some sort of maintenance. Mike Gilmore stated prime example, fund A and spend on B; any Warrant Article dissolving must go to the original purpose or be returned to the taxpayer. Sheryl Kovalik stated last year's Warrant Article put the fund into an existing Trust, \$150,000.00 established in 1995 and is now going to be closed; the balance of \$45,000.00 we used to fix the tank at Conway Elementary; that fund is now defunct. Sheryl stated the reason the Article failed last year was because we requested the amount of \$150,000.00 with no cap. Mike stated the point is if you have some left over and if you want to close the fund: 1) ask on a Warrant Article for whatever amount to transfer to another maintenance account; 2) return it to the voters; not put in the General Fund. You are striking a sour note going into a slush fund. Basically discontinue transferring into another fund; it is in the spirit of the request made, not the General Fund. Dr. Nelson stated he would find out if DRA will let the Warrant Article be written that way.

Dr. Nelson stated that this year we can not put the vote on the Warrant Articles. Jim LeFebvre stated the requirement of the DRA must be met. Mike asked if the votes could be published in the Daily Sun. Chairman Stacey stated she believed the Selectmen are putting the votes in. Bob

Drinkhall stated they decided to continue to do it. Chairman stated she thought the Town was going to publish; have done it every year. Dr. Nelson stated we can publish anything we want. Chairman stated at the Deliberative have the votes, states who voted against. Mike stated the public really needs to know what the actual tally was; the more the taxpayer knows and how we are doing it, the more they can trust what we are doing.

Chairman Stacey asked if there were any further questions for Dr. Nelson. Chairman stated she would like Conway Elementary's Free and Reduced Lunch number.

Mike Gilmore asked when Jim Hill was going to be here and Dr. Nelson stated the end of next week, not sure. Karen Umberger asked about the substitute bus driver salary increase and Dr. Nelson stated it had a significant impact. Sheryl Kovalik stated less trouble getting temporary drivers; quarterly report was almost \$10,000.00 lower for transportation contracts. Mike Gilmore stated \$10,000.00 out of what number and Sheryl stated she couldn't tell him as she was not sure.

Karen Umberger asked how it was going with the substitute teachers and the significant increase amount for them. Dr. Nelson stated seems okay, have not heard any complaints. Karen stated there was some problem before and she would like some sort of feel. Sheryl Kovalik stated she would see if the problem has been eliminated and report back.

David Jensen asked whether any thought had been given to refinancing the current bond; interest rates are at about zero; could be a savings of hundreds of thousands of dollars. Dr. Nelson stated rate is 3.99% now. John Edgerton stated the bond may have been written that they can not refinance. Chairman Stacey stated would have to re-open the contracts with the sending Districts.

OTHER BUSINESS

Sheryl Kovalik stated the Public Hearing on the two questions to charge for parking and user fees was going to be held at 5:30 PM on January 26th. Dr. Nelson stated we have that as a discussion item on the Agenda for the next Board meeting.

Chairman Stacey stated that at Monday's meeting Earl Sires will be coming with the Police Chief, Conservation and Library. Sheryl Kovalik stated she would not be able to attend.

Jim LeFebvre moved, seconded by Dan Bacon, to adjourn the meeting at 8:40 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary