

**MINUTES OF MEETING**  
**MUNICIPAL BUDGET COMMITTEE**  
**January 21, 2009**

A meeting of the Municipal Budget Committee was called to order at 6:32 PM in the Meeting Room at the Conway Recreation Center with the following members present: Chairperson Melissa Stacey, Doug Swett, Jim LeFebvre, John Edgerton, David Jensen, Ben Kane, Bob Drinkhall, Mike Gilmore, Sheryl Kovalik, Bill Aughton, Daniel Bacon, Phil Dighello and Karen Umberger. Also present: Pat Swett, Dr. Carl Nelson, Dale Anderson, Bob Gadowski and Maureen Soraghan.

Chairman Stacey welcomed everyone back and advised that there was a problem with the Public Hearing that was set for February 2<sup>nd</sup>. Karen Hallowell sent the Notice to The Daily Sun and they never printed it, it had to be in yesterday to be in time; so the Selectmen have moved to the 3<sup>rd</sup> and we have been asked to drop to the 4<sup>th</sup>. We can't do our Public Hearing before the Selectmen; any changes and we would have to have another Hearing on the Bond for the Garage. Chairman stated she has to let Karen (Hallowell) know if there are any problems. We will keep the School meeting as scheduled and have the Public Hearing at 6:00 PM, then proceed with the School at 6:30 PM.

Chairman Stacey stated that Public Works was having an informative tour of the Garage for the Board on January 26<sup>th</sup> at 2:00 PM. If unable to attend, call Paul (DegliAngeli) or Earl (Sires) and they will take you through at some other time. Chairman proceeded with the non-profits received: Tri-County, Gibson Center, White Mountain Community Health Center, Children Unlimited, Starting Point, North Conway Community Center, Red Cross, Vaughan Services and North Conway Day Care. We should have the packets on Monday night to review; lunch will be by Frye's.

Chairman Stacey stated that since the Minutes were just received by those without e-mail there would be no approval tonight. Chairman further stated that she had a clarification on the Minutes concerning the confusion on taxes which Bob (Drinkhall) asked for. Earl's response is "Every change of \$100,000.00 in either revenue or expenditures affects the tax rate by approximately seven cents."

Chairman Stacey further stated she had one more bit of housekeeping; this Committee never told Iris (Bowden) how much detail they wanted and quite frankly thought she does an exceptional job. Chairman asked if any of the members had any complaints. Chairman further stated that basically required by law to only record the motion and the vote. If we want something with more detail than what we get now, we need to hire a Court Stenographer. If everyone is content, Chairman will tell Iris to continue as she has been. Chairman asked if anyone had any complaints or concerns.

Chairman Stacey stated that Roberts Rules of Order are loosely followed and concerning the 4-0-4 vote, the DRA advised that the vote of 4-0-4 would stand as a motion that stands. Earl has the 30-Town Matrix and Survey and will have it Monday night. Once again, any requests are to be forwarded to either the Chairman or to Earl so that there is no

scrambling by department heads or Carl (Nelson) and his crew; don't need to send the same information 75 times.

Phil Dighello stated on the Minutes, he had been gone for a couple of meetings and he caught up, pretty comprehensible and he thought they are great. Bill Aughton stated he thought exactly the same; he was able to catch up.

#### SCHOOL REVIEW

Dr. Nelson stated one of the handouts tonight was of the questions asked last week with answers and if there were any further questions, he would provide the information. As requested, Dale Anderson and Maureen Sorgahan, Special Education Director are presenting tonight. Dr. Nelson further stated that he had handed out another packet with a budget reduction acted on January 12<sup>th</sup>, funds reduced by \$107,000.00. Page 2, Summaries page shows where the reductions were made; 1.1% increase in budget only, not including the Warrant Articles. The next page is a recalculation of Revenues showing \$107,000.00 less.

Mike Gilmore asked what page Dr. Nelson was on and Chairman Stacey stated the blue page. Dr. Nelson stated this is just a recalculation, \$107,000.00 less in taxes. The effect on the tax rate on the first page is best case scenario; don't know where the State is on Adequate Aid and this page represents them living up to their promise of \$382,000.00 additional in Adequacy Aid; reduction of \$.31 or 2.67% reduction in the tax rate.

John Edgerton stated \$11.73 that does reflect all special Articles and Dr. Nelson stated current for everything.

Dr. Nelson proceeded with the next tax rate without Warrant Articles and those amounts that we know so far are at the bottom of the page. The three that we don't know are in negotiations. On the blue page is what we are looking at for worse case scenario; if we don't get all, that represents a \$.13 increase in the tax rate, not including Warrant Articles or a 1.1% increase in the tax rate; and at the bottom added in the Warrant Articles, if successful, on the ones we have information on.

Mike Gilmore asked about the \$.13 increase and Dr. Nelson stated the tax rate per \$1,000 is \$11.73, exactly the same compared with now having \$11.85 tax rate. Mike questioned the \$11.42 and Dr. Nelson stated that was State Aid, didn't know what they were going to get from the State and won't know until June; have taken a shot in the middle; won't know until June unfortunately. Mike stated actually a difference of \$.43 and Dr. Nelson stated \$.13 difference.

Dr. Nelson stated worse case is Adequacy Grant of \$382,000.00; originally sent to us by law; 90% Building Aid; 85% Catastrophic Aid. Karen Umberger asked if those were the only two taken out and Dr. Nelson stated not receiving the additional \$382,000.00 in Adequacy Aid. Sheryl Kovalik asked what is the dollar amount delta between 90% and 100%. Dr. Nelson stated to look on the Revenue page and one could see estimating

\$235,000.00 if 100% Catastrophic Aid. Sheryl stated delta well below what we already have in our rainy day fund.

John Edgerton stated the way he read this on the blue page 4.72% increase. Dr. Nelson stated \$.13 per \$1,000.00 would be the increase; \$.13 increase would be representing 1.1%, then go to the Warrant Articles and it becomes 4.72% based on approval. We will have the Default Budget next week with Jack Loynd here. If there are any specific questions, get to him this week or beginning of next week and he will get them to Jack and he will be prepared for specifics.

Jim LeFebvre stated right now worse case scenario short whatever dollar, what is the position of the School Board or Administration on looking at cuts rather than raising taxes. Dr. Nelson stated we won't know until June; by then have already had the vote and can't change that. Only other option is not to spend whatever amount and how to offset taxes next year. Option also is to take money out of the Special Education Fund. Jim stated get on record.

Bob Drinkhall stated \$11.73 in both cases includes Special Articles; but when comparison leaving out 3 to be determined is not reality, couldn't have a rough estimate. Dr. Nelson stated talking about 3 zeros in there; next week the Board is acting on one contract, the other two have not concluded.

Sheryl Kovalik stated it may not be an accurate number, but we could use last year's Warrant Article numbers. Dr. Nelson stated he could bring in next week. Bob Drinkhall stated it would be a more accurate comparison. Sheryl stated she wanted to point out that she asked Carl about the mechanisms to raise and appropriate and there is no mechanism for that; only thing is to petition for a new vote against a new budget. The message she got was "must get approval from the State." Dr. Nelson stated would have to go through the Courts. Sheryl stated it would be a tough road. Chairman stated if something catastrophic, could petition to over expend the budget and come to us.

Pat Swett asked about the taking out of Special Education Fund, why touch for something else. Dr. Nelson stated the Special Education Reserve Fund; this would be the lack of revenues as an option to get revenues. Pat asked if that was just for Special Education and Dr. Nelson stated yes.

Karen Umberger stated she read in the newspaper the possibility of a reduction in a bus route. Dr. Nelson stated that was included in the documents; already acted upon by the Board. Chairman Stacey stated it starts today.

Karen Umberger asked on the commitment from the insurance company. Dr. Nelson stated 7.8% increase, not to exceed. Sheryl Kovalik stated budgeting at 7.7%; did get kick back; other towns got a better number and we asked about it; generally looking at 12 months but Harvard Pilgrim takes 24 months. Karen stated her concern is that the medical cost for the Town is 1% one way or the other; realize in a different group and it seemed to her that 7.8% price in their medical insurance was significantly more and over the time she had been on the Budget

Committee, which is forever it seems, the Town and School whether same policies or not, the rates were pretty much constant. That is why she was asking; seems roughly a 7% difference and that is very significant, even the Water Precinct only had 1%. Two entities at 1% and the School is at 7%. Sheryl Kovalik asked about the carrier and Karen stated Blue Cross in the Precinct and Matthew Thornton for the Town, but it didn't matter if it was the same carrier. Sheryl stated for us the increase is lower than it has been in a long time; she would be curious to know what other variables have changed. Karen stated nothing has changed. David Jensen stated driven entirely by the experience; that is a very large driving factor.

Phil Dighello asked what Sheryl Kovalik stated on experience over two years and Sheryl stated other carrier, learned from Harvard Pilgrim that is not common. Phil stated high rate is always in the experience rate; has to be the difference. Karen Umberger stated no matter what, these numbers have been relatively the same; less than a percent difference. It just surprised her; that is why she was asking if there was any way to check it out. Sheryl stated she had no problem asking and challenging the carrier; no problem to get a final number. Sheryl further stated that she would have preferred celebrating that they came in with a lower number.

Mike Gilmore questioned the bus route eluded to earlier. Dr. Nelson stated Eaton was not covering routes, just picking up a couple of kids; have consolidated the routes and it works, students are under an hour on the bus.

Chairman Stacey asked if there were any other questions for Dr. Nelson as he was leaving, but Bob (Gadomski) would still be here.

Mike Gilmore stated this was his first year and he was obviously learning, but he had a hard time with the paperwork before us. Those used to it, it's business as usual, represents very tough time, looking particularly at the Summary which is a very clear budget, but what he didn't have and what he didn't know was what person was responsible for what. When presenting and talking about different areas, would like to know what responsible for; is someone talking about 5% or 10%; take your basic form and break it down by Schools with names beside it. Dr. Nelson stated that was doable. Mike stated every School there are items that he has no responsibility, couple of instances: fuel and paper products, someone is responsible for that; need information so we can ask appropriate questions. Dr. Nelson stated can give name of individual; Program by Unit and Tuition by Unit, area of their responsibility, usually put in all information, but the building principal is responsible for those. Similarly each building has responsibilities. Mike stated each principal does not go out and negotiate; talking about items not associated; talked about buses for two hours. Dr. Nelson stated Unit 10 is District wide. Mike stated basically a slush fund for everything. Dr. Nelson stated that is where we budget for everyone in the District. Mike asked about the person in charge and Dr. Nelson stated it was Jim Hill. Mike asked what his budget was responsible for and Dr. Nelson stated Unit 10 is his area of responsibility. Mike stated he was interested in talking about \$9.4 Million. Sheryl Kovalik stated he is looking for an overview; different style in presentation, more of a summary. Sheryl

further stated that she thought they could take a stab at that. Mike stated basically someone presents "this is my budget of \$32 Million". Other people come in and don't have the same idea. Sheryl stated it was not an unreasonable request and couldn't figure what the arguing was about. Mike stated arguing about the big stuff.

Pat Swett stated there is a Tab that has the budget broken down into different Units and Chairman Stacey stated that was not what he is looking for. Dr. Nelson stated he thought they had a grip and would give it a run.

John Edgerton stated 35 years ago gave a budget in that form but State law said no more; go to bottom line. Budget is designed so you can not find what you are looking for. Mike Gilmore stated he agreed, but can't accept it. John stated that is the law; set so that the School has a budget that is very difficult to understand. Sheryl Kovalik stated she sided with Mike, need to help people understand; no problem taking a stab at that issue. Mike stated he was asking mainly for the people in this room and those watching what represents what they are responsible for; all came in and gave bottom line.

Sheryl Kovalik stated Point of Order: time to move on. Chairman Stacey asked if there were any more comments for Dr. Nelson.

#### TECHNOLOGY

Dale Anderson presented the Technology piece. He began by stating that this was his first time through the process. Sheryl Kovalik wanted to make sure that everyone was on the same page as she was seeing lots of people in different places.

Dale Anderson stated this is the first year the Technology Budget has stood alone; has been rolled into each individual school budget. The staffing and benefits make up a majority of the budget which is actually a reduction from last year. There were only two areas that went up Medical and Security and Communication. Historically, in part, has been supported by Grants and other means. Federal mandate makes them responsible for archiving e-mail in the event of litigation; had to move funds around and unfortunately had to be put into the hardware section. Connectivity at the Middle School and the High School went up; that is reflected from DSL to cable.

David Jensen asked what kind of connection and Dale stated cable at \$409.00 per month; 600 computers at present and, he believed 9 Megs, splitting at 20, but divided by potentially 600 users; on-line research, visiting new sites. David asked about complaints and Dale stated there are times when there is a problem.

Discussion ensued between Mike Gilmore and Dale Anderson on the contract with Time Warner, connectivity, archiving e-mail, hardware, software, servers, and the internet system in all the schools.

Sheryl Kovalik stated there is a Warrant Article for Technology that is part of the plan to bring us up to speed. It was determined to be in the

Warrant Article so people could identify; that was a management decision and we are forcing Dale to live with it. Jim LeFebvre asked to be brought up to speed on the Tech Plan and Sheryl Kovalik stated that at the end of 3 years it will put them in pretty good shape. Jim stated will level off to where you need to be and Dale Anderson stated it would be where we are trying to get in 3 years.

Mike Gilmore asked if anyone had taken the time to look into free software. Dale stated currently every school runs its own service. Elementary has its own service and that application must run on Windows. Mike stated a prime opportunity, it is free and easy; turn it on and can't tell if Windows or Linex, but the cost is zero dollars.

Karen Umberger asked if Dale Anderson was prepared to discuss the Warrant Article tonight and what is in the Warrant Article. Bob Gadomski stated when we got together about 1-1/2 years ago had a Technology Committee. The principals were asked what do we need and the number was staggering on what we need for software. When the Plan was developed tried to be realistic; then at budget season we decided that Plan and the Warrant Article and then it is in the hands of the public. The \$75,000.00 Warrant Article is a start; one example, have 80 computers with Windows 98 which are antiquated, used for word processing and searches on-line; will help us replace those pieces while moving forward on hardware we don't have; 80 pieces at about \$600.00 to \$700.00 a piece.

Dale Anderson stated the wiring and network at the Elementary Schools are not up to speed; not going to get into the technical terms; the network at the High School and the Middle School are up to speed; Elementary is lacking and want to take one school at a time. Dale referred to the inventory of hardware passed out.

Daniel Bacon stated 3 year plan is box, keyboard and monitor and Dale Anderson stated yes, a lot of older platforms for the old PS2; those really need to go; it is a waste of student time and the unsupported internet is a risk as well.

Karen Umberger stated for Technology for this year asking for \$500,000.00 and Dale Anderson stated yes, a majority is staffing. Karen stated in addition to that \$500,000.00 you are looking for another \$75,000.00 to concentrate on equipment and whatever else you said. Dale stated for staffing. Karen asked how many people do you have on the Technology staff and Dale stated 6. Karen asked total is 6 plus yourself and Dale stated correct.

Mike Gilmore asked if notebooks had been considered, more transportable; also if considered going wireless. Dale Anderson stated that very question on notebooks came up; the price has come down for around \$800.00; for desk top \$500.00 or \$600.00. Being transportable is a risk factor. Mike stated they do make locks. Dale stated wireless comes with its own set of limitations; to make wireless, limited to 64 connections.

Sheryl Kovalik stated technology keeps accreditation; would encourage to look into flexibility rather than committing for 100%. Sheryl stated that it may be best for Dale and Mike to have a conversation later.

Karen Umberger asked for the breakdown of what the \$75,000.00 was going to go for. Bob Gadomski stated what was presented to the School Board was to replace machines that are obsolete. Sheryl Kovalik stated important for us to attach a description in the booklet for the voters so people can understand.

Karen Umberger stated she could see in the detail both new and replacements; on new computers, what are you trying to get to. Dale Anderson stated some of this came from what they had for each school. Karen stated where she was coming from looking at new computers at the High School for \$12,000.00. Dale stated actually that is for a laptop cart with 25 new computers. Karen stated the English Department doesn't have any and Dale stated that Department may not have its own cart. Chairman Stacey stated mobile computers. Jim LeFebvre stated he thought what we might have is new versus replacement, buying or replacing, obsolete or brand new. Dale Anderson stated that was for the cart; the replacement is the handful of 98 boxes or computers failing. Bob Gadomski stated the laptop cart just allows us to take the mobile laptops wherever we need it; don't need 25 computers in every single classroom.

Mike Gilmore asked about having classes move and Dale Anderson stated labs are booked solid. Mike stated in lieu of the cart moving, the class goes to that classroom. Dale stated computer labs are booked solid. Karen Umberger stated she was still asking for some kind of ratio. In order for her to understand where they are and where they are going; need clue, old computers identified as replacements she runs into a problem; if looking at the new, where are we trying to go. Sheryl Kovalik stated the inventory gives ratios by building. Bob Gadomski stated he thought as a partial answer the general rule of thumb, they were trying to get to 1:1 ratio, being able to meet 1:1. Some days students each need a computer; other days that is not necessary. That is the short answer, but it is much more complicated because every student doesn't need a computer every time each day. Sheryl stated she would ask the Committee to produce that document; she would take that back; didn't think it was an unreasonable request and that she was okay with the request. Jim LeFebvre stated he thought Bob had just identified 1:1; what is an acceptable solution, where are you at this point. Sheryl Kovalik she would see what they could do. Bill Aughton stated he was wondering how close to the 1:1 in the 3 year plan and Sheryl stated Bill would have to read it.

Chairman Stacey stated officially done with technology. Does Dale can come back or we can route any questions through Bob, Carl and Sheryl. Chairman Stacey advised the members that with all of the side conversations that were going on during the Technology presentation, not all of it may have been recorded.

#### SPECIAL EDUCATION

Maureen Soraghan presented the budget for Special Education. Maureen advised that she was the Director of Special Services which means her job is to make sure all children with disabilities in 7 towns get a free and appropriate education. She takes care of English language learners; there are 20 students that don't speak English as their first language. She

takes care of students with 504's. She is a lot of things encompassed. Maureen stated with the handout on Unit 2 - Elementary Special Education budget includes preschool; required by law to provide services from 3 to 21 years old. \$1,379,639.00, which is not the entire budget, is up 5.58%. However, increase overall in Conway is due to 50 additional students identified this school year. She was not held to a zero budget because this is mandated and she can't totally control it. Every student with a disability who moves into town, they have to provide services; law has been in place 25+ years that we will give free and appropriate education. Sometimes it doesn't work and we presently have 13 students who do not go to our school, need to go elsewhere and that is expensive. There are State reimbursements; Catastrophic Aid you have to pay up front for residential placement and next year get back from the State. Our job is to make sure funds are available when catastrophic costs come into Town.

Karen Umberger stated of the 267 students, what is the percentage of children with special needs. Maureen Soraghan stated that was only done by school; Conway Elementary has a higher percentage. Sheryl Kovalik stated there are 1,906 students, not including Chatham. Karen stated 1,069 equates to 267 or District. Maureen stated just Conway; responsible for all towns, but for tonight separate for Conway only.

Jim LeFebvre stated on the K-12 students, actual number is 289 and Maureen Soraghan stated yes; we go out and find them; actually contacted by physicians and hold sessions called Child Find, ask parents to make appointment, give screening. That the only way she could budget for the future is to have that up front knowledge.

Chairman Stacey asked Maureen Soraghan to expand on the early intervention. Maureen stated we have studied this and truly feel if you give service at an early age, there will be a saving at the other end. You have to spend the money in the preschool and we have 14 preschools. We subsidize 14 preschool locations by paying tuition and providing teachers that go into these 14 locations; we actually have more than 40, but only 22 are from Conway.

Jim LeFebvre stated there was something about transportation costs for a specific individual that was \$40,000.00 to \$45,000.00; previous response was it would be higher if placed in residential. Maureen Soraghan stated that she knew that question was coming; typical residential placement is \$120,000.00 for a student of High School age; however, have had residential placements in excess of \$200,000.00. If you find a placement that works and is successful, then yes you have to spend to get them there, but it is a much lower tuition because they go home every night. It's a win, win for everybody. It hurts when I have to sign a contract for that amount of money, but we look at who can deliver the service. This is working beautifully. One of the big increases this year during the Child Find process we found a lot of needs in occupational and physical realm, an increase of \$85,540.00 for that; that is where their needs are. Surprisingly, most Special Education students that need services are in regular classrooms; we do have a program that will take care of the more severe disabled children. We do allow other towns to send their disabled children and they do pay tuition; why reinvent the wheel when we have it.

Karen Umberger asked about the different programs and Maureen Soraghan stated Pine Tree has Horizons, Conway Elementary has Rainbow Park for those with multiple handicaps and surprisingly that population is very small; eventually that program may cease to exist. Karen asked if the cost was separate or in Unit 2. Sheryl Kovalik stated the cost is in the Unit. Trails, etc. are in the individual buildings, absorbed within those buildings. Maureen stated the Middle School only has one out of district, but transportation costs are in Unit 3.

John Edgerton stated 4 separate programs to get a degree, to get a diploma at 18, some still holding on in the school system, why. Maureen Soraghan stated Northern Human Services takes over at 21. John asked if there was any way to get out of the program and Maureen stated no, they have never achieved the basic level.

Jim LeFebvre stated of the 267, how many fall into 18 to 21 and Maureen Soraghan stated she thought there were only two. It is a very rare situation. Maureen further stated that most Special Education students are in the regular classroom.

Karen Umberger asked about Trails, Expeditions, and Job Prep. Maureen Soraghan stated High School has Trails, Job Prep; Middle School has Expeditions.

Chairman Stacey questioned unfunded mandates and the legal withholding of funding. Maureen Soraghan stated they can and will withhold funding if we are out of compliance with any mandates. Maureen stated we get \$359,710.00 for our K-12 population and \$14,918.53 for the preschools. Conway, jointly with Albany, Chatham, Hart's Location and Eaton, share the wealth; that is money that no taxpayer puts in. That money does not appear in the Conway budget; she uses it to pay salaries, to buy equipment. Earlier talking about Technology, Special Education has 26 laptops, 14 purchased with Grant money, these are things you are not directly paying for out of property taxes. We do not want to do anything that the government would take away. Sheryl Kovalik stated have a budget of \$138,000.00 that was originally mandated services that should have been funded at 100%; funded at 40% and now saying 20% of fund support, so they have absorbed 80% of the mandate.

Phil Dighello stated years ago when the law came into effect, suppose to fund 40% of everything. Maureen Soraghan stated 14% of Special Education students in Conway, using every penny of it plus asking for \$1 Million, not coming close to 40%. Sheryl Kovalik stated morally right to provide service, morally wrong to have the government not help us.

Maureen Soraghan stated that they are now computerizing the IEP's on a system called Case-e, that stores information, stores IEP's from year to year. The information is then given to the State and that is how the State determines how much they are giving us; then the State in turn gives the information to the Federal government to determine how much we get under the IDEA Grant. We need to have accurate information in the system so that we can get our money. Maureen stated that she appreciates that the teachers make sure the information is accurate.

Karen Umberger stated if the \$1.3 Million does not include the Federal money, where is that accounted for. Maureen Soraghan stated it was in the Revenue section. Sheryl Kovalik stated comes in as Revenue. Maureen stated the \$359,000.00 and the \$14,000.00 are targeted for things that are not in this budget.

John Edgerton stated this is not a gross budget. Karen Umberger stated this is the first time she understood. Maureen Soraghan stated we need to take a look at this; it would be accounted for as Revenue and it would make it a gross budget. She was trying to see where the \$1.3 Million was listed; it is accounted for.

Jim LeFebvre stated to Sheryl Kovalik that in September Carl (Nelson) stated there was \$691,000.00 of surplus money that came from revenues of which this is a portion. Sheryl stated always referred to as unanticipated revenue for Special Education; never asked for details. Jim asked if she could get it; \$691,000.00 on 9-28-08, what does that surplus consist of. Chairman Stacey stated a child moved out of district. Maureen stated when planning for next year, have to put the money in. Jim stated he wanted to know where the revenue came from. Sheryl Kovalik stated any revenue identified from calculation of previous year, having anticipated reimbursed, what does it all include.

Mike Gilmore stated he was now confused; start with budget at \$1.3 Million to operate this year. Maureen Soraghan stated no, she presented the Unit 2 budget; in Units 3 and 4 there are some Special Education costs. Mike stated \$300.00 came back from Federal, where did money go from Federal this year. Chairman Stacey stated they bought equipment. Mike stated Project A because it goes into the general fund that Special Education covers. Maureen Soraghan stated it is used only for Special Education costs; where we are stuck right now is where exactly, the line item, to make sure it is reflected as a gross budget. Mike stated don't worry, do know what was given last year; where is that money today in the budget. Maureen stated she would expect to see it in Revenue. Mike stated, as a side note, this is the reason he was asking, there isn't a clean cut picture of what is going on. Maureen stated Revenue line has Federal projects, not broken down. Mike stated Project A, if money is for A, not spend on B. Maureen stated she could assure that there is paperwork on where the money is spent. If she asks a person to do one service under a Federal Grant, that person has to fill out a time sheet; there is no crossing of two lines. Mike stated he didn't have an issue with that; didn't understand why, if came in from last year, why can't we locate where it is. Maureen stated she believes it was combined with another Grant.

Chairman Stacey stated on the last page of the book, Conway School District Grants, this would fall under the revenue side. Special Education is in parentheses, Special Education IDEA and the rest are other grants. Maureen Soraghan stated that does clarify it. Chairman stated mentions any money appropriated for Special Education; can only be spent on Special Education; it is the law. Maureen stated if there is Special Education money left over, it goes back to the fund. Karen Umberger stated it still doesn't answer the question.

John Edgerton asked about qualifying individuals and Maureen Soraghan stated there is an intellectual evaluation, lots of evaluations. A student comes by referral by teachers or parent. There is a series of evaluations done on each child; might do emotional/social. John asked if just aptitude and Maureen stated physical ability, aptitude, have to be evaluated to qualify. In Conway, we entrust the position to either myself, the High School Special Education Director, principals or preschool coordinators to help determine. John asked what percentage starting at age 3 that gets out of the program before 21. Maureen stated some by virtue of developmental delays in the early years and then are fine.

Maureen Soraghan continued with the review of Special Education Programs. The State comes in and does a complete review. However, this year SAU 9 is conducting its own internal review; we are in compliance right now. Unfortunately, she could not give anything but her best educated guess for costs for next year. There are some unanticipated costs when a child comes into Town and requests services for that student; sometimes over estimate and give money back to the Town.

Jim LeFebvre stated recently the High School under went an evaluation; not knowing how the process works, where ranked. Maureen Soraghan stated this is from the State of New Hampshire, they give a series of recommendations and conditions and they also had a series of conditions which she (Maureen) proposed. One recommendation was on transition; transition in Special Education is a targeted area. The State concentrated on the High School and on the next area of life; what will we do to help, that is an area of weakness. This past week submitted some samples for Transition Plans to the State and she was very confident to say that all is in order now. There is no grading.

Chairman Stacey thanked Maureen Soraghan for coming in.

Phil Dighello asked when can we have the Default Budget and Sheryl Kovalik stated next week.

Chairman Stacey asked that all members review and confirm their information, i.e. addresses and term which is in the Town book before Monday night; have to submit for the Town Report and need to know for sure that all information is correct, name spelled right; if there are any changes, get the correct information to Karen (Hallowell) at the Town Office. Numbers do not go out to anybody; Karen (Hallowell) at the Town Hall will call us; they will not give out information no matter what.

Ben Kane stated he would be unable to attend the next meeting; away on business.

Bob Drinkhall asked if anybody was interested in viewing the Town Garage. Chairman Stacey stated she could mornings. John Edgerton stated it was okay with him. Sheryl Kovalik stated she couldn't do that. Bob asked what time on Tuesday, 8:00 AM or 4:00 PM. Bob suggested 9:00 AM. Chairman stated the 26<sup>th</sup> at 9 AM.

Bob Drinkhall stated on our motion which read "recommending to ask the Town", is that what shows in the Minutes; what is that from, last year, proposed. Jim LeFebvre stated proposed. Bob stated from what is being proposed; if from what is being proposed, then not fair because the Town is already 2%. Jim stated total of 5% from what you already started with. Chairman Stacey stated she had a conversation today on this; part of the problem with the Town directly is the time of year. If it happens in the Spring, cut paving roads, but if in October, now looking at plowing and things of that nature.

Mike Gilmore stated meaning and spirit of proposal is if a shortfall, what can you or what would you cut, of about 5%; if shortfall, where do you get money; plan on how and what is going to be cut back on. Jim LeFebvre stated he appreciated the comment and that is the spirit. Sheryl Kovalik stated she understood the request.

Chairman Stacey asked if the motion was clear for everybody. Sheryl Kovalik stated this is an exercise, not arm twisting, not making cuts; continue to look for 5%; not going to stick it to the taxpayer. Not a bad exercise; we did that before and it is a hard list to make. Mike Gilmore stated he would guarantee not to second that kind of motion; his intent basically was to ask for waste; not if, but when; not measured in years, but measured in months. Something has to give, more people out of work, economy going down the toilet. Jim LeFebvre stated it was not the intent to twist arms.

Bob Drinkhall stated he understood all that Sheryl, Mike and Jim had to say. He agreed it was going to be worse; but at this point how do you cut; can't cut snowplowing in June; really a futile exercise. Sheryl Kovalik stated to come up with 5% means staff issues and pink slips, but we may have to do it anyway. John Edgerton stated do it and not present it to us; do it as an exercise.

Karen Umberger stated the tax rate is set in late September or early October, for whatever is passed this year. That is when the tax rate is set and she thought it is very difficult for any of us too. She didn't think between now and next September things are going to be any better. Looking at what is proposed, basic budget going up \$.10 to \$.12; that might be okay, but when all of those other things are added on, talking \$.50 or \$.65 or whatever it is and that is where she runs into a problem. She can support a \$.10 increase or less, has a hard time supporting a \$.65 increase. This is the first year the School Board has really tried to be responsive to the Budget Committee's request for keeping things down; have done a relatively good job. Those decisions we as the Budget Committee, the School Board and the Selectmen have to come to grips with. What is the maximum kind of thing that we can live with and it is not just the School side, the Town side too she feels the same way. This is not the appropriate time to be asking for money for a building. She hopes that is the kind of thing Jim was trying to look at and come to grips with because she didn't think any of us can go to the taxpayer; nothing at the State is any better. This blue page is probably the kind of things facing us and things we need to think about.

Jim LeFebvre stated if indeed the revenue is lower than anticipated, question is how to cut back. John Edgerton stated this is the first year that he thought the School Board has gone over board to cooperate with the Budget Committee, it is really good.

Bob Drinkhall stated he proposed \$152,000.00 in cuts, only got \$95,000.00. We have looked at an awful lot. The Garage is very important; started with no money, then became a bond. In Fryeburg, theirs is similar, but different; got everyone out there on a second visit and compared and no way do we need to spend \$1 Million; latest is \$800,000.00 in bond and \$200,000.00 from Capital Reserve. The latest guestimate to get what they want is \$850,000.00 so we don't spend what is in the Capital Reserve.

Karen Umberger stated \$850,000.00, only \$200,000.00 in there. Bob Drinkhall stated originally \$1.2 Million with 6 bays, steel structure entirely. Some people got confused, if wood it would require sprinklers; somehow everything got convoluted; 6 bays back in but in steel completely and a fire suppression system; made no sense; 6 bays is how the generator was added in. Old garage does need to be replaced, built in the 1940's plus it leaks, has holes in it.

Chairman Stacey stated Monday night at 6:30 PM we will have the PEG Revenue, Capital Reserves, Default Budget; be prepared to discuss and have recommendations ready, we need to give the Selectmen enough time to respond.

**Sheryl Kovalik moved, seconded by Jim LeFebvre, to adjourn the meeting at 9:35 PM. Motion carried unanimously.**

Respectfully Submitted,

Iris A. Bowden, Recording Secretary