

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 4, 2009**

A meeting of the Municipal Budget Committee was called to order at 6:00 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairperson Melissa Stacey, Doug Swett, John Edgerton, David Jensen, Bob Drinkhall, Mike Gilmore, Daniel Bacon (arriving at 6:25 PM), Phil Dighello, Jim LeFebvre, Ben Kane, Sheryl Kovalik, Bill Aughton and Karen Umberger (arriving at 6:40 PM). Also present: Pat Swett, Paul DegliAngeli, Mike Corbin, Earl Sires, Andrea Osmun of The Conway Daily Sun and members of the public.

PUBLIC HEARING

Chairman Stacey opened the Public Hearing on the Bond Article: To see if the Town of Conway will vote to raise and appropriate the sum of up to \$1,000,000.00 (gross budget) for the construction and original equipping of a new PUBLIC WORKS SERVICE GARAGE, and to authorize the issuance of not more than \$800,000.00 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Board of Selectmen and other municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon; furthermore, to authorize the withdrawal of \$200,000.00 from the Buildings Maintenance Capital Reserve Fund created for this purpose. A 3/5 ballot vote required.

Earl Sires stated that he had passed out a sheet with the financing information. Via letter to the Selectmen, this Committee asked for certain information which is at the bottom; 10 years on \$800,000.00 principal at 4.999% with interest of \$223,222.00 for a total of \$1,023,222.00; 15 years on \$800,000.00 principal at 5.499% with interest of \$348,669.00 for a total of \$1,148,669.00; and 20 years on \$800,000.00 principal at 5.999% with interest of \$507,866.00 for a total of \$1,307,866.00. This is the information currently working with. They are looking at other sources of financing. The Selectmen originally intended to use some of the funds in the Capital Reserve Fund this year. They do not intend to propose to contribute any monies to the fund so there will be \$175,000.00 not being proposed this year. They are also going to structure that the first payment is not paid until 2010. The \$800,000.00 number working with is the best professional estimate, best number at the moment. Looking at the chart shows two lines, the upper line with the Garage Bond shows the total loan debt for 2008; \$573,000.00 drops to \$554,000.00 in 2009 and if we do not have the Garage Bond total debt drops to \$430,000.00 in 2010. So if not have the Garage Bond, total debt is under \$100,000.00 per year; adding the Garage Bond would have about \$200,000.00 per year and under \$200,000.00 in 2013.

Sheryl Kovalik asked if there was a long term plan for other facilities. Earl Sires stated have a long term plan for repair and capital maintenance.

Phil Dighello asked if they had calculated the cost for tearing down the old building and Earl Sires stated it would be addressed tonight and all costs associated with it. Paul DegliAngeli stated the old building demolition is included in the site work section and they are either contracting out or do in house. Building demolition through contractor the following year. Earl stated all equipment utilized will be carried over to the new building.

Jim LeFebvre asked if there was any feel on the cost for environmental monitoring and Paul DegliAngeli stated the site is in compliance, monitored regularly, passed EPA order; have contained water determined to come from the old salvage yard.

Pat Swett stated she knew this was a public hearing, did mention that the Selectmen are not putting money in for maintenance and she wondered if that was a bad mistake, not to keep that fund going; could shoot in the foot if don't contribute.

Bob Drinkhall stated originally we wanted to avoid because of the state of the economy; wanted to bond \$1 Million for garage originally and he was very much opposed to spending that much. Bob wanted bond for \$750,000.00 and they wanted to add a generator for \$50,000.00 and agreed up to \$200,000.00 out of the Capital Reserve. At that meeting, discussed about putting in for none; went full circle and everyone has stated the garage should not cost as much and that there should be money left over. The highest guesstimate at \$850,000.00, not including the generator; worse case is \$900,000.00. The Fryeburg Garage is used for maintenance, but no way near to the degree we do here. They have 84 vehicles that are worked on here; there is a lot of work done in that garage. Pat Swett stated she remembered when Fryeburg was built a good percentage was built by the National Guard; did lower their price. Bob stated did very little, did mostly just site work. Also Bridgton is building a garage for about \$415,000.00 which is larger than what we have proposed.

John Edgerton asked if there was a site plan available and Paul DegliAngeli stated the entire plan was on top of the table. Paul further stated that one estimate received was for \$850,000.00 and another for \$1 Million, not including site work.

Phil Dighello asked about the cost to have the plans made up and Paul DegliAngeli stated \$65,000.00. Phil asked where that money was taken out of and Paul stated the Capital Reserve. As a municipality, a public building needs to be designed under the stamp of a licensed professional. This does site work, drainage, building, lay out, etc. Paul further stated behind you is a plan check and you will see it is not a complicated shape so rather than reinvent the wheel, have structure off the shelf, standard designs. Not sure which company we will use or which contractor will be picked. When design comes in, it will be stamped by their in house professional; have to do by statute.

Tom Deans stated he was here tonight because of circumstances. These are really tough times and applauded all that serve on committees. This is when we learn the priorities of our elected officials and telling Monday night have to cut the Teen Center by 2/3. No question need a Town Garage,

they take care of the trucks, but putting the kids out in the cold; is that what we really want to do. From \$100,000.00 cut \$60,000.00 from the Teen Center and he just really thinks unfair. He thought cutting programs for kids right now is terrible; cutting kids' programs when needed more than ever.

Bill Aughton stated observations and comments on the children's issue. There may be other options: volunteer groups, a School Board problem also. When he went on a tour and looked at holes in the ceiling, he is currently a risk management consultant. They are scary options to have to do it now; can argue a bad time to do it; always a bad time; doesn't change a need to keep doing business.

Earl Sires stated the real driving real issue is employee safety; mostly being driven by ultimately employee safety.

Tom Deans stated he absolutely believed the Garage is in bad shape; didn't think we should stop putting money in but when he sees the choices being made. This is all about perception; take care of trucks but not our kids.

Jim LeFebvre stated Earl has stated they had an independent engineer look at the building and it would cost several hundred thousand to get in shape. Paul DegliAngeli stated what needs to be replaced is electrical needs to be upgraded; explored that. The electricians say they can't do; roof is leaking, probably should insulate it, can't insulate; take roof off and walls won't bare the extra, now it doesn't make sense; should replace doors, they need to be fixed; ventilation system. Without doing additional and insulating from inside \$200,000.00; then go with extras just north of \$400,000.00. Time to build. Jim asked about the upgrade life expectancy and Paul stated that style roof has 15 years, currently been on 15 years, been leaking for the last 5 years; warranty was good for 10, company doesn't exist any more; manufacturer no longer exists. Paul further stated the mortar is shot partly because the roof leaks and water has gotten into the blocks. Jim asked for best guesstimate on life expectancy and Paul stated best guesstimate in the 60 to 80 year range.

Diane, a member of the public, stated should have the children come first; no reason to take that kind of money out of the Teen Center; they need that, what else do they have. That is absolute, there is no need for it. Earl Sires stated voters have the last say. The Selectmen will do their process; Selectmen make recommendation to the Budget Committee and at the Public Hearing; then at the Town meeting all voters can make a decision. Some people at the Town meeting can suggest adding money to the Teen Center. Diane, a member of the public, stated with the economy the way it is; no way, don't agree with it.

Chairman Stacey gave the dates of hearings and when the deliberate was being held.

Nolan Moody stated he felt much like she (Diane) does; understand have deliberation. As a citizen, he didn't see now as the time to spend \$800,000.00 and possibly another \$200,000.00. He understood need right now, but he has a family, has 5 children, just not the time to do it

right now. Would like to hear "no" a little more often; doesn't attend many meetings, just voicing that a lot are feeling the same way. Maybe a few years from now things will be different.

Bob Drinkhall stated the Selectmen proposed \$9.5 Million, cut to \$9.1 Million; it took a lot of work. It hurts certain people; this is one of the reasons about not spending. Currently costs \$30,000.00 to heat; Fryeburg Garage costs a mere fraction of that. This was planned a long time ago. He wanted to see it cut back and almost got the \$800,000.00 bond and \$200,000.00 from the Capital Reserve Fund rescinded, but he only got 60%. He is in favor of cutting back, but do need to replace the garage.

Pat Swett stated unless things have changed, the Teen Center is not a School Board duty; they do not run the Teen Center. Ben Kane stated being an alumni of the Rec Center, he attributes success to experience; unfortunately, he sees the Garage as an investment, currently in disarray, what will go next; will it cost less in the future; reduce heating and repair maintenance to the current facility; prudent way to go right now.

Tom Deans stated he believed the need for the Garage and everything about investment makes sense; perception in Town spending money on the Garage and not spending \$60,000.00 on kids in a tough year. Would like to do it all but this is when tough choices are made; make the choice to do it for the kids, for the benefits you had.

Doug Swett asked about the estimated value of equipment going through the Garage and Paul DegliAngeli stated we did that once and Earl Sires stated a lot. Doug stated he was amazed on the amount of money; 3 men working in there. If doing job right, need a garage in this Town; put \$2 Million for the School.

Bill Aughton stated he had a couple of things to respond to. Perception is everything; people on television perception is trading garage for kids, not so; haven't heard anyone say anything about the health care cost for teachers over the years; loads of areas to save money, cut teacher salaries; need to keep that part of Town working. Mike Corbin stated they have 20 School buses, 10 police cars. Bill stated fact is this needs doing; nobody wants it, nobody wants to go without health plans or raises. Maintains school bus to take children to school; not quite right. Everything is taking money away from kids.

Sheryl Kovalik stated we have a lot of vacant real estate, has anyone looked at an interim solution of renting a new facility, that would buy time and Earl Sires stated if there was a facility that would work; not aware of any. Fact is most buildings are one-third the size of what we are talking about. Paul DegliAngeli stated he would say the same as Earl; there are a number of people that have buildings with no occupants; this isn't a storage barn, this is a department. Paul further stated he didn't argue economic times, but he has documents that go back to 2003 that identify problems; has been in the plan and this is the year. Bad timing; if voters vote it down, understands. Part of being here is to get the information out on why proposing so people can understand now.

Earl Sires stated the plan for the Teen Center is that there is funding for two nights; reduction of 4 nights to 2 nights. Tom Deans stated 2/3 of the budget cut. Earl stated fairly significant, but service is still available.

Jim LeFebvre stated the work of the Selectmen on the Operating Budget, looking at approximately \$200,000.00 less than the Default Budget. He thought that shows dedication, even though he has serious issues, they did do a good job. Congratulations in public for that work.

Mike Gilmore stated we ran Paul and Earl through the wringer; no doubt something has to be done. Before this is turned into denying the children, take a look at the issues, has nothing to do with children. Don't fix buses, kids not get to school.

Daniel Bacon stated he looked at the Garage and in his personal opinion it is needed, but also need to look at other factors like heat and everything else. If \$200,000.00 taken out and put \$175,000.00 in, if we were to do that then have to tighten the reins for another \$425,000.00 fully funded without a bond.

Bob Drinkhall stated getting back to why we couldn't or shouldn't utilize off site rental property, have other facilities besides the Garage. Mike Corbin stated fuel management; he takes care of diesel fuel for the Town of Conway; the computer is in his office that keeps records and if off site, can't do that. Everyone gets billed for fuel usage.

Phil Dighello stated if there was a lot of concern about the Teen Center, suggested that there is the deliberative session to add back into the Operating Budget and have a vote. Chairman Stacey stated could still put Petition in; open until the 10th.

John Edgerton stated he would rather see the people using the facility get the benefit for it; should be bonded for 10 to 15 years, stretch the payments out.

Dan Bacon stated the only reason he brought it up was that the people pay for it. We, as a community, must stick together to survive; everybody has to pinch their pennies. To pay another \$223,000.00 on top of the garage itself, possibly now talking \$1,223,000.00 for financing.

Tom Deans stated he came here and will fight the fight. The Budget Committee has recommended they put it back in. We are aware, kids need some place to go.

Paul DegliAngeli asked Chairman Stacey if there was one particular item she wanted him to address. Chairman stated pretty much all 5 on the Board. Paul stated one person wrote we don't save on insurance premiums, no we don't; we are in a pool with other governments. Bob and he have been over this, have square footage recommended, still not required to have a sprinkler system. Last night's discussion was more around these issues.

Paul DegliAngeli stated on the generator for \$50,000.00, he heard can buy for \$500.00 at Wal-Mart; \$50,000.00 is for the generator and for all the associated electrical work and site work; could be less expensive, could go from \$50,000.00 to maybe \$35,000.00. Earl Sires stated they had applied twice for a generator with the State and they are going to continue to try and find Grant sources.

Mike Gilmore wanted to comment on the generator by stating in the spirit about perception is everything, how can you spend. It is not just a generator put somewhere; you need to get that information out; break down using major components. Paul DegliAngeli stated he agreed; site work is estimated at less than \$10,000.00. Anyone, anytime can come in and see the cost breakdown. Paul further stated fortunately Andrea is here, Valley Vision is here; for the Budget Committee maybe this will come up; there is the deliberative portion. Seriously folks, ever since SB2 it is the same year after year.

Chairman Stacey closed the Public Hearing at 7:10 PM. Chairman thanked the public for speaking and apologized to Dr. Nelson and Mr. Loynd for the delay in getting to them.

Chairman Stacey called the regular meeting to order at 7:15 PM. Chairman advised members that a new Petition had just come in; an interesting one concerning the Town of Conway and the School Board, with the purpose of a spending cap stating:

To direct the Selectmen of the Town of Conway, and the School Board of the School District of Conway, with the purpose of instituting an overall town spending cap. Spending shall be limited to the preceding annual budget plus an amount not to exceed the rate of inflation. The inflation rate as defined by the "National Consumer Price Index (Urban/Rural)" (CPI-U/R), averaged over the twelve months preceding the vote on the new Annual Budgets.

Chairman further stated that the signatures had been confirmed and it will be on the Warrant as a petitioned Article. Sheryl Kovalik stated called Proposition 2-1/2. Bob Drinkhall asked if this was legal written the way it is or should it be two separate. Chairman Stacey stated it has gone to DRA, haven't had a ruling on it; has gone to our attorney, Peter Malia, just dropped off yesterday; just making you aware. John Edgerton stated the Town of Rochester already under this.

APPROVAL OF MINUTES

Bob Drinkhall moved, seconded by John Edgerton, to approve the Minutes of January 21, 2009, as amended. In favor: 12; Opposed: 0; Abstain: 1 - Sheryl Kovalik.

Bob Drinkhall stated on Page 13, third paragraph, fifth line, should read: "... 5 bays now and the generator was added in."

SCHOOL REVIEW

Chairman Stacey stated an e-mail Lori sent out this morning as requested, bounced in Karen's (Hallowell) in box and spammed it; it was the Summary that Mike asked for. Mike Gilmore asked if everything bounced and Chairman stated Karen didn't get the e-mail and it was e-mailed this morning to all Budget Committee members; all of Carl's e-mails went to spam and for that she sincerely apologized.

Dr. Nelson stated the first document he passed out was the requested information; second item was a copy of the Memo on the agreement between the School Board and AFSCME, had to do with reimbursement; total cost of this is under \$30,000.00, \$28,900.00 about 1.6% over last year's costs and then a copy of the Memo of Agreement; next item is a draft of the Warrant Articles. We now have the Default Judgment; still no agreement with CEA or CESP; don't believe will have in time.

Dr. Nelson stated he thought it was a very fair settlement and thought the Board feels the same way. Chairman Stacey stated on the Warrant Articles, the Town is going to put votes on theirs and see if DRA bounces. Dr. Nelson stated they haven't made a decision on that. Dr. Nelson stated on Article 15, didn't have the name of the School Buildings Trust that has about \$500.00 in it; collecting very little interest. There also may be one more change on the bus article; School Board will be entertaining a change in replacement at the Board meeting Monday night. Chairman Stacey stated Mike (Corbin) stated there are 20 buses and Jim (Hill) said 16; confused on that. Dr. Nelson stated do not have 20 buses, Jim has them listed out. Bob Drinkhall stated in addition to the Rec bus there might be a couple of extras. Chairman stated Jim not sure about skeleton buses.

Dr. Nelson stated the last item was the first draft of the Default Budget; \$334,000.00 or about 1% below the Operating Budget.

Mike Gilmore stated he was not sure but believed this comment had come up before, Article 15 dissolving into the General Fund, amend and put into another Maintenance Fund; don't like funding Project A and using on Project B. Dr. Nelson stated he would ask the Board about it on Monday night. Dr. Nelson stated some of our Maintenance Funds have contributions made by other Towns; this is the General Fund. Mike stated it is a precedent being set; that is a bad message to be sending. Dr. Nelson stated he would look into it for Mike.

Doug Swett asked Sheryl Kovalik about the change concerning the buses and Sheryl stated they were waiting for the Transportation Committee recommendation. Dr. Nelson stated a recommendation was going to be made; normally 10 years, 150,000 miles changed to 12 years, 200,000 miles and shift to instead of 2, have 1-1/2. Doug asked if they would be running into big repair bills and Dr. Nelson stated he would let Jim (Hill) answer that next week. Buses are built better today; will have response next time around.

Pat Swett stated she would not be at the Board meeting, but it took a good many years to get on a schedule and she was against cutting down to 1.5 buses. Pat asked that her concerns be expressed at the School Board meeting and Sheryl Kovalik stated she would take care of it.

Jack Loynd presented the budget for Kennett High School. Jack stated the main impetus this year was school improvement goals from parents, teachers and kids. A lot of the goals have come from the Student Task Force For Success excluding Special Education, fuel and things like that. Enrollment has declined; brought forward things like the co-curricular activities, tried to keep down, that was the target in that area. Received \$8,000.00 from Football games; came close to level funding. There are a lot of increases and decreases. Some of the student interests have changed, more interest in the Performing Arts which is a big asset to the community.

Karen Umberger stated she had gone through the budget detail to identify what she thought were kind of eye catching. First one was dealing with substitutes; she knew that recently they had increased salaries. Sheryl Kovalik stated raised about \$5.00 a day last year. Karen further stated when you go on to see we under funded substitute teachers; then go on to see the Substitute Coordinator pay increase. She thought last year it was discussed how much to pay the Substitute Coordinator and was not sure what they came up with. Question is what are we paying the Substitute Coordinator. They deserve whatever was agreed to and now want more, trying to come to grips with the salary, where might she find it. Sheryl stated she thought it was on the substitute line. Sheryl further stated she could get an actual breakdown on the daily pay rate, not a significant amount. She would e-mail the whole Board with the actual numbers. Karen stated what she was really concerned about was, the way it would appear to her, that the number of absences has been greater than projected; question is why. Jack Loynd stated primarily from what you would call serious illnesses. Karen stated how many this year compared to over the years; can say serious illness, but it is not as if it hasn't happened over time. Jack stated the median number is like 1 or 2; really represents a few teachers out 1/2 or 3/4 of the year, one case is the husband of a teacher. Karen stated in a case like that, do you continue to pay salaries up to sick leave amount and Jack stated that is contractual, not sure what the cap is. Sheryl stated it is a number we cap, trying to change it. Chairman Stacey stated 110 from last year's contract and Sheryl stated she would get that for the Committee.

Phil Dighello stated enrollment dropped, looking for staff increase in payroll of \$95,000.00, part of that is a special Aide. Last year removed the Family Liaison position; this year put back in. Phil asked why with a decrease in enrollment, why increase payroll. Jack Loynd stated it goes back to the Task Force and when they had a higher drop out rate; these are the safety needs needed, have at risk students. Trying to do justice with recommendation; have eliminated or have made cuts in other places. The other thing, if we had this much enrollment decline why is it not reflected; had increase in enrollment and didn't have staff, had 30 students per class, School Board states 25 students; in some cases it goes to 25 to 30 students. Not going over 30 students per class and in many trying to keep under 25. Phil stated looking at reducing the budget, bad time to add in extra non-teaching positions. Jack stated the Family Liaison is to connect with families and students who don't show up for school. It really is aimed to the economically disadvantaged, a higher population.

Jim LeFebvre stated the Family Liaison sounds like it might be repetitive and asked for specifics of that position. Jack Loynd stated they have students who have family issues, horrendous situations at home. The Family Liaison at Conway Elementary aids in nutrition, hygiene or helps students who need psychological help. This person would work with the Guidance Department in identifying those needs. The advantage of being in the school budget, all 8 towns will contribute.

Chairman Stacey stated it is a duplication of services; Guidance, School Psychologists, DHS, Northern Human Services, Special Education Department. All these organizations come to us; don't understand why. Jack Loynd stated back to the Task Force, looked at issues at Bartlett and Conway Elementary; problems don't go away when they come to Kennett. Not all are economically disadvantaged students, many are not with Special Education. Guidance deals with case loads of 300 students per counselor; if doesn't show up for 10 to 12 days, need to find out why. Chairman asked if that could be done by the School Resource Officer. Jack stated it is a different role, can make home visits, more in line of a social worker.

Mike Gilmore stated not right; don't understand why dealing with those issues; not against helping, but would rather look at the big picture. Jack Loynd stated point well taken; however, he wanted students to learn and need to address the needs that they have. Mike stated he agreed with the principle; but questioned taking over some of their work load. Sheryl Kovalik stated while we have all the agencies, they don't spend time in school; many use resources, need someone coordinating to help families navigate, see over the support that is out there. Mike asked why need full time to refer to some else. Chairman Stacey stated not saying don't need, in the elementary schools there are support centers; do have a problem when there is no IEP representation through Northern Human Services; falling through the cracks. DHS comes in if abused; frankly a School Resource Officer does have to spend some time as a social worker, why can't he help with these resources. We fund a State Liaison, why not put that to use. Chairman did not want to do redundant services. Sheryl stated she didn't know the answer; deferred to Jack.

Karen Umberger requested an explanation on the \$88,700.00 for the contracted services. This number is remarkably similar to when the School first opened; contracted for \$88,700.00 to do the fields and there is no mention of snow plowing; is the contract for ground maintenance over. Jack Loynd stated the initial building of a new school is certainly more costly; didn't have roads. Karen stated this is a question for Jack; if it was a different number would have no problem, but it is the same number. Sheryl Kovalik stated plowing is separate for the road, we do the driveways. Karen stated she didn't know where the contract with Town is located. Sheryl stated in order to answer, what break down costs. Karen stated she guessed the breakdown is \$37,200.00, \$50,000.00 for plowing; but the number of \$88,700.00 is the same number had in there. When started the new school, the contract was for \$88,700.00 for grounds. Sheryl stated for the sport fields. Karen stated number didn't change; still have a contract with whoever, if not, then that is the end. If

answer is yes, then she needs some sort of explanation. It surprised her that this number remained the same.

Mike Gilmore questioned the amount for text books being bought over the year; where are the books, if not using text books, why buying textbooks; how are they getting worn out if kids are not using them. Jack Loynd stated few do use text books, some use more than others; would have to know the specifics. Mike stated a math course, don't use the book; Xerox copies, why pay for text books and work sheets. Sheryl Kovalik stated her experience was very different, have loads of text books; her issue is how heavy they are. Jack stated point well taken; there are lots of supplementary materials that go along with text books. Mike stated he was not trying to state they don't use them but his point is this is not the first time talking about line items; goes into one line item that is no where to be found. Chairman Stacey stated Jack would not be able to speak on the General Fund. Mike Gilmore stated what he is looking for, he won't find it; where does the money come from. When pressed, say don't have the exact number.

Sheryl Kovalik stated Point of Order; not going to talk about the same thing. If Mike has an issue with the budget, point it out; she was frustrated. The General Fund is not a line item; it is where surplus goes if not spent; don't spend by line item; formal process is to transfer from one line to another. Everything is spent according to line items; goes into the General Fund and expended any where.

Karen Umberger stated what is done is once or twice a month they sign off; in the SAU office at least every two weeks, the SAU office has a list called a manifest of where money is spent and the line items of where it was spent. Look at a custodian's salary and you can see that line starting at \$119,419.00 will go down, but their pay is that particular two week period and if not updated every two weeks, once a month; look at the line items. When they sign the manifest, they certify that the money is being spent on the line items identified and that is their certification on all of the budget stuff. All money shall be expended as intended. Same thing if you go to Lucy's office and see the manifest; it identifies all the line items signed every two weeks; shows where all the money is being spent and the line items. Not a mystery; it is there and you can look at it. Mike Gilmore asked where are the line items for the General Fund; where does the surplus come from. Sheryl Kovalik stated at the end of the year, surplus is created by all line items unexpended and is diverted, not spent, to offset the following year's budget. Chairman Stacey stated it is here at the Town Hall; all money is raised by taxes; Lucy receives a request from the School to expend \$200,000.00 for oil. Lucy transfers to the General Fund down here. The General Fund or what they use as surplus is what would be their checking account. Mike stated that would make sense; it has to go somewhere.

Karen Umberger stated Point of Order; we are here to talk to Jack. If Mike had more questions, she would be more than happy to go with him at a later time. Jim LeFebvre stated Point of Order.

Jack Loynd stated he forgot what was being talked about. On the text books, look on Page 10 at Regular Education; two types, one for replacement of books dropped in a mud puddle or if need for same edition; a teacher can not automatically order new books, there is a process to go through. Chairman Stacey stated rather than buy, do we use on-line and Jack Loynd stated normally buy used for replacement; goes back to Judy Worcester, she set aside a little money every year; have approximately \$70.00 per student for text books; really \$70.00 won't even get a Biology book. Chairman stated new edition on-line and not purchased, use that instead of buying and Jack stated yes, available to students, don't generally purchase new encyclopedia. Sheryl Kovalik stated they have had conversations under what conditions to migrate to CD text but does rely on the fact that every kid has a functioning PC at home; keeping on the back burner; would like to see that happen.

Chairman Stacey thanked Jack Loynd for coming in. Bill Aughton stated to Jack he was delighted at his efforts this year, thank you. He was not sure what was being talked about the last 20 minutes, but the numbers Jack had come up with are a delight.

Karen Umberger stated she had a question dealing with the Athletic Director; go 70/30 to the Middle School, dropping the Athletic Director and where was that going to give extra duties to the Athletic Director; her question is when Middle School dropped, did the School Board agree there was sufficient work at the High School for the Athletic Director or what are the extra duties. Jack Loynd stated there isn't a school our size that doesn't have a full-time Athletic Director; scheduling is a full time job. Karen asked about the Middle School and Sheryl Kovalik stated they put a stipend in the budget for someone to manage the scheduling of sporting events; should see a line item for that; person at the High School does not have enough time to be effective.

Jim LeFebvre stated on a personal note he would like to thank Jack Loynd for his services; personally learned from him; thanked Jack for his time.

Doug Swett stated the last 4 items on the list of \$10,875.00 said this wouldn't happen. Sheryl Kovalik asked if that was a comment or a question. Those specific additions are being funded by gate proceeds versus other methods. Yes, it does effect busing; we need to have all costs associated shared by all towns in the budget so costs are shared, that is something we are now facing; nobody shares in those costs and we are trying to fix that.

SCHOOL RECOMMENDATIONS

Bob Drinkhall stated have asked for the total budget including all Articles and the actual true tax impact resolution from last year. Sheryl Kovalik stated looking for estimated numbers; didn't estimate number; she didn't realize she had to; projected surplus is \$50,000.00.

John Edgerton moved, seconded by Jim LeFebvre to place 6, 7 and 8 grades together in one school. In favor: 6; Opposed: 6 - David Jensen, Ben Kane, Bill Aughton, Bob Drinkhall, Sheryl Kovalik and Melissa Stacey; Abstain: 1 - Mike Gilmore.

John Edgerton stated the Middle School costs are 25% more; his proposal is to put 6, 7 and 8 grade together in one school; got to justify \$13,200.00 per student versus \$9,000.00 per student in other schools; don't care what the excuse is. Sheryl Kovalik stated putting 6, 7 and 8 together they would have to renegotiate the tuition agreements, would change the population at the Middle School and not sure if Madison and Freedom would bus grade 6, would increase the cost share per student because not the same division of population; could lead to other problems. John stated he was just saying Conway should send and Sheryl Kovalik stated still changes tuition calculation.

Karen Umberger stated that she realized that it could effect the sharing of the dollars, but she had to agree with what John said. David Jensen stated entire concept dependent on population; Middle School going down, not gaining anything; can close a school and spend the money to mothball. Chairman Stacey stated can lose a school building entirely; analysis on population trend. Sheryl Kovalik stated trend is not aggressively going down, it is fairly flat, doesn't account for building growth, close the smallest one and the newest one becomes the one that would have to be closed. John Edgerton stated close it just because it is the smallest; should close the one with the highest maintenance.

Karen Umberger stated if you look at the enrollment figure that we have and the child population has been decreasing for about the last 9 years and you know we have had a couple of years of spike, but overall the population has decreased; have same in fact that classroom numbers have actually decreased during the same time frame. It is 20 in the elementary school, someplace between 15 and 20. Sheryl Kovalik stated some are higher, over 20 and we split the class.

Phil Dighello stated two years ago discussed dropping 4 teams down to 3; two years later form a committee. It was his understanding that teachers in the Middle School are teaching just 4 periods. Sheryl Kovalik stated they have a full course load, 5 periods of class; will get you a schedule. Phil stated never hear anything about the cost per student being over \$13,000.00; High School only \$10,000.00; got to do something at the Middle School. Sheryl stated concerned about moving 6th grade to the Middle School; can't put them there; moving 6th grade for the following year, can't do it now.

Chairman Stacey stated in the letter to the Conway School Board we have recommended that you look at the Middle School staffing level; student to teacher ratio. Response has been looked at for the next budget season; next year ask again did you look. John Edgerton stated he realized a complicated procedure, but need to justify \$2 Million; cut \$2 Million and live with it. John further stated he realized it was far more complicated; the School Board should look at it and make a decision which way to do it, not us. If don't change the population in the Middle School, can't justify \$2 Million. Sheryl Kovalik stated the idea is one way of slicing the pie; one way is having a preschool in the vacant space with no cost to the District. It would save the community and use our space more efficiently.

Karen Umberger moved, seconded by Sheryl Kovalik, to recommend forming a committee to look at the best way to cost effectively and instructionally deliver K-8 education, to be brought before the next budget cycle. In favor: 12; Opposed: 0; Abstain: 1 - Mike Gilmore.

Karen Umberger stated it was her understanding across the board, even the preschools and Day Cares are having a decline in enrollment. She does think there are people on the Budget Committee certainly willing to participate in a study for the best way to try to reduce the cost for the Junior High, not only effects the taxpayers of Conway but also the taxpayers of Eaton and Albany. Karen thought if we can go back to the bonding issue when it first came up, one of our arguments was that the population to fill that school was not sufficient to maintain; always costs more for the Junior High because the population of the Junior High is not sufficient to make it cost effective. This discussion has been going on since we first started the bond, but we have never, to the best of her knowledge, sat down with a committee to actually look at the best way to deliver education to K through 8 and in the most cost effective way. She does believe firmly that sort of thing needs to happen or the Middle School problem is going to continue to grow because the population coming up behind it are even less than what we have today. You have to deliver certain educational services and it is not going to change; can not get rid of enough teachers to make a difference. You can't get rid of enough staff to make up the population down size.

Dan Bacon stated he attended a meeting this past summer and does have statistics for this area that shows there is a decline in population; everything will be effected.

Sheryl Kovalik stated she would like to encourage the Budget Committee and the School Board to form a committee for the best way to deliver education K through 8. Chairman Stacey stated that John Edgerton would have to withdraw his motion and Sheryl stated or she could bring back.

John Edgerton stated someone at the meeting said population is going to grow with all of the subdivisions being built. Subdivision prices are so high, can't afford kids. Most are retired and have come here for the tax advantages. Chairman Stacey stated to respond to the discussion about closing an elementary school, consider each elementary school has its own private contained school; could raise Special Education costs, providing more services, more Aides, busing issues, no longer in a contained program. Children are being diagnosed 3:1 for autism. Pine Tree won't let that happen; Conway Elementary has a bigger population base and John Fuller has just North Conway. Really should look into stop paying tuition to send Chatham students to Maine schools.

Karen Umberger moved, seconded by Melissa Stacey, to recommend to re-look at the Family Liaison position at the High School. In favor: 8; Opposed: 3 - Ben Kane, Bill Aughton and Sheryl Kovalik; Abstain: 2 - Mike Gilmore and David Jensen.

Jim LeFebvre stated taking High School principal from 215 to 260 days. Karen Umberger stated \$74,000.00 to \$89,000.00. Jim stated Family Liaison issue concerns everyone here; seems duplicative and redundant. John

Edgerton stated student doesn't show up for 14 days; what is School Resource Officer for.

Doug Swett stated the daily pay for the new principal the same daily pay for going from 215 to 260. This business of comparing ourselves to 30-Town; he just doesn't buy that reasoning. Sheryl Kovalik stated the principal position will be paid according to qualifications.

Jim LeFebvre stated he recalled a discussion on replacing the outgoing assistant principal; then earning \$58,500.00, brought in new one at \$60,000.00; can not afford to bring in a new person just out of an internship for a higher salary. Chairman Stacey called the question.

Karen Umberger stated her next question was on the custodial staff and what is not being done today that hiring 3 custodians would accomplish. Maybe somebody should provide an answer in writing without a recommendation. Her concern is hiring 3 new people. Sheryl Kovalik stated she would get more details, but they are barely keeping up, out straight all the time; cleaning not getting done effects long term. Karen stated talking about the Middle School as well. Sheryl stated short of custodians, short for two years in a row; trying to get back to that. Sheryl stated she would get more detail.

Phil Dighello stated look at part timers without benefits; told looked at before, less control over outcome; frequently change service providers. Chairman Stacey stated lack of pride in them. Phil stated look at hiring a couple of part timers; jobs are scarce now, less are getting full-time jobs, think it will save money. Mike Gilmore stated if we start hiring part timers; there are a lot of people that can't get benefits; like holding a carrot and not hire with benefits. If you want good workers, give something to work for. Phil stated by hiring 3 full-time custodians, get full benefit package and if not doing their job, it is hard to get them out. Sheryl Kovalik stated she did not agree; they have had the highest turn over in custodian staff because they don't like sloppy work.

Jim LeFebvre requested the restatement of Board motion #3; recommend to conduct a zero increase and 5% decrease; restatement of previous motion.

Karen Umberger stated Carl provided us with the estimated tax impact. We need to understand what the impact would be if the budget was reduced instead of forcing the taxpayers to pick up all of that difference but rather do it at the State Aid level, worse case scenario level because she didn't know what was going to happen; didn't know the future. From our perspective, we can say we would like the School Board to look at the worse case scenario and consider reducing their budget without reducing taxes. If we get worse case scenario with State Aid then there is quite a difference. Sheryl Kovalik stated \$350,000.00 equal to the Default Budget.

David Jensen asked what Karen was suggesting. Chairman Stacey stated what she is looking for is what happens if we get the blue sheet. David stated in addition to what we have asked, we are suggesting a different level of reduction. Sheryl Kovalik stated to simplify before the vote happens, we are going to have to know where the cuts are coming from; could be staff

reductions. We have to make those decisions; we have to know what it looks like. Sheryl further stated another issue which has to do with probably other arguments with non-negotiated contractors.

Chairman Stacey stopped the discussion and stated it would continue on Saturday. Chairman further reminded the members to be here (Town Hall) on Saturday, except for Ben, at 9:00 AM. Chairman then questioned about meeting on President's Day; we will have the 18th at Conway Rec for voting; since this Committee seems to be long winded, she didn't think we could finish after the Public Hearing. Chairman asked if anybody had a problem showing up on Monday, February 16th, at 6:30 PM, it is a holiday.

Chairman Stacey advised that the Public Hearing is at the Kennett High School Auditorium and starts at 6:00 PM. If Precincts only take to 6:10 PM, it is posted that she can start the next hearing; all posted that way. Chairman further stated that she spoke with Lloyd (Jones) and expressed that he had the numbers wrong, and he asked to be provided with the correct numbers. Chairman will provide the correct information.

Karen Umberger questioned the AFSCME contract. Sheryl Kovalik stated going on a Debit Card; anything not used will be returned to the District; still have a savings; \$0-\$30-\$50 from \$0-\$20-\$40. Chairman Stacey stated only have deductible period for 6 months and Sheryl Kovalik stated whether they finish or not, there will not be a second offer. Karen stated July to January will have a \$500.00 deductible and Sheryl stated still have January to June, contract terms don't match. Karen asked about next year and Sheryl stated next year \$500.00 deductible and new contract will continue.

Sheryl Kovalik moved, seconded by John Edgerton, to adjourn the meeting at 9:40 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary