

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
February 16, 2009**

A meeting of the Municipal Budget Committee was called to order at 6:35 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairperson Melissa Stacey, Doug Swett, John Edgerton, Bob Drinkhall, Mike Gilmore, Daniel Bacon, Phil Dighello, Jim LeFebvre, Ben Kane, Sheryl Kovalik, Bill Aughton and Karen Umberger. Also present: Randy Davison and Andrea Osmun of The Daily Sun.

Chairman Stacey stated that the Committee would finish up with the Town voting and then move on to the School; have new Draft Warrants because she had taken the numbers to Karen (Hallowell) in time to produce the new Warrants. For the School, working off the blue colored sheet. Chairman further stated the Minutes for the meetings on January 26th and February 2nd were just received by those members without e-mail, so no approval tonight. Chairman reminded the members of the Deliberative on March 2nd.

TOWN - VOTING

Chairman Stacey asked if anyone had any questions before the Committee continued the voting on the Town Warrant and began voting on the School Warrant. Mike Gilmore stated he needed more clarification on the \$50,000.00 for the generator. Mike questioned if any information had come back to this Board. Chairman Stacey stated nothing yet. Mike asked what do we do and Chairman stated have to vote tonight; can vote or abstain. Sheryl Kovalik stated can call for a reconsideration at any time; if voted in the negative, can't call for a reconsideration; if abstained or in favor, can ask for a reconsideration. Mike stated if abstain, can't reconsider and Karen Umberger stated if it passes.

Mike Gilmore stated he understood the spirit of it; didn't get answers, not comfortable voting. Karen Umberger stated the vote tonight, since nobody knows anything about the generator, is on whatever information we have. At the Deliberative can ask for a reconsideration; tonight vote on whatever information we have. If you learn something at the Deliberative that changes your mind, can ask. Mike stated so long as in the majority. Chairman Stacey stated if anything changes at the Deliberative we need to sit down and vote; typically schedule 10 minutes after the meeting. There will be another turn at voting.

Sheryl Kovalik asked how would information pertaining to the generator change what the taxpayer needs to decide; it is not an absolute. Bob Drinkhall stated he wanted it to be \$750,000.00; compromise was they would go for his \$750,000.00 plus the generator bringing it up to \$800,000.00 plus \$200,000.00. A lot of people don't believe the generator costs \$50,000.00. Sheryl Kovalik stated if not an absolute expenditure, not appropriated and taxed unless expended.

Mike Gilmore stated the problem here is how can you spend \$50,000.00 on a generator; can convince not just for the generator, a lot of other things involved. Show us what "x" is for the generator; so much for wiring, etc.

Karen Umberger asked if it was appropriate to make a motion to discuss this. Chairman Stacey stated no; he had stated prior that a total of 3 or 4 questions were never answered.

Melissa Stacey moved, seconded by Jim LeFebvre, to approve the Department's Budgets as presented by the Selectmen line by line, for a total Operating Budget of \$9,159,343.00. In favor: 9; Opposed: 2 - Sheryl Kovalik and Melissa Stacey; Abstain: 1 - Bob Drinkhall.

Sheryl Kovalik questioned voting line by line. Chairman Stacey stated typically vote on only the bottom line; reason for the language is that the DRA does not allow Lucy to put in just the bottom line figure. This is the actual correct language. Sheryl stated it is language, not action.

Chairman Stacey reminded the members that assuming since the Selectmen have not voted, Bob will be abstaining again; they (Selectmen) will vote tomorrow night; will ask the Selectmen to give their representative the power to vote in the way they want if no formal vote. Sheryl stated that she supports most of the budget; not comfortable with the cuts to the Teen Center. Chairman stated same reason she was opposed and that she explained her reasoning at the Selectmen's Meeting.

Karen Umberger moved, seconded by John Edgerton, to remove Article 8 from the table. In favor: 12; Opposed: 0; Abstain: 0.

Bill Aughton asked the purpose of the motion. Karen Umberger stated so we can talk about it. Chairman Stacey stated need to vote to take off the table.

Sheryl Kovalik moved, seconded by Bill Aughton, to consider Article 8. In favor: 12; Opposed: 0; Abstain: 0.

Mike Gilmore stated over the last couple of weeks he had done some homework and was able to run into a 80 x 160 steel frame building, 3 drive through bays, insulated office space, storage; built 3 years ago at a cost of \$350,000.00 plus or minus; total cost for everything plus air conditioning minus drainage. It does have a sprinkler system and has close to an acre of paving; landscaped. This is the kind we need. Town is asking for about \$800,000.00 to \$900,000.00 for everything and he didn't see how in good conscience could authorize a building one-half the size. Jim LeFebvre asked where the building was and Mike stated Hill's RV.

Sheryl Kovalik asked if we amend the Warrant Article downward and it turns out not to be enough, then what happens. Chairman Stacey stated they can turn around and open up at the Deliberative.

Karen Umberger stated if one looked at the budget, there is an additional \$325,000.00 going into the Capital Reserve. They have \$325,000.00 plus the \$200,000.00 already in there, comes to \$525,000.00 that they are

setting aside for this building; have \$525,000.00 right now assuming the budget passes; they are still going to have money in there of \$325,000.00. Makes sense to not vote for \$800,000.00 plus \$200,000.00.

Sheryl Kovalik stated she was concerned about bonding for the full amount; very clear wouldn't go until had actual cost.

Mike Gilmore stated where he was going initially, basically eliminate the slush fund; now know have \$500,000.00; need generator details, a lot more details; haven't addressed existing money and spending more. Sheryl Kovalik stated Earl (Sires) was asked if absolutely set on a bond and not talk to banks.

Bob Drinkhall asked if vote on bond for \$70,000.00, would we say just in case \$100,000.00. As a taxpayer, he was very uncomfortable authorizing more than the actual cost. There is only \$200,000.00 in the Capital Reserve. Karen Umberger stated \$171,500.00 is being put in and Bob stated nothing was being put in this year. The Selectmen have voted, and it is to put nothing in; that was one of their cuts. Originally didn't want to put anything in for 2 years, going to bond for \$1 Million to cover the entire garage and then turned around and suggested using \$200,000.00 in the Capital Reserve; then it was need to put something in the Capital Reserve; went full circle. There would not be a cost this year if everything was done the way proposed; Selectmen have not voted to put anything in. Karen stated as of the 2/11 budget, Capital Reserve Infrastructure of \$171,500.00. Earl gave new sheet with all updated numbers.

Chairman Stacey stated she knew the Selectmen intended not to put anything in; not debating, checked it and maybe it was put in incorrectly. Bob stated he knew the intent and there is nothing going into the Capital Reserve Fund as of this moment. There is \$221,000.00 or something in there. Sheryl Kovalik asked the bottom line on the documents is what total and Karen stated \$9,164,204.00 before the \$5,000.00 was taken out for the Police; that brought it down to \$9,159,343.00. Chairman stated look at one of the handouts from the other night; go to Capital Reserve on page 8, Exhibit 1. Bob Drinkhall stated there is an "s" after fund. Karen stated it is the addition that includes the \$171,500.00, which is the same number \$439,500.00. Bob stated he was attempting to add up the various Capital Reserves individually. Karen stated comes to \$439,500.00. Bob asked adding in how much and Karen stated \$171,500.00; figures in the book are \$30,000.00, \$80,000.00, \$94,000.00, \$63,000.00 and \$171,500.00. If you look at the regular budget it is the same numbers. Chairman stated it says only decrease was 35% due to reductions in the annual contributions to each fund. Bob asked if Lucy Philbrick was still here and Chairman stated no.

Mike Gilmore stated he was confused on the numbers, started with Bond and building garage. He was in favor of the building, not in favor of how it is being funded. At this point, against it; don't have firm enough numbers. Chairman Stacey stated she did not approve because she feels they did not want to miss the chance to get this on the Warrant. Mike

stated he didn't think there were enough firm numbers and figures. When asked specific questions, they couldn't give answers.

Bob Drinkhall stated after tomorrow, he has to vote as the Selectmen voted. He would have to vote the way Sheryl votes. Talking as a taxpayer, if it hits the Warrant this way, he wasn't going to vote for it. Mike Gilmore thanked Bob for his candor.

Sheryl Kovalik stated problem fixed, have the option not to vote; also have the option to amend it. If not comfortable and disagree on the numbers, could be amended to zero until we get all the numbers; can be amended at the Deliberative.

Karen Umberger stated she had to believe that the Selectmen did a poor job of selling the building and how to pay for it. She explained to Earl Sires if one looks at the budget, you will see that one of our loans is going off this year. She was particularly concerned with the term "rushed". She thought that overall the Selectmen didn't do the things that needed to be done to convince her in particular and many others.

Bob Drinkhall stated at one point he did suggest at one meeting to rescind and he did get 3 votes, needed 66-2/3. So even some of the Selectmen are considering something different.

Karen Umberger moved, seconded by Sheryl Kovalik, to amend Article 8 to read no more than zero dollars in bonds. In favor: 11; Opposed: 0; Abstain: 1 - Bob Drinkhall.

Phil Dighello asked where does it say on the Capital Reserve Funds that the annual contribution to each fund was reduced by 30%, still contributing 70%; what is normally contributed. Bob Drinkhall stated could go around and around on that. Phil stated still good to contribute 70%. Bob stated seeing more and more that he couldn't answer. Chairman Stacey stated Earl (Sires) did say the Selectmen decided not to fund \$175,000.00 on the Article every year.

Mike Gilmore stated if funding level is zero with a slush fund of zero that means yes if that is the correct way to do it. He didn't think saying don't get the building, but saying don't like how it is being done; he didn't think the building was the issue. Bob stated absolutely 100% need the garage, just not at \$1 Million Dollars.

Doug Swett stated need the garage and need it at some price; don't know the right price. Bob spent time running around more than the other Selectmen; Bob has done research. Doug further stated it reminds him of the first plan for the school, it was a joke.

Dan Bacon stated he agreed a garage needs to be built; have had numerous meetings and he thought we can do better. Problem is many contractors now see what the Town is willing to pay. Selectmen have been told many times of how people feel and nobody has changed. He believes should try to pinch the budget a little more; not going to vote for it.

Sheryl Kovalik stated essentially could come back and amend on the floor. There are a lot of options. In her opinion, it is not appropriate to amend when doing from guess work and don't have quotes, that is irresponsible. Amend to zero, don't like your number, it is a process; will vote in favor of an amendment and wait and see what the Selectmen come back with. If they agree, she would recommend amending. Bob Drinkhall stated as a Selectmen, he applauded her idea.

Mike Gilmore stated he agreed the number is just wrong; drop to zero, sending a message, looking for more. Sat in a lot of meetings, asked questions with no answers. He thinks very methodically about what they do, the planning and presentation of this project, too many unanswered questions. He can not get a person to commit on their own. This is where he gets hung up; people responsible for this Town need to come out with real numbers.

Sheryl Kovalik asked what is the current total in the Capital Reserve Fund. Chairman Stacey asked which one Sheryl was referring to. Sheryl asked how many do we have, guess the specific one for the garage. Chairman stated the Maintenance Capital Reserve Fund Infrastructure has a little over \$200,000.00. Bob Drinkhall stated \$226,545.00 is in there under Government Buildings, November 2008; it is in your book with the orange tab, Capital Reserve Fund tab which is the second from the last. You will note for 2009 there is no contribution. Karen Umberger stated that at the top, you will see \$171,500.00.

Sheryl Kovalik stated current balance of \$226,500.00; on the document she was looking at it appears that this year was \$325,000.00; adding \$171,500.00 to the existing \$226,000.00. Karen Umberger stated that was right. Bob Drinkhall stated which is a mystery. Sheryl stated it would seem the Town Manager needs to give revised numbers at the Deliberative. Mike Gilmore stated not at the Deliberative, he would like a few days to go over it; he would like to see some details. Bob Drinkhall stated the date on the document looking at is 12/11. Sheryl Kovalik asked what that meant and Bob stated Selectmen have taken other action since then.

John Edgerton asked to move the question and Chairman Stacey stated no. Sheryl Kovalik stated this number includes \$171,500.00. Chairman stated even though not approved, in the Minutes for February 4th, Paul (DegliAngeli) specifically states the generator will cost \$50,000.00: "\$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." Mike Gilmore stated for the generator project, not the generator; asked for more information. Chairman Stacey stated low \$35,000.00 and \$50,000.00 is high. Mike stated need to go back and get more details.

Jim LeFebvre stated as he recalled, the State running at 4.999% and Northway at 4.25%, considerably less. Chairman Stacey stated it was in the Minutes that the Selectmen are not putting money in there. Sheryl Kovalik stated have an amendment on the floor to zero to get a better number; it is appropriate to reconsider the budget if that is not the will of the people. Chairman stated Bob, as a Selectmen, will go back,

advise of questioning and why. Chairman further stated that the Article can be re-visited or a motion can be amended on the floor. Chairman was concerned about cutting money since money was taken out for the site work; because of the controversy and if the bond doesn't pass, still need money in the Capital Reserve Fund for a boiler or whatever.

Doug Swett stated have to remember to get to the public either through TV or the paper. Chairman Stacey stated the paper is here today. Michael Valladares is in construction; I am sure he will make a bid. Daniel Bacon stated he said he will not; not fair to talk about and then bid. Chairman Stacey stated at any time the Selectmen can come back with more information and she was sure there would be a Selectman happy to stand up and discuss again.

Karen Umberger stated if in fact the number is changed, the Budget Committee must vote prior to the Deliberative. Chairman Stacey stated if we zero out, they can not change, they can only up by 10%. Sheryl Kovalik stated maybe her idea is really bad. Chairman stated no, still have stepping stones in between; too many questions, can't go forward yet; can have special meeting prior to the Deliberative. Karen stated once the Warrant is posted, can't have a meeting; have until Friday at 5:00 PM.

Bill Aughton stated he didn't think the Town had done a good job of promoting or selling this; questions have been raised. Earl and Paul got a couple of estimates and in his mind with an estimate from an engineer, he was not satisfied. Chairman Stacey stated there was no restriction on how to construct it. Bob Drinkhall stated it is the equivalent of being your own contractor. Chairman stated versus having somebody else in charge of the building; difference financially. Bob stated first of all, Paul did call the estimator and he did say what had been \$1 Million was probably a guesstimate of \$850,000.00.

Mike Gilmore stated remember the \$375,000.00 for a building that is twice the size; doesn't have 6 bays, has 7; \$800,000.00 to \$1 Million doesn't sit right. Paul and Earl indicated that it was not going to be that much. Chairman Stacey stated apparently can only guarantee estimate for two weeks; her concern is looking at \$800,000.00 off an estimate guaranteed for only two weeks.

Sheryl Kovalik stated she recalled in building the High School the original estimates were challenged repeatedly and most increased. There were unanticipated and huge increases; she was comfortable with the understanding that the prices over the past 4 years could have gone up. Earl did say won't borrow more than need; not obligated to spend the full amount; come to a place of trust in the management of your Town; will they do due diligence. No reason to think squandering money. Wrestling with it myself.

Chairman Stacey stated being on the Budget Committee, it is our job to question. She had no doubt Earl or most of the Selectmen would not foolishly spend.

Bob Drinkhall stated that he agreed with what Sheryl (Kovalik) said. Don't appropriate up to \$100,000.00 for a \$70,000.00 school bus. Point made that it would be easier to sell to the voting public at a Million than at a lesser amount. Construction costs did go up about 45%; has gone down very quickly.

Doug Swett stated he wondered if things might be different a year from now. Mike Gilmore stated he agreed; this is the time to send the message of "no, you are not going to build a Million Dollar garage". Message needs to be loud and clear. He would wait a year.

Sheryl Kovalik stated keep coming back to the same thing. We want zero, but could pick another number. John Edgerton moved the question. Mike Gilmore asked how can you appropriate zero and then say \$200,000.00 from maintenance fund. Chairman Stacey stated it will be amended on the floor.

Karen Umberger stated for clarification this Article was not what went to the Budget Committee. This Article can not be voted on by us. She knew why they did this, they have decided they want to be able to go for the stimulus money. So she can't vote on this because this is not what went to hearing. Chairman Stacey agreed that it could not be voted on; did not go through Public Hearing; would be voting on the original one that was read at the Public Hearing. Sheryl Kovalik asked what happens now. Chairman stated can vote on what is here. Karen stated changed Article 9 which they can't do. Sheryl stated so the new one can't happen at all and Chairman stated would have to have another Public Hearing. Karen stated can be changed at the Deliberative and in the meantime if they want to reduce by a certain amount, that would be different. Chairman stated it was not read at the Public Hearing; the one that moves forward is the one on Page 10.

Jim LeFebvre moved, seconded by John Edgerton, to remove Article 18 from the table. In favor: 12; Opposed: 0; Abstain: 0.

Sheryl Kovalik moved, seconded by Melissa Stacey, to support Article 18 - Children Unlimited, Inc. in amount \$12,500.00. In favor: 8; Opposed: 3 - John Edgerton, Karen Umberger and Doug Swett; Abstain: 1 - Bob Drinkhall.

Chairman Stacey stated it had been found out that the Petition from last year was pulled and it was for \$12,500.00; it had to have been amended on the floor last year. Technically she was level funded; she asked for \$12,500.00.

Karen Umberger suggested that we not vote in favor of this at this time. Let her reduce to \$12,000.00 and then following the Deliberative vote unless feel strongly that \$500.00 should go in there. I believe that is what we did last year with the Red Cross and White Mountain Community Health Center, voted down here, had Deliberative and then voted in favor. Chairman Stacey stated in favor of giving \$500.00 for services covered. Sheryl Kovalik stated vote in favor of it; she had complete confidence Jackie would come in.

Karen Umberger moved, seconded by John Edgerton, to remove Article 20 from the table. In favor: 12; Opposed: 0; Abstain: 0.

Sheryl Kovalik moved, seconded by Ben Kane, to support Article 20 - Mount Washington Valley Chapter of the American Red Cross in amount \$7,300.00. In favor: 0; Opposed: 8; Abstain: 4 - Doug Swett, Sheryl Kovalik, Ben Kane and Bob Drinkhall.

Sheryl Kovalik stated she couldn't support unless she knew how the funds were appropriated. Chairman Stacey stated she was concerned with the fact that some of the services they used to provide, they are no longer providing. Doug Swett stated if there was a major flood, they will put money in here. Chairman stated she didn't believe it.

Mike Gilmore stated once again asked about numbers and no answers. We know what the contribution to the National is; trying to put in perspective, but don't see how when we don't know the numbers. Chairman Stacey stated the person who filled out the form has never been present. Mike stated more disclosure, especially with past history, he was thoroughly opposed. John Edgerton stated on the Internet today, the National Red Cross is in dire straights; it is not going over very well nationwide.

Sheryl Kovalik stated her concern is we don't see a budget line item with appropriate spending; apparently no ability to track. Sheryl would be in favor of amending to zero; she likes the zero thing.

Dan Bacon stated need to see when a donation is given where the money is being sent. He would like to see the Director to answer questions directly.

Doug Swett asked if it had been decided to change the format. Chairman Stacey stated Crow (Dickinson) and Larry (Martin) are going to fix it and submit it to us. Karen Umberger stated it is the Budget Committee's responsibility. Chairman stated Crow knows how he wants it; he will submit it to her and she would bring back to the Committee.

Sheryl Kovalik stated Point Of Order.

Karen Umberger stated she thought that Sheryl has the right focus on what has happened to the \$7,300.00 given last year and we need to focus on it as it is important to you as a community to contribute \$7,300.00 to help families burnt out of their home. If they were not here, the Town would be responsible and that is where it lies. We fund the Town to do things and that has always been the question. With regard to bringing to zero, can't do until the Deliberative.

Jim LeFebvre moved the question.

Mike Gilmore moved, seconded by Sheryl Kovalik, to remove Article 22 from the table. In favor: 12; Opposed: 0; Abstain: 0.

Mike Gilmore moved, seconded by Sheryl Kovalik, to support Article 22 - Spending Cap. In favor: 0; Opposed: 11; Abstain: 1 - Bob Drinkhall.

Chairman Stacey stated this was a petitioned Article. Apparently it was supposed to be an advisory thing; technically it is not.

Mike Gilmore asked if this was suppose to be one or two. Chairman Stacey stated suppose to be two, but they only petitioned the Town. Karen Umberger stated she would recommend that we vote no on this because she didn't think at this point in time it was appropriate until he does whatever he needs to do to make it right.

John Edgerton stated if vote in favor of it, DRA will throw it out. Chairman Stacey stated DRA is not going to throw it out. Other Towns have passed it and will enforce it even though it is not binding; wouldn't bind the School. Best bet is to vote down and bring back the following year; don't mind bringing it back.

Sheryl Kovalik stated she was confused, even if this is legal it is not clear; is this the annual budget of the preceding year. The Article implies permission and she didn't think it was wise management. Doug Swett stated it was not written well enough; what happens if in tough times and it binds us.

SCHOOL - VOTING

Chairman Stacey stated never got answers on the PEG money for the High School. Sheryl Kovalik stated used in the TV Station. Mike Gilmore asked where it went and Sheryl stated she didn't know; set up of different programming opportunities. Mike stated using PEG to finance and support teaching; School should not be using PEG funds; to take funds from PEG to fund teaching and planning; that is a School function, not a PEG.

Sheryl stated Point of Order.

Chairman Stacey stated School has the right to apply. Sheryl Kovalik stated they were invited to apply. Chairman stated School can apply to produce shows, typically go to Valley Vision and are shown. Mike Gilmore asked how much and Chairman stated at least an hour, she thought twice a week, not sure, but any viewer is invited to submit. In the same aspect the School can ask for funding to produce a show to be shown on Channel 3; not just the High School, different elementary schools, Recitals.

Sheryl Kovalik stated Point of Order; separate questions, separate from tonight.

Karen Umberger stated \$88,700.00; \$50,000.00 for the snow plowing. Sheryl Kovalik stated she didn't bring them. Chairman Stacey stated read Page 9, that is where that one lies. Karen stated other question on the Substitute Coordinator pay. Sheryl stated she did write that down and totally spazzed; she apologized.

Chairman Stacey stated it is 8:45 PM; comment all you like but it is 8:45 PM.

Jim LeFebvre moved, seconded by John Edgerton, to support Article 2 - Operating Budget of \$32,761,790.00. Withdrawn.

Sheryl Kovalik recommended to start with Articles 3, 4 and 5. Chairman Stacey stated that Karen wants to vote in order.

Karen Umberger moved, seconded by Bob Drinkhall, to amend Article 2 - Operating Budget by reducing the amount by \$94,819.00 which includes \$50,198.00 for the Family Liaison; \$34,621.00 for a Custodian; and \$10,000.00 for the English Department Computer Cart. In favor: 6; Opposed: 6 - Mike Gilmore, Bill Aughton, Sheryl Kovalik, Ben Kane, Phil Dighello and Bob Drinkhall. Motion fails.

Karen Umberger stated she thought that in discussion on the Family Liaison she felt that this position was duplicative of services available. She felt very strongly that we should not be supporting a duplicative position. She recognized it was brought forward by the Student Task Force, but have added several other items to assist when a student falls behind, including computer learning, providing optional things for students having problems staying in school; have to stay until 18. She didn't feel we, as a community, need to provide a Family Liaison. On the custodians, she read through everything and she personally doesn't care if reduced at High school or Middle School, same exact cost. She read through the information on the AFSCME Contract showing a \$49,000.00 savings in medical. Personally a no brainer on the Contract and our vote here will reflect that. School Board already 7-0-0 and she believes we will also support at 12-0-0. On the Computer Cart, she never got a good feeling about what and why this was going to be utilized. Listened to the tech guy speak and this is not the first time where she never got a good feeling. When looking at the numbers at the High School, it was pretty close to 1:1.

Chairman Stacey stated brings total budget to \$32,801,790.00.

Mike Gilmore asked if this was the time to bring up to add or act independently. Chairman Stacey stated can't have an amendment to an amendment. Mike stated need to re-address the 3 year plan and, that being said, he would like to effectively take the \$75,000.00 out entirely until the matter is re-addressed. Today's technology is going to be gone. Chairman stated it is out of the budget; we vote on the bottom line; Technology is a Unit for Kennett High School and there is a Special Article. Sheryl Kovalik stated there is a limited amount in that budget; there is very little in there other than the software license. The \$75,000.00 is part of a 3 year plan. Mike asked how much is the bottom line in this Article and Sheryl stated she didn't know.

Sheryl Kovalik stated when the Board voted 7-0-0, they also went back to administration and requested a possible alternative to not having the Family Liaison position. She has not met with the administrators since then. Also, specifically asked to consider the custodial piece and

haven't talked about that. On those two items, she didn't have the rest of the information.

Karen Umberger stated \$428,142.00 in regular education and Chairman Stacey stated and an additional \$75,000.00 in the Warrant Article. Sheryl asked if that was in the Summary Budget. Karen stated \$2,750.00 and \$12,384.00. Jim LeFebvre stated that the \$12,000.00+ was in maintenance, computer system for monitoring the schools. Mike stated that was not what he was talking about.

Bill Aughton stated he had some comments: on the Family Liaison, he was strongly in favor of putting it in, aware of discussion on other areas accommodating that. Drop out rate was horrific a few years ago; it would appear from listening that the custodian item is talked over and over again. The computer issue, he didn't know enough about it.

Ben Kane stated on the Family Liaison position, he was in favor of it even if there are duplicative services. The Family Liaison does the same role as with the Teen Center and reaches far more children than the Teen Center. If allocating that sort of funds, he thought the Family Liaison was in a better place to reach more people. Chairman Stacey asked what happens after 3:00 PM.

Randy Davison stated being on the Board, he normally doesn't vote for the budget; this year he did in good faith. Though the administrators are looking at the Family Liaison, he is thinking it is a need that may be incorporated some place else. They did vote to look at the custodians and he was hopeful they would be able to go back and find funding for that. Also the figure with the Computer Cart was \$104,000.00.

Karen Umberger stated she took the 9 custodians' salary and divided by 9. Randy Davison stated when asked specifically about the two custodians, he wanted the Board to know they did support. As a Board, they might consider a different number. Karen stated she appreciated it but what we have is what we have and if this amendment passes and you come back saying yes have done it, then so be it. All you can do is convince the voters why this Family Liaison is so important.

Phil Dighello stated Randy was right to look at staffing; Family Liaison at \$50,200.00, custodian \$44,400.00, add \$10,000.00 and are up to \$104,600.00. Sheryl Kovalik stated the budget number added was higher than that number, it was an average, a ballpark number. It is really not significantly different.

Mike Gilmore asked on the custodian, High School or Middle School. Chairman stated it is their choice; can't say. All we can do is reduce the budget, but it is their responsibility to actually make the cuts. Karen Umberger stated truth of the matter, wouldn't necessarily need to cut a custodian. School Board has the authority to decide how to spend the money; wouldn't make me happy if they didn't. Mike stated he had the same concern. Doug Swett stated one thing have control over is the bottom line.

Sheryl Kovalik pointed out when considering cuts, have Special Education expenses that are not anticipated, constant shifting based on needs; not trying to hide or spend fully.

Chairman Stacey stated the amount of \$94,819.00 for \$32,801,790.00, which we are now seeing a savings in the AFSCME contract that will offset some of it. Sheryl Kovalik stated if it passes. Chairman stated her only question would be did you take into consideration what that piece of paper with Worse Case Scenario stated. Karen Umberger stated basically the \$49,000.00 savings would.

Randy Davison stated it was kind of like proposing an issue and trying to resolve it. Karen actually gave the resolution of where the money is going to be found; bottom line is the figure working with. Hired a Vice Principal and called him a Headmaster, basically using semantics, did hire a Headmaster.

Phil Dighello moved, seconded by Jim LeFebvre, to amend Article 2 - Operating Budget by reducing the amount by \$134,819.00 which includes \$50,198.00 for the Family Liaison; \$34,621.00 for a Custodian; \$10,000.00 for the English Department Computer Cart; and \$40,000.00 for the contract savings; total Operating Budget would be \$32,761,790.00. In favor: 8; Opposed: 3 - Bill Aughton, Sheryl Kovalik and Ben Kane; Abstain: 1 - Mike Gilmore.

Phil Dighello stated the reason against the previous motion was that he felt \$40,000.00 should be added for the contract savings; should add \$40,000.00 on to her figure for \$134,819.00.

Chairman Stacey stated to be clear, talking \$134,819.00 which represents \$50,198.00 for the Family Liaison, \$34,621.00 for a Custodian, \$10,000.00 for the English Department Computer Cart and \$40,000.00 for the contract savings; this brings the total Operating Budget to \$32,761,790.00.

Jim LeFebvre asked on the \$50,198.00 for the Family Liaison, does it include benefits and Sheryl Kovalik stated yes. Jim asked on the 3 custodians, does the \$134,000.00 include benefits and Sheryl stated yes. Karen Umberger stated that benefits were at the estimated higher level.

Mike Gilmore asked if it would be possible to discuss and state what we would like to remove. Chairman Stacey stated has to go by motion; this is the cut. Mike asked out of what; have 20,000 lines of items; does he have to name every single line item; that is ridiculous. Sheryl Kovalik stated don't have to, can make straight line item cut. Mike stated going back to what Doug (Swett) said, don't think the voters care about the line item, care about the bottom line. He tried to plow through, having it modified every time someone showed up is like shooting at a moving target. Instead of looking in shell game, looks like shells and a game; can't get accountability. He wanted to go to the bottom line; only \$330,000.00 difference. Chairman Stacey stated surplus came from Special Education, they are obligated to put it in there and provide services; that money for Special Education goes back.

Sheryl Kovalik stated this is the third year of the Default Budget; we are expecting a surplus of \$50,000.00. We have hit the goal, at the goal line now. This budget is a responsible budget and she felt good about it. Mike Gilmore stated on opposite sides. Discussed \$500,000.00 of what the School spent; where does the rest of the money go.

Phil Dighello stated he would have to disagree; have to have some creditability when presented to the voters. Two years ago a lot of contentious numbers with the School Board. They have done a great job, figure is fair and that was what he was recommending.

Sheryl Kovalik wanted to point out unlike in previous years every School Administrator gave a presentation; we only had 3 presentations: Special Education, Technology, Jim Hill and Jack. We did not do some pieces as in the past because level funded. It may have been a disservice; didn't make that decision but supported it. Maybe next year should go back.

Bob Drinkhall stated he would like to compliment the School Board; have done a good job. They have been very cooperative with the economy the way it is. He was a little hesitant with voting for Karen's motion for two reasons: 1) didn't like eliminating a custodian, have to keep the building up; other end, not enough of a cut with Karen's motion, but with Phil's he could support.

John Edgerton stated he was going to vote for the School budget because the School Board cooperated, everything brought up they corrected problems and tried to work with us; most cooperative School Board ever. He will vote in favor because of how cooperative; cooperation is unbelievable.

Jim LeFebvre stated to follow John and Bob, don't realize how enjoyable to not have to listen to rants from the Chairman of the School Board; however, he agreed with Bob on having to face things so severe especially the State Aid situation. Look at something worse and if that is the case, you will be talking about laying off people. Union had a chance at the State level and now paying the price with lay offs. Same thing may happen here; could be devastating.

Daniel Bacon stated he thought the School Board had answered all questions; have done a great job. With tough times, he honestly thinks he is leaning more toward the Default Budget. He agreed when the High School was built everyone underestimated the costs. With the Family Liaison he thought there is a need to make families take some responsibility themselves, families need to get involved.

Bill Aughton stated he was not sure if the \$140,000.00 was going to make a difference; still having some difficulty with trying to cut when the School principals were asked to come up with a certain level; have done a superb job, but he was not sure if \$100,000.00 or \$200,000.00 is going to make a difference.

Chairman Stacey stated let's not forget they do have an Expendable Trust Fund they could use to help bail them out, maybe not completely. Kind of

agree with Bob on the custodians. On the Computer Cart, could use Grants to fund computers; have given the School Department different Grants and frankly they just never brought it back. She would support cutting some of it; convince me not to cut it. Sheryl Kovalik stated at this point can't convince, still have information we are waiting for. Not going to argue against you, just tell you will not support the cut.

Sheryl Kovalik moved, seconded by Jim LeFebvre, to support Article 2, Operating Budget of \$32,761,790.00. In favor: 9; Opposed: 2 - Sheryl Kovalik and Ben Kane; Abstain: 1 - Mike Gilmore.

Karen Umberger moved, seconded by John Edgerton, to support Article 3 - Expendable Trust Fund (New Kennett High School Facilities Maintenance Fund) in amount \$54,443.00. In favor: 12; Opposed: 0; Abstain: 0.

Karen Umberger moved, seconded by John Edgerton, to support Article 4 - Expendable Trust Fund (A. Crosby Kennett Middle School Facilities Maintenance Fund) in amount \$17,086.00. In favor: 12; Opposed: 0 Abstain: 0.

Jim LeFebvre moved, seconded by John Edgerton, to support Article 5 - Expendable Trust Fund (Elementary Schools Facilities Maintenance Fund) in amount \$9,900.00. In favor: 12; Opposed: 0; Abstain: 0.

John Edgerton moved, seconded by Sheryl Kovalik, to support Article 6 - American Federation of State, County and Municipal Employees contract for the 2009-10 school year. In favor: 12; Opposed: 0; Abstain: 0.

Mike Gilmore asked if this Article was related to the latest contract and Chairman Stacey stated yes, they took the health care package. Sheryl Kovalik stated the only one accepted.

Doug Swett stated you have already said one Union finally accepted \$500.00 deductible. Sheryl Kovalik stated she wanted people to understand everyone wins because they have shared the premium also pay out of pocket; premium comes down with an additional \$500.00 underwriting. Chairman Stacey asked that Sheryl thank them for being the first.

Daniel Bacon stated he had a question on the \$500.00 deductible. Sheryl Kovalik stated not funded out of the savings because of reduction. If the deductible is not spent, it reverts back to the District. Chairman Stacey stated still paying 80/20. Mike Gilmore stated this is a very reasonable health care plan; why it takes so long for people to realize that just because someone comes up with a new plan doesn't mean it will cost more; listen and know when you are going to save money. This is a long time coming.

Ben Kane moved the question.

Sheryl Kovalik moved, seconded by Jim LeFebvre, to support Article 7 - Project SUCCEED Programs in amount \$73,922.00. In favor: 7; Opposed: 4 - Mike Gilmore, Karen Umberger, Doug Swett and Bob Drinkhall; Abstain: 1 - Melissa Stacey.

Jim LeFebvre stated it states additional Grant sources would be sought, haven't heard, do we get them. Sheryl Kovalik stated yes, do get Grants and continue to decrease the amount asking from the town.

Randy Davison stated last year Project SUCCEED returned \$48,530.00 in revenues and actually asked for \$103,763.00 last year. They do a good job, seek Grants and other revenues.

Sheryl Kovalik moved, seconded by Karen Umberger, to support Article 8 - Expendable Trust Fund (Tuition Trust Fund) in amount \$850,000.00. In favor: 11; Opposed: 0; Abstain: Mike Gilmore.

Bob Drinkhall moved, seconded by Melissa Stacey, to support Article 9 - Expendable Trust Fund (Special Education Trust Fund) in amount \$100,000.00. In favor: 8; Opposed: 4 - Phil Dighello, Dan Bacon, Karen Umberger and John Edgerton; Abstain: 0.

Chairman Stacey stated we could have someone come into the District who is deaf; not something you really want to play around with. Jim LeFebvre stated when doing the presentation to the voters, try telling them what is currently in that fund; it may help them decide. Sheryl Kovalik stated add to that, if don't get the Catastrophic Aid would use those sources. Phil Dighello asked what was in the fund and Sheryl stated still have \$100,000.00; did not use.

Karen Umberger stated last year funded from surplus and this year asking for appropriation. Chairman Stacey stated it was a Warrant Article last year. Karen stated she looked for it in her book and couldn't find it. Sheryl Kovalik stated went back and forth; fund out of surplus or Warrant Article. Karen stated she thought had done out of surplus. Chairman Stacey stated no, how would it be funded if don't have surplus. Phil Dighello stated he thought there was discussion having it come out of surplus but when voted, went the other way.

Jim LeFebvre moved, seconded by Bob Drinkhall, to support Article 10 - Capital Reserve Fund (School Buses) in amount \$126,000.00. In favor: 12; Opposed: 0; Abstain: 0.

Bob Drinkhall stated prior to everyone questioning, this is simply to fund like the Police vehicles. Jim LeFebvre stated it did concern him going to 12 years, 200,000 miles, what is that going to do to major repair work. Sheryl Kovalik stated as was stated, there are two things that need to happen equally; got to have flooring and since the floor is what goes, keeping it clean and free of salt. It is an evaluation process; be on a cycle of 1, 2 and 1, 2. Looking at extending the life, not cast in stone. We may find that maybe it is not a good direction.

Mike Gilmore stated this is one of the items spent a lot of time on and got wrong information from the first two hour session. If go for 12 years, 200,000 miles and stay on that schedule, are you addressing how many years, how about addressing this. Sheryl Kovalik stated she was not. Randy Davison stated a major thing is if there is any give in the floor,

the inspectors won't inspect. Jim Hill came up with another material for flooring. In addition, District has not experienced a lot of break downs. We will be monitoring that; can have a brand new bus and get a lemon. Mike stated instead of replacing in 10, replacing in 12. Randy stated revisiting that as a Board; have a transportation meeting with the co-curriculum committee. One other thing, the new buses go on the long trips; do not send an older bus on longer trips. Conway owns the fleet.

Bob Drinkhall asked if they were going to run the current fleet to 200,000 miles or just the newer buses. Randy Davison stated the current fleet that we have. Remember the School Board has been very conservative with regard to what is happening; did collapse a route; do a lot as a School Board.

Jim LeFebvre stated nothing to do with the Article, but wanted an update on the parking fees. Sheryl Kovalik stated referred to two committees: maintenance and transportation committees. Randy Davison stated they would be meeting next week.

Karen Umberger moved the question.

Karen Umberger moved, seconded by Jim LeFebvre, to support Article 11 - Conway School District Three Year Technology Plan in amount \$75,000.00. In favor: 9; Opposed: 3 - Karen Umberger, Mike Gilmore and Melissa Stacey; Abstain: 0.

Mike Gilmore moved, seconded by Melissa Stacey, to support Article 11 - Conway School District Three Year Technology Plan in amount \$0.00. In favor: 1 - Mike Gilmore; Opposed: 11; Abstain: 0.

Bob Drinkhall moved, seconded by Ben Kane, to support Article 12 - School Buildings Maintenance Fund in amount \$100,000.00. In favor: 9; Opposed: 3 - Karen Umberger, John Edgerton and Bill Aughton; Abstain: 0.

Sheryl Kovalik moved, seconded by Jim LeFebvre, to support Article 13 - numerical tallies on the votes of the recommendation that accompany the Warrant Articles. In favor: 12; Opposed: 0; Abstain: 0.

Jim LeFebvre moved, seconded by Ben Kane, to support Article 14 - Tin Mountain Conservation Center in amount \$12,000.00. In favor: 2 - Sheryl Kovalik and Ben Kane; Opposed: 9; Abstain: 1 - Mike Gilmore.

Jim LeFebvre asked if this had been funded in the past and Sheryl Kovalik stated it had been a casualty of past Default Budgets; had been in the past. Karen Umberger stated this was not funded this current year. Chairman Stacey stated she was confused; if funded, why did she pay for her children to attend. Sheryl Kovalik stated it was not funded last year. Chairman stated the last 3 years have had to pay for it. Sheryl stated if paying a fee that is the way to bring to the School when cut.

Bill Aughton stated he wouldn't vote for it; Tin Mountain collects enough money from other sources.

OTHER BUSINESS

Chairman Stacey stated next meeting date is March 2nd at 7:00 PM at Kennett High School Auditorium for the Deliberative of the Town meeting. Following on the 4th at 7:00 PM for the School meeting. After that, voting day is Tuesday, April 14th. She will call a meeting to review where both places are in their budget. School providing where they are at and the Town will be midstream through their year. At that point, will need to elect a new Chair because it is a new year.

Phil Dighello stated he was not returning and Doug Swett was not returning. Bob Drinkhall stated this is Phil's last night; he will not be at the Deliberative. Sheryl Kovalik stated should read something about their contributions. Chairman Stacey stated we will thank both gentlemen for all information brought to this board. Randy Davison thanked Phil for his expertise on the insurance, that was a lot of great information.

Chairman Stacey stated Mr. Swett who kept coming back; he is not coming back this year. Only came back last time because Pat came with him. Chairman further reminded members to be prepared that night to have to vote if any numbers change; be prepared to stay and vote.

Mike Gilmore stated in closing this is one of 3 opportunities to have your feelings and thoughts voiced in the realm of this Town; get out for the Deliberative and vote; only 26.5% voted last year.

Karen Umberger moved, seconded by Sheryl Kovalik, to adjourn the meeting at 10:15 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary