

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

A meeting of the Municipal Budget Committee was called to order at 6:32 PM in the Meeting Room at the Conway Police Station with the following members present: Chairperson Jim LeFebvre, Bob Drinkhall, Karen Umberger, Bill Masters, Doug Swett, Pat Libby, David Jensen, Shirley Renahan, Raymond Shakir, Sheryl Kovalik and Bill Aughton. Members excused from meeting: Daniel Bacon, Ben Kane and David Sordi. Members absent from meeting: John Edgerton and Betty Boucher. Also present: Dr. Carl Nelson.

Chairman LeFebvre asked Ray Shakir to lead the members in the Pledge of Allegiance.

Chairman LeFebvre advised that since the members without e-mail had not received the Minutes for the November 18, 2009 meeting, approval would be tabled until the next meeting, January 4, 2010.

SCHOOL REVIEW

Dr. Nelson began by wishing the members a Happy Holiday. He advised he was going to just go through the high points; obviously this is the first time some have seen a School Budget book and the first time many have seen this particular year's budget book. After he hits the highlights, he will answer whatever questions there may be and then, as has been done in the past, members will take this home and over the next week or so be looking at it and have dozens of questions that come out of the reading. He would hope that members could figure out a way to e-mail him any questions either directly to him or through the Chair, whatever the protocol is. Chairman LeFebvre asked members to go through him with any questions. Dr. Nelson stated that way he would have those ahead of time, can have the answers and can be discussed at a meeting as opposed to giving them to him at a meeting and then it's the next meeting before we get an opportunity to talk about it. It just works a lot faster.

Dr. Nelson advised that the budget was concluded on Monday night; the Board approved a proposed budget and between Monday night and tonight have put the budget book together. Dr. Nelson began with his Memo to the Administrators in the Conway School District with regard to the direction that the School Board had given regarding the budget; bottom line is the School Board said to come in at a zero increase in their budget, with the exception of Unit 2, excluding any increases in fuel, utilities, or health insurance. Anything else, for instance the retirement costs, went up and each of the building Principals had to find a way to make that up and still come up with zero. Two of the Units are at a negative which will be pointed out later. Every Unit accomplished their task, they came in at zero with the exclusion of the fuel increases. Fuel was actually a decrease from the budget because they locked in for the next 18 months at a lower price than last year.

Dr. Nelson stated on health insurance, when they originally budgeted it, estimated it at a 10.75% increase and they do that by averaging the

increases over the past 4 years and come up with a number; that number was about 5% short of what the guaranteed maximum will be; the guaranteed maximum increase will be 14.9% and that's with a 1% discount if we sign up by February 5th; if not, it will be 15.9%. What you see in the budget book has all been corrected to the 14.9% increase.

Dr. Nelson proceeded with a review of the budget meetings that were held which some members attended; it is always helpful to have some of the Budget Committee in attendance because they get a different flavor and are able to question whoever is presenting.

Dr. Nelson stated he wanted to bring to everyone's attention the SAU 9 Report Card. There are going to be a lot of questions when reviewed; it answers a lot of questions, i.e. how many computers per child in each building, what's our percentage of Special Education kids in each building, class ratio, what's the State average cost per pupil versus the Elementary School and the High School. The Report Card has got a lot in it; it's what we hand out to the public and publish each and every year.

Dr. Nelson proceeded with the Budget Summary (Tab A), a summary by Unit; each of the buildings and some of the special areas are designated by Unit. The name of the Unit is right next to it, for example Unit 2 is Special Education. Unit 2 is dictated by what the federal and state requirements are in order to provide services to those students who are coded. When we look at that, we can't put the zero limit on them because there are requirements that we have to fulfill; what you see as an increase in Unit 2 is the actual increase of the services we need to provide coded students per their IEP today when we built the budget, not what the IEP may change to in the Spring. Chairman LeFebvre suggested to Dr. Nelson that he explain an IEP. Dr. Nelson stated an IEP is the Individual Education Plan designed for each student who is coded.

Ray Shakir questioned that Unit 2 reads Elementary District-wide. Dr. Nelson stated that it was Elementary District-wide Special Education. Sheryl Kovalik stated that it doesn't say Special Ed, but that's where it is; unlike the other buildings, the Elementary Special Education was pulled out of the individual school budgets because there are three different types of programs and depending on the student's special needs, they may need to be shipped to a different school and have come out of a different location. At some point in history, it was pulled out and put into its own Unit to track it a little more efficiently. It should be called Elementary Special Ed. Dr. Nelson stated one of the things we hear a lot about is how much money we may have left over for Special Education. We budget according to an IEP, according to what exists; that changes during the course of the year. In September and October we are reading the IEP and saying we need these services for this child and in some cases those services are out-of-district placements. By the time we get to May, again this budget is not in effect yet, it doesn't go into effect until July, there might have been a change in the services that a child needs. For instance, the child might have come back from a residential placement which would be significantly less of a cost to the District or the reverse could happen where a child was in the District and had to move out, then it would usually be a substantial increase in the cost to the District. When we get to the Warrant Articles, you are

going to see Warrant Article 15 where we might have to have a supplemental Warrant Article for Special Education cases because there are 5 new Aides in this year's staffing that we didn't have in this year's budget when we built it, you will see that reflected in next year's which is in front of you. Sometimes because a child moves in from another community and we didn't expect the child, sometimes it's a change in the needs for a particular student. Dr. Nelson stated when Pam Stimson, Director of Special Education, comes in she will be able to provide more information.

Karen Umberger asked if the Special Education Fund that was set aside isn't sufficient to cover this. Dr. Nelson stated they would have to take the money out of it; right now he believed that it was sufficient to cover. They are talking about another potential student moving out of the District into placement which would be residential. As of today, there is \$200,000.00 in that Special Education Fund and he thought they would be alright. We just put that Supplemental Warrant Article in as a place marker so we can keep watching it between here and the Deliberative Session.

Dr. Nelson stated that Unit-by-Unit is going to show you what the Adopted Budget was last year, what the Proposed Budget is this year, what the increase is dollar-wise and what the increase is percentage-wise. When there is an increase, even though they were at zero, is because health insurance increases are now showing up and if there were any utility increases they are showing up because those are the things we could exempt. You will notice that we are showing a decrease of 1.7% in the budget and that's because we have lost a bond payment this year in the Elementary School, one of the Elementary School Bonds of \$210,000.00, as well as reductions in some of the bond payments we are making in other places. We are going to give you a number which excludes all of the bond payments so you can actually see budget-to-budget without involving the bonds.

Dr. Nelson proceeded with a fold out page with three different statements. Total Proposed Budget that will go on the Warrant Article, which is number 2, and that's the \$32,273,565.00 proposed Budget that the Board approved to move forward to this body on Monday night and that is all inclusive, it has the bond payments in it and everything else and that's the minus 1.7%. We take out all the bond payments, all the bonds that we owe and make it budget-to-budget, you are going to see that it represents a 2.89% increase without the savings on the bonds. The budget that you have to work with is \$32,273,565.00, not the \$28 Million that you see. If you do that, you are going to be short \$3 Million in bond payments, you've got the High School Bond, the Middle School Bond and those are still in there. That's the number we need to work with. The other two pages is a Summary of the increases and decreases in each of the Units. For instance, Unit 2 will show you what increased, what decreased, the line item and the plus or minus. Again, he was not going to try and explain each one; there will be plenty of questions as time goes on. The Collective Summary, which is the handy one to use to the individual Units. There's a series of Special Requests that are stapled together. The Board said when they made their decision to go for zero with the exception of the exclusions, that if the Administrator's had a

special item they'd like to bring forward they could do that and call it a Special Request. Each of the Administrators, including myself, brought forward a Special Request item and the Board on Monday night made some decisions and you will see what was approved and what wasn't approved. The items that were approved are all in the budget that you have before you. The rationale for what the individual Administrators wanted has back up material to it. When that Administrator comes forward and if you want to ask questions, you are certainly welcome to do that.

Dr. Nelson proceeded with District-wide Increasing Rotating Fund by \$30,000.00. That was not included in the budget, but it is going to be included as Warrant Article 14. Article 14 in the past has been \$100,000.00 and the Board chose to up that to \$130,000.00 to have that money available to do a number of things and we can talk about that when we get to the facilities piece.

Dr. Nelson proceeded with staff increases and decreases. Everybody likes to get a good look at that; on the top you will see the decreases in staff and on the bottom, you are going to see the increases in staff and it nets out to about a 3.5% increase. If you look at the Aides under the new positions, as mentioned before, there are 5 new Aides that are Special Ed Aides that are at various places. As you can see, it will tell you which place they are at, what Unit they are in.

Doug Swett asked if they were keeping up with the maintenance of the schools. Dr. Nelson stated they are; they reduced one custodian at the Middle School this year. After they had been through a year, Kevin (Richard) felt that they had a satisfactory number of custodians, the job was getting done, so they decreased .5 of a custodian for next year in the Middle School. Doug asked if the custodian went somewhere else and Dr. Nelson stated "no". Doug asked if there were enough in the High School and Dr. Nelson stated they had enough in the High School; they're okay at the Elementary Schools. They felt they didn't need the .5 custodian at the Middle School so are taking that out of the budget. Doug stated when you take these recommendations from the Principals, they're likely to lean toward education and not worry about maintenance. Dr. Nelson stated that was probably accurate, but there are also a number who lean towards the maintenance side of it and he thought they balance out. For instance, they are looking at where that extra \$30,000.00 in the Rotating Funds should go; should it go in the budget or should it go in the Warrant Article. A lot thought it should be in the budget; others felt it would be better if the voters had the last say. Doug stated he felt there should be two separate budgets; one for academics and one for maintenance; he knows things are tough but we can't let these schools fall down. Dr. Nelson stated he thought they have made some real efforts to maintain them all. One of the things we are seeing is that the request for the additional \$30,000.00 was because the \$60,000.00 used to do that Elementary School nicely and it would rotate around; but as costs have gone up and as the buildings get older and now one of the things we are finding is we've got a number of rugs in these buildings that are 20 years old and they need to be removed and replaced with tiles. Doug asked how many rugs were in the new High School and Dr. Nelson stated there is one rug in the Library and there is a rug on the stairs in the Auditorium and that's it. In fact, he and Jim have this policy that no rugs go back

in. We fought with the Board when we had the Building Meeting; we wanted to keep rugs out of everything and they insisted that we have them in the Library; we lost that battle and that's okay. Doug stated you figure in 20 years they will have to come out because of mold and Dr. Nelson stated no, it's a different situation, you don't have as much high traffic, there's no food being handled in the Library and the hope is that it will be wear that will take them out and not something else.

Dr. Nelson proceeded with Revenue (Tab G). The Estimated Revenue page has three columns: Actual Revenue 08/09; Estimated Revenue for this year since we don't know what it is finally yet; and then the Estimated Revenue for the year 2010/11. We are estimating a fund balance between the Revenue side and the Expenditure side of \$250,000.00 which is obviously down from the previous year. We are actually down in Revenues by \$1.7 Million and most of that is because, as some will remember, the \$850,000.00 Tuition Trust Article where we got all the money up front from the State and were trying to spread it out over a 5 year period. We were originally told that for the Vocational Center we would be receiving 75% Building Aid over the life of the project, 20 years. Then all of a sudden it came right on top of us, so we had to put it in the bank; we put it in a Trust Fund so that you wouldn't get a real drop in the tax rate one year and then a sky rocket the next year. Under the Building Aid we are estimating, we are using the number that the Department gave us of 95.8%. The first line under Building Aid, we go from \$99,000.00 to \$34,000.00; that basically represents the drop off in the Elementary Bond; we are not paying it off anymore but also the Aid has now ended on those. Catastrophic Aid we feel pretty good about; we are estimating 80% and hopefully it will come in better than that. You can see in "Revenue - Tuition" the payments we get from the sending towns and that's down by about \$320,000.00 and that's because there are two things taking place: getting less students from some of those schools and the other thing, if you remember the Tuition Contracts that are 5 years old now from their inception, there is a clause in there that was an inflation factor clause that talked about the CPI. We would charge an additional cost to all of the Districts of whatever the CPI was plus 2.5%. The CPI that we used last year was 5.9% plus 2.5% and you can see what that cost is. This year's CPI is much different than what it was last year. Dr. Nelson believes, in his view at any rate, that the formula is really working as it should; where there's changes in equalized value, there are changes in the contributions that are being made and the same thing when we see changes in the enrollment. It seems to be working out. For instance, this year Bartlett has \$103,000.00 more that they are paying us from the previous year because they have more students involved; not this year but a year back, we are always a year behind. After all is said and done, the increase in the amount to be raised by taxes is \$540,000.00 which if just the budget is passed and didn't deal with any Warrant Articles, it would be a \$.39 per thousand increase.

Karen Umberger stated because there are so many people that have not been on the Budget Committee when the Tuition Contracts were written, perhaps it would be helpful if a copy could be provided; that one wasn't needed for each school, but just give the High School because they are all similar. Dr. Nelson stated that would be a good idea; in the past, they have been in the book, but not this year.

Dr. Nelson proceeded with Estimated Tax Rate (Tab H); it is a \$.39 increase per thousand; that's the budget at the top. The Warrant Articles are at the bottom.

Doug Swett stated there are two types of Articles: special and separate. One is a one-time deal and one goes into the budget the next year. Dr. Nelson stated that the one-time deal is Project Succeed, you have to vote on it every year. When we get to the Warrant Articles, it is printed on there. This is just an estimate of what we think the tax rate will be; obviously the voters are voting on those particular Warrant Articles.

Dr. Nelson proceeded with the Warrant Articles (Tab B). Warrant Article 2 is the budget and we've got the estimated number in there as \$.39 per thousand. Article 3 is a product of the Tuition Contract. Each of the Districts, including Conway contributes a certain amount towards a Maintenance Trust Fund so that as we move into the future we can make repairs. The first number is the total amount that you see, \$54,000.00, and the second number you see, \$35,000.00, is what comes from the other Districts. The other Districts are contributing \$35,000.00, Conway's contributing \$20,000.00 but we've got to raise and appropriate the whole thing and some of it is offset by Revenue. This one is worth \$.04 per thousand and that's with the offset considered. Warrant Article 4 is the same thing for the Middle School, it's a trust article of \$17,000.00 offset by \$7,000.00 from the sending Districts and there are only 5 sending Districts. At the High School, you've got 8 Districts, 7 sending Districts and Conway.

Karen UMBERGER asked what the total tax rate was including Warrant Articles last year. Dr. Nelson stated that he did not have that but that he would get it for her. Karen stated what we are saying is that if it is a net increase of \$.39, what is she comparing that to. Sheryl KOVALIK stated if there is a small amount of Warrant Articles plus the current proposed budget it may in effect be down from what passed last year. Chairman LEFEVRE stated she wanted to take last year's budget plus Warrants and this year's budget plus Warrants. Bob DRINKHALL asked what was being requested and Sheryl stated the year we are in, the current budget, she wants the Warrant Article impact costs in addition to the current budget; she wants to see the equivalent tax rate. Dr. Nelson stated that Karen wants it broken out like it is in the book, the major budget and then each of the Articles; then this year's estimate major budget and each of the Articles.

Dr. Nelson proceeded with Article 4 having a net cost of about \$.01; Article 5, same thing for the Elementary, we have 3 Districts participating, 2 sending and Conway and the net cost there is less than \$.01. Now we get into the tricky zone; we have 4 Articles, one would be the AFSCME Warrant Article which we haven't concluded negotiations with; the second would be the CEA, the teachers, which we have concluded negotiations with, and you see the cost of the Article at \$355,000.00, that would be equal to \$.26 on the tax rate.

Chairman LEFEVRE asked Sheryl KOVALIK to discuss in more detail the CEA Article. Sheryl stated the key elements are that the starting salary for

teachers will be raised to \$30,000.00, so if anybody is below \$30,000.00 they have to be raised up and those costs are included in this total. Dr. Nelson stated that is in excess of \$100,000.00 just to do that. Sheryl stated the next piece of the puzzle is that they've agreed to move to a \$500.00 deductible similar to what AFSCME agreed to last year and to what the SAU office staff agreed to move to the \$500.00 deductible which is why the total of this is smaller than in previous years, the savings from the health insurance is reflected in that number. If they hadn't negotiated the savings, this number would have been essentially \$200,000.00 larger because we carry the cost of the contract in the agreement rather than in the budget. Chairman asked Sheryl to detail the \$500.00 deductible. Sheryl stated it is a 125 Plan where a \$500.00 deductible is put on a debit card that doesn't actually leave our ownership as a district, so if it is unused it returns to our account which would then go back to the taxpayer.

David Jensen stated when talking about the insurance before maxing out at 15, the estimate at 10, all of that is as yet unknown, what will the actual insurance rate be for next year. Dr. Nelson stated we won't know that until Spring but it was his guess it was going to be close to the guaranteed max. David stated you refer to the \$500.00 payment card as part of a Section 125 Plan meaning that it comes out of their payroll. Sheryl Kovalik stated wrong, it does not come out of their payroll; it is an opportunity for them to use this debit card up to the tune of \$500.00 for items that fall under health care qualified, so whatever the government identifies as being health care qualified, some of it can be dental, it can be orthodontics; it exceeds what actually may be normally covered. David stated in his business they use Section 125 so the employees can deduct money from their paycheck in order to fund various things. Sheryl stated this is funded by us; we are underwriting that and we are still seeing a \$200,000.00 savings. David stated the teachers are experiencing no change in their actual deductible. Sheryl stated correct, except that we are on a Plan where the co-pay has gone up; they are increasing their co-pay but the effect of the 20% which they pay of their premium has gone down because we have negotiated a smaller premium with this \$500.00 deductible. It has gone up with what they pay per visit; most of the Plan covers preventive care, the deductible doesn't kick in until certain other conditions are met and when it kicks in they can use this card to offset those costs. The card runs on a calendar year and the contract runs on a fiscal year; so there is a 6 month window where there is an exposure piece and we are putting aside some monies to offset that if there are extenuating circumstances for individuals. The only thing they are paying more for at this time is possibly more for uncovered expenses with the deductible and definitely a higher per visit co-pay.

Karen Umberger asked if they budgeted for the current health insurance. Dr. Nelson stated right, the current health insurance that the teachers have right now; the teachers and every other Unit right now. Sheryl Kovalik stated the last time around, two years back, before we had a contract, we had a negotiated arrangement and the health insurance savings is always in the Warrant Article because if it fails, the savings fails with it.

Sheryl Kovalik stated that it is everything we hoped to accomplish; plus as everyone has been worried about the Evergreen Clause, which when you negotiate a new contract after the Evergreen law went into effect, what we used to have in our contracts was a sunset clause that if there was no negotiated agreement the contract terminated. The Evergreen law that was passed changed that; so we were advised that we needed to have something in the contract that would essentially go away based on how the Evergreen Clause is written so that everyone would want to come back to the table, specifically the Teachers Union would want to come back to the table each contract year. The item we put in there is a COLA, a 2.5% increase; there is a small amount of money for performance pay. Dr. Nelson stated \$850.00 for proficient and \$250.00 for basic. Sheryl further stated they had to put the performance pay in there but the piece that keeps us coming back to the table is the 2.5% will go away if there's no contract negotiated. Dr. Nelson stated he thought it was also important to note that when you use the word COLA, people will go to an index and take a look and see what is the cost of living increase. This is a negotiated COLA; why they use that word he did not know because it confuses everything now but at the last minute that was thrown into the legislation to have some sort of negotiating tool as Sheryl pointed out. It has no reflection on the Social Security COLA or the Northeast Urban Index COLA, it has no relationship to anything at this time. Sheryl stated their experience is that the performance pay piece doesn't follow through with the Evergreen Clause. We haven't paid it this year with the contract terminated so at this point what we think would happen if there is no contract negotiated next year, all that would happen is that the health insurance would stay in place, which is what was recently put forward which is the \$500.00 deductible and there would be no performance pay or COLA. Dr. Nelson stated that he thought the \$850.00 would stay in place; what we have now was not under Evergreen. If we had negotiated a contract and that was in it, it would have been Evergreen.

Karen Umberger stated she thought that it sounded like there had been some significant changes in the contract and she certainly would appreciate a copy. Dr. Nelson stated that he would give the packet that he gave to the Board and to the press; it has a Press Release in it and has the actual numerical break out of everything and it has the copy of the Memorandum of Agreement. Karen stated she was not exactly sure when a full contract had been redone and she was confused as to what pages are good pages and what pages are not. Chairman LeFebvre asked Karen if she was asking for a complete copy of the contract. Karen stated she thought so. Dr. Nelson stated on the contracts, they won't do that until it gets ratified but he can give the actual verbiage change, piece by piece, where it will have the old contract language crossed out, in bold is the new language. It is only what's being changed in the contract and he thought that would be very helpful. Sheryl Kovalik asked if every member had a copy of the contract that is currently in force; that would be helpful because they need to go back into the original document and see where those pieces were. Dr. Nelson stated when he gives the document that he was talking about, members will not need to go back to the other one; one won't have to go jumping back and forth because it will cite the paragraph that we are talking about, it will cross out the old and put in the new. Look at it and if you are not comfortable with it, he will give something else and he will give copies of the contract. Karen stated

that's fine but we've been reading in the paper about the new scheduling thing at the High School. Is that portion changing in the contract or are we still with the same number of hours. Dr. Nelson stated the hours stayed the same; the hours have not changed.

Ray Shakir asked what is some of the criteria that determines stellar performance from merely adequate performance, who determines that level of performance. Dr. Nelson stated the level of performance is determined by either the Principal or the Director in the Career Tech Center. It is an evaluation form that we developed in house for Conway in evaluating teachers. It determines and defines what an outstanding teacher is; has rubrics for each, 64 points, that we look at within a teacher's ability to perform and tells you what an outstanding teacher does in these particular areas and what a proficient teacher does in these particular areas. He will bring a copy of it just so that the members can have it; it has timelines when things have to be completed and dates when things have to be completed and it is rather extensive. With this contract agreement, if that continues to go through, they are looking at some modifications that will be even better. Charlotte Danielson has done some very good work in the last couple of years with regard to a more in depth approach to it and we think it will get even better.

Chairman LeFebvre asked when looking at the teaching staff, does it break out as a standard bell curve, a certain percentage below average, the majority are average and then proficient. Sheryl Kovalik stated we have three years to determine if a teacher is worth keeping. We don't want to have a lot of teachers on that bottom end and we get those three years, the first probationary period, to encourage them to seek other employment and it works pretty well; sometimes we see lots of resignations that may not actually be folks that had planned on leaving but were encouraged to do so. The majority of the teaching staff would fall in the proficient category and on a year-to-year basis there are either more distinguished teachers or not depending, because it's an evaluation that happens every year. As you have more seasoned teachers, you get more in the distinguished category. One of the things talked about this past year, which didn't go anywhere because we don't have a contract but what we were trying to do, is to increase the requirements to be considered distinguished. There are four evaluation categories on this document that does the evaluation. They felt it was extremely important that to be truly considered a distinguished professional you needed to be distinguished in each, 3 out of 4 of the categories. It wasn't enough that the average score that you would accumulate qualified you for distinguished; we felt you needed to be distinguished in at least 3 out of the 4 categories. What's currently in place and needs to be addressed is the scoring system; you get "x" points for category one, "x" points for category two and so on and if you achieve a certain number of points, you qualify as distinguished and you might not have been distinguished in the category of instruction and we find that to be unacceptable. Chairman stated you have four areas not all equally weighted. Sheryl stated no, instruction is double weighted as it should be. Chairman further stated if you were distinguished in number 1, number 2 and number 4, with number 3 being instruction, you can be distinguished without being a good instructor. Sheryl stated not without being proficient in instruction and relatively high, but you are right, it could be your weakest area and you

could still be distinguished. Dr. Nelson stated couldn't end up basic in instruction and still be a distinguished teacher because of the double weight, but you could in some of the other areas that are not double weighted. Sheryl stated which is what we do not like, but you have to have a contract that's doing evaluations in order to get anyone to talk about changing the evaluation. Dr. Nelson stated a committee had done a lot of good work and was ready to make a number of recommendations that would have addressed the things that we are talking about here, it just fell down due to the lack of a contract.

Bob Drinkhall asked how many teachers and Dr. Nelson stated about 180. Bob stated in 2007 - 102 were distinguished, 2008 - 106 and 2009 - 111, does that sound correct. Sheryl Kovalik stated she couldn't honestly say but it could be; she had the same reaction to that picture and that's why the request has gone forward to change what qualifies a person for distinguished. Distinguished has not carried with it large financial remuneration and it has none in the next contract. It is simply under the current one that has been recently negotiated; there is no financial reward for that status and in the past it has carried with it a non-recurring \$500.00 bonus, so it hasn't been a huge financial reward, but that notwithstanding, she did not think that number of people should rightly be qualified and when they looked at how the points were laying out, everybody was in agreement and the KATE group that decides on that document includes teachers were in agreement as well. You should have to be distinguished in instruction to be distinguished period and they were all in agreement that including that category at least 3 out of the 4 had to measure up independently in a distinguished category not just cumulatively. Bob stated he understood the bonus was going away and the manner in which this is determined is going to change which should correct that, but if you were basic did you get the same merit. Sheryl stated she did not remember which years those changed; they used to be graded. Dr. Nelson stated if you are basic, you don't get the same merit, it's a lesser amount. Bob stated unsatisfactory doesn't get anything and Dr. Nelson stated under the old would be zero, under the new because you have a COLA, it's 2.5%. Under advice of counsel, if you put that in at zero then you no longer have true COLA and you may run the risk of falling into an automatic because of the Evergreen language.

Dr. Nelson proceeded reviewing the Warrant Articles stating the CESP contract is based on the Fact Finder's Report. There was a Fact Finder's Report for both the CEA and CESP. The CEA chose not to ratify that, nor did the Board act on that. The CESP chose to ratify that and the Board did not act upon that and since they chose to ratify it, it goes before the voters in April and he doesn't know the cost of that one yet because we have some issues with that Fact Finder's Report and how to interpret it. He has run it through their attorneys and they are going to interpret it a certain way and will talk more about that as it comes around. There will be a Fact Finder's Report that talks about payment for the year we are in now and then hopefully we will come to an agreement with the CESP and there will be a Warrant Article for 2010/11. What is interesting about this one is that if you go back to the Fact Finder's Report, if that's approved by the governing body which is the voters, is that automatically Evergreen or is it not. His guess is that it is because the ratification in his view, and he is not the attorney, takes place when

the governing body finally ratifies it. So that's going to be interesting to sift through that and to sift through how to warn the public that there is "x" number of dollars in this particular Warrant Article. For instance, he has a Warrant Article in another District that negotiated a zero increase, that's a very nice Warrant Article; however, there's \$80,000.00 or \$90,000.00 in there because it's an Evergreen contract language. It's automatically placed in the budget, not in the Warrant Articles. As you move forward, you are going to find smaller Warrant Articles because the money has already been placed in the budget as required by Evergreen and that's what we are trying to sift out. How do we warn people, write it the right way and also have the DRA accept it because that's a whole other ballgame with what they will accept and not accept. As an example, a week and a half ago he sent down another District's Warrant Article with contract negotiations in it and asked them to give their approval, if it was acceptable to them the way they've written this Warrant Article. They haven't gotten back to him yet; usually that turn around is about a day. So DRA is sifting through what's the right language and that's why we have them phrased up this way because we don't know how to phrase them yet.

Karen Umberger stated on Article 8, since the School Board has not acted on this, when the Warrant Article is eventually written, will it reflect that the School Board doesn't support it. Dr. Nelson stated that it will reflect their recommendation; they haven't gone through each of these and done that but they will once we get the wording and we get the costs figured out. Sheryl Kovalik stated they took no position. Karen further stated that the reason she was asking is because it would appear to her that if the School Board is not taking any action then it shouldn't be part of the Warrant unless it is petitioned; in other words, if the School Board isn't recommending it, then it shouldn't be on the Warrant. Sheryl stated that it has to be on the Warrant because of the way the law reads for the Fact Finder's Report; if any other body ratifies the Fact Finder's Report, it goes before the voters. Sheryl further stated that on the CEA contract this is in essence a two year adjustment for them because there was no increase this past year. So, for them choosing not to put the Fact Finder's Report forward meant that they got no increase for last year and she figured it was important to note. Dr. Nelson stated that it nets out at 2.73%. Sheryl stated it is a two year increase that needs to be thought of that way; not that they couldn't have been more negotiable with us last year.

Doug Swett stated one should remember that this Evergreen thing was brought on in the last year due to radical changes in government in Concord so if you go to the polls next time don't forget it.

Dr. Nelson proceeded with Warrant Article 10, Project Succeed, and Christine will be here at some time to talk to you about that; that's a \$.04 increase. The next Article is the Special Ed Article which we talked about earlier. This is looking for another \$100,000.00, we've got \$200,000.00 in there right now and the Board would cap that at \$500,000.00. Article 12 is the bus and a half Warrant Article which would mean that we would pick up a bus and a half. Sheryl Kovalik stated no, this year we get two buses; we got a bus and a half last year, so that two buses will be purchased. Dr. Nelson stated that would equal \$.10.

Article 13 is the Technology Warrant Article and we have a night for Unit 8 where Dale will talk to the members. There is some literature when you look behind the Warrant Articles and he has also done a Summary. The Technology Article would be \$.05. The last Article would be the Maintenance Trust which he talked about earlier, adding \$30,000.00 so now it is \$130,000.00 as opposed to \$100,000.00. It would be hoped that if this is passed by the voters, we would be using that money to deal with the maintenance issues of rugs and things of that nature and that's worth \$.09. Article 15 is in case we need it, that's why there are question marks after it, it just keeps our focus on where we are with Special Ed expenditures.

Karen Umberger asked on Article 14 if this was for the Elementary Schools; does this mean we are taking the \$60,000.00 out or is this in addition to the \$60,000.00. Sheryl Kovalik stated that the \$100,000.00 was for the General Maintenance Fund that could be used anywhere in the District; the additional \$30,000.00 was in debate Monday night. What came forward was a series of requests and on the Special Request list there was a bunch of requests to accelerate getting rid of carpeting and things like that. The budget next year will have the rotating \$60,000.00 going to Pine Tree. There was some discussion Monday night that we should increase the rotating fund by \$30,000.00; it is no longer adequate to keep up with some of the work that needs to be done. There is electric panels that need to be addressed in Conway El; there is a circuit breaker panel that has to be addressed in John Fuller plus additional carpeting problems throughout several of the Elementary Schools. It's not just for them but they have the burning needs right now because they are the older buildings. She suggested not putting additional money in the budget to cover the carpet replacements but to use the current funds in the Trust that was established two years ago which is now at \$200,000.00 and add some additional funds this year so that there would be enough to cover these projects. That was her recommendation rather than adding money to the budget for those carpet replacements and that's what was approved.

Karen Umberger stated she heard exactly what was said, but the question she had is: we are putting money under Articles 3, 4 and 5 for the High School, Middle School and Elementary Schools; is this Article in addition to what's going into that and it's all going into the same fund. Dr. Nelson stated yes, but they are separate funds; this is a General Maintenance Trust, the other one is specifically a High School Maintenance Trust as designed by tuition contract; you've got 4 Maintenance Trusts. Chairman LeFebvre stated you have the High School, the Middle School, the Elementary Schools and the General. Karen stated she is trying to get this through her head; is this primarily for use at the Elementary Schools because of the fact that both the High School and the Middle School are brand new or are we expecting some kind of additional catastrophic failure that won't be covered under the other three Articles. Sheryl Kovalik stated that the original thought was that it would be the "oh my God" account, something happened, we weren't prepared for it, there isn't enough budget dollars to cover. One would hope that the Maintenance Trust for each of the buildings would be large enough to cover anything by the time we need them in those buildings; that may not be the case because they are not growing that fast. The logic was that we would establish this other Trust that would give us the

latitude to do that. The difference is the way the funds are raised because the Tuition Trusts get the money up front from the sending towns ahead of time and the General Maintenance doesn't; when we expend it, it goes into the budget and gets charged back to the sending towns and they pay their share, they just don't pay in advance of us spending it.

Chairman LeFebvre stated in order to make this more concrete, as an example, one of the schools has another tank failure, would you walk them through what that would do. Sheryl Kovalik stated that with the tank failure the first thing we would do is get an estimate for fixing it and then everybody would say how come nobody was watching that ball and why is this happening now; that would be a couple of weeks worth of work and then we would say where are the funds going to come from to fix this and the first thing we would do is look at the Maintenance Trust Fund for the specific building. If it had enough funds to cover the cost of that repair, that's what would be used; if there weren't enough funds, then we would have to go to this Maintenance Warrant Article to find the additional funds and if we had depleted all of those funds and it was a crisis, we would have two options: one would be to dig it out of the budget somewhere and suffer whatever else we had to suffer or put a deficit spending Article in front of the taxpayers, a special Warrant, a special meeting to acquire more funds, which we have never done.

Doug Swett stated if these took to a tuition situation and the people of this town turn one down, then you are messing up the tuition contracts. Sheryl Kovalik stated they haven't turned it down yet and we've pretty much said at every Deliberative Meeting when we've explained it, we are obligated by law to raise and appropriate these funds. Doug stated the only problem is there aren't enough people at the Deliberative Meeting. Dr. Nelson stated that it has been very helpful that this group has understood these particular funds and have supported it almost unanimously each time you have voted on it and he thought that has a big influence on what happens with the taxpayer. When they see both the School Board and the Municipal Budget Committee completely supporting something, they are usually in favor of it. He hasn't seen a time when they haven't in his 12 years.

Ray Shakir stated basically, the way he sees it, they would like to create a subjective contingency stash. Sheryl Kovalik asked why Ray would say it that way. Ray stated because that is kind of like the bottom line. It seems to him that while he understands what they are trying to do and just want to stay in a safety zone, it seems to him that there should be some type of an avenue that can be formed, some type of mechanism that can be formed that can appropriate these funds under certain circumstances rather than just having a "stash" hanging out for a just in case thing. Sheryl stated she did not know what the legal ramifications are or alternatives; everything they have ever done has been to set up these Trusts to cover them down the road. We are not like the Town, we can't have a fund balance, we can't roll it forward to the next year, we can't stash unexpended funds for future use and we've been chastised for taking unexpended funds and doing anything with them that wasn't originally planned for those funds. Sheryl thought that the only mechanism they have as a School District is to create these Trusts. She did not know if there was a way to create them so that you have to meet

certain criteria to spend them. It says maintenance, we can't go out and buy books with it, we can only do maintenance; whatever it is designated for is all that we can do. Ray stated all he was trying to say is that he didn't think there should be a bank that's created for that purpose; he thought if you have a contingency, if you have a certain problem, there should be some place that you should be able to go to and state your case and that would be a mandatory assessment that would be taken out according to whatever the situation was rather than setting up a bank where you can take the funds out as needed. Dr. Nelson stated that the only thing you can do if you don't have the money in reserve, which the Board sees as the best way to approach it, is if you have an event like the oil tank, you'll have to go to a special meeting of the Town which has to be approved by the Court; first you have to get through the Court, then you have to have a special meeting which takes two months because you have to have a Deliberative Meeting, then you have to come out on the other side and have a regular vote. The process to do that becomes extremely cumbersome as opposed to having a Trust Fund where the Board can hold a hearing and describe why they are doing what they are doing with the funds and then go out and expend it. This is a much more expedient method of dealing with issues of an emergency nature.

Karen Umberger stated that the items described would not be considered an emergency; the oil tank would be but replacing carpets in the schools would not. Dr. Nelson stated that was correct, although he was not sure whether it would not, it depends. Karen stated her point is, we should have an Article on the Warrant specifically to replace the carpet. If you believe it is that dangerous of a situation to the children, then we ought to have a Warrant Article to replace the carpet because this is voted on separately in the School as opposed to the fact in the Town a lot of things that they are doing is right in their budget and their Capital Reserves are right in their budget which is another issue. If, in fact, we are describing this as a fund to take care of emergencies, then she didn't have a problem with it, but if we are describing it as a fund to do other things that have other options then she was not sure. Dr. Nelson stated in all fairness, the \$30,000.00 is to do other things; the \$100,000.00 is to be set aside for emergencies; that's what he believes the Board finally agreed on after much debate. There was even some early discussion about maybe we should put a \$200,000.00 Warrant Article on which is what it would take to do all of the schools. Sheryl Kovalik stated but we wouldn't have to do it all in one year. Sheryl is open to suggestions, but one of her concerns is that when they put a Warrant Article out there for stuff that we know we have to do like the rugs, if it fails they can't spend money on the rugs; even if they had money in the maintenance budget to spend on rugs because the governing body has told them no way and that puts them in a legal bind, not for every one of the rugs that has to be ripped up, but for the ones that harbor the mold problem. We have a health and wellness issue that we've got to deal with and not all of them are as desperate as some; some are in a real bad way. Dr. Nelson stated a lot of it depends on where it is located in the building, how much air it gets, things of that nature; we have identified those and are slowly working through it. Sheryl stated she was open to suggestions; she didn't think there was a real good mechanism that is expedient for dealing with emergencies and she has been thrown a curve ball because she thought a Maintenance Trust was one that the Budget

Committee endorsed which is why she fought so hard not to add \$30,000.00 to the revolving fund which is always hard to explain every year and not put it in the budget per se because it isn't a recurring expense and she doesn't like to put things into the budget that are not recurring expenses because she doesn't think that is the best way to handle things. Chairman LeFebvre stated he would not say what Sheryl has heard is an opinion of the Budget Committee; we are asking for information at this stage. Sheryl stated she did not know what other mechanisms would be legal.

Dr. Nelson proceeded with the Special Education Budget (Tab F). The Summary of Special Education is done by Units and again, Unit 2 is the district-wide Elementary, Unit 3 is the High School, Unit 4 is the Middle School and Unit 10 is the district-wide transportation. You can see that the Special Education expenditures are estimated at \$5.6 Million which represents approximately 20% of the budget.

Sheryl Kovalik stated the Board voted on Monday night for the next budget cycle which will be the 2011/12 budget cycle, they are going to attempt to move all of the Special Ed costs into their own Unit and out of the individual buildings because they are not handled the same. The Elementary Schools don't carry their Special Ed costs - they are in Unit 2; whereas the High School and the Middle School carry their Special Ed costs. They would like to see them separately as a component of the budget. She didn't know exactly what that is going to look like because of how the accounting is done but that's the plan. The next round will have a different picture. Dr. Nelson stated you can get to that just by going to the School budget and come to the Summary and do a subtraction, that will tell you what the budget is without Special Ed for that particular Unit.

Chairman LeFebvre stated that he would like to ask some questions on the Special Requests that the Board approved; are they already incorporated into the budget and Dr. Nelson stated yes. Chairman stated there was one that was disapproved coming out of the High School, the advocate. It might be beneficial for the Board here to understand the logic of what the advocate was intended to do. Sheryl Kovalik stated it is included in the Special Requests page which is the last stapled piece of Part A which is the Budget Summary section. In it is a list of all of the Special Requests, some of which we actually had no conversation about. It was two meetings back when we were first handed this list and she asked everybody to consider which ones they really didn't need to discuss this particular year and it's not whether we approve or not, but we just said this wasn't the year to add these costs. At the back there is an explanation for the Student Advocate Position and in the past this was requested as a separate individual and it was called the Family Liaison position. It has since been changed and the way this job description has been written it includes Director of Eagle Academy, the functions that had previously been identified as being part of the Family Liaison position and the GED options which is part of the way we are helping kids graduate with their credentials ahead of a normal 4 year plan; they are accomplishing alternative avenues to graduation. Dr. Nelson stated that it also keeps the drop out rate at our goal. Sheryl further stated it helps us not have problems with the need to graduate our kids; they have to stay in school

until they are 18 or until they graduate so this helps kids graduate ahead of schedule, the GED Options. The homologation of those three categories into one job description and the expanded hours turns it into a full-time position which increases the budget by \$50,000.00; that is the net add above what we already pay for, essentially what we are only paying for now is the Eagle Academy Director position; the GED Options are being handled by a diversion of teaching time to manage that function so a person who would otherwise be teaching full-time is spending some of their hours doing GED Options. That is how that position was created; it is a more creative solution than what has been presented to us in previous years. In previous years, it was a net additional person so in addition to the \$18,000.00 they were asking for another individual.

Chairman LeFebvre stated he saw a look of puzzlement on people's faces when it was stated that students had to stay in school until 18 or until they graduate, would you like to address the State law on that. Dr. Nelson stated it is the regulation; the regulation used to be that you had to be in school from 6 to 16, it has changed this past year to 6 to 18 years or age for a regular education and it's 3 to 21 for Special Education students that we are required to handle. Chairman stated when you talk with the Special Ed folks, they talk about starting evaluations at the age of 3 and they can stay in the program until 21 and that's something that you need to be aware of when they come in.

Karen Umberger asked on the School Resource Officer, if it was discussed with the Police Department. Sheryl Kovalik stated that in multiple years they have recommended that it be moved to the budget and she was not exactly sure why they never did because leaving it in the Town budget means they get no reimbursement from the sending districts; moving it to the School budget has the added benefit of getting reimbursed funds from the sending towns so it is not a shell game of moving money, it actually sets them up to be paying less in taxes. Karen stated we should see a corresponding \$37,656.00 decrease in the Salaries for the Police Department. Dr. Nelson stated we can't answer that question. Chairman LeFebvre stated what you are going to see from the Police Department, he believed, is they have to fund for it but you will see them getting reimbursed by the School. Dr. Nelson stated it is a contract service for them. Sheryl Kovalik stated our budget goes up in the School District, but the Revenues go up as well. Karen stated that she was actually very pleased that the School decided to do that because it has been one of her irritants. Dr. Nelson stated he thought it was a good one.

Sheryl Kovalik asked if anyone wanted to talk about any of the Special Requests. The only one they fought about was the Student Advocate Position; she believes they were all pretty much in agreement about the others. The Student Advocate was a definite split on the Board and it failed at vote.

Karen Umberger stated she was not exactly sure what the Summer School for the Middle School was all about. Sheryl Kovalik stated that is in response to some of the policy changes that have been made, not socially promoting students, we want them to be able to reach a certain academic level before they move from the Middle School to the High School and in order to ensure that happens, we need to provide some remedial education

services to ensure that they are ready. If they can't get it done during the school year, we can require that they take summer school classes to prepare them for what they are going to find in the 9th Grade.

Chairman LeFebvre stated on Unit 8, Technology, the fact that you decided not to replace the existing Technology Aide positions with teachers is, in his eyes, a good thing. Sheryl Kovalik stated she actually believes in the request; it's like when you go to a Christmas shop, this isn't the year that everybody gets a new iPod; it's just budget sense. Chairman stated bringing those up to teacher slots would have increased the budget by approximately \$50,000.00.

Karen Umberger stated she thought we had changed the description of the Librarian to be doing some of these things at the Elementary Schools. Sheryl Kovalik stated that by law they are required to be a Media Specialist now, not a Librarian, and that was not their choice it was a requirement. Karen asked what would this person do different or what would they add. Sheryl stated Karen should read the description; she thought that the description was clear; she personally did not think it was the right year to do it; in fact, the ones that you see, like the Full-Day Kindergarten, we did not even discuss, we just said this isn't the year. The only one that came up that was extremely controversial was the Student Advocate Position and she would have to say that she voted against it but reserved the right to change her mind if they get a lot of public input that says they feel it is really important.

Shirley Renahan stated you spoke about teaching kids or advocating different procedures for them, more or less requiring them to fulfill these things; does this mean that if a child needs extra schooling they have to go to a summer school. Sheryl Kovalik stated that is a part of what that is; it is the ability to provide summer school for students so that they can be ready for the next level. Shirley stated she agreed with having it, but do you make or force the students to go. Dr. Nelson stated in order to move from the 8th Grade to the 9th Grade, you have to pass certain courses and if you didn't, here is your opportunity to pass it and move on to the 9th Grade or we will see you again next year here at the Middle School. We don't require them to come in the summer, but we do encourage them. Sheryl stated the idea being that if we promote the kids when they are not ready, then we have to do the remedial work at the next level and it just delays the process and it should be handled at the time it occurs.

Dr. Nelson stated to double check: tuition contracts, tax rate this year broken out, CEA Memorandum of Agreement - the whole packet, the current CEA contract and then at least one form of the KATE so that you can have it for reference. If there are any other things that you want, give him an e-mail and he will try to have it prepared for the next event which is January 6th.

Karen Umberger stated she realized that we are going to talk about the schedule a little later on, but this is something that is important and that is we are scheduling all of the School on Wednesday evening which is perhaps a lousy time for her to come back. She wasn't asking to redo the schedule since there are Wednesdays that she will be around but she was

only asking that maybe we could hold one or two differently. Chairman LeFebvre stated let's discuss that when we have our discussion later; one of the reasons we did it is because Sheryl has meetings on the 2nd and 4th Monday, so we wanted to make sure she was available to attend those. It's a 50/50 issue.

Bill Masters asked to revisit the issue on the Maintenance Trust Fund emergencies; do you have access to all four Trust Funds in the event of an emergency. Sheryl Kovalik stated no, the three Trusts that are designated for specific schools have to be used for those facilities; the High School Trust is strictly High School, the Middle School Trust is strictly Middle School, and the Elementary is all three Elementary. Bill asked if it would be possible to introduce a Warrant which would say that the Maintenance Trust Funds for the specific schools you would have access to in the event of an emergency. Dr. Nelson stated you can't do that because each of the Trust Funds for the designated schools come from different funding sources. At the High School 8 towns contribute to that, so you can't use the money that 8 towns contributed to in order to repair an Elementary School; wouldn't be contractual correct. That's why you have the General Maintenance Trust Fund, the one that has a cap of \$500,000.00 on it, to deal with the flexibility piece you are talking about. For instance, when that oil tank went down at the Elementary School some of the money we did use was out of that Elementary Trust Fund. Sheryl Kovalik stated the hard part is, before these Trusts and before the bond and new buildings, we had no way of getting regular increments of money from any of the sending towns to put towards maintenance; the only way we could get maintenance dollars was to put it in the budget itself and then charge them back for maintenance. We had limited mechanisms; this was our opportunity of planning ahead to create those Trusts so that they were paying in while using the facility for some future damages that might have to be repaired and that was a good provision. Sheryl further stated that she thought there should have been a higher percentage as it is not accruing very quickly.

Bob Drinkhall stated he wanted to add that is the way they got into so much trouble with the old High School; we didn't have a mechanism and you don't want to go back to that. Dr. Nelson stated absolutely correct, we don't even want to go near that place again.

Chairman LeFebvre thanked Dr. Nelson for coming in and stated he was looking forward to seeing Dr. Nelson and his staff on the 6th. Dr. Nelson wished everyone Happy Holidays.

TOWN

Chairman LeFebvre stated that he attempted to send everyone the proposed schedule for 2010. He understood that some were not able to open the file and for that purpose he does have a few printed copies for those that were not able to open the file or do not have e-mail. Chairman reviewed the proposed dates as follows:

01/04/10	Town for Overview, Police Department and Library
01/06/10	School for Grade School Detail
01/11/10	Town for Conservation Commission, Recreation and

Public Works

01/13/10 School for the High School and the Career Tech
01/18/10 Holiday - no meeting
01/20/10 School for the Middle School and Unit 8 (Tech)
01/25/10 Town for Town and Precincts
01/27/10 School for Special Education (Unit 2)
02/01/10 Town for possible catch up
02/03/10 School for K-12 District Facilities (Unit 10)
02/06/10 Joint meeting with Selectmen for Non-Profits
02/09/10 Petitions are due by 5:00 PM
02/10/10 Public Hearings: 6:00 PM Precinct Budgets
6:30 PM Town Budget
7:00 PM School Budget
8:00 PM Committee Meeting

03/01/10 Town Meeting for School Deliberation
03/03/10 Town Meeting for Town Deliberation

Karen Umberger asked if the times meet the time required and Chairman LeFebvre stated they do. Karen further asked if we don't finish voting on the 10th, when is the next time we can do that; is the 10th the last day we have to vote. Chairman stated he would have to double check the calendar but he believed there were a few days after that, but not much.

Chairman LeFebvre stated Karen had a concern or issue with her ability to make some of the meetings on the School. Karen stated that she might be able to make them all; Mondays she is always here. Chairman stated that he would try to accommodate. Chairman suggested keeping the schedule as it is now and hopefully Karen would be able to make a vast majority of the meetings on the School.

Chairman LeFebvre asked Bob Drinkhall to talk about what happened at the Select Board's budget meeting. Chairman further explained that what we are doing is giving a preview of what the Select Board has already done on their budget so that you will have a bit more information when they start their process with us on the 4th.

Bob Drinkhall stated there was a special meeting on Monday because he wanted to go through things line-by-line as well as one other person did; unfortunately, they didn't accomplish all that he would have liked but they did reduce the budget by about one-half percent; rephrasing that to the increase by one-half percent; went from 4.9% to 4.4% for an increase.

Bob Drinkhall stated probably the single largest cut was in the Library, \$25,000.00; he believed the cut to be on that and that was Mike's suggestion. Chairman LeFebvre stated that went from \$452,934.00 to \$427,934.00. Karen Umberger stated the Selectmen don't really have any authority over the Library budget other than to approve or disapprove. Karen asked if the Library Board agreed with that cut. Bob stated no, they did not attend the meeting even though they were asked; we'll see what happens at the Deliberative. Karen asked if the Library Board did not agree with the cuts, how can the Selectmen say that this is the new budget for the Library. Bob stated that will be their recommendation; the way it has been explained is that the number can not be changed once it is voted on; it is different than our own budget for the Town. He was

told that's how it's handled and they have gone back and forth on it numerous times. Doug Swett stated the next question is why weren't they there. Bob stated you would have to ask them.

Sheryl Kovalik stated you said the single largest impact was at the Library, but Parks and Recreation is significantly lower, as is the Highway; she was wondering if those numbers are also reduced over what was requested and she would like to know why Parks and Recreation was reduced. Chairman LeFebvre stated that went down by about \$50,000.00. Sheryl stated that is double what you hit the Library with so she would say that was the biggest hit. Bob stated what he was saying is that they reduced those existing figures in that column by the amounts he was about to give if you want to go through them item-by-item; he was not talking about what they changed from 2009 to 2010. Sheryl stated she was looking at the Requested column and the delta between the requested column and the Selectmen's number; Column 5 versus Column 7 and it shows that Parks and Recreation has been cut by \$50,000.00 and then maybe \$30,000.00 cut out of the Highway. She was curious to know what was cut when you cut that; where did the cuts come from. Chairman LeFebvre stated Parks and Recreation went from \$342,000.00 to \$292,000.00. Bob stated you have the updated version and Sheryl stated the date on her document is 12/15/09. Bob stated that he was working from 11/02/09. Sheryl suggested that Bob look at the new book and Bob stated that the one he was looking at had all of his notes which does bring us to the same figures. Sheryl stated the Parks and Recreation Requested amount was \$342,758.00 which was up from last year's actual by \$40,000.00 which is significant and you cut it by \$50,000.00. Bob stated that was not cut. Sheryl stated so this is the \$40,000.00 they put back in last year at the Deliberative and you are taking it back out. Bob stated we haven't taken that out. Chairman LeFebvre suggested that maybe this was something that Bob needed to do more research on. Bob stated we didn't change this on Monday, this figure did not change Monday. We had the \$292,758.00 presented to us on Monday the Selectmen did not change that. Chairman stated they briefed the \$292,000.00, the \$342,000.00 was never briefed. Bob stated that was what was requested by the department head, he assumed, and when it came to us it was already revised to \$292,000.00. Chairman stated that was done somewhere in the staff process. Sheryl stated what really should have happened is you should have revised the Requested column because otherwise it makes it look like the Selectmen knocked a number. Bob stated your columns are headed differently and every time you get a piece of paper, as we well know, things change and his copy says 2010 Requested, 2010 Revised; that means it was done in-house. Yours says Selectmen and that would include the Selectmen's changes he assumed that they made. Sheryl stated for argument sake it should say Revised and Selectmen; this was revised by staff. Sheryl further asked if the same held true for the Highway. Chairman stated it skips from number 5 to number 7, is there a column actually missing in ours. Bob stated yes, there is a number 6. Chairman stated we don't have number 6 therefore we are asking questions based on data that is not properly presented. Sheryl stated we need a new page.

Karen Umberger stated she thought part of the problem is that none of our sheets show what occurred between what was requested by the staff and what Earl actually brought forward. She really thought we need either

column 6 or get rid of Requested. Chairman LeFebvre stated if the Selectmen are working off a sheet with Column 6, it would be appropriate to give the Budget Committee Column 6. Sheryl Kovalik stated you did change the Highway number, the staff did not revise the number; you amended the Highway number. Bob stated the requested figure was \$1,918,601.00. Sheryl stated the number she had was \$1,860,705.00. Doug Swett stated that Bob should proofread what the members received then he can tell them whether it is correct or not. Sheryl Kovalik stated that maybe we shouldn't be having this conversation right now.

Bob Drinkhall asked to explain what was done on Monday because this is far too complicated to be throwing back and forth. The changes on Monday were simply number 13 was reduced from \$3,000.00 to \$2,000.00; Highway Tools was recommended but it did not change; Street Lights did not change, but we are doing a study and looking at what we could save by turning off all street lights that are not in a business district; basically residential areas and don't confuse that with other areas of Town that are not Town lights because they are Precinct lighting and it wouldn't include those but that's just a study, not a study but a figure to see what that would save and how many lights it would actually include. Sheryl Kovalik stated the rest is asphalt which means we are not going to pave. Bob stated we talked about reducing the salt and calcium but that did not pass. The only other one that we talked about was the striping and that did not pass so the figure that we began with changed to \$1,887,583.00 which was the figure he was given at the meeting and was being tallied as they went along, it was just handwritten. He wouldn't want to swear that a mistake could not have been made at the meeting and he wasn't sure if that figure jived with any figure that Sheryl had. Sheryl stated not really and Bob stated he didn't think it did from looking at the different numbers. Bob further stated that basically what he was saying is the only thing that was cut under Highway was \$1,000.00. Sheryl Kovalik stated so any of the other amended numbers in my column 7 are the result of missing column 6. Chairman suggested that Bob go back to the Selectmen and the Town staff and have them put in column 6 for us; it would be helpful.

Karen Umberger stated she wasn't exactly sure why they changed the format this year. Chairman LeFebvre stated that would probably be a question best left to Earl when he comes to do his overview. David Jensen stated didn't the Budget Committee ask them to change the format last year; he thought that all came from here. Bob Drinkhall stated some from here and some from individual Selectmen also.

Bob Drinkhall moved, seconded by Sheryl Kovalik, to adjourn the meeting at 8:31 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary