

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
October 20, 2010**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Meeting Room at the Conway Police Department with the following members present: Chairman David Sordi, Bob Drinkhall, Doug Swett, Bill Masters, Joe Mosca, Karen Umberger, Janine McLauchlan (arriving at 7:30 PM) and John Edgerton. Members excused from meeting: Bill Aughton, Ray Shakir and Linda Teagan. Also present: Syndi White, Betty Loyn, Sterling Perron, Michael Fougere, Susan Belanger, Kelly DeFeo, Holly Fougere, Sandy Kurtz, Brandon Rafferty, Joe Lantini, Bob Mathieu and members of the public.

Chairman Sordi asked John Edgerton to lead those present in the Pledge of Allegiance.

OLD BUSINESS

Chairman Sordi stated that the Minutes for the September 29th meeting would not be reviewed tonight since something happened with the e-mailing and requested that the members review them and be prepared to vote on them at the next meeting. Chairman further stated that he would scan the Minutes and send them out to everybody so that everyone would have an electronic copy. Chairman asked if e-mailing was an effective way to communicate with everyone except for Doug (Swett) and Bob (Drinkhall) who do not have e-mail; it seems to be a lot more efficient.

Chairman Sordi stated that someone had mentioned *The Basic Law of Budgeting* and getting copies for everybody. Chairman obtained a copy of it, an electronic copy, but because of copyright regulations, it's copyrighted by the LGC, he can't e-mail it. He had Karen (Hallowell) talk to the Town Attorney and apparently, we can create a paper copy and she'll make copies and get them to everyone. It is 91 pages long and he should have it for everyone at the next meeting. He started reading it and it is actually pretty good. John Edgerton asked for the address so that members could get a copy themselves and Chairman stated it is \$8.00 per copy. John asked if you couldn't get it off the internet and Chairman responded one could at a cost of \$8.00; so if you wait a little while he will get everyone a paper copy free.

NEW BUSINESS

Chairman Sordi stated the new business that was primarily going to be talked about is at the last meeting it was discussed about drafting a letter to the different budget making committees or boards in town just stating our concerns about the economy and where we felt they should be heading with their budgets for this year. He e-mailed the documents to members and Bob and Doug should have received a hard copy. We will be talking about the letter and everything else sent out was basically in support of that.

Chairman Sordi stated that he imagined everybody that was present was here because of the School budget and from what he has seen in the paper and further stated that the Committee would discuss that letter first. Before that, Chairman stated he wanted to go over a couple of things and to clear up a few misconceptions he saw in the paper and some of the comments that were made and some e-mails that were sent to him because he thought it would go a long way to maybe answering some of the public's questions and maybe even addressing some of the comments or maybe heading off some of the comments. The reason the Budget Committee is looking at these letters is for a variety of reasons: unemployment is still high, it's at 9.6%, generally jobs that are out there are lower pay, worse benefits. The State funding is worse; we have reduced the State funding and it's only going to get worse. He has seen reports from \$100 Million to \$800 Million budget shortfall in the State. What that means is less funding to the towns which means we have to raise our taxes locally to pay for everything. That just puts an increased tax burden on the towns. Local revenue which also helps to pay some of our bills, that comes from permit fees and so forth has dropped about \$700,000.00 over the last two years from \$3.9 Million to \$3.2 Million. Again, that leads to higher taxes.

Chairman Sordi stated people that are on fixed income, Social Security didn't get a cost of living increase this year and they're not going to get a cost of living increase next year and even though energy costs are higher, overall inflation is so low that there is no cost of living increase. Medical costs are going up for these people too, Medicaid and Medicare. People in the private sector are not getting raises or if they are getting raises, they're very limited and usually that is offset by a reduction in their benefits, they have to pay more for benefits. The Town Budget and Special Articles from 2009 to 2010 went from \$9.5 Million to \$10.3 Million and that \$10.3 Million does not include the \$600,000.00 that was voted down for the garage. The School Budget went from \$32.5 Million to \$32.6 Million between 2008 and 2010. You may say that's great, it only went up \$100,000.00 but that, in fact, is not the case. What that doesn't show is a reduction in Debt Service of \$1.6 Million; so essentially the School budget went up from \$32.5 and if you ignore the Debt Service, it actually went up almost 5% which is much more than inflation.

Chairman Sordi stated some of the other concerns that we've seen in talking with Dr. Nelson is that initially they were going to set a level funded budget; this is what they did last year, it's what they were going to do this year, but level funding in his words does not include salaries, benefits and other State mandated requirements and when salaries and benefits make up 50% of the School Budget, that is a significant part of the budget that basically floats where it has to and so, again, that is one of the reasons why the School budget has gone up essentially \$1.6 Million. The tax rate for the School alone went from \$10.40 per thousand in 2007 up to \$12.70, or projected at \$12.70 this year. He still hasn't received the final numbers. In 2009 it was \$11.37 and it went up to \$12.70 this year or that's what it's projected to be. Last year in the budget season, given the incredibly difficult times that we saw, we thought that the Town and the School would take it upon themselves to manage their budgets and reduce them to reflect the

difficult economic times and instead we saw increases in both which is ridiculous.

Chairman Sordi continued to state that there were some other School comments he wanted to address in a minute, but for those reasons we decided we wanted to take a more proactive approach to communicating the concerns of the Budget Committee and the Budget Committee, you have to remember, we only look at the budget. We don't look at the particulars of the budget, we look at the overall budget and we are essentially the voice of the people when it comes to setting the budget and he knows those present are the people and was glad to see everyone here. This is probably the most people he has seen at a non-deliberative session since he's been involved and it hasn't been very long but from his understanding this is more people than we've seen in a long time period. So, it's great to see you here but he thought they were going to find that what they were here to talk about is not really something the Budget Committee has any control over and he was going to go into that in a second but we have to be the voice of the people, everybody in town, not just the students, not just the teachers, not just the parents, but people on fixed income, business owners, everybody and when you see taxes increases like we've seen in this town over the last few years and we've seen budget increases over the last few years and we've seen no reduction in services, not lay-offs, not nothing in a town where people are losing their homes and their losing jobs, that's not acceptable to the total community and so that's why we're taking on this more proactive approach which he didn't believe was done last year. What he is going to do is start off by reading the letter; what he did was frame up a letter, a template that we would add our concerns to and he would read that letter into the record in a minute and he would read into the record a couple of e-mails that he got from budget members who are not here and then we'll start off with the School Board letter and he will be asking the Budget Committee members for comments on what they think should go into the letter for the bullet points which basically provides comments about where the School budget should be going. Before he does that, he is going to go into a few more comments about the School.

Chairman Sordi read the proposed letter as follows:

"Dear (whichever Board it may be):

"As you are well aware, the last several years have seen our residents and communities endure numerous financial hardships. Unemployment remains above 9% while our state has a looming deficit of hundreds of millions of dollars. Folks on Social Security will not see a cost of living increase again next year, while people with jobs are still not getting raises. Foreclosures continue to be common place and many families still have trouble just putting food on their table.

"During this same period, our town has had increasing budgets and property taxes while our revenues have decreased 20%. In fact, our town budget has increased [last year increased between 2% and 3%; waiting for exact number] in the last three years, our school budget has ostensibly stayed flat but in reality increased more than 5%, and tax rates have increased

at least 5% to 10%. Even more disturbing, neither the town nor the school board has taken any material actions to reduce overall costs.

"During a recent budget committee meeting, it became apparent to the Budget Committee that our school system's leadership team feels the only way to provide an excellent education is to maintain a "flat" budget, except for costs related to health care, salaries, and other mandated requirements. To the Budget Committee, this is unacceptable logic. We believe exceptional leaders can find ways to provide excellent services while finding ways to reduce overall budgets.

"Compounding these financial issues, it appears the state will have to address a budget shortfall next year of \$250M [has heard it is between \$100 Million and \$800 Million]. This will likely mean reduced funding to towns. If you, our town leaders, do not take into account those potential shortfalls in state funding during the budget cycle by reducing budgets, we face even greater local tax increases in 2011.

"With these issues in mind, the Budget Committee, acting in its role as the 'voice of the people', ask you, the [School Board/Town] to consider the following when setting the budget for next year.

"[Bullet points]

"We look forward to working with you during the upcoming budget season. We hope you accept this letter in the spirit it's been sent, to reduce the financial burden on our neighbors."

Karen Umberger stated one of the things that we have a little bit of a problem with when we were looking at the Town budget last year is that we took out several of the Capital Reserve Accounts and voted on those separately. What we actually see in the Town was a decrease in the budget last year because the Capital Reserve Accounts were taken out. We need to be sure that when we're talking about the Town that we either include those in the 2010 budget or exclude those in the 2009 budget. Chairman Sordi stated when he quoted the numbers before of \$9.5 Million in 2009 up to \$10.3 Million in 2010, that was with the special Articles included for both years, except for the Garage which was voted down. It equates to basically an \$800,000.00 increase. There was a page in that book that talked about that. Karen stated as long as we talk apples and apples, she thought we need to be clear in whatever we say that this includes not only the budget but also the Articles that were approved by the voters. Whatever number we use, we need to be sure that we're consistent with that in whatever we are doing. Chairman Sordi stated it took him a little while to figure out and agreed that we need to do apples to apples.

Chairman Sordi stated Ray Shakir is not here tonight, nor is Linda Teagan, and he wanted to read a couple of e-mails from them. The first e-mail read was from Ray Shakir: "Dave: I'm really disappointed about missing the meeting Wednesday night, I just wanted to make my position on school funding explicitly clear. I read the article in Friday's paper. It was really pathetic! I favor all programs outside of basic education. Just one small detail if YOU use it, YOU pay for it! If that little condition were a mandate, watch how un-necessary these programs become. What I find

absolutely incredible is the temerity of these people who feel they are somehow entitled to the income of others, stealing from those that have no recourse but to submit to the thievery, regardless of their ability to pay, with no remorse on the part of the thieves, and for which they have no right! I would appreciate it if you would voice my opinion regardless of your personal position."

Chairman proceeded to read the second e-mail received from Ray Shakir: "For what it's worth, here's my initial comments to your draft letter. First of all, I suggest you are fooling yourself if you believe the state will have to address a budget shortfall of \$250M. The actual numbers are b/t \$600 & \$800 Million. This can be verified by anyone not obliterated by the sludge emanating from the current administration. Nonetheless, no matter what the 'real' number is, it's going to be a lot more than \$250M and we will absolutely realize those cuts in state reimbursements. My comments on the town budget: I believe - overall - that the town has been responsible stewards of taxpayer funds. Of course, there are exceptions. For example, the waste and inefficiencies of their handling of the town garage is troubling. Their 'remedy' at the behest of three Selectmen in particular, will eventually cost the town MUCH more than alternative proposals (just watch, you will see). The street light 'solution' is also irresponsible. The fix is rather simple: establish a criteria for street light placement. If an existing light doesn't meet those criteria ... No politics, no arguments. There are other examples, but overall, I do not see blatant abuses. All that said, I DO feel the opposite is true regarding the schools. Funding for public education should be limited to the basics in my view. I have absolutely no objection to extracurricular activities as long as taxpayers don't have to pay for it. Basically, if you use it, YOU pay for it, not me. I think the class size limits are far too conservative. I think that the administrative sections are far too bloated with 'make work' titles, most of which I never heard of when I was in school. And I feel that school management in general is far too top heavy. Furthermore, I believe that unfunded mandates - be they state or federal - should be challenged and modified in terms of minimum conformity. I would cancel any program originally set up and funded by the state, which becomes unfunded due to budgetary constraint. In other words, if they don't pay for it, IT'S OUT! Finally, I would thoroughly review 'special education'. Everything's on the table. If sections of the program do not produce concrete results, it's discontinued, PERIOD! Again, if sections of the program were to be funded by the state or fed's, and they are not ... CANCEL IT! These are my platform feelings towards a return to efficient, responsible Town Government. My comments are by no means complete, but they are provided only as a means to provide clarification of my positions - just in case there was any doubt."

Chairman Sordi stated that he appreciated Ray's comments; we'll be talking about our comments in a little while. Chairman proceeded to read the e-mail from Linda Teagan: I think this draft letter is exactly what a responsible Budget Committee should be producing in these uncertain times. I would add the following comments: "First, in addition to Social Security, there will be no cost-of-living raise for military retirees/survivors, of which there are a large number in the Valley. Also, many private pensions do not, and have never included cost-of-living adjustments. Second, with the anticipated decreases in federal and state,

as well as town revenues, it appears that holding the line on spending (i.e. submitting a budget that is the same as the last one) will result in a substantial property tax increase. Therefore, I would hope that the Budget Committee would request that each Department, the Schools, and all others that come before us submit a budget that is a 5% reduction from their last approved budget. Finally, since other entities impact the taxes levied, I would ask that the County and the Precincts receive this letter and a request (although I recognize we do not have authority over them) that they, too, propose budgets that reflect a 5% decrease in spending."

Chairman Sordi stated those are some of the comments from a couple members of the Budget Committee. He further stated he wanted to go over a few more comments and then he would open it up to the Budget Committee. First off, Chairman thanked everyone for coming; it's pretty amazing how many people showed up; after reading the paper the last couple of days, he was not overly surprised, as a matter of fact he was afraid there would not be enough room. Chairman will open it up to comment after he gives the Budget Committee a chance to provide some input on the bullet points. If you do decide to make a comment, we ask that you come up to the table and use the microphone so we can get it on to the tape and that you state your name so that we can enter that into the record before you make your comments. Remember, we're all volunteers on this committee and we put our time into this and asked that comments be kept civil and the Committee will keep their comments civil, that way hopefully we will have a productive meeting. Remember that our role, as mentioned earlier, is as a Budget Committee to act as a voice of the people; it's to provide comment on budgets; it's not to specify particulars. We don't decide if a program gets eliminated; we don't decide if someone gets laid off; we don't decide if someone is going to get hired; we only comment on budgets. That's up to the School Board in the case of the School, to figure out how they're going to manage, how they're going to set their budget. That being said, we have to balance not cutting services which he was sure from what he read in the paper is one of the reasons a lot of people present were here, with not raising taxes. We can't continue to have increases in taxes like we're having. Again, in reading some of the articles in the paper, he was concerned that some of the people commented may have had vested interests in some of the cuts that were made. Again, we can go more into that in a little while as we get into the discussion, but the School Administration was asked by the School Board to come up with a plan that they proposed last week. We never asked that, that he knew of; we never asked that.

John Edgerton stated last year we asked them to cut the \$1.6 Million that came from Debt Service and they didn't do it.

Chairman Sordi stated the exercise that they just went through of the \$1 Million and the \$1.5 Million we never knew about until Dr. Nelson came and told us about it. First off, the Budget Committee did not ask for that; the Budget Committee did not specify any programs and we did not suggest any programs; we don't want to see programs eliminated; we think that having a great school system is important to this community. We also understand the passion of everybody that was commenting at the School Board meeting, especially the students because out of everyone, they're probably the most important of this whole equation because they're the ones that are going to have to live with the education they get for the

rest of their lives. Again, it's up to the Administration of the schools and the School Board to identify the appropriate cuts. Personally, he would take the School Administration to task for not being more creative; why do they have to eliminate certain programs; why can't they find other ways to do it; why can't they reduce the Math and the Science programs a little bit, but still have the programs. From his perspective, the School Administration has a vested interest in keeping certain programs in place because those are the programs that are going to reflect on the test scores of students in the schools. He was not sure if Arts, not sure if French, the two that he thought he saw would hurt the most, factor into the scores so obviously that's where they went to look for cuts. Again, he wasn't at the School Board meeting so he didn't know exactly what all the cuts were; he just got the information from Dr. Nelson late last night about the details. Irregardless, budget cuts are necessary; we can not afford to have a budget that is at the same level as last year. Even if they came to us and said "you know what, we will level fund everything this year; we'll find a way to do it", that's still going to make taxes go up because the State is not going to have enough money to pay the bills and that's going to get passed down to us, so our taxes will go up again. You have to remember that. Even level funding doesn't necessarily cut it; they should have been reducing costs a long time ago, at the beginning of the recession rather than having to worry about it now because now it's going to seem like it's going to be much worse than it really is.

Bob Drinkhall stated even if they went with the \$1.5 Million decrease it is very, very possible that the tax rate will still go up due to the revenue shortfalls, etc., etc., etc. Even with that \$1.5 Million which has nothing to do with, as Dave has stated, this Board's suggestion at that point in time, it's just the School Board's exercise, your taxes could still go up. You can only imagine how much your taxes will go up if it isn't cut.

Chairman Sordi stated there was one last thing he wanted to say before reading an e-mail from a non-Budget Committee member. The last thing he wanted to say was that everybody in the community wants a good education, it was apparent at the School Board meeting, but one of the common themes he hears from teachers is that they don't spend enough time teaching in classes, they spend it getting people to sit down, getting people to pay attention, dealing with particular issues. Everyone in the community if they want a good education needs to get involved; parents, employers, everybody needs to get involved in the School system and start getting children to realize that School is to learn and not necessarily to go in and disrupt classes. If we were able to do that, our School system will become more efficient and more productive; we wouldn't have to worry about teachers taking 20% of the time to get a class going, they would be able to do it right away and we would be able to get more teaching done and become more efficient and obviously less costly. Those are his overall comments.

Chairman Sordi then opened the meeting to the Budget Committee members for comments or bullets to be added to the letter. He would like to try to get as many drafted tonight to get approved and sent out. John Edgerton stated first of all, inflation by definition is delusion of currency; we are currently living with a two year, 30% inflation. We are also living with a

Cost of Living Index of -4% for the end of this year over a two year period which, as you said, doesn't give anybody on fixed income or those that have salaries or retirement plans that are adjusted by that. He also agrees that this Budget Committee or any Budget Committee can not and should not micro-manage; we're not Congress, they do it, we don't. It's pretty hard to sit with possibly a 20% increase in the tax rate when there isn't a person in this room who is going to get a 20% increase in salaries this year.

Karen Umberger stated she had a couple of things that she thought needed to be fixed about the letter before we get down to the bullets. We need to say the national unemployment rate because the unemployment rate that has recently come out in the State is 5.5% and so, if you want to use an unemployment rate for the State and she didn't have any idea what the Carroll County unemployment rate was, but statewide it was down to 5.5%. Chairman Sordi asked if they talked about under-employed and Karen stated no. Karen further stated she was not sure since she hadn't seen it broken down by counties or anything like that, so she didn't know how Carroll (County) stands in relationship to the rest of the State. Back two years ago or so, Carroll County unemployment was lower than the rest of the State and she wasn't exactly sure where it stands today. Whatever figure, if we're going to use an unemployment rate over 9% that's a national, but she thought it was more relevant if we talk about the 5.5% that we have here in New Hampshire. Chairman asked if there was any data out there that showed the average hourly salary in this area versus what the overall national would be; when you have a service industry that's paying \$8.00 to \$10.00 an hour with no benefits for a majority of the jobs in this area, it gets lost in the number of 5.5%. Karen stated she didn't know what those numbers might be but that was just one of the things that she was a little concerned about.

Karen Umberger further stated that she agreed with Linda's comment that folks on Social Security, on military retirement, whatever she said in her letter. She is on military retirement and they haven't seen an increase in their retirement in two years, neither last year or this year because the inflation rate, as John mentioned, was down. Karen further stated the 20% decrease in revenues, is that the actual number that Rhoda gave you. Chairman Sordi stated that was the number that Earl, a few weeks ago when he came in to give the Committee an update, he gave us the actual revenue from the last few years and the projected for this year and that's where he got the numbers from. Karen stated what he's basically saying is that the revenue that we get, the Selectmen generally apply that to reducing taxes and so that amount, and she wasn't sure if they had made a decision this year about how much was going to be applied against taxes, but that was relevant information. She did mention already that we need to make sure that we are talking apples and apples when we are going through our increases and that we state what our apples are and not just say a percent because a lot of times we make decisions about putting something into a special Article because of any number of reasons but yet when it comes to setting the tax rate all of that is included to come up with the final tax number. Even though the Town budget may have been \$9 Million last year, when you added on all of the other things, that's what brought it up. We all need to be aware of that.

Karen Umberger further stated in the last paragraph on budget shortfalls, the figure that seems to be out there for the, and this is for the 2012-13 Budget not for the 2010-11 Budget, is between \$600 Million and \$800 Million is the figure that seems to be what everyone is accepting. Now for this year, we have basically, she thought the figure was \$91 Million has been the down shifting to the towns and communities. She has that exact number at home if the Chairman wanted it. Chairman Sordi asked which figure would be applicable when we set the budget for next year that would impact the tax rates based on the budget for next year, would it be the \$600 Million to \$800 Million. Karen stated the \$600 Million to \$800 Million because we'll be budgeting for 2011; the State budget ends on 30 June like the School does. When the Town budgets, it will be for the entire time; whereas the State will be in their budget session for 6 months of 2011 just like the School for 6 months in 2011. The \$600+ Million is for the 2012-13 that's what starts 1 July 2011 and goes to 1 July 2012; but the \$91 Million is the down shifting that has occurred in the 2010-11 budget at this point right now and she didn't know at this point whether that would remain because whatever happens in the election could, in fact, change it and make all kinds of different things out there. Chairman stated that would show up in the January tax bills for the Town and Karen replied it would and we can't predict what is going to happen with that \$600 Million to \$800 Million as far as what the State is going to do because those decisions won't be made until May or June of next year. Chairman stated we have to consider the \$600 Million to \$800 Million as part of our budget deliberations and Karen stated right. Karen further stated she didn't know whether that \$91 Million that has been down shifted is going to continue to be down shifted or not; we also have questions about State Aid for Schools and what's going to happen with that; whether or not donor towns are going to come back or not come back. Those are questions that won't be solved during our Town budget season, but will affect next year's budget.

Joe Mosca stated he wanted to reiterate that what is going on is the School Board has started this \$1 Million to \$1.5 Million, it didn't come from this Board. While the School Board and the Administration is going through the exercise that they are going through, he would like to ask what would happen if they cut some of the Administration. There are teachers being cut, programs being cut, but there are no administrators being cut and, he knows he went to High School a long time ago and his High School was a little bit bigger than the High School here, they had one principal and one vice principal. He doesn't know why this High School can't exist with one principal and one vice principal; it doesn't make sense to him. The second thing that he would like the School Board or the School Administration to look at is class size. The State mandates certain maximums; the School Board has set that a minimum, a class couldn't have less than 20 students in it, what would that do, how many positions may be eliminated and the last thing he would like them to look at which won't go over very big. We have three elementary schools, can we close one of them; can the elementary students be housed in two elementary schools and, if so, what would the cost savings be.

Bob Drinkhall stated he had several things to comment on. He didn't have the exact figures with him on the Town budget for the current tax rate season, but it is anticipated a \$.40 increase on the tax rate so it will

be \$40.00 on a \$100,000.00 house, \$80.00 on a \$200,000.00 as well as the fact that the fund balance is remaining on the low end of what is recommended. Chairman Sordi stated \$.40 on top of the \$12.37; you said a \$.40 increase per \$1,000.00 over what and Bob stated that's not the Town rate. Bob further stated in addition to that, when we were talking about the unemployment and so on and so forth, in 30 years, his own figures, rents in the Valley have gone up about 189%, minimum wage which dictates basically what a lot of people earn in the Valley even though they may be a little bit over that each time the minimum wage goes up those wages have a tendency to go up if they are in that range, minimum wage has only gone up 93%, yet property taxes have gone up 308%, way out of whack with earnings. Again, some Board members have heard this before, but a couple that have worked all their lives, are native to the Valley, are now retired, living on Social Security, have a total income of \$21,348.00 a year. After just property taxes, health insurance and co-pays, they are left with \$9,536.00 a year or \$183.00 a week to live on, to maintain two vehicles which are very old, a home, as well, of course, all of their personal expenses. In addition, he didn't want to bore everyone with the exact details, but as he went over with the School Board at a meeting about a month ago, or a little over a month ago, and also brought up at this Board, the fact that in the years that the School Budget has more than doubled, the ratings of the teachers have been right up there in the highest rating out of 180 teachers for 3 years in a row, 111 or better were rated in the highest category that the School has, yet the NECAP for the 11th Grade has been absolutely pathetic. His point is the results: money does not necessarily dictate that you are going to have success. Chairman stated he could agree with that seeing what other towns have done and how they've spent money and they don't always get results either. That was one of the points he made earlier tonight.

Karen Umberger stated we did a study last year of closing one of the elementary schools and as we looked at that, we looked at the whole gamut of things and she thought the conclusion that was reached and she was part of that was that it did not make fiscal sense to close an elementary school at this time and, to her, suggesting that at this time is probably a little counter-productive. She was just reacting to what went on. She does agree with the class size thing and the administration. Joe Mosca stated he was new on the Board and did not realize that was done last year. Chairman Sordi stated in fact, we were going to do it again; there was talk last year of setting up another committee to look at evaluating it again and they decided not to go in that direction, they felt there were other more productive ways to do it.

John Edgerton stated on basic budgeting, in the past we've had budgets that appear to be balanced and they throw everything else into Special Articles to raise the money and he thought last year was a good example of that and he wouldn't like to see that again. Chairman Sordi stated he agreed. John stated a balanced budget is not when everything else is thrown into Special Articles. Karen Umberger stated contracts have to be a Special Article, that's a given, that's State law.

Chairman Sordi proceeded to read an e-mail from David Jensen, a former Board member and Chairman has a lot of respect for him, he runs a business in town and he asked to have his comments passed on as he was unable to

make this meeting tonight: "Hi Dave, Since you got stuck with the Chair, I figured I'd address you with this. I spoke briefly at the school board meeting last week and I will re-state, for you, my concerns. Many people spoke, both for the community and for themselves about what they feel is important in a school. I won't address that, since others will be doing so. I feel, however, that two drastically important points need to be made. 1. Speaking as a business person, I know that the quality of local schools is a significant consideration for businesses, and where they choose to locate. This can greatly impact a business's ability to attract qualified employees, particularly where Mt. Washington Valley businesses frequently need to recruit from away. In addition, I would encourage the Budget Committee to solicit an opinion from the Mt. Washington Valley Economic Council on the impact of school quality on their efforts to recruit businesses to move here. 2. Since the school board meeting, I've spoken informally with residents of several sending towns. Universally, their first words are "lawsuit" or "stop paying". Given how much of the budget comes from the sending towns, it would be penny-wise and pound-foolish in the extreme to risk losing even one sending town. In summary, increasing the tax base by attracting businesses here will help lower taxes. Cutting programs that potential businesses consider essential to a good school system may very well backfire and cause taxes to go up. Secondly, they may not know it yet, but the sending towns have the ability to dictate what Conway does. Making them feel that they should have a larger say in the Conway School Budget can only mean a loss of local control. The sending towns pay a large share of the budget, and have not, as far as I know, dictated policy like this in the past. This will change in a heartbeat if this continues, and potentially result in much higher taxes in the future. For example, what happens if Jackson/Bartlett tells Conway that they'll nullify the contract if Conway doesn't institute Mandarin Chinese? I believe Jackson/Bartlett pays something like twice the amount per student than Conway does. Making them angry seems like a no-win situation. Having said all that, I am not saying that there is no way to trim the budget, however eliminating positions that directly effect 'customer satisfaction' should be the last place we look, not the first."

Chairman Sordi stated in regards to that, there was a couple of things that struck him while reading the above e-mail. First off, it should be up to the School Board to talk to the Mt. Washington Valley Economic Council on the impact of school quality because, again, we are only the Budget Committee; we don't set the School budget, we can only comment on it. The idea that there may be lawsuits or stop paying is basically acting out of fear and the Budget Committee can't act out of fear. We have to act in the best interests of the Town. He understands that may happen and we'll have to deal with it, but he (David Jensen) mentions penny-wise and pound-foolish; when businesses in the private sector have to operate and their about ready to close, sometimes they have to be penny-wise and pound-foolish because they need to make some extreme changes to stay in business. In regards to the different School Districts, he welcomes and the School Board should welcome their comments on the changes they are proposing. He was not sure if the different Towns had commented, but again, that's up to the School Board to deal with, not the Budget Committee.

Chairman Sordi stated the interesting thing here is he sees a lot of students and it would be really interesting to see what would happen and he

thought it would be a really neat learning experience if the students did the same exercise that the School Administration did which is to find a way to cut \$1 Million to \$1.5 Million from the operating expenses of the School and to see what they came up with. Obviously, they have the most important vested interests in the Schools and just to see what programs you would have to reduce or what kind of programs you would have to eliminate. He thought it would be a really good exercise and it would definitely be a learning experience.

Chairman Sordi opened the meeting for public comment and stated that if one wanted to make a comment, please come up, state your name and make your comments.

Syndi White stated she was a member of the Conway School Board but she was not here as a member of the School Board and she was not here to talk about the budget. She was here because she had been watching the Committee over the last couple of months and she wanted to talk about what this Board has been doing and how they have been interacting with the public and with the teachers and with the administration and with the School Board. First of all, she was going to read something that she had seen in the paper from the *Tele-Talk* from one of the Board members, Raymond Shakir, but she doesn't need to read that and talk about how he called people leeches and all the other things and the names he used because we heard his opinion right through that e-mail. The disrespect that's been coming from this Board towards children with special needs and their parents; I've heard you say that the parents are just looking for babysitters for their kids; that we shouldn't be working with kids that wear diapers; that all we do is warehouse kids with special needs; that we should not provide services to kids with special needs because it's an unfounded mandate. Then you sit here and tell me that you believe in an excellent education for our children. That's not what I'm hearing, that's not what the parents are hearing and it's not what the children are hearing. I've also heard you talk disrespectfully about the teachers being the leeches and the lounge lizards and all the things that various members of your Board call the teachers. The administration, the teachers, the parents, the community, we're all taxpayers so when you talk about how you are looking out for the taxpayer, you somehow think you are separating these taxpayers from us. We are the taxpayers; we are the people and we need to speak out for quality education.

Syndi White further stated now you can have a difference of opinion and that's fine, my Board has differences of opinion but the thing we don't do is we don't call you people names, we don't disrespect you, but that's not what we are hearing from this Board and maybe not all members speak that way, but the fact that you can sit here at a meeting and this kind of talk goes on and nobody stops it makes everyone think that everyone on this Board thinks that way and the blame has to stop, whether you're blaming the administration, the School Board, the parents which I hear constantly how we blame the parents. Tonight I heard you blame the students; how low can you go. Chairman Sordi asked how he blamed the students and Ms. White stated well if those kids would only behave themselves and the parents told those kids to behave themselves and to sit in class then we would be much more efficient and we'd save a lot of money. Give me a break. This is what we're hearing and as a taxpayer and as a parent she was appalled because

she didn't always hear this from this Board but it's been going down hill over the last year and she's hearing worse and worse and worse. We need to value our teachers, value our parents, and value our children, all our children, whether they're gifted, whether they have special needs or whether they are just regular kids. All kids are regular kids by the way; all kids can succeed when given the right education, when people value that education and all she was asking was that the Committee show respect when discussing these things.

John Edgerton stated he agreed with what Ms. White had to say, but we need to reduce the School budget and the taxes by 20%. We would like to have your input for that. He agreed that some people use bad language, but we need to reduce the budget by 20%. We're not going to micro-manage.

Bob Drinkhall stated he doesn't speak the way that was mentioned and he realizes that some do, however, it isn't as important how they say it as to what the actual results are, in his opinion, and he does disagree and he has spoken with the person that uses some of the language mentioned, it doesn't gain any favoritism, in his opinion, and shouldn't be used. What he alluded to earlier was last year's Grade 11 NECAP report, this is your own Report Card provided by the Administration to the Budget Committee; there's four ratings: 1, 2, 3 and 4 and in Reading 70% of the students fell in the bottom two; in Math 95% fell in the bottom two; in Writing 85% fell in the bottom two. There were 221 suspensions at the High School alone in 2008-09, 223 the year before, 222 the year before that. He asked the School Board why, if we are spending double what we spent 15 years ago, why the results are as poor as they are with all of the teachers, not all of the teachers, but the vast majority of the teachers being rated in the highest possible category. Something isn't working and he didn't believe it was just the Conway School District, this is nationwide, and we have a serious, serious problem. Again, he was going to state over and over again, money doesn't buy a good education in and of itself.

Syndi White stated this is what she wants to say: this is the kind of thing that is wrong for the Budget Committee to do. As a citizen, just like she is a citizen at this meeting, you can come to the School Board and talk about the teachers and talk about the education and talk about the testing; that's the appropriate setting to do that and give public input like she is giving public input, but when you spend all of your time debating all these different things and the different programs and the teachers in the class and the curriculum, that is not the role of the Budget Committee. You might have legitimate concerns; we talk about that all the time and that's the place to do it; to come and give public comment and have those discussions there.

Bob Drinkhall stated first of all, he did go and have gone to School Board meetings and asked that question and every single member sat there with no answer to his questions which were those specific ones that he gave previously. Secondly, and he has said this year after year being on the Budget Committee, by the end of the year we have at least a stack of papers that high on detail and he has said he doesn't want to micro-manage, he just wants to look at the bottom line. He doesn't believe in micro-managing; we are definitely not necessarily, maybe some think they are or maybe some actually are, but we're not the experts but do have to look out

for all taxpayers. The work that was done on turning off half the lights in town is about an inch and three-quarters and people came out and complained initially and then when it was all explained they have more or less seem to have accepted what we are doing and it will save at least half of the electric bill for the town.

Syndi White stated she was glad that the people came out and she wanted to give others a chance to speak.

Chairman Sordi stated a couple of things; first off, he too don't agree with some of the comments, some of the language that comes out of the Budget Committee and it's one of the things that, as Chairman, he is going to have to do a better job at policing. Now, obviously if someone wants to put an article or an editorial in the paper as a private citizen, that's up to them, but he agrees it is counter-productive to use some of the terms that were used in the information you were reading. He also doesn't necessarily have the same view on Special Education if it's being done efficiently. Obviously, any student needs to be taught in order to make them able to live the rest of their life and he thought most people on the Budget Committee probably feel the same way, but he is speaking for himself. There may be some people that don't have the same view. The conclusion that he drew with some of the comments Ms. White made is that we can't have a good education without cutting the budget and he disagrees with that. He, too, want to see a good education; if he hadn't had a good education growing up, he wouldn't have been able to go to college and he was sure that other people here are the same thing. He doesn't disagree we don't need to have a good education, but he does disagree with the fact that we have to continue to have the increases in funding that we've seen over the last few years in order to provide that kind of education.

Syndi White stated she wasn't even discussing that, the cuts; she didn't disagree but was just talking about respect and the things you've been saying.

John Edgerton stated he had been on and off the Budget Committee for 35 years and every time the Budget Committee says the Town, the School, whatever it is, is spending too much money, we need to cut it by "x" number of dollars, the first thing that comes back is "where do you cut it" and that's not really our job; we're not to micro-manage, but we've never successfully been able to reduce the taxes without discussing all of the problems for the Precinct or the Town or the School that's involved and that's why they're discussed here. The School Board is welcome here and the School Board has a member here. Chairman Sordi stated much of the discussion that does happen in regards to School matters is during updates provided by Dr. Nelson when he appears before us. John further stated the employees in the School can't afford a 20% in your taxes; that's where it's coming from. We're here for you also. Maybe there are some school teachers that can afford a 20% increase in your taxes, but not everybody can, not the majority.

A member from the public asked where does the 20% come from. John Edgerton stated we are talking about the State reducing the amount of money coming to town and the amount of money that should not have been spent as a balanced budget, \$1.6 Million and the increase that they are looking for

right now. A member from the public stated that's all hypothetical. John stated wait until you see your tax bill and asked what the tax rate was. Bob Drinkhall stated the projected tax for the entire town that is made up of all the Precincts, Districts and depends on where you live and so on and so forth. A member from the public asked if it was \$.40 per thousand and Bob stated that was only on the town. He thought Dave was sometime talking about the Town budget as the overall budget, but the Town budget and the Town portion is only 20% of the entire budget. The School budget is somewhere around 66%, 67% depending on the year of the entire budget that you pay for in your taxes. Chairman Sordi asked Bob what the town portion was right now of the tax rate. Bob stated in 2009 it was \$4.45 so it will be \$4.85 per thousand. Chairman Sordi stated he has the numbers from what was voted on in the appropriation and what was in the Warrant Articles for the School and he has the number for the Town. If you compare the two, we go from \$15.82 up to \$17.55, so it's an increase of \$1.70 so we're actually around, with what we know now, what the actual numbers are right now, we're probably at about 15%. If you add in the additional money we think is coming, we think it will push it to 20%, but at least 15% increase, that's without a doubt; so there's the numbers. Chairman was asked by Betty Loyn if that was \$1.70 per thousand and Chairman agreed. Mrs. Loyn further asked if that was an estimate of what the increase would be and the Chairman stated that is what the increase would be right now, about \$1.70 per thousand. Bob stated you didn't add in the Precincts or the District or the County. Chairman stated that was correct, that was just for the School and the Town; it didn't include any of the Precincts or the Districts, it was just the School and the Town for a 15% increase. It does not include the County either and we don't have those numbers right now. That's just the School and the Town.

Sterling Perron stated he was still trying to understand the numbers basically. If the School budget stayed the same without the \$1 Million or \$1.5 Million, what would be the impact on the average household taxes. Chairman Sordi stated right now, if the School budget stayed the same for next year, if there was no reduction in State reimbursement to the Town, then the tax rate would stay the same, but there is going to be a reduction in State funding to the Town. There's no way that they're going to be able to make up a \$600 Million to \$800 Million budget shortfall without reducing funding to the towns. They've already done it in the past and it will happen again unless, God forbid, they decide they want to impose a sales tax or a state income tax and coming from a state that had both of those, he hoped they didn't go that direction.

Michael Fougere stated you're saying you're disregarding us paying an income tax, why. Chairman Sordi stated because it is not even on the table at the State Government. Mr. Fougere stated he realized that, but Chairman just put it off completely as not being an option. Besides that, it was way beyond what he was even thinking. There are other ways, you say you want to put to the kids to do this exercise. He would love to put to the Board and to the kids to do the opposite of the exercise; is there money out there that could be raised to benefit or supplement the programs the kids want and then you talk about, Mr. Drinkhall talks about the 11th Grade not being able to control their class groups. Bob Drinkhall stated he didn't say that. Mr. Fougere stated that was the impression that they can't come in and start their class, they've got to spend most of their time controlling

their classroom. Bob again stated he did not say that. Chairman stated he might have said it but didn't believe he said the 11th Grade. Mr. Fougere stated he heard classrooms and not being in control. Mr. Fougere stated he had also, but what he was also trying to say is the programs, these special programs, all these enriching programs that seem to be what's brought all this emotion to the top because he thought that was why just about everyone was here about, it's engaging these kids, it's connecting these kids to real stuff. To him, by the time they were in the 11th Grade, learning Math, learning English, at least in his generation, they were out there in the work force working, connecting; he needed to learn how to read to fill up this Work Order or he needed to be able to do the Math to figure out how many gallons of milk are coming in from out of the field or how many quarts are going into a car or how many gallons of oil he was pumping into your house; these were all things he needed to learn how to do. If the teachers are having a hard time to control the class, to get it to focus, tells him a teacher isn't engaging that mind or has no way of engaging that student short of instructing him in his daily lessons. Are we hiring computers that are just going help us spit out carbon copies of each other or are we trying to create individuals. Are we trying to take money that, yes, he's fixed income, he's Social Security, he's all of this; he would let you raise his taxes, he thinks our kids are worth it. When you hear of a High School graduate, College graduate, 20 years or 50, 60 years later, this was just in our local paper, turning around and dividing this assets and giving them to the two school that he came from, this is a child that was touched, engaged and made to appreciate what he's being taught in school. Teachers have to give the respect, gain the respect and engage our kids with something more than what's in that book. They've got to start connecting our kids to other things; maybe that will start decreasing class time, getting kids more focused, producing better grades. It all revolves around our extra curricular activities, bringing kids in to a better school that he's got to respect and try to make everybody else respect. The more extra curricular programs we can connect the kids to the school with, the better.

Chairman Sordi stated to Mr. Fougere, three things you raised; number one, regarding the primary point you were trying to make, that's something that the School Board has to deal with and he was sure that they are doing that. Mr. Fougere stated he voiced it to the School Board and now he was voicing it here. Chairman further stated we can't deal with that here. The first thing that you mentioned about if there is funding out there that might be available for the programs. Again, he didn't know, that was up to the School Board to identify that funding. He appreciated what Mr. Fougere was saying. Mr. Fougere stated we have a Budget Committee, why don't we have a Resource Committee. Chairman stated Mr. Fougere would have to talk to the Board of Selectmen about that, but he understood what he was saying; we need to have a good education, but we can't just keep saying "I don't mind paying more taxes to have it" because it doesn't work like that. We need to get leaders in our School who can take the money we give them and provide a good education and, he wasn't saying they haven't done it, right now from all accounts they get a good education but you can't keep having increases of 5% and 10% with the belief that we have to have a good education. Every time you see a 5% or 10% or 25% increase in tuition at a local college everybody gets up in arms because what the heck are they doing; don't they know how to manage that college. Well, it's the same thing at the Town level. We have to figure out a way to manage our Town fiscally; yes, we may

have to raise taxes, but we need to learn how to do it in small increments rather than 15% increments.

Mr. Fougere stated now that everything is actually coming out, he was finding that this was an exercise; it wasn't the Budget Committee that prompted the School, it was the School that took it upon themselves to come up with the numbers themselves to try to appease other things, he thought, is what was going on. That's the drift that he was starting to get. They were given a goal last year and didn't achieve it and now they're setting a program or doing a study to see if they can accomplish it before they're asked. Chairman Sordi stated he thought they accomplished what they were asked to do last year; they were asked to do level funding. Mr. Fougere stated he is only going by what he is hearing here; if he is missing stuff that he is not hearing here or there's been stuff discussed at other meetings that he is not privy to, he apologizes. Chairman stated he thought that a lot of the \$1.3 Million that was retired was taken up by the stuff that wasn't suppose to be level funded. John Edgerton stated \$1.6 Million, they only justified \$300,000.00. Chairman stated he thought it was more than that.

Susan Belanger stated she was actually a resident of Glen/Bartlett and she was going to try and stay calm because she appreciates that the Committee is even letting her speak because she was not a voter of Conway. She was, however, extremely involved in the School and has been for the 21 years she has lived in this Valley. Her husband and she have 3 children, 2 have already graduated and 1 is now a Freshman at the High School. She has been on committees for the last 15 years to get this new High School built. First of all, she would like to say to Mr. Shakir the stuff that he writes in the paper and that e-mail that he wrote, but where is he tonight to answer to his big man comments. She calls that bullying; she calls that bullying what he is doing. Evidently she is going to assume that he has no children and one other thing that she would like to say is: this fictitious couple we talked about with the house and they are retired now and all that kind of thing, everybody at some point in their life is paying for somebody else's child's education. That's the way our country is run; that's the way this works. My parents continued to live on a fixed income and paid for other people's kids to go to school, but my dad would say "they paid for my kids to go to school"; that's the way it works. Until that changes, she didn't really know what the answer was to that.

Susan Belanger continued to state that as far as Special Education, she fortunately has never had to deal with that herself but, again, have sat on many committees and she could be saying this wrong but she does believe that our hands are tied with Special Ed, that the State mandates what we do and what we have to do for these children and it should be that way and there is no way to move around that so she thought we should just move that off the table and move on to something else because that's something we can't touch. Getting back to you sir with the NECAP testing, she has four relatives that she can think of right now that are teachers in southern New Hampshire and they are taught as teachers by the School Board, governed by the School Board, to teach to the test and that's all they do is teach to the test. These kids do nothing else but get bombarded every day with fact after fact and they teach to the test so they can have high test scores and the teachers are like robots; they hate their job, there's no enthusiasm,

there's no school spirit, there's nothing. They've taken away all their Arts, their sports, everything's gone. One more thing to Mr. Shakir who thinks we should pay as we go, she should have brought the bills with her tonight, her daughter is a proud member of the Kennett High School Dance Team; she's been dancing since she was 3. It is October 20th today; to date, her cost alone and she has a few parents here that will back her up, is in the vicinity of \$500.00 out of her pocket, so nobody is paying for her daughter to dance except for this wonderful teacher sitting behind her, Holly Fougere, who she thanks God for every day because her daughter is now a very well balanced, lovely young lady and will continue to be so. She is also healthy because she dances 5 days a week. Take the Dance Team away, she'll still dance; she goes to Tina Titzer's and that costs us a lot more money there too, but you know what, that's what she does and as a parent, that's her job, and as a citizen, it's her job. She and her husband go enjoy a Friday night Football Game, they don't have any boys that play football much to her husband's chagrin, but they go and enjoy it as do many other citizens that she sits next to because they are paying for that beautiful stadium, that gorgeous school and what she can't comprehend here is why we keep going back to this school that took us all these years to build and now we want to keep going back and cutting this and cutting that.

Susan Belanger stated she wasn't saying she didn't agree with looking at maybe Administration and things, but one thing she is going to throw out here to the Budget Committee that was brought up at the School Board meeting the other night: Health Insurance. She lost her job a year ago, so you're preaching to the choir here with the economy, she has a disabled husband; she knows all about it, she is living it but the insurance she paid for through her job at the tune of \$300.00 a week and she did say \$300.00 a week, through her employer because that's what it cost her family plan, nobody was really concerned when hers went up every single year and she could produce documentation for at least 8 years, 33% her premium went up every year. Nobody was interested in that. She thought that was the answer right there; going in there and looking at the health insurance that is provided to the employees at the SAU which she thought they deserve, but she thought there should be a give and take, maybe raise a little deductible, drop the premium a little bit. She is not an economic expert by any means, but she knows that's huge and she also, and she was not trying to be a wise guy, but she thought some people on these Boards need to go take a little remedial course from Bartlett because they're School Board and they're Selectmen run one heck of a Town and one heck of a School and she applauds them for how they do it. Yes, there are some things they cut out here and cut out there, but you walk through that school, you'll see nothing but spirit. They're taxes she knows are not what Conway's is, but don't even get her started on what they are paying per student to go to that High School and if you don't think there isn't going to be a mutiny on the bounty, if you start taking programs away from us with what they're paying per student for that school then you are seriously mistaken. She has already asked for a copy of the Contract which she knows she has somewhere because she served on many of the committees and people are going through it and people are going to go through it and she is saying this because she thought everybody needs to open their eyes. There is a lot of finger pointing going on over here. She was at the School Board meeting last week and they're pointing their finger at this Committee and this Committee is pointing its finger at them. People are writing horrible letters and they

don't even have the you know what to be here to face people but they write big stuff. The other thing that you might want to think about is without these great well-rounded kids who are working their butts off after school every day, her daughter leaves at 5:00 in the morning she gets up to get on the bus, she got home last night after dancing at 9:30 PM and did her homework in the meantime between that and she does that 5 days a week, so she's doing her part. She went to Open House last week and she thought anyone that was there will agree, nothing but positive comments of how this Freshman class is, how these kids are doing, so this stuff with the teachers not being able to control the class, she doesn't know what members are talking about or where they are coming from because she is in the school all the time and plans to do that as long as she is physically able to do that and she really takes offense to members talking about parents that way. There's a lot of us that are extremely involved with the School; there's a lot of us that had a lot better things to do tonight than be here and she was one of them, but she is here because she is not going down without a fight. They are not going away; this is going to get bigger and bigger and bigger and people are going to keep coming. She is all for finding a way to fix it, but leave the kids alone. That's what she wanted to say.

Joe Mosca stated he was probably one of the few parents that are on this Board; his kids are in elementary school; a little bit older but he has young kids; his son is very precocious and sure his son is one of the trouble makers in school and he has nothing but great things to say about the teachers. However, you just can't keep going the way you're going. This Board can not tell the School Board what to set their budget at. This Board has no control over the School Board; we can make suggestions, but it is up to the School Board to listen to everybody and to come up with their budget. They set their own Default Budget, we have no control over that, so you have to preach to both. We're obviously looking at everyone and, again, he is a parent but he is also a taxpayer and he is also someone who hasn't worked in a year, that was his own choice. He got on this Board because he keeps seeing things going and going and going and going and we have to stop somewhere and whether it's increasing classes, instead of having 15 students you have 20 and you may have to eliminate a couple of positions that way but you can do that because teachers leave every year, you don't have to back fill all of the positions if you increase the size just a little bit. There's ways to do it; we just can't keep going the way we're going.

Ms. Belanger stated she had no doubt there are ways to do it but she thought in this day if we think that our taxes aren't going to go up, we're really in la-la land. You just talked about the State's deficit and how the State can't help; everybody's feeling it, she was feeling it but she can't go to Shaw's and say that she isn't going to pay that increase in groceries, it's just not the way it works. Joe Mosca stated he wasn't saying that, what he was saying is that we need to try and control it. The 10%, the 15%, the 20% increases, you can't have them; there has to be a happy medium between what comes out of this Board and there has to be something in the middle that we can all agree on, that's all he's saying. Ms. Belanger stated she wasn't going to dispute that with him, she was not going to dispute that. Again, she appreciated that the Committee even let her speak here because she was not a Conway voter, but she is a Bartlett

voter who pays a lot of money to the Kennett High School for her daughter to go there and her past two sons who have already been through the school system there and she didn't think that everybody knows what a fabulous sense of community and spirit is going on in that place until you walk those halls and if you've all been parents and she was going to assume all members were parents, she didn't know and could be wrong, but somebody paid for your kids some day to go to school or will pay for your kid or your grandkid or whatever and that's the way the State works. One other quick thing and she will leave for other comments, she didn't know if anybody had a Grant Writing position in the school, but they have found it in Bartlett to be absolutely amazing, the amount of money that is out there that is able to come to the school through somebody who is very good at writing Grants, whether it be for Technology, Special Ed and things like that nature. Again, thank you for hearing me.

John Edgerton stated he had to reiterate, we're not here to micro-manage anything and the other one is he wanted to make a comment about Special Ed. It is dictated by the Federal Government and the State and this town has done very well. The nationwide Special Ed percentages are 18% of all students in the country are in Special Ed. The elementary schools in this town and this area school system are 18%. They train out 14%; the High School only does 14% Special Ed, they're doing a really good job and that's comments from some other people.

Bob Drinkhall stated he had two comments; one which is nobody on this Board that he's heard, even the one's that speak the loudest, have suggested that the current taxpayers shouldn't pay for education. It just can't out pace their ability to pay. Right now, the national debt, every single one of you, including your children, if we were to pay off the national debt right now, you would have to write a check for \$49,578.00 for each man, woman and child. For a family of four that works out to \$198,312.00. Somebody is going to have to pay that and most likely it's going to be the kids because we're getting too old to pay it and somebody is going to have to pay this off. We have to start to be more fiscally conservative.

John Edgerton stated the Federal Government can print money, we can't. The State and the local government have to balance their budgets one way or the other.

Kelly DeFeo stated she would just like to say to the citizens of this Town after watching this whole, she didn't even know what to call it, but this is why people have to run for the Board and we have to have more women and we have to have more young people and we have to have more people with kids in the school because obviously the main concern here is retirement issues and it's really, she was amazed, at the discord and the extraneous facts that you keep throwing in and it doesn't have anything to do with the School Board or the budget. All she can say is please, we need some qualified people to run for these Board positions and to really get on the Board and she knows we are all busy and knows, but please we have to get some people on there that actually care about what's happening in the schools and care about the kids. That's all she had to say; she is really disgusted. Bill Masters asked Ms. DeFeo if she was a teacher and she replied no, she was actually a Nurse Anesthetist and has a son in High School and she went to the Open House and it was wonderful and she has been

watching the stuff in the paper and she has been seeing this constant bombardment of the dragging down of kids and parents. Ms. DeFeo further stated that she will pay an extra \$400.00 a year, she doesn't even care; it's just disgusting; you're just disgusting to me.

Holly Fougere stated she was a teacher at the High School and had a question. She was not here to speak her mind yet or make any other comments yet because it's still early in the game, but her position is one of the positions on the cut list. For her right now, she just has a question because things have been thrown around so much that she wants to make sure that she understands as a person on the chopping block what exactly is going on. The Committee is saying that the School Board is making all of the decisions, but from what she gathered, you guys are asking people to cut a certain percentage out of their budget. What is it you are saying to the School Board; she knows that the ultimately did that \$1.5 Million thing but at one point you asked them to justify \$1.6 Million deficit. She was just trying to figure out what this Committee was saying to the School Board or the budget for the School Board in terms of what you'd like to see happen that they're taking and fiddling around all this money with, does that make sense what she was asking.

Chairman Sordi stated correct him if he was wrong, but the Budget Committee has not made any specific numerical requests to the School Board about cutting their budget. Now the letter we were talking about tonight may have done that but last year when we went through the budget cycle, our role was to take the information, the budget provided by the School Administration to the School Board, review it, ask questions and then ultimately give our opinion of whether we approved it or not. We did not have any role in setting the amounts or cutting specific programs; that is up to the School Board. Our sole role in the town is to act essentially as the voice of the people and asking questions about the budgets. Sort of to act as a stop gap measure as the Board of Selectmen propose a budget and as the School Board proposes a budget and as the Police propose a budget. Last year during the budget cycle, all those different functions came in and presented their budget information to use, we ask questions and ultimately we would vote as a Committee as to whether we agreed with it and approved it, not approved it but agreed to it, supported it or didn't. Last year we had a significant number of questions about what happened to the \$1.3 Million between 2009 and 2010 that was eliminated in the debt payments because we expected to see some of that money at least help to reduce the overall budget and it didn't. That's where there were a lot of questions but the Budget Committee as stated by law does not have any budget making authority; that is up to the other Boards in town, we are only here to ask questions and then ultimately to either support it or not support it. If we send this letter, that's only a suggestion from us.

Ms. Fougere stated she guessed she was trying to clarify and make sure that she understood because she gets told a lot of things from a lot of different people and she was just trying to figure out where is this coming from, who's in charge of it, and how does it all work. She has been at the School Board meeting, she is here tonight and she is just trying to get her ducks in a row and she heard the letter at the beginning. Basically you may make a suggestion of what you would like to see happen and then it is up to

the School Board, they'll come back with something and you'll either support it or not support it. So, that's basically how it works.

John Edgerton stated one thing is that we represent the people, but we represent the taxpayers. Betty Loyn stated we're taxpayers, too. John stated he knew that; teachers, policemen, workers, businesses; we represent taxpayers and the tax bill; that's our primary job. One thing we can do is, we can set a budget and if we set a budget for the School, they can't override that by more than 10%. We have never done that; we've never done that; we've always worked with the School Board and with the Town. We can set one.

Holly Fougere stated she didn't have any opinion yet of anything; she was just trying to get her facts straight and she just wanted to understand the process and that's her only goal tonight was to listen to the people, hear opinions but to understand the process because it was very confusing. At first it made it sound like this came from you guys and she was being honest and made it sound that you are the reason that she may not have a job next year and so, of course, she came here tonight going what is going on, how did this happen. So, for her, she just wanted to hear it and figure out the process and just get the facts straight. She was not here to argue or say that what you do is good or bad or anything else, she just wants to know the process and how it all develops and she thought the Committee had answered all of her questions.

Bill Masters stated a couple of points to just let you know we that go well beyond what we're seeing here. If we look at the residential property owners in the Town of Conway for example, 50% of the residential property owners are out-of-state residents. If they were here tonight, what do you think that they would say if we told them they were going to have a 15% tax increase. That's 50% of the residential taxpayers. He went back in last year and those were one of the things he was looking at. We have a lot of very angry, upset folks out there; understandably so, you're affecting lives and you're affecting things that have been provided in the past and expected. If he went back in and he looked at the total budget and seeing 65% to 70% going to the School, so he established in his own mind what the essential services were of the Town of which education is part of it. We had at the time that he looked at it and it was last year, 1,301 students from the Town of Conway that attended that. At that point, we had 9,202 full-time residents that lived here, that was part of it; on an average what that boiled down to be looking at the total population, that represented 29% of the total population for the Town of Conway that was drawing between 65% and 70% of the total tax base rate. Now, if he was looking at priorities in terms of, if we're representing the taxpayers, we have 50% who are not here, that have no children in this school but are paying for folks that are here, that's all part of our society and we understand that. At the same point in time, establishing priorities, if he looked at it what was the essential priority from a taxpayers view point. What he came up with was highways; everybody in this room has to use those highways. There isn't a single soul, all of our emergency services, school buses, teachers go to school, kids go to school, you go to work, he goes to work and they get a small portion of that. If you took away our highway system, what have we got? We've got an ink spot called the Town of Conway. As you begin to establish the priorities as a Budget Committee, you try to

look at, if you're representing the taxpayers, the entire group, those that are here paying 50% of the tax that only spend two weeks during the summer months and the full-time residents. Everything comes over that. What do we need for services? Fire, protection, Police, these are the rationale that we try to go into. We don't tell the School Department what you have to cut, what you don't have to cut.

Bill Masters further stated that he went to a School Board meeting and he said where the Town of Conway had adopted the Selectmen by notice zero based budgeting which where he came from was you ate everything with no expected dollar increase period. Zero based budgeting you prepare three budgets: one, nothing comes in, there are no exceptions to that; this is the bunch of money that you've got and believe me, running an enforcement office for an entire state that was handed to me at the Federal level constantly. Now, having said that, you also were expected to prepare two other budgets, one to deal with inflationary costs and the second to deal with your dream sheet. We're at a point where we're struggling; no one is getting an increase so really what you're saying is that we have to make certain that the tax rate is fairly distributed over all of the taxpayers. Only when you get right down to it having been a manager for umpty-ump years, we all love to point fingers at the other guy and say it's his problem. Managers are no different, they're human beings. They don't want to make tough decisions, tough hard line decisions. How about it Superintendent, Principal, are you willing to give up your raise to pass on to your subordinates called teachers and classroom Aides. What are you doing if you've got 4 French classes, do you really need 4 French classes, can you consolidate. This is what we expect from good managers all the way up and down the line. He's been called so many names in his life you can't imagine; he often wondered how people using 4 letter words could punctuate all of the things that they directed at him. You can't take that personally. The teachers can not take these things personally or the parents can't take this personally. It is part of trying to cope with a situation that is unpleasant for everyone. Do you think we like saying that? His mother was an educator; she was a teacher; she had her Masters Degree; his father didn't live past July in 1942 thanks to Adolph Hitler. She never remarried; had two kids; her first love was her kids, the second was her students. He would have traded places with them any time, let me tell you right up front. She saw to it that we got our education. The problem that you've got is trying to deal with a very unpleasant situation. What you say to us, we can't take that personally. The fact that we are asking you to tighten your belt, take a deep breath and live within the financial restraints that we find ourselves in are not unreasonable. He grew up when everything was rationed; the school paste was great; his discipline was to put his hand out and get hit with a ruler. The only thing that really hurt him was his pride and embarrassment. If you do that nowadays and you're going to have a Court suit on your hands. The point being is listen, we've got all an unpleasant situation and we have to live with this. Understanding the process is important for you; we're not trying to micro-manage anything but we're trying to keep that budget under control so all of us don't end up living in grass huts, including yourself.

Chairman Sordi stated one quick point to the woman who was up here previously, he was not sure he really agreed with everything she said except for one thing and that is we would welcome more people on the Budget

Committee. We have 11 elected spots and only 6 are filled and we never have any new people, Joe and Linda (who is not here tonight) ran last year, but we had a couple people that are not on the Budget Committee so we have 5 openings. Next April he welcomes differing opinions on the Budget Committee, please run. It would be great to have more people shoulder some of the burden or the burden of the job or whatever you want to call it, but it would be great if other people were on the Budget Committee and he was not sure but thought all of the positions were filled on the School Board. The Budget Committee always seems to come up short with people on it, it would be great. John Edgerton stated it was pretty obvious, all we do is get wrath.

Doug Swett stated we're in this position, not due to what's happened in the last couple of years or three years, this has been building for 25, 35 years. Basically, what he's been told here tonight is we'd be doing a great job if we rubber stamped this situation. We've got a bad thing on our hands here; we've got a limited amount of money unless you're going to take everything away from the low income people to support an expensive situation. If there was all kinds of money, you could spend it all but there isn't all kinds of money and we've got to come up with the right ratio of things so that the Town continues along and everybody has something to eat as well as an income. It's just as simple as that. Just to get somebody on the Budget Committee here to make everything go through with a swish and up the tax rate, that's been happening for years and it's doubled in the last 10. He's been here quite a few years and every time you mention something, you're wrong. We've got an expensive situation on our hands and it isn't getting any better. We've got a government with a mess of politicians on both sides of the aisle and 98% of them are so crooked that we're in this mess. That's a fact; you people know what's going on in Concord and what's going on in Washington, they authorize spending on this and they don't even look to see if the money is available or where they're going to get it and then you people apply for a Grant and you get it and after 3 years that's a beautiful thing take it over Town and here we go again. Now we've got a situation and he didn't know where we're going.

Betty Loyn stated she wanted to ask if they level funded last year and the Chairman Sordi stated no. Mrs. Loyn asked how much did it go up and Chairman stated \$1.3 Million; their mandate was to level fund everything except salaries, benefits and other State mandated programs and the Debt Service went down \$1.3 Million. John Edgerton stated they justified \$300,000.00 out of the \$1.6 Million. Chairman further stated the rest of it was through increases and he didn't remember all of the specific line items but they may have level funded some of the areas. Janine McLauchlan stated they level funded everything that they could that they had control over. For instance, they did not have control over increases to the health insurance premium; didn't have control over anything that was contractual with any of the Unions; they didn't have control over the typical increases that you would anticipate in running buildings like fuel, electricity and so forth; everything else was level funded and those were the marching orders that they went by and that's what they came forward with.

Betty Loyn stated the point that she wanted to make is that Kennett High School used to cost \$8,000.00 per student to educate the kids; with the new school, she thought it might be up to \$9,000.00 or \$10,000.00 per student

and it's still well below the State average for what it costs to educate kids. The other thing, there used to be at the old Kennett High School 1,400 kids jammed into that High School and it was a nightmare. We have this beautiful school, we finally have the Arts, we have an Auditorium to promote the Arts, this is the wrong time to be cutting. Mrs. Loyn further stated she was sorry, but if you say level fund then level fund it, you can not cut it.

John Edgerton stated the Committee met with Revenue Administration and the School Board's Default Budget was wrong by \$1.6 Million and that was what Revenue Administration told us. The other thing is we have to tow the line some place, we can't continue to raise taxes. Mrs. Loyn stated she understood what he was saying but we are not putting any increases in at the School level; they're level funding the School. It's these other increases, health insurance, these sorts of things we don't have control over, no one has control over. John stated you brought up the High School tuition base; how about the Middle School, it's way out of whack. Mrs. Loyn stated the Middle School is out of whack but that's because it's a big school that has 300 students in it. John stated it's \$2 Million out of whack; you can't justify it to us; year after year after year, the Middle School is \$2 Million higher in tuition than even the Elementary Schools or the High School. Mrs. Loyn questioned the \$2 Million and asked what it was per child. John stated \$14,000.00 or something like that, above \$14,000.00.

Bill Masters stated he went back and looked at the 10 year increase in per student. He had a 1998 School Report and he looked at it in his first year just to see a cost comparison for all of the students in the Conway School District and the initial cost was slightly over \$7,700.00, give and take a dollar as he didn't have the actual figures with him but he could get them. The current cost at the end of the 10 year period of time was over \$17,500.00 per student. Now, what he saw handed to him was a computation that the State does not include the cost of the schools per student, however taxpayers pay for these new schools and the schools that were there. That was based totally on the school population, the Conway School population, or the total population and the total cost for the Conway School District. Betty Loyn stated \$17,000.00 per student she had a hard time believing it. Janine McLauchlan stated she thought it was closer to \$14,000.00 but you need to look at the fact that the Middle School is more in line, cost per student is more in line with the Elementary cost per student and there's a number of reasons for that. One of the biggest reasons is once we get into the High School we have a lot more towns that are contributing from the Tuition Contracts to get that per student cost down. As the woman from Bartlett said, they're paying a lot of money for those kids to go to the High School; those kids are not in the Middle School, nor are they in the Elementary Schools, so that's why the numbers are larger. Bill stated it took in the entire cost group population from all of the sending towns and he took the total population and divided it into the total funding as reported by the School and it came out over \$17,000.00 per student. Now, unless they're falsifying the School Report and the number of students and what was spent, that's what it came out to be. You've got a whole range of different ways of looking at things; you don't have to include schools in some of these things; it's all accounting process but if you have a new school and maintain a new school, you purchase to build a new school, it's a cost of that school system. A bond

issue for a school is a bond issue for a school; it's not a bond for a wigwam or a fire truck, it's for a school, that's where we go to, that's where he went to.

Karen Umberger stated just to make clear that when the State figures cost per student, they do not take the total budget and what Bill did was take the total budget and divided it and that's why we have a difference in the figure and that's why it comes to the \$17,000.00 versus the \$14,000.00, that \$3,000.00 per student is the cost of the bond issues that are excluded from the State's figure of cost per student. You can go on-line and get cost per student across the entire State and she didn't think anyone here that would disagree that the cost per student at the High School is fine. We have never had an argument here that she could recall about the cost per student in the High School. Where the problems have been are primarily in the Middle School and we understand that in the Elementary Schools we may not be excited about a classroom of 12, but we know that is not the norm; we know that is not the norm. If you want to have a class of 18 and you have 45 children, you can't divide it so one class is going to be less and those are the kinds of things that we don't necessarily have a problem with.

Betty Loyn stated she has 2 children, her son is a Freshman and her daughter is a Junior, so they have just gone through the Middle School. She has spent the last 4 years there. The first year her daughter was there, the entire school was there, Grades 7 through 12. The next year we went up to the High School and she couldn't tell you what a different education she got that second year and what an incredible education her son got the last two years. Kevin Richard has done an awesome job at that Middle School and Lassie Pratt; they have set that up as a school where Middle School children can go and feel comfortable and so we pay a little bit more per child but to her it's worth it and she guesses that's what it boils down to. Maybe she is going to have to get on to the Budget Committee because honestly she feels that it is worth it, our kids' education is worth it.

Chairman Sordi advised that it was 8:30 PM and that the public would be able to comment for about another 15 minutes.

Sandy Kurtz stated that he lived in Intervale and that it was mentioned that 50% of the people who are taxpayers live out of state and they're your constituency as well. Quite frankly, we bought a place up here in 1986, lived on Long Island at the time, we moved up permanently 4 years ago. Mr. Kurtz stated he wouldn't be overly concerned with people having second homes up here because if they can afford to come up here on weekends to ski and drop \$90.00 a day skiing, they're not going to be overly concerned about a tax increase. If they can afford a second home and they can avail themselves of the services of the Town, it just should not be an issue in your mind. He doesn't say that because they had a second home; he doesn't come from a gilded background; his father died when he was 13; he grew up on Social Security; he went to High School in Flushing Queens and our High School had 5,100 kids, triple sessions with a graduating class of 1,700, so he doesn't come from a gilded background; did well in private industry, he had his own law firm still in existence and they were very fortunate to be able to move up here 4 years ago. It is very troublesome to hear someone from this Board say that 98% of all politicians are crooked. You're

basically implying that of the 500+ members of the House and the Senate, there are only 10 or 11 people that aren't on the take, that aren't getting kick backs and things of that. That's such an irresponsible statement from somebody of a public board and if you sincerely believe that there's only 10 or 12 people in Congress that aren't getting kick backs, he is amazed by that statement. Doug Swett stated he made the statement and look at the mess this country is in, he didn't do it. Mr. Kurtz stated a mess is not the same thing as implying that 98% of the people are taking kick backs or getting money under the table. John Edgerton stated he said they were incompetent, not crooked. Mr. Kurtz stated incompetence is different than crooked; he dealt with a lot of incompetent judges but there was no implication and a lot of competent attorneys. There was no implication that they were crooked; crooked is a vicious term to use especially by people that serve on a Board and he does appreciate what this Board is doing; he's sat on a lot of non-profits, he knows this Board doesn't get paid and that there have been no raises for the members service so he appreciates it because he went through it for 30 years in New York.

Sandy Kurtz further stated that the issue of taxes is interesting because if you can't parentally raise taxes, the other idea is how do you get more revenue into the Town. He is going to comment that he feels it is very unfortunate that when the issue of doing a dedicated tax on hotels and a meals came up in this State, they rejected it. In New York City, if you stay in a hotel, you'll pay an 18% tax, the same in Boston, same in almost every major tourist area. You don't have that up here and yet you have people flock here; this past weekend every hotel was sold out. You talk in terms of the highways, tourists and certainly people from out of state have all the benefit of the services here, the increased Police costs during Christmas week, October when Dot Seybold has her festivities on Veteran's Day she does a great job of marketing, yet this Town sees nothing, sees nothing, other than obviously the individual businesses who make money and individual people, but as a general rule, this Town sees none of that income. He was not sure why the people who represented this area was so opposed to a 2% or 3% dedicated tax which would have gone to the revenues of this Town and would have solved probably a majority of these budget problems. He just didn't understand it. The fear was that they would got to Sunday River and that's just ridiculous. Chairman Sordi stated there is a Rooms & Meals Tax, but you're talking about a Town tax. Mr. Kurtz stated the representatives of this Town opposed that because they felt they were going to lose business to other ski areas, albeit Vermont or Maine and it was so illogical and it was such an easy way to get income into this Town. He agreed you can't endlessly raise taxes, you've got to think of other ways to get revenue in. It was a small law firm, we had 12 people, but we figured out ways of expanding our revenue base.

John Edgerton stated he would recommend the Rooms & Meals Tax be raised but the individual towns to have their own tax rate, the administration of that alone is just preposterous, it's crazy. Mr. Kurtz stated other cities seem to manage it. John stated it is unmanageable in this state. Mr. Kurtz asked why; it's not unmanageable in New York City, Boston, Chicago. John asked how many people do you have in New York and Boston; you don't even have 10,000 people here. Mr. Kurtz stated you can hire a firm, like Paychecks, that will do that for you; it isn't unmanageable, you have to start thinking out of the box because you can't raise taxes endlessly. If he told

what the taxes were in Long Island, it would pale in comparison; \$12,000.00 on our house and it was one of the reasons after he had to retire for health reasons, besides they loved the area up here, but you have to start thinking outside the box and that would have been a way to raise simple revenue. People are not going to not visit this area; people are going to visit this area even if they paid an additional 3% on their hotel or meals, do you think that would discourage anybody. If you don't want to do meals because locals might get hit, but the hotel; but it's not unmanageable.

Bill Masters stated in looking at the Charter for this Town, this Town has only the authority to do things that the State says it has. In the absence of any law, you can't create your own. You can only create it if the State says you can create it and it operates under that Charter. There's no tax, they say there's no taxes in the State, you can't, this Town can not put in place taxes. Mr. Kurtz stated this was raised two years ago and the representatives of this Town opposed it and he can not fathom why, just can't fathom why. Karen Umberger stated she would speak with him later. Mr. Kurtz further stated as a general rule you have to figure out another way of getting revenue into the Town and it's so obvious.

Brandon Rafferty stated he was from Conway; just moved here in July. Basically his son started going to school here, took him out of the big city because inner city schooling is really not a great place for education because you run into the kind of problems, the unruly students in the classrooms that teachers really can't get control of because they are unruly and you have to get some paid officers come in and quiet down the situation. His big question is where are our voices going to be heard because when they went to the School Board meeting at the School obviously they said this isn't the place, you need to go to the Budget Committee meeting because that's where your voice is going to get heard. Then we get here and it's like that's not really what we do, the School; we say here's the budget and the School does with the budget what they want to do. Who do we talk to, to say listen this is maybe some ideas that you could do with the budget that your going to get or that you're proposed to get and here's some ideas that maybe you could work with. This is the first that he's heard and maybe it's his lack of involvement but he is trying to be involved, that there's two so-called Principals or Vice Principals, that's ridiculous to him for a school this size. At the School Board meeting they talked about having security in the hallways, people like hired professionals to do monitoring in the hallways and to him it's absurd coming from an inner city school where it's absolutely necessary. All these problems and these budget cuts, it seems to him that they can be done internally within the School, it's just somebody needs to tell them how the hell to spend their money. You want me to tell them, I'll tell them. He guarantees he could tell them quite a few ways that they can cut out some money cutting. He didn't know if they had an IT Department that the Principal, the Dean and whoever, maybe they get a little personal Blackberry or something that's part of their gig, but money can be cut in certain places that don't have to eliminate our special Arts and our language programs that a lot of these kids kind of depend on for their future education and that's what's important is the future education because our country's not going towards, our nation's not going towards working in the fields any more. Those jobs are going away, those simple trades of whether it be a blacksmith or a corn grower or saw mills and

paper mills, those are going away. A Bachelor's Degree any more is nothing, a Bachelor's Degree might earn you \$30,000.00 in the industry this year, in today's work force, you need a Masters Degree to earn any kind of money and cutting back on education now isn't the way. He understands the Committee doesn't micro-manage that money, so where do they go to help set that, he'd really like to know.

Karen Umberger stated basically the School Board builds the budget. The Principals at the schools build the budget and they bring it to the School Board. The budget hearings for the School Board are starting the first week of November and that's where the input of those kinds of comments that you were making. When they start talking they'll do the Elementary Schools one week, the Middle School another time and then the High School and those are the places where the public input will be accepted and then the School Board will make a decision when it comes to the budget. They approve the budget for the school and then it comes to the Budget Committee where, as a member, then our responsibility is to review what the School Board has presented to us and then we in turn ask a lot of questions, try to figure out if this makes sense or it doesn't make sense, can they justify to us what they're doing, are there increases and do they make sense for whatever reason or don't they make sense, and then we, as a Budget Committee, turn around and approve, disapprove, recommend a different figure, recommend that the School Board go back and look at certain things. It's all kinds of give and take that go on from November until April, the deliberative session in March where the final Warrant Article gets prepared to go on to the Warrant in April.

John Edgerton stated almost every year the Budget Committee has come up with specific recommendations for the School Board. The School Board has formed committees, they've looked at them very well and they've come back to us and he didn't think we'd ever found a recommendation by a School Board after we've asked them to look at something that we didn't agree with.

Brandon Rafferty stated so the voice can be heard at the Auditorium. Syndi White stated she was the person who told people to come to this meeting and she wanted to state why. We meet week after week after week at the School Board and there's hardly anyone in the audience. Doug (Swett) shows up a lot, but we don't see the parents, we don't see the community and it was great that the community came and shared with us their concerns, what they wanted in the School, they wanted excellence, a lot of people said they were willing to pay the taxes, they were taxpayers too. Week after week after week though we keep hearing the Budget Committee talk about how we have to cut the budget, cut the budget, cut the budget, what does that school do, you've got to cut and they give us all these suggestions, you've got to cut the Middle School, you've got to cut the teachers and then we hear all the bad language calling teachers names, calling parents names, on and on and on. What she wanted to do after she heard everyone speak, she wanted everyone to come here and share with the Budget Committee so that we, the people, we're taxpayers, we're parents, we're teachers, we're the community and you have to understand that. She thought people should come all the time to the meetings, they should come all the time to our meetings. People have to get involved and they have to get involved on Boards; like was said 5 openings on this Board. John Edgerton stated we do

get more attendance than you do at our meetings. Ms. White stated she knew that; they look out to the audience and pretend they are there, but they were not. It was really to get people involved, people get passionate, people have ideas, people have a lot of good ideas and we heard them here today but get involved in the Boards. This budget thing is not going to go away and she thought everyone heard the reasons why we're looking at cutting the budget and there's a lot of reason why we need to keep the programs too. It's going to be hard, but get there; come to our meetings, give us suggestions. Come here and give these guys suggestions. Chairman Sordi stated we appreciate you increasing our attendance.

Janine McLauchlan stated she wanted to clarify that from the very beginning of this process and they did start early this year with the budget process, they took a very proactive approach in anticipation because she had been in attendance for a number of Budget Committee meetings where the general consensus, the discussion, as it has been here tonight, was that the School Board needed to cut their budget. That's why they took the proactive approach, asked the Administrators to take a look at the budget if they were to reduce it by \$1 Million or \$1.5 Million, what that would look like for programs. Those Administrators did come back with what they felt would have the least impact on the students; not everybody's going to agree with what those programs that were put forward should or should not be cut but, again, all of the discussions that she heard at every Budget Committee meeting, all of the discussions that she heard from people on the street was that we need to take a proactive approach, be more cost effective in their spending and that's what they did. So, they weren't out there to personally attack anybody or any of those programs. One of the things she thought that they want to make sure they say is that no, the Budget Committee does not set their budget; however, they do have the option to put forward an alternate budget of up to 10% less of what they propose. Therefore, that is out there; there could be even more cuts proposed out there. They're trying to do the best they can to make it as palpable as possible to all of the taxpayers and all of the parents and all of the community members in this District.

Joe Lantini stated he was a resident of Conway, New Hampshire; he has lived here for the last 35 years; he now has a child who has just gone into Kennett High School and before this he was at White Mountain Waldorf School, they chose a different path for his education. As long as he has lived here, he has heard people complain about we spend too much on education, that we need to cut the cost of education, that people running for School Board are talking about "I know they're wasting money there, I'll go in there and cut that out". Our future of this country is solely dependent on the children that come out of these schools. If we continue with the "we never had that when we were kids growing up", "we never had those computers and we did just fine". No, you don't do fine anymore without that; you don't do well unless you can speak multiple languages; the Arts help people and all studies show that the Arts help people learn and become more intelligent individuals. Education is far more complex than it was when most of us went to school. He wasn't saying the budget could not be trimmed in some areas, but to cut programs that directly effect the children is a horrible mistake and a horrible waste of money. That said and where you say you don't micro-manage, if you can't control your own members and what your own members speak, what your own members put in newspapers,

that taints all of you and he has lost respect for this Committee because of the stuff he has read coming out of members. If you can't control your own members, then this is not a functional board any more.

Chairman Sordi stated this is a country that values free speech and what a member puts on his own in the paper outside of these meetings, as he said earlier, within the meetings there has to be more decorum and there will be. Again, as he mentioned earlier, this is his first and maybe last meeting as Chairman, but there will be more decorum in the meetings and he hears that loud and clear.

Joe Lantini stated he has been on a number of board and is currently on boards. In all of the boards he has been part of, there was an agreement amongst the board that discussions were kept within the board and if you had personal opinions that are in opposition to the Board or would taint the Board, that you simply don't express those publicly or chose to step down from your position. That is something you guys could do; it's constitutional for you to set your own by-laws and he thought because it is affecting how the public views the Committee's work. If you have somebody who is out of control, it affects what the members of the public view what you say also.

Bill Masters stated he couldn't agree with Mr. Lantini more as far as the education aspect of it is concerned, but it's a pretty vicious cycle that he sees occurring and this is just his personal opinion, he couldn't speak for the Board members. We're educating kids; we're exporting our technology and our jobs overseas. Until we have a place to put our children in terms of them having to seek employment overseas because that may be the only place that they can use their college education at higher levels. His neighbor has a child whose employment has been in two foreign countries because he can't find it here. This is a cycle that we're in. If we can't break and keep our own graduates in this country simply because there's no place for them to go, then we're producing very well educated kids even though we're ranked somewhere around 18th or 22nd in the world population. Betty Loyn stated she thought we were 26th out of 30, it's bad. Bill further stated they're going overseas because there's no place for them here. Mr. Lantini stated Microsoft was bringing programmers in because they're not getting the education here to do the job. Bill stated the question that he had was: Has the School system taken a survey of all of the businesses in this area in terms of what their employment needs are for the next 5 years to see how many jobs in the technical field, manufacturing field, service field, health field, or hotel management; if so and we find that we're catering to our local needs or within a radius of 41 miles which he would consider commuting distance, but if our educational process is producing a surplus of that, maybe we should begin to outreach beyond that to find out where we're going to put these kids that we're educating. That's something that can be done within your own realms; do we have that information. Syndi White asked why would we want to limit our children to a 40 mile radius. Bill Masters stated he was talking about a survey of that; you're misinterpreting.

Chairman Sordi stated Point of Order.

Bob Mathieu stated he had been in the Valley for probably 31 years; entrepreneur of the Valley, owned a convenience store in the Valley for 20 years: Beep Beep Deli Mart and was pretty sure a lot of those present had seen him in there working hard. One thing he takes pride in is being part of the community and in the Town of Albany they have a very small community and it's easy to manage and he felt that it was a business obligation to get involved in his town and becomes a Selectman and he was a Selectman for 10 years and he's grown thick skin and a lot of it because he made tough decisions because tough decisions at the time had to be made and a Board of 3, heavy discussion had to be made with the other two Board members, he was Chairman and it is hard to put yourself out there with these ideas on how to help the community. He knows in Albany, if he wanted to get people's attention, you write the perfect article, usually that involved spending about \$200.00 was about it, but in order to get the public's attention, hit it where it hurts. Something like Arts, Science and these particular areas, Physical Education, Math and he wasn't saying that anybody was camouflaging anything and that's not his point of his discussion, what he is saying is that when you look to cut a budget, you have to look deeper than that and sometimes it means cutting pays, lowering salaries; it means to give up and sacrifice just for a little ways, just for a little while, just to exceed a little further.

Bob Mathieu continued to state this community has endured in a huge expense, being on the Board of Selectmen for 20 years, he stood up in front of Conway members and Albany members and he was accused of trying to steal, trying to have teachers lose their jobs because he was not for the 20 year contract because they had no control in their expenses and taxes well spent is good money spent if you can control those taxes and spend that money wisely and provide for your community in a way where you get more bang for your buck, it's fine and gradually those increases will happen naturally. Our cost of index, our CPI keeps going up and these past few years we've had a wavy CPI mainly because of the fuel, fossil fuel expense just went sky high so it's thrown our index out there. It's not necessarily the food that went up but most likely the petroleum products went up and it threw our CPI out and it does cause fictitious numbers that we're trying to manage around that. Back to that 20 year contract, when he stood in front of the Albany citizens and Conway citizens being accused of trying to have teachers get fired and lose their job because he wanted control for his community to say when and where should you cut and it was turned down and this is one of the reasons why he voted against it. His speech sounds like he is running for re-election; he's done his time; he's not trying to say that he wants to get re-elected, but these donor towns, these surrounding towns are putting their faith in this 20 year contract now. They want some delivery on that and now his kids are in the public school system. He chose, as Joe did, to put his kids through private school and he paid his fair share. He was paying his taxes where his kids weren't in the school system and paying private education. That's how much he values education; that's how much he values the Arts and Math and hands on work and that's what the Waldorf School was all about and our concerns when we put our kids in the Middle School that they would lose the touch of that was actually false. He could not believe the impact the Middle School did for his daughter, Emily, and his son, Taylor, which is here today because he's got special interests because he knows he's going there next year to the High School.

Bob Mathieu further stated he was on the Board looking at those numbers and comprehension of numbers of millions of dollars when average people earn \$8.00, \$9.00 an hour, don't talk to him about \$80 Million, talk to him exactly how is this going to affect him on his paycheck, \$1.00 or \$2.00 or \$3.00; comprehension is just not there. This Board, he believes, is a perfect tool for both the Selectmen and the School Board; it is a good tool if it's managed properly. He thought the Committee took a lot of blows tonight and that's not what the members are here for, members are here for suggestions and ideas of how do we go back to the School Board and say this is where you can cut it or maybe stay the same or should we look at things a little differently. So, to make a long story short, he appreciated the meeting tonight, he also feels that the message being sent out there should be redirected in how we should save money for our schools. He didn't think it would be in the Arts, in the Music and the Dance. He thought we could find other ways; we're a pretty smart community and we're in a pretty rich community. Look at these outlets in this area, look at these people, as community members for the Middle School parents are involved right now to send more 8th Graders to the Washington, D.C. trip as we all know, we see the candy bars being sold all over the place and this is the 20th year, and he wasn't even involved in this, raising hundreds of thousands of dollars as a community. This room should be full here, you all have a say. It is hard to say what you want to say; it really is in front of a Board that talks about millions of dollars but ignore the millions of dollars, come up with a simple idea, that's all it takes. Say \$3.00 for 9,000 people, that's a lot of money on our tax rate.

Bill Masters stated he wholeheartedly agree that you should come up with other avenues for consideration for cuts and suggestions where to cut and what to be cut rather than the programs such as Art, this is traditional things that every School Department and Board automatically go to because they know they're going to stir up the pot. The point is, if we don't want to cut those, tell them where specifically you want to cut but tell the School Board; these folks will represent you, they will do that.

Betty Loyn stated she thought part of the reason the cuts came up the way they did, they're trying not to cut programs like Math and Sciences and things that are educational that people need to continue on to college. They don't consider that the Arts are something that people need, but they do need them absolutely. The other thing she wanted to clarify; somebody talked about many Principals at the schools, there is only one Principal at Kennett High School and one Assistant Principal. The other schools: Kennett Middle School, Conway El, John Fuller and Pine Tree each have one Principal and that's it. She didn't know where that idea came from, but that's it. For 900 students, one Principal and one Assistant Principal she didn't think was outrageous. Chairman Sordi stated he thought the multiple Principals came from a misunderstanding of a comment made earlier tonight.

Chairman Sordi closed the meeting to public comment, thanked everybody and advised that he wanted to set the date for the next budget meeting. Chairman asked if the week of November 15th, specifically Wednesday, November 17, sounded okay. Janine McLaughlan stated that was the night that they (School Board) were meeting with both the Middle School and the High School to review budgets and she thought that was an important meeting that

there was no conflict with. Chairman asked about the 15th which seemed to okay with all members present and stated that he would confirm it by e-mail. John Edgerton stated that the members should plan on attending the School Board meeting on the 17th.

Bob Drinkhall stated we need to go over the letter in specific detail and he thought we needed to set a schedule for the future so the people that had made plans other than being here aren't caught not being able to make the meeting. Chairman Sordi asked if it was possible to do that at the next meeting. Karen Umberger suggested that the Chairman sit down and say this is the way it's going to be because every Monday and Wednesday from January right after the 1st of the year through to the Deliberative Session and then we basically rotate School, Town, School, Town. She did think that probably we should meet perhaps one time in November but if people are going to go the School thing, then that's a lot of meetings for people to go to and if they are planning to go to any of the Town meetings, that's also a lot. She did not have a problem with meeting some time in November if we have a purpose for that. First of all she thought we're all tired and not in a position tonight to identify our things for these letters and maybe what we just need to do is on the general things that we said in the letter that instead of getting into specifics because that will take us two and a half hours. Chairman stated he would re-write it to be more general in nature, send it out to everyone for their review and we can vote on it at the November meeting. Karen stated she thought the November meeting would be too late. Chairman stated he would send it out to everyone and if he got approval back from everyone. Karen stated you can't do that. Bob stated we need to do it tonight. Chairman stated that we would take a 5 minute break.

Chairman Sordi reconvened the meeting. Karen Umberger stated she would like to make a suggestion. As she said, she was not sure that we can come up with specifics for the Town, the School and the Police in the next 2 hours and she would personally like to recommend that we talked about some general things that we wanted in the letter and that she would recommend that we ask the Chairman to redo the letter, make the changes and that we get together next Wednesday evening. After discussion on when to have a meeting, Ms. Bowden stated that they could get someone else to take the Minutes or she could transcribe the meeting from the DVD provided by Valley Vision. Chairman stated then 6:30 PM on Wednesday, October 27, location to be determined, and he will send an e-mail to Karen (Hallowell) tomorrow. Janine McLauchlan asked if it would be possible to meet at 6:00 PM as she has an Executive Board meeting at 6:30 PM.

John Edgerton stated when you set the schedule for the Budget Committee, would you also add the Town budget meetings that they're going to have when discussing budget issues. Bob Drinkhall stated they don't have that yet. Janine McLauchlan stated a copy for the School Board's meetings had been passed out already. Chairman Sordi asked Bob to let him know once the Selectmen have set the schedule for their meetings. Chairman further stated he would reserve the dates and then the Committee would have to figure out who is going to come on those particular dates; he thought we did the Town, the Police, the School, the Elementary, Special Ed, and then we have a Saturday. Karen Umberger stated that Bill (Masters) had a copy of the schedule from last year and Chairman stated he had the same thing, but if he couldn't find it, he would let Bill know.

Joe Mosca stated that on the 3rd Monday of every month he was not available and it may even be more often than that depending on, he's on the Board of a bank and it takes some of his time. Chairman stated you have money and we need money.

Joe Mosca wanted to go back to Old Business and talk about shutting off the street lights. He thought it was admirable what's been done, however, for the Selectmen to suggest and he means no disrespect to the Board of Selectmen, but for the Selectmen to suggest that the Precincts pick up the tab, all it's doing is moving your tax rate from one place to another and no one's saving money doing that. He understands that the North Conway Water Precinct can't do it by their Charter; however, he doesn't know what the other Precincts can or can't do. Just a comment he had.

Bob Drinkhall stated it morphed into something totally different than what he originally proposed which when he originally proposed it a year and a half ago which ended up being just the 30 lights on 16, he proposed the lights, he had nothing to do with 16, his proposal, that's what it morphed into at that point in time. He always stated the neighborhoods and if you go back and look and he even looked in his own home town of Andover, the older the neighborhood, the more street lights there are. Newer developments, even the wealthy ones, don't have street lights. He always stated that it should be the lights that are not at intersections, not where there are sidewalks and not in the business district, that went over like a lead balloon with the other Selectmen. Hence they changed it to every other street light which now has to be tweaked so that it doesn't include intersections, etc., but what that accomplishes is his total between the 30 that they turned off a year and a half ago or whatever it was and what he was proposing this year was only about 22%. Now they are going to save over 50% of the budget or roughly 50%, so there is a savings. As far as the Precincts and Districts are concerned, that was only done because the most vocal were in Conway and Conway could in fact if they so desired as well as any individual, by the way one individual neighborhood is paying for some of the street lights to keep them on in Conway and when he mentioned that in his original motion, it was asked that he include North Conway Water Precinct which he said no, there's no reason to because they can't without going to the Legislature which they will not do under any circumstance from what they've said in the past and he was not speaking for them but what they have said at public meetings because they don't want to open up the Charter.

John Edgerton stated a little history, North Conway had a Lighting Precinct, couldn't get enough people together to have 3 people on the Board and a Treasurer and dissolved the Precinct so that is out.

Bob Drinkhall stated you have to realize that the people in the two Precincts and there are two Lighting Precincts, one of which you live in and one of which Bob lives in, which is Kearsarge Lighting Precinct and Intervale Lighting Precinct, they pay for their own lights as well as sharing the cost of the lights in the rest of the town. Hence, since we, at least the people that come out want all of these Districts and Precincts, he wouldn't necessarily say the majority do, but the majority that vote do, that it's most fair that it be handled that way for all of them; it was a

compromise all the way through. That's one line item, that's a small line item, only \$92,000.00 and his book is thicker than the one he has just on lighting.

Karen Umberger moved, seconded by Bob Drinkhall, to adjourn the meeting at 9:25 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary