

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 26, 2011**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Meeting Room at the Conway Town Hall with the following members present: Bob Drinkhall, Doug Swett, Bill Masters, Ray Shakir, Karen Umberger, Janine McLauchlan and Joe Mosca. Members excused from meeting: Linda Teagan and David Sordi. Also present: Dr. Carl Nelson, Jim Hill, Andy Grigel, Dale Anderson, Dick Klement of the School Board, Syndi White of the School Board and other members of the public.

In the absence of David Sordi, Joe Mosca chaired the meeting. Chairman Mosca asked Doug Swett to lead those present in the Pledge of Allegiance.

Chairman Mosca stated for the people present, we will have a public comment period and, if you would, please come up to the mike and state your name so that we can have it for the record if anyone would like to speak later in the evening.

SCHOOL REVIEW

Dr. Nelson stated the way we will play it tonight if we could, he was going to review a couple of things, basically the Default Budget which he had placed in front of the members on top of the pile and requested that the members keep the pile in order; answers to a list of questions that the Committee had sent in September; five or six questions the Committee had asked him to come back with the last time he was here; and since we are dealing with facilities and transportation and others, he has Jim Hill here tonight who will be going over the Warrant Articles with regard to transportation and facilities and he has Dale Anderson here who is their Technology or IT guy and he will review the IT Warrant Article that they have had for the last two years with this year being the third year and this is the completion of the 3-year cycle of the Plan that they have to file with the State. Next year they will have to file yet another 3-year Plan and he is sure there will be some dollars connected with that next 3-year Plan, but this is the last of the initial 3-year Plan and Dale will explain a little bit more of that when he comes on. After that, if there are any other questions, he would be happy to try and answer them.

Dr. Nelson stated he did receive a list of questions this morning by e-mail and they don't have all the answers to those, but when he comes back on February 2nd with the Principals and Directors, he will have that ready for the members and will provide that information.

Dr. Nelson stated the first item he would like to discuss is the Default Budget and there is a section in the 3-ring notebook that has a tab for the Default Budget and members will notice it is three hole punched so it can be placed where it belongs. The Default Budget is defined by law; it's defined by law as being the budget they are in right now, this year's budget plus or minus Warrant Articles, plus any contractual obligations, for instance if you had a 2-year Union Contract, the second

year of it would have to be in here; there are other contractual obligations such as the SAU, so on and so forth. Then there is a minus of any one-time expenses and what you see is a collection of those items just talked about and the grand total is at the bottom of the page and it represents \$190,000.00 less than the proposed budget. The proposed budget is the \$33 Million budget and the Warrant Articles and the Default Budget comes to \$193,000.00 less than that which is not unusual when the Board asked us to stay at zero because there are certain contractual obligations, the big one being health insurance here as part of the agreements with the various Bargaining Units, you must carry that on and therefore that goes into the budget automatically.

Ray Shakir asked if the numbers provided are audited and, if there are, by whom. Dr. Nelson stated the auditors look at these things each and every year. Their auditors are Grislack Auditing Firm, a private independent firm and they obviously don't look at these until next year. They come in and audit all of their books. Ray stated so they are auditing now the previous year's numbers and Dr. Nelson stated that is what they would be doing.

Dr. Nelson stated the one-time expenses he did talk to the members about and members can see that's really the first item of \$41,000.00 that's primarily equipment that they would have purchased one time; they have subtracted out of the Default Budget the Tin Mountain and School To Career because they were Contracts that were not in the Budget and they didn't intend to carry them on, so they are zeroed out. You can see the big number, the \$600,000.00 health insurance item in there, that's the plus. That's the Default Budget and it's where they expected it when they thought they were asked to come in at zero.

Karen Umberger asked if the health insurance was the current policy and Dr. Nelson stated it was. Karen further stated there was a \$685,000.00 increase over what it was last year. Dr. Nelson stated yes, that's for all of the health insurances, District wide. Obviously, since they don't have a teacher's Contract, it's the old health insurance plan for them and the new one obviously for the CESP and the AFSCME. Karen stated included in the \$32 Million right now is the \$685,000.00 and Dr. Nelson stated that's in the budget, yes. Karen stated so all of your pluses down here are, in fact, in the \$32 Million. Dr. Nelson stated they all end up in there, yes; it's the same as it's been for years.

Dr. Nelson proceeded with the thinner stack which were questions that the Committee asked in September. They have provided answers mostly through a variety of attachments available to them or by indicating where this information is located in the Municipal Budget Committee book provided at the beginning of the budget discussions. He was not going to go over each and every one of them, but members can see, as an example, in number 1 where there was a request for the last 5 years of the Federal and State monies received and they've given several, five to be exact, different attachments that highlight those funds. Under number 2, just as another example, it was asked about the estimated versus the actual revenues and under attachment 2 that has been provided. Then they go to 5 years of Special Education expenses and they have provided the attachment for the last 5 years. It was also asked about the Retirement Contributions and

attachment 5 spells that out for the last 5 years. Number 6 was the information regarding teachers and then there was some information regarding Administrators; they have gone back and given the members everybody in the District and they've done it by teacher 1, 2, 3 and 4; non-contract 1, 2, 3 and 4; and they've thrown in the Aides and AFSCME so you've got everybody in there. You've got every District employee with the information that they are able to provide after consulting with their attorneys, similar to what they had to do last year as to what they are allowed to give the Committee and still maintain confidentiality. The next question had to do with the staff of Administrators that are not in classrooms with teachers; that's a very tough thing to define. Guidance Counselors are in classes with teachers and with kids; do you count them in or out. He has counted them as being in classes with students; he has given 5 Principals, 1 Assistant Principal, 1 Dean of Students, 4 Directors including Technology and Career & Tech, Food Service and Athletic Director. There is one other Director and that's the Director of Buildings & Grounds and he didn't include him in here, but if that's something you are interested in and if you wanted to add that it would be the 5th Director and you could have the Buildings & Grounds person in there also. They used to have Nurse teachers, now they only have Nurses. He has tried to give as much information, probably more than wanted, but at least you'll have it at your fingertips.

Karen Umberger stated this excludes the folks in the SAU. Dr. Nelson stated SAU is not a part of that, completely separate. Karen asked what about Unit 2, the District wide. Dr. Nelson stated that was in there as well. Karen stated don't we have Directors in that Unit. Dr. Nelson stated nope, you have a part-time Director and a part-time teacher; the Director is a teacher and is paid with a teaching contract as well as a Director, so it's a split situation. He counted that person for this exercise in the classroom because they are partially in a classroom and he didn't try to break it out by .5's. Karen stated when we look at the detail portion of the budget, do we see a salary for the Director and then a salary for the teacher. Dr. Nelson stated you should see a salary for the Special Ed Director at 70% at the High School, it's actually a Coordinator at the High School which made it even harder to define here, and then she happens to be 30% under Special Ed teacher as a Case Manager. You have some situations like that; our Guidance Director also has a Counselor load, not as many as the others, but she's involved directly with students in terms of counseling. Those are some of the difficult things to take a look at. Karen stated if they are not a full-time Director, you have not included them. Dr. Nelson stated he had not included them in the count and he's defined the full-time Director as those who don't teach at all. For instance, Lori Babine in the Career Tech Center is the Director and that's all she does is supervise.

Dr. Nelson proceeded with number 8, a question on Department Heads; they do not supervise and evaluate, that's in accordance with the CEA Contract, they do receive a stipend of \$3,000.00 additional. They have given the Grant Funding information under attachment 6 and that's pretty much it until you get down to number 13 which is the privatization piece and he's going to let Jim (Hill) talk about that when he jumps up here. They are in the process of proceeding with that right now. He knows this is the first time members are seeing this information and there will

probably be questions about it as we talk the next time around. If you do have questions that come up before that, e-mail them as that is always helpful, through the Chair is how we've been going.

Dr. Nelson proceeded with the next larger packet of information which were the questions asked the last time Dr. Nelson was before the Committee. It was asked about the Professional Evaluation System for the teachers. He has provided the Chair, it's a rather cumbersome piece of information, with a single copy of that that he thought could be shared by the members and if there is anyone who specifically wanted their own, he would sacrifice another tree and go ahead and copy it. There was a question on percentages in terms of breakdowns for how teachers stacked up, 55% are Distinguished, 41% are Proficient and 3.5% are on the Basic side and obviously if they're Unsatisfactory, they are not with us. They gave the class sizes for the Elementary Schools that were requested as Attachment #3. The real numbers for health insurance are there for you Karen and they provided that under #4. The 15 year study became a bit of a challenge of course, but they did give the budgets and the tax rates as well as the taxes that Conway had to pay for a 15 year period. It is the one sheet that you have to fold out and it gives the budgets for the last 15 years, the second half of the first page gives you the different Warrant Articles for that same period of time, but if you turn over to the second page, right at the bottom, you are going to see the actual taxes that Conway has to raise; 15 years ago Conway raised 65% of the taxes to fund their education program; under the current budget, the one we are in right now, Conway raises only 49% of the revenues to fund the education program and in the proposed budget, the one you have in your hands, Conway will only have to raise 47% of the money to fund education in Conway. The rest of it comes from either State Grants or tuition from sending towns; so you can see over the course of 15 years, Conway's portion of it has decreased. The tax rate has obviously changed during that period of time, from \$16.85 to \$11.82 and there has been some re-evals in between that effect that.

Karen Umberger stated this does not include the State Assessment Tax that we pay, the property tax portion of \$2.00 or whatever it is right now. Dr. Nelson stated this is School Tax. Karen stated this is just the basic School Tax and not the additive that is State wide. Dr. Nelson stated this is the School Tax.

Ray Shakir asked what would happen when the State cuts its reimbursement to Conway in terms of what they give Conway in their part, what happens to the taxes. Dr. Nelson stated in the budget book, if you remember the first time he was before the Committee, he went over the tax rates and gave a best case and worse case scenario in terms of the tax rates. The best case is that Conway gets additional monies of \$1 Million and that would be the best case scenario. The worse case in the year we see coming up according to what they know is that Conway would stay the same, that would be the worse case scenario. That's untrue for some of the other Districts, it's the complete opposite. If they made a further cut into that and said they were not going to give even the \$2 Million, then that money would either, if you kept the budget that was in place right now, you would have to raise more taxes to do that or you'd have to reduce the spending or a combination of the two.

Dr. Nelson stated the next item is the 15 year look at staffing. That is another tough number; what he did was go back to all of the past Town Reports and gave the Committee 15 years of employees in the District by position and by education, so you can have fun with that one. The second to last request was Bob's question on the 15 year study of any standardized tests. They could not come up with a standardized test that has been the same for 15 years, it's not out there. NECAPS go back maybe 5 years; there was a major overhaul of the SAT's about 4 years ago when they added the Writing part; obviously these tests get re-normed every so often anyway. The best he could come up with is the one thing he has that has been consistent for the last 10, 11 years which is the SAU Report Card, all the way back. You can go through the Report Card and pick out the points you want to pick out and at least know what they've done and how they've compared to the State over that period of time. Now you will have them all in front of you and not just the most recent ones.

Dr. Nelson stated the last item is the request for the budget status for up to January and he gave a budget status report which is the current budget that we are in. Dr. Nelson asked if there were any questions of him before Jim Hill took over.

Karen Umberger stated that she really wanted to thank Dr. Nelson for putting this together because she had nothing else to do this weekend, she will spend some time reading this. We realize this is a lot of work and she does appreciate it.

FACILITIES AND TRANSPORTATION

Jim Hill stated he worked at the SAU 9 Office and that he knew most of the members, didn't know the Chair. He is a third generation graduate of Kennett High School and what he was going to do is start off with the Warrant Articles and touch on those and address Transportation and Maintenance and then delve into whatever other questions members may have.

Mr. Hill stated the first of the Warrant Articles, note that the date is back in December and some things have changed since then slightly. Warrant Article 10 is the School Building Maintenance Trust Fund for \$100,000.00. That specifically tries to set aside, as we have over the years tried to build up funds for those planned and sometimes unplanned things that occur as part of the operations and maintenance of the facilities. This General Maintenance Trust Fund for example, they had 2 years ago the fuel tank at Conway Elementary failed; all of the tests had been conducted annually, everything was stellar and for whatever reason, it was a double wall tank, the inner wall was penetrated, rusted and it was approximately \$110,000.00. This addresses not only those unplanned events, it is also there to address planned events. If you go to Tab J, to give you an idea, some have seen this already or a variation at a previous meeting, these are the maintenance priorities that he's talked about to the Board in the past. Dick Klement is here and he's the Chairman of the Facilities Committee for the Conway School Board. They have been asked and tasked to put together sort of a look ahead of what they have for potential liability. Putting this money aside, if some of

these things come up urgently, we'll need to spend that money or it's there for addressing those in the future. This Article had \$130,000.00 in it last year and it failed.

Chairman Mosca asked how much money was in the Fund right now. Mr. Hill stated \$96,000.00.

Karen Umberger stated what you're planning if she was seeing it correctly on the priorities, is the Conway Elementary Storage Roof, are these the things you want to fund this year. Mr. Hill stated no, those are just examples of if they had an urgent request that they would use some of the money to do some of those things. Right now they are just trying to build up those funds for future needs; you're going to see some of those priority items on separate Warrant Articles in the future. Karen stated none of this list is coming out of, if it passes, the \$100,000.00 plus the \$96,000.00 and Mr. Hill stated that was correct.

Mr. Hill proceeded with Warrant Article 11 which was the Capital Reserve for School Buses. Two years ago, the Board made a change which wasn't a formal policy, but they basically directed, they used to replace buses at the recommendation of the Maintenance Staff at the Town Garage, 10 years/150,000 miles. The Board has asked to change that to 12 years/200,000 miles. As part of that process, they went from buying a bus, give or take 2 a year, you may have an occasional year when there was one, to now where they are buying basically 1.5 buses per year. They budget in the first year in general 1.5 buses, purchase one and that leaves the other half of the bus so in year 2 they buy 2 buses. For example, this year they have just bought 2 buses.

Karen Umberger asked if the Bus Replacement Schedule was in the book. Mr. Hill stated under Tab C, next to the last page. If everybody looks at the green, blue and yellow breakdown that shows 47% of the buses are over 100,000 miles, 35% are 50,000 to 100,000 miles, and 17% are at 0 to 50,000 miles. Normally what he does, and again this would be up to the Transportation Director and a lot of input from the Maintenance Department, he usually strikes through what bus would be sold or what bus would be replaced in the coming year. If you look at the bus that has the strike through, this coming year it is not 12 years old, nor does it have 200,000 miles on it; however, if you look at year out which is 2 years from now, you have at least 3 and almost 197,000 miles, almost 4 buses that are due to be replaced. What will happen next year is that they will actually approve this money, 1.5 buses worth of money, keep that money to keep the tax rate level and then in the following year they will budget another 1.5 buses and replace all 3 buses in the following year.

Bill Masters asked for the balance in the Bus Account now and Mr. Hill stated it was \$23,000.00.

Bob Drinkhall stated you are already experiencing more expensive maintenance, are you not. He saw a bus's engine that was being rebuilt. Mr. Hill stated he saw Bob bring that up at a previous meeting with Dr. Nelson and he was hoping that Bob would throw that softball to him. Actually last year, when they changed the policy, the very next year and the Town's not aware of this because they just fix the buses so there's

no funny business going on cooking the books, they actually saw a 25% increase in the cost of bus maintenance the year following the implementation of that policy. They have two quarters, they get billed quarterly from the Town, they are on target to exceed that amount again this year. Yes, it did make that bus maintenance budget go up about \$25,000.00.

Ray Shakir stated if you had contracted buses, you would not have to concern yourself with bus maintenance, is that not true. Mr. Hill stated somebody would have to pay for it. Ray stated that would be factored into the contract. Mr. Hill stated it depends on how you set up your contract. Ray stated exactly, just curious.

Karen Umberger stated she had no problem with what Mr. Hill just said about bus maintenance costing more; but the question she had in regards to that: is it the high mileage buses causing the problem or, for example, if you just replaced the engine in Bus #2, then it probably wouldn't make sense to sell Bus #2 because you have a brand new engine; or are we seeing, according to this you only have two and a half buses that have that or are over 150,000, so you can't, in her mind, necessarily attribute the increase to the buses going to 200,000 unless all of your additional maintenance has been on those buses over 150,000. Mr. Hill stated possibly; for example, he knows the bus that they are replacing the engine in, if that was one of the buses that was on the cusp, 180,000 miles or 11 years old, they would not have replaced that. He forgot what number it was, but believed it had at least 4 more years before its replacement, therefore they invested in it. He would say probably that what he expects is happening is that because they are keeping the buses longer that people may be, if there's a trip to go out, etc., they may not be taking the bus that's on its last legs and may be taking out a younger bus if they have to go on a trip therefore increasing the cost on that bus, but he understands her point. Karen stated she was just looking at the mileage they are showing and of the buses they have, we are not up to that 200,000 mile limit except for the one you are replacing this year. Mr. Hill stated he has been asked to do this and obviously he would have done it even if he wasn't asked to, but he's tracked when that decision was made to increase the life of the buses; they've only got one year under their belt so far. If that is an oddity, he thought they would see that. Based on the year and a half that he's seen, he doesn't think it is a coincidence that the bus maintenance has gone up 25% the very year after that policy was implemented. Karen stated except that her point is, and she assumes they are tracking their costs for each bus and Mr. Hill stated no, he gets a quarterly bill that's based on the Maintenance Department's share that they spend (time) on their vehicles and he was sure that the Police Department has their billing that the Town attributes to them. There is not a per bus breakdown, i.e. spark plugs, antifreeze; it's not done in that level of detail and thought that would not be an easy task for the staff at the Town.

John Edgerton stated each bus doesn't have a maintenance record. Mr. Hill stated they probably have a maintenance record, but Karen was asking for specific costs. John stated it would be in the maintenance records. Mr. Hill stated as an example, if we had bus maintenance at Frechette's which

Bartlett and Jackson used to do, you would actually have 2 gallons of antifreeze at "x" number of dollars per gallon. You would have to have probably somebody and with the amount of work these gentlemen do on the Town vehicles, he would expect that they would have to add another person to keep track of every single gallon, spark plug or whatever if you wanted to have a true cost to maintain those buses.

Karen Umberger stated she would like to ask Bob Drinkhall to check with the Town Garage and see if they track that because her concern is that we are making statements that aren't proven out by the mileage and she would hope that that's available. If not, maybe we can put some money in the budget for an off the shelf program to take care of that because that's something every car dealer has and every repair shop has. Chairman Mosca asked Bob if that was something he could look into and Bob stated he knew there was a maintenance record, but didn't know if there was a cost attributed to it and that he will find out.

Bill Masters stated he had a question on the actual maintenance to the extension of time, do you have a feel whether they were going from replacing spark plugs to rebuilding transmissions and the major engine overhauls which costs more obviously in terms of wear and tear. Mr. Hill stated that would be a question for the Town.

Karen Umberger stated in reality, if you look at the actual mileage in October, that column that says actual mileage in October, we only had two buses that were over the 150,000 miles, so if the additional cost is not attributed to those buses, we can't make the statement that the policy change was the cause because one was at 153,000 and the other one was at 155,000 and all of the others are well under the 150,000.

Bob Drinkhall stated one point on that, some maintenance such as the rebuilding of the engine, if that was a bus that was going to be retired this year, you wouldn't have done the engine job. That could very much add into it; the fact that we are keeping them longer, we are doing more preventive maintenance. Mr. Hill stated that was a good point and as he said, he thought that bus, based on the 12 years, there were 4 years before that bus was going to be replaced, they ripped out that engine and spent a ton of time on it; however, if it was only going to be 2 years before that bus was going to be replaced, i.e. the 10 year threshold, he thought they would have taken a much harder look at whether or not they were going to invest that type of money into a vehicle they would only have for another 24 months.

John Edgerton stated you just proved there's no relationship between the extension and the \$25,000.00 increase.

Jim Hill stated Dr. Nelson asked him to talk about privatizing. They have contacted a firm that has done privatizing, transportation evaluations for at least 9 other Districts in the State, they come highly recommended, they are not associated with any School business association, they are not affiliated with any other transportation association/private transportation company, they are a third party completely independent. They are a certified management consultant and they have contacted them and are in the process of working with them and

having them come in and evaluate their system. In the past 10 years, they have gone from operating 12 buses down to 8 buses, so they've had a significant reduction in the number of buses that they operate. Those buses you may see at different locations and they may not be full at certain times, he will say that at the same time they added an entirely new campus. They added no more drivers and no more buses and, in fact, over the last 12 to 15 years they have reduced their buses and drivers by about 25%.

Chairman Mosca stated if he was looking at the sheet right, there are 18 buses, but only 8 drivers. Mr. Hill stated down at the bottom where it says "Regulars"; there are actually 17 buses, but you will see at the very bottom it says "New", that's the one that they are not going to be buying this year. Chairman stated his point was if we are only operating 8 buses and we have double the amount that we need, we should be in good shape. Mr. Hill stated actually we are not; they have over 500 trips a year that go out, that's your athletic trips, your field trips, that does not include the Junior Ski Program, that does not include Project Succeed, that does not include the late bus. It used to be in the past because the pay was so low for bus drivers, they used to start them at the base pay for what a regular driver would be of about \$10.00 per hour; they used to have problems finding drivers and now, because of the number of athletic teams that we have and the Board's willingness to increase the pay, now they are actually running out of buses. On a frequent basis, they are canceling trips because they do not have enough vehicles. At any given moment, you probably have at least two or three of the buses that are out of service. As an example and because it's a school bus, a headlight out is an "out of service", so if they go and run their route and they have a headlight out at 2:30 PM, they have to go and drop that bus off, take one of the spares which then is that one bus less to take all the athletic teams. Chairman stated for the athletic teams and everything else there are spare drivers. Mr. Hill stated correct.

Ray Shakir asked if all of the buses were of the same capacity. Mr. Hill stated generally yes; they used to have a couple of 71; they have 3 handicap buses which are 14 passenger because of the wheelchair, but all the rest are 77. Ray stated under routine situations, are all the capacities at full utilization. Mr. Hill stated are there 77 kids on every bus when they leave; he would say probably about 2/3 full and he could get some counts if Ray would like; part of the issue is frankly geography. They cover all the way from the Chatham town line to the Bartlett town line, to the Brownfield town line, to the Albany and Eaton town line. Those buses have to travel; for example, in the afternoon they use the same buses to transport the Middle School and High School students then have to drop off all of those students and make it back to the Elementary Schools within about 45 minutes. If you start trying to reduce it even more, then those buses aren't going to get back in time to do that same run, but if you, and he's done this quite often, if you go in the afternoon, they pick up at the High School first, then they go down to the Middle School and pick up the students there and if you watch those buses as they are pulling out, keeping in mind that there's an Albany bus, there's a Madison bus, there's a Freedom bus, if you put your hand up where it says Conway School District, Madison, Freedom, he could per bus tell you exactly which ones are Conway because they are full.

Karen Umberger asked Jim Hill to tell her again how many athletic trips, fields trips are taken. Mr. Hill stated over 500 a year and if you figure 180 days of school time and granted they do take trips for tournaments, etc. on the weekends. Also keep in mind is that those 500 trips, you have in between those sports times, they are regularly having 4 and 5 teams go out on a daily basis and that's just the after school athletic type trips. Karen asked if there was a breakdown between class trips and athletics. Mr. Hill gave Karen a sheet showing same. Karen stated so you track them. Mr. Hill stated that was every single one, where they went, hours and it's a lot. If any other member wanted a copy of the sheet given to Karen, he would be happy to make copies, but it is a lot of numbers.

Mr. Hill proceeded with Warrant Article 13, replacement of a portion of the roof on Conway Elementary School. Mr. Hill showed pictures of the roof to be replaced. Andy Grigel, the Maintenance Director, went up there with a case plus of caulk. It's 1970's vintage. He somewhat has stopped the leaking. In the pictures you can see some of the discoloration on the lights, the sheetrock, etc. This roof is in desperate need of replacement and they have been trying to, and the Board and the Town have been good at, keeping up with their original replacement schedule.

Chairman Mosca asked if it was the lower roof and Mr. Hill stated it was, the upper roof has already been replaced. As you are looking at Conway Elementary School, the main entrance, it is just to the left of that.

Karen Umberger asked how old the roof was and Mr. Hill stated 30+ years. Karen stated this has been since the building has been built and Mr. Hill agreed. Mr. Hill stated this was one of the old original portions, this wasn't the 1990 addition, this was part of the 1970's. You've definitely gotten your money's worth out of it.

Mr. Hill proceeded with Warrant Article 14, replacing the air handler on the Middle School. This is a 35 year old air handler; it covers what was the old gymnasium on the Middle School and the area we are talking about inside this room, you could fit two Town Garages inside this space to give you an idea of how big this is. This is the existing unit (showing a picture); the cost to replace this unit as is will probably be a custom job to make and the Maintenance Director, Andy Grigel, has come up with another solution, it's new technology. The 35 year old air handler its either full on or off, so whether or not you need a lot of heat or a little heat, it's full on. The new motors have got variable speed drives so as you need more ventilation, as you need more heat, it ramps up relatively slowly and as it doesn't need heat, it ramps down. As most people know with commercial buildings, a portion of your rate is based on demand which is either 15 minutes or 30 minutes, your highest peak of usage for that month. The problem with these type of vintage motors and based on the school's starting times, these generally all come on at 5:30 AM or 6:00 AM, all of them at once. Now there will be that ramp up and ramp down which would hopefully decrease your demand piece and also will be much more energy efficient than it was 35 years ago.

Chairman Mosca stated he was looking at the list of maintenance issues and there's another air handler for the Middle School; would that be more cost effective to do both at the same time, not that he wants to spend more money, but would it be more cost effective to do two at once rather than doing one now and one a year or two down the road. Mr. Hill stated yes; this is where he is at, he is at the bird in the hand mode. Last year they had a Warrant Article for a Maintenance Trust Fund for \$130,000.00 and it failed. He thought it failed because frankly they had always asked for \$100,000.00 and some members of the Board had tried to add some more things to it and got, he didn't want to call it greedy, but tried to be more aggressive on some of the maintenance and, as a result, got nothing. He would rather get something and peck away at some of these things then go full tilt and get nothing. Chairman stated he thought, like he said he's not one to want to spend more money than we have to, but also one that would rather get the bang for the buck and if we have to spend a little more now to save more in the long run, then if it's explained properly he thought they would get their money. He didn't think anybody wanted to spend good money after bad and instead of spending \$400,000.00 if you can spend \$300,000.00 and do it all at once, if it's explained properly he thought they were much more apt to get the people behind them on it. Mr. Hill stated just to give you an idea of what, again the little one is the one they want to replace this year, ballpark order of magnitude based on the new stuff that Andy (Grigel) has been looking at, you're talking for this unit about \$150,000.00, so with this one and this one, you'd be looking at about a \$200,000.00 Warrant Article.

Karen Umberger stated so that would only be \$50,000.00 more. Mr. Hill stated no, it would be \$150,000.00 more, they are asking for \$50,000.00. Chairman Mosca stated it stated on his copy that they are asking for \$150,000.00. Mr. Hill stated that was the old number, they've adjusted that.

Chairman Mosca stated he understood Mr. Hill's position of doing it bite by bite, but from a taxpayers perspective, again if it's explained properly, you will get the whole thing because you're telling people that you are going to save them money; everybody likes to hear that they are going to be saved money. It might cost a few more dollars right now, but in the long run it's going to save everybody money. He personally would like to have Mr. Hill come back with something for both of them but that's him personally.

Bob Drinkhall stated two items; one being the roof, you might want to show the age in the wording on the Article, it might help, it isn't in there. The other point he wanted to make with what Joe (Mosca) just said, that isn't necessarily the case. The Town just had an Article for a new garage and it failed and now, by the time they're done, if in fact it's voted in, they could end up spending as much on the old garage as what a new garage would have cost. He understands where Jim (Hill) is coming from. Chairman Mosca stated the garage and he didn't want to labor on the garage because that's something in the past, but there was a lot of miscommunication with the garage and he thought that hurt the garage. All he was saying is the proper communication can get you a long way.

Ray Shakir asked if they set back the temperature at night and if they do, what is the set back. Mr. Hill stated 62 degrees. Ray asked during the day it's set at what. Andy Grigel stated 68 degrees.

Karen Umberger asked what the dollar value was of this particular Warrant Article as it is being presented now. Mr. Hill stated it will be at \$50,000.00. Karen asked if he could explain, in 25 words or less, what an air handler does. Andy Grigel stated an air handler, in essence, provides heating and ventilation for the facility and that's in less than 25 words. Karen stated this is not the furnace and Mr. Grigel stated no, it is not. It's the delivery of that heat to the designated space. Karen stated she couldn't see where this air handler is located. Mr. Hill stated in the front of the Middle School with the white pillars, you will see what's called the glass corridor, just behind that, it's up on top of that. (Andy Grigel passed a picture around to the members.) That is where it currently resides; the plan is to remove it from up there and, he and Andy went up there with just a little bit of sleet on that roof and he thought they were gone. It is going to be set down to, rather than be a penetration down through the roof, it's actually going to be a side wall penetration, lower elevation, much easier access, much safer for people to work on it. Karen asked where was that going to be placed. Mr. Hill stated it will be on the west end of the gym. Karen stated it will still be on a roof and Mr. Hill stated a lower roof.

Chairman Mosca thanked Mr. Hill and Mr. Grigel for coming in and for the presentation.

TECHNOLOGY

Dale Anderson, Technology Coordinator for Conway School District, gave the presentation. Mr. Anderson stated the 3-year Technology Plan that was approved by the School Board. To support that Plan, they've had to rely for the past two years on a Warrant Article although it doesn't fully cover what was in the Plan, it has radically enabled them to perform a lot of what was actually in the Plan.

Mr. Anderson stated the Technology has changed over the past few years and when they first had the Plan, there was no such thing as a Netbook and things like that, although they had targeted certain capital expenditures, they were able to use the \$75,000.00 Warrant Article per year to come very close to hitting what their targets were regarding capital equipment service. Instead of having a laptop computer, there would be the Netbooks where they are appropriate. Not everyone is satisfied with that form factor and they have to be sensitive to that and where the installation is.

Mr. Anderson stated it's required by State law that they have a Technology Plan on file with the Department of Ed, so they are in the process right now of drafting the next one. That is going to have to be supported somehow and, as Carl (Nelson) said, they are probably going to go forward with requesting a continuation of Warrants to support that 3-year Plan as well.

Karen Umberger asked what does the State do with your Technology Plan. Mr. Anderson stated he was not sure what they do with it other than the fact that it satisfies a mandate as well as with it on file, it enables them to qualify for Grants; without one on file and a few other certification things they do with the School for technology, they wouldn't qualify. There wouldn't be any Title 2 money or anything like that available for technology without that. Karen asked how much Title 2 money do they get. Mr. Anderson stated there are other Grant besides Title 2; some competitive Grants that they've had some success going after. He believed that they got last year, he thought it was Title 2(d), there was a \$10,000.00 Grant in there, but without meeting the State requirement for documentation, they would not have qualified for that. Dr. Nelson stated they could get that number for the Committee.

Karen Umberger stated she noticed in the list, that they are looking for computer upgrades and she also noticed throughout the budget detail that there are a lot of computers being purchased and so on; what computer upgrades are these as opposed to what's being purchased in various departments. Mr. Anderson stated some of these are either adding additional memory so that they can support the new Windows Operating System; others are a rotation, they are taking computers at Kennett High School that they purchased for the Library when they first opened the school over 3 years ago and updating the Library with Netbook computers and changing that whole paradigm where there won't be as many desk tops sitting out and students will check the Netbooks out from the front desk and, in part, that's a cost savings measure as well. It's basically to rotate the older equipment out and, although it's not being obsoleted at this point because there is still quite a bit of life in these Pentium 4's, they will be brought down to less performance critical applications where they don't need the real power house machines.

Karen Umberger stated she was still in a little bit of confusion as to what you do versus what the individual departments do in relationship to computer purchases, software purchases and so on. Mr. Anderson stated the individual departments don't purchase; all computer purchases go through him, unless she was talking about the Career Tech Center, although he is privy to what's being purchased over there, a lot of that comes under the Perkins Grant and that's not included in his slice of the pie. Dr. Nelson stated they have taken all of technology out of the other departments and put it under one called "Unit 8" and Dale's responsible ultimately for all the purchases so that they have consistency across the District. Karen stated she thought that was what the plan was; so what's in here is in addition to the \$75,000.00. Mr. Anderson stated that was correct. Karen stated this has a little bit of salary in it and Dr. Nelson stated it contains all of the salaries. Karen stated if she subtracts out the salary and the health benefits, most of the money that is in the Tech area right now is for salaries, health insurance, life insurance and what we are looking at is roughly \$20,000.00 in the regular budget in Unit 8 for computers. Mr. Anderson stated it was actually a little over \$37,000.00 if you add up all of the schools; that's \$37,000.00 to purchase additional software or computer equipment with. That is after you subtract besides the salaries and benefits, there are things like the support contracts with MMS and Edline and the Grade Quick, the solutions that parents are able to log in and see their student's grades and see

where they are each semester, as well as e-mail support, internet connectivity.

Karen Umberger stated you said the Elementary Schools also have a Unit 8. Mr. Anderson stated there is one single Unit 8 for Conway School District. Karen stated but there are computers associated with the Elementary School budgets. Mr. Anderson stated the \$37,000.00 that he quoted is all that they have District wide. Dr. Nelson stated they pulled all of the Technology out of each of the individual Units and put it in one place and that was the direction the Board wanted to do several years ago, so you won't see it in the Elementary Schools. Mr. Anderson stated there could be some front office software that could be in there, but otherwise the educational software is funded by each department. Karen stated so she will see software and not hardware; so if she is understanding this correctly, there is \$37,000.00 in the budget for stuff dealing with technology and then you're asking for another \$75,000.00 in a Warrant Article, so what we're really talking about is a total of roughly \$110,000.00 in Technology. Mr. Anderson stated to support 5 schools. Karen stated she was just trying to get her head around the number that we are looking at and that's the only thing she is concerned about. Now, within the other Units, they purchase software. Mr. Anderson stated educational software, yes. Karen stated if she was a 4th Grade teacher and she has her computer in her room and she sees something to do with mathematics, then the Principal could put that in his budget to purchase that software for the 4th Grade. Mr. Anderson stated that was correct and it would be his staff doing the installation and support once it's here, but it comes from their budget. Karen stated if she wanted to buy a new computer, then she would come to him for the purchase of it. Mr. Anderson stated yes.

Karen Umberger asked if there was any District wide programs or software that they are working on specifically this year. Mr. Anderson stated they can't afford to do it District wide completely, but they are starting to roll over into Windows 7, for example, on the Operating System because everywhere else they are still in XP and Office 10 is going in as well. Basically, more public locations like the Libraries where they can afford to do it. They are part of the New Hampshire Consortium which allows them to purchase things at a great discount and he believed it's about \$39.00 per seat for each and it's helpful.

Karen Umberger asked if she heard him mention a program where parents can go in and check on what their kids are doing. Mr. Anderson stated that already exists at the High School and the Middle School right now; it's a third party solution they are using right now called "EdLine" and they also have "Grade Quick" which is where the teachers enter the grades and the parents are able to log in for both of those schools right now and see exactly where their students are in their semester and what assignments they are behind on or exactly what their GPA is. Karen asked if they were looking at that for the Elementary Schools at all. Mr. Anderson stated he had not discussed that with the Principals at this time, in part because they are looking at possibly moving away from EdLine and he didn't want to say that too early because it's just in the investigation stage. Their student management software called MMS provides the same functionality and if they were to upgrade their MMS to

that with that functionality, that would be one solution as opposed to using this third party. With a third party it involves a daily or at least a weekly synchronization from the Student Data Base to this off site company somewhere else and, of course, there's the potential for data corruption when you do something like that; they have both uploads and downloads. Every class, every student roster gets uploaded, their grades get put in and they pull them back.

John Edgerton stated he substitutes at the High School and he was given a copy of that and he thought it was very good for parents. Mr. Anderson stated there's a student one also; his daughter was constantly checking it all through her midterm exams, she'd go home and check to see what her grades were.

Chairman Mosca thanked Mr. Anderson for coming in and for his presentation.

Chairman Mosca asked if there were any further questions or if there was any comments or questions from the public.

Bill Marvel stated he had a couple of questions and one observation. He is also a Kennett graduate but only a second generation, does that make him a junior to Jim Hill. The first question is kind of simple for Dr. Nelson: is it not true that we are down to a 47% contribution now because of the bubble from sending towns. Dr. Nelson stated the answer is yes, due to the Tuition Contract and the amount of revenue they are receiving. He thought they were up about \$900,000.00 in tuition revenue from sending towns. Mr. Marvel asked when will that bubble dissipate. Dr. Nelson stated he didn't know; we're good for a few more years, that much he could say.

Mr. Marvel stated the second question is more complicated. Relative to the increase, the \$600,000.00 or so increase in the existing insurance and the potential decrease if the Contract passes, the teachers contract. He understands the \$600,000.00 is already in the proposed budget and there's approximately a \$300,000.00 savings from passing the Contract. Dr. Nelson stated if it passes, it will reduce that insurance, yes. Mr. Marvel stated so you would be down \$300,000.00 more in your insurance line. There's another thing that confuses him; there was also a claim in the press release for the Contract that there would be a \$180,000.00 cost to the Contract, was he right? Dr. Nelson asked Mr. Marvel to repeat his question. Mr. Marvel stated the question was if the Contract passes, we're getting a \$300,000.00 reduction and then is there a \$100,000.00+ cost factor that we are warned of that the Contract creates. Mr. Marvel stated to Janine (McLauchlan) that he believed she mentioned it in the meeting. Janine stated she didn't recall. Mr. Marvel stated we are supposed to be warned of a cost increase if there is one and Dr. Nelson stated that was absolutely correct. Janine asked if he was referring to a cost increase related specifically to the health insurance. Mr. Marvel stated to the Contract, yes. Karen Umberger stated it was \$147,419.00. Janine stated that was the Warrant Article. Dr. Nelson stated \$147,419.00 would be the additional cost to the Contract. Mr. Marvel stated so we save \$300,000.00 but still have to pay \$147,000.00. Dr. Nelson stated you have your increases in here which would be your salary increases, your

money increases, and then you reduce it by \$300,000.00 there, \$44,000.00 for your retirees and there are some additional add ins here and when you do all that it nets out at \$147,000.00 is what the cost is above and beyond the Contract costs this year. Mr. Marvel stated so it would now cost us what you now have in the budget with the \$600,000.00 additional for the insurance plus another \$147,000.00. Dr. Nelson stated yes.

Mr. Marvel stated the observation he was going to make was your suggestion about increasing that maintenance line. His personal economics agrees with the Chairman, it agreed with the Garage when it was boiled down to the amount it was, but the School Board had a chance here a few weeks ago to save some money rather painlessly and didn't and the only thing people can go after in the referendum vote is Special Articles, the Contract and that sort of thing; that's what they'll retaliate against, it's all they have, it's the only control the voters have.

Ray Shakir stated he was not too clear on the "\$300,000.00 savings" and correct him if he is wrong, but that "savings" is still going to be the responsibility of the taxpayer, is it not. Dr. Nelson stated the savings is over the current health insurance plan and it costs us \$300,000.00 less than the current plan. Ray stated what he is saying is bottom line, bottom line, that money is still coming out of the taxpayers' pocket, right. Dr. Nelson stated the cost for the Warrant Article that we were talking about is still a tax item, that's correct. Ray stated in terms of taxpayers' view, the taxpayer is not saving \$300,000.00; that \$300,000.00 is in some way going to come out of the taxpayers' pocket. Dr. Nelson stated it balances that Warrant Article out, \$147,000.00 more comes out of the taxpayers' pocket. Ray stated that's all he wanted to know.

Chairman Mosca stated he guessed the question should be what is the cost of the contract, not including any savings; it sounds to him to be about \$550,000.00. Dr. Nelson stated if you look in your Warrant Articles section of your book, you're going to find what he was reading from. After the Warrant Articles, you're going to see something that says "Press Release", go to the next couple of pages and you will see a break out of costs. Conway School District Proposed Teacher Negotiations and the break out of costs. Up at the top, the increase costs in terms of dollars and salaries and the movement of the new salary schedule bringing everybody up to the new salary schedule for the first and second year teachers; the estimated performance pay, you can see that part of the Article runs \$412,000.00, then you get your deductions at the bottom which is the change in the health insurance of \$300,000.00, the \$44,800.00 which is the retirees portion that is going to change the same way and then you get after that the other increases that are related to the actual salaries that are up at the top and then you net out at the bottom the \$147,000.00.

John Edgerton stated he still had a problem with the Middle School. Dr. Nelson stated he would be here with them next week. John stated so you can understand where we are coming from, you have 33 teachers and 299 students is 9:1 ratio and the total management over there is a 69 for a 4:1 ratio. The High School total administration is 9:1 and the Elementary Schools look like they are 20:1 on the teachers and the High School was okay. They are all okay except for the Middle School; the Middle School

just appears to be way out of whack. Dr. Nelson stated they actually only have one Principal at the Middle School. John stated total administration; total employees at the Middle School divided by the number of students comes out to 1:4. Dr. Nelson stated he needed to know what John meant when he said administration. John stated every single employee at the Middle School divided by the number of students, no matter what their job is. Dr. Nelson stated John had mentioned the Administration ratio was 4:1. John stated the student/teacher ratio is 9:1. Dr. Nelson stated the student/teacher ratio was another ball game; they only have one Administrator there; he didn't know where John got 4. John stated if you have 33 teachers with 299 students, that's 9:1. Dr. Nelson stated that Kevin (Richard) would explain that to the Committee on Wednesday. John stated the way it was explained before was that the teachers don't teach all the time and they have four blocks and it comes out to about 15 students per class, but the teachers aren't teaching and that's what was explained.

Chairman Mosca asked if there were any other questions from the public or anything further from the Committee members. Dr. Nelson stated if there were any further questions, don't hesitate to e-mail them to him and he will try to take care of them as soon as he can. Chairman thanked those from the School for coming in.

OLD BUSINESS

Bob Drinkhall stated Karen (Umberger) asked about the grooming at Whitaker Woods; the \$3,000.00 was verified yesterday and, didn't have the figures in front of him but it is in the book, and it is the \$9,000.00 from the School. Karen stated so the total contract is \$12,000.00, \$9,000.00 and \$3,000.00.

Bill Masters stated the point was made that there's really no savings because it's in the budget in terms of the health insurance. The current figure to pay the health insurance is in the Operating Budget and if this Warrant Articles passes, it becomes a surplus if there is a reduction, but that's in the Operating Budget, so we're not saving anything, that can be rolled over and used for any purpose they want. Chairman Mosca stated it's not even a surplus. Bill stated it's something similar to the retirement of the bond issue. Chairman stated all that will do is reallocate funds from that line to another one; if this passes, it's a reallocation of line items and going forward in the future, health care costs aren't going to be saved and the cost of the Contract is going to continue to go up. It's a one time thing and all it will do is reallocate funds between different line items should that Warrant Article be passed.

Chairman Mosca reminded the members of the meeting with the non-profits on Saturday, January 29th, at 9:00 AM at the Meeting Room at the Town Hall.

Bob Drinkhall moved, seconded by Karen Umberger, to adjourn the meeting at 8:00 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary