

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
March 23, 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: Chairman David Sordi, Bob Drinkhall, Doug Swett, Bill Masters, Ray Shakir, Linda Teagan, Joe Mosca, Karen Umberger and Greydon Turner. Members excused from meeting: John Edgerton. Members absent from meeting: Janine McLaughlin. Also present: Dick Vitale, Jim Umberger, Cindy LeFebvre, John Skelton, Pat Swett and Ken Rancord.

Chairman Sordi asked Bill Masters to lead those present in the Pledge of Allegiance.

APPROVAL OF MINUTES

Joe Mosca moved, seconded by David Sordi, to consider and accept the Minutes of January 26, 2011, as amended. In favor: 6; Opposed: 0; Abstain: 3.

Bob Drinkhall stated on page 2, paragraph 1, line 5, "\$190,000.00 less" should be "\$190,000.00 more". Bob further stated on page 2, paragraph 1, line 7 "\$193,000.00 less" should be "\$193,000.00 more"

Bob Drinkhall moved, seconded by Joe Mosca, to consider and accept the Minutes of January 29, 2011. In favor: 6; Opposed: 1; Abstain: 3.

Bob Drinkhall moved, seconded by Joe Mosca, to consider and accept the Minutes of February 3, 2011, as amended. In favor: 8; Opposed: 0; Abstain: 1.

Bob Drinkhall stated on page 1, first paragraph, line 6, Bob Goods should be Bob Godowski. Bob stated on page 18, second paragraph, third line should read "... below Proficient and Level II partially below Proficient." Bob further stated on page 32, last paragraph, third line, "Sao" should be "SAU". Bob stated on page 33, fourth paragraph, second line, "Reek Center" should be "Rec Center" in two places on the same line.

Bob Drinkhall moved, seconded by Joe Mosca, to consider and accept the Minutes of February 7, 2011. In favor: 7; Opposed: 0; Abstain: 2.

Bob Drinkhall asked that the Minutes for February 9, 2011 and February 13, 2011 be held for vote until the next meeting as he did not have a chance to review same.

Bob Drinkhall moved, seconded by Joe Mosca, to consider and accept the Minutes of February 27, 2011. In favor: 9; Opposed: 0; Abstain: 0.

Bob Drinkhall moved, seconded by Joe Mosca, to consider and accept the Minutes of March 7, 2011. In favor: 8; Opposed: 0; Abstain: 1.

Bob Drinkhall moved, seconded by Joe Mosca, to consider and accept the Minutes of March 9, 2011. In favor: 6; Opposed: 0; Abstain: 3.

OLD BUSINESS

Chairman Sordi stated that he wanted to read a couple of e-mails into the Minutes:

"Dave: It has been reported in the paper and other sources that, among the motions the "Schoolies" will make in order to sabotage the BC's recommendation, is a proposal to fully restore the School Board's original budget. This of course will pass assuming overwhelming Schoolie support present at the Deliberative.

"Please be advised that I've discussed this prospect with the Speaker of the House and the Majority Leader - among others. They agreed that, should this motion pass, it would be in direct violation of the DRA statute and therefore subject to review and court challenge. I strongly suspect the motion will be overturned.

"This entire process contains the ingredients of becoming drawn out, ugly, complicated and EXPENSIVE! So I would further suggest you discuss this prospect with the moderator prior to the meeting; this will ensure he doesn't entertain an illegal motion if/when proposed. I would also suggest you invite a DRA Representative to inform those who choose ignorance over the statute.

"Please be advised that, in the event no one challenges such a motion, I will personally lodge a complaint with the DRA, the AG or whomever. Rest assured it will NOT be ignored.

"Sincerely, Ray Shakir".

Chairman Sordi stated his response to the above e-mail was as follows:

"All,

"I am aware of this situation as I'm sure several of you are. We will discuss it further during our meeting after the deliberative session Monday night. If you would like to talk with me for more information, please call me at my home number.

"Thanks, Dave".

Chairman Sordi stated he wanted to mention that the Budget Committee had put a basket out for the collection for the Tree Fund and approximately \$130.00 was collected and was given to Janine McLaughlin to give to the Student Body President so that a tree or trees can be planted in the Spring.

Bob Drinkhall stated he thought David (Sordi) did an outstanding job, and he knows it has been said before but he wanted to say it again, did an

absolutely outstanding job as Chair under very adverse conditions at the Deliberative and thought he deserves all of the credit.

Chairman Sordi stated there were several terms up and several people who are going to be running again; he thanked Bill Masters, Linda Teagan and Greydon Turner for their help during the year. Greydon Turner and Linda Teagan are running again, so good luck. Chairman also thanked everyone on the Budget Committee during the budget season, it has been, as we suspected, interesting to say the least.

NEW BUSINESS

Karen Umberger stated she understood there was going to be a School Board meeting Thursday night and she just wanted to let everybody know what she knows in relationship to what is in the Governor's budget and she needed to stress that the actions and the comments that are going to be made are based on the Governor's budget. As everybody knows, the Governor presents a budget to the House; the House reviews it, passes it, forwards it over to the Senate, where the Senate then does whatever they need to do in relationship to the budget and then by June 30, 2011, the House and the Senate come to an agreement on what the final budget is going to be and then it gets passed. Sometimes June 30th is not on June 30th. Hopefully, we can all come to some sort of an agreement. The issue on the retirement is that the Governor has basically in his budget stopped funding any retirement for local employees. In the past, the State had provided 35% of the retirement cost for local employees and he recommended that the figure be zero; that's how the School Board has said the \$428,000.00 that they are short is based on the fact that the Governor has recommended that retirement not be funded by the State. There are a couple of other things that are also in the Governor's budget that she felt people needed to be aware of:

- 1) For 2012, FY 12, July 1, 2011, he is proposing only to fund Building Aid at 40%. For us, that's a significant amount; it's approximately \$500,000.00 if in fact that passed. There will be a shortfall of \$500,000.00.
- 2) His plan for Catastrophic Aid is only to fund those children that are 10 times the rate. She understands that counts for 131 students across the state, and that is what he would fund in Catastrophic Aid; this is for the Special Education students. In the past, a student that was at 3.5 times the cost per student, that was also funded but he has taken that out of the budget.

Karen Umberger stated those things are quite significant for our community and the other thing that is going on and it's not as significant is that Driver Education Funds are going to be reduced to the communities. She just wanted to let everyone know where things are and what the School Board is attempting to do is not because of anything that we have done locally, but rather the Governor's recommended budget.

Chairman Sordi asked when this would take effect and Karen Umberger stated next year on the School's budget and that is what she knows. Chairman stated on the School, the retirement would be about a

\$428,000.00 shortfall; on the Building Aid, if they are only going to fund at 40%, which means we will be getting \$500,000.00 less. Karen stated she thought the cost was about \$1.4 Million. Chairman stated on the Special Education, instead of funding anything above 3.5 times the average student cost, it will only provide funds for 10 times above the average student cost and we don't know what that will be. Karen stated she didn't know how many of our students fall into the 10 times. Chairman stated at a minimum based on the current budget, we'd have an additional million dollars that would have to be made up.

Bob Drinkhall stated the Manchester Mayor has proposed cutting 200 paraprofessionals in the School system and also 50 Town employees and that was reported yesterday. Today it came out that Franklin is closing a school and laying off 25 teachers. He doesn't understand how we, in this Town, don't see the writing on the wall. He knows that we, as a Board do, at least a majority, but this is extremely troubling when everybody else realizes what they have to do and we can't seem to get off square one.

Bob Drinkhall stated the second thing that he wanted to bring up and this is unofficial, but he was told by a very reliable source that 3 people that are running for the Budget Committee receive checks from the School as well as one is building a home outside of Conway; he didn't know how that was going to play out; he didn't know what their intent was, but there are problems coming up in the future.

Chairman Sordi asked if that was an issue if they were on the Budget Committee and receiving checks from the School; was it a legal issue. Bob Drinkhall stated he was told that one or the other would have to be given up, but that was unofficial. He doesn't know the answer to that and he only found this out this morning and hadn't had time to check it out. Chairman stated he couldn't imagine it would be just because they're working for the School doesn't necessarily mean they can't make budget decisions for the Town. Bob stated it would definitely be a conflict of interest at the very, very least. Whether or not it's legally binding, he didn't know.

Bob Drinkhall stated his other point he wanted to bring up was the fact that the DRA will be making the final decision assuming that the School budget is voted in and even if it isn't, there's speculation that even if the Default Budget takes place that they might in fact impose the 10% rule. He has been told by an attorney that it could very well have an affect by whoever has the most influence with the DRA, that it might not just be a decision that is made without said influence. He was wondering if we, in fact, shouldn't in some fashion get our point across to them. He was going to call but hasn't had the time as of yet and he thought it would be better anyhow if it was done as a Board.

Chairman Sordi stated we can talk about that in a second; that sort of provides a segway into what he was going to talk about because he's gotten a lot of questions on exactly what is going to be voted on in April; what are the options people are going to have. There's two options: obviously they can vote for the amount that was approved at the Deliberative Session or they can vote for the Default Budget, but what ultimately comes out of that vote is really going to be in the hands of the DRA and the Attorney General's Office. If the Town approves the

Deliberative amount which was \$33,085,373.00, two things can happen: the DRA can just say fine and let it ride and let that amount stand or they can decide to impose the rule of the budget not being able to exceed more than 10% of the amount we approved and if that happens, they would start with eliminating the Warrant Articles that are numbered higher than the Operating Budget that are approved at the Town vote; once those are gone, then they would begin to remove funds from the Operating Budget. It's unclear, if you read the way the Warrant Articles are numbered, there are three or four Warrant Articles, a lower number than the Operating Budget, and the reason they are lower as he understands it is because they are contractually required under the sending town contracts; so therefore, they actually have a higher priority than the Operating Budget, so those would be okay. The one that's a little bit unclear is if the teacher contract Warrant Article is approved, will that still be upheld or will that also be eliminated as they went through the Warrant Articles. He didn't have an answer on that one. Eventually once all the Warrant Articles are gone through, then they would remove money out of the Operating Budget. If all of the Warrant Articles are turned down, then all of the money would come out of the Operating Budget. That's why he believes the School Administration is looking to draft up plans to cut \$1.5 Million from the School budget in case that happens and that's what the meeting tomorrow night is for. That is if the Town approves the Deliberative amount; if the Town rejects the Deliberative amount, then the Default Budget kicks in which is \$33,275,846.00 which is about \$200,000.00 more than the Deliberative amount and the DRA could decide to leave that alone and not reduce it by 10% or, it is his understanding, they may send it to the Attorney General to make a decision of whether it has to be brought down to that 10% maximum level. If that happens, then it would get set at the 10% but the Warrant Articles would be left alone. The Operating Budget would be 10% more than what the Budget Committee originally approved and the Warrant Articles would be left alone. It's a hugely complex situation given the vote that occurred at the Deliberative meeting, that's about the best information he could provide right now. Janine (McLauchlan) is not here so she can't comment on it. If anyone has any questions, maybe attend the School Board meeting tomorrow night to get an answer.

Ray Shakir stated he thought the Chairman was leaving out the possibility, not probability, but possibility that the DRA can rule that the entire motion at the Deliberative meeting was illegal and can restore the entire Budget Committee recommendation of an 11% decrease.

Chairman Sordi stated that's always a possibility, but according to both our lawyer, Peter Malia, and the attorney for the School Board, John Teague, the motion that was made was not illegal under the rules. What would have to happen now is that the DRA would have to impose, would have to enforce the rules as written. The motion itself, the way the motion was made, was not an illegal motion, it just didn't fall within the guidelines of the rules, so the recourse the DRA would have would be to basically go back to the 10%. They might find differently, but that was his understanding the night of the Deliberative Session.

Bob Drinkhall stated the LGC agrees with what David (Sordi) just stated. Unfortunately, he didn't see it going back to the budget that we proposed, at least not from what he's been told by three attorneys.

Ray Shakir stated they can come up with things that we didn't figure on. Chairman Sordi stated definitely; this is a unique situation that the DRA will be facing.

Bob Drinkhall moved, seconded by Bill Masters, to have the Committee do a letter at some point to the DRA stating the Committee's position. In favor: 5; Opposed: 4 - David Sordi, Joe Mosca, Gredydon Turner and Karen Umberger; Abstain: 0.

Chairman Sordi stated on the letter and asked Bob (Drinkhall) to expound on that. He hadn't planned on having another meeting, so if the Budget Committee decided they wanted to send a letter, we'd probably have to reconvene at some point to send it or we can just send letters individually on our own and explain our position that we had. He would leave it up to the Budget Committee and how they want to proceed with that.

Bob Drinkhall stated he thought it would be best if it was done as a Budget Committee and that's why he hesitated getting in touch with the DRA as well as a time factor.

Karen Umberger stated she didn't know what good it will do to "what if" the DRA. They're going to make a decision based on the law and the law says the amount of money that the Budget Committee passes for the budget and for the Special Warrant Articles together equal and that's where your 10% rule comes in. That's where they'll make the decision, that's the law. She didn't believe that the Commissioner of the DRA is going to be influenced one way or the other when it comes to anybody writing him a letter. Everybody can write, they can call, they can do what they want, but his responsibility is to follow the RSA's as they are written. The process as she understands it is the vote will take place on April 12th and then the forms need to be with DRA by May 24th. Nothing is going to happen until May 24th when they receive all of the forms because that's the deadline to get the stuff to the DRA from our vote. After that is when the people that do whatever they do in DRA and look at all of that stuff then that will be the time when the decision making process goes on. It won't be right after election because they won't have the information that they need. We sign and send in all kinds of budget forms. They've received the ones that set up the 10% rule and the forms that went out showed what the Budget Committee recommended and which of the Articles had been passed. DRA is aware what the Budget Committee did on our initial vote. Once the new forms go back in that show what voters said then that's when they take action and, as she understands it, is due by the 24th of May. She certainly would let DRA do their thing and if you want to talk to them on the 25th or afterwards, until they actually see what comes in, they won't be in the process of making a decision. When they set the tax rate, when they actually come to the Town and set the tax rate and go through all of that, that doesn't occur until September or October. That's how the process works. Some time between May and September is when the decision on how much money can be set for taxes, that's when the decision making process will occur.

Doug Swett stated he didn't know when the proper day was to send a letter, but he agrees with Bob Drinkhall; this Committee should send a

letter with some information in it. This is a political thing in some ways he feels.

Bill Masters stated what Karen (Umberger) has to say in his opinion has a lot of weight to it because the DRA should be clearly aware of the financial plight that the State is in and the fact of the matter is that there is a legal recourse after a decision is made by either side, and that's of the judicial system. If either side is not happy with the results of that, they can appeal to the Court. That would be his understanding of the process and at that time, they would ask for briefs from both sides which the Budget Committee's rationale and reasons for this as well as the School Board's rationale through our legal representation would file those briefs with the Court system and they would make a final decision. There is a process well beyond DRA. They are locked in by the rules to play by and if either side sees a breach of those rules, you're open to litigation.

Chairman Sordi stated he tended to agree with Karen (Umberger), the rules are what they are; the only gray area that he knows of out there is the interpretation of the rules and how they apply to the Default Budget and that sounds like it will go to the Attorney General's Office for them to interpret the way the rules are written. He was not sure how much good a letter from this Committee would do; it's pretty well documented what we voted on and what the Deliberative Session approved, but again, depending on what the Budget Committee wants to do, then that's the way we'll go.

Bob Drinkhall stated there are gray areas, particularly the Default Budget, as well as the fact that don't forget we have a very tiny budget that wouldn't even pay an attorney an hour. Hence, he didn't even know what the ramifications would be if we, in fact, were not satisfied with the outcome that the DRA comes in with. Bob further stated that he had one individual call and say that if it came to that, he'd put in \$1,000.00 and that won't go very far. However, that being said, a letter can't possibly hurt.

Doug Swett stated ten years now, every time we've talked about Default Budgets, the answer that always comes back from somebody is "it's never been to court so we really can't answer these questions"; that's been handed to us time and time again. Chairman Sordi stated we may be pushing it to Court. Doug stated maybe we are, but there needs to be a decision from somebody that supposedly knows something about it. Chairman stated you won't get that until they have to do it.

Greydon Turner stated perhaps the best idea is to revert back to what Bob (Drinkhall) had mentioned earlier where we should write individual letters based on how we feel about it instead of doing it as a Board. Everyone obviously has different feelings about what should be meddled with and what shouldn't and where the laws are. Chairman Sordi stated that is one option.

Linda Teagan stated she understands what Karen (Umberger) is saying; arguably the authorities are supposed to make their decision based on the record. However, we've been going at this since summer and she didn't think it would hurt to summarize, she didn't think a letter would hurt. Arguably, it may or may not be part of the record, probably is not part

of the record; whether they look at it or not whose to say; she didn't think it could hurt. Linda also thought there was a number of bullet points, a number of items that the Committee considered. She was thinking of the 7% increase every year in the School budget, things like that. She's not saying it's part of the record and she's not saying they're not suppose to do what they're supposed to do legally, but she didn't think it could hurt in terms of a couple of bullet points on what the Budget Committee decision was. She would support it.

Chairman Sordi stated he assumed that the Board of Selectmen would be in support of a letter also. He wouldn't want to get to a point where we are ready to send a letter in and all of a sudden the Board of Selectmen prefer not to submit it. Bob Drinkhall stated the Board of Selectmen have absolutely nothing to do with the School Budget and do not want to become involved in the School budget. Hence, he is free to act on that but with Town items he has to vote along with them. Chairman stated he was just checking.

Chairman Sordi stated someone needs to draft a letter to get out to everybody and then to have another meeting where the letter can be finalized and then submitted. Bob Drinkhall stated he guessed he volunteered. Chairman stated Bob would draft a letter and Bob was to let him know what he thought the time was needed to write it and we can get the next meeting set up. We don't have much time; have the 30th and the 6th, vote is on the 12th; two sessions to finish the letter and to meet, finalize and get it sent out. Ray Shakir stated he was available to work with Bob (Drinkhall) on the letter. Bill Masters stated he would be available also.

Chairman Sordi stated that the Committee would reconvene on the 6th and asked how many members would be available resulting in there would not be a quorum for a meeting.

Bill Masters asked if there was any rush to get the letter off. If this is a point, regardless of what happens between now and April 13th, the voters are going with what's on there. The question you've got is to get the information to the DRA as to the rationale for coming up with what we had and it makes no difference whether it's before or after the vote.

Chairman Sordi stated it does because some of the people that are currently on the Budget Committee are not going to be on the Budget Committee; there are going to be many more people that were not involved in the negotiations on the Budget Committee and trying to get a letter done after the vote is going to be probably impossible to do. If we are going to do this, it needs to be done before the vote. If we can't get a meeting together with a quorum between now and then, he was not sure how the members wanted to do it. To have a meeting next Wednesday night, the 30th, he was not sure if that gave enough time to finish it.

Doug Swett stated we've had two meetings on a Sunday night and didn't know if anybody wanted to go for that. Chairman Sordi stated to be honest, he was not overly thrilled to do a Sunday night for a letter of this sort after all of the stuff the Committee has been through over the last two or three months, but if that is what the Committee wants to do, fine. Chairman suggested to set the 6th and he would check with John

(Edgerton) to see if he can be here on the 6th and if he can't, Chairman will figure out another date and will send it out to everybody.

Karen UMBERGER suggested Monday, April 11th. Chairman Sordi stated we could do Monday the 11th. If the letter is approved before the 12th, it can be sent out. Bob Drinkhall stated makes no difference to the DRA. Chairman stated let's plan on April 11th at 6:30 PM at the Town Hall tentatively. He will make sure John (Edgerton) is here; Janine (McLauchlan) may have a School Board meeting, but he will let them know about it.

Chairman Sordi stated tentatively the first meeting after election will be the first Wednesday in May, which he believes is May 4th.

Doug Swett stated the 11th is playing it awful close. If we get 3 feet of snow that night, he wants people here. Chairman Sordi stated if we get 3 feet of snow on April 11th, he would be here.

Chairman Sordi asked for any comments from the public.

Dick Vitale stated he was a former member of the Budget Committee and a two term Selectman in the Town of Bradford and also the Clerk of the Birch Hill Water District, so he has been intimately involved with the DRA. What he did this evening was download off the Internet RSA 32:18 and just for the public also watching this, he wanted to read a portion:

"Any municipality electing to subdivision [which means the Budget Committee] ... at the annual meeting the budget shall not exceed by more than 10% the total amount recommended by the Budget Committee for such meeting. An official ballot referendum municipality [which we are by SB2] ... the recommendations of the Budget Committee made for the first session of the meeting [which is the Deliberative Session obviously] shall be used for determining the 10% limitations."

Mr. Vitale stated that's pretty clear and what he was trying to say is that the DRA as far as the budget was presented, they just go by this one simple paragraph, that's it, you can't go over 10%, that's not an issue. The issue is in fact, as Karen (UMBERGER) was talking about, the Default Budget; it doesn't say if the Default Budget becomes the Budget, what do we do with that. It doesn't deal with that at all. This is a book that the local Government Center puts out which he was sure all members had: Basic Law of Town, Village and District Budgeting. In there it is very specific also, it says something about it being a little more complicated; they talk about first the Towns that don't have a Budget Committee, but we do and we're an SB2 town. It says:

"The DRA's practice has been to follow the chronological order of the second session ballot voting [which is the vote] and validate those votes that exceed the 10% limitation."

Mr. Vitale stated the statute does not cover this, but it is the practice of the DRA to treat the meeting chronologically in the order the votes are declared by the moderator; the first vote that takes the total over

10% is invalid as well as the subsequent votes increasing total appropriation. This of course is a bit more complicated in Towns and Districts.

Mr. Vitale stated what they do is go in chronological order after the vote and say "this one forced it over the 10%, gone". No matter if it was voted in, it doesn't matter. So, it's very mechanical; there's no logic; you don't have to go to Court and say this is the way it's going to be done. Again, it doesn't deal with the Default Budget specifically if that becomes the budget. What's interesting is that he and his wife went down to the Town Hall today and asked if the Absentee Ballots were available and the answer was "yes, they came in today, but we have to go through them" and were advised to come back tomorrow and get them. When he got home, he started thinking, if it's the Ballot, what's on the Ballot, is it \$33 Million on that Ballot. Chairman Sordi stated yes, it is. Mr. Vitale asked what was on the Default Budget and Chairman stated \$33,275,000.00. Mr. Vitale asked about the one the School Board is working with on Thursday. Chairman stated what they are doing is a contingency plan in case the Deliberative budget gets voted on and the DRA knocks it down, there's the contingency. Mr. Vitale stated he wondered about that because they can't change the numbers now. Chairman stated it was purely a contingency measure. Mr. Vitale stated he agreed with Karen (Umberger) about a letter going out and things like that.

Jim Umberger stated he was concerned about sending a letter out. The Committee has already been threatened basically to be taken to Court by the School Board and if you go out and get something to the DRA that they might use against you, he would say please don't. He thought it was not something smart to do because whatever is put in the letter and the rationale is going to set you up, in his opinion.

Chairman Sordi stated that was a good comment and he would actually pose that question to Peter (Malia) to see what his feelings on it are, but will continue as the Budget Committee has directed.

Bob Drinkhall stated keep in mind and he didn't want to state who it was, but it was one of the attorney's that stated to him that undue influence could change, and they weren't talking from our perspective, they were talking from the School side and that's what got him started on this. It's not just his thinking, it's what he has been told. As he said, he has checked this out several ways.

Cindy LeFebvre stated that those who know her know she doesn't normally do this as she likes to stay in the background and listen to both sides of the story and she hates to be on camera, but she promised some folks that she would come tonight and bring this up. She knows this is a subject no one probably wants to hear again, but she was asked to ask for the clarification on the Committee's position on the Special Education comments that were made during the Deliberative Session. She knows that the Budget Committee is well aware that Special Education can't be cut because it's mandated by the State, but thought that some of the comments that were made on both sides at the Deliberative Session over shadowed any chance for logical discussion that night on a budget reduction or even a flat budget. Some people that she spoke with in the audience came with an open mind to hear what you had to say but the uproar during the

Session destroyed anyone's chance of being heard. After she kind of defended the Budget Committee process, she was personally attacked for telling people they should attend Budget Committee meetings to see the work that you do and to see the process in action and she was called a liar for saying that the School provides the supplies to the children. Her error in that was that she didn't specify that she was talking about Elementary School children. She feels that the Budget Committee missed a critical opportunity to correct public misconceptions and to present logical reasons behind the budget recommendations. People need to be able to speak openly and have a dialogue without being attacked and we don't need a divided community and we should be able to have a civil dialogue and disagree without being disrespectful to each other.

Chairman Sordi stated the Budget Committee has never taken a position other than the Town will comply with, and the School will comply with whatever regulations are out there regarding Special Education or education in general. Everyone on the Budget Committee is entitled to speak their own opinion about whatever matter is being discussed. As he mentioned to a few people the night of the Deliberative Session and even after it, the position of the Budget Committee when it comes to whatever it has to do with the School, as he just said, we will abide by the regulations; we all have our personal opinions about Special Education and we're entitled to speak those opinions in this country, we have free speech and if someone wants to present their special opinion, they're allowed to do so. Chairman further stated that he agreed with Ms. LeFebvre that discussion that night about Special Education unfortunately was not able to be done in a rational manner, but nevertheless, this Budget Committee will continue to work to preach fiscal responsibility while still complying with the rules and regulations of the State of New Hampshire and the Town of Conway.

John Skelton stated he was a candidate for the School Board. He had no interest going back and rehashing, but he would like a comment either here or privately, at that Deliberative Session he abstained because he believes we have gotten ourselves in an untenable position where our Town, whatever's going to happen, is going to be solved by lawyers or the DRA. His comment would be: the process which got us here is problematic; in your view, what are the openings, should there be more earlier conversations between the School and Budget, where's the break down happening and, his interest is not in pointing fingers as to they said this or didn't do that on either side, but the process he thought needed to be looked at to help get the Town and the School on the same wave length.

Chairman Sordi stated Mr. Skelton was absolutely right and that was something the members had already talked about or he has thought about for the following budget season to get more involved earlier with the School Board and the Administration to talk about where the budget is going for the future year, what our concerns are going to be so that it's not something that we start talking about in late December, early January but it's something that is discussed throughout the year. In addition to that, historically we have budget meetings during the year, the School might come in or the Town might come in and say "okay, here's how we're doing on the current budget" but, they don't talk about what's coming up in the next budget and what are they doing to try to save money. Some of

the questions he proposes to ask the schools are "okay, you've got this budget but what are you going to be doing to save money next year; what are you doing to improve the education while reducing costs". Chairman further stated he agrees; we need to get involved earlier; historically the Budget Committee had gotten involved earlier. Over the last few years, the involvement has been later and later. We do need to get involved earlier with the Administration and with the School Board.

Chairman Sordi advised that he needed to step away from the meeting as he had another call at 7:30 PM but requested that we keep going.

Karen Umberger stated just for the record, we did send a letter to the School Board in September after we had a meeting and kind of figured out where we thought we needed to go in relationship to the budgets for both the Town and the School. Several of our members attended the School Board budget making process and, of course, we're very involved in listening to that and bringing that information back to the Budget Committee. One of the problems that we had this year was that we had requested the School Budgets by the 15th of December and we did not receive them until the first week of January, January 3rd, and that did not allow a lot of time before we got right into the thick of looking at the budget and discussing the budget. She knows that budget deadlines are sometimes very difficult to meet, but when they aren't met, it causes other problems down the line. From what Dave (Sordi) said over the course of the summer and once again in September, we will go to the School Board and the Town and say this is what we are looking at for this next budget cycle and please take our concerns into account. That's our process; she thought that was the process every year that we have done this on a regular basis. What we didn't do this year that we had done in the past is to send a letter to both the Town and the School recommending some changes right before the Deliberative Session and she thought the reason we were unable to do that this year is because we got too backed up in where we needed to go and what meetings we needed to have in order to make the decision and it was a combination of many factors that lead us to that place; but that did not occur this year which had occurred in previous years.

Ken Rancord, Conway voter and taxpayer, stated first, he wanted to offer his personal thanks for what it's worth to the Committee for the work that they do over the course of the year. He did attend the Deliberative Session and felt rather put upon as one lady has already addressed the fact that after the out bursts and all, no one felt like commenting anyway and that was very unfortunate for a Deliberative Session. His question really comes from a taxpayer point of view now that that is all behind us; he has heard many comments with respect to what the DRA decides, what the Attorney General's Office decides. If he votes for a Warrant Article for the Selectmen for a \$10,000.00 Snow Blower, he expects that \$10,000.00 is going to that Snow Blower. What he is hearing tonight and what he thinks many of the taxpayers in the Town are hearing is that even though we vote for one budget or the other, basically we have no control over how many dollars is actually going to be appropriated and he thought that does the public a great disservice because they don't know what they are actually voting for and what the result will be. The other part of it maybe goes into the future and says what do we do in the Town when we say okay we'll vote for this money and

all of a sudden we don't have the money from the government, from the Governor's Budget perhaps, or we also don't have the option to say where we're going to cut this money from now because now we don't have it to spend. So all those things add up to a request perhaps, and he wasn't sure if this Committee was the appropriate place but he felt the members knew a lot more than he did, if the public could be informed at this time as to what your vote means for a particular amendment that would be very, very helpful. Unfortunately, the lawyers have it, DRA has it or whatever, but it still doesn't really help us understand what we are voting on. Thank you.

Karen Umberger stated she would try to tackle that as best as she could. Dick (Vitale) had read a portion of the RSA that covers the 10% rule. The voters at the Deliberative Session basically said they didn't care about the 10% rule and they voted a dollar figure into the Warrant Article for the School Budget and so DRA approves all of the money that is spent locally. When they set the tax rate, they say yes this Warrant Article is a good Article, this one is, this one is, this one is; this one is worded wrong or it comes from the wrong pot of money or it does something else so that's been thrown out and this occurs for any number of reasons. In this particular case however, because the Deliberative Session exceeded the 10% which is the law of the State, she didn't think anyone knows what is going to happen or what DRA is going to throw out or not throw out and that's why we had this discussion tonight; we don't know what's going to happen and in truth she was not sure at this point the DRA knows what's going to happen until such time as they receive the forms from the School and on those forms it identifies the dollars that were passed by the voters. She didn't know what we are voting on because she didn't know once the vote is taken, what's going to happen when DRA reviews the budget and that's the best answer she can give; she didn't know.

Pat Swett stated at the Deliberative meeting she did make the comment that if she votes for an Article, she expects that Article to go through or be defeated. She didn't expect someone else to take her vote away but that didn't matter to the crowd there that night, they voted against it and she thought it was very sad that we are going to go to the polls on April 12th not knowing what we are voting on. Mrs. Swett further stated it was very sad that this Town is put in that position.

Joe Mosca stated just for everyone that's listening in and for those that are here, anything that you vote for on the Town side, your vote counts. Anything you vote for on the School side, we're not sure. It's all up to interpretation at this point in time and that's the best we can tell you unfortunately.

Bill Masters stated you will have a set figure on the Ballot; that's what you will be voting for. What happens with that set figure is if the 10% rule is applied then it will go down, one way or the other, but you will know what you are voting for when you go to the polls. We don't know and you won't know what the final outcome is, but you will know what you voted for and you can be assured that they are going to look at the 10% and that 10% will be downward. From his view point, when he walks in there and he votes, he will know exactly the dollar figure he is voting for because it will appear on the Ballot. He also knows that will probably change in a downward fashion if it is going to change. You'll

either get the Operating Budget or the Default Budget adjusted likely and that's the best he thinks anybody can say.

Doug Swett stated Warrant Articles passed, the money has to be spent on that Article; but the General Budget, all we can do is play with the bottom line and they are free, by law, to switch the money around and that's the fact of the matter. As for getting the information earlier, he wishes everyone all the luck in the world. Any information you get in the Fall will be hearsay information and the next week you'll get another sheet of paper and another sheet and it goes all Fall until about Christmas before you get the actual, just like we did this year. You can dream on if you want to, but he's seen that.

Pat Swett stated she had a clarification: She believed Doug Swett just stated any Warrant Article that is approved, that money has to be spent on what it's approved for. But up until this point, we have made the argument, that's what she was hearing anyway, that possibly the DRA could start with any Warrant Article that has been approved and take that money if they want to go with the 10% and take that Article away. It is using that money and that Article is not passed if that's the way they do it.

Karen Umberger stated they made the comment they start with the last Warrant Article and move up and she didn't know, there's nothing she has read in the RSA's or in any of the budget books or anything that describe how they will do this, so that must have been some information that somebody got from somebody.

Joe Mosca stated he didn't want to put words in Doug's (Swett) mouth, but he thought he was referring to in general that if a Warrant Article is passed, the money is spent on the Warrant Article. The budget itself, the line item budget for each department is a bottom line budget, so if the Town's given \$8.9 Million and it's split up between so many different line items, the Town can actually move that money around in those line items. He thought that was Doug's (Swett) point, not necessarily what's going on with the DRA at this point in time. Joe thought he (Doug Swett) was saying that the Warrant Articles are spent on the Warrant Articles and the bottom line can be moved around. It was more of a general thing than what we were talking about with the DRA.

Karen Umberger asked for further comments.

Cindy LeFebvre stated she thought the information on the Warrant Articles came from when the DRA made their presentation.

Joe Mosca moved, seconded by Ray Shakir, to adjourn the meeting at 7:45 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary