

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 15, 2014**

A meeting of the Municipal Budget Committee was called to order at 6:32 PM in the Professional Development Room at Kennett Middle School with the following members present: Chairman Joe Mosca, Danielle Santuccio, Maureen Seavey, Bill Marvel, Doug Swett, Michael Fougere, Stacy Sand, Dick Klement, Frank McCarthy, Steven Steiner, Maury McKinney, John Edgerton, Mark Hounsell, Greydon Turner, Brian Charles and Peter Donohoe. Excused: Dick Pollock. Also present: Dr. Carl Nelson, Jim Hill, Pam Stimson, Becky Jefferson, Amy Frechette, Neil Moylan, Kevin Richard, Lloyd Jones of The Daily Sun and other members of the public.

Frank McCarthy led those present in the Pledge of Allegiance.

APPROVAL OF MINUTES

John Edgerton moved, seconded by Dick Klement, that the Minutes of January 8, 2014 be accepted. In favor: 12; Opposed: 0; Abstain: 4 - Joe Mosca, Greydon Turner, Brian Charles and Peter Donohoe.

Stacy Sand stated on page 2, last line, it says Eastern Slope Regional Area and it should either be Eastern Slope Regional Airport or Eastern Slope Regional Area Airport. Iris Bowden stated that is what was said and she played it back twice.

Stacy Sand stated on page 16 under Solid Waste, paragraph 3, line 4 "paper bag" should be "pay per bag".

Chairman Mosca stated that Peter Donohoe is marked as having been absent and he should have been marked as excused. He did get in touch with the Chairman and, because the Chairman was not at the meeting, he didn't get the message to Iris (Bowden).

SCHOOL REVIEW

Dr. Carl Nelson stated last week the Committee was given the budget books and this week he would like to highlight, answer any questions the members may have and he did have the department heads or the directors and principals from each of the schools present so they could answer any individual questions.

Dr. Nelson stated he gave a copy of the answers to the 39 questions the Committee presented to him and obviously members have not seen the answers yet so there may be more questions about the questions. His suggestion would be if members do, after members have had time to digest them, that members funnel the questions through Chairman Mosca and he will get them to Dr. Nelson and Dr. Nelson will be able to provide both written and oral answers.

Dr. Nelson stated those members that have served on the Budget Committee the book is not unfamiliar, it has a lot of information in it and he was

going to try and go through some of the highlights. The first page is almost like an Index or Table of Contents and tells you what's there. The second page is his Memo to the staff in terms of the direction for preparing the Budget and he gets that direction obviously from the Conway School Board. This year the direction was to develop a needs Budget, not a flat line Budget, but a needs Budget. The Principals and directors he thought did an excellent job of doing that in putting together a needs Budget.

Dr. Nelson stated the Budget represents a 3% increase in the Operating Budget. In Tab A, Budget Summary, they are organized by Units and members will see that in the far left-hand column, for instance: Unit 2 is Special Ed, Unit 3 is the High School and members can go down the line and see there are 9 different Units with the last one being a district wide Unit, Unit 10. Members can see when it is totaled up there is an increase of \$962,405.00 and, skipping right to the bottom, \$600,000.00 of that is due to Health Insurance increases throughout the District; \$128,000.00 is the Air Handler that will be talked about a little later on that's now in the Budget and whether they leave it there or not leave it there is going to be a decision the Conway Board will make very shortly; \$75,000.00 which was normally a Technology Warrant Article that has been approved by the Town over the last 3 or 4 years and the Board asked that it be put into the Budget and we have done that. Those three items reflect the biggest increases in that.

Dr. Nelson stated the Health Insurance increase which is absorbed in the Budget is 8.99% over the previous year. The Committee asked for the individual numbers in its questions and they have provided the actual dollars and cents.

Dr. Nelson stated in the far right-hand column is the percentage increase for each of the Units and members can see from the second to last column the dollar amount increase. The big increase at the Middle School would be the Air Handler if it is funded that way. The big increase at Conway Elementary is the Rotating Fund which is now back in the Budget of \$60,000.00. At Pine Tree they had an additional 1.5 or equivalent of 1.5 teachers that was added to this particular Budget. When you get down to the bottom, the reason for the 6% decrease primarily in Unit 10 is the reduction of a Bond which is about \$92,000.00.

Dr. Nelson stated that's a quick one page glance of the ups and downs in the Budget by Unit. The next couple of pages break that down so members can go to any one of the Units which are labeled across the top and read down to find out what those increases or decreases are for each one. If members want to take a look at any one of the Units, add all of those columns up and they should come to the Summary you see on the front page.

Chairman Mosca asked if the Air Handler was in under Unit 4. Dr. Nelson stated yes. Chairman asked if it was in the numbers now. Dr. Nelson stated it is in the Budget. Chairman asked if it were to be pulled out, would it be a Special Warrant Article. Dr. Nelson stated if it were to be pulled out, it would have to be a Special Warrant Article and the Board is debating what they want to do with that right now. The total cost of the Air Handler is going to be in excess of \$600,000.00 and it's not just an

Air Handler, it's really an HPA System that they are replacing up there. By the time they get all of the work done, it will be in excess of \$600,000.00. Chairman asked if it was all out of this Budget. Dr. Nelson stated it's budgeted here; they've budgeted \$128,000.00 in this Budget and the theory was to pay it out on a lease purchase arrangement over a period of 5 years if it stays here.

Dick Klement stated if you move it to a Warrant Article, then you'd have to do the whole thing. Dr. Nelson stated they would have to inform the public of the price of the whole thing. There is a Capital Project Warrant Article that you can write that would distribute it over a period of time. Dick stated by passing a Warrant Article, it would obligate the Town for \$600,000.00 or thereabouts. Dr. Nelson stated approximately, yes; it would be a multi-year, like they have Union Contracts that are more than one year, they would need to explain what the cost is in each and every year. Dick stated if the Air Handler fails with a Warrant Article for \$128,000.00 per year, what happens then. Dr. Nelson stated you don't do it and you'll find that you won't be in this room in the middle of the winter probably because this room is part of what the Air Handler services. They would have difficulty. Dick stated he wouldn't ask if Dr. Nelson thought that was a wise decision or not. Dr. Nelson stated he wasn't going to make it.

Chairman Mosca stated if it stays in the Budget and it gets approved this year, what happens next year and the 4 years thereafter if cuts get made in the Budget because basically you're setting yourself up for a 5 year program for approximately \$600,000.00. Dr. Nelson stated that's what they are doing. Chairman stated if it's in the Budget and some future Budget Committee decides to cut the Budget back like what happened a few years ago, what would happen then because then you're on the hook for it. Jim Hill stated if you do a lease purchase on a Grader for example and you decide in year 3 that you're not going to make that payment, they can come, put the hook on it and take it away. He has pictures of it to show the Committee and members might want to see it, it's probably a quarter of the size of this room, it's huge. Chairman stated he guessed his issue is not doing the work that needs to be done, but if it is in the Budget this year and for some reason the Budgets get cut in future years, if the money's not there, you're going to have to cut something else to pay for the Air Handler. That's what he is thinking. Dr. Nelson stated that would be the case. They need to pay this off, this bill if you will, so something else would have to go to accommodate that.

Dr. Nelson stated he was going to go through a couple of things that are similar to what he had just shown the Committee. Dr. Nelson asked the members to turn to Tab D, members will see a Summary by functions. Members can actually go in and see Regular Education and what the cost is projected to be for next year and what the percentage increase is over this year. They have actually given several years. Members can do the same thing for Special Education.

Dr. Nelson asked the members to turn to Tab E, it's going to give members a summary by object. Members can go in and look at salaries, what was the cost increase or decrease in that, health insurance and so on and so forth.

Dr. Nelson asked the members to turn to Tab F, Special Education. People always like to look at that separately. Dr. Nelson asked the members to turn to Tab G, the Revenue page. This year they returned \$940,000.00 to the taxpayer and next year they are projecting a little under \$600,000.00, so there's about \$300,000.00 less there and, of course, that has an affect on the projected Tax Rate which we will get to in a moment. The tuition revenues are about the same as they've been in the past when you total them up at the bottom. Dr. Nelson directed the members to look at the far right-hand column at the bottom of the page, members are going to see a group of three figures and, if members look over on the left, they will see State Adequacy Grant. The State Adequacy Grant last year or the year we are in right now was \$3,166,000.00. If they use what the State gives them at 95%, they are at \$2,847,000.00 or again they have now lost \$300,000.00 from what they had in income this current year. If members add the State of New Hampshire tax and the District Assessment, members will see that out of the \$34 Million they are projecting, Conway's share is \$17 Million so there is enough income from other sources: tuition, State, etc. to offset half of the Budget that members were looking at.

Dr. Nelson stated that behind Tab G are just the directives that they get from the Department of Education in terms of what they have to do by the 15th of November, they have to give the Adequacy numbers and those have been given to the Committee.

Greydon Turner asked Dr. Nelson to explain what Federal Projects are. Dr. Nelson stated those are Grants; they have a Grant for Special Education and he will be showing the members a page where the Grants are all listed so that the members can see the individual prices of the Grants.

Dr. Nelson proceeded with Tab H, Estimated Tax Rate. This \$34 Million Budget that we are looking at right now and this number is not finalized right now, this is what they are working from, would have an affect on the Tax Rate of \$.72 per thousand and that would be an approximate 6.3% increase and that's the Budget alone. Below that, members will see the Warrant Articles of which they don't have all of them complete yet. The teacher negotiations has been agreed upon. He can tell the members that the Teacher's Union has ratified it and the School Board will have an opportunity to do that on the 27th of January. The CESP Contract has been ratified by both the Conway Board and their Union so he was able to tell the Committee what the cost of that is in the first year. The AFSCME Contract has been agreed upon by both parties. The AFSCME Union will be voting on that on the 21st of January and the Board will vote on that on the 27th of January.

Dr. Nelson stated moving down the line, there is the 3 traditional Tuition Contract Maintenance Trust Warrant Articles and he will go over those a little later on. He was just going through it because it does have an affect on the Tax Rate. Not all Articles are there yet. The Board has chosen to "x" out legal services for seeking reimbursement from the State of New Hampshire based on the legal counsel opinion and that's \$60,000.00 in a Warrant Article that you will not see. The Capital Reserve for the bus is in there, they have Project Succeed in there and the Maintenance Trust. The very last one which is a discontinuing of the Expendable Trust

Fund for Tuition by \$45,305.00 is an account that they had in place when they constructed the new High School. They were originally provided information that they would give us Building Aid over a 5-year period of time. They gave it all to us in 1 year, all in a lump sum. What they did was put that in a Trust Fund so they could distribute it over the 5 years which is how they based their Bond issue and how they based their Bond. Rather than have a spike in the Tax Rate drop real fast one year and then was real high the next 2 or 3 years, they distributed over a 5 year period. There is \$45,305.00 left in that and they are suggesting that it be liquidated and that the money would be to offset taxes, that's what it would be used for.

Dr. Nelson proceeded with Tab C, the Default Budget, which is not there because it has not been approved yet by the Conway School Board. The Default Budget will be in the neighborhood of about \$33,771,000.00. Depending on what the School Board does with the actual Budget, they will be able to determine the difference between the Default Budget and the proposed Budget. He was sure he would have that the next time he meets with the Committee.

Dr. Nelson stated he wanted to go to the Warrant Article Tab which would be Tab B. The first page gives you a summary of the Warrant Articles that he just talked about. They have put the Tuition Contract Warrant Articles first on the list, Article 2, Article 3 and Article 4; teacher negotiations which they are not able to give to the Committee at this point, Article 5; the Budget when they developed it is \$34,099,504.00; they have CESP negotiations in there; they do not have AFSCME in there; they have Project Succeed; they have the bus; they have "x"ed out Warrant Article 11; and they have a Maintenance Trust Warrant Article in there. The one that isn't in there is the one talked about in terms of the Tuition Trust that they will be liquidating.

Dr. Nelson stated if the members turned the page, they would see the actual Warrant Articles which he had just talked about. Warrant Article 2 is that Maintenance Trust Fund which right now has \$374,000.00 in that particular Warrant Article. If they add \$54,000.00, they will be over \$400,000.00 at the High School. Warrant Article 3 is the same but for the Middle School which currently has \$120,000.00 in there and if they add \$17,000.00 members can see that there would be about \$137,000.00. Warrant Article 4 is the Elementary School Maintenance Trust per the Tuition Contract which currently has almost \$60,000.00 in there and they would be looking to add another almost \$10,000.00. That money doesn't go very far when you have an oil tank that goes down or a roof that cracks or something like that. Sometimes the numbers sound large, but they can get eaten up pretty quick and we can attest to that.

Dr. Nelson proceeded with Warrant Article 5, Teacher Contract which they will have for the Committee the next time. Warrant Article 6 is the Budget and there's obviously the Municipal Budget Committee's recommendation on the Budget number, the Default when the Board approves that, and then the number the Board is recommending. There are 3 numbers in there. Warrant Article 7, the Contract for CESP people. Warrant Article 8 will be AFSCME. Warrant Article 9 is Project Succeed; last year they asked for \$44,000.00, this year they are asking for \$48,000.00 and it looks like they may be

able to offset that with about \$20,000.00 in revenue through various projects.

Dr. Nelson proceeded with Warrant Article 10, the Bus Warrant Article, for \$75,000.00, that's a replacement of a handicap bus. If there are any questions about that, he will ask Jim (Hill) to respond to that, but Jim did give the members a breakdown of the Bus Replacement Chart. Warrant Article 11 is out. Warrant Article 12 is the general District Maintenance Trust Fund of which there is \$152,000.00 in there and they are looking to put another \$100,000.00 in and this would be capped at \$500,000.00 at some point in the future. Warrant Article 13 in the members' book, now the new Warrant Article 12, would be the Tuition Trust Warrant Article where they are looking to liquidate that \$45,000.00. That will affect the Tax Rate by about \$.03 or \$.04.

Dr. Nelson stated he has given to the members the Memorandum of Agreement for CESP as well as a cost chart so the members can see how they figured it and there is the data on Project Succeed behind there as well as Jim's (Hill) Bus Replacement Schedule.

Dr. Nelson stated there was a question about Federal Projects and if the members turn to the very last page of the Budget book members can see the Grants that Conway writes and receives, what they project for 2014/15 and members can see it is in excess of \$1.5 Million.

Bill Marvel stated not so much a question, although it is a request, he noticed for the second year in a row Dr. Nelson has ignored the request for the names of the employees. Bill handed Dr. Nelson a formal RSA 91-A for a request for the names of all Conway District employees with their salaries. Dr. Nelson stated he could e-mail it to Chairman Mosca. Bill stated with the names on it. Dr. Nelson stated yes, he could do that tomorrow morning, but the rest of them he would have to go through and get them. Dr. Nelson stated they have to respond within 5 days to that.

Dick Klement stated this year he understood they moved the Tech Warrant Article into the Operating Budget. Dr. Nelson stated that was correct. Dick stated but there's no Special Ed Trust Fund Warrant Article this year. Dr. Nelson stated they decided not to put that in. They will have \$400,000.00 in that Trust Fund at the conclusion of this year.

Dick Klement stated in your exam, on Questions 2, 3 and 4, the question is asked how many people teach 4 or more classes per day, Middle School/High School and what he was looking for is how many teachers teach 3 classes a day by physical number, how many teachers teach 2 classes per day by physical number. He thought that was an easy answer to get, he didn't think that a blanket statement of saying "the Contract says 275 minutes" would answer the question. Perhaps he was wrong. Neal Moylan stated teachers teach 3 blocks per day and the Reading break which is 35 minutes. All of their teachers are with students for 275 minutes per day. Dick stated so nobody is teaching 2 courses. Mr. Moylan stated they have Department Heads who may teach 2 courses per day and they would have a Reading break on top of that and then they would have Department Head duties one block a day and prep. Dick stated but they also get a reimbursement for that, for a Department Head. Mr. Moylan stated that was

correct, they get a stipend. Dr. Nelson stated that's contractual by the way. Dick stated he understood that.

Stacy Sand stated this is very minor; under Project Succeed which is under the Warrant Articles, she was just going through and reading about it and the next to last sentence says: "... Project Succeed served over ___ students, 189 of those ..." We are missing a number there. Dr. Nelson stated maybe it didn't get in; he will get that corrected.

Maury McKinney stated he wondered about some of the increases with the ventilation system and apologized for not knowing exactly where, but is it at the Middle School. Jim Hill stated yes. Maury asked if that cost was part of a Capital Reserve Fund. Mr. Hill stated that unit was installed in 1978 so it is approximately 36, 37 years old depending on exactly when it was installed. That's been on the Capital Improvements Plan; it's been on the 5 year plan for probably 10 years and they've kind of done some other projects around it. In fact, last year they leap frogged an Air Handler on that part of the building because of priorities. That one unit provides all of the heating and ventilation for the entire Gymnasium, all of the Locker Rooms, all of the Music Rooms and all of the Practice Rooms and he couldn't remember if it was attached to this room or not. That is the entire heat source for that entire wing. Maury stated for something as important as an HPA System, why wasn't that put into the Operating Budget as a Capital Reserve Fund. Mr. Hill stated right now it is in the Operating Budget.

Frank McCarthy stated he was sure these figures are all perfect, but as he looks at it the Middle School teachers are paid more than the High School teachers and in some cases even the Elementary School teachers are paid more than the High School teachers on the average. Dr. Nelson stated it's contractual. Chairman Mosca stated it's contractual and it's years of service. A lot of the teachers at the High School are newer so their salaries are lower and a lot of the teachers in the Middle School and the Elementary Schools have been here longer so their salaries are higher. Frank stated so the High School teachers have been here the least amount of time. Chairman stated for the most part, yes. He wouldn't say all of them, but there was a big turn over in the High School, there are a lot of younger teachers in the High School.

Kevin Richard asked Frank McCarthy how he was defining who are Middle School teachers. Dr. Nelson stated he was looking at a question asked earlier. He thought he was looking at Questions 5, 6, 7, 8 and 9. Chairman Mosca agreed.

Stacy Sand stated she would like to get a little more information on the Air Handler System. Is this basically exactly what we have now but just a newer model; is it using the same fuel; have they looked at alternatives to the type of systems that exist now; how did they come up with this particular one for their choice. Jim Hill stated this is going to be the, he didn't want to call it state-of-the-art, because some of the technology has been around for awhile. Basically that unit up there is 30,000 CFM, 150 amp. People that have houses have 100 amp services. That unit is either full on or completely off. If they are calling for heat in the Locker Room, that unit that's there now is going to be full on and the

meter is spinning crazy. The new unit is going to have basically one coil, the air blows across that coil and goes into different vents into different rooms. The new unit is going to be a variable speed unit. For example, the Locker Room which is relatively small needs to have some air or heat, that unit will ramp up slowly and enough to provide heat and ventilation for that room. If they have a Louis Fuchs Concert, for example, in the Gymnasium where you have high levels of CO2 or you need heat, then it will still ramp up but it will ramp up to the max. One of the more important things about it is that's part of setting that peak demand so that's your \$150,000.00 electric bill for this whole campus. Now, if you can ramp it up and particularly ramp it up in conjunction or concert with other units, they aren't all hitting at the same time. It not only is going to be more energy efficient, it actually will help reduce the electric bill for the entire facility.

Maury McKinney stated he wanted to go over a couple of line items and he appreciated some of the comparisons. The first one was for Psychological Services at 11.9% increase. Again, it may not be a lot but he was just wondering what are they doing different, are they doing something better. Dr. Nelson stated Pam Stimson is their Special Ed or Special Services Director. Ms. Stimson stated the majority of increases in Special Ed are Health Insurance and they were not changing any of the service provisions or employees for the Psych line and an outside contractor. Maury stated the Psych line is not reflecting increases in services, it's reflecting increases in benefits. Ms. Stimson stated correct.

Maury McKinney stated in Support Services, managerial he thought, has a 17.65% increase, what were they doing there. Dr. Nelson asked if that was in Special Education because he did not know what page Maury was on. Maury stated he was on the Function Summary. Ms. Stimson asked Maury what line he was on. Chairman Mosca stated 2810. Ms. Stimson stated it was testing for the bus drivers and it was a \$300.00 increase.

Maury McKinney stated in the Object Summary there is a 33.9% increase in Purchase of Professional Technical Services and he was not sure what that was. Pam Stimson stated the majority of that will be under Special Ed Services where they are contracting with outside providers that come in to do professional development for staff, direct services and consultations for students. There are other functions that used that Object Summary, but she believed a majority was under Special Education.

Maury McKinney stated the other one was the Communications/ Phone/Postage with a 1.8% increase; usually that stays about the same; are they doing a big event. Jim Hill stated the District made a commitment this year to go on to fiber. Pine Tree School and John Fuller School were basically dial-up and the District said that's not acceptable.

Maury McKinney stated this is his last one, Equipment and Furniture. He knows his furniture budget at his business has gone up quite a bit. What's going on with the Furniture and Equipment. Amy Frechette stated replacing old library chairs and tables.

Chairman Mosca stated time out; one person at a time; please announce who you are because Iris (Bowden) doesn't know everybody. Please and thank you

and one person at a time, he didn't want people going back and forth between each other. He likes to keep control and he is going to take control. Please, if you would, he would appreciate it greatly.

Dr. Nelson stated he knew there was a lot thrown at the members and that there will be a lot of questions from that and he thought members could use the same process of filtering through Chairman Mosca.

Chairman Mosca stated he had several questions and was letting everybody else ask first.

Stacy Sand stated in the line item Budget, first of all she appreciates the Administrators really looking at their programs and asking for what they absolutely need, the only thing that really jumps out at her in terms of staffing is a new position under the High School Budget, page 29, and it says "New Position - Student Safety Enforcer". She would like to know what that position is and why it has been added to the Budget. Neil Moylan stated the Student Safety Enforcer is the position that is going to replace the Dean of Students Administrator which he has removed. They will be looking to continue to try to provide a safe school environment at a substantially lower cost.

Dr. Nelson stated the Board gave them a directive last year that by the conclusion of this year they needed to eliminate one administrative position and they've done that, but you do have to get many of those responsibilities taken care of and Neil's (Moylan) creative thinking in terms of how to get that done at a significantly lower rate and still get the services completed that they need.

Chairman Mosca stated when the discussion took place he thought the discussion was to eliminate not to add another one back in. That wasn't part of the discussion when we had the discussion as he recalled. Dr. Nelson stated that's how they proceeded. Remember they were asked to do a needs Budget and that's what they've done. Chairman asked what is the function of the Police Officer that's stationed at the school. Dr. Nelson stated he has many different capacities and asked Neil Moylan to give the job description for this. Neil Moylan stated the Police Officer deals with criminal offenses or offenses moving in that direction and the Student Safety Enforcer would be dealing with situations where some body may be swearing in class, maybe a fight that doesn't elevate or rise to the level of having an Officer. They would be responding to the scene of a medical emergency, as they did today; dealing with truancy; and just about a whole host of things that would need to be monitored to maintain safety in the environment for both students and staff.

Chairman Mosca asked what is the Vice Principal's function. Neil Moylan stated the Vice Principal does it as well. If members take a look at the data that they have submitted, members will see that they responded to over 7,000 incidents last year alone, not including incidents that may have occurred from homelessness, DCYF, hospitalization and significant other issues. They have already cut one Hall Monitor from previous budgetary years. He can tell the members that he spends far more time in the hall than ever before which actually takes him away from the time in the classroom doing observations and general instruction in educational

leadership. As they move forward next year, he expects his time to be even further into the building as well. Amy Frechette stated that the School Resource Officer is shared by all of the schools, primarily he is housed at the High School, but they do use that position for a lot of events at the Elementary level. Pam Stimson stated that was her point that the School Resource Officer is available for all of the Conway District schools and students from preschool through High School.

Dick Klement stated if we take a look at the answer to Question 15 which is one of the questions asked, at the High School the SRO is responding to 3 incidents a week at the High School itself and, as Neil (Moylan) pointed out, more serious things requiring a Police Officer and then there is about 90 a week that they have to deal with that require consequences: detention, etc. and 100 or so a week that don't require consequences but need to be monitored. There are 830 active hormone children, young adults in a building and you need some kind of adult leadership monitoring what they're doing and to say we need to cut an Administrator because it's not a teaching slot, okay, but what do you do with those children. We are responsible for them and if something happens, we're liable for it as well as worrying about the health of the children. He thought it was short-sighted to say "cut a position" and he thought they were doing the best they can. The Principal is also responsible to do evaluations on all of the teachers. The Department Heads can't do it because they're Union people and Union people can't evaluate Union people, so this poor guy is stuck with everything and he needs some help. Enough said.

Chairman Mosca stated he didn't know where it was written that Union people can't evaluate Union people. Mark Hounsell stated it's the law, RSA. Chairman stated why aren't they in a different Union if they're in supervisory positions then they could do evaluations on other Unions. It's a simple solution.

Mark Hounsell stated he didn't think it was, if he might respond to that as someone who sits on the State Public Employee Relations Board and also he had that same question and he checked out the RSA and he check out his friends at the State and it's forbidden if they belong to the same Union. They're teachers and they, under the law, have the right to join whatever Union they want and they have the right to join a collective bargaining unit. On that point, there is no opportunity for Department Heads to evaluate, it's just forbidden. The other thing is he was concerned and the School Board he thought handled it correctly, he is representing them and is representing them on this as well, that they cut an Administrative position, they gave that directive and they did that. This new position is not an Administrative position even though they cut an Administrative position, they did not eliminate the need. This is a solution that meets the need, but reduces the cost.

Bill Marvel stated to Mark Hounsell does he understand that the School Board meeting he went to last year where he heard an agreement to reduce one Administrator at the High School began with "x" number of people, whether they were Administrators or not, "x" number of benefit packages and pension plans and yet now there are still "x" pension plans and "x" number of benefit packages. Mark stated Bill was correct, but he should include in that "at a lower cost than the previous arrangement". Bill

stated in salary alone. Mark stated in salary and benefits, the whole package is less than it was if they had kept the Administrative position. He would submit that they have reduced costs in that area and this plan allows them to address the need. He didn't know if that answered it completely for Bill or not. Bill stated it does as he was kind of stunned sitting here after having attended that meeting and he was trying to pick up whether no person got cut and that seems to be the case. There are still as many people as there were before. Mark stated there's as many people, but there's fewer Administrators. Bill stated okay, it still takes the same number of bullets.

Maury McKinney stated he had two questions: why a 3% decrease in Dental Insurance. Dr. Nelson stated it's the family plan versus the two-person or the single person plan, changes in the plan. New people come in and maybe one person going out had a family plan, the new person might have a single plan and therefore a decrease in the costs. Maury stated that sounds good.

Maury McKinney stated his second question: a 10%, 11%, 12% increases that we've seen in Health Insurance over the past few years. It is simply unsustainable. Dr. Nelson and Jim (Hill) spend a lot of time dealing with the Health Insurance piece. This year the increase was 8.99%.

Dick Klement stated the Conway Special Ed students outside of the District, the answer to Question 26, we are looking at 42 children, has there been any thought or ongoing thinking to bring in a specialist that is salaried to pick up some of this load rather than sending the children out. Pam Stimson stated Unit 2 includes Preschool and the Elementary level. They do not have a public Preschool and they have considered those costs annually and currently it would be an even wash to create a Preschool here or to continue contracting out. When you look at the Elementary, Middle and High School level, some of those children need services that they can't provide fully here. They are looking at, and actually just at the Board meeting on Monday night, they needed a position for a Board Certified Behavior Analyst and they will be advertising for the position. She anticipates that if they can hire someone with that certification, they will be building more capacity to insure that more of our children can move back into the District. Dr. Nelson stated it's a big if and Ms. Stimson agreed.

Chairman Mosca stated in Tab A, second page, the first group of numbers, Retirement All, and it's all going up. Isn't Retirement Benefits a function of salary. The salaries are going down, why are Retirement Benefits going up. It's not a lot, only \$13,007.00, but if the salaries are going down, shouldn't the Retirement also be going down. Becky Jefferson stated some of the salary reductions there are for positions that do not carry Retirement and there are some early retirement people that are going away.

Chairman Mosca stated if we flip the page over, about three-quarters of the way down, it's in bold, SAU #9 Share - Draft #2 Proposed Budget, \$53,890.00, what's that. Dr. Nelson stated that's the Conway share increase to support the SAU Office. That's the increase to Conway. There are 7 Districts in SAU #9 and each of them pay a portion. Conway's portion

went up almost a full percent over what it was the year before and that's what that represents. Chairman stated perfect, that answers that.

Chairman Mosca stated down to line item 10.2720.610.87, Parts, Supplies, Transportation, it's going down \$26,710.00, how's that. He likes decreases, but he has to ask. Dr. Nelson stated that's because they changed their policy in replacing buses and they are doing less maintenance than they were in the past.

Chairman Mosca stated in Tab D, Function Summary, line item 2100 for Support Services, 2190 for Other Support Services, 2400 for Support Services-School Adm, 2810 for Support Services-Managerial and 2900 for Other Support Services, why do we have so many of them and there are two other Support Services. Becky Jefferson stated that's just a function of the accounting that they have to do for the State of New Hampshire. It's different services; 2100 Services are for pupil services for example, the 2800 is where bus driver drug testing is in that one and 2900 is where they put the retirees because they don't really fit any place else. Chairman stated so it's just an accounting process and it can't be changed.

Chairman Mosca stated line item 2720 - Pupil Transportation, why is that going down, decreasing by 6.13%, how are we figuring that. Jim Hill stated maintenance costs are going down because they've started replacing the buses the way that they used to.

Chairman Mosca stated in Tab H, Estimated Tax Rate, if everything passes and we add in the two Teacher Contracts that we don't have totals for yet, right now the number is at 8.28% increase and if you add in the two Contracts we're probably over 10%, so we're looking at a 10% increase if everything passes and everything is approved. Dr. Nelson stated he would say that the Chairman is correct and that he should have that actual number the next time he meets with the Committee. They will give the members a replacement page.

Stacy Sand stated it's a very miniscule thing and she couldn't tell where it actually is because she didn't take that good of notes, Student Insurance for Elementary kids, what is that about. It's only like \$1,000.00 at each school, but she understands under the co-curricular Budget and she understands in a High School and Middle School that these kids are doing sports and they need insurance, but what is Student Insurance for the other kids. Jim Hill stated the Conway School District for the past 20 years has offered Student Accident Insurance at so much a head, \$6.00, \$8.00 a head per student. What it is is a student stop gap insurance. Basically, if someone is hurt on School property, they fall down or get hit or something like that, the parents fill out this form and send it in and they can get something back to cover an x-ray or office visit. It's very minimal, but what it does is that they have found over the years they have had next to zero legal claims for those types of accidents. He thought they may have had 2 or 3 in the last 15 years. What happens is when people go and they have some type of medical claim, they have something to submit and they at least get something back, they are less likely to go out and hire a lawyer to come after the School District to litigate and to pay the claims.

Frank McCarthy stated if you look at the very beginning, Budget Summary, Special Education is at \$6.5 Million for an increase of 5.37% and \$330,000.00, but that coincides with Section F, Special Ed Summary, but it doesn't coincide, and that's his question, why doesn't it. He is sure there is an answer for Section D, Function Summary, and he remembers 1200 is Special Education-All but it's about \$1 Million less than the rest of them. Pam Stimson stated the 1200 line covers all Special Ed, but then they also have when you look down like what Maury (McKinney) was asking about the 2140 line and the 2150 line, those are all Special Ed services as well that go under that 1200. It's the function numbers that they need to use for accounting, so 2140 is Psychological Services within the Special Ed setting but it can also be Psychological Services within a 504 setting as well. The 2150's are Speech/Language Services; 2160 is PT and OT Services; so there are additional services that are included in Unit 2. Frank stated the grand total jived, but the Summary totals are different and it's confusing. Ms. Stimson stated it is confusing.

Chairman Mosca stated now he wanted to get into the schools themselves. The 3 Elementary Schools, this he pulled off the SAU website personnel, Conway Elementary has 10 positions that are listed under the Principal; John Fuller has 10 positions that are listed under the Principal; and Pine Tree has 8 positions. Why does Pine Tree have 2 less. When he looks at the positions that he would say are administrative and the School Department may not say administrative, but there are 8 positions: Principal, Nurse, Guidance Councilor, Technology Aide, Administrative Aide, Clerical Aide, Library Media Specialist and Student Support Specialist. There are 8 people; the other two schools have 10 and he wants to know why they have 2 more. Amy Frechette stated she would have to cross reference the list. She knows that Conway Elementary has a Family Liaison and that's a different position that John Fuller and Pine Tree don't currently have. Chairman stated but you have a Student Support Specialist that they don't, so he says those two sort of wash each other. The one that he is looking at is a Reading Specialist and a Speech/Language provider at Conway Elementary and there's a Reading Specialist and there's another Speech/Language provider at John Fuller. Amy Frechette stated they each have a Reading Specialist, Conway El and John Fuller's is full-time and Pine Tree is currently a .6 position which is 3 days a week which actually accounts for a portion of the increase at Pine Tree where she is asking for a full position there. Their Student Support Center staff people are paraprofessional positions, they are not teachers and the Speech/Language they share people.

Pam Stimson stated based on individual student needs annually, they move their service providers as needed at each school so they have Speech Service providers on their payroll at Conway Elementary School and Pine Tree this year and they have a contracted employee at John Fuller this year. It changes yearly based on individual needs. Amy Frechette stated a lot of those people, like the Speech/Language providers are Conway employees, they're not housed at any particular school. They might provide services to Preschool age children and then spend a portion of their week at Pine Tree based on student individual programs.

Chairman Mosca stated at the High School there are Principal, Vice Principal, Special Ed Coordinator, Library Media Specialist, Guidance

Director, Student Advocate, Dean of Students which is no longer a position. Neil Moylan stated it is now, but it will not be next year. Chairman continued with the Athletic Director, 2 School Nurses, JAG which someone will have to help him with that one. In the Main Office personnel there's another Administrative Assistant, a Clerical Aide, 2 secretaries, Technology Aide, Library Aide, Campus Monitor, Substitute Teacher Coordinator which is one that he would like to talk about, School Restriction Aide and Building Supervisor. Do we need all those people. Mr. Moylan stated they need more than what the Chairman just listed. They have cut back over the years and are making do with more with less, but they are skinny in many, many areas. They are not doing the job that they've done in the past and should be doing so yes they do need all of those people and more.

Chairman Mosca stated the Substitute Teacher Coordinator, is there one at the Middle School also. Dr. Nelson stated yes. Chairman asked if that was something that could be centralized and have one person instead of having one for each school. Kevin Richard stated one of the pieces about the Substitute Coordinator is that person, and he can't speak for the High School, but that person comes in every morning at 6:00 AM and if there's a need for a substitute, that person actually substitutes. What it really comes down to is about an additional \$10.00 a day for their Substitute Coordinator to get to School at 6:00 AM, make the phone calls, arrange all the schedules, do the orientation, stay and get things ready for the next day. Even though it says Substitute Coordinator position, that person substitutes every day or, if there's no need for a substitute, we pay for about 2 hours which is about maybe \$20.00 and then they go home. Neil Moylan stated that's exactly the same thing that occurs in High School except that they start at 5:15 AM.

Chairman Mosca stated he had one other question, Title I, there are two Title I Coordinators according to the printouts, do we receive Title I monies. Dr. Nelson stated yes. Chairman asked where was it listed because he didn't see any listed any where. Dr. Nelson stated on the last page of the book, members will see Title I at the top, \$566,000.00 that they are anticipating. Chairman stated he did miss that, so we have two people to administer \$500,000.00. Dr. Nelson stated they are part-time. Chairman stated that's perfect and it answered his question.

Frank McCarthy stated the 5.37% increase in the Special Education, what was the primary driving factor on that, increase in personnel, increase in students under that category. Dr. Nelson stated the IEP's which is the individual learning packet for each student, the individual learning program changed and some time students require additional services or for instance additional 1:1 Aides and he thought there were 4 or 5 in this Budget, 5 additional 1:1 Aides because the IEP is saying that the student has to have a 1:1 Aide and that's where that increase comes from. Frank asked if that was the primary driving force and Dr. Nelson agreed it was.

Chairman Mosca thanked Dr. Nelson and staff for coming in this evening and the Committee appreciates their time and comments. Thank you.

OLD BUSINESS

Chairman Mosca stated first he would like to bring up the schedule. We missed one meeting and we moved some the Town Departments back. There are two options that are open right now; on January 29th which is a Wednesday evening, we have scheduled final questions for the Town and the School. We can bump that one back and we can put the Town Departments in there or, which is less appealing to him, we can have the Town Departments come in on February 3rd which would be after our final questions and that doesn't make sense. Next week is the School coming back for final questions. We could ask them to come back in two weeks and try to get the Town, he didn't know if they scheduled of some of the Department Heads if they can be here next week or not.

Stacy Sand asked why not do some of both next week. Danielle Santuccio stated we only have a couple of Departments, Recreation and Police, right. Chairman Mosca stated we have the Conservation Commission, Library, Police, the Precincts already came, we have all of the Warrant Articles and we have the Rec Department still to go. Do we want to see if we can get some of them in next week and do both. Stacy stated they're not expecting it. Chairman stated he was sure that some of them might be able to.

Dick Klement stated if we do the School next week, we won't have the answer to the CEA Warrant Article, we won't have the answer to what they are doing with the Air Handler, so we'll be in a limbo situation again. Chairman Mosca stated he didn't know if we needed another meeting with the School unless members think we do. Again, we are scheduled on the 29th for final questions for School and Town so we'd have them back here on that night any way and we have the 3rd open if we need to use it. He can contact Dr. Nelson in the morning and tell him we're canceling next week so they can get all of their Contract information and numbers together and we'll just have them come in on the 29th and we'll see who from the Town is available on the 22nd and bring them in on the 22nd and whoever isn't we'll bring in on the 29th. Does that make sense to everybody, is everybody good with that.

Mark Hounsell stated his concern is that from last year when we got down to taking our votes and setting the recommendation especially with the School, we were so pressured by the schedule that he didn't think that the Committee took the time necessary, in other words he thought the Committee needed more time, to talk about the School Budget. He thought it was going to be more so this year. If there is any way we can have some where on the schedule an adequate amount of time before we vote to make a recommendation to discuss the issues of the School, that would be his main concern.

Chairman Mosca stated we vote on Budgets on the 13th of February which gives us a month. Mark Hounsell asked when do we hold our discussion about the School Budget. Chairman stated we can't do that until we have all of the information, that's the problem. Mark stated that brings us to the night of voting, we may want to start at Noon. Chairman stated again, we have February 3rd which is a Monday as an open date. We can use that because by then hopefully we will have all of the information required by

the Schools to sit and have a discussion. Mark stated that makes sense and that gives us enough time to mull it before we have the vote on the Budgets. Chairman stated February 3rd is going to be discuss School Budget. Mark stated he liked that. Chairman stated that whole night is just going to be discussing the School Budget.

Chairman Mosca stated the 22nd, next week, is going to be whoever from the Town can be here, on the 29th will be questions for the Town and the School and any Departments that can't make it next week, February 3rd will be just discussing the School Budget. Maury McKinney asked if that would be at the Middle School and the Chairman stated he couldn't say yes; if the room is available and he will put the request in tomorrow. He thought it was already requested, but he was not sure. He thought when we requested for our meeting, he requested all of the dates that we had so it may already be on the schedule. He will double check that with Karen (Hallowell) at the Town Hall. Stacy Sand stated the Chairman stated this room was not available on February 3rd. Chairman asked who said it wasn't available. Stacy stated the Chairman did at one point because she has a note to that affect. Mark questioned the room not being available on the 3rd. Chairman asked Mark if there was a School Board meeting that night. Mark stated no, the 2nd and 4th Monday. Chairman stated he would double check it and if not, we'll either be at the Police Station or at the Town Hall.

Chairman Mosca stated another item on the schedule, February 5th, the Non-Profit Budgets. He received correspondence from the Town Manager stating: "The Board of Selectmen have asked to Chair this hearing this year. In the past, though maybe not in the past 2 years, the Chair was swapped each year between the Budget Committee and the Board of Selectmen. The Selectmen also want to sit with the Budget Committee when the applications are presented so we will need some additional chairs if everybody's present." Chairman stated he hadn't responded to this yet because he wanted to talk to this Board before he did. In the past, the schedule for the non-profits was actually set by the Town Manager and used to be held on a Saturday morning. Several members of this Board work on Saturdays and that's why the last couple of years we've had it mid-week at night. He didn't want to say he is taking his ball and going home if he doesn't run the meeting, but it is our schedule and it is our meeting.

Stacy Sand stated actually that's not true. In the past they've had two meetings and when it got combined it was agreed upon that the Chair of that meeting would switch year to year when those meetings were combined. Previously it was two separate meetings the non-profits had to attend and it seemed a little ridiculous since the questions could all be asked at once. When it was combined is when that Chair went back and forth.

Chairman Mosca asked if the entire Board of Selectmen would be present and Stacy Sand stated yes. Chairman stated they weren't last year. Ms. Sand stated she didn't know why because they are suppose to be.

Dick Klement asked whose meeting is this going to be. Chairman Mosca stated it's our meeting, but according to Stacy (Sand), when they took it from two separate meetings to combine it to one, they would swap chairs every year. This is the first he has heard of it. Iris Bowden stated it

has never happened since she has been doing this for 7 years. Mark Hounsell stated he was on the Board of Selectmen in 1999, his first year, and that's just what they did. It would swap back and forth. It is a joint meeting or it has been treated as a joint meeting, not a Selectmen's meeting or a Budget Committee meeting. He might suggest that it would be in good form for us to continue that if they've taken the time to make this an issue. He thought this Committee should acquiesce to the request. In observing the Chairman, he didn't think there would be any problem with the Chairman making sure that things stay on track. Maureen Seavey stated she was also on the Budget Committee years ago and that they did do that.

Stacy Sand stated she would suggest that if there is Budget Committee meeting business that needs to be conducted after the non-profits, that you end that meeting and then go into session with the Chairman chairing that meeting. Mark Hounsell stated in fact what he would say procedural wise, parliamentary wise, is that the Chairman open the meeting and then recess the meeting and then, for the purpose of the joint meeting, let Chairman Dave Weathers chair that part of it and then when that's over reconvene the meeting. He thought that was the best way. Chairman stated probably that is the parliamentary and you (Mark) are absolutely right. Chairman stated that's settled; we just have to make sure we have longer tables and more chairs. Chairman stated to Iris Bowden that it will be a Budget meeting, but she would not be taking the Minutes for the non-profits, as they have their own person, but we are going to be having a meeting also. Mark asked who is going to be doing the Minutes. Chairman stated if the Board of Selectmen are going to be chairing, he thought someone mentioned the fact that Karen (Hallowell) may be here to do the Minutes for it. If we are going to have our own meeting after, Iris will have to be here. Mark stated again it's a joint meeting. Chairman stated he would talk to Earl (Sires) tomorrow. Mark stated he saw no problem having Iris do it since it is a joint meeting. Chairman stated he would talk to Earl tomorrow about it.

Chairman Mosca stated there was a letter from Cranmore e-mailed and he wasn't sure if everybody saw it supporting the Eastern Slope Airport.

Chairman Mosca stated the only other Old Business is that two meetings ago we discussed contacting our representatives in the Legislature to potentially change the Default Budget and this Board would come up with its own recommendation and if we approved it, would send something to the Legislature. The filing period for Bills is November/early December this year. It's already too late to get anything on the Agenda for this Legislative Session. When he was researching, there was a Bill actually this year that never made it out of Committee, House Bill 1151, and the Bill would have changed the Default Budget to read "the amount of appropriation contained in the Operating Budget for the previous year, reduced or increased by the terms of any employment contract previously approved by the voters" and that would be it. It wouldn't include Special Warrant Articles or any of that. That's the way it was written up this year and it didn't come out of Committee. His thought process would be to say that it is a percentage of last year's Budget, maybe 98% of last year's Budget and that would probably work for us. He thought that there were too many items getting pushed off to Warrant Articles and Warrant Articles that should be included in the Budget. He thought as a Board for

the last several years we've been talking about that. He didn't know how this Committee wanted to move forward on this, whether we just want to table it for now or whether it is something that we think we should keep looking at. He can write up some things, he can talk to Danielle (Santuccio) and get free legal advice from her and go from there.

Mark Hounsell stated his personal opinion, and it's going no where, is deep six SB2, that's the problem. It isn't the Default Budget or the Deliberative Meeting and the other meeting and all of this stuff and the non-participation. It has not served us well and it has resulted in increased Budgets and less impact by the voters themselves and other means that could be considered. Chairman Mosca stated to do that wouldn't we have to put a Warrant Article on. Mark stated we would have to put a Warrant Article on and it would have to pass he thought by 65% or 67%. Bill Marvel stated now that we are an SB2 town we only require 60%. Mark stated Bill may be right, but he thought on this issue it might be a 67% to repeal it because it took 67%. He may be wrong; it's a simple majority.

Dick Klement stated the 98% of the previous year sounds reasonable until you get into this escalating health care thing. This year they are going up by approximately \$600,000.00, so if you take 98% of last year, say it was \$10 Million and we're going to make this easy, and say okay it's going to be \$9.8 Million but I've got to pay them an extra \$600,000.00, so I'm taking \$600,000.00 out of that so now I'm down to \$9.2 Million when I started at \$10 Million. That's a heck of a hit. Chairman Mosca asked how was Dick taking the \$600,000.00 out. Dick stated because if you do 98% of the previous year's Budget, your not including any increases in health care. Chairman stated so for this year's Budget if it only went up by \$600,000.00, it would be \$10.6 Million versus \$9.8 Million. Dick stated basically they are going to have to find a bunch of other savings if we went with this thing when there is nothing they can do about this health care cost. Chairman stated he understood that, but when Dick was on the School Board a couple of years ago, the health care cost actually went down. Dick stated once. Chairman stated it happens every once in a while. Dick stated but it was 10% up the year before.

Mark Hounsell stated we have a School whose health care costs went up 8.99% and the Town's went up 14%, so there's some collaboration that might be able to be done because that seems to be quite a spread; maybe it has to do with probably the Contracts. Chairman Mosca stated he was going to say probably the number of people and the number of single plans versus family plans. It's probably going to be a huge impact especially with the School System because, as he said, there are a lot of younger teachers and they all may not be on the family plan.

Mark Hounsell stated on the Default Budget he has never liked the way it's used by the School. When he was on the School Board before he didn't like it and he still doesn't like it, you are allowed under the Default Budget to add contractual obligations and they include electricity and fuel as contractual obligations. They're not, they're expenses, but they count them as contractual obligations and he didn't like that. Those are the types of things that make it hard to defend because you're not obliged by contract to buy electricity no more than you are obliged by contract to buy pencils. Chairman Mosca stated he believed the original intent of the

Default Budget was to give the constituents of the towns something other than the Budget that was being presented, something that was lower. Based on what's happened over the last several years, a decade, the Default Budget more times than not is more than what you're asking so you're not giving the people of the community a choice. Mark stated that's a flaw of SB2. Chairman stated that's why he thought if we don't get rid of SB2, we have to do something to change the language for the Default Budget.

Laura Slitt of Valley Vision stated to Chairman Mosca that this is an important conversation and she didn't know if the audio was working and asked if members could have this conversation next time. Chairman stated we can talk about it again, but we're in the middle of it.

Bill Marvel stated he was impulsively going to talk about an alternative to insurance and that's really irrelevant to what you are talking about.

Frank McCarthy stated when it comes to Default Budgets he thought numbers, amounts totally irrelevant. The way he looks at it is the people that live here in Conway, the citizens of Conway, they have a right to have a say in the Budget, the School Budget, and now they don't. They either vote for the Budget or it's going to cost them \$2 Million more. They're stuck, they don't have a say in the Budget. Their right is being taken away from them and if we don't fix the Budget, the Default Budget, they just don't have a right and that's why when you have these town meetings they don't show up. They know there is nothing they can do. John Edgerton stated the taxpayer has to have a choice. That's it.

Maury McKinney asked if other communities have ever over turned SB2. Chairman Mosca stated he had no idea. He wished he could answer that question, but he has no clue. Maury stated they are getting more people showing up at the meeting and in effect, our residents elect a Budget Committee to be their representatives and they cast their votes as a constituency because they think that person will do a good job. We haven't taken away their right if we do our job right then he thought we have represented them well. He is concerned at these town meetings that people don't show up and they think we are going to do a good job. Chairman stated if anything gets cut, the people who show up are there specifically to put it back in. No matter what we cut, it goes back in for the most part.

John Edgerton stated two or three years ago he had a proposal and it never got any where. It is to set the increase in the Tax Rate by Warrant Article so that the taxes can not be raised any more than "x" amount. That's what Rochester, Dover and there are 5 towns now in the State that have set a limit to the amount the taxes that can be raised in percentage wise each year. Chairman Mosca stated it would have to have a Warrant Article to get passed, but there has to be a Warrant Article to that affect to do that. If somebody wants to put a Warrant Article together, he'll sign it. RSA 35:5 talks about setting caps and it can be done. It has to be a Warrant Article and it has to be either 60% or 65% to do that, but that's another way to put the brakes on 10% to 12% growth in Budgets. There is a way to over ride it, but the only way he thought to over ride is for bonding. He thought the only thing that could be over ridden is a

bond and there's special procedures to do that also. He has been doing his research.

Frank McCarthy stated he disagreed. Article 8 of the Constitution of the State of New Hampshire is very specific. The magistrates of the Court are the agents of the people to vote in their stead. We don't do that, we only recommend. The people vote for what it is, not us. We recommend to the people what to vote for, but the people should have a choice when they go out to vote, whether they're going to vote for this Budget or for the Default Budget that's a little lower.

Stacy Sand stated she has lived in SB2 and also non-SB2 and the participation has continued to decrease in all towns, not just SB2 towns. The reality is the same thing happens in non-SB2 towns and it happens in this town and that is if somebody has a special interest, they are going to come to the meeting and they're going to make sure that their special interest is taken care of. The Saturday meetings in Madison, Fire Department Articles they are all there, but as soon as those have been voted on, out the door because you can't re-vote on them. If people would come to the Deliberative, they have the same power to do exactly what you do at town meeting. They can take out a certain amount of money, they can add back in a certain amount of money and that's what happens. The reality is if people don't want to participate, this is what happens. It all comes down to people participating and she didn't think, and she hated to say it, but she really didn't think it makes a heck of a lot of difference between SB2 because you do have a choice. Come to the Deliberative, you get to vote, that's your choice. If you don't come to Deliberative, you're giving somebody else the right to make your choice.

Mark Hounsell stated he didn't agree with that, but he would point out by recent history that the actions of this Budget Committee has resulted in, at least last year and he believes this year, the people realizing the value of the work that we do. They elect us to look at the Budget because they've got other things to do. If he recalls, at the Deliberative meeting they went with our recommendation which was a cut and he also believes he is correct in saying that every Warrant Article that was not recommended by the Budget Committee failed. Chairman Mosca stated except for one, the Police Contract. Mark stated his point is that the voters are looking towards this Board as representatives, almost a legislative body, to make the recommendation, but they go with the recommendation at least in the last 2 instances or this last instance. It really leaves us with making sure that we do our work as we do and that's our options. If there is a Petition to do away with SB2, he would sign because he believes personally that it's the duty of a citizen to show up and make their voices and vote count. He finds it disheartening when we have so much on the line, so much at stake and so much complaining that so few participate. They're looking to us.

John Edgerton stated the reason why it went to SB2 was the 3 nights that it went from 7:00 PM to Midnight. They moved to SB2 because they wanted the Budget Committee to make the best decisions and then they vote on it and they rely on this Committee.

Doug Swett stated this Default situation has been around awhile and every time you question it, they say it's never been to Court so we don't know; it's just a stalling point. You question it, but nobody in this state has ever taken it to Court and that's how they get things in that you don't think should be there.

Stacy Sand stated her other comment is most of the people she knows work weekends in this town, so when are you going to have this town meeting. You go late at night, people have school kids and it becomes hard to participate when you don't have the ability to come all day long to make your choices. One night may work and then it may not. It's very difficult with the way that people lives are and even if they want to make that choice, some time they can't. She thought we need to at least look at people in terms of how this Valley operates. There are very few places that are closed on Saturday.

Dick Klement stated this particular year where we may be having a 10% increase overall, that harkens back to about 4 years ago where a draconian cut was recommended by this body and there were 1,000 people yelling and screaming in the Gym to reinstate it. There is always a middle ground some place that you can find, but he is concerned that the amount of money we increase this year is going to cause some real problems and if the School Board continues to try and play games and move that Air Handler into a Warrant Article so that it raises the Default Budget back up or gives it an impact and then the Warrant Article goes down the tubes because it's \$600,000.00, they're not doing their job. If we don't stand up and say "hey you've got to do what's right and not what's expedient", we could have a problem here.

Doug Swett stated if this country was doing what was right, we wouldn't be in the mess we're in. From this level to DC, they're passing Budgets down there and if he printed money in his cellar, you'd see him go down in chains.

Bill Marvel stated Mark's (Hounsell) recollection seem to be correct; all of the Budget Committee's recommendations were approved last year. Chairman Mosca asked if the Budget Committee recommended the Police Contract. Bill stated he did not think we did. Chairman stated and that passed. We did not recommend #20 and it did not pass.

Frank McCarthy stated he thought we have an opportunity in front of us to really do some good for this State and for our own community. If we could, for instance, form a subcommittee to come up with a recommendation for an amendment to the Default Budget the way it's made up, agree on something and then send that to the Budget Committees throughout the State and say "look, we need to put this before the Legislature and try to get it passed; will you sign on to it". We have the opportunity to do that.

Chairman Mosca stated that's a great suggestion to form a subcommittee to look at writing language to the Default Budget. Does any body volunteer to be on that subcommittee. Chairman, Danielle Santuccio, John Edgerton, Steven Steiner, Frank McCarthy and Peter Donohoe volunteered to be on the subcommittee.

Steven Steiner stated he would just like to address his co-budgeteers as they call us. He is just super concerned. He has seen and talked with retailers in town telling him that they just made their numbers and what would happen to them if they didn't make their numbers. If these taxes go up, they won't make their numbers and it's going to drive us into the ground. He hates to be compared to Berlin, but we have to come together and work together as a complete team. He knows last year he came out and asked for a 10% cut in the School Budget and it didn't go any where. He was just saying to the members that we really have to work together because we are going to make it so that we can't afford to live here any more. We've got to do something.

John Edgerton stated simple mathematics; 10% a year doubles in 7 years. That's where we are headed. Chairman Mosca stated we had that last year and it looks like we are going to have it again this year.

Peter Donohoe stated his business deals a lot with second homeowner clients and he talks to a lot of these folks. He hears interesting comments from them lately, the last 5 years, about how taxes in Conway are not making Conway a competitive second home destination resort. These folks are being lured into other places, like out west where there are greater opportunities for skiing and the weather is less unstable, and they all talk. These second homeowners and there are clusters of them that are either in second homes or in condominium units and the tax issue is becoming a big, big problem especially when they can have similar homes in other resort areas where the taxes are a lot less. Given that Conway has a tax base that is comprised of greater than half of its payers are not primary people, that is of great concern to him and something that we, as a Committee, he thought have our work cut out for us to try to protect what we have. Chairman Mosca stated that more than 50% of the single family units are owned by people that don't live in town.

Danielle Santuccio stated that the Chairman wasn't at the meeting last week, but Tom Holmes mentioned that he is doing the assessments this year and that the commercial values will go down so the homeowner would have to absorb that difference which will make it even worse than what we are seeing here.

Mark Hounsell stated he talked with Tom (Holmes) after as it really got him thinking that every time there's a reval and they reassess, there are losers both in residential and commercial. It just comes down to the numbers. It could be a mess for some and it could be a blessing for others because as the values change, the rate changes but, if it's worked right, the amount you pay will be the same.

Mark Hounsell stated the other thing that he wanted to point out and this has to do with property tax relief and if there was another subcommittee appointed he'd serve on this, he receives this regularly, it's the Joint Legislative Oversight Committee on costing of inadequate education and it was published February 1, 2008, there's been no substantive changes to it. It's the result of Claremont 2 which says that the State is obliged to fund an adequate education. This describes what an adequate education is and it determines, and the Legislature says that they have fully funded it this year, that fully funded figure is \$3,456.00 per student. It costs us

\$12,000.00 to \$15,000.00 so they're not adequately doing their part. The State of New Hampshire is busy mandating Retirement costs and other costs to us, but not sending the money they are required to by the Claremont 2 case and Article 28A which they completely ignore the unfunded mandates. It's unfortunate that in our discussions on Revenues that we look at the District Assessment impact, that's what he looks at because he wants property tax relief and he thought he did that last year and said we can't afford it and Steve (Steiner) is right, this is becoming an unaffordable thing. John's (Edgerton) right, this is the second year of that 7 year cycle. Really what we need because it's not going to stop if we cut this, they're still not going to stop the monster. It's not going to stop until the Legislature understands that Claremont 2 and the ruling by the Supreme Court have said that it is the State's responsibility to fund an adequate education. For them to say that it's \$3,456.00 is ridiculous.

Doug Swett stated if that was corrected, where do you suppose that money would come from. Mark Hounsell stated gambling; one casino and \$8 Million would go towards public education.

Steven Steiner stated if you give the government more money, they're going to spend more money. Quite frankly this man was doing sidesteps and misleading and everything else. To him, it was pathetic; they're just dancing. Mark Hounsell stated the Superintendent did an excellent job; he presented exactly what the School Board has recommended and the Budget they added up, it's math. He wasn't dancing; you may not like what he had to say, but he wasn't dancing, he was honest.

NEW BUSINESS

Stacy Sand stated she had been trying to come up with alternatives and she wanted to just put it out before this Board because this is the only Board that she knows of that deals with both the Town and the School. Everybody else has their own little Districts, their own little Departments. She looked at things like how can we collaborate and a lot of the questions she asked were about collaboration and she just wants to put this figure out there. We are paying, as a town, between School and Town Budgets \$695,376.00 for Librarians and their benefits in this town. That's three-quarters of a million dollars and that doesn't include the buildings, that doesn't include any of that stuff. That is just Librarians and it's almost half and half, it's \$352,800.00 for the Town and \$342,500.00 for the Schools. It just seems to her, Mark's (Hounsell) trying to tell her that they do different things at the Schools than they do at the Library and maybe they should be doing some of the same things with less people. It just seems to her that, not only here, they did it with repairs on the buses by looking for ways to utilize the Town mechanics to maintain our buses, maybe we should look at combining some of the stuff and this is just one that she grabbed that she knew we were spending a lot because the costs all has to do with people. All of the major increases and one Air Handler at \$600,000.00 is less than the health benefit increase on one School probably.

Mark Hounsell stated he wanted to respond that even though they are Librarians, their functions and their roles are different. Members should read Question 33 and also to let the members know that next week the

Public Librarian Director, Mark, Neil Moylan and the Kennett High School Librarian are meeting because they believe that there are some things that they can do to further enhance collaboration. They are two different functions, they're not the same thing; they're just called Librarians.

Frank McCarthy asked if the figures Stacy Sand quoted were from the proposed Budget. Stacy stated the proposed Budgets. Frank stated he just wanted to ask because he knows they have requested a \$37,000.00 increase in this year's Budget. Ms. Sand stated that she just took the total from salaries and benefits for Librarians at all of the Schools and the Town and those are the figures. She thought that not always looking at things line by line, but looking at things that maybe we can collaborate on as a town and try to get things changed. It's not going to happen this year because you've got to get some conversations going, but if you can put that stuff out there then people can start to say maybe we could use this person to do more than what they are doing or do something else or they're doing it for this place, maybe they should be doing it for this place too.

Bill Marvel stated Stacy (Sand) was absolutely right that personnel in any part of this town is killing us and that's why he was so disappointed that after that happy day at the School Board when they finally got the Administrators to agree to get rid of an Administrator, they got rid of the Administrator and replaced it with something else. Mark Hounsell stated not as expensive. Stacy stated it's still \$61,000.00.

Chairman Mosca stated part of the reason why he went through what he thinks are Administrative positions even though the School Board may not classify them that way, there's 90+ positions between the 5 schools that are non-teaching positions. Bill Marvel stated personnel just keeps inflating no matter how low enrollment goes.

John Edgerton stated that brings up a different point altogether. They still have refused to move the 6th Grade to the Middle School. Within 3 years, the Elementary School grades have gone from 120 students to less than 100, about 96. In three years all of the Elementary grades will be less than 100 and they still want 6 classes. Chairman Mosca stated that's another Warrant Article of class size having a minimum of 20.

Mark Hounsell stated he could go on about a number of things that are out there right now, but there's another night.

Dick Klement stated class size he didn't think is a determinant of good education/bad education, some people will disagree with him, but he doesn't think that's the major driver. He went to Kentucky Fried Chicken the other day and their computer was out and they have two sports in there that graduated from Kennett. His total was \$12.90 or whatever it was and he said our computers are down so I've got to figure out the tax. It was \$12.90 before tax, got to the window and he says "giving you a special deal today, it's \$12.90". He couldn't figure out the tax. There are a substantial number of kids who have graduated from High School that aren't ready to enter the world. We've got no place to put them here except Dot Seybold's funny farm over there.

Chairman Mosca stated part of the problem is technology because the way they teach now is based on computers and the computers do the work. His kids do everything out long hand because he makes them because that's the only way they are going to learn but that's not the way they're taught unfortunately. Technology is a wonderful thing but it also can come back and hurt you in instances like that. He likes to mess with cashiers all of the time by giving them extra change after they've already rung it in. He does it intentionally.

Michael Fougere stated he has noticed that for the last 20 years living in the Valley, even adults are that way, they do not know how to give change. If you walk up and it's \$14.75 and you walk up and give them \$15.75 because you don't want the change, they're lost. Chairman stated and they get 4 quarters because they don't understand. Mike stated he has seen that from young to old that if it doesn't say "burger with cheese and a coke" on a machine, they don't know how to price it out.

Mark Hounsell stated he has to speak on this. If we are going to set a Budget to run the School, that's one thing, that's a function of the Budget Committee, but to critique the after school ability is not really a Budget Committee thing. We are doing the best that we can with what we have and society drives a lot of this stuff and public schools are what they are and that's beyond us and it's beyond the scope of our charge here. There's always room to improve. He'd like to see more of the classic education himself because he thought it was needed and he thought there was a direction for that. He has been pushing, and he'll continue to push, for a plan, a community involved long range plan of where it is we're headed because right now what we do, we say the same thing every year. It almost sounds like it's not worth it because someone can't make change. There's a lot of kids that do well because of the education this community has provided and we need to press on with that thing.

Mark Hounsell stated the position that replaced the Administrator, and he goes to the High School quite a bit and he makes it a point as a School Board member to visit the Schools. He is in the schools, he's not spying or anything, he's just looking. There are things going on at Kennett High School that require a heavy hand at times and this position is needed. It's not an administrative position. He understands what Bill (Marvel) is saying in that they did not eliminate a position over all, they did reduce costs and they did eliminate an Administrator. He doesn't agree with Steve (Steiner) that that's dancing around because it's revealed, we're talking about it. It's one of those things that you can either have a safe school or a not so safe school and he thought we'd better have a safe school.

Chairman Mosca stated he didn't disagree with Mark (Hounsell), he thought he would like to see language changes in the Teacher's Contract so that the teachers when they have off periods are patrolling the halls like back when we were in school. When we were in school, and he couldn't speak for everybody, but those of his generation, when the teachers didn't have a class they were in the hallways. They were watching what was going on. It's too bad that it's gotten away from that because that's what drives some of the costs because we have more bodies because Contracts allow them not to do certain things.

Mark Hounsell stated to Chairman Mosca, as you know since you've been on the negotiating side, and as Dick (Klement) knows because he's been a negotiator and as Mark knows because he was on the team this year, it's very, very difficult to include language such as that. It's not that it's not worth a try, but it's very difficult to make those type of changes as you know. Chairman Mosca stated absolutely and he wasn't saying that it's easy but it's something that used to happen years ago and it doesn't happen today and it's something that we, as a society, let slip and it's something that we have to look at because we can't keep going the way we're going. If we have teachers who can monitor the halls and we can eliminate some of the other staff, it's going to make sure that their Contracts pass because there's going to be money to pay for them and it's just going to be better for everybody. It's going to keep down some costs, but 10% increases year after year we can't afford it. He didn't think anybody at the meeting has gotten a 10% increase in the last 2 years or 3 years combined never mind year to year.

Doug Swett stated this isn't really Budget business but the answer to this question is if you go out to Wisconsin there's a man out there that can handle it.

Frank McCarthy stated just an observation, he spent 2 years with the County delegation, that was his first time being involved with Budget and he learned that you have to be very diligent, you can't listen and believe what they say. The County wanted \$1,000.00 a day, \$360,000.00 a year, for nothing else but overtime for nurses. They swore up and down that it was in the Contract for the nurses and they couldn't change it. He got a copy of the Contract and it wasn't in the Contract at all and they saved \$300,000.00. You've got to be diligent.

Chairman Mosca stated we got copies of all of the Contracts last year and if anybody wants copies of the Contracts, he can get them for the members. Most members should have them from last year. Mark Hounsell stated two weeks from tonight you should have all of them.

Bill Marvel moved, seconded by Steven Steiner, to adjourn the meeting at 8:40 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary