

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
August 20, 2014**

A meeting of the Municipal Budget Committee was called to order at 6:30 PM in the Professional Development Room at Kennett Middle School with the following members present: Chairman Joe Mosca, Maureen Seavey, Doug Swett, Michael Fougere, Greydon Turner, Stacy Sand, Dick Klement, Mark Hounsell, Maury McKinney, Bill Masters, Christopher DeVries, Danielle Santuccio, Frank McCarthy and Terry McCarthy. Excused: John Edgerton, Peter Donohoe and Steven Steiner. Also present: Earl Sires, Town Manager and Lilli Gilligan, Town Finance Director.

Greydon Turner led those present in the Pledge of Allegiance.

TOWN REVIEW

Lilli Gilligan stated that the Town had provided documentation with regards to spending through this week which means that if this spending in a municipality were exactly 1/12 every month they would have 38% left in the rolls. They have 34.38% left and based off of the analysis she has done, it is right on target with where you'd expect to be at this time of year; that is because the lowest spending months are upon us coming up. The Library Bond has been paid in full, that's paid every August, so that's 100% paid, it's a large payment of approximately \$85,000.00. The Health Insurance she wanted to point out is impressively only 2.5% away from the exact targeted number that they were looking at which is quite incredible considering that every time there is a change in personnel or a change in an individual's family status that could change things. So 2.5% is the amount of money that it would cost to go from a Single Plan to a Family Plan for a full year. That figure is incredibly right on target.

Lilli Gilligan proceeded to state that the Legal Budget which only has 25% left is expected to spend only the \$77,000.00 that was budgeted based off of current legal matters pending in front of us. The Police Budget is right at 38% left which is very impressive because they had a retirement this year that they did not plan for and the earned time alone was something that the Town was concerned would bust their budget. They are very happy to see that rebound after only 6 weeks of adjustments. As you can see in the Police Budget, they've already over spent their overtime for the year. They've had a lot of personnel changes and are now fully staffed. Earl Sires stated they were fully staffed as of last week.

Lilli Gilligan stated to the members that she would be happy to answer any questions that the members may have.

Mark Hounsell stated on the Library Bond, did the Town make the final payment. Lilli Gilligan stated no, it's not the final payment, it's the payment for this year. Mark asked how many more years were on that Bond as it must be getting close and asked how much the payment was. Lilli stated \$75,000.00 in principal and just shy of \$10,000.00 in interest this year.

Mark Hounsell stated it's not to do with your Operating Budget, it's just something he's been hearing about and he didn't know exactly what we might expect to see as a Budget Committee relative to the culvert that has

failed on River Road, River Street, and any other culverts as he has heard there are other culverts. Earl Sires stated the good news is that where the Town had original estimates of \$350,000.00 or so and even up to \$400,000.00 for that culvert. Now that they have had some additional design work done it's more down to \$180,000.00 for that particular culvert. The cost of that particular project is about half of what they thought it was going to be. They still have expenses related to keeping that temporary bridge in there through the winter at this point because, sort of a long story, but the lead time to get the piece of cement culvert that they need to put in there is huge these days. There's a limited number of forms that make these things and they are still working on the Hurricane Irene stuff from 3 years ago, so it's backed up. That will happen next year. The good news is that it didn't cost nearly as much as they thought; the bad news is this made them think about what else is out there and they have had an engineering company take a look at all of the major culverts in town which were all, as a matter of fact, put in at about the same time 20 years ago or so. They are all unlined steel culverts and, as it turns out, they are all due for replacement. So they have, and he can't remember whether it's 3 or 4 additional culverts of that size plus a few smaller culverts. In terms of what does that mean for the Budget, he suspected the Selectmen would be making a decision about how they want to deal with these culverts in addition to the ongoing road maintenance. Ongoing road maintenance is \$325,000.00 a year. If they decide they want to keep on track with that then we'll probably have an additional \$225,000.00 a year for 4 to 5 years to do these culverts. That's one of the things that will be out there on the horizon for the fall. Mark stated the Selectmen he was sure were on top of that.

Frank McCarthy stated in a quick look-see analysis he has already counted 25 line items that have been over spent. Can he assume that in accordance with State law, the Town's governing body which is the Board of Selectmen, they discussed, voted on and approved moving the funds from one appropriation to another for each of these line items that have been over spent. Lilli Gilligan stated there have been no votes to move money as the Budget is a bottom line Budget and movements of money on over spent lines are not required. If you did wish to fill each of these spots and have it 100% spent instead of over spent, you could as a governing body do that by voting to move those monies around but it is not required by the Department of Revenue and it has not been past practice to do so. As long as the overall Budget is not over spent, they are within their legal obligations to the budgeting matters. Frank McCarthy stated he disagreed.

Chairman Mosca stated to Frank (McCarthy) that the Committee had this discussion last year. We know where you stand on it. Frank stated no you don't know where he stands on it. Chairman stated we had this discussion last year. Frank stated we have not had this discussion last year. Chairman stated we did because Frank brought it up at 3 meetings last year and the Chairman will bring out the Minutes of those meetings to go over it again, but your (Frank) point is that you believe the law says one thing and everyone else believes it doesn't. Frank stated he doesn't believe it, he knows it does.

Frank McCarthy stated the Selectmen at the governing body. They have to approve the movement of any appropriation over and above what was appropriated. He's telling everyone, that's the law. If he has to, he'll

go to the Attorney General. Chairman Mosca stated please do; it's a bottom line Budget. Frank stated he will, he will do that.

Stacy Sand stated she would say that as the Select Board they are well aware of how the monies are being spent this year. They are well aware that they went over their salt budget this year because of a very icy winter and that they actually did move some money around in anticipation of that and postponed some projects in anticipation of making sure we have enough for this winter, the early part of the winter that's still in this Budget. They are well aware of the culvert and that there were additional costs with the temporary bridge. The staff is very communicative with the Selectmen as to what's going on so she didn't think any one need worry about whether the governing board is aware of the items, but in her experience as well as her knowledge, they do not have to match line by line. Obviously if there is going to be a major change, they do come to the Select Board and say this is what happened, this is what we would recommend, what do you think and they take a vote if it's a major recommendation and they have every confidence that the staff will continue to communicate with them on those items.

Frank McCarthy stated for the record he wanted everybody here to know that the Town Selectmen and this Board are in violation of State law and he will go to the Attorney General.

Mark Hounsell stated to his esteem colleague, he supports him in his quest for justice and it is completely clear to Mark that Frank (McCarthy) believes he is right and Mark believes that Frank has every right to pursue that. However, while encouraging Frank to do that, he just wants to let it be known that he believes the current practice is in accordance with the law and the place that this would have to be decided, he believes, would be in the Judicial Branch.

Frank McCarthy stated if you can dictate to him or recite a State law that gives the Town Manager permission to move appropriations then he will believe Mark (Hounsell). Until someone can show him a State law that does that, we're in violation of State law.

Lilli Gilligan stated just to clarify, no monies have been moved from line to line. This is the exact Budget that was voted on and approved during the budget process.

Chairman Mosca stated he had a question on the Highway Department Budget. With only 21% left versus the 38% that you said would be normal, how does that affect what they can do for the remainder of the year. Lilli Gilligan stated some of the spending here is reimbursed by the State especially that Washington Street Project. The Town just spent \$327,000.00 this week on that Project. The State is reimbursing us at two-thirds and you'll see those reimbursements come in to offset those costs. As Earl (Sires) has stated, the paving season is coming to a close very soon so those costs are going to drop off dramatically and then the next bit of spending will be the maintenance part of the season.

Chairman Mosca thanked Earl Sires and Lilli Gilligan for coming out this evening.

OLD BUSINESS

Chairman Mosca asked Stacy Sand if she wanted to talk about the Health Care. Stacy stated she did want to let this Board know what is going on and some of the Board members do know because they are on this committee. They do have a committee and have invited two members from this Board who have been attending these meetings and we call it "Health Care Committee". Their goal is to basically look at alternatives to providing health care for public employees in the Town of Conway including the School, Precincts and town employees. So far their information is taking them on an information gathering so that they truly understand how their employees are being insured at this point in time. Just the day before yesterday, they explored Wellness Programs and the different ones that are available to different entities in this Town and they will discuss at some point how those might be differently utilized or maybe more utilized by the employees, ways to encourage that and they are also going to look at totally different things like self-insurance, clinic provided services for specific services, anything that might get the costs down because that has typically been the biggest increase in costs. Once they have this information and have gathered as much information as they can, they will present the information to the different Boards and allow them then to use that as they will. Hopefully they will use it and try to come up with Budgets that are a little more specific and maybe find ways to at least keep those costs from rising so much every year. It's a positive committee, it's a research committee, it's an active committee.

Stacy Sand proceeded to state that one of the things that did occur is the handout that Lilli (Gilligan) gave everyone and Stacy will let Lilli explain what this handout tells us. She basically gathered information from all the different entities to come up with this as well as from the Town's insurance company. Those people that are insured by Health Trust will be information towards the end of this. Stacy will let Lilli talk about the details of that but wanted to let the members know that Lilli put a lot of time and effort into compiling this information because it was never available in one place. It wasn't as if she could go to one place and get the most recent figures and plug them in. As a committee member, we really appreciate the fact that she has compiled this information for us and she will let Lilli explain what the details are.

Lilli Gilligan showed the members a chart and stated it showed the monies being spent between the different entities. The legal size piece of paper shows each entity based off of employee and retiree being separate and the second graph combines each entity's employees and retirees spending. The Town, Library and Police figures combined are just over \$1 Million spent, whereas School retirees is costing Conway taxpayers over \$1.2 Million.

Mark Hounsell stated this is extremely misleading. You're showing a picture of the amount of money that is spent by the single taxpayers, property taxpayers and you're showing it as far as this is how much it costs us per operation. What you don't have and what is probably not meant to be explained here but needs to be expressed here is that we're talking about totally different functions. If any one was to simply look at this, they would say the place to make our adjustments are in the School because look at how much money it is. That's not fair when you look at the policies and the offerings and the costs per Plan it separates it into a

picture that is not the total picture and unfortunately paints a picture that could very well turn the discussion the wrong way.

Lilli Gilligan stated she was asked to take the data of how much money is being spent by each government entity and compare those numbers across the board. Town, Library, Police retirees pay 100% for their health insurance. None of that is paid for by taxpayers so the inequity is very clear to her that School retirees are costing \$1.2 Million plus a year, whereas there are no retiree benefits for Town, Library or Police retirees. The sheer figures that she presented is exactly how much was provided to her by Jim Hill from the School District, by Kris Cluff at the North Conway District and by Chief Solomon in Conway Village.

Mark Hounsell stated he was not disputing the figures; he was disputing the picture that you (Lilli Gilligan) paint as being one that by itself is inadequate. That's all he was saying.

Lilli Gilligan stated she was asked by the Committee to put together the total figures being spent by each of these government entities. These are the numbers. These are not numbers she derived from somewhere, these are numbers that were provided directly from each entity.

Mark Hounsell stated again he was not questioning that. He was just stating that when you take into consideration the functions of each entity including the Contracts that each one has to work through, allowing for such circumstances as status quo in case you don't get a Contract that this picture almost looks like we need to go for the big bucks and we need to go after the School. It seems to say that in the picture.

Lilli Gilligan stated she would actually like to quote Jim Hill and his comment from two meetings ago when he looked at this and his reaction was "wow, the School employees per Plan, not overall costs because of the sheer number of people that we're talking about, but per Plan is costing a great deal more than what is being spent on the employees of all of the other Districts." All she was doing is comparing the numbers and the School Department is not fighting these numbers.

Mark Hounsell stated he doesn't question the numbers and again he doesn't question the numbers. That picture is what's being shown on TV and without the total picture, it's an incomplete picture and it does a disservice more than it would do a service. He was just simply saying that. You (Lilli Gilligan) are showing the figures in a picture form. He guessed he was losing his point.

Chairman Mosca stated what he would like to see added is the number of individuals in each grouping. He thought that would help. He thought if that was in the actual chart stating how many employees were covered under each grouping it would allow people to say "all right there are 3,000 in the School and 100 in the Town and Library". He knows these are just numbers he is pulling out of the air obviously, but he thought that would show the picture a little bit better to have an actual number.

Maureen Seavey stated she thought her statement is the same as what Chairman Mosca just made. She thought there were a lot more employees in the School than there is in the Town, the Precincts or whatever. She

really thought that Lilli (Gilligan) needed to get the numbers that the Chairman said.

Lilli Gilligan stated if you look at the first page, that data is right there on the top. The total number of Plans per governmental unit. There are 68 total number of Plans for the Town, Library and Police; 25 retirees for the Town, Library and Police. There are 270 number of Plans for the School; 176 School retirees. At North Conway Water Precint there are 14 employee Plans and 5 retiree Plans. At Conway Village Fire District there are 13 employee Plans and 3 retiree Plans where the retirees in the Conway Village Fire District pay 100% themselves.

Maureen Seavey stated she still felt that it needed to be shown on the chart. Lilli Gilligan stated she would be happy to.

Stacy Sand stated you then get into another problem Maureen (Seavey) and Joe (Mosca) if you just divide that chart by how many Plans because within each one of those people they might have a single Plan, a married Plan or a Family Plan. If you want a total breakdown by Plan, then we're going to be looking at a lot more detailed chart. We're just trying to gather information at this point to see where the money is. We're not a decision making committee. We're an information gathering committee and this is preliminary information and if you would like an additional chart, we'd be happy as a committee to direct her to get more, but don't simplify even at that level. Do the number of people who have Plans and divide it into that figure, you're still not going to be accurate to the cost per Plan. You have to look at these figures here (holding up paper) to come up with that and how many people are under each type of Plan because that's the only way so you're going to have a lot more than just numbers at the bottom and the total cost. You're going to have broken down the School will have at least and she thought they actually have 6 different Plans they can choose from and they all have different costs. You have to look at the details to do your decision making process. She could see where you think that's all you look at is the inflammatory, but we have all of it here if you look at it. Don't ignore the details because then you're going to end up again generalizing about other things.

Chairman Mosca stated that he wanted to let it be known that the Committee was now off the Town Report and on to the Health Care Committee Report which is Item #5 on the Agenda.

Dick Klement stated unfortunately he tends to agree with the folks that have spoken and said it's misleading. He thought it needed to be shown a number of different ways. He thought it was needed to show a simplistic approach and when he did some math, and his math is not great, he took the Police Policy with a total number of 28 people, divided that into \$475,000.00 and came up with \$16,000.00 that the employer pays. He took the School at 270, divided that to \$4,301,000.00 and came up with \$16,000.00. He recognizes that the retirees of the School by Contract are retiree benefits, that's the way the Contract works. That has nothing to do with what Health Care Plan is better or what approach is better, it's a contractual issue. Certainly the Contract could be amended to take out retiree benefits if we could get people to agree with that. He thought Lilli (Gilligan) needed to show the relative simplistic approach as well as the details because as Mark (Hounsell) said you show this and they'll

say okay the School is the big problem. The School has the most employees. You'd expect the School numbers to be very high and he thought Lilli needed to go back and show some more charts and show some more data figured another way.

Earl Sires stated he just wanted to make sure everybody understood that this is a report that Town staff prepared for a committee established by the Selectmen and membership which includes the Budget Committee and it includes the School District and it includes other people from the Precincts. This is information prepared for a committee and he didn't think that they were going to sit here at the staff level defending information. It is what it is. It is what they were asked to do. Certainly everybody has a representative here that can ask the committee to do additional work.

Chairman Mosca stated to that he agreed with Earl (Sires) wholeheartedly. They shouldn't have to and he appreciated the explanation that had been given to the members, but it is not up to Earl and Lilli (Gilligan) to defend the information here. They were asked to put something together. Members are throwing out ideas and maybe Earl and Lilli didn't need to sit through the rest of this if they didn't need to and this is something that can be worked within members of this committee concerning the Health Care.

Lilli Gilligan stated she would be happy to stay, but she did want to point out that if members wanted more data, look at the first two pages of data. At the Health Care Committee Meeting she did read through every single one of these figures, but she didn't want to be redundant and read something that's sitting right in front of the members. The information is there if members care to look at it.

Mark Hounsell stated first of all he certainly can look at it and again, he doesn't doubt the validity of the numbers and he commends the work of the Committee and the staff for doing what it's doing. He thought it was an amazing piece of work that's been done so far and he's fully supportive of it, but this very meeting itself is the first roll out of it to the public. In your first roll out of it pictorially, this is the first time he has seen this graph. Has it been out before? Stacy Sand stated yes, the Committee is televised. Mark stated he understood that, but has this (the graph) been out before. (Some one stated 6 weeks.) Mark stated he missed it and asked if they could add "Number of Employees/Cost Per Employee". He's a simple guy and he just needs it simple. Yes, he can do the research and the math himself, but you have a computer that could make this a lot better if it had parentheses, you've got the costs in parenthesis, number of employees and cost per employee. That would make it a lot better picture. He will take time to read the numbers.

Michael Fougere stated he was on the Committee himself also and he agreed with Earl (Sires). This wasn't meant but anything as a courtesy to this panel. This is just information that the Health Committee wanted for the Health Committee and the Town felt that they had the copies so let's bring it to the Budget Committee also and show the members what they've been working on. You are right Mark (Hounsell), these are preliminary numbers for the Health Committee. Beyond that it wasn't even set up to do budget parts. It was just to give the Health Committee some information. As far

as he is concerned, this shouldn't have come out here without us asking for it.

Maureen Seavey asked if the Police and the Town pay for Medical Retiree Benefits which she doesn't see on there. Lilli Gilligan stated the New Hampshire Retirement System law is that Fire and Police pay larger percentages while employed to fund future medical subsidies. It's not paid once retired; it's paid by the employee through their whole career and the medical subsidy is through the New Hampshire Retirement System, not through the Town.

Bill Masters stated from his perspective, just looking at the graphs, the issue with him is why. It's not a question of the data that's been collected, it's why are we seeing such differences. Are some employees paying for the costs of families? Do they have a co-pay? Others do not. These are the things that really need to be taken into consideration. He was not upset with what he sees, it just gives him a point in which to look at from the future as to why these graphs and figures are showing up and then make a decision as to can we improve that or make it a more equitable basis for the taxpayers. That's the only issue that he has.

Stacy Sand stated she would like to point out on page 1, Town and Library and let's stick to a single Plan, is approximately \$9,000.00; the employer cost per year is \$7,200.00; the Police is \$7,600.00; the School is \$8,000.00; the School Retiree is \$6,000.00, more or less; North Conway Water Precinct is \$10,300.00; Retirees of the Precinct is \$7,600.00; and the Conway Village is approximately \$11,000.00 per year and the most expensive. As you can see, even though the graph you were looking at, it was just based on total figures; it wasn't actually to break down; that was just Singles and it still shows that the School is paying more per Plan than the Town; the Police is paying more than the Town as well. They do have that information if you look. Again, she will emphasize, if you divide those totals on that graph by the number of employees, you will not have an accurate figure of cost per employee because if somebody is on a Family Plan, we're paying more for that person than we are for a single person. It's not going to be equitable. You have to take every single one of those numbers and divide them separately. There is a lot of good information here and she has to disagree with Mike (Fougere), it is not preliminary, it is real. It is real information that has been provided. It's real information and it can be used in trying to figure out what we have at present. That's all this information is: it's what we have right now.

Chairman Mosca stated at this point he was going to thank Earl (Sires) and Lilli (Gilligan) for coming out and for them to please feel free to leave and have a pleasant evening. He thought the members were going to be going back and forth and thought that they did not need to sit through it.

Chairman Mosca stated that since his microphone was dying, he would speak as loudly as he could. Chairman asked the members from the Budget Committee on the Health Care Committee, Mike (Fougere) and Chris (DeVries), if they wanted to give a report as to what has been going on, either one. He was sure that Stacy (Sand) would put in anything that was missing.

Christopher DeVries stated as Stacy (Sand) has said it has mostly been information gathering. They have heard from several different Health Care Providers and insurance companies. They have heard a lot about programs that may or may not be going on. It's a lot of info at this point and there's absolutely no direction towards any sort of decision making. That's not the point and as Stacy said, it's fact finding and brainstorming and he felt like they were at this point getting really informative and they are able to narrow down their focus on to something that they can investigate further.

Michael Fougere stated having dealt with a committee looking into insurance before to curtail costs many, many years ago, we're a committee looking at trying to save Town money in insurance, but they've got 5, 6, 7, 8 different organizations that are being insured by multiple contracts and multiple areas of government which have jurisdiction over them. Unless they can come up with overall programs that would cut what they're ongoing insurance policy is providing, if we could provide those for a smaller cost and get that deducted out of their overall cost of their program, we might be going some where, but so far it looks like we're not going to be able to consolidate so there's no way of wielding the big stick of a \$7 Million wad of cash at any one insurance company. You can't take 2 or 3 of these and put them together and think it's going to work. Unless this Committee comes up with a way of trimming what we would normally have to pay on these policies by creating a viable Clinic of some sort to offset things, so if we could put a doctor on payroll in his Clinic, on payroll, to do the physicals, the blood work, the drug testing, all of these little every day chores and then sort of put them on a cash drop-in health insurance policy so that if they ended up in the hospital, they are covered; their every day needs are covered by a Town controlled entity. Beyond that, right now, all they are doing is a group of people arguing about insurance. As far as adjusting the cost, unless they would all agree and the existing entities could all agree on a single insurance company/insurance provider and all four entities could be put into that and then give us the ability to say "all right how many different styles of Plans can you offer 500, 700, 800 people"; can you do high risk Plans; can you do Fire and Police Plans; can we buy it as one entity. Unless we can do that which there's a couple of insurance guys looking into, how many we can put together or if we even can. Beyond that, we're just looking for little things that the Town can do, to try to save us money over a general basis. Basically going back to owning a School, a house and having a doctor for the Town. That's where he's at.

Bill Masters stated he had just a quick comment. There's a lot to be said for what you (Michael Fougere) just said. He has had multiple plans offered to him as a retiree, all of which range in services for himself and his family. What goes with that is him making a decision as to what he wants to pay. The Federal Government pays the same no matter which Plan he takes. He makes up the difference. This is a way to look at how the political or the governmental offers that Plan. We're offering a whole range of Plans to all of our employees regardless of what organization you belong to, but you decide which one you want to take and the co-pays accordingly we pay "x" number of dollars. That's some way of being able to look at a few things. That's just one of the options; there are probably a lot of others out there.

Michael Fougere stated the only way you're going to see a savings is to consolidate in some way, shape or form. To bring a mass quantity and a big payroll and say "this is what we've got to play with, what can you offer us"; "can you match what all these other companies are doing for us"; "can you match all that protection in your one Harvard Pilgrim or whatever", but pick one insurance company and that's the one that handles the Town because they're going to give us all the things we need to handle the Police Department, the teachers, Fire and Water Precinct because they all have insurance, but unless we can bring it all into one house there's no negotiation ability. When you've got to negotiate with 5 different companies for 5 different things and they already have somebody doing that negotiating, then what are we doing. We're putting our nose into a thing that has been going around pretty good.

Chairman Mosca stated to the members that we were not going to debate this back and forth tonight because we want just a report from the Committee. This isn't the place to debate back and forth on what can or can't be done. All of the talk about consolidate and he knows you guys are looking at everything, but he thought one of the big concerns and he didn't know whether there was anybody from Labor on the Committee, but you guys might want to have some Union people on the Committee. No matter what you do, if the Unions don't agree to it, you're not going to go anywhere.

Christopher DeVries stated as far as he understood, they were not doing anything per se, it's gathering information and brainstorming. All of these ideas may be great, but we're not trying to tell anybody what to do.

Maurice McKinney stated he liked the numbers he was seeing and he liked the investigation. He thought there were a lot of methods to evaluate future performance. Have we looked at the cost for development of putting it all under one house and thought that would be just a good number to look at because you could look at the savings. Michael Fougere stated those numbers are coming, we just haven't seen anything yet.

Chairman Mosca stated the next item on the Agenda is the School Year End Report. He heard from Dr. Nelson earlier today and he couldn't make it because he is in Jackson at a meeting and Kevin Richards is unavailable for personal reasons. Members did receive a handout and hopefully everyone has a copy of the handout. This isn't finalized, but it's pretty safe to say looking at the last page that there's approximately \$680,000.00 remaining in the School Budget.

Mark Hounsell stated he would just caution that the members did not have the Revenue side so he didn't want this Committee to think that the \$686,000.00 is the amount that will be returned. They have Revenue information that hasn't all been accumulated he thought was the best way to put it.

Dick Klement asked Mark Hounsell if that meant there would be more monies coming. Mark stated he did not know what that means; he was thinking that implies that, but he was just going on what he was told. He didn't know anything about where the money comes from at this stage. He did know that not enough comes from the State.

Chairman Mosca asked the members if they had any questions for Mark (Hounsell) that he might be able to answer or that he can bring back to his Board.

Stacy Sand stated she probably had this at home, but did Mark (Hounsell) know, off the top of his head, what percentage was left from last year. Mark stated good Lord no. Stacy stated she didn't know if any body would remember. Mark stated he thought that last year they were looking at \$800,000.00, so they are probably within that 2% margin that is consistent. Chairman Mosca stated it was just over 1% last year. Mark agreed; 1% to 2% is traditional. Dick Klement stated it was close to \$1 Million left last year, but this was after all the Revenues were incorporated. Chairman stated that's just a preliminary; it's not etched in stone and it gives us an idea of what we're looking at and Dr. Nelson assured the Chairman that they would be here at our next meeting. Mark stated he thought it could only go up. It could be a worse case scenario number.

Maury McKinney stated he just had a question on pupil transportation and this just goes to a comment Mark (Hounsell) made about the transportation of the Bartlett athletes to the Kennett Middle School which he is for. Being able to combine resources like that is prudent. You did make a comment that transportation is free and he knows it's not, and it's not a big deal, but it was one of the ones that was over spent the most and if you are looking at doing more transportation this next year. Mark stated he was glad that Maury had brought that up because he wanted to make sure it is clear that there is no cost incurred by the Conway School District for the student athletes who are coming from Bartlett on both Field Hockey and the Football team. The cost of transportation is borne by either the Bartlett supporters of those children, the parents, or the School District itself, but not a penny is a cost to the Conway School District.

Frank McCarthy stated he knew that many members have been on this Board longer than he has, he has only been here one year - this is his second. He has no intention of insulting anybody's intelligence, he doesn't want to do that but he would make a request that each and every member take the time to study, to read, comprehend and study the reserve Statutes Annotated. The chapter that pertains to budgets for Towns and municipalities, you will find it enlightening. He believes that the Town is not obeying the law properly. He believes that we have an opportunity to save the taxpayers money if members understand what that law says, what that chapter says. Just do him a favor, just read it and see if there aren't some things that shouldn't be changed. Thank you.

Dick Klement stated he knew Dr. Nelson was not going to be attending a lot of these meetings, he's on a limited number of hours weekly so things are going to be different this year than in previous years, but he was wondering whether we could get some information from Dr. Nelson or whomever. The Robert Frost School he believes has added another grade or two so how many Conway students are now attending the Frost School because they only receive State money for their students except for Special Ed students which Conway taxpayers kick in. In the grand scheme of things and he may be looking at this wrong, the Conway taxpayer saves money by having a child attend the Robert Frost School because there's no Conway teacher, there's no Conway sports, there's no support. There's no busing even given

for those kids. He wondered if the same thing holds true for the Waldorf School where they only receive a certain amount of money and the other schools in the area. How many students of Conway origin are being educated not using the Conway taxpayer base. It may be an interesting number to come up with, but certainly it will tell us if this number is increasing the number of students. That this may in fact contribute to the reduced number of students we are seeing in the schools. Now you have 2 students in the 4th Grade go to Robert Frost, that doesn't reduce the number of teachers you need and there's probably virtually no savings in the grand scheme of things, but if you have enough kids coming out, perhaps you can get one less teacher going. He thought we need to know those numbers and he hoped that we could get them. The next thing is going to be the discussion the School is going to hold on incorporating Pre-Kindergarten, Nursery School, he was not sure how you'd phrase that, which would have an impact on the taxpayer as well as an impact on local businesses that educate these children now. Perhaps we could ask someone from the School District to come up with those numbers. Thank you.

Mark Hounsell stated what he had down was information that he is going to ask Carl Nelson for and he has down how many Conway students attend Robert Frost and asked Dick (Klement) if that was what he wanted. Dick stated that was the first one, but there are also other schools. Mark stated that Dick wanted to know how many students attend private schools. Dick stated right because at some point they're coming back to Conway. Mark stated he thought Dick meant kids who otherwise would be going to a public school, going to some other school. Dick stated that was correct, but once they get in High School, there is no option for them unless they want to go to a Boarding School they're coming back to Kennett. When you take the numbers in the Middle School from 8th Grade, that doesn't equate to what's going into Kennett Freshman year. There's a delta of these kids coming out of these other schools. Mark stated he would ask for that information.

Chairman Mosca stated his point was whether the Committee could get this information. With the private schools it may not be on their websites and they may not have to give out that information. Mark Hounsell stated he would go out on a limb and, he may be off on this one, but he believes that the compulsory education requirement under the RSA's stipulate that the Superintendent is to know the name of every child that lives in this District. He could be way off on that so he reserved that right to be chastised.

NEW BUSINESS

Chairman Mosca stated that hopefully all members received the proposed Meeting Schedule that was e-mailed. This is based on what we have done the past two years. It's very preliminary. Maureen Seavey stated she couldn't print it out and the Chairman stated that he would give her his copy. Chairman stated basically it's what we've done the last 2 years. There's a night dedicated solely to the Schools which he thought was a big help last year. What he would like everybody to do between now and the next scheduled meeting which would be October 22, 2014, look at it, if there are any issues with it, get back to him. In October we will vote on the Schedule and then get it out so that everybody knows the schedule ahead of time and we can move forward with that.

Stacy Sand stated she would not be at the October 22nd meeting as she will be out of the country.

Chairman Mosca stated what we have done in the past two years also is this Committee has put together questions for the different departments. If people have questions that they would like answered between now and October/November, please forward all the questions to him and he will compile a list which we will go over as a Committee and we will vote to send whatever questions we have to the different departments. Think about that; try to get that put together and, like he said, if we can have it October/November that would be perfect, we can vote on it, get it out prior to the Budget season and hopefully will have some of our questions answered then.

Michael Fougere moved, seconded by Dick Klement, to adjourn the meeting. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary