

**MINUTES OF MEETING  
MUNICIPAL BUDGET COMMITTEE  
December 17, 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, Dick Klement, Mark Hounsell, Maury McKinney, Christopher DeVries, Danielle Santuccio, John Edgerton, Peter Donohoe, Steven Steiner and Greydon Turner. Excused: Bill Masters, Frank McCarthy, Terry McCarthy and Stacy Sand. Also present: Bill Marvel.

Chairman Joe Mosca led those present in the Pledge of Allegiance.

Chairman Mosca began the meeting by apologizing to the members of the Committee and to those that are watching, but he has to leave early this evening. At about 7:00 PM he will be handing the meeting over to Danielle (Santuccio) if the meeting is still going on at that time.

APPROVAL OF MINUTES

**John Edgerton moved, seconded by Greydon Turner, to accept the Minutes of October 22, 2014. In favor: 12; Opposed: 0; Abstain: 1 - Steven Steiner.**

OLD BUSINESS

Chairman Mosca brought up the list of questions discussed at the last meeting. He emailed a list to all members and had a couple of copies with him in case a member did not get their copy.

John Edgerton stated he had asked for the census from the School and that should have been given at the last meeting; did we get the census from the School. Chairman Mosca stated no because he didn't ask so that's on him and not on the School Department. John stated he asked Dr. Nelson directly and Dr. Nelson said he would get it to us. Chairman stated it may be something that has just slipped through.

Mark Hounsell asked if John (Edgerton) was looking for just Conway or the whole District. John stated the census comes in a standard form, it gives the number of classrooms, not the teacher's names, but the classrooms and how many students are in each class. Mark stated the School Board does have that; Dr. Nelson gave it to them a couple of weeks ago. Mark will personally see that John gets that information because you did ask for that. John stated everybody should have it. Thank you.

Chairman Mosca asked if any member had any comments or questions about what we have for questions; was there anything that anyone wanted added or subtracted to the present list of questions.

Maureen Seavey stated she had a question on insurance. Maureen asked if the School's insurance had gone down. Mark Hounsell stated it did. Maureen

further stated that she would like to know the other departments, i.e. Police and Town; Health Insurance and what the decrease might be. Mark stated he misspoke; they had originally thought it was going to be a 10% increase, but the increase is going to be around 5%. Those numbers will be clearer when the School Board presents its Budget, but there is an increase.

Mark Hounsell asked if Chairman Mosca wanted him to answer on behalf of the Library now. Chairman stated Mark could if he wanted to, but we don't have all the members here and what has happened in the past is that we have gotten written answers to everything. If Mark would like to explain it right now, we can still get a written answer on it because he will be sending everything to Earl (Sires).

Mark Hounsell stated the question on the Library and asked Bill Marvel to help if he could. The question concerning the Library was:

"When various clubs/associations are invited to show their projects in the Library and they charge the members of those clubs to participate, does the Library get a significant portion of the proceeds? If not, why not?"

Mark stated his answer is that the Library doesn't get any proceeds for any use of the Library and, until just now talking with Dick (Klement), he didn't even know that there may be charges that associations made to their members. He is going to be looking into that, but they don't charge people to use the Library for functions or displays. John Edgerton stated he was on the Art Association Board and the Library asks them to exhibit.

Chairman Mosca asked if any member had any further questions or comments or if there was anything that they wanted an explanation of. Maureen Seavey stated there was one other thing that she noted when reading the Minutes, the monies from the School that was \$1 Million plus, is it applied to the 2014 taxes or will it be applied to the 2015 taxes. She didn't think Earl (Sires) knew that at the time, but it would be interesting to know if that was known before the Tax Rate was set which it would be applied to. Mark Hounsell stated yes, it was money that was appropriated but never drawn upon, so it was, in effect, returned to the taxpayers, even though there was no actual physical check, they just never used it. Maureen asked when you make out your paperwork for the School say you didn't use this much money to the DRA when they set the Tax Rate. Mark stated he had a document that's kind of hard to follow, but it's from the DRA and explains the steps on how all of that is handled. The DRA works with net, they don't work with any other stuff. Maureen stated she just didn't know if that information had to be filled out.

Michael Fougere stated last year it was how the sending towns paid for us, to pay us back and their answer was if they come in and use their card, we charge that person for the town, but if a person comes in and gets his Library Card and is now using the Library on a daily basis but not checking out a book, the Town isn't collecting anything for him. Mark Hounsell stated that is correct; it's a free Library, anyone from here to Taiwan could come into the Conway Public Library and use it. Michael

stated but that could be for years and years and years and he is using it every day and the town still is not paying for him. If a person uses the Library and checks out a book, the town is charged for that person to use the Library. Mark asked what town. Michael stated the sending town. Mark stated no, there's no sending towns. Michael stated he thought that if a person from Albany used the Library, that town paid their share for that person. Mark stated what they do is they have so much in their Budget, Albany, and they decide themselves at their Town Meeting that they're going to pay for their residents to get a non-resident card at the Conway Library. When they come to the Conway Library, they get a card and they invoice the Town of Albany. Michael stated they do that each year when the person checks out a book. Mark stated they do that whenever that person wants to renew their Card. The Card is good for a year. The Library doesn't charge to take out a book, you can take out as many as you want. Michael stated once he's established in there and doesn't really check out a book, we're not charging that town for him to use the Library. Chairman Mosca stated nobody gets charged to use the Library if they just go in and use it. Michael stated they do in the beginning when they get their Library Card. Chairman stated you only get charged once when you get your Library Card, that's it, one time. It's a one time fee. Michael stated he thought it was a yearly thing. Chairman stated right, one time per year. Michael stated if they've gotten their first card and all they're doing is using the Library at that point. Chairman stated as Mark said, someone from Europe can walk in and use the Library, they are not going to get charged as long as you don't want to set up an account. Michael stated if a bunch of people come in and sign up and the next year they don't. Chairman stated that's right, you only get paid per Card issued per year.

Chairman Mosca asked if any member had any further questions or comments.

Christopher DeVries stated there was one small thing he noticed. At the last meeting it was mentioned that the Police Department is understaffed and he was curious as to why they were over budget on Uniforms. It's not a big deal, but it was just a funny thing that stood out in his mind because it seems directly related to personnel. Chairman Mosca stated he was going to try to answer that, but it may not be the correct answer. He thought what has happened is that they have had such turn over that, people coming and going, that they still have to order uniforms and get uniforms for people and then as people decide that they are not going to stay, he did not know what the procedure is, if they have to pay back a certain amount or not. He thought that's what's happened because they had so many people retire and they've had a few people come in and then say "no, this isn't for me" and leave. That was his guess as to what it is, but he will put that down. Chairman was sure that the Chief would come back with something more profound than what he just did.

Peter Donohoe stated he had a question that he had not submitted to Chairman Mosca yet. Did the Chairman want it submitted to him or should it be asked now. Chairman stated Peter could do whatever he chose to do. Peter stated last year the Town, the Rec Department for instance, John Eastman said that they were going to conduct a thorough review of their user fees and see if they are up to date with the times and maybe make some adjustments if they're deemed necessary. Peter did not know if

anybody has spoken to that at all. He is saying the Rec Department, but he thought there may be several other possibilities where there could be a user fee review.

Dick Klement stated he saw the Selectmen's Meeting on TV and then he read in the paper where there was some discussion that the Police Department building was not constructed to code at the time it was erected. The question would be from a financial perspective is since they are going back in and attempting to fix that, is the Town doing something to try and reclaim the funds from the fraud precipitated on the Town by that contractor. John Edgerton stated good question. Chairman Mosca asked that Dick e-mail the question to him to make sure that he gets the proper wording.

Chairman Mosca asked again if any member had any questions or comments. Chairman stated that if a member should come up with a question, send same to him. Chairman will send the questions to Earl (Sires) whatever questions he has probably the beginning of the week next week and he will update the list if there is anything between Christmas and New Years.

Chairman Mosca stated the next meeting is Monday, January 5, 2015 right here and we are going to review the Overview of the entire Town Budget and we will be having Library, Assessing and Finance here that night. We have two meetings that week, January 5<sup>th</sup> and January 7<sup>th</sup>, and then we will have meetings once a week until February where we will be having two meetings.

Peter Donohoe asked if the members were going to see any budgets ahead of these meetings. He knows that it seems to be an every year question. Mark Hounsell asked for the date of the first School meeting with the Committee. Chairman Mosca stated January 14<sup>th</sup> and he thought Carl (Nelson) stated he was going to try to have them ready before the end of the year. Mark stated he thought the Committee would see them well before the end of the year. Peter stated he thought we had them in December last year. Mark stated he guessed the members would have them except that the School Board held it up. They will be taking it up at their next meeting this coming Monday. Other than that, it was tabled at the last School Board meeting. Carl tried very hard to get those to the Budget Committee for tonight. Peter stated that would have been nice. Mark stated the School Board held it up. Chairman stated he would check with Earl (Sires), but usually the Town's comes out right around Christmas. Karen (Hallowell) is on vacation this week and he did not know who might be putting everything together.

Maureen Seavey stated this is because she read some of this stuff in the meeting. They said \$300,000.00 less in out-of-District placement students; she knows there have been more kids come in from Bartlett. Mark Hounsell stated Conway does not pay for Bartlett's Special Education students. Bartlett School District is responsible for that, so whatever is happening in Bartlett that affects their costs. Maureen stated is that what that \$300,000.00 was; she thought is was the number of students going into it. Mark asked where that was. Maureen stated it was not in there, but there was a question that they mentioned a \$300,000.00 decrease in revenue from out-of-District. She was wondering because someone said Bartlett is

sending more students to Kennett this last year and she was just curious as to where the deduction is.

Dick Klement stated remember the appropriation for the sending towns runs a year behind the current year. If you're looking at 2014, you're looking at 2013 numbers. It took him 6 years to figure that out and he still doesn't understand it. Maureen Seavey stated then that explains it.

#### NEW BUSINESS

Mark Hounsell stated he did a couple of handouts already and asked the members to first take a look at the one that is the Revenue page. He wanted to start by saying that the School Board has not finalized its Budget, but he can report that in his experience this is one that has the least increases, it's going to be well under 1%. They have not seen the Teachers' Contract yet, but as it stands right now the Operating Budget is at 0.34%, before Warrant Articles and before the Teachers' Contract. He wanted to show the Revenue page because it looks to him that our focus should not be on the spending side because they are really doing well with the spending side of things. There are some things happening on the Revenue that he thought this Committee needs to be aware of. He presents this, not as anything more than information for members to consider as we move forward. That Revenue page at the very bottom, members will see two figures: State of NH Education Tax and District Assessment. The State likes to claim that they are giving us that money, but that money really is property taxes, it's raised entirely locally and spent locally. Not a dime of that comes from the State. The State contributes the line above, State of NH Adequacy Grant, which is totally inadequate. That was his editorializing on that, but those two numbers at the bottom: State of NH Education Tax and District Assessment, those combined dollars are what the Conway taxpayer has to bear.

Mark Hounsell further asked the members to take a look at the second sheet that he passed out, and he wanted to read to the members and the viewing audience the Disclaimer attached:

"Disclaimer: Prepared by Mark Hounsell, Conway School Board Member. Not a product of the Conway School District or the Conway School Board." Mark further stated the numbers have been verified as accurate.

Mark Hounsell continued by asking the members to look at the top line stating "Total Budget\*" saying that it includes Warrant Articles and then if you look at "2015-16 (proposed)\*\*", this actually isn't before the members so this really isn't proposed yet, but it looks pretty darn close to what is going to be proposed and it does not include the CEA Contract. At the second column "Conway Taxpayers\*\*\*", those are the aforementioned State Education and Assessment numbers. If you look at that, the Conway taxpayers, based on where we're at right now on the proposed, are looking to pay 49.67% of the total Budget for the operation of the Schools. He asked the members to look at 2011-12 and see that in that year it was 47.91%. If you look at Conway's enrollment, members will see that it has been pretty static, it's not up and down, it's pretty close to being the

same and even if you refer to Conway's per pupil cost which is a matter of dividing the enrollment by the Conway taxpayers amount, you will come up, again, with a relatively stable number. The thing he wants to point out, and he points this out because he thought it was very important that this Budget Committee and other people in town become aware of where we're headed in the future in the development of a long range plan that they make sure that this is addressed, they being the people of Conway, make sure this is being addressed and he is pretty sure that it will be. If you read the line at the bottom:

"If the % of Conway's share for 2015-16 was at the 2011-12 level the total amount raised by Conway would be \$16,620,117.00."

Mark Hounsell stated he pointed the above out to show the impact of what that rise from 47.91%, it went up, it went down, it went down, it went up again and now it will probably be over 50%, what that impact results in. That's a function of sending School District's enrollment; if they decline, Conway pays a bigger piece and that's what it indicates:

"This indicates that revenues from outside sources (tuition) has been in decline in recent years."

Mark Hounsell further stated he hasn't gone back and he thought he would go back to the beginning of the Tuition Contracts just to see how that worked. He wanted to show the members that:

"Every 0.01% increase to Conway's share (per cent. of the total above) equates to an increase raised from Conway taxpayers of \$3,469.00."

Mark Hounsell stated sometimes we discount that hundredth spot after the decimal point, but every time that kicks up one that's another \$3,500.00 to the taxpayers. If we're trending towards Conway paying a bigger share, then we could find ourselves with a situation that isn't really what we want if we're to remain a receiving town. That discussion has to be had, in 10 years the Tuition Contracts are over. We need to keep an eye on this number to find out in 10 years if we want to be a receiving town. Mark further stated that Dick Klement was the first two years ago to say that maybe we don't. Mark can't envision Conway not being a receiving town with all of these different Districts coming, but at the same time this speaks to a real problem as far as the impact to taxpayers and he didn't believe, and he would stress it again, he didn't believe it was a spending problem, he believes it's a problem of Revenue and how we raise money to pay for public education in the State of New Hampshire. There is such a burden placed on taxpayers that it pits economic groups and age groups and social groups against one another when we're all really in the same common purpose of educating our youth. That's just information for the members to digest and answer any questions.

Chairman Mosca thanked Mark Hounsell for his presentation and the information.

John Edgerton moved, seconded by Dick Klement, to adjourn the meeting at 6:57 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary