

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 28, 2015**

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 (arriving at 6:48 PM), Doug Swett, Michael Fougere, Dick Klement, Bill Masters, Christopher DeVries, Danielle Santuccio, Frank McCarthy, Terry McCarthy, John Edgerton, Steven Steiner, Greydon Turner, Stacy Sand and Mark Hounsell. Excused: Peter Donohoe and Maury McKinney. Also present: Dr. Carl Nelson and Jim Hill.

Mark Hounsell led those present in the Pledge of Allegiance.

APPROVAL OF MINUTES

John Edgerton moved, seconded by Michael Fougere, to accept the Minutes of January 7, 2015. In favor: 14; Opposed: 0; Abstain: 1 - Mark Hounsell.

SCHOOL REVIEW

Dr. Nelson stated that Chairman Mosca sent him 35 questions and then he got another 19 questions from Iris (Bowden) and they are all answered. It's like his final exam for this course and he would let the members do the grading later on. Dr. Nelson asked the members to look through the answers and if more detail was wanted on certain things, go through the Chairman with what is wanted and he would be happy to respond to it. If there are other questions that come up, again go through the Chairman and they'll respond to it.

Dr. Nelson stated he had Jim Hill with him because one of the topics he wants the members to be clear about is the engineering proposal and he was going to use the word "proposal" because it's not an engineering study. There's a \$287,000.00 item that's in the Operating Budget line that people have talked about. There's quite a bit more to it than that. Members may or may not know that it involves the 3 Elementary Schools and it involves Seaman's, who has actually written virtually the specs for bidding for accomplishing an overall of the Elementary Schools' energy plans.

Jim Hill stated he thought Carl (Nelson) hit the nail on the head. This isn't a Study, they know what the problem is and he will go over it briefly and if he gets too long winded, he asked Chairman Mosca to shut him off.

Jim Hill stated the 3 Elementary Schools each have two boilers that are at least 25 years old and in some cases older. Each of those two boilers are, when you get down to 10 degrees, 0 degrees, -20 degrees below zero, run on a lead wag situation, one will come on and run the building and go off, then the other one will come on and run the building and go off, so they wear down equally. When the temperatures get below a certain threshold and he didn't know what the number was, they both have to run simultaneously to heat all three Elementary Schools. If at any time, particularly on

those -20 degrees days, any one of those boilers goes down, the one remaining boiler does not have enough BTU capacity to heat the entire facility. So what happens is, unless that boiler can be repaired, and that's a huge if, those buildings are on a slide down rather quickly.

Jim Hill stated as an example, Dr. Nelson and he responded to, and this was maybe 10 or 15 years ago, the foyer at Conway Elementary School, as you go in between those two doors, there's a sprinkler head in there and they had one of those situations where the boiler couldn't keep up with temperatures, high winds and it flooded the school and it cost tens of thousands of dollars worth of damage; the Library was flooded, etc. That's one part of the Study.

Jim Hill stated Pine Tree is also a school that was built in 1990, again 25 years old, that's the newest school besides the new High School, which is run on pneumatics. Back in the day, that was state of the art and you had pressurized air, and he didn't know the details of it, except that warm air expands and cool air contracts and what you have is these lines are literally about the size of this wire that runs throughout the building, two thermostats that then run to the devices that are in those rooms. Those hoses, those pressurized hoses, are run from a compressor that's in the Boiler Room. As those hoses get old, as the building moves and scrapes up against those hoses, they begin to crack, the fittings begin to leak and you start to lose control over those devices. They can be either too hot, too cold, you lose calibration, etc.

Jim Hill stated that the new controls are electronic controls that you basically, Andy (Grigel) can go into his office for John Fuller, Conway Elementary, the Middle School, the High School, and look at the exact temperature in every single room and he then can go in if there is a problem with that temperature, he can electronically from his office go and remotely try to adjust the dampers and those types of things on the units at the schools. If he sees a problem, he can kind of get an idea of what needs to be done, put the right tools, right equipment on a truck and send out a crew and they can try to fix it. If not, they call in the contractor. That's the problem at Pine Tree.

Jim Hill stated at John Fuller and Conway Elementary Schools, they have wings 1950's and 1970's that are completely baseboard heat. They have no fresh air intake into any of those classrooms. The 1990 additions do, they've got unit ventilators and those rooms at the time met whatever heating standards were required, but as it stands right now, there is no mechanical ventilation for any of those rooms. That's the third part of this plan: to address that those rooms are properly heated and ventilated.

Jim Hill stated that's what the Study is going to do. They are going to go in, much like what they did at the Middle School last year, it was in the Operating Budget to do the lease purchase for the Air Handler on the Gym. They had a great process. They went in, they designed the system, it's stamped by the Engineers, then they go out and actually get bids. For example, the duct work, the tin knockers, Seaman's will work with the Maintenance Director and Engineers and they will go out and get bids for the sheet metal work and you may have somebody down in Boston that says

he'll do that sheet metal work for \$1,000.00; then you have somebody over at Ela Sheet Metal, for example, saying he'll do that work for \$1,020.00. It's then up to the District if it wants to pay the extra \$20.00 to hire Ela Sheet Metal over in Fryeburg (ME) versus having somebody they are not familiar with drive up from Boston. All of those trades are bid out as part of this process in consultation with the Maintenance Director and with the Facilities Committee.

Dr. Nelson stated one of the things they would also like to do is to invite anyone on this Committee to come over tomorrow at 2:45 PM and see Andy's (Grigel) room in action with all his computers down there and how they monitor the buildings that they can monitor. It would be worth taking a look at it. Let's shoot for 2:45 PM and meet up right here at the Middle School.

Jim Hill stated we can meet in Andy's Office, the first door on the left when you come in like you did tonight. Then after we look at that, we can go across the street parking lot and look at the Boiler Rooms, which is a big deal, and then we can take a quick peek at the rooms that are unventilated. He would invite anybody that is interested in this, even if you're not interested in this, and he knows Dick (Klement) has seen it, it's pretty amazing what gets done from a centralized location and remotely doing these type of diagnostic stuff versus sending a crew of guys with God knows what to try to fix these things on a day-to-day basis.

Dr. Nelson stated the other thing he would also note on is that we talked about the price tag of \$287,500.00. The School is going to get a credit of that. They are going to do the work, the District is going to pay them and that will be subtracted from the overall bill that Seaman's would have charged. Architects do the same thing; they will do the initial things for you, if you sell the Bond issue then they will deduct what you have already paid. The money is going to come back to them, they have to do the initial expenditure of it. He thought it's important that the Committee know that.

Chairman Mosca asked what kind of money, and he wasn't going to hold Dr. Nelson to a dollar figure, but what do you estimate the total cost to be. Dr. Nelson stated some where in the \$4 Million range. There has been some discussion, and nothing is certainly in granite yet, but there's been some discussion about a Bond issue to deal with that.

Jim Hill stated honestly, they actually started off with getting a proposal for doing the work and then as they started talking about it, they're going to get questions from you folks as to exactly what is this, how many BTU's is this unit, how many pumps is it going to take, are we going to have to upgrade the electrical panels. They were like we're not going to be able to answer those questions because it will not have been designed. They were taking a huge ball park guess on that number. They didn't want to put the cart before the horse, they need to do the engineering first and hopefully that will help narrow down the cost on the price tag.

Chairman Mosca stated it has been suggested by a member of this Board that Seaman's not be allowed to bid on the Contract. How do you see that playing out. Jim Hill stated they did a request for qualifications years ago with Seaman's, with everybody: Seaman's, Johnson Controls, Honeywell and a couple of other companies he thought were involved at the time. They are all proprietary. These guys all have their own devices, sometimes they work together, lots of times they don't. They made it clear to the Board at that time that they were making a long-term commitment to working with Seaman's. Every single building uses their devices. It's not just the heating system, it's the security system in terms of working with the surveillance cameras, it's the security system as it relates to the mags and the maglocks. All of those things can be monitored here at the various locations. They are integrally involved in all of these facilities, they have to be involved in this.

Chairman Mosca stated if they're designing it, what are the safe guards that we have that the price is going to be a good price, a fair price. Jim Hill stated he thought you could have industry standards. They are also working with other Engineers, for example: the structural Engineers, mechanical Engineers, they work with HEB as structural Engineers because they had to put steel up on the project over here. You can come up with industry standards to find out if you're getting fleeced. They also know, they have a pretty good idea, they've done a lot of building projects over the last 10 years and they have a pretty good idea how much some of these things they can anticipate what they are going to cost. He didn't know, but knew that Andy (Grigel) knew what they are.

Chairman Mosca stated his last question before he opens it up because he knows there are members chomping at the bit, the School Closing that was done, there are some people that believe an Elementary School is going to need to be closed in the future because of declining enrollments, not only in Conway but also in the sending towns. If we're going to be spending all of this money, are we going to be throwing money away.

Jim Hill stated this is the way he has been looking at this. He has a job to do as the Overseer of Transportation and Maintenance. He is entrusted to make sure that these facilities are properly maintained. They went through this with the Middle School, if you'll recall, that building was let go, the old High School, it was let go. Some people would argue that it cost \$30 Million to fix it because people did not take the time to keep up with the repairs. They went through the same thing there that they said they put money into the Middle School because they didn't know what they were going to do. There was Co-ops going on; there was the Tuition Contract first time around was voted down. It was his responsibility and he dare say the Board's responsibility that the buildings that they are entrusted with are properly maintained. Now if there are other things that take effect that affects that, that's not him. His job is to make sure that their buildings are maintained and the students have a good environment in which to learn.

Mark Hounsell stated he would like to give the School Board's perspective and, in particular, his. He serves on the Facilities Committee and he also served on the Facilities Committee in 2005, ten years ago. He was, and is,

quite alarmed that no progress has been made in that 10 years in any substance to remedy a situation that was what he would call dire back then. It's easy to over state a problem, but in this case it's difficult not to really convey to all of the members and the community the high risk that we're playing right now. He doesn't want to be an alarmist, but when he saw the situation and saw that these were to be tracked to be done at certain intervals and placed on a plan and he was being bumped, he could see that nothing was going to take place and we were headed towards a catastrophic condition sooner or later. Hopefully later, hopefully not this winter.

Mark Hounsell stated he started out by saying that we should be pursuing a Bond for this year because we are in such a desperate situation, but understanding the Tuition Contracts and the sending towns have to have certain hearings and there's contractual requirements and there's also the need to inform the public. When you first hear \$4 Million, that sits everyone back on their heels. This has been a problem and it's been there for quite some time and the need to do something is on us right now. We have no choice. The question of whether we close an Elementary School is separate from this. There has been no decision to close an Elementary School so we can not assume that we can not do this work because some day we might. Even if they were to, in order to get the best buck, they need to sell something that can be heated or no one will want to buy it without putting their own \$4 Million or whatever into it. Those are two separate issues, clearly those are two separate issues. They have in John Fuller and Conway Elementary boilers that could go down any minute. He's hoping they won't, he's believing they won't, April is just around the corner. They also have situations that are every day and that is they're not putting in quality, safe air into the classrooms where our students are. It wasn't part of the standard in 1957 or in the 70's, it was just put the heat in and everyone stay warm. You need to have air exchange. We all know that now and this would incorporate that as well.

Mark Hounsell stated there is no good time to spend \$4 Million, but there is a bigger pay day, a bigger expense waiting for us if we don't move forward with this. This Engineering Study is not a "Study", it's an engineering, it will produce the type of plans and specifications necessary to do the job. It will do so and it will also embrace what he considers to be an "A" team and that is a team that is led by Seaman's and the maintenance staff working together. They know each other, there's no one out to make a quick buck, Seaman's is a huge company and they are not going to try to take advantage of us. They have a long-term relationship with them and he has the utmost trust that they are going to be professional in their pricing. The other thing is they have the Yeton Associates and if anyone is familiar with the School programs throughout the State, Yeton Associates is probably the premiere School Mechanical Engineer that there is in the State. They were the original Engineers on Conway Elementary and John Fuller. That allows us to know that the Engineer that's being a part of this time has within its own office space all of the As-Builts and all of the records necessary to be able to do a complete job. There is no question that this job needs to be done and the first step is the engineering and the School Board can't be stronger in their appeal to the Budget Committee to support this.

Dick Klement stated he was probably the single most responsible individual for saying that the first Elementary School Closure Study, the one that's on the web right now, was not a good idea. The rationale behind that we only close one school, we move kids from the remaining two Elementary Schools to the 6th Grade into the Middle School. It created a whole host of questions of "will they fit", but additionally reducing the revenue we receive from the sending towns by, some would say, \$200,000.00 per year. He couldn't see us making any money off of doing that because we weren't really getting rid of any people to speak of.

Dick Klement stated he went to this long-term solution and they've had 3 or 4 meetings, and only in the first meeting did they discuss Facilities. He knows because he was there with Jim (Hill), a teacher or the principal from a Middle School from a sending town, the Chair of the SAU #9 School Board and a couple of other teachers. He brought up a question about closing schools. You would have thought that he had shot their first born. He means it was "you can't do that", "we want to add Day Care" and this and that and everybody's going to sit around the campfire and sing songs. He sent a letter to the Conway School Board voicing his dissatisfaction and sent copies to the SAU.

Dick Klement stated he asks questions and he gets "this is a philosophical statement". So, he sat down and wrote his own Study and he doesn't have all of the data because he just doesn't have all of the data. He's just a guy sitting out there reading reports and he looked at 3 Elementary Schools, closing 2, moving the Middle School to the High School, telling the SAU #13 people "thank you very much, goodbye". In 10 years, nine years, something along that line, the Agreement will expire. He was not sure, but he believed that all of the towns have to vote to determine whether or not we renew that Agreement. Conway could say "no" or Bartlett or whomever. If you do this and put K-2 in Conway Elementary and put 3 through 6 in the existing building that we are sitting in, we could save on a significant number of personnel and most of the costs we have today are in personnel costs. So he looked at the different data available, he looked in this book and he looked at the report for year ending 2013, he looked on the line for the stuff that Jack Loynd did for the School Closing Study for the projections and he can't compare apples to apples. He also went to the website for who's teaching currently and at what location.

Dick Klement stated in some cases the data for personnel resides in Unit 10 or Unit 2 and that was done specifically so that it could be tracked properly and, of course, Unit 2 is Special Ed and Unit 10 is, for some reason a Cafeteria Worker is in Unit 10, but the Custodians are with the building and you know the Cafeteria Worker works in the building, but be that as it may. The average salary, and he completed this by going through line by line in this book, the Budget we have, the total number of people, the total amount of reimbursement of FICA, insurance, whatever they're getting. He came up with the average salary if you take all of those numbers, put them together and divide them by the number of people including benefits, it's about \$67,000.00 per person. He used that as a starting point; you have to come up with something, so he used the average

of \$67,000.00. He assumed, he made some assumptions and he has a report by golly, he doesn't think it's complete, he didn't think it was accurate 100%, but it comes in some place around, you could cut the Budget by \$2.8 Million a year. This would be after we send the SAU #13 folks to go find another school.

Dick Klement stated the reason he did that was because it reduces the High School enough, down to about 600 people without SAU #13 so surely you could put another 200 to 250 in there and find a wing some place. He didn't know how much that would change the Revenue set up because he doesn't have access to that, not in any form where he could come close and he thought he was close. A \$2.8 Million savings a year. That's about 9%, that's long-term and then you don't have to buy boilers for those places. He wasn't saying don't buy them now, he's saying you won't have to put roofs on those places. Jim (Hill) just finished putting the roofs around and now he's starting again. We've got more roof acreage than probably any other two stores in town. This has to be looked at seriously. It's not being looked at seriously today by anybody.

Dick Klement stated we ask a question and get an answer of "this is a philosophical discussion". Excuse me, it's not a philosophical discussion, it's dollars and cents, nuts and bolts, who goes where. He made some general ground rules: no class size over 23 kids, ideally it's under 20, but you don't want one over 23. He can still cut teachers left and right because the way they are today you have to have 2 at Fuller, you have to have 2 at Conway Elementary, you have to have 2 at Pine Tree and they're all in the 17 range or generally because there's only about 100 kids. If you put all the same Grade in the same school, you can do that and that was proposed before by a member of this Board. He said that would be silly because you're sending kids all over the world, but if you locate all of the Elementary in this complex, then they only have to go to this complex, they don't have to go to 3 separate locations. He is going to send a copy of this to the members, the School Board and SAU.

Dick Klement stated he thought we need to remember certain things, and he was coming to the end here, first he respects Carl (Nelson), he trusts Carl, he trusts Jim (Hill) and he respects Jim. They are not Conway employees, and he can not stress that enough, they have a responsibility to see that Bartlett and Jackson and all of those other sending towns, at some point Conway is going to disagree with these towns, it's Conway's right, then they're caught in the middle. Conway School Board specifically has to take the lead and ask the SAU to support them and not lead the parade.

Dick Klement stated lastly, on the maintenance and \$287,000.00, he came with Jim (Hill) and stood up here in this building on the second floor and watched the sewerage from the bathroom on the third floor leak through. That's what this building was. Shame on Conway for doing that. It's all our fault, but for the statement to say we have major maintenance problems, we need to do this long-term approach, that's good, but why didn't you put \$100,000.00 in the Maintenance Trust this year in a Warrant Article so that if a boiler fails, you have money available. Why did you take that out because you were to say "gee, if we have to go with

\$100,000.00 Warrant Article, people won't like it". What happens if that boiler across the way craps out tonight. Where are you going to get the money. You're three-quarters through the School year, you can't fire people because that's Union Contract stuff. Where are you going to get the money. Are you going to go freeze spending. That would probably do some part of it, but you probably can't come up with \$750,000.00 if that's what it costs to replace the boilers. You would have to do a patch job and a patch job is going to last any where from 20 minutes to 2 years or 3 years. He didn't know, but he has some issues and everyone will get copies of this.

Mark Hounsell stated the vote to not go forward with a \$100,000.00 Warrant Article was a 3-3-1 vote. It failed for lack of majority, regardless it failed. He believes the feeling was that there are a lot of things they are asking for and, he's saying this from someone who voted for it, they can go a year and he thought the balance was \$258,000.00 right now in the Maintenance Trust Fund. The quick answer is if something should happen now would that \$258,000.00 be available, but he did think that they are facing a lot of potential for that money.

Mark Hounsell stated as far as whether the community wants to eliminate one, two or all three Elementary Schools is going to be an ongoing discussion and it needs to be an ongoing discussion. As he has been a part of that discussion and watching that discussion and trying to measure it, he finds that there is no great uprising in wanting to close any of the schools; not to say that there aren't some people who are adamant that they should close a school, but he does not think and, in fact, he believes the strong sentiment of Conway is that the three Elementary Schools exist as they exist without closing any of them. That remains to be seen. There's work to be done on that.

Mark Hounsell stated as far as Carl (Nelson) and Jim (Hill) representing SAU 9, yes they are employed by SAU 9, but part of that is that they have to make sure that they're taking care of our issues. He's quite comfortable with his years of experience with them what they do on issues such as this and on other issues, they do consider Conway strongly, maybe not always as strong at times as he would like, but they do consider Conway. He thought that as we are speaking about this engineering work, they are speaking solely for Conway.

Dick Klement stated in going through the personnel, there are still a number of instructional Aides at the Elementary Schools, not Special Education Aides, not office workers, why are we maintaining Aides at the Elementary level when we've got a teacher for every 20 kids. What's the need for that? Remember each person is \$67,000.00 and when you look at it, the Custodians and the Cafeteria workers are among the lowest paid, they're still up at \$67,000.00 if they get the full boat medical package for their family. It's just a question of why; educationally why do you need Aides for non-Special Education when you have a teacher for every 20 kids. He didn't have a good answer for that and he certainly would like to know why because there's probably about 8 or 10 of them running around the Elementary Schools and they're also running around in the High School. It begs the question as to why we are doing that; he didn't know why they

were doing that and asked Dr. Nelson if he could tell him why they are doing that.

Dr. Nelson stated most of them are Program Aides. What he would prefer to do is to get his Elementary people to get him a description of just the right count because 1) he didn't think that was totally accurate, and 2) the Program Aides usually reduce the need to have 1:1 Aides. It's the 1:1 Aides that can stack up. If you want anything specific, he will get it. Dick Klement stated that would be helpful.

Dick Klement stated by his count using the itinerants that appear to be dedicated at the Elementary School and leaving out Special Education, we have 114.6 people working at the Elementary Schools without Special Ed. If you throw Special Ed into the mix, then we are up to about 157 and change. That's about 50 people per building for 250 kids. Now let's think about it, 50 people per building and he knows that there are Custodians and Aides and Librarians, but 50 people for 250 kids. In real business, and education is a business, we're spending a lot to get a product that some would say from the United States perspective is not as good as it was a certain number of years ago. We, as the United States, are falling behind other countries in our education. He didn't want to make that argument, but he was just saying there are 50 people per building.

Dick Klement stated you've got declining enrollment in the High School. He knows Neal (Moylan) has cut slots and he applauds that. Kevin Richard when he was the Principal at the Middle School cut slots and he applauds all of that, but we've got to take a look and see, do we really need to spend \$35 Million for 1,000 kids. Does that come to \$35,000.00 per kid, his math is weak. We're spending an awful lot of money and we're only getting back if he takes the answer that was given to us today from Madison, \$10,000.00 or \$11,000.00 per kid, and we're getting back less from them than what we are spending in Conway. Well, we're educating their kids so that's a loss, isn't it? Why is he losing money by educating somebody from another town. He was just using the numbers that he had and perhaps he was misinterpreting them, but it came to him to say that the last page of this thing says that the Middle School: Conway is \$15,000.00, Albany is \$16,000.00; at the High School: Conway is \$12,000.00, Albany is \$11,000.00, Madison is \$13,000.00. Why is Albany getting a ride for \$1,000.00 a person when we're paying more for our kids.

Dick Klement stated now he realizes that's the Tuition Agreement based upon a number of things, people from sending towns generally violently disagree with that formula at Town Meeting every year because it's a lot of money, but why is Albany getting a ride. He can't answer that. The more numbers he sees, the more confusing it gets and he can't go apples to apples and he really needs some help, he really needs some people to sit down and say "I don't care what the Town says about closing schools". If we opted to do that, what's the results because the Town doesn't know what the result is. If we could save \$3 Million a year by closing two of those schools, there's not going to be a lot of people in town complaining about closing two schools, but right now they don't know what the savings are, so how can they even have an opinion that's informed. We have a real big

problem here, we're not addressing the problem and as a Budget Committee, we're talking almost 10% of their Budget could be reduced.

Stacy Sand asked if she could change the subject. Chairman Mosca stated absolutely. Stacy stated a lot of her questions are about Technology, trying to understand what the Plan is and such and she has tried to read as well as listen to other things and try to figure out looking at this letter and the Budget, goals and such, she turned to page 3, Technology Expenditures for 14/15, 15/16 and 16/17. Her question was what does \$171,000.00 in new Computers include and then she looks at 2014/15 and you look at new Computers and total those up, we have \$176,000.00, not \$171,000.00, so we're \$5,000.00 short there. Then, if you combine replacement computers at the High School and Middle School, we have the Budget showing \$61,000.00 yet she looks at this Budget and it's \$92,000.00. This Budget is not matching the Budget the members were given in terms of what this Department is trying to accomplish in terms of getting a 1:1 computer per student for school. Is there any more explanation on what this is really saying. She understands that they have a lot of computers that are old and need to be replaced. What she says is why aren't we already on a rotating schedule to replace those computers; why are we waiting 8 years until they are obsolete so that we have to replace 8 years worth of computers all at once. She didn't know, but it's that kind of question. We have a 3-year Budget here, but it doesn't match up with this year's goal, it doesn't meet that goal for the expenditures of 14/15.

Dr. Nelson stated first of all that's the 3 Year Plan that they must submit to the State for approval and that's going to be an estimate of what costs are. They submitted the Plan 3 years ago and it's going to be different when they get to this year in terms of cost and in terms of the whole technology changing very quickly. To answer the other question, finances are what caused them not to continually rotate on a 3 to 5 year cycle. What we're talking about right here, dollars and cents.

Stacy Sand stated she understood that, but she also knows that by replacing, it says your goal is to have a 5 year replacement plan and that makes sense because that way maybe you can keep up with the technology while keeping computers in the hands of the kids. Also, looking at ratios of 2.2 students per computer, 1:1 at the Middle School and that's good, but we're pretty far away, we're twice where we want to be at the High School.

Dr. Nelson stated that's why the first time he came in and talked about expenses, he said the Committee would be seeing continual numbers like this in the Technology Budget. There was going to be an increase of a couple of hundred thousand dollars in order to move us along in that direction.

Stacy Sand stated what she is questioning is it enough, is what you're asking for going to keep you on track to what your goal is and is it going to match what this Technology Report shows. Dr. Nelson stated their IT guy says it will be. He's the guy they have to count on.

Doug Swett stated it's quite evident that we are going to have some new boilers. He understands that all 6 of them, the new boilers that are to be put in, what's the expected life of those. How long are they warranted? Jim Hill stated they were way past the warranty. The newest ones are 25 years old. Doug asked if you buy one tomorrow, how long is that one going to last, how long are they going to tell you it's going to last. Jim stated he couldn't answer that; he didn't know what the warranty was on a new boiler. He will ask Seaman's. They have said that the boilers are at least at or beyond their useful life. He was going to assume that the 25 year old boilers are at their useful life and the other ones at Conway El and John Fuller are beyond.

Mike Fougere stated being in oil and gas, 25 year old technology brought forward to today, you'd end up replacing it with, the efficiency level would more than likely go from a 83 to a 94. That alone could almost pay for the equipment in a couple of years in some cases just in the savings of fuel by replacing that 25 year old boiler.

Jim Hill stated he was out of here, good night (laughter). They have as part of this piece, they are going to be looking at the possibility of going to propane and/or natural gas. That's part of the discussion. Of course, when it's \$3.75 a gallon for #2 versus \$2.00 a gallon, it's a different number.

Chairman Mosca asked wasn't oil more efficient burning wise over propane. Jim Hill stated no, propane is more efficient, but you get more BTU's per gallon. There's a lot that goes into it, yes. Mike Fougere stated you get better heat out of oil, but a more efficient burn with propane. Jim Hill stated correct.

Chairman Mosca stated so you need to burn more propane to get the heat you're getting out of oil. Jim Hill stated you get a higher efficiency; you get more BTU's out of oil, but you get a higher efficiency out of the gases.

Mike Fougere stated a gallon of oil would last you an hour; a gallon of propane would last you an hour and a half. Chairman Mosca stated but you're not getting the same heat out of it. Jim Hill stated this is exactly the type of stuff that they are going to be looking at when they do the engineering and say "if you want to do this, this is what you're going to get for BTU's and cost per hour" and those type of things based on cost.

Mike Fougere stated case in point, just before he got out of the trade, the Weston house in Fryeburg, their boiler went out. It was a 40 year old steam boiler. It was three times the size of the new one. The new one was a third of the size producing three times the heat. Technology and going from what was the best 30 years ago to what's the best today, they didn't have multiple drain metals for the casting they do today. You go from a Derrick boiler to a Miller furnace, you're talking electronics to give me a stick and a match. That's where you're going. Us upgrading in the long run, if you can really look past one year, two year, three year savings,

can pay themselves by doing the work. That was how he always makes his sales or used to make his sales.

Jim Hill stated he wanted to add one other thing since it was brought up. Last year they, he thought, set a precedent and a darn good one when they put that Air Handler in the Operating Budget. It takes that Air Handler to operate this building. In the past there has been a tendency to put some of these maintenance items out like a sore thumb into Warrant Articles and potentially get hammered. These things are critical for operating these buildings and he thought that's where this money needs to stay.

Chairman Mosca stated Jim (Hill) was hitting his point on the head, the nail on the head. His problem with putting it in the Operating Budget is what happens if they need the money for something else. Whereas, if it's a Warrant Article and it's supported, it'll pass and the money is dedicated. He didn't have an issue with the Study, he has an issue where it's placed. Jim Hill stated trust him, he lives that every day and he goes on that back and forth. He will tell the Committee, from the School Board's standpoint, he thought they know that if that money were to be reallocated for something else, he's not coming back here. Mark Hounsell stated we won't do that. If the voters approve this Budget, that money is going towards this.

Chairman Mosca stated it's easy to say that now because you don't know what's going to happen when the Budget season happens in June or September. Again, his perspective is that it needs to be done regardless of whether we close one, two or three schools in 10 years from now. The work needs to be done now and he understands that and if the money is in the Operating Budget and something else comes up and they say "we need this money, sorry", then what happens. Jim Hill stated he would tell the members that July 1st they will do a Purchase Order to get this Study done. That money will be encumbered for this work. Chairman Mosca stated okay.

Dick Klement stated he's agreed all along that it belongs in the Operating Budget. He understands what this Committee did years ago and what you (Jim Hill) were trying years ago to protect the money, but this year we've got a Default Budget that's \$425,000.00 less than the proposed Budget. When you're talking a \$25,000.00 or \$50,000.00 difference, that's noise level. Now you're talking almost \$500,000.00 less. If the voters opt for the Default Budget, all this goes away. There is no long-term engineering plan because you don't have the money for it and there's no fall back unless you can use the General Maintenance money to perform this plan, then of course that leaves you with absolutely nothing if something breaks. You're shaking the dice pretty hard and if you lose, you're losing big.

Mark Hounsell stated all these things run through a person's mind when they sit on a Board, you think of these things, but when you get it all the way down and you're shaking the dice and you're looking at it, you can only do what's the right thing to do. He is quite optimistic that the Budget will have the support as it has had in the past by the voters and they won't go to a Default Budget. He would also say that if they did go to a Default Budget, it would be hard pressed to still not do the

Engineering. There would be no necessarily prohibition from them doing it any way. This work needs to be done. It's not a gamble, it's a fact. The gamble is already being made; the gamble is being made this winter whether or not these boilers fail. To speculate whether the voters go with the Default or whether they go for the asking of the proposed Budget that the School Board is asking and hopefully the Budget Committee recommends, it's really beside the point.

Chairman Mosca stated if you took the \$287,000.00 out, your difference between the Default Budget and the Operating Budget is down to about \$200,000.00 which, in the grand scheme of things, not a lot. It's not going to hurt you if the Default is chosen over the Operating Budget. If the money is in a Warrant Article that's supported, historically the voters support what both Committees support. He has to agree with Dick (Klement), it's a crap shoot because he thought if the School gets \$500,000.00 less and Mark (Hounsell) and the School Board may say they are still going to go through with it, but \$500,000.00 is a lot to make up. The monies in the Budget are always tight and he thought it was something that should be looked at again by all parties involved. He wasn't going to guarantee that the support is here, but from what he hears, the support is here whether it's a Warrant Article or not. He would hate to see the Default Budget pass and this not get done because from everything he's hearing it needs to be done. He's not against it and he knows he told Carl (Nelson) to take it out of the Budget because he thinks it belongs as a Warrant Article just for that reason, just so the money is tied and there's no question and \$287,000.00 is going to go towards the Study or the plans and specs to come up with a cost proposal as to what it is really going to cost to do all the work. Dr. Nelson stated he was sure that there would be a discussion.

Dick Klement stated let's make an assumption that you leave it in the Operating Budget and the voters vote for the Default Budget. That leaves you \$400,000.00 shy. By the 15th of April you have to have the lay off notices out. Dr. Nelson stated that was correct. Dick stated so you're going to have to go through an exercise with something of this size to lay off enough people to make up for the change with the Default Budget which is 6 or 7 people. There's not a lot of time to do that based upon the results of the election. You're going to be in an exercise before the election to determine the what if, who gets laid off if it fails.

Dr. Nelson stated that's actually one of the next steps that they will have to do here is to determine if they get the Default Budget this is what is going to be in it or not in it depending on how you want to look at it.

Mark Hounsell stated the Budget that the School Board has brought before this Committee, apart from if they were to remove the Engineering from it, represents not a very big increase in spending and he couldn't recall the number right now, but it's under a percent without the Engineering. He did not think that they were going to find a lot of push back from disgruntled people that this Budget represents out of control spending on the part of the District. He was not as fearful as some might be as to the voter's rejection of the Budget or the final number that this Committee might come

up with. He just doesn't see us going to a Default Budget. That's just the way he looks at it and it makes it easier he thought to take a look at what it is they are trying to accomplish. To put an Article like this with this amount of money on as a Warrant Article with a Warrant that's going to include the Town and School, especially knowing that the Town has some rather extensive capital needs as well, and those do have those needs, that some times something like this can just be one of those things of "well I'm not going to vote for that" without a whole lot of thought.

Mark Hounsell further stated he may sound like he's being over critical of the voters, but he guesses he is when you have 50 or so Articles, sometimes it's easier to say no than to follow the lead of people that have spent time to look at this. The School Board has looked at this and this needs to be done and they're of the mind that it needs to be done to the degree that they have put it in the Operating Budget. If that proves to be a mistake, then that's the way it goes. It will be ultimately the people's decision on whether or not they want to provide the needed upgrades, whether it's through the Operating Budget or an Article, but he believes the wisest way and the most straight forward way is to keep it contained in the Operating Budget.

Frank McCarthy stated he agreed with the Chair. He thought it should be a Warrant Article. He thought the people should have a vote and they should have a say. It's their money in fact and they should have a say where it goes. What's wrong with a Warrant Article. It's a one time thing, it's a one time expense, it's not something that's going to be in a Budget for the next 5 or 6 years. It fits the bill for a Warrant Article and the people should have a vote on it.

Jim Hill stated the flip side of that is the "no" means "no". If they get down to Article 50 on the third page and say "I've drawn the line here and I don't know what this is so I'm going to vote 'no' on it". "No" means "no". Now you're looking out another year and postponing and postponing and postponing.

Chairman Mosca stated good point and he thought that was what John's (Edgerton) point was going to be. John stated a "no" on a Warrant Article means the job can't be done.

Dick Klement stated when we had the 10% reduction a number of years ago that was proposed by this body, the School Board decided that they would rearrange the Warrant Articles so that certain Warrant Articles would come before the Budget. You can always make a Warrant Article and stick it up there before the Budget to do this plan/spec.

Jim Hill stated he was in strong hopes that that situation does not arise. Dick Klement stated he wasn't suggesting somebody was going to come up with that in this Committee and say there's a 10% reduction. He was just saying that by putting it earlier on the list, the voter is more inclined to say "yes". That's why you moved the Teacher Contract up. You moved the Teacher Contract up so people would be inclined to say "yes" and you threw the other stuff at the bottom. If you threw the Teacher Contract at the bottom, the likelihood is that it would never pass.

Frank McCarthy stated it only makes sense. You should set priorities. These are the things that should be in a Warrant Article and these are the things we're going to put up first. You know, the Contract with the Teachers' Union would probably be first and then whatever second, third and fourth, but they have to be a priority. He still says it should be a Warrant Article.

Chairman Mosca stated he was going to ask some questions on Tab B, the Teachers' salaries. He was assuming that's Tab B in the answers Dr. Nelson provided today, sorry Attachment B. He was looking at three of them in particular; the first one is on page 1 and it jumps out at him because it's a 10.7% increase and it says "total salary before longevity", so that means that person could get more money than that, maybe not this person, this person has 5 years, the person getting a \$3,300.00 raise plus their getting a longevity bonus on top of that.

Dr. Nelson asked if Chairman Mosca would like him to explain why. Chairman stated yes. Dr. Nelson stated the negotiations brought about a change in their current way of doing things where they did away with merit pay, they did away with performance pay and the agreement was that they were going to put everybody on a salary schedule as most Districts have so they would know where they are going. In order to get these people because they may have had a leave of absence or they might have had this or they might have had that, in order to get these people to where they needed to be on the Salary Schedule, that was a Bachelors and 5 years experience some people required a greater increase than others. It just equalizes everybody. It puts them all on a Salary Schedule that the members have a copy of and it's different for different people.

Chairman Mosca stated he guessed he didn't understand why everybody has to be equal. Dr. Nelson stated that was the negotiations. That's the way they wanted to bring about that was to do away with performance pay. Chairman stated he had a Salary Chart in his Contract and as long as they were any where from A to B, nobody was on an exact step. Dr. Nelson stated he was just explaining; before this year and if this Warrant Article is approved, they will have everybody on a Salary Schedule. Right now they don't have a Salary Schedule and people are all over the place based on where they came in and what the negotiations were for that year, so that's why you see that.

Chairman Mosca stated so there are people that could be getting increases of over \$5,000.00. He has at least 2 people that are already at \$4,300.00 or \$4,200.00. Dr. Nelson stated whatever the members see on the Salary Schedule, that's a possibility, yes. Chairman stated then the longevity or some other incremental is to get them at where everybody else is. Dr. Nelson stated that is a possibility, that's the way the Agreement was negotiated. Chairman stated he wished he'd had people like that negotiating Contracts like that when he was negotiating them. Dr. Nelson stated he thought they talked about having maybe one of the negotiating team come in and have a conversation with the group at the hearing.

Chairman Mosca stated unfortunately, he would not be at the meeting Monday night, but people are free to talk about whatever they want at the Public Hearing, but he didn't think that was the time to air out how Contract negotiations went. He thought it should be done on Monday. Dr. Nelson questioned which Monday. Chairman stated this coming Monday, the 2nd because that's the next time we are all going to be together. Dr. Nelson stated one of the negotiating members will be there if Mark (Hounsell) has already made that arrangement.

Chairman asked if the members had any further questions. Stacy Sand stated it's just kind of an observation. A lot of the questions she had had to do with why people seem to be going up. The new Budget was sizably more percentage high and in almost every case the answer was that this is a new hire. Her concern is that we are hiring people, in order to get the people who are qualified for these positions, we're having to spend a lot more money to get them or why aren't we staying within budget to get these people and keep it open. She asked if Dr. Nelson had an explanation. Are we having to spend more money to hire the people we need for these jobs.

Dr. Nelson stated the answer is "yes" they are. Don't forget some of the people who are leaving and retired are their most senior teachers, so they have had to hire people that will be upwards of those kinds of salaries. They are spending a little more in some cases and in other cases no, but in some cases where you've asked some of these questions, they have. Dr. Nelson stated Jim (Hill) just pointed out that you could have a single person hired, talking about Health Insurance, and that would change.

Stacy Sand stated she was mostly looking at the salaries because Dr. Nelson had kindly broken them out so that she is not surprised by those changes, those could easily go either way. They could be Single, they could be Family and there's a big disparity between the two, but she was just looking at the basic salary. For example, the Student Safety Coordinator, the new position last year, wasn't hired within budget, they were hired \$1,000.00 above budget. That's not a whole lot of money, but when you're only getting \$35,000.00, it's \$1,000.00. It's things like that, you know, we really couldn't find a qualified Safety Coordinator within budget or if somebody's retired at a pretty high scale, we can't find a replacement like a Reading Specialist replacement. Dr. Nelson stated those are tough positions to hire and fill, especially when you're in a more rural area like we are. Stacy stated she was just putting it out there as something to think about.

Mark Hounsell stated he would say that this Committee should be mindful that over the last couple of years at least, each person has expressed the need for the School to attract and retain quality teachers. Last year between June 30th and September 1st he thought they had 50 turnover or so. Dr. Nelson stated that's not just teaching positions, that's all positions. Mark stated there's a revolving door that affects the education that we provide to our children and the State average is such that it is a problem that exists in Conway and the School Board has, he thought, undertaken an attempt to remedy that with the Contract in front of each member, not the Contract in front of you, but the Contract proposed, and when Syndi White comes in Monday to explain the details, she'll be able

to, since she was a negotiator and he wasn't, but as he looks at it, he would say it is consistent to what the School Board has said that we need to do and that is to pay teachers closer to the State average, bring those salaries up and to work to retain teachers. He thought that a lot of what the members see here reflects that. There's a price tag to it for sure, but one of the things is they will get away from that Hiring Schedule which is, he thinks, quite a bit different than a Pay Schedule.

Dick Klement stated he was looking at page 5 of the salaries in the Memorandum and he was looking at the Masters +30 and the Masters +60 and along side that he has the Appendix B to the Warrant Articles which is the Salary Schedule if you would, step schedule. Going back to page 5, Masters +30, salaries are ranging from low \$40,000.00's to low \$60,000.00's, 12 years or Step 12, and basically they're all getting a \$1,500.00 raise. Then he goes down to a Masters +60, 12 years, it's \$41,000.00 to \$68,000.00 with a \$1,500.00 raise, one of them just got a \$1,000.00 raise. He then looks at the Step Schedules and that's not even close to what he is seeing, so is he seeing the fact that these Masters +30 and Masters +60 getting a \$1,500.00 raise, they're getting that because they're outside of the Salary Schedule to begin with and you still gave them \$1,500.00.

Dr. Nelson stated they're off step; you are correct. Dick Klement stated so in fact we're telling these people that this Salary Schedule doesn't apply to them and he's still giving them more money so they're going to be further off step. He didn't understand how they can put a Salary Schedule out there and then blatantly come up with answers like this to say "yeah, you're still going to get money", "we're over paying you" in accordance with the Step Salary. Something has to be looked at here and he didn't know how they came up with this answer.

Dr. Nelson stated he would try to explain it. You have a Salary Schedule and it consists of, forget about the education pieces of it, it goes down and there's 10 and in their Salary Schedule there's a maximum amount of 12 years, 12 steps. Once you get to that 12th step in the District, you would get zero increase after that. Part of the negotiations are that anybody who was off step would get the \$1,500.00 and that would be part of their salary and that's not uncommon at all once you go to Salary Schedules. Once you put people on a Salary Schedule sooner or later they come off it and then you deal with how you're going to negotiate that piece of it and that was a big part of the discussion during negotiations as Syndi (White) he thought would tell the members.

Dick Klement stated he didn't understand why they have a Salary Schedule because you're saying "okay, we know we've given you a lot of money, you're off the Schedule, here's \$1,500.00" and they're not paying for performance. Dr. Nelson stated it's part of the negotiations. Dick stated but that's not an answer. Dr. Nelson stated it is an answer, it's part of the negotiations. Chairman Mosca stated but that's all he can tell you because that's what it is. He was not disagreeing with Dick and he hears him loud and clear.

Mark Hounsell stated he thought ultimately they do look at performance. If someone's teaching for 12 years in this District and they're not

performing, they're not going to be here. It's just not going to happen. There's a real world that operates as well and there's other things that play into it. Sure someone could dig their heels in for awhile, but it's hard to stay in a place where you're not wanted. So, performance is always a big part of it. In fact, he would say that it is a major part of it. The teachers that they hire are expected to perform. By and large they perform admirably to a high degree, so he thinks it's important when talking about someone who has taught 12, 13, 14, 15 years, they have proven at least something performance wise.

John Edgerton asked how do you prove performance? Dr. Nelson stated through evaluation.

Bill Masters stated the question that he has deals with performance, assuming they all have performance standards in place, and the performance standards are probably measured in terms of if they do their job that's satisfactory. Dr. Nelson stated the terms they use would be Distinguished, Proficient, Basic and Unsatisfactory. Bill asked if there was a way that a person that can exceed the performance standards. Dr. Nelson stated that would be a Distinguished Teacher; that would be somebody who has reached the Distinguished level on their evaluation form. Bill stated everybody that performs the Basic level gets the basics and somebody who exceeds those Standards now, do you have a level higher than that? Dr. Nelson stated they have Proficient which is where most of the teachers should be and then there's Distinguished which is above that. Bill stated so to do their job and they do their job well, that's Proficient. Dr. Nelson agreed. Bill stated so those Standards can be exceeded as they are written. Dr. Nelson stated that's correct. Bill stated in other words, they're written so they prepare all of their Education Plans, deliver them perfectly and timely and all the rest of this stuff. Dr. Nelson stated on their Evaluation form there is something like 66 different items that they score a teacher on and for each of those items there is a rubric that tells you "if you want to be Distinguished in this particular category, this is what it looks like" and "if you want to be just Proficient in this category, this is what it looks like". That's how that's done. He can bring the members a copy of it if the members would like to have one. Bill stated he would like to see a copy of one. Dr. Nelson stated he would be happy to get it.

Dick Klement stated what he was saying now came out of an open session of the School Board, it was a request by the School Board to say how many teachers are Distinguished versus how many are Proficient. There was a long discussion about proficiency pay and merit pay and so on. During the course of these discussions with the School Board, the number of teachers that was Distinguished was 80%, correct Carl (Nelson). Dr. Nelson stated it was more than half, that's safe to say. Dick stated except for those people that fell on their sword, everybody else, except for half a dozen or so, were Proficient. Dr. Nelson stated Proficient or no longer with the School District. Dick stated essentially with the way this thing was put together, you couldn't figure out merit pay and he's extrapolating now because "everybody's doing a great job" and it's a question of as a supervisor in a private environment, you're called upon to do some really nasty things when it comes to reporting. One of those is to stiff a guy

and give him no raise, but what's even more interesting is if the pool of money is 3%, as they step out the door after you've given them the envelope, they're computing whether they got 3%. If they got 2.9%, they figure they got screwed. If they got 3.1%, why did they only get 3.1%. He didn't believe that the education people understand the concept of merit pay and he thought this Salary Schedule was an attempt to do something in between because it is very difficult to fire a public service employee. He's not talking Union versus non-Union, any public employee is very difficult to fire. You've got supervisors in schools that are spending years trying to put people that are under performing on track so that they either get up or get out. It's a long process.

Dr. Nelson stated he wasn't sure he agreed with that totally because they have let people go that didn't fit into the programs here and there is a path for those that have been around and are tenured. If they're not performing, that sometimes takes a little bit longer, but it doesn't take forever. He thought they have demonstrated that.

Mark Hounsell stated there's another thing that they do, and it's a good thing that they do it too, the decent thing that they do, if a teacher's trying and they're not performing to what they would expect, they don't just want to cut them loose, they want to do professional development opportunities, they want to salvage a young man or young woman's career. Anyone can have a bad run of it, so they're not just going to bail on someone based on a bad evaluation, they're going to work with this person to become better at their craft and, if they're not willing to become better, it's just a matter of time before there's a separation. That's how the real world works in education.

Chairman Mosca thanked Dr. Nelson and Jim Hill for coming in. Jim reminded the members to meet him at 2:45 PM tomorrow if they wanted to go on a tour.

OLD BUSINESS

Chairman Mosca stated he wanted to discuss the Schedule. Just so that everyone is aware, there are two meetings next week, one on Monday and one on Wednesday. Monday is final questions for the Town and School and Wednesday is the Non-Profit Budgets. Both meetings will be right here at 6:30 PM.

Mark Hounsell asked about the following week. Chairman Mosca stated the following week on the 11th we have the Public Hearings and on the 12th we will be at the Police Station to vote on the Budgets.

Michael Fougere asked if the 11th and 12th was in the Professional Development Room at the Middle School. Chairman Mosca stated the meeting on the 11th is at Kennett High School, the Public Hearing on the 12th at the Police Station because this room was not available and we will be voting on the Budgets and making any and all changes at that time. The meeting on the 11th starts at 6:00 PM with the Precinct Budgets at 6:00 PM, the Town Budget is at 6:30 PM and the School Budget at 7:00 PM. He

believes that's what was in the paper. We have back to back meetings, the 11th and 12th. The meeting on the 12th is at 6:30 PM.

NEW BUSINESS

Chairman Mosca stated he was not going to be here next week, he would be out of town so he is going to miss both meetings. The meeting on Wednesday night is Non-Profit Budgets and is a combined meeting with the Selectmen. Last year the Selectmen ran the meeting, so this year we run the meeting and Danielle (Santuccio) will be in charge on Wednesday night. On Monday night Danielle may not make it here because she has another commitment so we may need someone to chair the meeting on Monday night. It can't be anybody who was appointed. He didn't know if anybody wanted to volunteer to be the Chairperson just in case Danielle can't make it. Michael Fougere volunteered to be the Chairperson at Monday night's meeting if Danielle was unable to make it. Chairman further stated if Iris (Bowden) can't make it, he will let Town Hall know and they may or may not have somebody else here to take notes. If it's videotaped, Iris can get the meeting off the DVD.

Mark Hounsell asked if the Selectmen will join the meeting on Wednesday and Chairman Mosca stated yes. Mark asked if the Selectmen were chairing that meeting and Chairman stated no, we are. Last year the Selectmen chaired the meeting, this year we chair the meeting.

Mark Hounsell stated Frank (McCarthy) had asked him about the money returned from the School District. What he did was, back in October and he didn't think Frank was at that meeting, he had a report to the Budget Committee and it's in the Minutes, but what he did was make copies of that and hopefully that will answer the questions that Frank had pertaining to the issue. Frank stated he would like to see where the \$1.5 Million from this year was deducted from the Budget because he doesn't see it.

Chairman Mosca stated you guys can talk about that one Monday night after everyone has had a chance to read it.

Michael Fougere moved, seconded by John Edgerton, to adjourn the meeting at 8:00 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary