

MUNICIPAL BUDGET COMMITTEE
Wednesday, October 18, 2017
Professional Development Room
Kennett Middle School, Conway, NH

Chairman Jim LeFebvre called the meeting to order at 6:31pm. The following members were present: John Edgerton (left at 7:21), David Jensen, Mike Tetreault, Doug Swett, Terry McCarthy (left at 7:32), Steve Steiner (arrived at 6:33 and left at 6:53), Joe Mosca, Bob Drinkhall, Mike Fougere, Ted Sares, Pat Kittle, Mary Seavey (arrived at 6:42) Also present: Lilly Gilligan, Finance Director, Tom Holmes, Town Manager, Kevin Richard, Superintendent of SAU #9, Pam Stimpson, Director of Special Services at SAU #9 and Lisa Towle, recording secretary

Excused: Pat Swett and William Marvel

Absent: Peter Donohoe

Ted Sares led those present in the Pledge of Allegiance.

APPOINTMENT TO FILL VACANT BUDGET COMMITTEE POSITION:

Chairman LeFebvre noted that there were two candidates; Stacy Sand and William Masters. Ms. Sand is unable to attend the meeting as she is out of state, however Mr. Masters in attendance. Both candidate's positions were published in the Conway Daily Sun.

Motion by: Mr. Edgerton, seconded by Mr. Swett to appoint William Masters to fill the vacant seat on the Conway Municipal Budget Committee. (10-1-1)

TOWN BUDGET REVIEW – YEAR TO DATE:

Ms. Gilligan, Director of Finance, distributed revenue and expenditure reports for review by the budget committee members. The projected revenue set by the town meeting was \$3,890,331 and the selectmen reviewed and revised the revenues at the end of August and submitted them to the DRA prior to September 1st. The DRA responded in regard to the State revenues that they adjust and the new non-tax revenue budget is \$4,025,567, which we are on target for. The most significant reduction was in the meals and rooms tax distribution, we projected \$520,000 and that was reduced to \$518,205, which will not be received until the last business day of the year. The most significant increase was to the amount of money expected to be received in motor vehicle registrations. When the budget was set motor vehicle registrations was \$1.8 million and has been increased \$1.9 million.

The expenditure budget is tracking to have 1% left at the end of the year, depending on the affect of the winter snow storms. We budgeted leanly, and we experienced a significant winter that affected not only overtime and salt budgets, but also the heating budgets. Mr. Holmes noted that

there has been a hold put on any unnecessary expenditures until we are closer to the end of the year.

Questions:

Mr. Edgerton asked if there are any expected big legal fees? Mr. Holmes noted that the legal line item has not been spent to date. Mr. Sares asked which line item would relate to the airport? Ms. Gilligan noted that it was a warrant article.

SCHOOL BUDGET REVIEW – YEAR END:

Superintendent Richard provided several handouts for the budget committee to review. The first being the schedule of budget meetings for the Conway School Board. The second is the SAU and administrative team's preliminary development of the Conway School Board budget by unit. The development of the budget will continue as data is collected the future budgetary and programming needs are projected. The third document is a year-end summary for the Conway School District showing an \$1.7 million expenditure surplus at the end of the year, as a result of a savings in regular education. The special education budget is very dynamic as we budget for the current needs, however students move and services change. Under salaries and benefits there was a \$390,000 surplus as a result of health insurance savings. There is a revenue surplus of about \$153,000 and \$110,000 of that is tuition for non-contract regular education, that is for students that are not part of the tuition agreement. Additionally, the State will be providing \$1,100 per kindergarten student as of the 2018-19 school year, however thus monies will go back to the sending district. The school board didn't expend any of the end of year surplus and they turned it back with the exception of the \$215,000 that they could. Mr. Richard further noted that \$419,000 of that was the 2.5% retention from the school board, therefore the actual expenditure surplus was \$1.215 million.

Question: Mr. Sares inquired about the school board deciding to return the retained funds back to the tax payers. Mr. Richard noted that the board unanimously decided to return half of the retained funds for the 2018-19 fiscal year, being \$214,850.

Chairman LeFebvre asked if the district has ever expended the 2.5% since it was instituted. Mr. Richard noted that they have not.

The final document that was provided described where we stand now, which is provided to the School Board every month. Right now, even though it is only October, we don't see any huge issues moving forward. The biggest issue would be if there was a significant special education issue that comes into the district or a maintenance issue.

Questions:

Chairman LeFebvre inquired if there was a special education special fund? Mr. Richard advised that there was such a fund and it has a balance of approximately \$500,000, with the average cost being between \$100,000 to \$200,000.

PRE K BRIEFING BY PAMELA STIMPSON:

Ms. Stimpson provided a brief overview of the work that our States Systemic Improvement Plan Leadership Team has done over the past two years, focusing on federal guidance that was put out to all states to focus on social emotional learning of children K- age 21 and particularly New Hampshire's focus on preschool. When we looked at the feasibility and support for publicly supported preschool programming throughout SAU #9. We gathered data and input from local community members through several community forums, visited multiple sites of public preschools throughout the State of New Hampshire, collaborated with Attorneys at the NH DOE, and other special education departments throughout the state to see what was going on and what best practice could look like. Through our feasibility study we found several things; there is the need in the Mt. Washington Valley for improved family engagement in education starting as young as 0-5 years old; young children and their families will benefit from well-coordinated programming and resources; the creation of a publicly supported ECE program best meets the needs and is beneficial to all students and families in our community; and publicly supported programming for preschool aged students will provide equity for all students. Currently, our special education preschool students have the financial support of our school district as regulated through the federal IDEA law. Other students don't have those benefits, so that equity piece we found is very important to the educators, the parents, and all community members.

The current status for all of our school districts; Jackson School Board has decided to and made the commitment to have a warrant article to make a decision about public preschool programming; Bartlett is having conversations about the feasibility of putting a warrant article on this year for public preschool; and Conway has gone from 3 concepts for ECE to 2, being one or 3 ECE classrooms in the district in the elementary schools, eliminating the KMS option due to costs of upgrading the building, transportation, and the drop off and pick up of students. I put some very basic numbers, but we are really digging deep into what those numbers will look like. The difference in Conway to Jackson and Bartlett boards is that the Conway ECE will be publicly supported. Our special education children who currently are receiving the support of the district for tuition in outside programs would continue to have programming at no costs to meet their individual education needs and then we would have tuition opportunities available for typically developing children allowing parents the opportunity to make a decision about where their child goes to school.

Questions:

Mr. Masters asked if you have looked at the feasibility of educating parents on the preschool curriculum, as parents are their principal care providers. This would also create a bond between the parent and child and the educational process.

Ms. Stimpson noted that one of the first things they found was the need in the community for parent engagement in education and the feeling this can happen in the elementary school setting by working with the general education teachers, special education teachers, the family liaison, and school counselors. When we get students into our building we are bringing the whole family into our building and our concept that we have developed

includes parent engagement and education on a weekly basis, allowing the parents the ability to learn while their children are learning.

Chairman LeFebvre asked if there were any numbers being looked at. Ms. Stimpson, stated in Conway we are budgeting for approximately 18-25 special education students. However, to have a program like this you need 50% typically developing students and 50% special education eligible students, so we would be looking at approximately 40-50 total students.

Mr. Masters suggested not having too many interventions at first as it will make it difficult to know what works and what doesn't and what needs to be done. Wouldn't it be a good beginning to take the single step of getting the parents who have the need for that type of interaction with children and understanding and see what that brings us in terms of the financially disadvantaged families as to how those students are reacting. Pam: I can/ bring that question to the leadership team when we meet next week, and I am sure Joe will communicate with the school as well. I do want to clarify, that the need is not only for children/ who are economically disadvantaged, that this is a need across all socioeconomic groups so we are looking at the/ entire/ community

Mr. Sares felt these comments would be better brought up a school board meeting rather than a BC meeting because our job is to rule on the financial aspects of the issues and not try to superimpose our judgement on those of the experts.

Mr. Kittle asked how the expenditures compare with the students in private placements bringing their services in house. Ms. Stimpson advised based on last year's numbers for the Conway population it was approximately \$120,000. However, she will get back to the committee with more accurate numbers based on the spreadsheet the leadership team is utilizing that has dynamic information representing the variations throughout the years from 2012 forward 2012.

Mr. Sares inquired of Ms. Stimpson the reason for bringing in typically developing children along with special needs children. Ms. Stimpson noted based on the federal law to have a publicly supported preschool we have to have integrated programs, being we must have typically developing and special education students, not to mention it is best for students to learn in integrated inclusion based classrooms.

Mr. Fougere asked how many children will be captured that were going to private and increase the kindergarten. Ms. Stimpson answered none as those students do come to our kindergarten. Also, based on data pulled from the private programs, almost 90% of them are full with waiting list, so there is a need.

Mr. Jensen asked if the programming would be similar to the programming that Little Eagles has for the applicable students. Ms. Stimpson advised the programming will be ECE classes with curriculum based. Mr. Jensen further asked if the program would be more developed than Little Eagles. Ms. Stimpson was unable to answer the question at this time based on not having enough information. Mr. Jensen continued to ask if there

is a possibility that older children in the elementary school can help and learn at the same time. Ms. Stimpson noted that is one of the benefits found when looking at other programs throughout the state and the country. The opportunity to have what we are calling big buddies and little buddies, so older students have that sense of responsibility to be mentors, to read with and to, be able to proactively participate in that community setting with the students.

REPORT FROM THE BOARD OF SELECTMEN REPRESENTATIVE:

Ms. Seavey discussed the study on by Alba Consultants who came back with 3 recommendations; to take the building for what it is, bring it up to code and do all everything needed to maintain the building at that size, the cost was a little over \$1 million; second, was to renovate the original school, remove the section that had the gym on it and rebuilt it, that came up to approximately \$3.1 million; third, was raising the complete rec center, building on the same area that is there, utilizing again the same fields and all, that came to approximately \$3.9 million. The rec committee at this time feels it is best to go back and revisit the school. A letter is going to be sent to the school board asking them for reconsideration based on the very good study that took that into consideration what the need is for the present and future growth of the community based.

Questions:

Mr. Sares opened up a discussion about the Marshall property donation, which Ms. Seavey noted it had been put off the table and it was not discussed as it was not part of the committees charter, however that is not to say that option is buried and in fact other land has come up as well.

Ms. McCarthy asked the status of search for new town offices? Ms. Seavey answered that is not buried but no decisions have been made on that.

REPORT FROM THE SCHOOL BOARD REPRESENTATIVE:

None as everything was covered during Mr. Richard's and Ms. Stimpson's presentations

REVIEW OF MINUTES:

Motion by: David Jensen, seconded by Mike Tetreault to approve the minutes from the August 16, 2017 Budget Committee meeting. (7-0-4)

OLD BUSINESS:

none

NEW BUSINESS:

Chairman LeFebvre presented 12 questions that were developed by the Subcommittee of the Budget Committee who met on several occasions for approval of the Budget Committee prior to them being provided to the Conway School Board. Many of the questions are very similar to ones that were provided last year, and others were based on individual requests of members of

the subcommittee. After discussion and some amendments each question was voted on as follows:

Question		Amendment																																										
1	Could we have a detailed, updated, alphabetized list of all employees that provides their names, job titles, current salaries, benefits cost, and total compensation (including stipends)? Please do not identify employees by numbers or job titles only, which serves only to confuse those who are not intimate with the structure of each department. Please also list special education personnel separately. This should be in Excel format. (This question is very similar to one from last year).																																											
2	Please provide an in-depth comparison of 1997 to 2017 employee and students numbers with a breakdown of employees by teachers, administrators, and support staff. (added per sub-committee request 8/14/17)	<i>add to by school</i>																																										
3	We understand that discussions are on-going about Pre-K education. Could you provide the BC with the costs associated with each of the options under consideration? Please provide teacher total compensation costs, infrastructure upgrade requirements, new equipment, classroom requirements, and like information. This might be best handled by a briefing by Pamela, which has been tentatively scheduled for the BC session of October 18, 2017.	<i>add compare current costs to projected costs</i>																																										
4	Please provide as appropriate how many classes each teacher instructs, and the number of class room hours spent in administrative duties (class preparation, study hall monitor, and the like). Motion by: Mr. Kittle, seconded by Mr. Sares to strike this language and add the amended question. “Can you break down the percentages of instructional vs. non-instructional time.” 9 -0- 2	<i>Can you break down the percentages of instructional time vs non-instructional time.</i>																																										
5	Given current enrollment and five year projections, could the K-8 population be adequately housed in Conway Elementary, John Fuller and KMS (if the 11 classrooms in KMS are utilized). This may mean an increase in class size for some grades. We are in receipt of documents from 2009 – 2015 addressing aspects of this issue from the SAU, and those documents will be provided to all members of the CMBC for their review. <i>Clarification by Chairman LeFebvre: this just needs to be updated and not go back and rehash the work that has already been done.</i>																																											
6	KHS offers around 230 classes. Of these approximately 18 do not meet current CSB enrollment requirements. Would it be feasible to have these classes taught by (currently) non-teaching administrators, the Community College system, a accredited on line source, or some combination of all three? We understand that teachers “freed up” by this would continue to be employed under the contract, but may be used to provide better instructor coverage for higher student demand, more “mainstream” courses. How many Kennett students are enrolled in state programs such as Running Start?	<i>Mr. Mosca suggested that a teacher’s entire workload should be looked at including the number of students being taught.</i>																																										
7	The School Board has had some success with the issue of staff insurance. Please provide us with an update on progress (if any) with the two largest unions.																																											
8	What fiscal impact, if any, do you see on the District from the new “Consolidated State Plan”?																																											
9	Please provide the information requested in the chart below: <table border="1" data-bbox="251 1680 1144 1858"> <thead> <tr> <th>Year</th> <th>Total Cost of Health Care</th> <th>Number of Employee Participants</th> <th>Average Cost per Employee</th> <th>Total Cost of Retirement</th> <th>Number of Participants</th> <th>Average Cost per Retiree</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2014</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2015</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2016</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2017</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	Total Cost of Health Care	Number of Employee Participants	Average Cost per Employee	Total Cost of Retirement	Number of Participants	Average Cost per Retiree	2013							2014							2015							2016							2017							
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10	Debt Service – Could some of our debt be refinanced at a lower percentage cost?																																											

11	Economies of Scale – Could the Town and the School District, working together, devise some method to consolidate purchases of fuel, expendable supplies, computers, printers, and like common use materials? Would ordering selected supplies through on line sources such as Amazon provide savings?	
12	Looking at the budget, what percentage is dedicated to special education needs, and therefore mandated by federal and/or state requirements? Please provide information regarding the history of this requirement and the rationale(s) for provision of these services. (from September 18 th meeting of the subcommittee)	

Motion by: Mr. Sares, seconded by Mr. Drinkhall to forward the 12 questions as modified to the Conway School Board. 9-1-1

PUBLIC COMMENT:

None

ADJOURN:

Mr. Jensen moved, seconded by Mr. Fougere, to adjourn the meeting at 8:01 PM. Motion carried unanimously.

Respectfully Submitted,

Lisa E. Towle, Recording Secretary