

MUNICIPAL BUDGET COMMITTEE
Wednesday, January 24, 2018
Professional Development Room
Kennett Middle School, Conway, NH

Chairman Jim LeFebvre called the meeting to order at 6:30pm. The following members were present: David Jensen, Mike Tetreault, Terry McCarthy, Steve Steiner, Doug Swett, Bill Marvel, Joe Mosca, Bob Drinkhall, John Edgerton, Mike Fougere, Pat Kittle (arrived at 6:35 p.m.), John Colbath, and Bill Masters Also present: Lisa Towle, recording secretary

Excused: Pat Swett and Ted Sares

Mr. Edgerton led those present in the Pledge of Allegiance.

CHAIRMAN LEFEBVRE'S OPENING REMARKS:

- This is the 2nd session with the School District and they have already distributed material that I encourage you to look at.
- January 29th is the final question session with both the town and school and I would like any questions that you want discussed on that day emailed to me no later than January 27, 2018 so I can consolidate them and present them to the entire board and respective entities.
- January 31, 2018 is the non-profit session and Mr. Jensen in charge at the meeting as I will be otherwise engaged. The meeting will begin at 6:30 sharp please make sure you arrive on time as there are many presenters.
- All petitioned warrant articles need to be submitted to the town and school no later than 5:00 PM on February 13, 2018.
- Public hearings will be held on February 14, 2018 at KHS auditorium. The precincts will begin at 6:00PM, the town will begin no later than 6:30 PM, with the School District beginning no later than 7:00 PM.

Mr. Mosca: Have notices gone out, as I have asked in the past that the town start sooner as the precincts historically only take 5 mins. **Mr. Colbath:** The notices did go out with the requested wording.

- As many of you know Pat Swett is in a rehab in Wolfeboro, her term on the board ends in April with elections. It is my opinion that as a courtesy to her for her long service that we should just allow her to retain her seat as a voting member until the end of the year.

Mr. Mosca: The RSA states that if you miss 4 meetings you give up your seat unless you are excused, or the board does something else.

Mr. Marvel: I heard Mr. Swett asking for paperwork for her, so I would presume she would be able to return. **Mr. Swett:** I am not sure what the time frame is for her to get better.

Mr. Colbath: We currently have an open seat and has that been advertised? **Chair LeFebvre:** It has been advertised and tomorrow is the last day to apply. We have not had any responses. **Mr.**

Colbath: I don't see a problem with it as there doesn't appear to be anyone jumping to fill her seat.

Mr. Jensen: We have not had any trouble maintaining a quorum.

Motion by: Mr. Edgerton, seconded by Mr. Steiner to retain Ms. Swett on the committee. (13-0-1 [Mr. Kittle])

CONTINUATION OF SCHOOL BUDGET REVIEW:

Superintendent Richard, Conway School Board Chairman Lentini, and Mr. Mosca Conway School Board representative for the Conway Budget Committee presented the Conway School District Warrant Articles.

Mr. Richard: I have provided the committee with 2 handouts, the first addresses the questions that I took out of the first meeting held on January 10, 2018, regarding the increase in operation maintenance plan, Mr. Masters' questions related to contract services, and the redundancy in the districts infrastructure. A study was done in 2013, specific to closing PTS¹ and moving the 6th grade, which will answer a lot of Mr. Masters' questions. Other questions answered were the savings from switching from oil to propane at Conway El and JFS², there was a ratio E1 and I went back 11 years to the first year KHS was in their current building and KMS remained and this includes aids as well. The last question addressed was information pertaining to the preschool and Chair LeFebvre had asked for documents that had been given to the Conway School Board. I have included documents that Pam Stimpson did and presented to the Budget Committee back in October 2017. Finally, you have a new copy of the warrant articles on green paper as there is a new warrant article that will be addressed later.

Chair LeFebvre: I know the preschool discussions have been postponed for a year, but I personally would like you to walk us through in more detail what the status is.

Mr. Richard: If you refer to F1 – F5 you will see this is the process that took place with Pam Stimpson and the School Leadership Team for Preschool. Jackson and Bartlett School Districts are both putting publicly supported preschool on their warrant articles. The team did a budget overview (refer to F3 – 4) as there were several different options the School Board had asked them to look at. The first was to have one classroom at one of the elementary schools (non-specific), which would have included the cost of one full-time and one half-time teacher and a paraprofessional, plus extended school year staffing and other onsite pieces and the estimated cost was \$209,000. The next option was to have one ECE³ classroom at each elementary school for students 3-5 years old and the total was approximately \$478,000. The final option was to utilize mothballed space at KMS with an approximate cost of \$248,000. On page F5 you will see the pros and cons for each option. The Conway School Board decided not to pursue the preschool back in November/December.

¹ PTS = Pine Tree School

² JFS = John Fuller School

³ ECE = Early Childhood Education

Mr. Lentini: If this was established there would be children coming in that we had placed out of the district as well as tuition students. Children that have special needs and have to go to another placement now would come back in. This would reduce the cost as people will have the option to bring the children into the school system's ECE program.

Chair LeFebvre: Is the situation such that half of the students have to not need additional assistance. **Mr. Richard:** Correct. **Chair LeFebvre:** What is the impact on the private sector daycare and people already teaching the preschool? **Mr. Richard:** There have been members of the private preschools on the committee and the understanding is that there are many private preschools that have waiting lists and not everybody would come to the preschool, therefore, I think it would have little to no impact on the for-profit preschools.

Mr. Marvel: Would tuition be calculated under a present agreement or would it be dirt cheap daycare? **Mr. Lentini:** The students would come in at a comparable rate to what is available in the valley.

Mr. Marvel: I am disappointed that there isn't a plan to recoup costs in the same fashion as the tuition agreement for upper grades as we are going to have to pay the costs to maintain the program.

Mr. Colbath: Who made up the team? **Mr. Richard:** It was a group of 12-15 people consisting of parents, principals, and preschool teachers and owners/managers. This was a 1 ½ year process that consisted of a series of public sessions throughout the valley.

Mr. Colbath: Is this an initiative or mandate and how does it compare to other models in the State? **Mr. Richard:** We are not mandated to provide services to all 3-5-year-old, however, if they have been identified with special education needs and have an IEP we are obligated to provide services for those children. We have a person in the district that travels from place to place to provide minor services, such as speech related issues, however, if they require more intensive services we are obligated to pay the tuition to send them out of the district for services and other related supports. **Mr. Colbath:** Do you know the estimated costs to tuition a student out of Conway School District? **Mr. Richard:** It varies year to year and I don't a solid figure, but ball part would be \$120,000 - \$300,000. **Mr. Colbath:** Would the cost be absorbed? **Mr. Richard:** The proposal never got that far, however, the way some of the articles are written it would reduce the operating budget as the tuition piece is being reduced.

Mr. Jensen: The tax-payers would be most interested in the net cost.

Mr. Jensen: If a student with special needs is from a sending town are they paying sending town fees or public rates? **Mr. Richard:** If Albany receives services they pay for those services, which we bill them for.

Mr. Marvel: Would regular ed. students be recruited at cheap costs to fill the program at our expense? **Mr. Richard:** The conversations didn't get that far and there are different ways to look at it as some districts are doing flat daily tuition rates from \$50 - \$75 for regular ed. students.

Mr. Jensen: With the mention of a 50/50 ratio of special need students and regular ed. students and the fluidity of the special needs students would you be in a position to recruit a paying student to keep the numbers in the event a special needs student leaves the program?

Mr. Richard: We wouldn't be governed by something so strict as those are guidelines used now and there are different models.

Chair LeFebvre: If a sending town has a student that is tuitioned out of district for services, which they presently pay, would the money now come to Conway School District? **Mr.**

Richard: If we provide the services here the money would be revenue to the School District.

Mr. Colbath: Is preschool a full day, 5 days a week program? **Mr. Richard:** There are different models that include a 3-5-hour program, then after care, and there are different charges based on the length or service provided.

Chair LeFebvre: Would there be an impact the K-6 if you went with the option of an ECE at each elementary school? **Mr. Richard:** No.

Chair LeFebvre: With the KMS option, you would only use one classroom out of the 64,000 sq. ft. mothballed space. **Mr. Richard:** There is approximately 23,000 sq. ft. of useable mothballed space at KMS as included in the calculation are walkways, stairwells, and the boiler room. **Chair LeFebvre:** Which is equivalent to approximately 11 classrooms.

Mr. Steiner: When did the School District start using the trailers? **Mr. Richard:** Probably around 1994 – 95 (further discussion ensued). **Mr. Steiner:** When the KMS was fully operational how many students did it handle? **Mr. Richard:** At one time it was 1,300 – 1,400 students, but the conditions were poor as people were teaching in closets and other spaces that were not meant to be classrooms. **Mr. Steiner:** 900 – 1,000 would have been comfortable. **Mr. Richard:** With the portable classrooms, yes. **Chair LeFebvre:** This question was part of the previous questions that were asked of the School District and they provided a response and I encourage members to look at the information that was provided in the answers. With a 20-student class size the max is 500 students and with the States average of 30-student class size the max is 740 students. Currently, KHS has 750 people and each grade school has 230 – 280.

Mr. Kittle: Regarding the E1 staff -student ratios, if you go back 10-years to 2007, the student:aid and student:teacher ratios, we have 78 aides now compared to 51 and we have maintained teachers with only 12 additional. My question being you looking at trying to control this. **Mr. Richard:** Yes. **Mr. Kittle:** I suspect that the average compensation for those positions is a big chunk of money. **Mr. Richard:** I don't have the numbers off the top of my head.

Mr. Drinkhall: What is the total if all articles were to pass this year compared to what did pass last year? **Mr. Richard:** Tab H shows the estimated tax rate. **Mr. Drinkhall:** Wouldn't that number change based on the new warrant article? **Mr. Richard:** No, because the new warrant article is a non-monetary article.

Mr. Marvel: Mr. Hounsell at one of the School Board meetings stated he hoped to keep the budget under \$1 million, which was the basis of the request for \$300,000 to be cut from personnel, that \$1 million is before we get to warrant articles? **Mr. Mosca:** At that time that was correct, however, the increase in the budget is only \$450,000 +/-, not counting the cost of the warrant articles.

WARRANT ARTICLES: (Referring to the green sheets)

Article 2: The bond to renovate PTS, as you 2 years ago the voters approved renovation to JFS and last year for Conway El. and this is the 3rd elementary school.

Mr. Mosca: We are looking for a \$1.2 million bond to replace the boiler, distribution system, hot water heater, convert from oil to gas, remove the oil tank, emergency manual transfer switch replacement, (current heating controls are pneumatic and we have issues with them so it will be converted to electric, which is more efficient with less problems), A/C in the office, new kitchen exhaust, fire pump diesel to propane conversion, new fire alarm system, electrical system and additional outlets and lighting. The School Board came to this committee 2 years ago with JFS and the Budget Committee asked that they do one bond for the total amount but that wasn't the School Boards desire at the time. We hope that this article will be supported just like the last two were.

Chair LeFebvre: Would the upgrades allow PTS to be tied into the overall monitoring system? **Mr. Mosca:** PTS is currently the only school not hooked into the system that allows Mr. Grigel to see what is happening from his home computer and to timely and efficiently respond to any issues that come up. This system is efficient and saves money.

Mr. Colbath: Will PTS's phone system be upgraded like the previous 2 schools? **Mr. Mosca:** The phone system was not upgraded and in fact the current phone system is failing us, and we are getting pricing now for replacing the phone system next year. **Mr. Richard:** The fir panel systems are totally new with new phone lines, which were upgraded at the other 2 schools to meet standards.

Mr. Jensen: How many years does the bond run? **Mr. Richard:** 20. **Mr. Jensen:** So, we are looking at roughly \$60,000/year principle and interest. **Mr. Richard:** I am not sure it is that much, there maybe something in your binder about the bond payment schedule.

Mr. Jensen: So, the voters can be fully informed, when talking about energy and various operational efficiencies are you able to calculate the net cost or savings of the renovations? **Mr. Mosca:** Yes, we can based on the savings at JFS and Conway El we can come up with projected savings.

Chair LeFebvre: Based on previous conversations I understand the School District has applied for monies, have any been successful? **Mr. Richard:** We wrote an infrastructure grant for \$1.2 million, but the State is going thru a vetting process. We wrote a \$40,000 grant for security upgrades and we received \$32,000. We continue to write grants, but we don't know if we will get anything for PTS and if we do it is reimbursed at the

building aid rate of 40%. **Chair LeFebvre:** It is further my understanding that there is \$9 million left in that fund, is there anything else to justify that grant, possibly a way to improve the communications at KHS for the police department? **Mr. Richard:** We have a couple of other grants in the process and one is to move the office at JFS closer to the main point of entry and the other is the phone system.

Mr. Swett: There was prior mention of the 3-phase power at PTS and they were also maintaining an engine tank full of water, will these be eliminated? **Mr. Richard:** Not fully eliminated but pieces of the project will address these, however, I can get more answers for you on that.

Mr. Marvel: Should PTS be conveyed to another entity, would the centralized monitoring system also allow for self-monitoring within the building, the answer I am getting is yes.

Mr. Marvel: I would like to say that I am glad to see this coming as a bond and not a CRF⁴.

Article 3: Is the request of the moderator to go from 1 – 2 cycles next year.

Article 4: To see if the district will vote to raise and appropriate \$54,000 for the expendable trust fund established in 2007 for KHS with \$35,700 offset by sending towns. Current fund balance is \$532,000 and the projected use is to redo the roof that will cost approximately \$1 million.

Article 5: To raise and appropriate \$17,000 for the expendable trust fund for KMS with \$7,470 offset by sending towns. Current fund balance is \$189,000.

Article 6: To raise and appropriate \$9,900 for the expendable trust fund for the elementary schools with \$1,200 offset by sending towns. Current fund balance is \$99,855.

Article 7: AFSCME⁵ Contract

Mr. Mosca: It is important to recognize that AFSCME was the only union that stepped up last year to renegotiate the health benefit saving the district over \$200,000. Mr. Lentini, Mr. Davison, and myself negotiated a 3-year contract where retiree health care is being phased out and new employees coming in will not be eligible for it. Some of the highlights; there is a 4-tier prescription plan, the School Board reserves the right to select a different insurance company as long as it is comparable, dental premiums were increased, and there was an increase for starting wages for new hires only.

Chair LeFebvre: How big is the phase out window for the retiree health care? **Mr. Mosca:** 14- 15 years. **Mr. Lentini:** Explained the current benefit for retirees and their respective families at age 65, which is 80% of the benefit. **Mr. Richard:** The AFSCME agreement gives them a 4% per year contribution to retirement. For them to get 80% of the premium they would have had to work 25 years to get 100% of the 80%.

⁴ CRF = Capital Reserve Fund

⁵ AFSCME = The American Federation of State, County and Municipal Employees

Mr. Marvel: With the 14-15-year phase out, is that for the last person to be out of the program? **Mr. Mosca:** Yes, it is the projected time frame for when the last staff member covered under the retiree insurance plan retires.

Chair LeFebvre: Encouraged the School District to look at accelerating the phase out when renegotiating contracts to further reduce the retiree health insurance which is a lot of money that is not going toward the principle job of educating students.

Article 8: Is the operating budget that was discussed extensively at the last meeting.

Article 9: Is for Project Succeed, which is the before and after school program. This is not the total cost as there is some grant funding. In comparison, last year's warrant article was for \$53,998.

Article 10: Is for the purchase of 2 full size busses and to authorize the withdrawal of \$45,000 from the CRF and the remainder from taxation. The CRF will be zeroed out.

Article 11: To see if the School District will vote to authorize the Conway School Board to enter into a long-term lease agreement with the Town of Conway to lease designated building and field space at KMS on such terms (50-years) and conditions as the School Board and the Town of Conway shall determine are in the best interest of the School District and Town of Conway. On Monday, the School Board took the recommendation from the facility committee and voted 7-0 to put the warrant article on.

Mr. Steiner: The mothballed space at KMS will never be used to teach children. (discussion ensued).

Mr. Jensen: Based on an article in the paper, it is my understanding that the town would be looking to raise \$700,000 bond. **Mr. Richard:** Not sure you would have to speak to the town. **Mr. Colabth:** Yes, the selectmen voted for the following warrant article: To see if the Town of Conway will vote to authorize the Board of Selectmen to enter into a long-term lease agreement with the Conway School Board to lease designated building and field space at KMS on such terms (50-years) and conditions as the Town of Conway and the Conway School Board shall determine are in the best interest of the Town of Conway and the School District and to raise and appropriate \$700,000 for the purpose of remodeling, renovation and other such expenses for moving the Town Recreation Center to KMS, 50% of the amount will be raised through property taxes and 50% via a donation from the Marshalls. **Mr. Jensen:** So, it would be \$350,000, not \$700,000.

Mr. Jensen: There was also mention that there would be a savings to the School District because the town would be taking over expenses. **Mr. Richard:** No. **Mr. Jensen:** The School District isn't expending \$65,000 per year to maintain that space? **Mr. Richard:** Correct. Regardless if the money comes from the School District or the town the tax payers are still paying the cost, however any increased costs resulting from the rec center would be part of the town budget.

Mr. Jensen: I am trying to get net costs for doing this, however, compared to various options

presented, this seems to be a dramatically lower cost and a good move for the tax payers in general.

Mr. Colbath: There is a published study that the tax payers approved last year and the options that were presented would have cost the tax payers approximately \$4 million.

Mr. Marvel: Will they abandon the old PTS? **Mr. Colbath:** The selectmen do not know what they would do the building and/or property at this time but there are options out there.

Mr. Kittle: The way I am reading this warrant article it is a no money article and the Budget Committee wouldn't be voting on it. **Chairman LeFebvre:** There is a \$1.00 per year lease and other costs associated with it to include the \$350,000 bond and some additional personnel costs on the town budget. **Mr. Richard:** We have posed this question to the DRA and this might be coming off the table for the budget committee on the School District side.

Chairman LeFebvre: I have been in contact with the DRA and Chapter 32 is being modified to allow the Budget Committee to vote on any warrant articles. It will not affect us this year. **Mr. Mosca:** Thanked Rep. Frank McCarthy for sponsoring this amendment after a local developer threatened to sue the board.

Mr. Masters: Are there conditions to this agreement? **Mr. Richard:** We have a Memorandum of Intent with draft concepts and there are still details that need to be worked out.

REPORT FROM THE BOARD OF SELECTMEN REPRESENTATIVE:

Mr. Marvel: What grounds did the Selectmen have to discuss the warrant article in non-public session. **Mr. Colbath:** It has to do with acquisition of property. This was a publicly noticed meeting with the RSA quoted to go into non-public. **Chairman LeFebvre:** Can you inquire more about this and report back to us.

Ms. McCarthy: Was there any discussion on where the Supervisors office would move to? **Mr. Colbath:** There was no discussion of that.

Chairman LeFebvre: With the new configuration, would the rec center need to increase staffing and if so to what extent? **Mr. Colbath:** Based on discussions they would need to increase by one fte for security reasons as the fields would need to be constantly supervised.

Chairman LeFebvre: What accommodations will be made so other entities can continue to use the fields. **Mr. Mosca:** It is being worked out, but I believe that the fields on the left would be used by the school and other entities, while the fields on the right would be for the rec center.

Ms. McCarthy: Is there any update on moving the town hall? **Mr. Colbath:** It is still in the works and there was an article about it in last weekend's Conway Daily Sun.

REPORT FROM THE SCHOOL BOARD REPRESENTATIVE:

Mr. Mosca: At the last meeting I was asked about the courses that have less than 12 students enrolled and for the upcoming semester we only have one course with less than 12 students,

which is Introduction to Robotics. We are still in the add/drop phase so that number could change. If any of the committee members read in the paper a month ago two young ladies from KHS won the robotics competition, so it is a great program. **Mr. Colbath:** As part of the School to Career summer session this course is offered then and many students who can't fit it into their regular schedule take it over the summer.

REVIEW OF MINUTES:

Motion by: Mr. Edgerton, seconded by Mr. Jensen to approve the minutes from the January 8, 2018 Budget Committee meeting. (12-0-2 [Mr. Drinkhall and Mr. Mosca])

Motion by: Mr. Edgerton, seconded by Mr. Fougere to approve the minutes from the January 10, 2018 Budget Committee meeting. (13-0-1 [Mr. Drinkhall])

Motion by: Mr. Edgerton, seconded by Mr. Colbath to approve the minutes from the January 17, 2018 Budget Committee meeting. (12-0-2 [Mr. Drinkhall, Mr. Steiner, and Mr. Swett])

Mr. Marvel: for the benefit of these minutes, when I voted against the replacement for the committee it was not towards the person it was regarding the process.

OLD BUSINESS:

Mr. Marvel: Last week during the CRF discussions, there was a comment that it was not likely anyone would know if money would be worth less in the future. That is true to some extent in the short term, but almost never true in the long term. I think this misunderstanding of the inflation trend may be part of the reason the selectmen are not resistant to CRF. **Mr. Edgerton:** The economic standard related to buying power, the value of the dollar is 3% less each year relate

NEW BUSINESS:

Chairman LeFebvre: Any additional questions for either the town or the school need to be to me in writing no later than January 27, 2018. They will then be presented at the meeting January 29, 2018. However, prior to that I will have them sent to Mr. Mosca and Mr. Colbath, so they can be shared with the respective boards.

PUBLIC COMMENT:

Daymond Steer, Conway Daily Sun: I am wondering if there are any additional strong feelings regarding the middle school project. Steve didn't like it and David thought it was a good deal.

Mr. Marvel: I feel I have a right to know what is going to happen to the old school. I am also concerned that the willingness to undertake the contract may have something to do with precluding further complaint about consolidation of schools. **Chairman LeFebvre:** Since tonight is the first we are seeing this Memorandum of Intent, I have not had an opportunity to read this and cannot comment.

Mr. Steer: Steve you are worried they could need this space later? **Mr. Steiner:** No, I want to see PTS closed and have the students put into the misused space. **Mr. Kittle:** I take exception to

Mr. Steiner's comment as my children attended the Kennett Jr/Sr school and even with 14 portable classrooms the conditions were not good. I do agree the space could be better used than for a rec center, but to try to put an entire school to hit 1,000 people will just put us back to a situation we don't want to be in.

Chairman LeFebvre: Again, I ask that you refer back to the 12 questions and answers that were provided earlier. I ask that you refer to the material that has been provided and not reinvent the wheel every session. I also encourage you to look at the studies from 2009, 2013, and 2015 that are online as they are very educational.

ADJOURN:

Mr. Jensen moved, seconded by Mr. Fougere, to adjourn the meeting at 8:00 PM. Motion carried unanimously.

Respectfully Submitted,

Lisa E. Towle, Recording Secretary