

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
August 8, 2012**

A meeting of the Municipal Budget Committee was called to order at 6:32 PM in the Professional Development Room at Kennett Middle School with the following members present: Chairman Joe Mosca, Danielle Santuccio, Doug Swett, Betty Loynd, Bill Marvel, Ted Sares, Maureen Seavey, Greydon Turner, Steven Steiner, Michael Fougere, Peter Donohoe, Mike DiGregorio, Syndi White, Maury McKinney and Brian Charles. Excused: Karen Umberger and John Edgerton. Also present: Earl Sires, Town Manager, Lloyd Jones of The Daily Sun and other members of the public.

Greydon Turner led those present in the Pledge of Allegiance.

TOWN REVIEW

Earl Sires began by passing out the presentation to the members present. Earl stated he wanted to start by stating where the Town was at this year by talking about how the Town ended last year, then talk about expenditures and where the Town is at this time in the 2012 Budget year, a little about Revenue, and then the Revolving Funds which are some special funds that the Town has that are used for specific purposes.

Earl Sires proceeded with the first page which was an excerpt from the Town's annual audit. The first line talks about the Unassigned Fund Balance beginning; at the beginning of 2011 they had \$1.98 Million in the bank in the Fund Balance. The Selectmen used \$350,000.00 of that to offset taxes in 2011. The Town's Revenue projections were exceeded by \$359,000.00 and the Town's expenditures were under budget by \$104,000.00 for a total of \$464,398.00. In the end, after using \$350,000.00 of that Fund Balance to offset taxes, the ending Fund Balance was \$2,093,651.00. Due to the fact that the Town was able to end the year with \$464,000.00, the Selectmen used a majority of that to offset taxes and the Town was able to contribute to the Fund Balance. Some of the Selectmen have been concerned about gradually growing that over the next few years because the Town had been going through a period of drawing that down, using that to offset taxes to the extent it was starting to reduce the Fund Balance and they wanted to be able to continue to use some of those funds to offset taxes, but also to start increasing the Fund Balance a little bit each year.

Ted Sares asked Earl Sires what percentage was used; one for the Rainy Day Fund and one to offset taxes. Earl stated about 60% in favor of offsetting taxes.

Earl Sires proceeded with his presentation by stating that was the positive end and the Town also had their annual audit presented to the Selectmen in June or early July. It was a very positive audit; the Town is in a good financial position and the audit found that all of the Town's practices, procedures and accounting methods were appropriate. The Town got a clean audit which is what you want to have. He would certainly credit the Town's accounting staff, Lucy Philbrick and Laurie Roode, with being largely responsible for that good work.

Earl Sires stated the Town has about 41% or 42% of the year remaining. The report on page 2 presents Expenditures through early August. It is a little more than a 7 month report, so the Town has about 42% of the year left and the Town has just under 40% of the Budget left so the Town is running a little bit behind where they would like to be, but there are a few things that are going on that the Town hasn't done yet that will change that. Some of the Town's larger expenditures have been paid already. If you look at the third to the last line you will note the Town has paid its debt in principal for the year. The Town has made some of the major expenditures so he is not too worried at this point. He knows of one area that the Town is worried about which is the Legal Budget, line 5, there is only about 16% of that left. The Town has been relying heavily on legal assistance and the Legal Budget in the effort to insure that the property owners in Transvale Acres are complying with all of the regulations. After the high waters associated with Hurricane Irene last year, the Selectmen tasked the staff with making sure that as things were being re-established and rebuilt there that everything come into compliance with the regulations. He had to state he underestimated the extent to which the Legal Department would be involved in that. The Town is being sued by some of the owners for the Town's enforcement activities down there and at the same time the Town is taking some of reluctant property owners to Court as well to try to compel to comply with the regulations. The Town is going to try to manage that for the rest of the year as best as they can, but suspects the Town will run over in that Department. They are already looking at areas of the Budget where they think they can conserve and plan for that; Solid Waste being one of them. The Town had some positions that were authorized this year that have not been filled yet. The Town is gaining a little bit there, so they are going to try to make sure, as the Town becomes aware of some of the areas that they are going to potentially over expend that they have other areas that are going to balance that out. He wasn't too worried about it at this point. All in all things are tracking where they should be.

Ted Sares stated when we discussed the Transfer Station last year, work force, there was one body that we were concerned with or extra body. Earl Sires stated there was one position that was open. Ted stated we had some debate on what could be done; the people working there now are pretty stressed out, others said no. The argument he has been reading in the paper and watching on TV is, not the argument, the discussion is that they were thinking of bringing somebody in as Manager. Is that the body? Earl stated that is the position, yes. The Town had a long term employee who retired who was at the higher end, probably about 1.2 of the average in the pay scale so he was a senior employee and was compensated at that level and the Town is bringing in the management position that will be at 87.5% of the average. Even though they are replacing that position with a higher level position, the starting salary is lower so it will take quite a while before they actually end up at the level of the former employee in terms of compensation. Basically the Selectmen and those at the staff level also determined that they need to manage that site a little bit better; basically there it was and when you go there you realize there's not a lot of over site going on so it has been decided to manage it a little more closely. The Town is advertising that position currently and hope they get a great person in there and they will help the Town with that.

Maureen Seavey asked if the Insurance was mostly liability insurance. Earl Sires stated it was both the Town's property and vehicle liability insurance. Maureen stated that was pretty much paid for. Earl stated the Town has paid the second premium. Maureen stated that Welfare was doing very well also. Earl stated that's seasonal. The Welfare Department is doing okay at this point, but typically there is a surge in the late winter when fuel bills are coming due and into the fall as well the Town has higher demand, so it is expected that will be used before the end of the year.

Earl Sires stated the other thing that's kind of a nice gesture, the Woodbury Foundation in North Conway did donate \$10,000.00 to the Welfare Department this year and the Town will use that. There are a few cases that, because of their particular situations, the Town has been assisting them regularly for some time so the Town will use that generous donation to help with those cases. That won't reduce the Town's Budget, but it will allow the Town to do some things for people that the Town may not have been able to do otherwise.

Earl Sires proceeded with Revenue. Earl stated he didn't have a lot to say about that. The Town is tracking about the way it usually does. One of the things he wanted to point out is that one of the major sources of Revenue is the Motor Vehicle Registrations and that's Account #3002002 and it was budgeted just under \$1.36 Million and it is being tracked just about right for that. It is always a concern; it has been declining somewhat over the last few years, but it seems to be tracking as was predicted and being that it's \$1.4 Million of the somewhere around \$4 Million in non-tax revenue, they keep an eye on that pretty heavily. So, that looks pretty good. Other than that, the Town gets some of its State Revenues later in the year and members will see some of those have not been received yet.

Earl Sires stated one of the things in this report that he wanted to point out is the Police COPS Grant. The Town had included \$258,000.00 based on that Federal Grant Application the Police were going to submit. It was found out that the Town will not be getting it; so that will be a Revenue that will be removed. Ted Sares stated so it's not going to happen; we're not going to have it. Earl Sires stated it means that the position won't be funded.

Earl Sires stated he didn't see any issues on Revenue at this point. The Legislature hasn't been talking too much about anything that will impact the Revenue this year, so that's good.

Earl Sires proceeded with the last page of the handout on Revolving Funds. Earl stated there are 3 Revolving Funds that are used to manage certain activities that fluctuate year-to-year and during the year, and one of the main reasons the Town uses these accounts, is that it allows the Town to handle fee based services on an as needed basis without affecting the Operating Budget. In other words, the Town doesn't have to predict in the General Fund that the Police Department is going to have \$100,000.00 in Special Duty and end up only having \$20,000.00 and there would be an \$80,000.00 amount that's been raised and appropriated that was not needed. Likewise, it might be predicted \$20,000.00 is needed and

then all of a sudden there's \$80,000.00 or \$100,000.00 in construction related Special Duty requests. It allows the Town to handle those basically on an as needed fee basis. For Recreation, the Town charges for the adult programs, the summer programs and those kind of things and then the General Fund is offset with some of those fees. They have been trying to keep the Rec Budget at a level number and they have been pretty successful at doing that within the General Fund. Likewise, there is a Solid Waste Revolving Fund that the Town uses for materials that it receives and are paid for and then pay to dispose of. Construction materials, recyclables, electronics are charged at the Transfer Station for an amount that is pretty much equal to what the Town ends up paying to dispose of them, but that activity fluctuates through time of the year and doesn't impact the General Fund by keeping it there. The same thing for the Police Revolving Fund. This is a Special Duty Fund. All of these Funds are functioning as they were designed to. The Police Revolving Fund has been used a good deal this summer with the Special Duty that the Town had at the Canoe Launch by First Bridge where the commercial liveries actually contributed to this Fund to fund the Officers and the Recreation Department seasonal employee that they had up there managing and watching over that situation.

Earl Sires stated all in all the Town is in good shape and the big challenge over the next two years, as he mentioned, is that Lucy Philbrick is going to be retiring. The goal is to replace her with someone equally capable which will be difficult, but they have already started thinking about that, planning for it and he will keep the Committee posted.

Michael Fougere asked how the boat launch was working out. Earl Sires stated it has actually worked and he has to say it has worked better than he thought. They had originally hoped to have an entrance and sort of a u-shaped design. When the Town met with DOT, they wouldn't give the Town two entrances so they had to have sort of a lollipop design where there is in and out traffic on the one entrance/exit. It has worked well and people have cooperated and he thought it was good that the Town is dealing with the people going into the river early in the morning and not the people getting out of the river later in the afternoon. The mood is quite different. On the busy times they have had somebody there and they started out thinking there would have to be a Police Officer, but as they got into it, they realized they could substitute almost all the time with a seasonal employee that was brought in through the Rec Department, Peter Ames, who was a retiree from the High School and he was able to manage it and it worked well. There was a little bit of a challenge over the last weekend with the Pow Wow because then they did not only have all of the boat traffic but they had everyone coming and going for the Pow Wow and they had to kind of arrange that a little bit, but that worked as well. It has been working good.

Bill Marvel stated he didn't jump quick enough on Revenue or maybe he didn't hear Earl Sires say anything about income from Solid Waste; is that recyclable material; looks like it's down by about half. Earl stated it's down, but it also tends to be cyclical. We should see a pick up in the Revenue based on the summer time activity of restaurants and all that kind of stuff in terms of material brought in and charged for. Bill asked if it was a drop in price. Earl stated recyclables in general are down

and they fluctuate; metals are up and other things are down. Typically, it does pick up during the Fall.

Maureen Seavey stated she wanted to know where the canoes go in now; they don't go in where the beach is, do they go in further up. Earl Sires stated there has always been a driveway at that little pad where the Precinct Pump Building used to be. There's a drive in there and basically it's a loop turn around and they come right back out there. If you imagine it at about 2 o'clock there's a break in the fence and there are arrows, there's kind of a pathway where people go up to that rocky berm. There is a sign up there that talks about boats putting in there and also as you are coming down the river there's a sign that says "get out here". The beach area by the bridge is reserved for swimmers. The Town hasn't heard, and he hasn't had any complaints from people. Peter Ames indicated that he did get some complaints; mostly from locals who are used to being able to park there by the water fountain and that kind of stuff, just because they couldn't do it this year. All in all, it has worked pretty well.

Ted Sares stated to the extent Police details are being used and seasonal employees, the idea is costing the taxpayers some money. Earl Sires stated actually the canoe livery folks have donated about \$5,100.00 at this point and Earl predicts that by the end of the season that's about what it's going to cost. Ted stated so it will offset and Earl agreed. Earl stated they are going to scale back having someone there over the next few weeks because the traffic kind of fades in August. The Town will have to formalize both the installation and relationship between the outfitters and the Town and all of that over the next year. It seemed to have worked.

Maureen Seavey stated the people that go down to the beach, the only place they really get to park is the parking lot and to walk across that bridge and to her that was very dangerous. Earl Sires stated it's not the best situation. Maureen asked if there was anything that could be done with that. Earl stated the Town has been hoping that DOT was going to stripe the bike lane across the bridge at least, but their yellow paint crew came through town and apparently the white paint crew missed the lines for the bridge. Maureen asked if the Selectmen could request that it be done. Earl stated the Town has asked them and that's another one of those things that next year the Town will have to make sure happens, even if the Town has to do it right off the bat because Maureen was right, that's not the best situation.

Chairman Mosca thanked Earl Sires for coming in and for his presentation.

APPROVAL OF MINUTES

Ted Sares moved, seconded by Bill Marvel, to consider and accept the Minutes of June 13, 2012. In favor: 12; Opposed: 0; Abstain: 3 - Doug Swett, Brian Charles and Syndi White.

SCHOOL REVIEW

Chairman Mosca stated that Dr. Nelson was invited, but he had another commitment. Members do have a print out, basically like what Earl (Sires) gave us and Syndi (White) graciously is going to give a little over view.

Syndi White stated she knew there were some new Committee members so she thought what she would do is go line item by line item quickly so that she could explain what's in those line items and then why members are seeing either a surplus or a deficit in those line items. Syndi stated that they review this Budget 18 months out from the ending date, so a lot of the things they have to try to predict what that money's going to be that they are going to spend and this year they did a very good job in doing that. She directed each member's attention right away to the second column where it says "Amendments". The reason you are going to see money taken out of there is because the Legislature changed the percent that they put into the Retirement Fund and the School Board was waiting to see what that was going to be, how much was going to be taken out and they wanted to make sure there was going to be enough. What they did was go through all of the different line items and pulled money out that they could put aside in order to fund that depending on what the percentage is and that's what you're seeing there when you see those little parentheses.

Syndi White proceeded with the first line item of Regular Education and the amount remaining at the end of the year, \$234,000.00. This is due to changes in staffing. Remember what happened last year with the Budget; it wasn't approved until well into the summer and what happened was that they didn't do some of their hiring until well into September. All of that staff money was not spent. Where members see money being spent to cover that staff was in substitutes. That's why you see a big amount there. When new people are hired, sometimes the person leaving is paid a lot and the person coming in is paid much less. There are also changes in health insurance that can fluctuate greatly. They ended up with a 2.35% surplus. One thing she cautioned on was the fact that this Budget has not been closed out yet because they are still having some bills coming in. It might change a little when the final numbers are in.

Syndi White proceeded with the next item, Special Education. There is \$70,000.00 over spent. Special Education, as members are going to be hearing a lot of, is driven by IEP's, Individual Education Plans, and it's really hard to predict the Special Education Budget because they never know if they are going to have students come in and out of the District and may have more students in need of services than they thought.

Syndi White proceeded with the ESL Program which came in right around budget; they ended up with \$788.00 more and when you see something like that it is because they didn't need to use some of the services that they thought they would have to.

Syndi White proceeded with Vocational Programs having a little money left over in that. Co-Curricular Programs had money left over. Co-Curricular School Sponsored came out a wash. Summer School had over \$2,835.00 spent; it is hard to predict a year before how many students you are going to

have in Summer School next year. Sometimes they have more students than predicted and they have to hire another staff. Support Services - Students came out very close; they ended up with a surplus in that.

Syndi White proceeded with the Attendance/Social Work - (Family Liaison) which showed that \$15,414.00 was spent over what was budgeted for and that's because of a change in health insurance. In Guidance Services there was just a little bit off, almost on budget, was .5% off. Health Services ended up with a surplus of \$4,205.00.

Syndi White proceeded with Psychological Services, Speech Services, Hearing Impaired Services, Occupational/Physical Therapy Services and other support services which are all driven by IEP's or the needs of students and they ended up with a surplus in every area. Some years members might not see that because they predict what they need based on the students they have and there might be more students moving in that need services or there could be students that had something happen to them and have to have Occupational Therapy or Physical Therapy. This year it worked out very well as there are surpluses in every area.

Syndi White proceeded with Improvement of Instruction. If you look there, you will see that the surplus was 35.77%. The next line item, Curriculum Development you will see a 32% surplus. The reason for this is because they do most of their Curricular Development and Professional Development in the summer. They have teams of teachers who work collaboratively and focus specifically on curriculum, but last year because the Budget had not been approved, they couldn't do that. So what you are seeing is a lot of the surplus is money that they couldn't spend that they had planned to spend on both of those areas. What happened and how this affected the school is that they were able to maintain the previous curriculum and what they were doing, but they weren't able to move forward. What they did try to do throughout the year was offer additional professional development opportunities for the teachers and the staff as the year went on. That is why you see such a huge amount of money left over.

Syndi White proceeded with Educational Media Services with a \$2,942.00 surplus. Audio Visual Services is just about right on target. School Board Services is the stipends for the School Board. The next one, Supervision School Board Services which are supplies, materials, bank fees and there was a little bit left over, \$500.00. District Treasurer Services and then following is the Election Services which they did spend more money on that because they did have a Special Election. They did decide to buy a Ballot Box because they were renting one and found out from Rhoda (Quint) that it was better. The Town had bought theirs and it was more cost effective for them to buy one rather than rent it every year.

Syndi White proceeded with Audit which just came out which cost them a little more than they thought and were down \$420.00. Legal/Professional Services ended up with a surplus of \$24,000.00. They put money into that and never know how often they are going to need to consult a lawyer or how many cases they are going to have that they have to use one for, but it worked out well for them this year. School Board Services, Other is the secretary for the School Board, sort of a catch-all category. They do

the advertising in there and they also put the health deduction pool for the insurance that they had negotiated into that catch-all category.

Syndi White proceeded with the Office of Superintendent Services which came out even. The Office of Principal Services, this is not the Principals of the schools, this is building loans and they ended up with a surplus in that. Other Support Services, Administration ended up with a surplus in that. The next two items are interesting to look at and she will explain that Operation/Maintenance Plan Services and Operation/Maintenance Grounds. What they did if you look at the first one was a \$72,000.00 surplus and the next one has a \$45,000.00 deficit. They switched the money; they compensated one area for the other so that it came out to be in the area of maintenance, it was a surplus of about \$27,000.00.

Syndi White proceeded with Pupil Transportation which was down \$20,000.00 and that was because they have had so many repairs on the old buses. If you remember, they wanted to buy a new bus and it was approved by the voters but the DRA took the Warrant Article so they weren't able to buy a new bus. They have had an incredible amount of repairs and she will go into that a little bit further at the end. Pupil Transportation - Project Succeed is just a place to put that money; money goes in and money goes out. Pupil Transportation - Special Education ended up with a surplus and the way that works is if they have a student that they are transporting that they didn't need to transport any more; that could happen. Pupil Transportation - Athletic Trips has a surplus. Pupil Transportation - Field Trips ended up having more money spent than predicted. Other Transportation Services, she was not sure what that was, but they had a very small surplus in that.

Syndi White proceeded with Early Retirement - Other Support ended up with a 4% surplus or \$69,000.00. Principal of Debt was paid and the interest on the debt. Expendable Trust Fund - Maintenance came out even. Allocation for Other Government Agencies is reimbursement for Building Aid for the SAU 9 building and that was the final payment on that; you will not be seeing that any more.

Syndi White stated at the end, and as she stated the Budget hasn't been completely closed out yet, they end up with \$391,213.00 which will be given back to the Town. This is after they took out money; they had a bigger surplus, but took out money for Special Education for unplanned expenses of \$190,000.00. That's pretty easy to do if you have a couple of students that are in Residential Placement. The Board decided to use the surplus to fund that instead of the Special Trust Fund that they have been trying to build up because they felt they needed to leave money in that in case they ran into a situation where they didn't have a surplus and they had a \$200,000.00 item that came in that they couldn't cover, so they wanted to make sure that they had enough money in there. The other thing is that they took out for 2 buses. The way that they have been approaching the issue with the bus on the Warrants, the Warrant Article, is that one year they will put in money for 1.5 buses and the next year they put in for 1 bus, but because the DRA took away ...

Chairman Mosca interrupted Syndi White and stated he would appreciate it if she would not bring that up. It's something that does not need to be brought up and you keep bringing it up and he understood where she was coming from, but it's water under the bridge. Syndi stated if people are trying to understand why all of a sudden they are buying 2 buses she just wanted them to know. Chairman stated he thought most people understood that. Thank you.

Syndi White stated they decided to buy 2 buses instead of one this year as they were going to and the reason they are buying an extra bus is what they are finding is that they are spending so much money on repairs. A few years ago the School Board decided to try to save the Town money by not buying buses so frequently and decided to wait until the mileage was much more than what was originally planned on, but by extending that mileage before they buy a bus, they are finding that the repairs are just too much. They felt this was more cost effective to actually put the money into buying a bus rather than using it in repairs.

Syndi White stated that's basically it. After all is said and done, she thought they did extremely well with giving almost \$400,000.00 back to the Town. If there are any questions, she will try to answer them, but she doesn't manage the Budget and if she doesn't know the answer, she will write them down and get Carl (Nelson) to answer them.

Peter Donohoe asked what the surplus amount was that was spent for the buses; how much was the dollar figure. Syndi White stated she didn't have the exact dollar figure. Each bus is around \$82,000.00. Syndi further stated she did not have the figure on Special Ed, but knew it was around \$190,000.00. If the exact figures are needed, she can get them.

Bill Marvel stated it's a small issue, but it's a large percentage of over expenditure on Field Trips. How did that happen? Syndi White stated she was not sure but would find out.

Steven Steiner stated being a new member and also running for the House, he has been in Chatham speaking to the folks there and also here in Conway; his question is: why is it that it costs the folks in Chatham half the amount to send a kid to school than it costs us to send our kids to the schools here. It is literally almost in half, plus \$17,000.00 to send a student to Fryeburg. He was trying to figure it out and thought maybe she could explain. Syndi White stated she thought that was something that Carl (Nelson) could explain. It's really a complicated formula. Steven stated he was talking to some of the older folks in town who can't afford to pay the taxes in this town and are forced to either not pay their taxes or sell their homes. He was just saying there are a lot of them out there. Syndi stated that as far as what it costs to send the students from sending towns since we are talking about Chatham, those towns make a decision to contract with us, they signed a contract. Steven stated Chatham didn't, they are sending to Lovell and Fryeburg. To send a kid to an Elementary School, \$10,000.00; to Fryeburg \$17,000.00 and change. It costs us \$31,000.00. If you take the \$31 Million or \$32 Million School Budget and divide it by the amount of students, it comes out to \$31,000.00 or there about. If you own a business, that's how you do it. Syndi stated that's not how it's done and she really wanted to defer to Carl (Nelson) who can really explain how it's done, what the

formula is that they use and all of the different factors that are put into that because it is very complicated. Danielle Santuccio stated she believed the Committee received a printout of that.

Mike DiGregorio stated he thought the average was closer to \$15,000.00, not \$30,000.00. The reason Chatham pays what they pay is based on valuation of their property over there. The formula was created 9 or 10 years ago when the Tuition Contracts were signed so everybody was paying their fair share based on the valuation of the property in that town. How Fryeburg decides how one town pays \$10,000.00, \$15,000.00 or \$20,000.00 he has no idea, but our Tuition Contract is based on valuation within that town and that's why some pay more and some pay less and it was all something that people agreed upon and it has been working fine. Chatham chose to go to Fryeburg for many reasons, part of it is because they are closer because they are coming from all the way up near Evans Notch and didn't want to travel all the way here.

Betty Loynd stated she was quite certain the amount per student is \$13,000.00 at Kennett High School.

Steven Steiner stated to Betty Loynd that when you have a business, whatever business it is, you take all the costs involved to run it, to make or break even. In this case, we have to take all our costs, divide it by the amount of students we are servicing and that's what it costs to send a kid. Betty stated but that's not what it is costing Conway; Conway is only paying 49% of that \$32 Million.

Danielle Santuccio stated we got a print out of the formula for each town during the last session and she was sure she had it at home and would bring it in or scan it and mail it to Steven Steiner. There is a breakdown of the formula for each town, how much and all of that and what it's based on. Ted Sares stated he got it last year as part of the Data Committee; we got the data. Danielle stated she didn't mind faxing that because Steven wasn't here then. Ted asked if he could make a suggestion to wait until Carl (Nelson) can address this issue and we'll get a definitive answer. Chairman Mosca agreed.

Chairman Mosca stated he was closing out the School Review and thanked Syndi White for her presentation.

OTHER BUSINESS

Chairman Mosca stated he handed out the proposed Schedule to all members and it will lead into new business. Chairman asked the members present if they had any questions, comments and if they were ready to go with this. Ted Sares asked if there were any changes from the last one. Chairman stated the only thing he added was the meeting with the School Board on the 24th which is not an official Budget Committee meeting.

Mike DiGregorio asked if there was really going to be a meeting on September 19th just to approve Minutes from prior meetings. Chairman Mosca stated we may and we may not; who knows what is going to be happening between now and then. Mike stated it's only a month away and he was okay if the Chairman found something else to discuss in there, but to just come here to approve Minutes is kind of a waste. He was all for a meeting

and, he thought most people would agree, just to come here to approve Minutes is probably not a good use of time. You can call it close to that time and state there is nothing on the Agenda and let's wait. Chairman stated he wanted to have a meeting every month just in case. If we can get Dr. Nelson here on the 19th maybe that would work to answer some of the questions brought up this evening. Chairman asked Syndi White to contact Dr. Nelson to see if he can come on the 19th.

Maureen Seavey asked what time the School Board meeting was. Chairman Mosca stated that's what we are going to find out right now.

Chairman Mosca advised the members that if no one had a problem with the proposed schedule, he was going to turn it in to Karen (Hallowell) at the Town Manager's Office so she can start trying to put this together with the School to make sure that we have this room for all of the meetings. The sooner we get this room locked down, the better we'll be. It just makes sense to have everything here if we can.

Syndi White stated she was reading the Minutes as she wasn't at the last meeting, but she read there was a big discussion on the full day Kindergarten and people wanted to see how effective that was going to be over time and that was something she absolutely agreed with the Board on. They are going to be looking at that and they will be able to give this Committee the data on how kids are doing. They take the data now as it is and they will be looking at that and also they have no problem sharing it with everybody. Chairman Mosca thanked Syndi.

NEW BUSINESS

Chairman Mosca stated that one of the members asked that he add discussing the propriety of engaging the School Board in the budgeting process of the Budget Committee prior to the Budget Committee reviewing the submitted School Board Budget. As he stated when reviewing the proposed Schedule, the meeting with the School Board is not an official meeting, it's a voluntary meeting for members to go to. Ted Sares stated it was his issue and asked if he could talk to it. Chairman stated the School Board meeting was a voluntary meeting. It is to ask questions, see what's going on, see what they're proposing, see where their starting point is and we can go from there.

Ted Sares stated to the Chairman that the tone of what he just said seemed to change from the way it was discussed before. It was more an engagement in the process and he didn't think it was discussed quite that cavalierly. (Ted passed out a handout and stated that he would read it into the Minutes.) Ted further stated he didn't think it was quite like that and thought it was more that we would work with the School Board in the budgeting process and he has a real issue with that himself and he was not trying to pose it on anyone. He was not trying to get into a debate on it.

Ted Sares read his handout to those members present:

"Upon being elected to the Budget Committee, I took an oath that I would represent all of the taxpaying citizens of the Town of Conway. When members of the School Board were sworn

in, I believe they said they would represent the interest of the Schools. Within this context, a check and balance theoretically plays out.

"In my opinion, engaging in the budgeting process with the School Board would compromise the aforementioned process of checks and balances, as it could possibly vest pocket (snag) members of the Budget Committee before they had an opportunity to absorb public input and/or receive new information.

"This is my opinion and I am not trying to impose it on anyone else, nor am I looking to debate it. However, I share it to explain why I have no intention of working with the School Board on their budgetary process until such time as it is officially presented to me for review as a member of the Budget Committee."

Ted Sares stated to the Chairman going back to what you just said, if in fact people want to attend that on their own that's fine and it's an academic issue. In fact, he might attend it as a citizen, but not as a Budget Committee member. He thought that would be an egregious mistake on his part.

Chairman Mosca stated that he was going to read a couple of lines out of the Minutes from June 13, 2012:

"Chairman Mosca stated he passed out to all members a proposed schedule and has found that there are a couple of mistakes. On December 12, 2012 (even though it states 2013) same will be corrected is one and the Committee is going to be invited by the School Board to their September 24th meeting to have a joint session with them. This is not on the proposed schedule, but will be when he revises same. It will not be a mandatory meeting, but he thought there should be as many members as possible there as he thought it would show good faith in working with them."

Ted Sares stated he manifestly stands by his words and each and every word that the Chairman just said. He manifestly disagrees with having to do that as a joint committee. A joint committee, in his opinion, is the wrong thing to do. If we want to go there as individuals, no problem; but to go and have a joint committee with the School Board when he is representing all the members of the Town of Conway, no. That's his opinion.

Chairman Mosca stated he thought there's an interpretation and he was not saying it was a joint meeting and if he was coming across as a joint meeting, he didn't mean it to be a joint meeting. Ted Sares stated what the Chairman had just described was fine and he would go with that. Chairman stated it's more to go to hear what they have to say. If we have questions, we can ask questions. It is not a Budget Committee meeting with the School Board and that's the way he sees it should be. Ted stated he didn't have a problem with that.

Mike DiGregorio stated first of all he agrees with the fact that you can't have a joint meeting like that because it's their function to do the School Budget and it's our function to look at numbers. He has always said over the years that unfortunately what happens in the process is that they spend the entire year putting together the numbers and then we get this book and we have a month or so to decipher it and make decisions on it. He has said forever that the place to learn what's going on in that budget is at subcommittee level, not School Board meetings because the reality is at a School Board meeting often times is just where the voting takes place. Things have been decided either administratively or in a subcommittee some where and then the voting takes place in the open meeting. That is where the homework is done, at the subcommittee meetings. When he was on the School Board, they would spend the entire year thinking about programs and what's good/what's bad, whether this program should essentially go away or stay and you make that decision and argument to keep it in that process. Then that information is put into a number and it's handed off to a Budget Committee to try and say should it stay or go. It's very difficult to transfer from what's taking place all year long and transfer that rationale into keeping it or not keeping it. That is why he has always said that if you really want to understand what's going on in the School system, get to those subcommittee meetings; not a School Board meeting, but a subcommittee of the School Board. For example, if you sat at Transportation Meetings, you would understand the process they go through for routes and maintenance and decisions on buying buses and so on and so forth. There has been a lot of talk about that particular subject, but a lot of other subjects there's really no talk about it. You get a number and you have to decide if it's good or bad. He thought that was what Ted (Sares) was trying to say; we should take the time to be involved or at least go and sit at some of that stuff, not as a collective group, but as individuals. He would say that was a good idea; if you've got the time to go to those meetings and they are all public meetings, you should go there because there is a lot to it.

Syndi White stated she absolutely agreed with what Mike (DiGregorio) said. What happens is the Administrators come to them (School Board) with their proposed Budget, not even with the Budget at first. They are talking about what programs they feel, maybe they want to add a staff or they want to change a program and their reasoning for that. They have to work all through that before they even get to the point of what is going to come forth with the Budget. They have a presentation that's done. They work as an Administrative Team, they all work out what their budgets are going to look like, what they want to present to us and how they want to present both the Budget and the rationale behind the Budget. They come to us, they present it, we ask a million questions and it's back and forth, back and forth; then they do the whole Budget, they vote on it and then it comes here. Then Carl (Nelson) comes and you guys have a million questions, but by that time you have suggestions, but it's hard to incorporate those suggestions because they are presenting a Budget and you're voting on it. The part that's missing that would be really good, if you really want to understand the Budget and make some suggestions that could actually be incorporated into the Budget is during our budget process. Like what Mike was saying if you come to the meetings and give your feedback. At the meeting on the 24th so what they decided to do, what would be the most beneficial thing to do would be to have people from the

Budget Committee coming because they are going to have those Principals present their proposals in front of all of us, whoever is there that night. That way we all hear it together for the first time, we'll all have those questions so we can all be on a level playing field to go forward, to incorporate suggestions if the Board decides to do that. That's where they are coming from. They had the request from the Board and they had to think what was the best way to make it most useful for them and for this Committee.

Ted Sares stated he may find out some new information about buses that may change what he agreed to. No, he didn't want a level playing field because he did not swear an oath to represent the School's interest, he swore an oath to represent the Town, the citizens of the Town, the tax paying citizens of the Town. Otherwise, there's no check and balance and that's what bothers him. He wants to preserve the check and balance process that plays out. Again, he was saying this for himself. If anybody wants to attend a subcommittee, go at it.

Betty Loynd stated she went to all of the School Board meetings last year and found them to be very interesting and informative and she felt like when she made her decisions and voted, she knew what she was voting for. Ted Sares stated to Betty be careful and don't let him catch her on this because Betty made a statement early on that said whatever was presented she would agree to from the School. To him, that violates your oath, in his humble opinion, and Bob Drinkhall of all people presented that in a Letter To The Editor. Betty asked what was presented in a Letter To The Editor. Ted stated Bob stated those people on the Budget Committee who swore an oath to represent the citizens of the Town have violated the oath by agreeing beforehand with whatever the School Board presents. Bingo and I can get the letter. Betty stated she did not remember saying that and she doesn't agree with anything that the School Board presents. Ted stated no, you've changed, but you did say that. Betty stated she didn't recall saying that. Chairman Mosca stated that it's clear on the tape and on the video that that statement was made and we'll let it go from there.

Syndi White stated she just wanted to be clear that if members come to a meeting and give input or ask questions, that does mean you are agreeing to anything, it's not you voting on anything, you're merely at that point being able to say you agree or you don't agree. As an example, say if they do a budget and they had a huge, huge discussion on the Middle School and the Teams. They went back and forth several meetings on that and then it gets to the Budget Committee and the recommendation is we want you to cut a Team, we want you to cut a Team. The disconnect there is if you had come to their meetings and had expressed your concerns then or your suggestions, those are things at that time that they could incorporate or at least be able to give the answers that are needed. The way the process is now, it just seems there are some places of disconnect, that's all she was saying.

Chairman Mosca stated he was going to agree with what Ted (Sares) said that there has to be a disconnect. He was all for going to some of the meetings, and he should probably go to more than he does, but he completely understands what Ted is saying, there has to be a disconnect. It was presented to us last year and we had a lot of questions and based

on the information we received, we voted that way, the way we voted. Syndi White stated you always have that final vote; it's all of that in between thing.

Chairman Mosca stated he thought the best thing to do was finalize the schedule, take off the meeting on the 24th as it is not official so it will not be on the meeting schedule. Chairman will be there, he guaranteed that. Ted Sares stated now he feels like a heel. Chairman stated he can't argue with Ted sometimes as much as he likes to, he can't. Since it is not an official meeting it shouldn't be on the official schedule so he is going to take it off the schedule. We all need to do what we need to do.

Syndi White stated because they will probably be making copies and stuff, if someone could let them know who will be attending. Chairman Mosca asked that members let Syndi know if they will be attending the meeting on the 24th.

Chairman Mosca reminded Syndi White that she was going to speak with Dr. Nelson about being at the meeting on the 19th.

Maureen Seavey stated that she does watch the Selectmen, Planning Board and all of them on Channel 3. She usually watches every meeting so she sees a lot and doesn't have a lot of questions when she comes here because she listens to them. She thought that makes a difference, too. If you can't come to the meetings, maybe watch it on TV.

Mike DiGregorio stated watching this stuff on TV is good, there's no doubt about it and probably most in this room do pay attention to it because we're involved in the community and unfortunately a lot of people don't. What you don't get from either a School Board Meeting or a Selectmen's Meeting is the time and effort it took to get to a report at the Selectmen's Meeting or a School Board Meeting. For example, the Selectmen are talking a lot right now about the Transfer Station and some upcoming repairs that it looks like that are going to be done; they've spent a lot of time at the Transfer Station and it was an eye opener for him to see. Last year there was some skepticism as to whether they needed an additional person or not; then you go down to the Transfer Station and spend some time down there as a subcommittee of the Selectmen's Office and you get an eye opener as to exactly how hard these guys are working. But also what you see is the little detail things that they can not complete because there's just not enough of them. While we were there, they saw multiple violations in the recycling program. It was mentioned here tonight that the recyclables are down. Part of that, we're starting to believe, is because of the violations that are taking place. One of them was so severe while we were there that we cited the guy. He was doing it in front of two Selectmen, the Town Manager and the Town Engineer; not a good time to be dumping a ton of stuff in the wrong place and that's exactly what he dumped: a ton of stuff, that amount and it was not recycled at all. His point is that you don't get that from Channel 3, you don't get that from going to a School Board Meeting and you definitely don't get it looking at the numbers in the book at the end of the year. It's hard, don't get him wrong; Ted (Sares) is absolutely right as far as they were elected as Selectmen and elected to the School Board and they are the ones that have to go to these meetings as does he, but

as he was saying right now, that's where you get the information, is at that level. Any subcommittee meeting that the Selectmen have is opened to all and he knows it's hard to find out when they are because people don't pay attention to those meetings nearly as much as they do the official ones, plus they always do the official ones at the same time and same place. It is where you get some good information.

Syndi White asked Mike (DiGregorio) if the meetings were posted some place. Mike stated they would have to be if there is a subcommittee meeting, they have to be posted. Syndi stated they (School Board) are going to start putting theirs on the web site because of the same thing: not a lot of people know about it. Mike stated sometimes you meet the requirement of the 24-hour posting, but they are posted. That one had to be posted because there were 3 of us there; there were suppose to be 3 of us there initially so that was definitely posted.

Maury McKinney asked if subcommittee meetings tended to be morning, late mornings, afternoons, late evenings, is there any notice of those. Mike DiGregorio stated in the Selectmen's Office and often times if he is involved they are after 3:00 PM or 4:00 PM. In that particular case, he wanted to make sure that he was there while they were open for operation because he wanted to see the operation going on and he just had to get permission from work to skip out early. Syndi White stated most of the School Board's is during the day because the subcommittees involve staff.

Ted Sares moved, seconded by Steven Steiner, to adjourn the meeting at 7:40 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary