

CONWAY MUNICIPAL BUDGET COMMITTEE

Wednesday, February 9, 2022

Loynd Auditorium

Kennett High School, Conway, NH

Jim LeFebvre called the meeting to order at 7:45 PM. The following Budget Committee members were present: Vice Chair, Peter Donohoe; Bill Marvel, John Edgerton, John Colbath, Stacy Sand, Bob Drinkall, Dave Jensen, Frank Jost, Kit Hickey, Randy Davison, Terry McCarthy (6:05pm), Ellin Leonard (6:25pm), and Eric Corbett (6:25pm). Also present, Lisa Towle, Recording Secretary.

Only those articles that were discussed are included in these notes.

All voting results are on the attached tally sheet

1. Precinct Discussion:

- **Chair LeFebvre** noted the three precincts are considering consolidation. **Mr. Holmes** added the precincts met to discuss consolidation or working collaboratively to answer calls, sharing equipment, and personnel.
- **Mr. Colbath** stated Conway Village Fire is in limbo as well. **Mr. Holmes** noted the commissioners have discussed the possibility of the town acquiring the fire, ambulance, and emergency services and the town countered stating they want everything. There was an article in the paper for more detail. **Mr. Drinkhall** inquired how this would be funded. **Mr. Holmes** stated the details still need to be worked out. However, the law states unilaterally the precinct can choose to dissolve, and the town must accept all of its assets. **Chair LeFebvre** inquired if Redstone would become a substation. **Mr. Holmes** stated this is getting ahead of ourselves.
- **Mr. Davison** stated he attended the meeting at Conway Village Fire department and believes there is movement among the precincts to work together as an entity. This could make the tax base equalized. The tax rate for Conway Village increased by 26% for 900 parcels. **Mr. Holmes** clarified 70% of the funding comes from outside sources.

2. Town Articles Discussion:

▶ Article 7: Operating Budget

- \$12,712,868, a \$627,088 or 5.13% increase. Default budget is \$12,393,560 and is \$319,308 less than the proposed budget and \$301,480 more than the approved 2021 budget.

Questions / Comments:

- **Mr. Donohoe** noted the estimated revenue approximately/ \$500,000 lower than over the past 4 years. **Chair LeFebvre** inquired if it is related to the census. **Mr. Holmes** stated this is on the conservative side; however, this is revisited four times in the calendar year and adjustments can be made mid-year.
- **Mr. Marvel** stated the budget is \$800,000 more than last years expenditures and inquired what would be lost if the default budget passes. **Mr. Holmes** stated it would be up to the Selectmen, but typically the pavement and road projects get bumped out another year. **Ms. Sand** commented instead of not hiring additional staff, pavement would be cut. **Mr. Holmes** stated they are not hiring additional staff and have only increased a part-time employee to full-time, which increased their hours from 24-32 with additional duties. **Mr. Marvel** stated putting projects off another year only delays the inevitable and states the warrant articles should be looked at closely.
- **Mr. Drinkhall** made a general statement being the Budget Committee is responsible to the taxpayer and no other special interest group. I became involved again, due to the Budget Committee doing little to nothing for the taxpayers over the last 10-years. My hope is that will change this season. Lower to mid-range earners cannot afford town and school budgets

51 totaling over \$53 million plus \$2 million in warrant articles. Please consider when voting on
52 all of these. In comparing 1979 to 2021, the two precincts I reside in have had tax increases
53 of 363%, rents went up 2.24%, and low-end wages only went up 1.53%. Think of those
54 people who cannot afford this increase when voting.
55

56 ▶ Article 10: Emergency Ambulance Service between the Town of Conway and Conway Village
57 Fire District

- 58 • **Mr. Davison** noted if the precinct dissolves these funds would not be expended. **Mr.**
59 **Holmes** stated that would not occur this year.

60
61 ▶ Special Warrant Article: Eastern Slope Regional Airport

- 62 • **Mr. Marvel** stated in his opinion this is a hobby for people with a lot of money and generates
63 unwanted business. Further why do they need this money as they went many years without
64 asking for it. Regarding the Life Flight argument, they use helicopters that can land just
65 about anywhere.
- 66 • **Ms. Sand** noted this money allows the airport to apply for Federal funds and they do provide
67 a benefit to the area.
- 68 • **Mr. Edgerton** stated the Federal Government pays 95% of the airport cost. Additionally, the
69 airport has partnered with KHS and Fryeburg Academy for an aviation and STEM academic
70 program. **Mr. Marvel** stated he will be voting against this article based on the large amount
71 of Federal funding and he does not agree with adding another program that teaches a
72 profession as students need to be taught reading and math.

73
74 ▶ Special Warrant Article: Public Bathrooms in North Conway Village

- 75 • **Chair LeFebvre** stated although there is a need for public bathrooms, the cost factors
76 presented are outdated and providing bathrooms it is not a function of the town government.
- 77 • **Mr. Marvel** stated the town has done without public bathrooms for many years. Further,
78 with the Chamber drawing people into town they should absorb the cost burden and the
79 \$75,000 match is not enough.
- 80 • **Ms. Sand** stated many business owners do provide bathrooms to their customers; however,
81 many visiting the town take advantage of outside recreation. Although there is a need for
82 bathrooms, a better plan of where they will be built, construction cost, and maintenance cost
83 need to be determined.

84
85 3. Petitioned Articles Non-Profit

86 ▶ North Conway Community Center, \$65,000

- 87 • **Chair LeFebvre** stated they receive a tax exemption for their building and are asking for ¼
88 of their operating budget from the taxpayers/
- 89 • **Ms. Sand** stated the center is valuable to the community of all ages.
- 90 • **Mr. Davison** suggested collaborating with the center to provide public bathrooms.
- 91 • **Mr. Marvel** stated he has not heard a reason why the town should pay for all the good things
92 offered and is opposed to the article.

93
94 ▶ Tri-County Community Action Program, Inc., \$23,075

- 95 • **Mr. Marvel** stated he is opposed to this article based on the cost of their bus system and the
96 lack of a proper explanation. Further noting the Gibson Center provides rides for almost half
97 the cost.
- 98 • **Mr. Drinkhall** stated he is opposed to this article based on the lack of monitoring of the
99 rental assistance.

100
101

- 102 ▶ Conway Area Humane Society, \$10,000
- 103 • **Chair LeFebvre** stated he wasn't sure on how to vote as his concern is the statement that
- 104 they spend \$10,000 on one animal and the 3:1 ratio of animals from out of state compared to
- 105 those from Conway.
- 106 • **Mr. Marvel** stated there were 107 animals served from Conway and 577 from elsewhere for
- 107 which the Humane Society could spend up to \$10,000 on each of them. The article indicates
- 108 the use of the funds is to support stray, abandoned, and neglected animals brought to the
- 109 shelter, and it appears there is a misplaced priority of funds.
- 110 • **Ms. Sand** stated the animals from out of state are income producing for the shelter as they
- 111 have a minimal cost associated with them prior to adoption. For those animals that need such
- 112 extensive care, a fundraiser is conducted to assist with the cost. The funds associated with this
- 113 article go into their general budget. **Mr. Marvel** stated if they can raise money for one
- 114 animal couldn't they do the same for the entire shelter.
- 115 • **Mr. Davison** stated they receive a \$16,000 tax abatement.
- 116 • **Mr. Corbett** stated based on the \$10,000 requested, the individual cost is \$93.00 for each
- 117 animal.
- 118
- 119 ▶ White Mountain Community Health Center, \$35,600
- 120 • **Ms. Sand** stated this facility is important to as they provide valuable medical care to a low-
- 121 income individuals/family in the community and those without insurance.
- 122

123 **Chair LeFebvre** stated he will be looking to work with some of the committee members and Ms.

124 Day to revise the non-profit questionnaire to allow more information to be provided in the petition.

125 The Gibson Center's packet from this year will be used as a guide.

126

127 4. School Articles:

- 128 ▶ Article 5: CESP Contract
- 129 • **Ms. Sand** suggested the Town, School, and Precincts work together and use the power of
- 130 numbers as leverage to negotiate with the health insurance companies and get the rates down
- 131 as 12% is unacceptable. **Mr. Marvel** noted his understanding is SAU 9 is doing just that,
- 132 increasing the insurance pool in hopes of reducing rates.
- 133 • **Chair LeFebvre** stated the insurance and retirement cost need to be dealt with locally.
- 134
- 135 ▶ Article 6: Operating Budget
- 136 • **Chair LeFebvre** asked why the two proposed budget reductions made during the December
- 137 13, 2021, Conway School Board meeting were voted down. **Mr. Davison** stated the board
- 138 was looking at a decrease in the health insurance cost, which would decrease the budget by a
- 139 minimum of \$500,000.
- 140 • **Mr. Marvel** commented on the history of making drastic cuts to the budget, which is usually
- 141 undone at the deliberative, and therefore, recommends cuts to be made gradually.
- 142 • One concern is the overstaffing because it is counterproductive, and it isn't working. It
- 143 appears staff are being hired to solve a problem, such as low-test scores. The problem is this
- 144 reactive measure is not being analyzed to determine if it resulted in improvements.
- 145 • Using the State and US DOE, a comparison of 10 schools in similar in size and enrollment of
- 146 1300 -1600 students. This district has the most promising student bodies being economic
- 147 advantage and a low number of students with IEPs. Conway has one of the highest
- 148 proportion of staff (teachers and aides).
- 149 • The district is worse than 7 out of 10 academically. The percentage of student proficiency in
- 150 reading and math have dropped significantly from 2009/2010 to 2021.
- 151

152 **Mr. Marvel moved, seconded by Chair LeFebvre to reduce the budget by \$592,457 to**
153 **\$39,711,333 before warrant articles. Motion Fails (6 [Mr. Donohoe, Mr. Marvel, Mr.**
154 **Edgeron, Mr. Drinkhall, Ms. McCarthy, and Chair LeFebvre]-8-0)**

155 Discussion:

- 156 ○ **Mr. Marvel** stated the suggested reductions include the Family Support Liaison position
157 at KMS, CES, JFS, & PTS; the Campus Monitor, Hall Monitor, and Student Advocate at
158 KHS. These positions were chosen as the schools' job is to educate and not to be
159 policing the bathrooms or providing social workers. Additionally, the teacher to student
160 ratio using the State figures is 1:10.2. When you begin creeping beyond the mission there
161 is no end as you will become parents.
- 162 ○ **Mr. Drinkhall** stated the town and school budget with warrant articles is approximately
163 \$1 million per week. The school budget is 80% personnel cost, yet there has been a 26%
164 decrease (2088 to 1551) in enrollment and a 2% decrease in staff since 2004. It is not the
165 schools' responsibility to take care of students 24 hours a day / 365 days a year, there are
166 non-profit and Federal programs that can handle that.
- 167 ○ **Chair LeFebvre** stated KHS can hold 1,000 students, KMS can hold 450 students, and
168 each elementary school can handle 300-350 each, which is considerably higher than the
169 current totals. There is too much infrastructure with a high-cost factor and not enough
170 students. The Conway School Board has established an Ad Hoc Facilities committee to
171 investigate the use of facilities. Further, noting the 3 previous studies are on the SAU 9
172 website or he can provide physical copies of the reports if anyone is interested.
- 173 ○ **Mr. Davison** in response to the proposed cuts, supported the need for the Hall Monitors
174 and the Family Support Liaisons and encouraged the committee to focus on the potential
175 of closing a school.
- 176 ○ **Mr. Edgeron** stated the 6th grade should be ready to move into KMS before the start of
177 the next school year.
- 178 ○ **Mr. Corbett** stated managing infrastructure is a long-term solution and note meddle in
179 the school budget by cutting staff, especially the liaisons who make sure kids have food,
180 clothes, or items they need.
- 181 ○ **Chair LeFebvre** stated a budget is a political document that says something about the
182 priorities of the people putting the budget together and taxpayers should take note of that.
- 183 ○ **Ms. Sand** provided an inside view of what the Family Support Liaisons do outside of the
184 school and how they support the children, as the schools are the closest contact to the
185 families in town. These students need to be supported to be successful as they are the
186 future. Education is not the same as it was 20-30-40 years ago. There does need to be a
187 plan put into place to address the low enrollment and large infrastructure. The enrollment
188 is not likely to increase as families can not afford to live here due to the housing situation.
189 The school has done an amazing job over the past 2 years keeping kids healthy and
190 educated.
- 191 ○ **Mr. Jost** noted there has been a lot of suggested micro-managing. There is a systemic
192 problem that can not be fixed tonight as it is a long-term process.

193
194 **Mr. Donohoe moved, seconded by Mr. Drinhall to reduce the school operating budget**
195 **by \$400,000 or 1% to \$39,903,790. Motion Fails. (7 [Ms. Sand, Mr. Donohoe, Mr.**
196 **Marvel, Mr. Edgeron, Mr. Drinkhall, Ms. McCarthy, and Chair LeFebvre] -7-0)**

197 Discussion:

- 198 ○ **Chair LeFebvre** noted on December 13, 2021, at the School Board meeting Mr.
199 Davison's motion to decrease the budget by \$418,000 failed 3-4-0.
- 200 ○ **Mr. Donohoe** stated his rationale for the suggested reduction is based on his analysis of
201 previous years. In previous years most units under expended their annual budgets by 5%.
202 The unencumbered fund balance is too conservative at the \$800,000 and could be
203 increased to \$1 million. There is a pattern of the health insurance premiums coming in

204 lower and feels the board could be more prudent with the not-to-exceed number and save
205 another \$100,000. In summary, \$100,000 or 5% of the non-statutory spending from the
206 principal units, \$200,000 added to the unencumbered funds, and \$100,000 of savings for
207 health insurance premiums.

- 208 ○ **Mr. Davison** in response to an inquiry from Chair LeFebvre, noted the not-to-exceed
209 number is provided by the outside entity and that the School Board is anticipating an
210 approximate \$500,000 savings when the actuals rate comes in. Additionally, the School
211 Board always returns unexpended funds to the taxpayers. Last year over \$3 million was
212 returned and ESSER funds were utilized to pay for the window project at KHS that
213 would have been bonded out.
- 214 ○ **Mr. Marvel** inquired when the last time was that the insurance premiums didn't come in
215 lower than the warrant article. **Mr. Richard** explained an agreement is sent out in
216 December to the School Boards, which locks in the not-to-exceed rate. This year the
217 School Boards chose not to sign the agreement as all 500 employees will be on the same
218 insurance plan (if the CESP agreement passes). The plan is to use this as leverage to
219 negotiate lower rates and the current insurance provider has been made aware of the
220 intent to shop for lower rates if theirs is not favorable.
- 221 ○ **Ms. Sand** inquired if the insurance rate comes in lower will the School Board revote on
222 the budget. Mr. Richard stated if the rebate comes in and is applied to the premium, a
223 motion would be made to lower the budget. **Ms. McCarthy** questioned why the rebate
224 has not been received as the County has received theirs. **Mr. Richard** stated this year's
225 rebate has not been received and is typically delivered in April.

- 226
- 227 ▶ Article 8: Equipment / Bus Capital Reserve
- 228 **Mr. Donohoe** stated he feels there is a problem with transparency and the voters need to
229 understand what is being voted on. Additionally, he is uncomfortable with so many buckets of
230 money with various funds.

231

232 5. Adjournment

233 **There being no further business, Mr. Drinkhall moved, seconded by Mr. Jensen to adjourn the**
234 **meeting at 9:56 pm.**

235

236 Respectfully Submitted,
237 *Lisa E. Towle,*
238 Recording Secretary

239

Article	Vote
	TOWN WARRANT ARTICLES
7	11-3 (Peter Donohoe, Jim LeFebvre, John Edgerton) - 0
8	NON-MONETARY – NO VOTE
9	NON-MONETARY – NO VOTE
10	14-0-0
11	14-0-0
12	14-0-0
13	14-0-0
14	13-1(Bill Marvel)-0
15	13-1(Jim LeFebvre)-0
16	14-0-0
17	10-4 (Jim LeFebvre, Bill Marvel, Stacy Sand, Terry McCarthy)-0
18	14-0-0
19	14-0-0
20	14-0-0
21	7-7 (Jim LeFebvre, Dave Jensen, Frank Jost, Bill Marvel, Peter Donohoe, Erik Corbett, Kit Hickey)-0
22	3 (Dave Jensen, Ellin Leonard, Erik Corbett)-11-0
23	NON-MONETARY – NO VOTE
24	NON-MONETARY – NO VOTE
25	NON-MONETARY – NO VOTE
26	NON-MONETARY – NO VOTE
27	NON-MONETARY – NO VOTE
28	NON-MONETARY – NO VOTE
29	NON-MONETARY – NO VOTE
	PETITIONED – NON-PROFIT WARRANT ARTICLES
30	9-4(John Edgerton, Terry McCarthy, Bill Marvel, Jim LeFebvre)-1 (Peter Donohoe)
31	8-6(John Edgerton, Terry McCarthy, Bob Drinkhall, Peter Donohoe, Bill Marvel, Jim LeFebvre)-0
32	13-1(Bob Drinkhall)-0
33	13-1(Randy Davison)-0
34	13-0-1(John Colbath)
35	13-0-1 (John Colbath)
36	11-2(Bill Marvel, Peter Donohoe)-1 (Jim LeFebvre)
37	13-1(Bob Drinkhall)-0
	SCHOOL DISTRICT WARRANT ARTICLES
2	14-0-0
3	14-0-0
4	14-0-0
5	14-0-0
6	8-6 (Jim LeFebvre, Bill Marvel, Peter Donohoe, Bob Drinkhall, Terry McCarthy, John Edgerton) -0
7	10-4 (Bill Marvel, Peter Donohoe, Bob Drinkhall, Terry McCarthy)-0
8	11-3 (Jim LeFebvre, Bill Marvel, Peter Donohoe)-0
	PRECINCTS
Ctr Conway	14-0-0
E. Conway	14-0-0
Redstone	14-0-0