

1                                   **CONWAY MUNICIPAL BUDGET COMMITTEE**

2   Wednesday, December 16, 2020

3   Marshall Gym

4   Conway Recreation Center, Conway, NH

5  
6 Chairman Jim LeFebvre called the meeting to order at 6:31 PM. The following Budget Committee  
7 members were present: Vice Chair, Peter Donohoe; Mike Fougere, Mike Laracy, John Colbath,  
8 Erik Dziedzic, Erik Corbett, John Edgerton, Bob Drinkall, Bill Aughton, Diane Ryan, Dave Jensen,  
9 Ellin Leonard, and Frank Jost. Also, present Lisa Towle, Recording Secretary

10  
11 Excused: Sarah Frechette

12 **Mr. Dziedzic** led the Committee in the Pledge of Allegiance to the Flag.

13 **Chair LeFebvre** noted the January 6<sup>th</sup>, 13<sup>th</sup>, and 21<sup>st</sup> meetings will be held at the Kennett Middle  
14 School Professional Development Center.

15  
16 APPROVAL OF OUTSTANDING MINUTES (September 23, 2020):

17 **Mr. Colbath moved, seconded by Mr. Edgerton to approve the minutes of September 23,**  
18 **2020 as written. Motion Carries. (12-0-2 [Mr. Jensen and Mr. Drinkall])**

19  
20 TOWN BUDGET SUMMARY AND RESPONSE TO WRITTEN SUBMISSION:

21 **Mr. Holmes, Town Manager and Ms. Golding, Finance Director,** presented the budget  
22 summary for the town highlighting the following:

- 23 • The overall budget changed from \$12,075,184 to \$12,086,093 due to a change in the  
24 assessing department. This is a \$348,971 or 2.97% increase over last year's budget (this  
25 number needs to be adjusted due to the amended budget on 12/15/2020).
- 26 • No COVID expenses have been added to the budget in hopes of receiving federal stimulus  
27 money for allowable expenses. If funds are not received by Town Meeting, they will be  
28 looking to amend the budget to include COVID expenses.
- 29 • The executive budget is up due to DPW reorganization due to increased engineering  
30 demands. The Town Engineer is being moved into the administration department and a  
31 DPW Chief will be promoted from within. The DPW Chief and oversee the Transfer Station,  
32 Landfill, Highway Garage and Road Crew. The landfill foreman position will not be filled.  
33 The new DPW Chief is a non-overtime management position and overall creates a slight  
34 decrease in the budget and benefits.
- 35 • Currently two Town Halls are being operated because of the bank building needing  
36 significant renovation, which in the long run will be better for the town.
- 37 • Elections decreased by 6% as the number of elections decreased from 4 to 1.
- 38 • Finance and tax collection are up 2.5% due to salaries and an increase in lien fees.
- 39 • Assessing is down 11% due to the inability to find a full-time Assessor. The town will be  
40 contracting with a professional assessor from a private company for the next two years. The  
41 town will not have to pay medical, retirement, and other benefits for a savings of \$20,000.

- 42 • Legal budget is being reduced based on historical spending. The Town could be looking at
- 43 litigation regarding short term rentals. Should there be litigation, the licensing fees collected
- 44 will be put into a trust fund and should cover any legal cost.
- 45 • Employee benefits are up 8.8% due to an increase in medical insurance rates.
- 46 • Planning and Zoning is up 2.3% due to salary increases.
- 47 • The move into the Town Hall is 3 times the size of the prior building and contributes to the
- 48 increased utility costs. Additionally, the fire alarm system needs to be replaced, the elevator
- 49 and oil tank will need annual inspections. The old Town Hall will continue to be maintained
- 50 by the town and the rental of space to Valley Vision will offset those costs.
- 51 • Auto insurance has increased 4.5%
- 52 • The Police budget is up 2.1% primarily due to the cost for trainees as cost have increased due
- 53 to COVID restrictions.
- 54 • The Fire and Emergency budget is up related to contractual cost, which is in the 3<sup>rd</sup> year of a
- 55 3-year contract.
- 56 • Should the short-term rental regulations and the related warrant article pass, the Town will be
- 57 looking to replace the part-time Code Enforcement Officer position with a full-time Building
- 58 Inspector who will oversee and regulate short term rentals.
- 59 • Reductions in the highway and solid waste departments reflect the reorganization.
- 60 • Health department increased slightly due to increased kennel fees.
- 61 • Welfare department shows a slight increase due to salaries. The main requests received are
- 62 for financial assistance for housing, unfortunately there is not any in Conway at this time.
- 63 • Parks and Rec has a 4% increase related to wage increases.
- 64 • Library is up 2.8% for salary and benefit costs.
- 65 • Patriotic purposes are level funded based as the fireworks are already paid for and the level
- 66 of celebration is unknown.
- 67 • Conservation Commission for the most part is level funded.
- 68 • TANS funds had to be used due to one precinct not having paperwork in on time, these
- 69 funds. The funds were COVID related and reimbursed by the State. The reduced tax bills
- 70 were sent out late and are due January 7, 2021.
- 71 • Not included in the budget as it was just approved on 12/15/2020 by the Selectmen, is the
- 72 short-term rental software

73

74 **QUESTIONS/COMMENTS:**

75 **Mr. Donohoe** inquired if the Selectmen decided to fund the short-term rental trust fund. **Mr.**

76 **Holmes** advised the Selectmen decided on \$50,000, however, \$34,000 +/- will be used to

77 purchase a website service.

78 **Mr. Donohoe** clarified the trust fund would cover any legal cost in the event legal action was

79 taken. **Mr. Holmes** advised an expendable trust fund which will be funded with licensing fees.

80 The licensing fees will be set by the Selectmen based on the previous year's expenses. In the

81 first instance, the legal fees will be paid out of the legal budget, which will be replenished

82 through the short-term rental expendable trust fund.

83 **Chair LeFebvre** inquired if the library will be cutting hours for full year or part of it, as there is  
84 an increase in salary with a reduction of operating hours. **Mr. Holmes** noted he does not recall  
85 and would follow up with the Library Director.  
86 **Mr. Donohoe** inquired of the \$400,000 decrease in revenues and its source. **Mr. Holmes** noted  
87 the decrease was related to the COVID shut down. If the money is not raised to offset the budget  
88 the monies would have to be raised through property taxes.  
89 **Mr. Donohoe** inquired if the promised rooms and meals tax is coming in. **Mr. Holmes** noted  
90 the DRA assured the Town the monies will be here before the end of the year.  
91 **Mr. Corbett** inquired of the plan for the old town hall. **Mr. Holmes** noted there is a deed  
92 restriction indicating if the property is not used by the town, ownership would revert to the  
93 Eastman family. The second floor is rented to Valley Vision the public education and  
94 government channel. The library has requested storage space and the supervisor of the checklist  
95 might be assigned office space.  
96 **Mr. Drinkhall** inquired of the cost associated with the Rec Center and new Town Hall compared  
97 to the pre-covid period. **Mr. Holmes** advised the Rec Center cost \$1 / year. The new Town Hall  
98 is very expensive as it is 3 times the space and inefficient.  
99 **Mr. Drinkhall** taxes in the neighborhood went up 12 +/- % and commercial properties paid less.  
100 **Mr. Holmes** noted the properties are assessed at what they could sell for often resulting in a  
101 higher tax hit.  
102 **Chair LeFebvre** inquired if TANS will need to be used to cover the period between December  
103 31, 2020 – January 7, 2021 (tax payment due date). **Mr. Holmes** noted they are tracking it very  
104 closely and they are hopeful payments will come in at an accelerated rate.

105  
106 SCHOOL DISTRICT BUDGET SUMMARY AND RESPONSES WRITTEN SUBMISSION:

107 **Chair LeFebvre** inquired of the timeline for the budget books being available. **Mr. Richard**  
108 **advised it would be after the first of the year.**

109  
110 **Mr. Richard, Superintendent and Ms. Gilligan, Director of Budget and Finance,** presented  
111 the school district budget summary, highlighting the following:

- 112 • The budget presented in November to CSB was \$38,298,564, however, it is a moving target.  
113 Included in this budget were estimates for health insurance. Additionally, the NHRS  
114 governed by RSA100-A contribution rates for employers and employees will be increasing  
115 3% effective July 1, 2021. This change in contributions increases the budget by \$500,000.

116  
117 **Chair LeFebvre clarified** \$1.3million of the budget consists of contracts, health insurance, and  
118 retirement costs. **Ms. Gilligan** verified this is correct.

- 119
- 120 • 80% + of the budget is contributed to personnel related costs. As of Monday, December 14,
- 121 • 2020, the health insurance cost decreased for 12% to 7.75% for a \$255,000 decrease in the  
122 budget.
- 123 • Administration reduced positions which included, a half-time math teacher, a half-time  
124 French teacher, a half-time library aide, a half-time special educator, an elementary school  
125 teacher, and 5 aides for a total of \$454,000 decrease in the budget.

- 126 • The proposed \$110,000 for resurfacing of the track and tennis courts has been moved to a
- 127 warrant article.
- 128 • \$27,000 was reduced in the technology supply lines.
- 129 • A side bar agreement was added to the AFSCME CBA for salary adjustments for a \$158,000
- 130 reduction.
- 131 • As a result of the above changes the budget was reduced by \$1,006,000.
- 132 • Last year there was a \$600,000 + decrease and over a 2-year period the budget increased by
- 133 approximately \$750,000.

134  
135 QUESTIONS/COMMENTS:

136  
137 **Mr. Drinkhall** inquired of the total of the warrant articles this year compared to last year. **Mr.**

138 **Richard** advised the total and financing information for the window project is still outstanding.

139 **Ms. Gilligan** advised the total of the warrant articles minus the window project is \$39,609,306.

140 Last year’s warrant articles totaled \$36,532,639.

- 141 ➤ Articles 2-4 are tuition-based articles for the expendable maintenance trust funds.
- 142 ➤ Article 5 is the newly ratified 3-year AFSCME CBA, \$66,000 2021 and 2022 and \$42,000,
- 143 2023)
- 144 ➤ Article 6 is the operating budget with \$10.6 million in tuition revenue and \$1.5 million grant
- 145 fund revenue.
- 146 ➤ Article 7 is \$74,000 for Project SUCCEED.
- 147 ➤ Article 8 is \$250,000 for the Heavy Equipment fund (previously the Bus Fund).
- 148 ➤ Article 9 is the KHS window project (no number currently)
- 149 ➤ Article 10 is \$110,000 for the track and tennis court resurfacing.

150  
151 **Chair LeFebvre** inquired why the district went with only a 15-year warranty on the KHS roof.

152 **Mr. Richard** advised he did not know the answer to that question.

153 **Chair LeFebvre** inquired if an inspection could be conducted on all building roofs within the

154 district to identify and repair “weak” areas. **Mr. Richard** advised he did not know the answer.

155 **Chair LeFebvre** commented this is a question for Mr. Hill as a follow up to written question #4,

156 however, is it possible to replace/repair the roofs more efficiently. **Mr. Richard** advised it is

157 part of the capital improvement plan.

158 **Chair LeFebvre** inquired if KMS or CES owned the parking lot between the buildings for

159 planning purposes as there is indication repair work needs to be done to the various parking lots.

160  
161 **Mr. Donohoe** provided the CMBC with a recap of the steps that were taken to get to the point

162 today for the KHS window project.

- 163 ➤ In March 2020, the window issue was revealed. The facility committee located a local
- 164 vendor who prepared a window prototype and plan to replace 500 +/-
- 165 windows(\$1,800/window) for \$960,000 to be spread out over 4 years.
- 166 ➤ The windows currently installed at KHS are in horrible with no imminent danger.
- 167 ➤ The district staff would remove the windows and dispose of them for a large savings.
- 168 ➤ There would be no disruption as the windows were scheduled to be replaced when students
- 169 were not present beginning Spring of 2020.
- 170 ➤ Based on information from the facilities committee, in 2012 a large siding project for KMS
- 171 did not go out to bid and saved the taxpayers money.

172 ➤ Currently, an engineer has been hired and has requested an estimator to be brought in and the  
173 project total has increased to \$1.5 million.

174 **Mr. Donohoe** inquired of the ability for the district to return to the original plan presented by the  
175 facilities committee as he upon his reading of the policy and Mr. Richard's statement in June  
176 2020 indicating the CSB can waive policy for specific situations? **Mr. Richard** commented Mr.  
177 Donohoe painted the picture very well because of his research. The previously proposed  
178 windows would be the same as the windows currently in use at KMS. In June 2020, there was a  
179 proposed agreement with a vendor that would be financed over several years. The maintenance  
180 staff do a tremendous job and have saved the district a lot of money with their skills. The CSB  
181 can and have in the past chosen to waive the bidding process to expedite things. However, there  
182 was an extensive conversation regarding following the bidding process and a decision was made  
183 to put it out to bid. Gale Associates was hired as the architect firm for \$70,000 to develop the  
184 specs, which are still being developed. Gale Associates had suggested hiring a professional  
185 estimator to provide a 99% accurate number to be use don the warrant article and / or funding.  
186 The CSB voted not to move forward with that option and hope to have a bid back prior to the  
187 deliberative session, which could be amended then if need be. To get back to the other piece, the  
188 CSB would have to decide to change course. **Mr. Donohoe** inquired if the revelation of the \$1.5  
189 million price tag is enough to sway the CSB to look at the original proposal? **Mr. Richard** noted  
190 he trust Mr. Hill, Mr. Griegel, and the maintenance staff as Mr. Griegel has saved the district a  
191 ton of money and their proposals are efficient and spot on, however, others feel different and the  
192 process needs to be followed. **Mr. Donohoe** inquired if the funding would come from the  
193 maintenance trust fund for the previous proposal. **Mr. Richard** advised it would have been a  
194 combination as it would have been phased out over 4 years. **Mr. Donohoe** inquired if the CSB is  
195 heading in the direction of a warrant? **Mr. Richard** advised there is an article and are in the  
196 process of determining the financing. **Mr. Donohoe** inquired of the balance in the maintenance  
197 trust fund. **Ms. Gilligan** noted it the balance was \$659,000.

198  
199 **Chair LeFebvre** inquired of the Chrome Book replacement and how many the district currently  
200 owns. **Mr. Richard** advised there is one for every student plus a 10% overage (for breakage and  
201 obsolete operating systems) for a total of 1,800. **Chair LeFebvre** inquired why Google put a 3-  
202 year restriction on upgrading the systems. **Mr. Richard** advised the licensing only last so long  
203 and these devices are very efficient, cloud based, equipped with education applications, last 3-5  
204 years, and cost \$335 each. **Chair LeFebvre** clarified 40% total to replace now and will be 25%  
205 per 4-year cycle. **Mr. Drinkhall** questioned how many devices have had to be paid for by  
206 students/families due to intentional damage? **Mr. Richard** noted it is approximately \$2,000,  
207 however, Ms. Meserve is looking into the actual figures and will report back later. **Mr. Colbath**  
208 questioned how the devices are disposed of. **Mr. Richard** advised they are disposed of through  
209 ewaste or donated to other schools. **Mr. Colbath** questioned if the devices were insured. **Mr.**  
210 **Richard** noted it is not cost efficient to insure the devices. **Mr. Colbath** questioned if any  
211 devices had been stolen. **Mr. Richard** noted there have not been any devices stolen that have  
212 not been recovered as the devices are registered to individual students with IP addresses. **Mr.**  
213 **Donohoe** inquired of the cost to use the Cloud? **Mr. Richard** noted it is part of the licensing,  
214 however, they have had to increase the bandwidth for all buildings, with a cost of \$1,800/month.

215  
216 **Chair LeFebvre** inquired of the maximum capacities for elementary schools, KMS, and KHS.  
217 **Mr. Richard** noted KHS can hold 1,200 students, KMS can hold 400 students, JFS and CES can

218 hold 300 students each, and PTS can hold 260 students. **Chair LeFebvre** noted the schools  
219 seem to be below capacity, is this to keep room for fluctuation and what does the future look  
220 like. **Mr. Richard** noted in general trend has been stable or decreased due to the lack of  
221 affordable housing and this year's data is unreliable due to the pandemic. **Chair LeFebvre**  
222 suggested keeping an eye on closing an elementary school including the rationale behind it. **Mr.**  
223 **Richard** advised there is an active committee that reviews the potential savings in closing an  
224 elementary school. **Chair LeFebvre** suggested using the studies from 2009, 2013, and 2015.  
225 **Mr. Donohoe** inquired of the State standard for class size. **Mr. Richard** noted it is 30 for 7-12  
226 and 25 for K-6, however, the CSB adopted different standards which will be provided later.  
227 **Chair LeFebvre** questioned how a class of 32 students is handled. **Mr. Richard** noted it varies  
228 by school and class type. Projections will be presented in the budget books. **Mr. Jost** questioned  
229 if the charter schools had an effect in the declining enrollment. **Mr. Richard** noted they have  
230 had some impact on enrollment noting the charter schools are funded through federal grants,  
231 however, any Conway student who needs special services the costs are put into the Conway  
232 budget. **Chair LeFebvre** inquired if there is a class master list that tracks the number of classes  
233 taught by a teacher and the number of students per class. **Mr. Richard** noted enrollment reports  
234 are presented to the CSB. **Chair LeFebvre** inquired of classes below minimum enrollment is  
235 there and equivalent for students. **Mr. Richard** advised a low enrollment report including trends  
236 is presented to the CSB and administration makes a recommendation for the course including  
237 alternative options for students. **Mr. Donohoe** inquired of the number of home school students.  
238 **Mr. Richard** advised based on a change in the reporting process for homeschooling he is unable  
239 to provide an accurate number.

240  
241 **Mr. Drinkhall** inquired of the number of SRO instances for this year. **Mr. Richard** advised for  
242 2018-19 there were 85 and 2019-20 there were 80 incidents at KHS all for varying reasons. **Mr.**  
243 **Drinkhall** inquired of the associated learning and financial costs. **Ms. Gilligan** noted the district  
244 pays a police officer for 180 days approximately \$50,000 - \$60,000 plus benefits. **Mr.**  
245 **Drinkhall** inquired how much disruption each incident has on the learning process. **Mr.**  
246 **Richard** noted it depends on the situation.

247  
248 **Mr. Corbett** inquired if the number of students failing classes has increased. **Mr. Richard**  
249 noted being back face-to-face and students having a choice of distance learning and face-to-face  
250 the numbers have decreased for the district.

251  
252 **Mr. Donohoe** inquired if the heavy equipment trust fund replaces the bus fund and does it  
253 include other things. **Ms. Gilligan** noted it does replace the bus fund and includes other heavy  
254 equipment such as dump trucks and lawn tractors. \$250,000 went into the fund last year which  
255 is the same request this year. The current fund balance is \$280,828 and \$97,000 will be spent  
256 this year for a new bus.

257  
258 **OLD BUSINESS:**

259 A. 2<sup>nd</sup> Reading of the CMBC Procedures:

260 **Mr. Colbath** provided the 2<sup>nd</sup> successive reading of the amended CMBC procedures and further  
261 modifications with a final vote on January 4, 2021.

262 **Mr. Jensen** clarified the person filling a vacancy would not be filling the term of the person they  
263 are replacing. **Mr. Colbath** noted that is correct. **Ms. Ryan** clarified if an individual is appointed

264 to fill a vacant position, at the next election the position would only be open for 1-2 years.

265

266 NEW BUSINESS: None

267

268 PUBLIC /MEDIA QUESTIONS AND COMMENTS: None

269

270 ADJOURN:

271 **Mr. Fougere moved, seconded by Mr. Jensen to adjourn the meeting at 8:26 PM.**

272

273 Respectfully Submitted,

274 *Lisa E. Towle,*

275 Recording Secretary

DRAFT