

CONWAY MUNICIPAL BUDGET COMMITTEE

Wednesday, January 5, 2022

Professional Development Center
Kennett Middle School, Conway, NH

Jim LeFebvre called the meeting to order at 6:30 PM. The following Budget Committee members were present: Chair Jim LeFebvre, Vice-Chair Peter Donohoe, Randy Davison, Bob Drinkhall, John Edgerton, John Colbath, Caitlin Hickey, Frank Jost, Dave Jensen, Terry McCarthy, William Marvel, and Stacy Sand

Absent: Erik Corbett, Mike Fougere, and Ellin Leonard

The pledge of allegiance was led by Mr. Edgerton.

3. Approval of Outstanding Minutes - None

4. School Presentation – Kevin Richard, Superintendent

A. Overview:

1. Personnel

- ▶ Conway Elementary School had one full-time teacher reduction
- ▶ Kennett Middle School had two full-time regular education teacher reduction and added an Athletic Trainer position.
- ▶ Substitute salary increased to \$125/ day.
- ▶ Kennett High School did not have any teacher reductions.

2. Health Insurance

- ▶ Health insurance rates are calculated at a projected 12.73% increase, with hope of a lower actual rate.
- ▶ With the tentative CESP agreement all employees within SAU #9 are on the same health insurance plan. This gives the negotiating parties leverage with insurance companies.

3. Collective Bargaining Agreements

- ▶ CEA (Conway Educators Association), \$315,516 is the estimated increase for the 3rd year of their contract.
- ▶ CESP (Conway Educational Support Personnel) has reached a tentative agreement for a new 3-year contract.
- ▶ AFSCME (American Federation of State, county, and Municipal Employees), \$66,785 is the increase for the 2nd year of their contact.
- ▶ Conway Administrators and Conway Non-union Personnel Policies are governed by policy. Although not all employees will receive it, a 3% performance raise is budgeted. Last year the non-union personnel switched health insurance plans. This year if all contracts go thru every employee will be on the same health insurance plan and the benefit cards will be phased out resulting in significant savings.

4. Warrant Article 5 – CESP Contract

- ▶ Although there an agreement was reached for a higher deductible plan, \$500,000 is in the budget for the higher premium plan until the contract is approved.
- ▶ Wages will be increased to be more competitive, and longevity will be removed from the contract.
- ▶ A benefit card will be phased out over 3 years.
- ▶ The first-year cost of this contact will be -\$316,000 (\$500,000 health insurance savings, salary increase of \$260,000, decrease of \$21,000 for removal of longevity, dental savings, and health insurance waivers)

- 50 Questions/ Comments
- 51 • **Mr. Marvel** asked if the reduction is a one-time savings. **Mr. Richard** advised it would not
- 52 be so long as the insurance remains at the lower premium.
- 53 • **Mr. Edgerton** stated the time has come when it has become prudent and morally correct to
- 54 close a school. He suggested closing JFS based on the declining enrollment and not serving
- 55 another town, which makes it difficult to financially support. Mr. Richard noted there is
- 56 declining enrollment and they have been reducing and reconfiguring staff using multi-age
- 57 classrooms.
- 58 5. Warrant Article 7 – Project SUCCEED
- 59 ▶ Before and after school enrichment programs for children in grades K-6.
- 60 6. Other
- 61 Roof replacement at KMS which the School Board has proposed using trust fund monies for.
- 62 Elementary school window replacement will be discussed further on January 10, 2022
- 63 7. Current Enrollments
- 64 This includes the sending town enrollment numbers as well.
- 65
- 66 B. Budget Summary
- 67 Overall budget is \$40,303,790 increase of 4.09%, includes all federal grants.
- 68 1. Unit 2 – Special Education
- 69 ▶ Approximate \$7million dollar budget.
- 70 ▶ This is the most difficult part of the budget to project out, due to changes in student needs,
- 71 enrollment, and placements.
- 72 ▶ Budget for actual students and services in place.
- 73 Questions / Comments
- 74 • **Chair LeFebvre** inquired how the \$664,000 increase was arrived at. **Ms. Stimpson** stated the
- 75 increase is related to salaries, benefits, and contracted services.
- 76 • **Mr. Donohoe** inquired of Tab E, line 560, Tuition, Sp. Ed. which indicates there is a 41%
- 77 reduction. **Mr. Richard** explained there are different tuition related expenses including
- 78 preschool, each unit level, and out of district placements. It will become clear when going
- 79 thru the budget line by line.
- 80 • **Mr. Marvel** asked how many new staff members the Sp. Ed. department. **Mr. Richard**
- 81 directed the board to Appendix B which shows all employees of the district. Further, noting
- 82 that any position noted as “vacant” are still in the budget as they are being recruited for and
- 83 contracted services are being utilized, which are more costly. **Mr. Marvel** inquired if that is
- 84 why there are 334.5 full-time positions with fewer people. **Mr. Richard** stated that is correct.
- 85 2. Unit 3 – Kennett High School
- 86 ▶ No changes in personnel.
- 87 ▶ Largest increase in salaries and benefits as they have the most staff.
- 88 3. Unit 4 – Kennett Middle School
- 89 ▶ A decrease of two full-time regular teacher positions
- 90 ▶ Addition of an Athletic Trainer.
- 91 4. Unit 5 – Conway Elementary School
- 92 ▶ Reduction of one position
- 93 5. Unit 6 – John Fuller Elementary School
- 94 ▶ No change in personnel.
- 95 ▶ Salary and health insurance increase.
- 96 6. Unit 7 – Pine Tree Elementary School
- 97 ▶ Most students of the three elementary schools.
- 98 ▶ More staff than the other elementary schools.
- 99 ▶ Increase in salaries and benefits.
- 100 7. Unit 8 – Technology

- 101 ▶ ESSER funds were utilized to bring technology to a manageable technology and infrastructure
 102 adoption sequence.
- 103 ▶ Smallest department.
- 104 8. Unit 9 – Career Technical Center
- 105 ▶ The student and staffing population are stable.
- 106 ▶ Budget increased by \$120,000
- 107 9. Unit 10 – District Wide
- 108 ▶ This unit consist of the bus drivers, maintenance, and custodians.
- 109 ▶ Budget decreased from last year.
- 110 10. Default Budget (Tab C)
- 111 ▶ In the process of being developed.
- 112 11. Warrant Function (Tab D)
- 113 ▶ Co-curricular looks like a decrease; however, Project SUCCEED is a warrant article and the
 114 \$80,000 cannot be added to the budget until it passes.
- 115 ▶ Contracted services
- 116 12. Object Summary
- 117 ▶ Another way to look at the budget,
- 118 ▶ Salaries increased by 2.95%, all salaries
- 119 ▶ Health insurance is up 14%, which includes the projected benefits for vacant positions.
- 120 Questions / Comments
- 121 • **Mr. Jensen** asked when the final health insurance number is received. **Mr. Richard** stated it
 122 would come in around March or April. Additionally, the boards may choose to start shopping
 123 for better rates.
- 124 • **Ms. Sand** inquired why the psychological services increased from 24% to 45%. **Ms.**
 125 **Stimpson** stated the increases is due to student needs and the increased cost for contracted
 126 services.
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- 128 C. Revenue
- 129 1. Revenue comes from a variety of sources.
- 130 ▶ Taxpayers
- 131 ▶ Tuition contracts
- 132 ▶ Unencumbered balance. This is budgeted conservatively at \$800,000 this year.
- 133 ▶ Retained fund balance. The CSB voted to return half of the 2.5% they are authorized to retain
 134 for a total of \$228,000. These funds can only be used for emergencies with approval from the
 135 Budget Committee and DRA.
- 136 ▶ School Building Aid, which comes from building the new high school and CTC.
- 137 ▶ Sp. Ed. Aid is at zero as it is unclear if the district would qualify for it.
- 138 ▶ School lunch is budgeted at \$700,000 due to the government offering free lunch to all
 139 students. This is now at \$400,000 and the milk program is at \$300,000.
- 140 ▶ Medicaid reimbursement, not anticipated
- 141 ▶ National Forrest
- 142 ▶ Tuition from all sending towns, based upon average daily memberships and equalized
 143 valuation. Total tuition contract revenue is \$10,174,688 down \$500,000 due to a decrease of
 144 enrollment and formula changes.
- 145 ▶ Local resources, such as transportation, rental of the facilities, SAU 9 office lease, Conway
 146 Rec lease.
- 147 ▶ Special services - 1:1 aide; this is for any SAU 13 students that require services. Conway will
 148 pay for the services and be reimbursed by the sending town.
- 149 ▶ Insurance refund based on the district usage.
- 150 ▶ Capital reserve funds

- 151 ▶ Adequacy grant budgeted at 95%
- 152 ▶ Education tax is significantly lower, mechanism of the State.
- 153 ▶ The projected increase is \$1 / 1,000 for a total of \$12.30 / 1,000.
- 154 ▶ If the CESP contract passes it will generate a decrease in the budget.

155 Questions / Comments.

- 157 • **Chair LeFebvre** asked Mr. Richard to explain the history of retaining the fund balance. **Mr. Richard** explained approximately 10 years ago because of an approved warrant article the voters authorized the School Board to retain 2.5% of the fund balance for emergencies. With the trust fund accounts in place, to date the school district has not had to utilize those funds
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- 161 • **Chair LeFebvre** inquired if the Charter schools affect the tuition amounts. **Mr. Richard** stated if the students are from sending towns, it is lost revenue.
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- 163 • **Chair LeFebvre** asked what is covered under “other local”. **Mr. Richard** advised he would get find out and get back to the board.
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- 165 • **Mr. Jensen** inquired if the ESSER funds are within the revenue and if they would have an impact on the fund balance. **Mr. Richard** explained they are federal dollars that are treated separately and can not be used to supplant the budget. If they are used for projects such as the KHS window project, those funds would not be appropriated through the budget.
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- 169 • **Chair LeFebvre** asked Mr. Richard to explain the ESSER funds. **Mr. Richard** provided an overview of the monies received, how funds are being allocated, and noted the information could also be found on the SAU 9 website.
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- 172 • **Mr. Jost** asked if the ESSER funds will be utilized for projects at other facilities. Mr. Richard stated the CSB have had discussions and will continue to discuss the project at their meeting on Monday, January 10, 2022. **Mr. Davison** explained the steps the facility committee has taken to gather information on the status and plan to fix the windows at CES and JFS.
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- 176 • **Ms. Sand** asked what the issues are with the windows and if there are other priorities. **Mr. Davison** explained the windows are a liability, condition is deteriorating, and there is a leakage of heat through the windows. **Mr. Richard** noted Tab J indicates the capital improvement plan with priorities for each building.
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- 180 • **Mr. Donohoe** stated the Revenue Summary indicates \$15,227,702 and the previous pages add up to \$13,581,348, which is a discrepancy. **Mr. Hill** noted the Federal grant payments is \$1.39 million and makes up the discrepancy.
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184 D. Questions / Comments

- 185 • **Mr. Marvel** inquired why there is unemployment benefits for substitutes. **Mr. Richard** noted it is for the long-term substitutes.
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- 187 • **Mr. Marvel** discussed concern over the student to teacher ratio. **Mr. Richard** advised the State average is 10.9:1 and Conway School District is either at that or a little lower. Further noting the support staff is high but invaluable. The decrease in staff has not been proportional to the decrease in students.
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- 191 • **Mr. Davison** explained the importance of the Family Liaison positions.
- 192 • **Mr. Marvel** asked if the district is buying less books. Mr. Richard explained that books are being purchased for the library, but they are not purchasing textbooks.
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- 194 • **Mr. Drinkhall** noted the employee staff census previously provided was only for the current year and not back to 2004. **Mr. Richard** stated he would get that information to the committee.
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- 197 • **Chair LeFebvre** inquired if the \$15/ hour pay rate for custodians has created a problem in filling positions. **Mr. Richard** advised they currently have 5 custodian vacancies and the next school board meeting will address raising starting pay for custodial substitutes.
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- 200 • **Mr. Marvel** asked what the responsibilities are for the School Safety Coordinator. **Mr. Carpenter** stated this individual works with student discipline daily in conjunction with the
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202 Assistant Principal. Additionally, the safety coordinator assures the school is following
203 emergency operations, fire planning, damages to computers, and restorative in-school
204 suspensions. **Chair LeFebvre** asked how this position differs from the SRO. **Mr.**
205 **Carpenter** stated the SRO is a police officer and can not act as an agent of the school. The
206 school investigation is conducted separate from the police investigation.

- 207 • **Mr. Marvel** inquired if there is a reduction in English teaching staff at KMS. **Mr. Biche**
208 explained how they have reconfigured to 3 teams and integrated literacy into the reading and
209 writing components. Currently there are 4 teachers, 1 for each team and one who focuses on
210 reading intervention.
- 211 • **Mr. Drinkhall** asked if vacation pay is included in the salary amount. **Mr. Richard** advised it
212 is calculated into the salaries.
- 213 • **Mr. Marvel** stated he likes to see names associated with the salary to see how the salary
214 changes over time. With that he noticed there were some employees getting up to 6%
215 increase. **Mr. Richard** stated each CBA has different rules; however, a non-union employee
216 can only get a maximum of a 3% increase.
- 217 • **Chair LeFebvre** asked Mr. Davison for the School Boards position on a proposed reduction
218 in the operating budget. **Mr. Davison** stated the board did not want to cut programming and
219 that big of a decrease would cause the closing of an elementary school. There is hope that the
220 health insurance rate will come in lower and decrease the overall budget. Additionally, the
221 School Board has been prudent in returning money to the district.
- 222 • **Mr. Donohoe** inquired if a committee has been formed to review the possibility of closing a
223 school. **Mr. Davison** stated Chair Lentini has mentioned the ad hoc committee will be formed
224 after the budget process.
- 225 • **Chair LeFebvre** inquired if KMS can handle the 6th graders without extensive renovation.
226 **Mr. Biche** stated KMS can handle the additional students.

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228 5. Old Business

- 229 ▶ The Town Default Budget group is meeting on January 10, 2022, at 5:00 PM at the Town Hall.
- 230 ▶ **Mr. Colbath** stated the Conway Village and North Conway fire departments do not have to
231 present to the Budget Committee as their precincts overlap into other towns.

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233 6. New Business

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235 7. Public and Media Questions/Comments:

236 Quinten Lewis, Conway Suggested deciding if a school will be closed before putting money into
237 replacing the windows.

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239 8. Adjournment

240 **Mr. Marvel moved, seconded by Mr. Drinkhall to adjourn the meeting at 8:29 PM. Motion**
241 **Carries.**

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243 Respectfully Submitted,
244 *Lisa E. Towle,*
245 Recording Secretary