

CONWAY MUNICIPAL BUDGET COMMITTEE

Wednesday, February 1, 2023

Conway Town Hall

23 Main Street, Conway, NH

The meeting was called to order at 6:30 PM. The following Budget Committee members were present: Chair Peter Donohoe, Vice-Chair Frank Jost, John Colbath, Bob Drinkhall, Jim LeFebvre, Dave Jensen, Bill Marvel, Kit Hickey, Stacy Sand, Quentin Lewis, Randy Davison, and Ellin Leonard.

Absent: Terry McCarthy

The Pledge of Allegiance was led by Chair Donohoe.

Chair Donohoe provided opening remarks:

- Thanked everyone for the time commitment on work outside of the meetings and for attending the long meetings.
- Discussed the intent of this evening's meeting and to stay focused on the topic at hand.
- Advised the committee of his conversation with Mr. Richard regarding the School's default budget calculations and Vice-Chair Jost, Mr. Jensen, and Chair Donohoe's review of the documents provided, stating a cursory review suggested the Default Budget is accurate. Mr. Richard has offered to attend tonight's meeting and answer any additional questions related to the default budget or warrant articles.

Mr. Colbath moved, seconded by Mr. LeFebvre to modify the agenda to allow discussion of the school budget and warrant articles prior to discussion on the Town budget and warrant articles. Motion Carried. (12-0-0)

3. Approval of Outstanding Minutes: None

4. School Budget and Warrant Article Review:

Ms. Sand stated a directive was issued last year for the school to decrease their budget, to show an actual plan for closing a school due to decreased enrollment, and for the budget to reflect the reduction of closing a school. The budget did not reflect that, and it is time to act and make serious reductions.

Mr. Marvel provided graphs with data obtained from the DOE, U.S. DOE, prior budgets, and his 11-town comparison.

- The school district has the same number of teachers as they did 20 years ago and 42% less students and, in his opinion, there is overstaffing.
- Conway is the second poorest in median household income and household income of parents
- The special education budget over the past 20 years has been level and accounts for 20% +/- of the budget.

- 45 ➤ Free and Reduced lunch spiked in 2020 when all lunches were free, and the district received
46 \$3,500 per child and the numbers this year are 32% higher.
47 ➤ Conway is rated 7th for math and science test scores and tied for 11th in reading scores.
48

49 **Mr. Jensen** stated the next step should be finding potential causational and correlational data.
50 Such as teacher longevity and skills that may relate to decreased test scores. **Mr. Marvel**
51 responded, stating from his attendance at some of the SAU meetings there was discussion related
52 to changes in the test and students filling out the form wrong which resulted in zeros being issued.
53

54 **Mr. Davison** stated Conway has become a training ground for new educators with innovative
55 ideas but no experience. This is in part due to the low salaries and the teachers that stay do it
56 because they purchased a home and love what they do. The district must become more
57 competitive and be able to pay for experience. Regarding the test scores, at one
58 point emphasis was put on eliminating the dropout rate and Eagle Academy was established so
59 students could attend school at night. Conway offers great programs and the effort a child puts
60 into them is what they get out of it. Right now, the focus should be on the facilities and the
61 necessary maintenance.
62

63 **Chair Donohoe** inquired when step raises were eliminated. **Mr. Richard** stated it was 2001.
64

65 **Mr. LeFebvre** stated the facilities support a larger population and must be adjusted downward.
66 The estimated cost savings from closing a school provided by the school district was \$936,000.
67 He recommends a \$1.2 million cut to the budget which reflects the closing of a school. John
68 Fuller School has the smallest population and sits on prime real estate, 10.7 acres appraised by the
69 town to be \$11 million, and the building is appraised at \$10 million. A discussion ensued
70 regarding many unknowns, such as potential savings, what to do with the building, and how any
71 proceeds can be utilized.
72

73 **Mr. Colbath** stated Conway Elementary and John Fuller were built in 1956 and first occupied by
74 students in 1958. Voters have been generous in maintaining the schools. **Vice-Chair Jost** stated
75 all three elementary schools are old buildings and an argument can be made to close anyone of
76 them.
77

78 **Mr. Marvel** stated he was unable to identify certain positions and/or programs to cut but found
79 that to be presumptuous and suggested a blanket \$2 million decrease in the budget.
80

81 **Mr. Jensen** inquired of the impact on Conway taxes if \$2 million was cut from the budget. **Mr.**
82 **Richard** explained it is not a dollar for dollar decrease due to the tuition contracts and would
83 depend on where the cuts came from. **Mr. Jensen** stated if a school gets closed, he will advocate
84 having a portion of the savings go into increased teacher pay. A discussion ensued.
85

86 **Chair Donohoe** stated as the maintenance priorities grow Conway bares the burden and if the
87 sending towns decrease Conway bares the burden.
88

89 **Mr. Drinkhall** stated the Budget Committee does not have the authority to close a school but can
90 decrease the budget with a recommendation to close a school. However, in his opinion the real
91 issue is overstaffing and inquired if the non-renewal of tuition contracts would create a reduction
92 in staff. **Mr. Richard** stated non-renewed tuition contracts would put the discussion of closing a

93 school to the forefront, but the School Board would ultimately make that decision which would be
94 based on the economy of scale.

95 **Ms. Sand** stated the school district takes care of the kids and it must be clear that any cuts will not
96 be devastating to the children. **Mr. Marvel** clarified his recommendation to cut the budget was
97 not to make education better, rather the budget should be cut without hurting education. **Mr.**
98 **Lewis** stated all schools typically return large amounts of money for good reason. A discussion
99 ensued.

100
101 **Ms. Hickey** inquired when Albany must decide on their elementary tuition contract. **Mr. Richard**
102 stated their contract expires in FY 2027 and there is a three-year opt-out clause, therefore they
103 must notify the school board by June 30, 2023.

104
105 **Chair Donohoe** invited Mr. Richard to provide a quick explanation of the process for creating
106 and approving the school's default budget, which is \$132,000 less than the proposed operating
107 budget.

108
109 **Mr. Richard** offered the following facts:

- 110 ▪ The school budget is up .67% of 1%. The more the budget is up, the bigger difference there
- 111 will be between the operating and default budgets.
- 112 ▪ All one-time costs are back out of the budget (reflected on the summary sheet)
- 113 ▪ Teacher contracts are separated out
- 114 ▪ NHRS rates decreased this year
- 115 ▪ Sp. Ed. increases must be added as they are mandated by law
- 116 ▪ Three-year contractual obligations (“give some to get some” = negotiations)
- 117 ▪ Health insurance benefit cards were in last year's budget and can't be backed out.
- 118 ▪ History shows the default budget to be \$50,000 to \$150,000 less than the proposed budget.

119
120 **Vice-Chair Jost** clarified 70% of the budget is staff and most of them are contracted, which does
121 not allow any wiggle room. Mr. Marvel stated there are 25 vacant positions representing a \$2 -
122 \$2.5 million increase in the default budget. Mr. Richard advised many of those positions are
123 related to Sp. Ed. and the school is obligated by law to provide services, so those positions must
124 remain in the budget as we continue to try to fill them. Furthermore, positions funded by grants
125 must be appropriated for in the budget and offset by revenue.

126 127 5. Town Budget and Warrant Article Review

128
129 **Mr. Jensen** expressed his concerns about the lack of data provided by the town on how the
130 revenue was determined, the only answer was they counted cars. Within the counting of cars, it is
131 likely they also counted employee cars, who will no longer be allowed to park on the street, or
132 they will have parking passes. Either way revenue will not be generated from them. He inquired
133 with Mr. Edwards as to how many employee cars are estimated to be parked on the street. Mr.
134 Edwards estimated there were 50 employees from various businesses who parked on the street,
135 Monday through Saturday from 9:00 a.m. to 5:00 p.m. and 1:00 p.m. to 5:00 p.m. on Sunday.
136 This scenario removes approximately \$312,000 from the estimated annual revenue generated
137 from paid parking. Mr. Colbath stated the selectmen were asked to find new streams of revenue to
138 reduce taxes. A lengthy discussion ensued.

139

140 **Ms. Sand** expressed concern with adding new roads that create the need for an additional truck
 141 driver and truck within the highway department, which is a significant increase to the budget. **Mr.**
 142 **Colbath** reviewed the process for petitioning acceptance of private roads as town roads. Adding
 143 there is an advertisement for a new truck driver at \$19/hour with no applicants. **Mr. Davison**
 144 expressed concern with the abutting condos on Wiley Court and if they will be required to pay the
 145 betterment fee. **Mr. Colbath** stated the town owns 1/3 of the Common Court, which is where the
 146 condos are located.

147
 148 **Ms. Sand** stated the initial cost for all recommended new employees comes to \$500,000 and once
 149 they are added they never leave. Is this the right time to increase the staff and remodel the town
 150 hall to accommodate them. There are extraneous costs that go with this, and the potential income
 151 is unknown. A discussion ensued.

152
 153 **Ms. Leonard** stated there are many things the town could do to cut costs, such having only one
 154 fire department, one water department and sewage treatment facility. The world has changed and
 155 will continue to do so at a rapid pace, we need people with a vision and forward thinking.
 156 Changing the rooms and meals calculations would increase income for the town. Community
 157 members need to get involved and vote. **Vice-Chair Jost** stated the legislation related to adding a
 158 \$2 per night fee is not likely to succeed.

159
 160 **Vice-Chair Jost moved, seconded by Mr. LeFebvre, to move the agenda. The motion was**
 161 **withdrawn to allow further discussion.**

162
 163 Discussion continued pertaining to the rooms and meals tax and proposed legislation.

164
 165 **Mr. Drinkhall** stated community members do not receive an automatic pay increase to cover the
 166 increased heating and electricity costs, and inquired if the town and school should automatically
 167 get an increase for those increased costs. A brief discussion ensued.

168
 169 **Ms. Hickey** stated she had inquired with the town what the hotels paid for building permits but
 170 never got an answer. The hotels take a lot from the community such as green space and
 171 employees, but we don't know what they are paying to get that benefit. **Chair Donohoe** stated he
 172 could pose the question to the town manager. **Mr. Colbath** stated he believes the figures are on
 173 the town website.

174
 175 **Mr. Lewis** inquired if raising the permit fees requires the town to conduct more inspections. This
 176 would be a way to get revenue without spending it by hiring additional staff unless there is a need
 177 to solve a problem. A discussion ensued.

178
 179 **Vice-Chair Jost moved, seconded by Mr. LeFebvre, to move the agenda. Motion Carried**
 180 **(12-0-0)**

181
 182 6. Old Business:

183
 184 **Mr. Colbath** stated upon being provided with the default budget a lengthy discussion took place
 185 as they were not thrilled with how low it was. Selectboard members Thibodeau, Seavey, and
 186 Colbath voted in favor of the default budget with Chairman Weathers abstaining.

187

188 **Chair Donohoe** stated he spoke with John Eastman who noted there was no benefit to paid
 189 parking being part of the budget or a warrant article as it relates to execution. The funds cannot be
 190 encumbered until they have been appropriated. Mr. Eastman raised concern about the default
 191 budget being voted in as a referendum on the parking program. As part of that discussion, Chair
 192 Donohoe stated he asked that the Selectboard remove the appropriation from the budget and move
 193 it to a warrant article. Mr. Lewis inquired what would happen if the appropriation was left in the
 194 budget and a warrant article was created that failed but the money remains in the operating
 195 budget. A discussion ensued.

196
 197 Upcoming meetings:

- 198 ▶ February 8, 2023, at the Marshall Gymnasium for a joint meeting with the Selectmen
 199 discussing nonprofit organizations and starts at 6:30 p.m.
- 200 ▶ February 15, 2023, at the Lyond Auditorium is the Public Hearing followed by the Budget
 201 Committee voting on the budgets and warrant articles. This meeting begins at 6:00 p.m.
- 202 ▶ March 6 & 8, 2023 at the Lyond Auditorium are the Deliberative Sessions and each meeting
 203 begins at 7:00 p.m.

204
 205 7. New Business: None

206
 207 8. Public / Media Questions or Comments:

208 **Daymond Steer**, Conway Daily Sun:

209 The concern about paid parking tanking the operating budget at the polls can be handled by
 210 separating the issue from the operating budget and creating a warrant article. Followed by the
 211 Budget Committee removing the money from the town operating budget. **Chair Donohoe** stated
 212 the Selectboard has until February 14, 2023, to finalize the warrant articles and the next meeting of
 213 the Budget Committee is on February 15, 2023, after the public hearing, which would be the first
 214 chance to make any changes to the budget. A discussion ensued.

215
 216 9. Adjournment:

217 **Mr. LeFebvre moved, seconded by Mr. Drinkhall to adjourn the meeting at 9:56 p.m.**

218 **Motion Carried (12-0-0)**

219
 220 Respectfully Submitted,

221 *Lisa E. Towle*,

222 Recording Secretary