

CONWAY MUNICIPAL BUDGET COMMITTEE

Wednesday, December 15, 2021

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, Erik Corbett, Randy Davison, Bob Drinkhall, John Edgerton, Michael Fougere, Caitlin Hickey, Frank Jost, Ellin Leonard, Terry McCarthy, William Marvel, and Mary Seavey.

Excused: Dave Jensen and Stacy Sand

The pledge of allegiance was led by Ms. Leonard.

3. Approval of Outstanding Minutes (10/13/2021)

Mr. Marvel moved, seconded by Mr. Edgerton to approve the October 13, 2021 minutes as written. Motion Carries (11-0-2 [Ms. Leonard and Ms. McCarthy]).

4. School Overview (Previous Year, Current Year, Answers to BC Questions).

Mr. Richard, Superintendent of Schools provided an overview.

- There is a \$3.6 million fund balance, due to pandemic restrictions. The fund balance is typically \$1.2 – \$1.8 million.
- There is no unanticipated cost that have not been budgeted for.
- Had a transient population over the past 2 years, that includes Sp. Ed. cost that were not expended last year and contributed to the fund balance.

Government funds received:

- \$700,000 in SPRF funds, used to purchase technology for remote education. These funds had to be expended by December 21, 2020.
- \$507,000 in CARES Act funds, used to hire long-term substitutes, tents for outdoor classrooms, protective equipment, and cleaning supplies. (\$91,000 balance). These funds must be expended by August 31, 2021.
- \$1.4 million in ESSER II funds, used \$650,000 towards the KHS window project, hired a social worker for KHS, and hired additional teachers. (\$496,000 balance). These funds must be expended by 2023.
- \$3.7 million in ESSER III funds that have not been expended as the plan is still in the works. A percentage of these funds has to be used for tutoring and summer programming. These funds must be expended by 2023.
- None of these funds can be used to supplant the local budget process.

Questions / Comments

Chair LeFebvre inquired if 20% of the ESSER funds must be spent improving learning, if it is audited, and how the audit is conducted. **Mr. Richard** advised that is correct, the state audits everything, which is generally done by reviewing documentation and the actual products purchased.

Review of the BC Questions:

- An overview of the questions and answers was provided.
- Upcoming facility projects include replacing a portion of the KMS roof and replacing windows at JFS & CES with the use of maintenance trust funds.
- The SRO will return to KHS in January.

- 50 • The test scores were not super; however, the school looks at the individual student rather than a
51 snapshot in time.
- 52 • Appendix B shows every staff member with their salary, FICA, and NHRS. Health and Dental
53 Insurance is shown by building.
- 54 • Appendix C is the Executive Summary of the Budget, which includes the 3-year collective bargaining
55 agreements.

56 Questions / Comments:

57 **Mr. Davison** commented on the Coop Committee, noting it is moving forward reviewing JMA,
58 governance, and funding.

59

60 **Chair LeFebvre** encouraged committee members to review the school budget, “do their homework”, and
61 propose and follow up questions to him as soon as possible to so he can pass them along to
62 Superintendent Richard.

63

64 **Mr. Drinkhall** inquired if there is a dollar amount associated with the recent vandalism at KHS. **Mr.**
65 **Richard** explained the vandalism is a result of social media challenges where people were stealing hand
66 soap and paper towel dispensers. These behaviors are disappointing and disheartening and have not been
67 seen for many years. Administration at KHS are working on this to get things normalized, the SRO will
68 be returning, and a social worker is available at KHS. **Mr. Drinkhall** inquired if there are several
69 personnel leaving due to these behaviors. **Mr. Richard** stated the main reasons for staff leaving is related
70 to the stress and fatigue due to the pandemic and wages. Mr. Davison added staff are tired and
71 discouraged with the behavior which is happening across the country. Additionally, he asked the Student
72 Council Representative to have the Senior class step up as leaders.

73

74 **Mr. Jost** inquired if exit interviews were conducted. **Mr. Richard** advised they provide an option of
75 completing an online survey or meeting personally with himself or Assistant Superintendent Wilson.
76 Approximately, 90% of exiting staff complete an exit interview and the data is analyzed, which has
77 recently shown the overall condition of education is a driving factor.

78

79 **Ms. Hickey** inquired of the test scores and what is being seen regarding mental health issues in students.
80 **Mr. Richard** noted because of the pandemic and lack of social interaction students are anxious and
81 fearful, especially the 9th & 10th graders. The social worker is seeing twice the number of students she
82 saw last year. The K-1 teachers are seeing those students lagging academically and socially

83

84 **Mr. Marvel** inquired of the increase in contributions to teacher retirement. **Mr. Richard** advised the
85 State of NH increased the contributions from 19% to 21.5%.

86

87 **Mr. Donohue** inquired of the sending town population within KMS and KHS. **Mr. Richard** stated he
88 can provide those numbers as he does not have them with him. **Mr. Donohue** inquired if the district
89 looks at the elementary population in sending towns to see what is coming. **Mr. Richard** stated those
90 numbers are looked at and they are seeing a decrease in students from sending towns, while Conway is
91 remaining stable. (He will provide those numbers later) A contributing factor to the decrease is the charter
92 schools and transiency.

93

94 **Mr. Corbett** inquired if they have seen an increase in the number of students returning from the charter
95 schools. **Mr. Richard** noted 20-30 students came back and no additional students left.

96

97 **Mr. Davison** commented on how the school has helped reduce the tax rate with over \$3 million to offset
98 taxes and grant writing that allowed the use of government funds to pay for the KHS window replacement

99

100 **Mr. Drinkhall moved, seconded by Mr. Jost to invite the Conway members of the MWV**
101 **Cooperative School District Planning Committee to a meeting in February for an update on their**
102 **progress. Motion Carries. (13-0-0)**

- 103
104 5. Town Overview (Previous Year, Current Year, Answers to BC Questions)
105 Tom Holmes, Town Manager for Conway provided an overview.
- 106 — Revenues are up through building permit fees, land use change tax, timber tax, rooms and meals tax,
107 and vehicle registrations. The increased revenue has increased government business by 25-50%
 - 108 — Being unable to find an assessor the town entered a 3-year contract with an outside company. To date
109 they have been able to find an additional \$20 million for underassessed utilities.
 - 110 — Revaluation will be postponed to 2023, which will hopefully alleviate the need for the mandated
111 valuation in 2024. Assessed value is extremely lower than the selling price of homes. Should the
112 town prevail with the short-term rentals, there could be additional houses put on the market that will
113 increase the supply and level out the market. Additionally, with a 6.8% inflation it is anticipated the
114 interest rates will increase.
 - 115 — COVID hit the town employees hard last month and staff is stressed.
 - 116 — The Main Street project was overseen by Mr. DegliAngeli, Town Engineer is complete.
 - 117 — The proposed budget is \$12,712,868, which is an increase of 5.13% or \$696,788.
 - 118 — New financial software was purchased with GOFER funds, which allowed for remote access.
 - 119 — Employee benefits will now be part of individual departments proposed budget.
 - 120 — The Tax Collector position has been taken from the Finance Department and added to the Town Clerk
121 budget.
 - 122 — Information Technology has been removed from the Finance budget to individual departments
123 proposed budget.
 - 124 — The town repair garage has been removed from the highway budget.
 - 125 — The Welfare department has been slow, due to the housing crisis.
 - 126 — The format of the budget has changed, which does not allow for fair comparison of previous budgets.
 - 127 — Most departments are up due in part to the employee benefits being added to department budgets.
 - 128 — Working on renting space at the Old Town Hall “Annex”. If 3 spaces can be rented it will keep the
129 budget for that building in the black with additional money going into a capital improvement fund.
130 There is an artist interested in office space at the annex.
 - 131 — This budget includes 2 AED devices being purchased; however, the Donohue family is donating one
132 AED device for the Whitaker building.
 - 133 — A full-time janitor position was created to replace the contractor services. With the position being
134 vacated twice, the position is being advertised. There is a chance the pay could increase to \$18/hour.
 - 135 — Ambulance contract is up this year and to date four bids have been received. The Selectmen voted to
136 put Action Ambulance Services and Conway Village Fire Distract Ambulance on the warrant. The
137 cost has increased by 28%.
 - 138 — Fire contracts will be on the warrant.
 - 139 — \$30,000 of capital reserve funds will be used for a hi-def security camera system. Since moving to the
140 new office there have been 3 safety concern incidents in the building.
- 141
142 Overview of answers to the CMBC questions.
- 143 — The parking program had lots of start up costs and remains in the red. Moving forward there are
144 ongoing discussions on how to make the program better.
 - 145 — Mr. Eastman provided information relate to the Rec program. Revenue from registrations and special
146 event permitting came to \$86,624. Expenses for the Rec program were \$45,298 and expense for park
147 maintenance were \$119,806. He is unable to compare financial information to that of the nonprofit
148 North Conway Rec Center. He commented on the differences between the programs.
 - 149 — The town as attempted over the years to institute affordable housing through changes to zoning
150 ordinances. With the increase in short-term rentals reduced the amount of available rental property.
151 There are companies looking to created affordable housing, but it will take time.

- 152 — COVID grant monies have not been expended and selectmen are still discussing the proper use of
- 153 those funds that need to be used by December 2024.
- 154 — Use of online services has increased since the pandemic. Additionally, a Facebook page was
- 155 developed and seems very popular.
- 156 — The town does not have any proposed bond request for FY 2023.
- 157 — Public bathroom access is stayed pending grant funding.
- 158 — Spectrum franchise fee discussion is stayed ending the outcome of the FCC lawsuit(s).
- 159 — The old town hall “Annex” and the old rec building field are the only “extra” spaces the town
- 160 maintains. It is anticipated \$50,000 will be spend on the field for irrigation (per agreement with Sutt
- 161 Marshall).
- 162 — Approximately \$75, 000 was spent to renovate the “teller” space at the new town hall. Had the teller
- 163 stations remained it would have cost around \$40,000 to renovate. Presently the yearly rental cost for
- 164 the new town hall is \$.50/sf.
- 165 — The trail association has their own maintenance fund and ways to raise money to maintain the bike
- 166 path.
- 167 — It is Mr. Holmes believe that the 2020 Census is inaccurate and will hopefully correct itself with the
- 168 next census.
- 169 — Three months of Mr. Eastman’s salary has been transferred into the Town Manager budget for his
- 170 training period.

171
172 Questions / Comments.

173 **Ms. Hickey** asked if there would be an update to the Master Plan. **Mr. Holmes** replied that because they

174 just hired a new Planner, they need to give him time to get up to speed before doing that.

175

176 **Mr. Donohue** asked to see the proposed fund revenue. **Mr. Holmes** advised he would get that to him.

177

178 **Chair LeFebvre** inquired if they will be renting the vault space at the annex. **Mr. Holmes** replied not at

179 this time.

180

181 6. Public Comment Discussion.

182

183 7. Old Business

184 **Mr. Marvel** expressed his disagreement with wearing a mask during the meeting in compliance with the

185 school districts protocols. **Ms. Seavey** noted the selectmen are asking for everyone to wear mask when

186 in the town hall.

187

188 **Mr. Jost moved, seconded by Mr. Fougere to continue meeting at the KMS, subject to availability**

189 **and comply with masks rules. Motion Carries. (11-1[Mr. Drinkhall]-1[Mr. Marvel])**

190

191 8. New Business

192 Chair LeFebvre advised the town default budget group will be meeting on January 10, 2022 at 5:00 PM in

193 the Town Hall.

194

195 9. Public and Media Questions/Comments:

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

- 197 • Most of the town questions focused on structure rather than nickel and dimes, will the CMBC be
- 198 asking more questions related to the structure. Chair LeFebvre noted they will not be as it is outside
- 199 of the committee’s purview.
- 200 • Conway fell below the 10,000 people by 400-500 and there are 400-500 Short term rentals in
- 201 Conway.

202 • Has there been consideration of conducting the meetings in the Marshall Gymnasium? **Chair**
203 **LeFebvre** noted they had tried previously. **Ms. Seavey** stated that meetings held in the Marshall
204 Gymnasium displace the children attending the rec program.
205

206 **Quintin Lewis, Center Conway** inquired if the positions supported through use of ESSER funds would
207 then roll into the budget or if they will disappear after 2023. **Chair LeFebvre** replied his understanding
208 is the position and individual in that role would disappear when the funds are gone. However, the
209 individual could fill a vacancy if they are qualified. **Mr. Davison** supported Chair LeFebvre’s response.
210

211 10. Adjournment

212 **Chair LeFebvre adjourned the meeting at 8:42 PM.**

213

214 Respectfully Submitted,

215 *Lisa E. Towle*

216 Recording Secretary