

Merrimack School District Budget Committee

Minutes
February 2, 2010

Present: T. Beard, M. Beck, J. Burk, R. Buckley, B. Cummings, S. Heinrich, C. Lang, M. Publicover, C. Ortega, A. Schneider, A. Sylvia, C. Underhill and School Board Liaison J. Thornton

Also Present: Superintendent M. Chiafery, Assistant Superintendent M. McLaughlin, School Business Administrator M. Shevenell and various department heads

S. Heinrich called the meeting to order at 7:02 PM. He led those present in the Pledge of Allegiance.

Announcements

S. Heinrich welcomed those present and reviewed the evening's agenda.

School District Warrant Articles

Article #3: Merrimack Support Staff Association (MESSA) contract.

S. Heinrich told the Committee that this article was for the approval of the collective bargaining agreement with the support staff, but the Committee would only be voting whether to recommend the money amount. He said the Committee has no say over any of the conditions of the contract.

M. Shevenell told the Committee that the MESSA contract covers the administrative assistants, the para-educators, the custodians, the food service workers, kindergarten assistants, etc. He said the increase to the budget for 2010 – 2011 is \$24,791 and the increase in 2011-2012 is \$35,615. He explained the current contract is covered by the "Evergreen" law (RSA 273-A:12) which states that the pay plan any contract approved after July 15, 2008 stays in effect until a new contract is passed. This means that the step increases that are part of the plan remain in effect and are already part of the proposed operating budget. As a result, the amount requested in this warrant article is over and above the step increase. M. Shevenell explained to the Committee that the contract is a 2 year deal with a gross salary increase of 2.56 % the first year and 2.8% in the second year, but that also included an increased health care contribution from the current 11% to 12 % in the first year and 13% in the second year. As a result, the net salary increase was about .5% in the first year and .8% in the second year. He said that the contract also increased the amount budgeted for staff development by \$5,000.

S. Heinrich asked J. Thornton, who had been on the negotiating team, for her comments.

J. Thornton said that concessions had been made on both sides and that negotiations went on for some time. She said that typically agreements are for three years, but that this was only a two year agreement. The teams didn't want a one year agreement and they couldn't agree on terms for the third year.

Discussion included the following points:

- The step increase that is part of the proposed budget totals approximately \$152,000.
- The contract covers over 300 workers.
- Examples of yearly salary for workers covered by this contract are food service workers - \$4,000, para-educators - \$16,000, custodians – mid-\$20,000.
- If the contract fails, the District will have to pay for the step increase and contribute more to the health insurance plan.
- The step increase is about 1.9%
- The salary increase is basically a cost of living adjustment. (COLA)

Article #5: Reeds Ferry School (RFS) Roof

M. Shevenell told the Committee that this article appropriates \$827,370 to repair portions of the roof at RFS. This amount would be raised by withdrawing everything currently in the Roof Reconstruction Capital Reserve Fund (CRF) - \$260,000 and by taxes for the remaining \$537,370. They said the repair involves about 72% of the current roof or 50,000 square feet.

T. Tousseau said that the roof was installed in 1990 and had a 15-year warranty. He indicated that there have been many leaks and many repairs over the years. He said the roof is visually inspected twice a year and that infrared inspection has revealed that there is wet insulation in 13 different locations totaling 9% (4,350 sq ft) of the roof. He said that many other areas are spongy, blistering or showing other signs of wear.

Discussion included the following points:

- Last year the District put \$150,000 in the Roof CRF. There had been no monies put in the fund for several years before that.
- There are several upcoming roofing projects in the CIP and there is no time to build up the CRF.
- There have been discussions about bundling all the roofing projects into one bond.
- The project has already gone out to bid.
- The only portions of the roof that might collapse are the corrugated parts.
- The rest of the RFS roof, installed in 1997, is expected to last until 2013-14, when it is in the CIP for repair or replacement.
- Wet insulation reduces the R-value, which increases heating costs and the water trapped in the insulation affects the air quality at the school.
- The project will completely remove and replace the sections that are damaged rather than patch these areas.
- When making roof repairs, maintenance workers do not cut holes in existing roof and replace the section – they patch the area in question.

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- If this project had been bonded (a five year bond for \$500,000) would have added \$63,000 in interest to the cost of the project, even though interest rates are low.
- This project equates to about 10% of the total school district roof square footage.
- This may well be the last roof repair that is not bonded.

Public Participation

S. Heinrich told those present that the Committee would take Public Participation on the proposed Warrant Articles only at this time.

There was none.

S. Heinrich said the Committee Work Session would be divided into two parts: first Committee votes on a recommendation on the two warrant articles presented and second Committee action on any department budgets. He requested that motions regarding recommendations be in the positive.

Work Session on Warrant Articles

Warrant Article #3 (MESSA Contract)

M. Publicover made a MOTION to recommend Article 3. Second: C. Lang

M. Publicover spoke to his motion by saying that the Committee has to trust that the negotiating teams did everything they could on behalf of the group they represented and that, since each side is happy with the result, he supports the contract.

C. Lang spoke to her second of the motion by saying that the contract represents minimal raises for some of the lowest paid District employees.

Discussion included the following points:

- Compromises were made on both sides.
- If this contract fails, the provisions of the current contract, which includes step raises, automatically remain in force.
- If the contract passes, the money for the second year would be included in the proposed and the default budgets for next year.
- One member said he was uncomfortable voting for any raise given the current economy when people are still losing jobs.
- One member said it was not a lot of money for a new union contract.
- The School Board vote to recommend the contract was 4 – 0 – 1.

A roll call vote was held. MOTION PASSED: 11 – 0 – 2.

Voting YES: M. Beck, R. Buckley, J. Burk, B. Cummings, S. Heinrich, C. Lang,
M. Publicover, A. Schneider, A. Sylvia J. Thornton, C. Underhill

Abstaining: T. Beard, C. Ortega

Warrant Article #5: (Reeds Ferry Roof)

C. Underhill made a MOTION to recommend Article 5. Second: A. Schneider.

C. Underhill spoke to his motion by saying that he had now heard, on 3 separate occasions, the explanation for repairing the roof, and he stated that the proposal makes sense given the several roofing projects coming up in the future.

A. Schneider said he had asked if the project could wait or possibly be spread over two years, but neither is feasible due to the complexity of the roofing issues. He felt it was appropriate to fund this project, this way, at this time and move on.

Discussion included the following points:

- Tax impact to a home valued at \$300,000 will be about \$45 total, or 15¢ on the tax rate.
- Bonding many roofing projects will spread out the cost over several years.
- In 2012, one of the current bonds will be paid off.
- Since roof reconstruction is a known re-occurring event, the District should once again start putting money into the Roof Reconstruction Capital Reserve Fund.

A roll call vote was held. MOTION PASSED: 13 – 0 – 0.

Work Session on Operating Budget

S. Heinrich told the Committee that the starting bottom line budget figure was \$64,151,434. He told the members that, though the Committee is voting the bottom line, it gives the School Board guidance and direction by making changes to specific budget lines

Before discussion began, C. Lang said she had read about the NECAP results in the paper and wanted to know if the Administration has heard anything about it's DINI status. M. Chiafery told her that the District wouldn't have any information on that until March.

Food Service

S. Heinrich asked if any member had any changes to propose for the Food Service budget.

None were proposed.

Special Education

S. Heinrich asked if any member had any changes to propose for the Special Education budget.

None were proposed.

Library/Media Services

S. Heinrich asked if any member had any changes to propose for the Library/Media Services budget.

None were proposed.

Maintenance

S. Heinrich asked if any member had any changes to propose for the Maintenance budget

None were proposed.

Elementary Schools

S. Heinrich asked if any member had any changes to propose for any of the Elementary School budgets.

A. Schneider asked for a point of order. He wanted to know whether members could go back to a department for additional discussion after the Committee has moved on to another department. S. Heinrich stated that past practice has been not to return to a department during the work session, but that additional changes to any department budget could be made before or after the Public Hearing. He noted that, traditionally, department heads leave after their budget is discussed and he felt that the department head should be present for the discussion if any member had any additional changes to propose. He suggested that, if any member wanted additional discussion on any department, that member should let the Committee know and that discussion could occur at the next meeting.

M. Beck said he had questions about asbestos removal at Thorntons Ferry and the new library carpet at Masticola Elementary. S. Heinrich said those expenditures were part of the Maintenance budget. M. Beck asked if the Committee could return to the Maintenance budget to discuss these expenditures since T. Tousseau was still present.

M. Beck asked whether it was prudent to put off these expenditures. T. Tousseau told the Committee that the carpet at MES and the asbestos removal project at TFS could be delayed a year. Additionally, he said that the areas containing asbestos are reviewed every six months and that there will be asbestos removal projects in the budget for the next few years. He said that the square footage of each asbestos removal project (20,000 sq. ft.) equates to the maximum amount of disruption that the District can handle in a summer. He said that asbestos removal is only done during the summer, which requires some planning because all buildings are open during the summer. He also said that putting this project off until next year spreads out capital expenditures, as there is no roof project expected in next year's budget. M. Beck suggested that possibly one bond covering both roofing and asbestos projects might be a good idea. M. Shevenell said that since the District would have three years in which to spend the principal of a bond, which would allow the District to do spread out asbestos removal projects, such a Building Maintenance bond might be a good idea.

After this discussion, M. Beck said he had no changes to propose to the Maintenance budget.

There were no changes proposed for the Elementary School budgets.

Upper elementary school

S. Heinrich asked if any member had any changes to propose for the Upper Elementary School budget.

None were proposed.

Middle School

S. Heinrich asked if any member had any changes to propose for the Middle School Budget.

C. Lang made a MOTION to reinstate the team of teachers that had been cut by adding \$233,505 to the budget. (This amount included benefits.) Second (for discussion purposes): C. Underhill.

C. Lang spoke to her motion by indicating that she was trying to balance both taxpayer interests and the needs of the students. She reminded the Committee that it had been told that the cut will involve four teachers, not necessarily all from the same team which could result in a disruption in the integrity of the current teams. She said she didn't want to see large class sizes at the middle school and that the taxpayers supported the high school additions and the new middle school so the district wouldn't be overcrowded. She said not utilizing the space the district had didn't make sense. She indicated that she knew the administration would do whatever "to make it work" but that she viewed this cut as a step backward. She indicated the value of a home in Merrimack is \$280,000 and this addition would cost the average household \$20. She said she would be glad to revisit this cut in a future budget, but she felt that this was not the right time to cut a teaching team at the middle school.

C. Underhill said he was and remained conflicted about this cut and while he does not like the idea of the cut, he also does not like the current economic times. He noted that while he believes lower class sizes are best, he reluctantly considers the cut to be fiscally prudent, and he stated that while the Budget Committee does not create policy, it does make financial decisions in context. He said that student teacher ratios for this budget, with the cut are projected to be 27 :1 for one year if a teaching team is cut, and 24:1 if the funding is restored. However, he added that the ratio is projected at about 20:1 for the following year, so maybe this cut is one year ahead of its time. He remarked that Middle School administration says it can work with the staff reduction, and that he has spoken to teachers outside of the Merrimack district who say that while the ratio is not ideal, it is do-able. He stated that the issue is not a matter of honoring or dishonoring the wishes of the school board or being pro- or con-education. He explained that he seconded the motion for purposes of discussion, however he was prepared to vote against it. He noted that the Budget Committee is just one part of the checks and balances of the school budget process, and that he hopes voters will turn out in force at the School Deliberative Session to state what they want done with their money.

Discussion included the following points:

- D. Woelflin memo re: possible scheduling scenarios
 - The administration is looking at redesigning the school schedule or possibly redeploing staff.
 - Currently students in each cluster go to the 4 core instructional areas at the same time.
 - It is possible that unified arts will be included into this scheduling mix as a 5th part of the core schedule rather than as a separate part.
 - Students currently have unified arts 7 times over a 10-day period. If included in the core schedule, this number would drop.
 - It is possible that all students will not take the same numbers of unified arts classes that are presently being taken.
 - The Administration is committed to scheduling based on the guiding principles listed at the top of the memo.
 - Para-educators will not be used to teach classes.
- The total budget is \$1 million more than last year.
- The Committee has received numerous emails, some supporting and some opposing this cut. Some of the emails are from non-residents and some are from Merrimack teachers.
- The school portion of the tax bill is only part of the tax bill.
- The Administration has stated they will make this cut work and the Committee should respect and support that position.
- The School Board makes policy and hiring decisions. Even if the money is restored, the School Board may decide not to reinstate the 4th team.
- Whether or not this cut is sustained, will cutting an 8th grade team be proposed next year?
- Population projections are only good for one year and they show fluctuations. However, it would appear that the projection for any two grades is less than 660 students.
- The Administration is opposed to moving away from a team approach at the middle school.
- All members of the Committee and School Board are “pro-education.” They just want to do what is right.
- There are a lot of “ifs.” Some members suggested the Administration put together a definitive plan for implementing fewer teams and that this cut should be revisited next year.
- The School Board directive to the Administration was to take another look at the budget. It did not request additional cuts or suggest a specific total budget amount.
- While people teaching core middle school subjects can teach either 7th or 8th grade, they cannot teach both grades at the same time.
- Voters can change the warrant articles or the budget at Deliberative Session.

A roll call vote was held. MOTION FAILED: 5 – 7 –1

Voting YES: T. Beard, M. Beck, S. Heinrich, C. Lang, A. Sylvia

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Voting NO: R. Buckley, J. Burk, B. Cummings, C. Ortega, M. Publicover, J. Thornton, C. Underhill
Abstaining: A. Schneider

The Committee took a recess at 8:50 PM. The meeting resumed at 9 PM.

S. Heinrich asked if any member had any other changes to propose for the Middle School Budget.

M. Beck asked for an administrative assistant's job description. He wanted to know the impact of cutting one administrative assistant on the students and staff at the middle school. D. Woelflin told him that the school currently has 4 administrative assistants, each with different roles and responsibilities: 1 handles attendance and student receptionist, 1 works with guidance and IEPs, 1 handles payroll, invoices and other budgetary matters and 1 works directly with the students. She indicated that the responsibilities of the cut position would be spread amongst the remaining administrative assistants.

M. Beck asked about the caseload and work of guidance counselors at the middle school. D. Woelflin told the Committee that the middle school guidance office houses 2 guidance counselors, a school psychologist and the school SpEd coordinator. They meet with students and parents and the work is quite different than what the guidance department at the high school does. M. Beck asked if there were funds in the SpEd budget to help cover the cost of the 4th administrative assistant. D. Woelflin told him there was not.

There were no additional changes proposed for the Middle School budget.

High School

S. Heinrich asked if any member had any changes to propose for the High School Budget.

A. Schneider asked for confirmation that the total salary cost for the half time business teacher was \$21,918 and that there are no benefits involved. M. Shevenell confirmed this information.

A. Schneider made a MOTION to add \$21,918 to the budget for the purpose of retaining the part-time business teacher and remove \$20,336 from line 100-1111-11-8648-31 for math algebra books for a net increase to the budget of \$1,582. Second: C. Lang.

A. Schneider spoke to his motion by saying he had heard from discussions that retaining this position impacts DECA and the school store operation as well as provides increased scheduling flexibility and opportunities for students who are showing an increased interest in business courses. He said, when asked, administrators have said they would prefer a teacher to books and he thought this trade off provided the best value and best teaching environment for the coming year.

C. Lang said that she felt that business courses are something that will benefit all students whether they are college bound or not. She said she was concerned that reinstating this position as only half time would impact the ability to offer the college credit course that the Committee had been told about, but she felt that she could only support a half time position.

A. Schneider reminded everyone that the position in question had been cut from full to half time in the budget presented to the School Board and then totally eliminated. This motion was not reinstating the whole position, just the half position.

Discussion included the following points:

- If the School Board wanted to hire this half time position instead of buying the algebra texts, they could. However, there would be a shortfall of \$1,582 - which this motion provides.
- Even if this motion passes, the School Board could still buy algebra books instead of hiring the half time position, but this motion gives them guidance and direction.
- The textbooks in question are 11 years old.
- Algebra doesn't change from year to year.
- Some members felt that addition of half time teacher should stand on its own, though they understood the motion was an attempt to be "budget neutral."
- Would these books be considered a "one time expenditure"?

A roll call vote was held. MOTION FAILS: 3 – 10 – 0.

Voting YES: C. Lang, A. Schneider, A. Sylvia

Voting NO: T. Beard, M. Beck, R. Buckley, J. Burk, B. Cummings, S. Heinrich, C. Ortega, M. Publicover, J. Thornton, C. Underhill

S. Heinrich made a MOTION to add \$21,918 to reinstate a half time business teaching position. Second: J. Burk.

S. Heinrich spoke to his motion by thanking A. Schneider for trying to reinstate this position in a budget neutral way. He said that students learn many things in Business courses that help them in real life and having a school store is a real morale booster for the school. He said he felt there was a need for this position. He stated the cost of a full time position was \$52,672, but he was only requesting funding for the half-time position, which did not have any benefits.. J. Burk spoke to her second by saying she agreed.

J. Thornton stated she would be voting in opposition to the motion in support of the majority School Board decision.

A roll call vote was held: MOTION PASSED: 9 – 4 – 0.

Voting YES: T. Beard, M. Beck, J. Burk, S. Heinrich, C. Lang, M. Publicover, A. Schneider, A. Sylvia, C. Underhill

Voting NO: R. Buckley, B. Cummings, C. Ortega, J. Thornton

A. Sylvia made a MOTION to cut the Driver's Ed Program. S. Heinrich and M. Shevenell told him the program is totally self-supporting, paid for by student user fees and state reimbursement. Each student pays \$450 and the state reimburses the program \$150 per student. M. Shevenell explained the program has to be listed in the budget for gross budgeting purposes but is budget neutral. A. Sylvia WITHDREW his MOTION.

M. Beck asked for more information about the math teacher who also serves as a cross-country coach. K. Johnson told him the person in question is a full-time teacher who serves as the varsity coach for three teams.

M. Beck made a MOTION to add \$66,681 to the budget to fund position the math teacher, who also serves as a varsity coach. Second (for discussion purposes): S. Heinrich.

M. Beck spoke to his motion by stating he felt from the numbers provided and the comments from students and parents that removing this position was not a good move, especially in light of all the extra-curricular activities of this person.

Discussion included the following points:

- The proposed enrollment is a "guesstimate" only. The figures in the minority report are not necessarily the numbers that will play out.
- The position teaches 9th/10th grade courses.
- Retaining this position allows the math lab to be open 8 periods each day so to support the recovery program and to provide extra student support.
- NECAP scores show the high school is doing poorly in the area of math.
- Mr. Johnson stated that the addition of one teacher would not substantially impact all levels of math instruction.

A roll call vote was held. MOTION FAILED: 4 – 9 – 0.

Voting YES: M. Beck, S. Heinrich, C. Lang, A. Sylvia

Voting NO: T. Beard, R. Buckley, J. Burk, B. Cummings, C. Ortega, M. Publicover, A. Schneider, J. Thornton, C. Underhill

A. Sylvia asked what the line item was for the trip to China.. K. Johnson told him there was not line item for that.

There were no additional changes proposed for the High School budget.

District Wide

S. Heinrich asked if any member had any changes to propose for the District Wide Budget.

T. Beard asked if the insurance premiums in the budget book were accurate. M. Shevenell said that for some employees the insurance premium is actually more than their actual salary. School Board member Swonger offered to provide additional information. He said the District offers three plans through Local Government Center and the District

currently pays an amount equaling a specific percentage of the middle plan. He said the actual insurance cost was relatively the same as it would be in any other public sector or in private industry.

There were no changes proposed for the District Wide budget.

S. Heinrich made a MOTION to recommend an operating budget of \$ 64,173,352 to the public hearing. Second: A. Schneider. A roll call vote was held. MOTION PASSED: 7 – 5 – 1.

Voting YES: J. Burk, S. Heinrich, C. Lang, C. Ortega, M. Publicover, A. Schneider, C. Underhill

Voting NO: T. Beard, R. Buckley, B. Cummings, A. Sylvia , J. Thornton

Abstaining: M. Beck

Public Participation

Mike Malzone (E. Chamberlain Road) told the Committee that the budget is up more than \$10 million dollars with a population of 500 less students. He said that getting out of the DINI situation is not a matter of throwing money at the problem. He felt the Budget Committee should be asking why the system isn't working. He felt there was no accountability. He also said that if the universal health care proposal goes through, "Cadillac" health insurance plans would go away.

Cassie Turvey (Sarah Drive) told the Committee she thought they should have funded the math position. She said math in an important subject and should have smaller class sizes. She indicated her current math class has 30 students in it.

Lauren Perry (Lisa Drive) told the Committee she felt that teachers were more important than supplies and felt they should keep the math position in question.

Tim Tenhave (Amherst Road) told the Committee it needed to look at revenue and questions why it had not been discussed. He suggested the Committee look at it as he noticed that historically the District receives more revenue than it estimates. He also asked if, when, and where the complete budget, with adjustments will be available.

Roy Swonger (Klara Drive and a School Board member) told the Committee that a revenue discussion is probably a good discussion to have, but there are differences between the way the Town and the School District do things. For example, the School District is not allowed to keep surplus and maybe the School Board needs to do more education on this topic. He thanked the Budget Committee members for their questions and their discussion. He also thanked the students who had come out to listen and speak at the meetings. He said that kind of participation makes one proud of our students and what our schools has done for them. He said that the most painful cuts in any budget are when people are involved, but one has to think of the position, not the person. He ended by saying these were some of the closest votes in recent memory.

Jill Silano (Merrimack teacher, Litchfield resident) told the Committee that the students would bear the brunt of the cuts. She said that research indicates that students do better in smaller classes. She felt that the climate at the middle school with reconfiguring the teams would be like spinning a roulette wheel because there are too many unknowns. She said the teachers in Merrimack are a talented group of professionals who will do the best they can to make whatever happens work.

Committee Comments

A. Sylvia asked if the budget was available to the public and if anyone had asked for it. M. Shevenell told him the complete budget is on the District web site and when the budget is finalized, a revised version will be posted there.

A. Schneider asked about the budget impact on the tax rate. M. Shevenell told him every \$100,000 results in .031 cents on the tax rate.

C. Lang said that revenue is something the Committee should keep in mind; however, she noted that the Committee has little control over District revenue. She said this was not the same as town budgeting as they have many sources of revenue. She indicated that she agreed that the school should estimate revenue on the low end and that she never wanted to see the District in the financial bind that another school district is currently experiencing.

Next Meeting

S. Heinrich announced that the next meeting would be on February 9th. He said the meeting will start at 7 PM to deal with any petitioned warrant articles or other business, recess at 7:30 PM for the public hearing and reconvene after the public hearing to make any final adjustments and recommendations. He also indicated he hoped to approve minutes at some point during the meeting.

A. Sylvia made a MOTION to adjourn. Second: everyone else. MOTION PASSED.

S. Heinrich adjourned the meeting at 10:05 PM.

Respectfully submitted,

Pat Heinrich