

Budget Committee
Minutes
February 7, 2012

Present: R. Barnes, T. Beard, M. Beck (arrived late) R. Buckley, B. Cummings, C. Guagliumi, S. Heinrich, G. Krupp, A. Schneider, R. Swonger and School Board liaison Alternate J. Thornton

Excused: C. Barbera, J. Burk

Also present: Superintendent M. Chiafery, Assistant Superintendent Dr. M. McLaughlin, and School Business Administrator M. Shevenell

A. Schneider called the meeting to order at 7:03 PM and led those present in the Pledge of Allegiance.

Approval of Prior Minutes

S. Heinrich made a MOTION to approve the minutes of January 24, 2012 as corrected. Second: C. Guagliumi. MOTION PASSED: 8 – 0 – 2 with R. Buckley and J. Thornton abstaining.

Public Participation I

There was none.

Review of School District Warrant Articles

Article 3: MESSA Contract

M. Shevenell told the Committee that the Merrimack Educational Support Staff Association (MESSA) and the School Board have agreed to a three-year contract that would result in a reduction in the operating budget. He said that the MESSA contract covers custodians, secretaries, food service workers, para-professionals and maintenance workers. While the contract includes a 2.75% pay increase for each of the three years, changes in the health insurance plan design and employee contribution will result in an overall decrease in the cost to the District. He indicated that currently, the District pays what amount to 87% of the cost of Blue Choice health insurance coverage for all employees who elect to take health insurance (264 employees), but the new contract calls for the District to pay what equates to 95% of the HMO costs in the first year and 94% in the second and third years of the contract. He said this amount equates to less than what the District is currently paying. He noted the District will still offer Blue Choice and a JY plan, but those electing this coverage will be paying more. He said that the change in “driver” of the health insurance plan, other changes (co-pays on prescriptions, ER visits and office visits) result in savings that are greater than the salary increases provided for in the contract..

J. Thornton told the Committee the School Board had voted 4 – 0 – 0 on the contract, feeling it is a win-win situation for everybody: staff salaries went up and health insurance costs went down.

Discussion included the following:

- The salary percentage increase was all-inclusive, including step increases and COLAs.

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- To derive at the salary increase percentage, M. Shevenell factored in increased health costs per year of the plan based on the number of participants.

S. Heinrich made a MOTION to recommend Article 3. A. Schneider asked him to wait until the Work Session for such a motion. S. Heinrich WITHDREW his MOTION.

Article 5: Reeds Ferry Parking Lot

M. Shevenell told the Committee that Administrators have been working with the School District Planning and Building Committee (SPBC) on parking issues at Reeds Ferry School (RFS). He indicated there currently are not sufficient parking spaces for staff and parents, that handicapped parking spaces are not near the front entrance of the school and that there is a lot of traffic in these lots at the beginning and end of the day resulting in potentially unsafe conditions. He shared a map of the school showing the proposed re-design of the parking areas at RFS which add 38 parking spaces for a net of 142 parking spaces and said the plan would include grinding the existing pavement and then re-surfacing and striping the entire area. He indicated this project would be done over the summer months, in conjunction with the re-surfacing of Lyons Road (funds for which are included in the current budget), and that the project would be bid through the town. He said the project would be funded by removing approximately \$65,000 from the Pavement Reconstruction Capital Reserve Fund (CRF) and raising \$45,000 from taxes.

M. Beck arrived at this time.

J. Thornton said the School Board supported the project to alleviate the parking problems at RFS.

S. Heinrich, (also a member of the SPBC) said that the SPBC had reviewed and considered several scenarios and felt the proposed plan was the best option. He said it included sufficient spaces for staff parking, considered the safety of children and provided space for snow removal.

Discussion including the following:

- The project will essentially drain the Paving CRF.
- Upcoming paving needs in the District include the front and back areas of the high school and O’Gara Drive.
- While there is a roofing project proposed in this year’s budget and there will be a roofing project in next year’s budget, the paving project was proposed this year because next year’s roofing project is more expensive than this year’s project.
- This is a safety issue.
- Contacting the Baptist Church for overflow parking may be an idea to pursue.
- Lyons Road belongs to the School District. The Town does not have any responsibility to re-pave it.
- MYA will benefit from the newly paved parking areas and does work with the District to help maintain the District’s athletic fields.

Default Budget Explanation

M. Shevenell said that a default budget is part of the proposed operating budget article in towns and school districts that operate under RSA 40:13, commonly known as SB2. He indicated the

default budget was \$65,676,553. He said this amount includes everything in the previously approved budget plus adjustments for contractual and legal obligations and removal of one-time expenditure costs. He noted some of the adjustments in the proposed default budget include salary step increases for teachers, increased costs for utilities, deductions for the secure entrances at the Ferry schools and reductions in the long term bonded debt interest costs. He said the proposed default Budget is less than the proposed operating budget due to a proposed reduction in staff: 8 teachers, 2 support staff and 1 administrator. He noted that even if those positions had been included in the proposed operating budget, the default budget would still be higher than the proposed operating budget. He explained that the language of Article 6 is statutory; however, after consultation with the District's legal counsel and the Department of Revenue Administration, the School Board has proposed the additional language in the article to explain that passage of Article 3 would reduce the proposed operating budget by approximately \$188,000.

S. Heinrich asked for information about the transportation contract.

M. Shevenell told the Committee that the transportation bid opening was held at 1 PM on January 27th. He said the District received 3 bids for Special Education only transportation and 3 bids for all services combined. He said the School Board has voted to offer a contract for regular student transportation to Student Transportation of America, formerly Goffstown Trucking and that one of the reasons for this award was the bid included brand new 2013 77-passenger buses. He said the School Board has voted to offer a contract for Special Services transportation to Provider Bus Company.

Work Session

Article 3

S. Heinrich made a MOTION to recommend Article 3. Second: G. Krupp.

There was no additional discussion. T. Beard told the Committee, while he supported the article, he would be abstaining because a family member was part of MESSA.

A roll call vote was held. MOTION PASSED: 10 – 0 – 1.

Voting YES: R. Barnes, M. Beck, R. Buckley, B. Cummings, C. Guagliumi, S. Heinrich,
G. Krupp, A. Schneider, R. Swonger, J. Thornton

Abstaining: T. Beard

Article 5

B. Cummings made a MOTION to recommend Article 5. Second: S. Heinrich

Discussion included the following:

- This is a good idea and there are funds in a CRF to help offset the cost.
- This is not the year for this.

A roll call vote was held. MOTION PASSED: 10 – 1 – 0.

Voting YES: R. Barnes, T. Beard, M. Beck, R. Buckley, B. Cummings, C. Guagliumi, S. Heinrich, A. Schneider, R. Swonger, J. Thornton

Voting NO: G. Krupp

Operating Budget

A. Schneider explained the process he would be using as the Committee reviewed the operating budget. He noted that, while the Committee would make adjustments to specific lines during the Work Session, the money was actually coming off the bottom line since the School Board has the authority to move money between lines in the budget. A Schneider also stated he would call for motions on the operating budget by department, in the order that each department had presented its budget to the Committee.

Library

A. Schneider asked if any member had any changes to propose for the Library budget.

R. Swonger made a MOTION to add \$4,000 to line 100-2222-36-8551-07 – Binding of Books to restore funds cut by the School Board. Second: S. Heinrich.

R. Swonger spoke to his motion by saying that he thought this expenditure was a matter of being prudent for the long term. He said, even with the additional funds of his motion, the proposed library budget amount was still below its previous budget. S. Heinrich spoke to his second by saying he thought that binding books does save money and binding books to keep them in circulation is better than losing them from the collection.

Discussion included the following:

- Deferring this cost could put the collection in disarray.
- During her budget presentation, Library Department Head Nancy Rose had indicated that she could still bind books by using other funds in the proposed budget.

A. Schneider called for a hand vote on the motion. MOTION FAILED: 4 – 7 – 0.

There were no additional changes proposed for the Library budget.

Special Services

A. Schneider asked if any member had any changes to propose for the Special Services budget.

None were proposed.

Elementary Schools

A. Schneider asked if any member had any changes to propose for the Elementary Schools budget.

None were proposed.

Food Services

A. Schneider asked if any member had any changes to propose for the Food Services budget.

None were proposed.

Upper Elementary School

A. Schneider asked if any member had any changes to propose for the Upper Elementary School budget.

None were proposed.

Middle School

A. Schneider asked if any member had any changes to propose for the Middle School budget.

None were proposed.

High School

A. Schneider asked if any member had any changes to propose for the Special Services budget.

G. Krupp made a motion to remove \$3,600 from 100-1138-38-8321-31 – Assemblies/MHS.
Second: R. Barnes.

G. Krupp spoke to his motion by stating he thought Challenge Day was not a part of the high school's core mission and noted he was not proposing removal of funds for Challenge Day transportation, which were in another line.

Discussion included the following:

- The total cost of the three-day Challenge Day program is \$12,000. This is a fixed amount.
- Last year's Senior Class donated \$5,000 toward the continuance of the program for this year.
- This is the second year for the Challenge Day program.
- A cost for Challenge Day will likely be in the budget going forward.
- Administration does not believe the entire cost of the program can be raised through donations.
- Grantors like to see Administrative financial support as well as a plan for continuance of a program.
- School Administration and students think this program has made a difference and is worth continuing.
- The program does not service all students in any given year. Some students ask to attend; others are encouraged to attend. Students cannot attend more than once. The plan is that all students who want to attend will be able to attend at some point during their high school years.
- There are now state laws that require Districts to have anti-bullying policies and training.
- The transportation costs mentioned were for the Rivier Challenge Program, which is a Gifted and Talented program, totally unrelated to the Challenge Day assemblies.

A. Schneider called for a hand vote on the motion. MOTION FAILED: 1 – 10 – 0.

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

Maintenance

A. Schneider asked if any member had any changes to propose for the Special Services budget and passed the gavel to B. Cummings.

A. Schneider made a MOTION to add \$11,350 to 100-2620-40-8432-08-Maintenance/Cr & Upkp-Bld Serv-Repr to restore funds for a gym floor cover at the high school. Second: T. Beard.

A. Schneider said his motion was mainly for discussion. He indicated that funds for a floor covering were originally put in the budget when it had been proposed that the School Board allow the high school to be used as a single polling place for all town elections. However, the funds were cut from the proposed budget when the School Board voted not to allow the high school to be used for voting. A. Schneider said, since the Presidential Primary, the Town Council has eliminated the St. James voting location, which means those who voted at St. James church will now vote at the upper elementary school along with those who previously voted at the upper elementary school. He felt it was possible that the School Board might re-visit its decision and the purpose of his motion was to give them funds to buy the gym floor cover, if needed; and if the decision is not revisited or changed, he didn't anticipate the funds would be used for any other purpose.

Discussion included the following:

- The School Board discussion on the issue of elections at the high school centered on effects to the educational calendar.
- There is no way to have the high school be a single polling place unless school is closed for students on voting day.
- There is an existing, though not entirely adequate, floor cover available.
- There was an agreement between the Town Council and the School Board that the Town would pay for half the cost of a new floor cover.
- Funds could probably be found in the proposed budget if the School Board changes its decision.
- Money shouldn't be put in the budget unless, or until, the School Board agrees to allow voting at the high school.
- Even if the School Board does agree, any change in voting locations is unlikely to occur this year.

A. Schneider and T. Beard WITHDREW the MOTION and the second.

B. Cummings passed the gavel back to A. Schneider.

There were no additional changes proposed for the Maintenance budget.

District Wide

A. Schneider asked if any member had any changes to propose for the District Wide budget.

R. Barnes asked if the funds in the proposed budget covered the costs of the newly awarded transportation contracts. M. Shevenell said that the regular transportation contract is for more than is budgeted, but there is a savings in the Special Education transportation contract that will cover the difference.

G. Krupp made a MOTION to remove \$5,000 from 100-2311-01-8810-01 – Memberships/DW. Second: R. Barnes.

G. Krupp said his motion was specifically addressed at membership in the NH School Boards Association (NHSBA) and spoke to his motion by saying he had a problem with taxpayers dollars funding an organization that lobbies against legislation proposed by our legislators.

R. Barnes asked if this was the exact amount of the membership cost. M. Chiafery said the correct amount was \$6,092.

G. Krupp AMENDED his MOTION to change the amount of his motion to \$6,092. Second: R. Barnes.

A. Schneider asked J. Thornton to comment on the motion.

J. Thornton said that the NHSBA is a great resource to School Board members and often lobbies in favor of as well as against legislation proposed by our legislators. She asked M. Chiafery to provide additional information.

M. Chiafery stated that the NHSBA provides school board training, collective bargaining information, policy development assistance, and population projection reports. She said that NHSBA holds a delegate assembly to which each member district sends a delegate. At this delegate assembly, the delegates vote on positions, for or against, various upcoming issues and it is those positions for which the NHSBA lobbies. She said the NHSBA is available 12 months a year for assistance and advice.

Discussion included the following:

- There may be some districts that do not join the NHSBA, but most of them do.
- The cost of an attorney to provide the services that the NHSBA provides could be more than \$6000.
- Before the delegate assembly, the Merrimack School Board reviews and votes positions on some or all of the issues on which the delegates will vote at the assembly. Sometimes the School Board position agrees with the position voted by the entire assembly and sometimes it doesn't.
- Members of the legislature attend the delegate assembly to explain any proposed legislation on which the delegates will be voting positions.
- There are no additional costs other than annual membership.
- Membership cost is based on size of a district.

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- In addition to Administration, individual school board members often contact NHSBA for assistance or advice.
- Lobbying legislation is only one facet of the work of the NHSBA.
- It is unclear what percentage of the NHSBA overall budget was set aside for lobbying.

A. Schneider called for a hand vote on the motion. MOTION FAILED: 1 – 9 – 1.

There were no additional changes proposed for the District Wide budget.

S. Heinrich made a MOTION to move an operating budget of \$65,505,395 to the Public Hearing. Second: B. Cummings.

S. Heinrich spoke to his motion by saying that the Administration and School Board had worked hard to present a reasonable budget. He said the Committee had thoroughly reviewed and discussed it. He congratulated members for their work and said this was a budget that should be supported.

Discussion included the following:

- The proposed budget is really solid, straightforward and contains nothing controversial.
- The total amount of money that members proposed adjusting was less than \$25,000.
- Members will have an opportunity to revisit the adjustments proposed at this meeting or to propose other adjustments after the Public Hearing.
- Even though the Committee had not made any changes, it still had a purpose and value by confirming the budget.

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

Other

A. Schneider told the Committee that the meeting next week would start at 7 PM. At that time the Committee will review and take action on any monied petitions warrant articles. The meeting will then recess until 7:30 PM, at which time the Public Hearing would start and after the Public Hearing, the Committee would reconvene to take any final actions and votes.

Public Participation II

There was none

G. Krupp made a MOTION to adjourn. Second: C. Guagliumi. MOTION PASSED unanimously.

A. Schneider adjourned the meeting at 9:10 PM.

Respectfully submitted,

Pat Heinrich