

Budget Committee
Minutes
January 24, 2012

Present: R. Barnes, T. Beard, M. Beck, J. Burk, B. Cummings, C. Guagliumi, S. Heinrich, G. Krupp, A. Schneider, R. Swonger and School Board liaison C. Ortega

Excused: C. Barbera, R. Buckley

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

A. Schneider called the meeting to order at 7:01 PM and led those present in the Pledge of Allegiance.

Approval of Prior Minutes

G. Krupp made a MOTION to approve the minutes of January 10, 2012 as corrected. Second: R. Swonger. MOTION PASSED: 12 – 0 – 0.

Public Participation I

There was none.

Department Presentations

Food Services

Department Head: David Dziki

Committee Liaisons: A. Schneider, J. Burk, G. Krupp

Department Head Comments: D. Dziki said that there are two items of note in the proposed budget: food temperature probes and a Federally mandated lunch price increase. He said the temperature probes are automated which will eliminate paperwork and streamline the process by which the Department creates various reports. He said that a Federal Law was passed in December 2010 requiring the lunch price the District charges to equal the Federal reimbursement rate. He also indicated that other Federal regulations require the increased use of fresh fruits, vegetables and whole grains in school lunches. He noted that this may result in increased food costs to the Department.

Liaison Report: A. Schneider told the Committee the temperature probes can be plugged into a computer to download data, which will result in a time savings as well. He said each probe costs \$900 and that department is requesting one per school. He clarified that the Federal law relates only to the minimum amount the School District must charge per lunch and that lunch cost could be modified each year to reflect changes to the Federal reimbursement rate. G. Krupp and J. Burk had no additional comments to make.

Discussion included the following

- Federal Reimbursement Rate:
 - The Federal government sets the reimbursement rate, which is \$2.51.
 - The School Board sets the lunch cost.

- The District can still use a “tiered” lunch cost; i.e. lunches cost more at the high school than at the elementary schools as long as the cost averages \$2.51.
- The District’s lunch fees were close to the reimbursement rate.
- One of the reasons for the Federal legislation was to ensure that food services have sufficient funds to afford fresh food.
- Food Temperature Probes
 - The Board of Health comes in to check food safety issues twice each year.
 - Currently, the reports created for the Board of Health are manually generated.
 - Some new categories have been added to the reports: hazardous food issues and hazardous food temperatures.
 - The temperature probes will not only help the District with gathering information for the reports, but also to identify and eliminate hazardous situations.

Upper Elementary School

Principal and Assistant Principal: Marsha McGill and William Morris.

Committee Liaisons: B. Cummings, C. Barbera and R. Buckley

Liaison Report: B. Cummings stated that he had been the only liaison team member who had been able to make the meeting with M. McGill. He indicated the proposed budget is 1% lower than last year’s budget. He said the budget is level funded in the areas of Gifted and Talented and Project Safeguard, but includes a slight increase in field trip transportation costs and a request for an additional music riser. He noted that enrollment in the music programs has increased such the number of risers currently available at the school cannot accommodate the number of students enrolled in band and chorus. He and M. McGill clarified that the proposed budget includes funds for purchasing microscopes in two places: six new microscopes and six replacements. The school currently has 43 microscopes and is working to build its inventory to 75 microscopes. The purchases in the budget will result in a net total of 49 microscopes. B. Cummings stated that, while there are funds in the budget for administrators’ membership in the National Association of Elementary School Principals, the administrators pay for other Association costs and other memberships on their own. He said he thought the budget was fair and reasonable.

Department Head Comments: M. McGill stated that the proposed budget included funds to purchase adequate materials to carry out the literacy and standards-based math programs as well as the continuation of the furniture replacement program.

Discussion included the following

- The increased cost of field trips is for transportation only.
- This is the last year of the program to replace classroom desks. However, there are “kidney” tables and white boards that will need to be replaced.

Middle School

Principal and Assistant Principal: Debbie Woelflein and Adam Harragher

Committee Liaisons: S. Heinrich, M. Beck, C. Barbera.

Liaison Report: S. Heinrich stated the student population is projected to increase by 12 students next year and the school is planning on 6 ½ teaching teams for next year. He said that the proposed budget is pretty flat, but noted that the school is still working to eliminate ink jet printers in favor of laser jet printers, which will result in less expensive replacement cartridges. He indicated that all ink cartridges are purchased through the Library/Media Department which also results in the District getting a volume discount. M. Beck stated that the flexibility of the 6½ team model has worked out well for the school. He noted the slight increase in the budget due to additional hours for a World Language teacher and stated that the policy of requiring a certain grade to take World Language has changed, which has resulted in the greater demand.

Department Head Comments: D. Woelflein stated, in response to increased demand for World Language, the proposed budget includes increasing the 3/10th World language position to 5/10th position. She said that the school has an emphasis on formative assessment, which has resulted in positive World Language learning experiences for students.

Discussion included the following

- Field trips
 - All costs for field trips were eliminated from the budget last year.
 - If teachers want to propose a field trip, the trip must meet specific criteria.
 - There are some local field trips for which each team must raise the transportation costs. Parents are asked to pay any admission costs.
 - Field trips have no budget impact.
- Music
 - The budget line on page 2 is for repair of instruments and equipment.
 - Repair costs have increased due to the age of the instruments.
 - The budget line on page 14 is for replacement of equipment, specifically keyboards.
- It was suggested that the middle school investigate having a high school Tech Ed class build an engine stand for the middle school Tech Ed program, rather than purchase one.
- French and Spanish are offered at the middle school.
- Clarification of middle school enrollments listed in the Superintendent's Budget message.
 - Page 4 shows the actual school enrollment of 612 students for 2011-2012.
 - Page 13 indicates last year's projected enrollment (595) instead of this year's actual enrollment.

High School

Principal and Assistant Principals – Ken Johnson, Cheryl Smith, Peter Bergeron, and Rich Zampieri

Committee Liaisons: M. Beck, T. Beard and C. Guagliumi

Liaison Report: M. Beck told the Committee that the high school has one of the most senior administrative teams in the state. He said that the proposed budget includes a decrease of one administrator, which will mean moving more administrative responsibilities to department heads. He commented that, at present, there are four lunch periods and the principal or an assistant is present during each. He said that the Driver's Ed budget is reduced (along with a corresponding reduction in projected revenue) because there has been a drop in enrollment. He also said the

expenses and revenue for Driver's Ed off-set each other. He clarified the request for \$3,000 for calculators is for 3 sets of 10 graphing calculators per set or 30 calculators total. He noted the request for \$3,600 for assemblies relative to "Challenge Day." He said this was a 3-day program, involving 100 students and 25 faculty, dealing with issues such as bullying. He said the total cost of the program is \$12,000 and that the outgoing senior class had gifted the school with \$5,000 toward the continuance of this program.

Department Head Comments: K. Johnson said that most line items in the budget are either flat or reduced.

Discussion included the following points:

- The postage account is down because there were fewer mailings last year. The amount budgeted for postage is based on a three year average.
- Challenge Day was fully funded last year through fundraising and class gifts. This is the first time funds for this program are in the budget.
- Driver's Ed.
 - Participation is down due to competition with other outside driving programs.
 - Offering Driver's Ed is required by State Standards. Students taking (and passing) the course at the high school receive a ¼ credit.
 - The program has no budget impact.
 - K. Johnson was asked to provide enrollment figures for the last few years.
- Graphing Calculators
 - Advanced classes (Junior/Senior Algebra and Calculus) will be using the graphing calculators.
 - The calculators are for in-class use, though a student may sign out one if needed.
- Mandarin I and Mandarin II
 - The cost of these courses has been covered by a grant from the Trustees of the Trust Funds.
 - If there is sufficient enrollment, the high school administration will again approach the Trustees of the Trust Fund to request funds to cover the costs of these courses.
 - If the Trustees do not fund the program, there will need to be discussions between administrators and the School Board to determine whether these courses would continue.

Maintenance

Department Head: Tom Tousseau

Committee Liaisons: T. Beard, A. Schneider, S. Heinrich

Liaison report: T. Beard told the Committee that the proposed budget was pretty straight forward. He said items of note were asbestos removal at the high school, maintenance on the security cameras and roof replacement at the high school. He said the service contract for the security cameras includes labor costs, maintenance and replacement if needed. He noted that the School Board had cut \$5,000 from the roof maintenance lines, but that T. Tousseau had said he could manage with the remaining budget. S. Heinrich reported that the School Board had cut \$10,000 from the parking lot striping line and noted that some areas will still have to be striped

(handicapped parking and fire lanes). In addition, he noted that carpeting at Reeds Ferry School had been cut by the School Board as well. A. Schneider noted that there are a lot of roof replacement projects coming up over the next few years and he thought the District should be looking at ways to prepare for these costs.

Department Head Comments: T. Tousseau provided school maps showing the proposed asbestos removal and roof replacement projects.

Discussion included the following:

- Asbestos Removal
 - There will be at least 2 more years of asbestos removal projects at the high school plus 4 additional years of projects at other schools.
 - After these 6 years of asbestos removal projects, all the known asbestos will have been removed.
 - Every time a construction or renovation project is done, the District must test for asbestos.
- Utilities
 - There are 8 years left on the Honeywell contract. The Honeywell contract called for a 3% increase in this year's payment.
 - Keyspan was approached about gas lines on McElwain Street or O'Gara Drive during the initial Honeywell energy audit. Gas would have to be brought across the turnpike to the high school and the District would also have to purchase new heating equipment.
 - The proposed budget for water costs is last year's costs plus 17%. This is because the District has received two increases which total 17%.
- Roof
 - As more roof sections are replaced, the number of roof maintenance issues has gone down, which reduces maintenance costs.
 - The schedule for roof replacement goes to 2039. The last school bond will be paid off in 2024.
 - The School Board has attempted to plan which roof to replace, and in what year, in order to keep costs level as well as address the roof areas most in need.
- The security camera maintenance contract calls for replacement if cameras break and can't be fixed. The replacement cameras have been brand new cameras.
- Saving for capital projects in Capital Reserve Funds has been set aside in the last few years.

District Wide/Central Office

Department Head: Superintendent Marge Chiafery, Business Administrator Matt Shevenell and Assistant Superintendent Dr. Mark McLaughlin.

Committee Liaisons: A. Schneider, J. Burk, G. Krupp

Liaison report: A. Schneider told the Committee that the District will be receiving less revenue from building aid and program funds. He said the health insurance guaranteed maximum increase is 6% and that the renegotiated teachers contract has been beneficial to helping to keep the cost of benefits down. He said that, at this point, retirement rates are fairly stable. He

indicated that there is a 10% increase in the budget as a place holder until a new transportation contract is finalized – which is expected to happen before Deliberative Session. He noted that the District will not be requiring one vendor to handle all the District’s transportation needs, so there could be more than one contract. J. Burksaid that transportation bid opening is on January 27th and the bid specifications call for a decision within 20 days. G. Krupp noted that members should be aware of the “boxes” within the budget to indicate things that were put off due to uncertainty with the amount of state funding this year. He also noted that the retirement incentive is contractual and the process of awarding the incentive is very regimented. The amount budgeted has increased as the contract increased the number teachers for whom the district must budget. He also said that M. Shevenell had researched other districts’ transportation costs and determined a best “guesstimate” of costs for the new transportation contract(s) would be a 10% increase, which was included in all transportation lines through-out the budget.

Department Head Comments: M. Shevenell reported that the guaranteed health insurance increase was 6% overall, due to modifications in the contract. He said that he thought that retirement rates were going to be stable, but he has been notified that there is pending legislation that may have a cost impact on employers. The five-year transportation contract is ending this year and is currently out to bid. He noted that many other District-Wide lines (for example: support staff salaries, professional development, pay for performance) are all contractual.

Discussion included the following:

- Transportation
 - The transportation contract(s) include regular bus transport, special education transport, field trips, and athletics.
 - Some Districts manage transportation on their own. Others contact this service.
 - If the District were to provide its own transportation, it would have to buy buses and liability insurance, hire more staff and find a place to store the buses.
 - Another benefit of the contracted service is that when other buses are needed, they get brought in from other towns the provider services.
- Transportation Coordinator/Truant Officer has been aggressively following up on truant students as well those students who still attend Merrimack schools, but no longer live in the District.
- Retirement Incentive
 - The purpose of the incentive is to encourage longer tenured teachers to retire and to have the District hire new staff at a lower salary.
 - The program usually pays for itself in 2 – 3 years.
- Though the overall student population is down, the budget does not show a corresponding decrease because retirement costs and insurance costs have increased.
- Legal costs
 - Yearly legal costs usually range between \$40,000 and \$50,000.
 - Issues about which the District would get legal advice include personnel, parenting plan situations, residency, and dismissal questions.
 - The amount proposed in the budget is a 7 year average.
- The proposed budget is \$150, 000 less than the default budget.
- Should the proposed operating budget fail, the default budget contains sufficient funds to cover everything in the proposed budget.

Other

A. Schneider discussed upcoming meeting dates:

- January 31st: No meeting. This was the unneeded Alternate/Snow Date meeting date.
- February 7th: Next meeting.
 - The Committee will review and vote a position on warrant articles.
 - The Committee will conduct a work session on the budget.
 - A. Schneider noted that the Committee would be changing the bottom line.
 - However, he asked that members making motions to change the budget provide page number, account line number, and be prepared to speak to their motions.
 - After discussion, the Committee will vote on all motions with a simple majority ruling.
- February 14th: Meeting and Public Hearing
 - Before the Public Hearing, the Committee will review and vote on any petitioned warrant articles.
 - The Public Hearing will start at 7:30 PM
 - After the Public Hearing, the Committee will make any final adjustments to the proposed budget and take final votes on recommendations, including the operating budget.
- March 7th: Deliberative Session

Public Participation II

There was none.

S. Heinrich made a MOTION to adjourn. Second: J. Burk. MOTION PASSED unanimously.

A. Schneider adjourned the meeting at 8:48 PM.