

Budget Committee
Minutes
January 28, 2014

Present: R. Barnes, T. Beard, J. Burk, B. Cummings C. Guagliumi, G. Krupp, C. Lang, L. Mooney, V. Pellegrino, C. Skarda and School Board liaison A. Schneider

Excused: S. Heinrich

Absent: A. Nelson

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

C. Guagliumi called the meeting to order at 6:30 PM and led those present in the Pledge of Allegiance.

Approval of Prior Minutes

G. Krupp made a MOTION to approve the minutes of November 12, 2013. Second: C. Lang. MOTION PASSED 9 – 0 – 3 with B. Cummings, V. Pellegrino and C. Skarda abstaining.

School Board Budget Actions

C. Guagliumi asked A. Schneider to give an update on the School Board actions relative to the proposed FY 2014-15 budget. A. Schneider gave an overview of the School Board process and meetings on the budget. He said that one meeting had not been recorded for cable, but that at a recent School Board meeting that was recorded, the Superintendent and the School Board chair gave a summary of the items that had been discussed at the meeting that was not recorded. He said there were lots of questions, including the Budget Committee questions, but the only long discussion was regarding high school staffing and class sizes. He indicated that the two changes made to the budget proposed by Administration were more administrative corrections. He said, on a 5 – 0 – 0 vote, the School Board had approved a proposed budget of \$68,727,241 to send to the Budget Committee. He also noted that the default budget is less than \$100,000 higher than that.

A. Schneider said that the School Board had also discussed three possible warrant articles. He said after discussion, the School Board tabled articles concerning retention of excess revenues and will be proposing only one warrant article. This article will be for conversion to gas heat in the high school/Mastricola complex. He indicated this project would cost \$760,540 and result in a savings of \$186,000 a year. He indicated the School Board had looked at a 4-year lease option, which would cost \$204,000 per year and a 5-year lease option, which would cost \$166,000 per year. He said the return on investment is 4.9 years and each lease would have an escape clause. He told the Committee that the School Board has decided to propose a 4-year lease.

Public Participation I

There was no public participation

Department Budget Reviews

C. Guagliumi thanked the School Board, the Department Heads and the Administration for all the time and work they had expended to put together the proposed budget.

Food Service

Department Head: Dave Dziki

Committee Liaisons: L. Mooney, J. Burk, S. Heinrich and C. Lang

Liaison Report: L. Mooney told the Committee there were a couple of budget increases for warming tables and computer hardware upgrades due to software changes. She said that the District belongs to a buyer's group which helps reduce the cost of food and that the pre-paid lunch program is working really well.

Discussion included only one question about whether or not a salad bar option was still offered. D. Dziki told the Committee that salad is offered quite often, but there is no salad bar option at this time.

Library/Media Services

Department Lead: Nancy Rose

Committee Liaisons: T. Beard, R. Barnes and C. Skarda

Liaison Report: T. Beard told the Committee that the Department is more correctly called Technology and Library Services. He said that a main focus on the budget is integrate classroom presentation systems into all classrooms and keep all systems functioning and up to date. He indicated that much of the liaison meeting was spent discussing future technology needs in schools.

Discussion included the following:

- Memberships were not fully expended in last year's budget because a position was vacant at the time.
- Internet is provided by a Comcast dedicated service line.
- The District is working toward all schools being fully wireless.
- The District is on the third year of a five-year plan to have presentation systems in all classrooms. However, there are some presentation systems available on a cart for us in those classrooms that do not have one installed.

Elementary Schools

Principal and Assistant Principal: MES –Emilie Carter and Jay Gratton
TFS – Bridey Bellamare and Julie DeLuca
RFS – Kim Yarlott and Nick Coler

Committee Liaisons: G. Krupp, C. Guagliumi and V. Pellegrino

Liaison Report: G. Krupp told the Committee the liaison team had seen the various improvements that were part of last year's budget: library carpet, new classroom furniture and new cafeteria tables. He said that all three elementary schools are near the end of the five-year plan to replace furniture, but that there would still be furniture to be replaced so new five-year

replacement plans would be developed. He indicated the elementary school budgets are basically level funded and together represent .5% of the total proposed budget. He said that radios, which have topics of discussion at past Budget Committee meetings, are now part of the Maintenance Budget. He noted that all schools now have sufficient radios.

Upper Elementary School

Principal and Assistant Principal: Marsha McGill and William Morris
Committee Liaisons: R. Barnes, C. Guagliumi and G. Krupp

Liaison Report: R. Barnes reported the correct expenditure for Section 8500 on Page 4 in the budget book. In addition, he told the Committee that the liaison team discussed several items in the budget including calculators, microscopes and geometry packs. He said that microscopes appear in two different places because some are replacements and some are additions to the computer inventory.

There were no committee questions.

Middle School

Principal and Assistant Principal: Deborah Wolflein and Adam Carragher
Committee Liaisons: B. Cummings, C. Guagliumi and A. Nelson

Liaison Report: B. Cummings told the Committee that the science class room furniture replacement was necessary and that replacing the science room stools would be an on-going budget item. He said that the science texts that were being replaced were originally purchased in 2001 and that they replacement texts were up-to-date modules combining both hardware and software.

Department Head Comments: D. Wolflein told the Committee that about the book sharing program so that all students will have a text to take home. In addition, she said the new science texts will be accessible on line and will allow the school to purchase modules to meet the exact curriculum.

There were no committee questions.

High School

Principal and Assistant Principals: Ken Johnson, Richard Zampieri & Peter Bergeron
Committee Liaisons: C. Skarda, T. Beard, B. Cummings and C. Lang

Liaison Report: C. Skarda told the Committee that the major discussion item at the liaison meeting was Challenge Day. He said he found the discussion helpful to understand how Challenge Day works and how it helps the student body. He indicated that other items discussed included the gifted and talented program, replacement of old textbooks, and subscriptions for on-line services. He indicated, if there is sufficient enrollment, a new course to be offered fall 2014 would be "3D Animation." He also said he was pleased to learn that the Consumer Science courses are able to get some food supplies from the Food Services department to help reduce costs.

Discussion included the following

- The Gifted and Talented program at the high school is basically enrichment activities open to all students.
- Though some fundraising is continuing, Challenge Day, now in its fourth year, is now fully funded through the operating budget

Special Services

Department Head: John Fabrizio

Committee Liaisons: J. Burk, L. Mooney, A. Nelson

Special Services John Fabrizio (424-6211)

Liaison Report: J. Burk told the Committee that the Special Services budget is child specific and regulated by state and federal law. She said approximately 685 students or 16% of the student population had Individual Education Plans (IEPs). She said the increase in the Special Services budget was driven by increased costs for Out-of-District Placements (ODPs) and transportation. She also stated that only 1% of the Merrimack student population had an ODP and that the state average for ODPs in school districts was 3%. She indicated that the item in the budget was air conditioning units for use during the summer program for medically fragile students.

Department Head comments: J. Fabrizio said that the department service many children with special medical needs and that the District is developing programs and services to keep these student in-district. He also said the department looks at the services needed by various students to determine whether there is a cost saving to provide them using in-district staff or contracting for services from outside agencies.

Discussion included the following:

- Air conditioning
 - Working with the Maintenance Department, a split unit air conditioning system, which can cool 4 – 5 rooms, has been requested.
 - The district has tried portable individual room units, which have not worked well in the past.
 - The plan is to create a climate-controlled zone within the school.
 - These units are to be used in the schools, not in the Special Services offices.
 - The price of the system is basically the same as the price for an over-sized residential air-conditioning unit.
- There is some money in the budget for specialized staff training as well as additional supplies if needed for specific students.

Maintenance

Department Head: Tom Tousseau

Committee Liaisons: S. Heinrich, G. Krupp, V. Pellegrino

Liaison Report: G. Krupp told the Committee that the plow truck being replaced is actually a work truck that is literally rusted out. He said that the district will purchase the replacement off the state contract to save money and that replacing other trucks will be in future budgets. He

stated that a lot of things have now been added to the maintenance budget so that these items are standardized in all schools. Examples are white boards, AED batteries and the maintenance contract on the security cameras. He said that Honeywell is still sending the District an annual report on the energy savings the District is realizing. G. Krupp also mentioned that last year the Budget Committee had added funds to the Maintenance budget to replace a portion of the high school roof and the School Board had decided not to replace the roof.

Discussion included the following:

- Roof Replacement
 - The School Board made the decision to give the funds back to help reduce taxes
 - The School Board recently discussed encumbering the funds to replace the roof this summer, but the cost has gone from \$20 a square foot to at least \$23 a square foot.
 - The District will be losing \$1.1 million dollars in adequacy aid next year.
 - Replacing the particular portion of the roof that was proposed in conjunction with the chiller and heat wheel that is the Capital Improvement Plan for next year might seem to be a better idea.
 - Bonding
 - If the District were to float a bond issue to cover all school roofs, they would have to replace all roofs at the same time.
 - Bonds cannot be saved for future use; they have to be spent within a finite period of time, usually less than three years.
 - If such a bond article fails and a roof fails during the year, the district could not use other funds to replace the roof.
 - Roof replacement is now treated as a yearly maintenance budget issue.

District Wide

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

Committee Liaisons: L. Mooney, S. Heinrich, C. Lang and V. Pellegrino

Liaison Report: L Mooney told the Committee that the liaison team had discussed health insurance costs, national trends, and what the district and staff are doing to encourage people to take more cost effective programs.

Department Head Comments: M. Shevenell said that maximum guaranteed health insurance increase was 11.4 %. He said the amount was due to several high level claims last year and noted that the maximum guaranteed rate has been about 5% over the last few years. He also stated that the other budget increase of note was a 4% increase in transportation. However, M. Shevenell noted that district bonded debt will decrease by \$47,000.

Discussion included the following:

- Health Insurance:
 - The health insurance company uses a three-year claim average when determining the maximum guaranteed health insurance increase.

- By contract, there is a \$1,600 incentive for staff to decline to take health insurance. About 80 employees (10%) take the incentive.
- The District looked at a high deductible health insurance option but there was little staff interest.
- The District will be receiving about \$1.1 million dollars less in adequacy funds.
- The District is also paying retirees their portion of the “Local Government Center refund.”
- The Gifted and Talented budget lines show an error regarding teacher placement. M. Shevenell will correct the error and get a corrected spreadsheet to C. Guagliumi for dissemination to the Committee.
- M. Shevenell will also work on a spreadsheet showing how many staff on which salary lines left the District over the last few years.
- M. Shevenell made a guesstimate of the impact of the budget on the tax rate of 30¢ per thousand dollars of valuation.
- Radios are now a contracted services line in the District-wide budget so that all schools and the SAU office have the same brand radio.
- In the future, the District may be looking to increase the number and location of security cameras.
- Yearly roof maintenance is in the default budget.

Committee Discussion

C. Guagliumi thanked the School Board, the Administration and the Department heads for efforts on the budget. She asked if members had possible budget changes that they might want the Committee to consider or about which they might want further information.

No one did.

Other

C. Guagliumi asked M. Chiafery and School Board Chair Chris Ortega to comment on the unrecorded January 13th School Board meeting.

M. Chiafery told the Committee that there was a communication breakdown between the Central Office and the cable TV crew. She said that arrangements are now in place to prevent a reoccurrence.

C. Ortega indicated he decided to hold the meeting without the cable cameras and that he, M. Chiafery and M. Shevenell gave a detailed synopsis of the January 13th meeting during the January 21st meeting. He agreed to send the related School Board meeting minutes to C. Guagliumi for dissemination to the Committee members.

Public Participation II

There was no public participation

Upcoming Meeting Schedule

C. Guagliumi reminded the Committee that the next meeting was on February 4th. She said the meeting would start at the normal start time of 7 PM and the agenda for the meeting would

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include warrant article review and a work session on the budget. She said the Public Hearing on the Budget would be on February 11th and that Deliberative Session was scheduled for March 5th.

C. Lang made a MOTION to adjourn. Second: B. Cummings. MOTION PASSED unanimously.

C. Guagliumi adjourned the meeting at 8:53 PM.

Respectfully submitted,

Pat Heinrich