

**Budget Committee
Minutes
January 25, 2011**

Present: R. Barnes, T. Beard, M. Beck, B. Boyd, R. Buckley, J. Burk, B. Cummings, S. Heinrich, M. Publicover, A. Schneider and School Board liaison C. Ortega

Excused: G. Markwell

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: 02 P.M and led those present in the Pledge of Allegiance.

Approval of Prior Minutes

S. Heinrich made a MOTION to approve the minutes from January 11, 2011. Second: B. Boyd. Several corrections were suggested. MOTION PASSED: 10 – 0 – 1 with J. Burk abstaining.

Public Participation I

There was no Public Participation.

Department Presentations

Library/Media Services

Department Head: Nancy Rose

Committee Liaisons: S. Heinrich, T. Beard, and B. Boyd

Liaison Report: S. Heinrich told the Committee that the final budget adjustments made to the library media services budget totaled \$8500. He said that the line for books has been cut \$2,000 and was now down to \$60,000. He said that when the School Board had requested additional cuts, Ms. Rose suggested that the periodical line be cut by 33%, but that the School Board had only cut 20%. He said that Ms. Rose is looking for ways to update and improve the technology that is available for all schools which is why Ms. Rose had noted the need to leave the equipment lines intact. Overhead projectors are being phased out and the department is looking to replace them with data projectors. He said that the budget contains one interactive projector for each school. However, he indicated that the bank of VCRs in the high school library was not being replaced. In addition, funding for globes and maps has been reduced and will likely be eliminated in the future as more up-to-date resources are available on line. Instructional media has been cut by \$1000 because of a decision to reduce the number of on-line videos that are purchased. He indicated the department is investigating total WiFi for the future, but the cost is prohibitive at this time. He noted that the cost to install WiFi just at the high school was \$50,000. T. Beard reported that software-licensing fees have increased from \$36,000 to \$42,000 and that a few years ago this line had been \$25,000. He said the District is using more software and that the District was one of the biggest users of the Epsco software which is purchased through a consortium and the cost for which is based

on student population and usage. B. Boyd said he thought investments in technology for this department was a good idea.

Discussion included the following points:

- Equipment Warranties
 - The data projectors come with 1 – 3 year warranties. The warranty includes bulb replacement.
 - The District does not purchase extended warranties or have maintenance agreements on equipment.
 - There is an equipment repair budget line rather than a service agreement line.
 - The equipment repair budget line covers a service for fans and cleaning.
- Software: Epsco
 - The Epsco cost for software will be an on-going budget item.
 - The library does keep statistics on usage.
 - The licensing company would not allow a joint school/town-licensing venture.
- WiFi
 - Having WiFi and laptops change the “landscape” of computer usage within the District.
 - The School Board would have to develop a WiFi policy.
 - The District technology has to be resubmitted by June 2011.
 - The cost of \$50,000 to install WiFi at the high school is just the start up infrastructure cost. There would be an annual maintenance cost as well.

Special Services

Department Head: David St. Jean

Committee Liaisons: J. Burk, G. Markwell and M. Beck

Mr. St. Jean reported that the Special Services budget is highly regulated and based on Individual Education Plans (IEPs) for specific students. He said that it is difficult to predict a budget 18 months from implementation. He said all services budgeted for are regulated by Federal law and state regulations. He noted that the number of students requiring Special Services has remained fairly steady over the last few years. There are currently 709 students needing services. He said the state average percentage for numbers of students per District needing services is 15.4% and Merrimack has 16% of its students needing services. He indicated the proposed Special Services budget was down by 2.2% due in part because Out-of-District Placements (ODPs) were decreased by 2%. He said the main areas where the budget was increased were transportation as well as the salary and benefit lines. He said the bussing costs are up by 4% and that the District is in the last year of a multi-year contract with the bus company. He said the District employs 168 para-educators to provide services to meet the IEPs needs of the students within all the schools. He mentioned that there are more students with severe medical needs; some of who require certified nursing assistants.

Liaison report: J. Burk said that G. Markwell had been unable to attend the liaison meeting. She indicated that the Special Service budget was mostly driven by IEPs, which are basically contractual obligations. She said that the budget was fairly straightforward and the staff numbers were fairly steady. M. Beck said that any budget increases were related to the increase in numbers of known students with IEPs.

A. Schneider said that G. Markwell had provided some questions that he wanted answered for the minutes.

1. How many out-of- state ODPs were there this year? Mr. St. Jean said there were a total of 18 out of state ODPs, all of which are in Massachusetts for a total cost of \$1,342,920.
2. How many students are in a full-time residential placement? Mr. St. Jean reported that there was one student at Crotched Mountain and noted that the proposed budget includes two more such placements.
3. How much money is spent transporting students to out of state placements? Mr. St. Jean said that the 18 students are transported using 4 busses. The cost of those buses is approximately \$176,000. The cost is for the bus, not for the number of miles traveled. Students are transported to and from the placement each school day.

Discussion included the following points:

- Federal law requires a free appropriate education for students with disabilities.
- Services provided to disabled students must be educationally related and designed to meet an educational need.
- All services provided are fully funded by the Special Services budget – the cost, even for residential placements, is not shared with the parent.
- Occasionally the court orders a student placement. In such cases, the District pays for the school costs and the court pays for the placement costs.
- If a student with disabilities moves to the District during a school year, the District must provide any services needed even though the student's services were not part of the proposed budget.
- Several years ago, School District Meeting approved the establishment of a Capital Trust Fund for extra-ordinary unanticipated Special Services expenditures.
 - The fund grew to \$650,000.
 - About \$136,000 has been utilized, resulting in a current balance of about \$500,000.
- If a student with disabilities moves out away, the District does not spend the funds that had been allocated for that student.
- Tuition rates for ODPs are set by the state. To receive state reimbursement, districts have to abide by these rates.
- Federal law requires services to be provided for children from age 3 to age 21.
- Mr. St. Jean noted a trend toward more students with severe and/or multiple disabilities and that many of these students are in the younger grades.

- This year, the District does not expect to receive the full amount of catastrophic aid that was planned and it does expect what it does receive will be less than \$200,000.

Elementary Schools

Principal and Assistant Principal: RFS – Kimberly Yarlott and Timothy O’Connell,
MES – John Fabrizio and Emily Carter,
TFS – Bridey Bellamare and Sharon Putney

Committee Liaisons: R. Buckley, B. Cummings, M. Publicover

Liaison Report: R. Buckley said the budget numbers in the budgets proposed for the elementary schools are very consistent with prior budgets. He noted that the jump in the costs of textbooks is due to the movement of population “bubbles” from one grade to another. He said the District shares furniture between the elementary buildings and that he is in support of the proposed furniture replacement. He made note of the conference room table at TFS. He said that every year walkie-talkies are proposed for each building and he felt they were needed, noting that two of the schools have two playgrounds, one on each side of the building. He ended his comments by saying he did not see much to trim. B. Cummings added that though the budget amounts have basically stayed the same, the funds are not buying the quantity or quality they once did. M. Publicover stated that among the School Board cuts were some furniture that he really felt needed to be replaced. He said the walkie-talkie question comes up every year and that the liaisons had asked how many additional walkie-talkies it would take to completely outfit all three elementary schools. He reported that TFS would need 13, RFS would need 21 and MES would need 9 for a total of 43 at \$300 each. (\$12,900) He also said that the elementary schools are looking at purchasing reading texts so that each classroom would have its own reading library. However, this project will be implemented gradually.

Discussion included the following points:

- Field trips
 - The location of the some field trips (for example, the Currier Museum) is the same at all three elementary schools.
 - In the areas of Science and Social Studies, each school may be taking a field trip to a different location than the others.
 - The social studies and science facilitators are looking for the best fit with the curriculum and are trying to make the trip the same for all three elementary schools.

The walkie-talkies at each school in the Masticola complex are set to different frequencies to allow for separate communication at each school.

High School

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

Committee Liaison: M. Beck, R. Barnes, R. Buckley

Liaison Report: M. Beck said that 8 years ago, the high school had over 1680 students and next year is expected to have just under 1500 students. He said the budgets over the years have been adjusted to reflect fewer students. He noted the proposed budget contains funding to replace the Spanish II textbooks. The current textbooks almost 13 years old and replacing them was put off when the Spanish I texts were replaced a few years ago. Another large item in the proposed budget is replacement of 70 computers most of which will be placed in the labs used for several computer based courses (For example: CAD and computer graphics) as well as in the computer lab in the library. M. Beck said the computers being replaced are Windows 98, for which Microsoft no longer offers support. He indicated that there are 88 sections of such classes, 77 of which could be running during a given semester. M Beck said the budget also proposes replacing a woodworking saw and some funds in support of transportation costs for co-curricular group/activities that proceed to regional or national competitions. Finally M. Beck said there were funds in the science equipment budget line to replace the hot plates that are used in labs since the gas lines were disconnected. R. Barnes noted that replacing computers at the high school has been an on-going need since the middle school has newer computers and technology.

Discussion included the following points:

- Transportation to the vocational centers at Nashua and Alvirne.
 - The course selection booklet seems to indicate that transportation will be provided if a student is going to Alvirne but may be provided if a student is going to Nashua.
 - The District does provide a couple of bus runs to (and from) both centers each day at regularly scheduled times.
 - If a student is available at the scheduled time, they can ride the bus. Otherwise, they must provide their own transportation to these programs.
 - It was suggested that the course selection booklet should indicate that transportation to both schools “may,” not “will,” be provided.
- Co-curricular “post season” transportation
 - In the past there have been funds for regular season activities.
 - Students going to post season events often have very little time in which to raise the funds to go to post-season activities and, as a result, have not been able to participate in these activities.
 - These funds will only be utilized as a contingency.
- Music software
 - This software supports music department programming.
 - Using this program to produce sheet music for the band would violate copyright/royalty laws.
- Computers
 - Forty-eight students per semester take computer web design.
 - There are 5 –6 sections of CAD per semester – 16 students per section.
 - There are 3 sections of computer graphics offered this semester: 20 students per section.
 - The computers will be used with existing printer infrastructure.
 - The computers being replaced are in labs, each lab for a specific course.

- Computers in regular classrooms are used by the teacher in that room.

A question on track maintenance was deferred as this expense is in the Maintenance budget.

District Wide

Department Head: Superintendent M. Chiafery

Assistant Superintendent Dr. M. McLaughlin

Business Administrator M. Shevenell

Committee Liaisons: B. Cummings, J. Burk, A. Schneider.

Liaison Report: B. Cummings reported that the liaison teams spent some time discussing the retirement incentive. By contract the District has an obligation to honor 10 such requests from teachers who are 55 and have been with the District for a minimum of 15 years. He noted that “Transitional Education Support” is what was formerly called “District in Need of Improvement (DINI)”. He said that a lot of the areas in this budget are expenditures in this budget are non-discretionary and driven by contracts or other obligations. He indicated that teachers acting as mentors to newly hired teachers do get a stipend. He noted that in FY 2011-2012, the District would be in the last year of a five-year contract with the bus company. He said that other areas within the budget that have increased include criminal background record checks and the annual audit. He said the rates for criminal background record checks have gone up and that because of Gatsby 34 and 35, audits are more detailed and, thus, more expensive. A. Schneider said that the bond for 1997 additions would be paid off in FY 2011-2012. He also said the big cost issues in the budget were retirement and health care – neither of which were discretionary.

Mr. Shevenell told the Committee that most of the District –Wide budget is made up of contractual or legal items, for example: performance pay, insurance, FICA, debt service, etc. He said the District has minimal control over these costs and these costs represent \$21 million dollars of the District-Wide budget. He presented the members with a schedule of bonded debt over next few years.

Discussion included the following points:

- The benefits and other costs associated with the two teaching positions cut at the middle school have removed from the budget.
- Since a bond will be retired during FY 2011-2012, that bond and its cost will not be included in the bonded debt line of the budget proposed for 2012-2013.
- When putting together the C.I.P this year, the School Board used the schedule of bonded debt to help it propose projects and keep the tax impact level.
- A few years ago, it was proposed that the Assistant Principal position be eliminated from Masticola Elementary. However, a petitioned warrant article from the parents to keep the position overwhelmingly passed.
- There has been no discussion about consolidating Masticola Elementary and Masticola Upper Elementary. One school is a “neighborhood” school; one is a “district-wide” school. Both are organized differently as well.

- “Interns” is a term that has to be used for the certification process for speech assistants who are working under a licensed provider at the elementary schools.
- The local legislative delegation has been invited to a School Board meeting to discuss the impacts of House Bill 34.
- Honeywell Energy Contract
 - This is a year-to-year contract.
 - The District is still implementing some of the various initiatives (fans, sensors, etc.) and still quantifying the savings.
 - These projects are not part of the C.I.P.
- Mr. Shevenell will provide a list of administrators and indicate whether they have a statement of employment or a contract.

A. Schneider announced that at the February 1st meeting the Committee would review warrant articles and hold a work session on the proposed budget. He said this was the Committee’s opportunity to adjust the budget up or down. He told members that the Committee was dealing with the total bottom line but that any member proposing an adjustment should present as much information as possible, such as account number, page number and rationale, about where the adjustment was being proposed. He said the Committee would discuss each adjustment and then vote. He said it would take a majority to pass any proposal and that a tie vote would mean the motion fails.

A. Schneider said the Public Hearing on the proposed budget would take place on February 8th, after which the Committee would take final action on its recommendations for Deliberative Session.

Other

No member had any other business to bring up.

Public Participation II

Roy Swonger, 6 Clara Drive and also a member of the School Board, told the Committee that the high school track was opened on April 15, 2000 and that budget items related to maintaining the track surface could be found in the Maintenance budget on Pages 5 and 10.

S. Heinrich made a MOTION to adjourn. Second: R. Barnes. MOTION PASSED unanimously.

A. Schneider adjourned the meeting at 8:53 PM