

**Merrimack School Board Meeting  
January 14, 2013  
Merrimack High School – Cafeteria**

**PUBLIC SESSION BUDGET WORKSHOP MINUTES**

**PRESENT:** Chairman Ortega, Vice Chairman Powell, Board Members Markwell, Barnes and Schneider, Superintendent Chiafery, Assistant Superintendent McLaughlin and Business Administrator Shevenell.

**1. Call to Order**

Chairman Ortega called the meeting to order at 7:00 p.m.

**2. Pledge of Allegiance**

Chairman Ortega led the pledge of allegiance.

**3. Public Participation**

Jody Vaillancourt of 35 Greenleaf Street spoke against the elimination of one high school French teaching position from the 2013-2014 budget. She disagreed with the assessment that there would be lack of enrollment in French IV for the school year 2013-2014. She felt the reason for the elimination of the French teaching position may have been to meet a specific budget figure.

She spoke with Assistant Superintendent McLaughlin and Principal Johnson about her concerns at which time Principal Johnson explained the possibility of a combined French IV and French V class. She understood the concept; however, expressed concern about teaching French IV and V and doing it well.

Mrs. Vaillancourt asked the Board to consider her concerns during budget deliberations. She requested that the high school French teaching position be reinstated into the 2013-2014 budget.

Schuyler Vaillancourt of 35 Greenleaf Street and a sophomore at Merrimack High School stated that he was currently taking French III and wants to take French IV next year. He also met with Principal Johnson and was presented possible options for French IV next year. The French IV options presented to him were either a combination French IV and French V class, an independent study or a virtual learning course. Schuyler Vaillancourt did not support the alternatives. He felt there is enough student interest for a French IV class next year. He requested that the high school French teaching position be reinstated in the 2013-2014 budget.

Lucie Watt of 16 Spaulding Drive spoke in support to reinstate the high school French teaching position. She questioned if students would receive the same quality of French IV instruction through an independent study as they would in a French IV class. She suggested that the interest in French at the middle school level would feed the high school French classes.

Logan Nozell of 10 Wildcat Falls Road and a sophomore at Merrimack High School spoke in support to reinstate the high school French teaching position in the 2013-2014 budget.

Kyra Gustavsen of 22 Joellen Drive and a sophomore at Merrimack High School currently taking French III spoke in support to reinstate the high school French teaching position in the 2013-2014 budget.

#### 4. Budget Discussions

- Merrimack High School

Chairman Ortega introduced Principal Ken Johnson, Assistant Principal Richard Zampieri and Assistant Principal Peter Bergeron.

Principal Johnson introduced Assistant Principal Zampieri and Assistant Principal Bergeron. Principal Johnson reported a decrease in student population at the high school. He reported most line items in the 2013-2014 budget were reduced by 50% while others were level funded. He highlighted proposed increases in the co-curricular transportation and supplies accounts and the purchase of new biology textbooks for the science department.

Assistant Principal Zampieri answered the following question submitted by Budget Committee Member Gary Krupp.

Question: The technology education/instructional equipment repairs account was cut significantly from the previous budget. Several other supply accounts were trimmed also. What supplies and equipment is the district no longer buying? What is the impact to the delivery of instruction?

Answer: Despite the cut in the instructional equipment repair budget account all students will receive the instructional requirements. Some scheduled maintenance will be delayed.

Assistant Principal Bergeron answered the following question submitted by Budget Committee Member Gary Krupp.

Question: The music/supplies account was cut significantly from the previous budget. Several other supply accounts were trimmed also. What supplies and equipment is the district no longer buying? What is the impact to the delivery of instruction?

Answer: The 50% reduction in the music/supplies account will impact the delivery of awards and that students will receive certificates. The purchase of new sheet music, piano books, the reconditioning of the color guard equipment will be deferred to the next budget cycle. Music books, workbooks, percussion equipment (drum sticks, mallets, and drum heads) and marching band drill design will need to be purchased. The budget reduction does not impact the teachers' ability to deliver high quality instruction and the curriculum will be carried out throughout the year.

Principal Johnson added that his administration made every effort to ensure that budget reduction decisions were consistent with the goals and objectives of the District Logic Model. The budget provides what students and staff need while working carefully and responsibly in an effort to meet the goal set by the board to seek a level funded budget.

Board Member Barnes stated that the co-curricular budget was not enough money to fund all co-curricular activities through the championships, as is the case with sports.

Principal Johnson and Assistant Principal Bergeron both explained that the sports championship schedule and venues are consistent from year to year. The co-curricular championship schedules

and venues such as US FIRST, Science Olympiad, Quiz Bowl and Destination Imagination change from year to year.

Board Member Barnes stated that she would like to see an estimated budget amount for the co-curricular activities that do participate at the championship level frequently. She suggested using a three year average of the cost for the co-curricular activities including championship expenses for that budgeted amount.

Assistant Principal Johnson agreed that a three year average cost for the co-curricular activities could be produced.

Board Member Barnes asked why the science furniture budget was reduced by 75%.

Principal Zampieri explained the 2012-2013 budget supported the purchase of twelve new science lab stools. There are currently enough science lab stools. The reduction in the science furniture replacement account was an effort to maintain a level funded budget.

Board Member Barnes referenced a recent booster club donation of two defibrillators and a reference during the booster club's presentation that six additional defibrillators would cover all sports. She did not see a purchase for defibrillators in the budget and asked if there was a plan to purchase additional defibrillators.

Assistant Principal Bergeron responded that there are three defibrillators located throughout the high school, the athletic director has one and the athletic trainer has immediate access to a defibrillator at all times. The athletic trainer's defibrillator is not owned by the district. Assistant Principal Bergeron stated that the high school has an adequate number of defibrillators.

Board Member Barnes asked why the purchase of graphing calculators is more than \$1,000. She questioned if the graphing calculators could be purchased for less than \$100 and if the use of computers or tablets with web access could be used as an alternative.

Principal Johnson clarified that the \$1,000 was for the purchase of three sets of ten graphing calculators intended for individual student use on the desk. Classrooms do use technology as an alternative to calculators for instructional purposes; however, not all classrooms are equipped with a digital projector.

Board Member Barnes still questioned if \$100 would be better spent on the purchase of a \$100 tablet with web access rather than a graphing calculator.

Board Member Schneider expressed his support for the purchase of graphing calculators as long as the math curriculum includes teaching students to use graphing calculators. He felt \$100 per graphing calculator was a reasonable price.

Board Member Schneider suggested that the wording for the Challenge Day description specify that the budget pays for only one third the cost of expenses for Challenge Day. The remaining two thirds of the cost of Challenge Day expenses are funded by other sources.

Board Member Schneider asked if the purchase of cafeteria tables is a replacement or incremental.

Assistant Principal Bergeron stated that the cafeteria tables were replacement tables.

Board Member Markwell asked for an explanation for the purchase of new science text books.

Assistant Principal Zampieri explained that the current text books are thirteen years old. The new textbooks would be universal in design which would allow all levels of ability to use the same chemistry textbook.

Vice Chairman Powell questioned why the increase in the cost for transportation for the vocational program.

Business Administrator Shevenell explained that the new transportation contract for the regular buses was more expensive than the transportation contract for the special education program buses. He noted that two buses are needed to transport students to the vocational programs in Nashua (Nashua South and Nashua North).

Vice Chairman Powell asked if the district receives financial assistance from the State of New Hampshire to offset the cost of transportation for the vocational programs.

Business Administrator Shevenell reported that the district no longer receives assistance from the State of New Hampshire towards the cost of transportation to and from vocational programs.

Vice Chairman Powell referenced the purchase of two imac computers for the photography program. He asked if a lease option had been considered rather than purchasing the two computers.

Assistant Principal Zampieri could not speak to the Library/Media/Technology budget but added that the purchase of two imac computers would complete the classroom set of imac computers for the photography class.

Business Administrator Shevenell stated that a leasing option was more appropriate for obtaining a large number of computers in a short period of time with payments spread out over a period of time.

Vice Chairman Powell acknowledged the concerns expressed by parents and students over the reduction of one French teaching position in the 2013-14 budget. He asked how the high school would meet the needs of those students wanting to take French IV and V next year.

Principal Johnson noted that class enrollments are not known at the time the budget is built. It is unknown at this time if French IV will be a stand alone class or if it will be combined with a French V class or treated as an independent study or as a Virtual Learning Academy Charter School (VLACS) course.

Board Member Barnes expressed her concern that the reduction of one French teaching position will impact those students wanting to take French IV next year.

Board Member Schneider asked if there was a reason why the French IV enrollments were expected to be lower.

Principal Johnson stated that all department budgets were reviewed for areas that could be reduced and still meet the demand of the students in an effort to produce a level funded budget.

Board Member Markwell stated if an additional French teaching position was needed after the French IV enrollment figures were known, he felt confident that Superintendent Chiafery would present that information to the School Board for its consideration. He compared it to the Board's recent approval to increase a part-time preschool teacher position to a full-time position.

Chairman Ortega noted the enrollments at the lower grades are easy to project. The challenge with the high school budget is the need to assess the projected class enrollments before the actual enrollments are known and the Board doesn't have information to know how the proposed budget will affect students.

Chairman Ortega asked Principal Johnson to speak about concerns from parents and students that an independent study may not be the best situation for a French IV course.

Principal Johnson stated that the ideal situation would be to have a stand alone class for French IV. Another option might be a combined French IV and French V class. Independent studies must follow the curriculum in a rigorous way, may not meet regularly, must meet the requirements for credits and require four signatures.

Assistant Superintendent McLaughlin added requests for independent studies are not easy to obtain. It is the student's responsibility to make the request to the teacher. The teacher and student create a plan. The student is responsible for meeting the requirements in the plan. The teacher's role is to validate the requirements are met. Independent studies have the same standard and requirements as class instruction.

Chairman Ortega asked if the Merrimack Middle School French class enrollment figures would help with French class projections at Merrimack High School.

Principal Johnson stated if there is a need to reassess the one French teaching position after class enrollments were known, he would come before the School Board.

Board Member Schneider requested 2012-2013 enrollment figures for all middle school world language classes. He expressed concern over the thought that a trend of reduction in staff would result in more independent studies.

Board Member Barnes stated that she was not comfortable with the reduction of the one French teaching position at the high school.

Board Member Schneider asked Business Administrator Shevenell to provide the Board members with the cost of the four positions that were proposed to be removed from the 2013-2014 budget prior to the January 16<sup>th</sup> meeting.

Chairman Ortega requested the certification areas of the high school world language staff.

Principal Johnson stated that he did not have that information with him but that he would provide that information to the School Board.

Principal Johnson, Assistant Principals Zampieri and Bergeron agreed to return to the January 16<sup>th</sup> meeting with additional information as requested by the Board.

- Library/Media/Technology

Chairman Ortega introduced Nancy Rose who is Acting Director of Library/Media and Services.

Mrs. Rose reported increases in the software account and the technology infrastructure which is listed on the Capital Improvement Plan.

Board Member Schneider asked what the down side was if computers were not upgraded.

Mrs. Rose replied the middle school computers are nine years old and slow. If the computer upgrade is not supported, it will affect when future computers are purchased.

Board Member Schneider asked if there are other funding sources available to the Merrimack School District for technology. He suggested thinking outside the box for grant funding.

Mrs. Rose replied that it was an area that could be addressed.

Superintendent Chiafery added that in the past, the Merrimack School District has been more successful obtaining additional funding sources when it applied for grants with another district(s).

Board Member Markwell questioned the budget for the telephone account. He felt it was high.

Business Administrator Shevenell explained that the telephone budget was representative of the average phone usage cost.

Board Member Markwell asked how much the district would save with VOIP (Voice Over Internet Protocol).

Mrs. Rose responded that the VOIP installation is in the early stage. She does not know at this time how much it will save the district.

Board Member Markwell asked if there were educational grants or a reduction in price for Microsoft LYNC.

Mrs. Rose replied that the district receives Microsoft LYNC for free and that she continues to investigate its use within the district.

Board Member Markwell was pleased that W365 was being considered and he offered his assistance, if needed.

- Special Services

Chairman Ortega introduced Director of Special Services John Fabrizio

Director Fabrizio stated that the special education budget is student specific, driven by laws and the budget is created before many services are known for the 2013-2014 school year.

Director Fabrizio reported an increase in the additional equipment account because the American Recovery and Reinvestment Act funds are no longer available. The paraeducator account decreased by 2.5% as a result of attrition. The transportation for special education will decrease per the contract with the transportation company, Provider. He explained that out-of-district placements are considered after internal solutions are not viable.

Director Fabrizio explained that a new law requires school districts to pay for special education services for students that attend public charter schools.

Director Fabrizio reported an increase in the services account due to an increase in the autistic population. He explained efforts are underway to reduce the services account by providing staff with appropriate training.

Director Fabrizio explained that the psychology accounts pay for all evaluations that need to be done in a timely fashion.

Board Member Schneider asked for clarification relative to the tutoring account.

Director Fabrizio explained that requests for tutoring requires three levels of signatures. It is very difficult to predict tutoring expenses because some requests are for short term while others are long term.

Board Member Markwell asked what type of initiatives are being considered for the transition of out-of-district placements to return to the district.

Director Fabrizio explained that he has been visiting the out-of-district placement facilities. His goal is to determine the type of out-of-district service offered to each student that the district can not provide. Conversations with the Brentwood School are ongoing.

Director Fabrizio stated that mental health is an area that is not supported out-of-district. He is exploring resources that can be provided in district to help a specific population of students.

- District-Wide

Business Administrator Shevenell reported that health insurance costs are a major portion of the budget which is approximately \$10 million. The budget is based on a 3.5% guaranteed maximum rate for insurance.

Business Administrator Shevenell addressed the following questions by Budget Committee Member Jen Burk.

Question: How is the district handling the contribution holiday/return of surplus coming in August 2013. Is that rolled into the 3.5% guaranteed maximum rate?

Answer: The contribution holiday is the return of surplus funds held by the Local Government Center. That amount is not reflected in the proposed 2013-2014 budget. The amount the district expects to receive from the Local Government Center is approximately \$345,000 gross. \$284,000 is the amount of return to the Merrimack School District; \$60,000 is the amount of return to the employees and retirees.

Question: When was the last time the insurances (health, dental, life insurance, LTD, WC, UC, etc) were put out to bid?

Answer: Approximately six or seven years ago a broker shopped around for health insurance options, the district received a health census from the Local Government and the health insurance went out to bid. The district received a low bid from Cigna that would have resulted in some savings, but it was decided to focus on wellness and prevention. The Healthcare Cost Containment Committee was formed to find creative ways to decrease health insurance costs for the district and the employees. The mail in prescription program and biometric screenings are two examples of cost savings initiatives. There appears to be a connection in the last couple of years. The dental plan has not gone out to bid; many companies do not offer dental insurance. The district does not offer group term life insurance to the Merrimack Teachers Association or Merrimack Educational Support Staff Association. The long-term disability and worker's compensation goes out to bid regularly. The district currently has a three year agreement with PRIMEX for worker's compensation insurance.

Question: Can you explain the note under Property/Liability that notes a decrease due to a recent bid process?

Answer: The switch from a private insurance company to PRIMEX, of which the district is a member, resulted in a lower price and better quality of service.

Question: What have the worker's compensation claims experience/loss ratio been over the past couple of years in terms of employee injuries in the general sense?

Answer: The worker's compensation loss ratio factor is 1.14%. The worker's compensation premiums are based on the claims over the last three years which have been expensive. The claims experience has been primarily slips and falls. PRIMEX offers prevention seminars which have proven to be beneficial to the maintenance department. A form was created to inform maintenance of potential hazards which are addressed immediately.

Business Administrator Shevenell reported that he does not anticipate an increase in the retirement for classified and professional staff during 2014-2015.

Business Administrator Shevenell reported that the contracted services account pays for Internet, PowerSchool, and BudgetSense software contracts and services. The account increased \$12,000 to accommodate two new services for disaster recovery programs which includes an off-site back up and a guarantee of a full restore when need.

Business Administrator Shevenell reported an increase in the transportation contract.

Superintendent Chiafery reported an increase in the district legal services.

Business Administrator Shevenell addressed the following questions by Budget Committee Member Jen Burk.

Question: Summarize the percent increase in salaries across all groups, including any non-affiliated staff members. I would like to know what the cost of living adjustments are, plus any percents associated with steps, along with any unusual/market adjustments noted for positions, if applicable.

Answer: The Merrimack Teachers Association contract is to be determined. If there is an agreement ratified by the Board and the Merrimack Teachers Association it will appear on the Warrant. The Merrimack Support Staff Association contract for the 2013-14 budget includes a 2.75% increase (this includes steps/cost of living adjustment). The cost of living adjustment for the support staff equals 1%. Increases for the non-affiliates will be 2.75%. Administration will receive a lump sum increase of \$1,625 per person.

Business Administrator Shevenell addressed the following question by Budget Committee Member Gary Krupp.

Question: Salaries are listed as an item to be determined. Will this budget be changed to account for items agreed upon during the collective bargaining process or will the net cost difference be listed as a lump sum on the warrant to represent the budget adjustments?

Answer: Business Administrator Shevenell anticipates he will itemize the increases similar to the way he itemized the Merrimack Educational Support Staff Association contract on the Warrant last year.

Superintendent Chiafery addressed the following questions from Budget Committee Member Gary Krupp.

Question: Last Year's School Board budget cuts listed all accounts and associated amounts that were affected by additional reduction in force. Can a similar breakdown be provided for the positions proposed for reduction in force in 2013-2014?

Answer: Yes, the intention is to provide the same information as last year.

Question: The district has responded to several consecutive years of student population decline (900 students since the year 2000) by reducing teaching staff. Has the district considered a reduction in management staff and support staff?

Answer: During Superintendent Chiafery's tenure two management positions (an instructional supervisor and one assistant principal position at Merrimack High School) were eliminated. One management position (an assistant principal position) was deployed from Merrimack Middle School to James Mastricola Upper Elementary School). There has been a reduction of 16.5 support staff positions. The 16.5 positions were paraeducators, administrative assistants, a library assistant, food service personnel, kindergarten instructional assistants and a custodian.

Question: Why are dues for New Hampshire School Boards Association still part of the general fund?

Answer: When the budget was delivered to board on December 3<sup>rd</sup>, the board had not taken a stand on how it wanted to handle the New Hampshire School Boards Associations dues. It was important to keep it as a membership in the budget.

Question: Have all of the organizations that receive money from the membership accounts been vetted to determine whether they lobby the State Legislature?

Answer: Determination has been made by the board to take all funds for membership and put them into one separate account.

Business Administrator Shevenell addressed the following questions by Budget Committee Member Jen Burk.

Question: Has there been any consideration not to reimburse employees for the cost of criminal records check aside from covering the cost for volunteers?

Answer: The district will continue to pay for the cost of criminal records check for new employees and volunteers from the 2013-14 budget unless the Board makes an adjustment.

Question: What would be the tax rate impact on the \$1.8 Million increase in the operating budget?

Answer: Each million dollar represents a 31 cent increase in the tax rate, approximately 62 cent tax increase per thousand dollar which equates to about \$186 on a \$300,000 home.

Business Administrator Shevenell addressed the following question from Budget Committee Member Gary Krupp.

Question: The default budget total is \$67,374,992. Will you provide a spreadsheet by account number that details the items included/excluded in the default budget on the expenditure side of the budget?

Answer: Yes. The default budget has to be posted with the Warrant.

Board Member Markwell stated at the beginning of the budget process he asked for data pertaining to the elimination of one administrator position from the James Mastricola Complex and the consolidation of the two schools to one school. He asked why that was not presented in the budget.

Superintendent Chiafery considered the performance responsibility of administrators, which are increasing on the state and national level, over the student enrollment figures.

Board Member Schneider asked why the proposed retirement incentive was significantly less in the 2013-2014 budget than last year's budget.

Business Administrator Shevenell responded that previous budgets included administrator retirements. The 2013-2014 budget only accounts for ten teacher retirements and no administrator retirements.

Board Member Schneider asked if the \$80,000 for support staff training was a contractual amount.

Business Administrator Shevenell replied the \$80,000 for occupational and professional training for support staff was a contractual amount.

Board Member Schneider asked if the administration improvement account and the instructional staff development account were contractual amounts.

Superintendent Chiafery stated that both the administration improvement and the instructional staff development accounts were contractual.

Board Member Schneider asked why the equipment/repair account was over expended last year by \$6,000.

Business Administrator Shevenell reported that the large increase in the expended equipment/repair account last year was due to the cost to replace the server when PowerSchool crashed.

Chairman Ortega asked if performance pay was a contractual obligation.

Business Administrator Shevenell responded that the performance pay account was a contractual obligation.

## **5. Board Discussion**

Chairman Ortega stated that the high school administration would return to the Board meeting on Wednesday, January 16 to provide the Board with additional information to consider.

Business Administrator Shevenell will provide the Board with cost estimates for various positions, including the cost of two school psychologists.

## **6. Public Comments on Agenda Items**

There were no public comments.

At 9:35 p.m. Board Member Barnes moved (seconded by Board Member Markwell) to adjourn the meeting.

The motion passed 5-0-0.