

**TOWN OF DEERFIELD  
MUNICIPAL BUDGET COMMITTEE PUBLIC HEARING & MEETING  
October 15, 2013  
MINUTES**

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**Call to Order:**

6:30 pm Chairman Kevin Verville called the meeting to order.

**Pledge of Allegiance to the Flag**

Chairman Verville asked all to rise and pledge allegiance to the Flag.

**Moment of Silent Reflection**

**Roll Call:**

**Present:** Kevin Verville, Chairman; Jim Spillane, Vice Chair; Harriet Cady, David Carbone, Don Daley, Carol Levesque, Fred McGarry, Jeff Shute and Bill von Hassel, Members; Maryann Clark, School Board Rep;

**Absent:** Steve Barry, Board of Selectmen Rep

**Approval of Minutes – August 13, 2013**

**Motion:** J. Spillane moves the minutes as written

**Second:** F. McGarry

**Vote – All in Favor – Motion Carries**

**Review of Town Budget**

Chairman Verville noted that the Town's recent expenditure report, pulled as of October 11' 2013, has been circulated to the Committee for review and opened the floor to discussion.

D. Daley noted for the record that if the assigned Select or School Board rep is unavailable that any representative from the respective Board can attend the MBC meetings. Regarding the current expenditure report, he pointed out that the Zoning Board lines are overspent. F. McGarry said that typically the Board is reimbursed for postage, the Part Time Employee line costs may have been due to several meetings that were held regarding the JCR Helicopter Pad, but he was not sure. D. Daley went on to say that the Maintenance and Repair lines appear to be in very good shape. He asked whether the Police Department cruiser was kept or sold. H. Cady spoke that the cruiser was traded in for \$4,000 towards the cost of the new cruiser. She would like to know the price of a fully loaded cruiser purchased in NH versus buying a car in MA and outfitting it with a pursuit package.

D. Daley would like feedback on the Highway Department. He noted that the Overtime and Part Time Employee lines are showing as overspent. The Department appears to be 97% spent YTD with two months still to go. H. Cady expressed concern for the huge amounts of money that were spent in hiring leased equipment while the backhoe loader was out of service.

H. Cady and J. Spillane voiced concerns with the constant running of water in the Women's and Men's bathrooms in the GBW Building, specifically the resultant wear and tear that running causes on the systems pump. Chairman Verville will ask if the Town has a plan to address the issue. J. Spillane would also ask for a breakdown of the GBW Maintenance line that shoes YTD expenditures of \$24,901 and H. Cady would like to know where the Town Administrator got the Apple laptop.

**Review of School Budget**

M. Clark provided the Committee with an update on the 2013-2013 year financials. The fiscal year closed with a surplus of \$316,604. A Warrant passed at the last Town Meeting authorized the School Board to retain part of that surplus for use on a limited number of things, including emergency expenditures, over expenditures or to be returned at a later date. The School voted to retain \$156,000 of the surplus and to return \$160,604 to the Town to offset taxes. J. Spillane asked if Special Ed was included under the same categories for future use of retained funds, M. Clark will need to investigate further, Special Education may fall under the Trust Fund monies. M. Clark updated the Committee that last year's budgets were based on a forecasted number of 475 students and the DCS opened the 2013-2014 school year with 467 students, the grade breakdown was not yet available, but M. Clark will have that for the next meeting.

H. Cady read recently that the School Board had discussed whether or not to build handicap ramps for the modular buildings and voiced her concern for spending money on outdated, leased space. M. Clark confirmed that the topic had been discussed and that the conversation reflected Harriet's concerns. The School is trying to formulate a longer range plan for the modular buildings. J. Spillane noted that the School replaced its septic a few years ago and asked if the new system could support the

addition of plumbing in new modular buildings. F. McGarry responded that the existing fields could handle the flow, the problem is getting the flow to the pump station. C. Levesque asked how the modular space was currently being used to which M. Clark answered Special Education teacher's meeting space, two fifth grade classes, foreign language and health and wellness. B. von Hassel asked what term remained on the lease and M. Clark answered that it is a year to year agreement as DCS has had the buildings for such a long period of time. H. Cady voiced her frustration that the school was originally built to accommodate 500 students, since then it has two additions and she is concerned there has not been a study done to look at how the space is being utilized. State mandates dictate no more than 25 students per classroom and many of the DCS classes have only 12 to 14 students. She feels inefficient use of the space is a disservice to tax payers. M. Clark stressed that no decision has been made on the modular buildings. This is an active discussion and an issue the School Board will continue to consider. To respond to Ms. Cady's remarks, she noted that there has been a change in program offerings and the laws on special educations since the school was constructed, this, along with other changes have caused the need for a larger footprint of space. J. Spillane asked if the Town was responsible for maintenance of the modular buildings, or could some of that fall back onto the leasing company. M. Clark confirmed that some repairs are covered by the leasing company, a punch list was presented to the Schivonne representative at the last School Board meeting and she should have more information on costs and coverage at the next meeting.

D. Daley asked if the 2012-2013 surpluses had been larger and were there any purchases that brought the final number down? M. Clark responded that there was some expenditure on security upgrades; she will present those details at the next meeting. J. Spillane asked for an account of which areas created the surplus. M. Clark indicated that it was primarily in the High School Tuition and Special Education Placement lines. There was a surplus of \$168,607 in High School Tuition, \$172,200 in out of District Special Education Placements and \$28,180 in the Regular Education salary line.

D. Daley congratulated the School Board on the High School Contract being completed and asked for some additional information as he noted the tuition rate for 2014-2015 was the same. M. Clark reviewed the High School evaluation process. Concord, Pembroke and Oyster River were looked at as potential schools to service the Town. DCS is currently in year 10 of a 20 year contract with Concord High School. Areas of attention during the negotiation included Risk Factor language in the current contract (for example if the CHS population grows greater than 1,900 students, Deerfield would be responsible for additional funds), student threshold language, and tuition. The Committee wanted to pay tuition that reflected the actual costs to educate a student. Based on Concord's DOE 25 (a school expense report), the group took expenditures, backed out special education and transportation costs and arrived at a baseline number. They then built in a rate of inflation/deflation based on the trailing 10 year actual costs and included an amount for capital expense projections. Based on this revised methodology for calculation, it is estimated that in the 2015-2016 school year tuition will be \$11,548/student. If the current contract had remained in place the 2015-2016 tuition is estimated to have been \$15,028. At 190 students, the revised contract represents a potential savings of over \$600,000.

H. Cady asked who was included in the negotiations, to which M. Clark answered the CHS Superintendent, Finance Officer and one School Board Member. B. von Hassel asked what would happen if Concord's actual costs increased throughout the life of the contract. M. Clark responded that tuition would go up, but added that the estimates do assume an annual cost inflation of 2%. D. Carbone asked what other considerations were a part of the discussion? M. Clark indicated that there will be a full question and answer period regarding the negotiations during the next School Board meeting to be held November 6<sup>th</sup>, but added that there were several factors considered, including the school's ability to support Deerfield's diverse academic population. It was felt that Concord met the needs of Deerfield students at the broadest level. B. von Hassel asked if there was any feeling regarding Concord's ability to contain costs going forward, M. Clark responded that she did not see anything that caused her to question their ability. D. Daley noted the change in language where the guaranteed attendance rate of Deerfield students dropped from 95% to 90% and asked if that could reduce the potential cost savings if a higher percentage of students were attending alternative, more expensive, high schools? M. Clark answered yes, potentially, and indicated that the School Board will be reviewing the current policy regarding alternative high schools.

C. Levesque asked where Concord stands statewide in terms of tuition rates. M. Clark answered that they are relatively in line, she believes Pinkerton and Dover rates will be \$11,000 for the 2015-2016 school year, Oyster River is \$14,500, with that figure including a certain amount of special education services. She added that Oyster River had its own risk factors with their willingness to take tuition students.

M. Clark closed in noting that there will be no teacher or paraprofessional contracts coming due this Budget season.

### **New Business**

H. Cady noted that at the end of the Police Department Audit contract it says the vendor will assist Selectmen in accomplishing goals, but did not give a price. She would ask if we will be looking at a separate contract to be included in this budget cycle.

D. Daley noted that the next meeting scheduled for October 29<sup>th</sup> at 6p could have been canceled had the Select Board had a Representative available for discussion at tonight's meeting. Chairman Verville will communicate the MBC's concerns and make sure that a Select Board representative is available for the 10/29 meeting. He also spoke to the importance of the MBC's work and asked that all members work amicably in going about the business of Budget review.

H. Cady spoke that the Select Board has indicated they do not need to review a number of the smaller Town Department budget's and she would ask if the MBC could also have those non-controversial budgets early so as to get a head start on the process. She also suggested that the MBC look at explaining to the citizens of the Town why the taxes are what they are, she has heard local feedback that the taxes of Deerfield seem to be far higher than other towns and with less services offered.

F. McGarry spoke that the most likely contributor to the Deerfield taxes, when compared to their neighbors, is the lack of any major commercial/industrial tax revenue. D. Daley agreed and the Committee concurred that they would like to see more citizens attend meetings or deliberative sessions so that they can gain a greater understanding of why the taxes are what they are.

M. Clark noted for the record that the School Board will take a first pass at the budget on November 20<sup>th</sup> at the DCS Library and encouraged all to attend.

**Old Business**     None

### **Citizens Comments**

Peter Menard spoke to point out that the School Board discussion on adding railings and ramps included access at the ball park as well as the modular facilities.

### **Adjourn:**

**Motion:** J. Spillane moves to adjourn the meeting of October 15, 2013

**Second:** F. McGarry

**All in Favor – Motion Carries – Meeting Adjourned @ 7:50p**

The Minutes were Recorded, Transcribed and Respectfully Submitted by Katie Libby.  
Pending Approval by the Municipal Budget Committee