

TOWN OF DEERFIELD
MUNICIPAL BUDGET COMMITTEE
December 15, 2009
MINUTES

Call to Order

6:00pm: Chairman~ James Spillane called the meeting to order.

Pledge of Allegiance to the Flag

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

Present:

Jim Spillane~ Chairman, Don Daley~ Vice Chairman, Richard Pittman, Peter Menard, Kevin Briggs, Harriet Cady, Bill Carbonneau, Liz Murphy & Tom Dillon

Also Present:

Bonnie Beaubien~ School Board Representative, Peter Warburton~ Superintendent for Schools and Alan O'Neal~ Board of Selectman Representative

Absent:

Kevin Briggs

Approval of Minutes:

MOTION: Vice Chairman Don Daley made a Motion to approve the Minutes of December 10, 2009.

SECONDED: Harriet Cady seconded the Motion.

VOTE: Chairman Spillane took a Vote to approve the December 10, 2009 Minutes as written.

It was a 9-3 Vote in Favor.

Budget Presentation from the School Board:

Bonnie Beaubien introduced the School Board members present; Principal, Paul Yergeau, Assistant Principal, Gigi Clippa, Superintendent of Schools, Peter Warburton, Special Education of Deerfield Community School, Kathy Whitaker, Business Administrator, Peter Aubrey, SAU #53 Special Education Director, Patty Willis and School Board Members, MaryAnn Clark and Kevin Barry. The members were given a packet on the School Board's power point presentation, 2010/2011 Proposed Budget spreadsheet and an Estimate Revenue formula chart.

Peter Warburton briefed the Committee on the process of their Budget Presentation. He acknowledged that the bottom line is \$1,368.00 below the Default Budget this year and directed their attention to the Proposed 2010 Budget and the Current Fiscal Year Operating Budget.

He noted that Article-1 totaled at \$12,234,124.00 (an increase of .94%); should this article be defeated, the Operating Budget would be \$12,235,492.00. He mentioned that the School Board recommended cutting three fulltime teaching positions at the Deerfield Community School (DCS) for the coming year. They are also looking at some Para Professional cuts (not fulltime people), which would bring the overall salaries down about 5.1%. He noted that the benefits and medical insurance maximum increase was 0%, dental increase was 5.5%; the benefits overall are down at .36%. He stated that the Student Transportation contract is a multi-year contract extension (a five year contract) that shows an increase of 4.5% for next year.

He mentioned the Gross Budget is at a 0% increase, which includes Food Service and Debt Service. The Grants are at \$85,100.00 and are offset by revenue. He stated that the SAU Budget's (Assessment & SAU Budgets) cost overall is \$1,283,705.00, of which 82.6% of that is in salaries and benefits. The Executive Board of the SAU net to approve a 1.5% salary increase each year for the next two years. The Superintendent's salary for next year is at a 0% increase. He stated that next year's budget share for Deerfield is \$254,174.00; an increase of about 5%. He noted that the Special Education and Non-Salaried items are not related to a salary; they are up about 3.3%. He stated that there are increases in the Tuitions. He mentioned a correction on the Utilities & Facilities Operations that are up 1.5% for the coming year.

He briefly reviewed the major increases and major decreases. There were increases in replacements for Special Education students, High School Tuitions (which they were just informed that they were going to increase by 8.9% and this is yet to be investigated), SPED & Practice Services are up, Teacher Retirement is up and regular transportation is also up. There were decreases in regular education salaries (based on the three positions not recommended for next year), Special Education Salaries, Special Education Transportation, Utilities are projected to go down about \$1,300.00 and there will no longer be Debt Services and Transferred Trusts.

Mr. Warburton stated that they have been piloting a program in the SAU that works with Seacoast Educational Services to look at bulk purchasing and to try to find (through SES and other vendors) the lowest price possible for anything that they buy. He noted a reduction in the amount of consumption items that are used in the building, as they found they can do a lot more electronically verses using paper. He stated that going forward with this proposed budget, Article-1 would be \$12,234,124.00, showing an increase of .9%. Article-2 has not had an agreement signed yet between the Deerfield Board and

the Deerfield Education Association, so this would be an article based on what the final outcome of that would be. This also would apply to the Para Professional educators; the negotiating team is still meeting with the PTA and the Para Professional organization.

He stated that Article-4 and Article-5 are items that are put into warrants and the Board still has to discuss this; Article-5 will need a proposal organization.

Business Administrator, Peter Aubrey addressed the first page being his estimate of revenues at this point in time; showing they are down \$362,204.00 and they returned in surplus \$306,000.00 last year. He noted a forecast for Tax Rates based on what they currently have for numbers (based on what the current assessed values in town are). He noted that without the Teachers Contract and the Para Contract they are looking at no change in Assessed Value (.79 cents on the Tax Rate for the School's Budget).

He addressed the Roster of Personnel and the Fall's Proposed Budget, and noted that the excel spreadsheet is a statewide formula (chart showing five districts within the SAU). The valued percentage in Deerfield went up, pupils went down, but overall it was a .4% increase for Deerfield.

Peter Warburton said the proposed Charter School is not in budget yet and they are to meet with the School Board again, as well as with the Town. He mentioned that they are still trying to find a facility. Selectman O'Neal said the Board of Selectmen (BOS) met last night with the Charter School. There will be discussion on putting it on as a warrant article.

He added that they talked to the Municipal Budget Committee (MBC) about adding some clarity to the meeting they have. He suggested starting with the questions on the 1100 Series (Regular Education) and then to move onto the 1200 Series so that the other members will be present at that time. Chairman Spillane said that the MBC has not had a lot of time to look at it and may have more questions in January then they would have tonight.

General Questions:

Chairman Spillane began the general questions by stating that typically the Default Budget does not end up climbing higher than the current Operating Budget like it is here, and asked why the Default Budget is higher. Business Administrator, Peter Aubrey replied that it was a reduction in items; general education, books and supplies were reduced enough to get them down to that point. He said that the School Board knew that they were under a heavy hammer this year to do a zero based budgeting method and in the end they reduced it even further by more cuts within those educational lines. Chairman Spillane asked what is driving that Budget to be higher than what they have now if the Default Budget is one driven from the current Operating Budget, minus one time expenses and contractual obligations. Mr. Aubrey said they have lowered all the other items that do not fit in the default budget even lower than they currently have in their budget to make this current Operating Budget.

Chairman Spillane asked about the portable classrooms and the fact that for years now they've been told that it is cheaper to keep them than to get rid of them (even though they are not needed) rather than to find out years from now that they would need to have more portable classrooms and go to new ones that are up to code. He added that with cutting positions they do not see a forecast for their need anytime soon. Mr. Warburton said that Mr. Aubrey is in touch with the company who handles them and they should have an answer soon. He added that the School Board needs to have that discussion before the General Budget Committee as well. He mentioned that if they were to take some modulars out and then put them back in, the new codes (pertaining to the foundation and toilets) would be more expensive, so they need to make sure they don't pull one and then need one later down the road. Chairman Spillane said it seems that every year the students seem to be less and asked how much money are they spending in the long run if they keep paying for something they don't need every year.

Peter Menard referred to the Default Budget being higher and asked if the High School tuition is a contract item (has increased \$328,000.00). Mr. Aubrey said contract items flow with the Budget; if the Budget goes up because of contract items, the Default Budget will go up. He added that the only time it will change will be in those items that don't come under the Default Budget; books, supplies and equipment. The Board did vote in raises this year even though they did not get a new Default Budget; those raises are not in the Default, which is another piece that is out of the flow. He noted that they did reduce supplies and equipment like items enough to make a dent in their Budget.

Chairman Spillane asked what kinds of safeties are in place to prevent Concord High School (CHS) from raising their tuition on Deerfield each year and what did they have to justify in raising their tuition now. Mr. Aubrey said they've asked them to justify why they've gotten to the 8.9, as typically it should be last year's actual cost (according to DOE for running the school), and they've yet to receive the answer.

Bonnie Beaubien referred back to the modulars and said that the School Board needs to look at how to offer the programs at DCS and the space in which to offer them; as sometimes they cannot just go by the total number of students going down to justify getting rid of a modular. Harriet Cady asked if they went down in the number of teachers this year, would it also come off the Default Budget. Mr. Aubrey confirmed it does as it is a contractual item. Mrs. Cady said that Manchester High School is charging \$8,000.00 for tuition and Concord and Co-Brown are over \$12,000.00 tuition, so she feels it is time to talk to CHS, as Deerfield's contract is going to be ending soon. Mr. Aubrey said that they first need to get the answer of why they've increased on Deerfield. Chairman Spillane asked if litigation will be necessary. Mr. Aubrey does not think so.

Bill Carbonneau referred to the Charter School and if it goes through, would money have to be put in the Budget and asked what the ballpark for the

amount of money would be. Mr. Warburton said there will be a warrant article that would include a money item with a percentage being paid for. Chairman Spillane asked if it comes from the DCS Budget and if money is transferred when a Charter School is established (per student) from one budget to the other. Mr. Warburton said no, as it is an extra amount of money. Chairman Spillane thought that DCS would have to provide some compensation to the Charter School for how ever many students that currently go to DCS and choose to go to the Charter School. He thought if that was the case, then the DCS Budget would be decreased by that same amount per student. Mr. Warburton said they don't have the number of kids and do not know if the Charter School is a going to happen; they were approved through the State two years ago and this is the last time they can try to be put in as a warrant article. He added that if it does not go to a warrant, then they have to redo the whole process again. He said that they have an idea of numbers they are proposing (25 to 40 children); how many will actually choose to go to the Charter School is unknown and that is why it is separate from the working budget they are proposing.

Mr. Carbonneau asked if it does happen would some amount of money (per student) from DCS be transferred to that. Mr. Warburton said that is one of the confounding issues they have right now, as they have to put forth a budget that does not include the Charter School. He understands that the Operating Budget that they are putting forward to be voted on and then the Charter School warrant article is separate. Liz Murphy said she understood that the State Law provides that 80% of the per pupil cost to follow the timeline; the 20% stays here. Peter Menard asked if the Charter School does not have a location could the warrant article go forward. Mr. Warburton said it could not.

Mrs. Cady asked if the breakdown last year would be included in this packet. Selectman, Alan O'Neal referred to Article-4 & 5 and asked if the cost would be covered and if there would be cost ballads. Mr. Warburton said it will be a Board decision to decide on whether or not to put those on there. Selectman O'Neal suggested touching base with the moderator, the clerks and the Supervisor of the Checklist to see what the two events would cost. Chairman Spillane said with the dollar amount before this Board, they would know to approve or not approve. Mr. Menard asked if the warrant article on the Charter School financial numbers be made up by the current School Board or by the Charter School Community. Mr. Warburton said there is a State formula for those costs and they will have more solid information on whether or not that is going forward. Tom Dillon asked how many classrooms they planned on operating next year at DCS. Principal, Paul Yergeau said about 30.

1100 Series Questions:

Don Daley said it would be helpful to have the classroom breakdown as well as to know the number of teachers and para professionals (broken down for each class). He also asked for a list of teachers that points out the non-classroom teachers. He questioned where the decrease of the three fulltime positions came from. Mr. Yergeau said a fourth grade teacher and two in the Middle School are gone (primary teachers, not aids). Mr. Yergeau said they are going through an extensive process to revamp the Middle School to make the sixth grade the continental. He said all the logistics are not all worked out, as it will be a long involved process; he is assuming that there would be two teams of teachers that would teach the sixth, seventh and eighth grade.

Mr. Daley asked if there would be enough classroom space with this reduction. Mr. Yergeau said they are looking at that also. Mrs. Cady asked if they have increased the number of para professionals. Mr. Aubrey replied that in this current budget year they had budgeted for 38 para professionals and they are only budgeting for 35 for next year. Selectman O'Neal referred to the proposed roster and asked if there was a new quota that they need to fill. Mrs. Whitaker said contact services are to fill it. Selectman O'Neal referred to the line of Contract Professionals showing an increase of \$12,365.00.00 and asked if that was the voted amount (as they are in their second year of their two year contract). Mrs. Beaubien said that is part of the second year. Mr. Aubrey said they budgeted for two people and now there is two part-time positions shared with the SPED Department; they move staff around to make better use of them. Selectman O'Neal asked if the increase was partially contractual and partially something else. Mr. Aubrey confirmed that this will be addressed when they get more information.

Mr. Daley referred to the Concord High School portion and asked if they have to pay tuition at other high schools that a student wants to go to. Mr. Aubrey confirmed that they have to pay what their tuition is, no more than the cost of CHS, as it is the tuition cap. Chairman Spillane then asked why the student going to Raymond High School is paying more than the CHS tuition. Mr. Aubrey said that is an estimated increase at this point in time. School Board Member, Kevin Barry confirmed that this is the second year that student has been attending Raymond High. Mr. Daley asked if they could deny those specific high schools that they feel the cost is more than it should be. Mr. Warburton said that hasn't happened. He said that typically by contract they are supposed to have 95% of DCS students go to CHS; leaving about 3-4 students each year put into a lottery to try to go to another school (ex: Co-Brown). It cannot be a private school. Chairman Spillane said the current Raymond tuition is \$13,800.00, and they are paying CHS currently \$12,400.00. He asked if the student is not grandfathered in there, why have they not pursued making that cut off now that there is a preference school. Mr. Warburton said that student has been there for while. Mr. Aubrey confirmed that the child is a junior this year.

1200 Series Questions:

Selectman O'Neal referred to the small increases to Special Education Secretary/ Coordinator and asked if those were pay increases. Mr. Aubrey said those are the raises that do not go into the Default Budget; raises the school decided they would give to their people and they took it out of their budget to do so. He confirmed that those positions are not under contract and are considered/covered by any of the negotiations for contracts. Selectman O'Neal asked if that would make a total of six employees with raises. Mrs. Beaubien said not this coming year. Mr. Aubrey said after they voted on and approved the Default Budget, the School Board made themselves a working budget; if they gave raises, they took moneys out of other lines as they were

limited to the bottom line. He said that is why they are seeing differences in some of these lines, as people given raises (they still have to find money to keep them at current level). Mr. Warburton confirmed those amounts are for this year, but the voted Default Budget does not have those raises in it. Selectman O'Neal asked if the amount of raises and number of actions are for this year. He referred to the increases that are shown for the Assistant Principal and Secretaries that are a 1.5% increase for the fiscal year. He said that he thought last year the Janitorial line got put into the Default Budget. Mr. Aubrey confirmed it was a new hire for Janitorial to replace the longtime janitor. Selectman O'Neal requested that information be derived.

Mrs. Cady said there is a decrease by the ARRA funding, but if that funding dries up, should that be a increase in a year or two (she referred to Series 1200/ 108, Page 3). Mr. Aubrey said the training is a one time thing. Chairman Spillane stated he was impressed that the School Board was able to take a budget they said they could not work with last year (and thus had to work off the Default), and not only be able to work with it, but provide raises for people and end with a surplus. Mrs. Beaubien said they start in September trying to predict what is going to happen one year in advance, and that is why estimates sometimes are higher, so they don't get caught short and have to try to find money somewhere or come back to the tax payers. Mr. Menard asked how much the raises totaled at. The 2009/2010 fiscal year raises information will be gathered by Mr. Aubrey.

Tom Dillon referred to the Central Administration cost, asked if that was the SAU and asked who does the checks and balances on their budget. Mr. Warburton confirmed it is the SAU and said the full SAU Board approves their budget (23 members on the Board of five districts). Kevin Barry said it was a 3-2 vote. Mr. Dillon said that if they voted as a Budget Committee to level fund these SAU lines, would that mean the School Board has to pull it from somewhere else to pay it. Mrs. Cady believes the State would order them to pay it, as it is contracted. Chairman Spillane asked if the line was level funded (brining the bottom line of the budget presented to the town down) and that Budget passes and the State orders them to pay, it will indeed have to come from somewhere else.

Chairman Spillane referred to the Health Area under Section-2134, as it looks like a new line for calibration was added this year. Mrs. Beaubien replied that it was for the auto-meter that needs to be calibrated. Mr. Yergeau said every year there needs to be calibration, except for when the machine dies as they would need to buy a new one. He confirmed that in one of those years it died and ended up being bought as a new item and when the next budget was done it was lost in translation; moving from one line to the other.

Mrs. Cady referred to the Officials account going up and asked if there are going to be more teams. Mrs. Beaubien confirmed they had a few more teams and said some of the increase was due to getting referees costs from all the surrounding areas and finding they were being paid more in all the surrounding towns. Mr. Dillon asked if they were having problems getting referees. Mrs. Clippa confirmed they were.

Mrs. Cady referred to the Guidance/ Support Special Education appraisal testing and asked if they hired a psychologist to do testing in the school. Mr. Warburton confirmed that Patty Willis is the Special Director of the SAU. Mrs. Willis said they still do that in the schools and that line covers Deerfield's share of the School Psychologist.

Selectman O'Neal referred to the Operation Maintenance (on Page-8) and the Summer Help for \$6,600.00 and asked if the custodial staff changes its focus in the summer when the children are not there, maybe having less or different tasks. Mrs. Clippa said it is a totally different job in the summer; the classrooms in the entire building get emptied out. She stated that every piece of furniture, book and chair gets emptied out of the room and the entire room gets cleaned and repainted (floors are stripped washed, waxed/ buffed, repairs are done/ ventilators are cleaned). The custodial work increases in the physical labor as the focus changes. Selectman O'Neal asked if the additional summer help supports the existing manpower they already have. Mr. Yergeau said that it does and referred to the regular line showing a contract for part-time custodial work during the day, and when he is hired in the summer to continue that, he is paid out of this other line (as a separate summer contract). They also hire some youth to haul stuff in and out. Selectman O'Neal asked about the \$2,500.00 on a payment and asked if it is possible to take some of that money out of the building repair trust. Mrs. Beaubien believes that trust is for extraordinary problems with the building, like the roof or furnaces that need repair and are not planned on. Selectman O'Neal requested the language that was voted on by the Town for that Building Trust. Mrs. Beaubien confirmed they would supply it.

Mr. Menard referred to the telephone line (on Page-8) in which the Town has switched to Verizon and asked if the school investigated that at all. Mr. Yergeau said they heard that the Town switched over and now have a contact person at Verizon they are speaking to on that. Mrs. Cady said they used to bid on oil and they got quite a reduction, and asked if the town & school would work together to get better prices. Mr. Aubrey said he has always offered to the Town, but the Town has never offered to the School. Mrs. Cady believes that they need to write a letter to the BOS to be taken up at one of their Board meetings. Mr. Warburton asked for the vendor to contact and will follow-up on that. Mr. Aubrey said they are locked into the summer. Mr. Menard asked if the SES does oil. Mr. Aubrey said the State tried doing it one year and it was a complete failure. Mr. Warburton said that with SES, any product they've found so far has been compared and negotiated; he has not talked with them about oil and if it is a commodity they are doing, but he will bring it up.

Chairman Spillane referred back to the Official's line and asked if they have contacted the college students about officiating. Mr. Warburton said that they've been looking at past officials and requirements to officiate games and it may cover the main official (may not cover the second one), but they can look into that.

OVER CAP: Selectman O'Neal said he'd be looking for a breakdown on how the surplus was made up. Mr. Aubrey said there was a \$228,000.00

surplus of the expenditures; \$109,000.00 was for the High School Tuition and Special Placements was almost \$108,000.00. Chairman Spillane said they would like raise information.

Selectman O'Neal asked for the number of students currently and what was projected for next year, as well as the raises given out this year. Mrs. Cady requested the number and list of schools that they can send special education students to.

Selectman O'Neal referred to the proposed salary projection and said there were some positions that are a half a day as a One-on-One. Mr. Aubrey said they are working half the time as a regular SPED Aide and half the time as a One-on-One Aide for a student.

Old Business:

Alan O'Neal stated that at last night's BOS meeting they had no budget changes, but three warrant articles were removed, the emergency management generator for the George B. White building was removed, the Reverse 911 was removed to see what the State is going to do, the number for the broadcasting was changed, the Option-2 for the lease of the plow truck was removed and the \$35,000.00 is still in the Budget for the used truck. He added the they opened the bids on the reassessment; they had carried \$174,000.00 and received bids from \$113,000.00 to \$180,000.00. He said the Town's current vendor came in at \$149,500.00. He confirmed there was a no bid and the one that first opened at \$37,000.00 was for only one piece of the project.

New Business:

Harriet Cady is concerned about the amount they are spending on bottled water and she sees no reason why the fountains in the building are not efficient. Chairman Spillane said they would take a look at that.

Citizen's Comments:

Don Gorman said that Peter Menard has been outstanding in attendance at the School Board meetings and has been quite useful as a new set of eyes looking at the budget. Bonnie Beaubien also commended Don Daley attending.

Harriet Cady said that while at a Board meeting she heard that the school was approached with a special bus for afterschool transportation and she is against it. Bonnie Beaubien said there is no decision on providing paid transportation for Concord High School after school activities at this time.

Walt Hooker asked if the school year is from July through June. Mr. Aubrey said if they are Town or City they are. Mr. Hooker said it is difficult putting together a budget for a fiscal year that is six to nine months away from the students are actually going to show up and asked if more towns would find it helpful to have the elections in May instead of March to give a couple of months to get better numbers to vote on.

Adjourned:

6:33pm

MOTION: Selectman Alan O'Neal made a Motion to adjourn.

SECONDED: Liz Murphy seconded the Motion.

VOTE: Chairman Spillane called for the Vote. It was a Unanimous Vote in Favor.

The December 15, 2009 meeting is adjourned.

*The Minutes were Recorded, Transcribed and Respectfully Submitted by Nese Farrell, Recording Secretary.
Pending Approval by the Municipal Budget Committee*