

**TOWN OF DEERFIELD
MUNICIPAL BUDGET COMMITTEE
July 27, 2010
MINUTES**

Call to Order

6:03pm: 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:

James Spillane~ Chairman, Don Daley~ Vice Chairman, Tom Dillon, Harriet Cady, Kevin Briggs & Peter Menard

Absent:

Richard Pitman, Liz Murphy, Bill Carbonneau and Stephen Barry~ Board of Selectmen Representative

Also Present:

Maryann Clark~ School Board Representative and Nese Farrell~ Recording Secretary

Citizen's Comments:

None

Approval of Minutes:

MOTION: Harriet Cady made a Motion to approve the Minutes of April 20, 2010 as written.

SECONDED: Vice Chairman Don Daley seconded the Motion.

School Representative, Maryann Clark referred to page four of the 4/20/10 minutes, where it begins "Maryann Clark confirmed that the SAU is...", and she would like to strike that and replace it with "... is a resource or expense that the district pays for and that School Board maximizes or capitalizes on that resource.", as she feels that is the point she was trying to make.

VOTE: Chairman Spillane took a Vote to approve the April 20, 2010 Minutes as amended.

It was a Unanimous Vote in Favor.

Old Business

None

New Business

1. Presentation of School Budget Items by Maryann Clark:

School Board Representative, Maryann Clark advised the Committee that she met with Peter Menard and went through a list of things she thought were needed, then she spoke to the SAU and they are not due to be wrapped up till September.

She addressed the Deerfield Surplus Expenditures (surplus left over from last year) and said there were some questions they had previously talked about; she provided a list of what they had in 2008 & 2009. There was discussion on specific items.

She mentioned that they did not appropriate for the Honeywell program, as they decided not to do that option and the expenditure was removed on this list.

She mentioned that they moved around some classes and moved some classes into the modulars; which was a lot of additional moves that overloaded the summer staff maintenance. They appropriated \$5,000.00 for moving

around those classrooms.

She said the clock system has been causing a problem for many years and it affects the way the kids go from class to class; every clock in the building has a different time. The School decided to go to a wireless system.

She said there are issues with security and they would like to appropriate for that (\$20,000 was approved last year that was not used). They went through a process for the security concern and it was decided that this is one of the items that they must fix. She said the idea of the Board was to use the \$20,000.00 left over from last year to get started on that issue.

Chairman Spillane asked if there are some guidelines that must be adhered to and if so, is there a master plan and how extensive is it (ex: security camera or badges). Mrs. Clark said there are a number of different options and they are in the process of reinvestigating them. They have been given letters that state the problems they need to fix, but do not include the way they should be fixed.

Chairman Spillane asked what happens if they do not apply and how extensively are the modulars going to be used. Mrs. Clark said they have tried to move the specialist classes outside; a special education person can come get the students and take them out to the modular classes, thus keeping smaller amount of students from traveling at will between the buildings.

Tom Dillon referred to the security system and the defective clock system, asking why it had not been addressed through the regular budget (particularly the system, where it has been on the surplus list to deal with). Mrs. Clark said she thinks that will be the plan this year; it will come forth as a warrant article in the budget. She is not sure if it will be bonded over a few years. She said it is more a matter of matching up a good plan for their needs.

Principal, Paul Yergeau said they have contacted the current alarm system company and all the other companies in the past have come up short of the final solution. He gave an example of how some others have said they could take care of the front doors, but don't know what to do with the modulars, etc, etc. Chairman Spillane suggested not putting security on the modulars if they decided they have to get rid of them.

Vice Chairman, Don Daley asked for the amount of the surplus going back to the general fund. Mrs. Clark said that there is approximately \$400,000.00 from surplus from the Appropriations and Revenue surplus. Vice Chairman, Don Daley said a concern he has heard is that a lot of the surplus is being used for things that should have been in the budget in the first place or should be held off (ex: 2008 & 2009 Budget).

Mrs. Cady is concerned with New England Associations and colleges that do not pay attention to their ratings and asked why we would pay to have them come in to do this. Mrs. Clark said that most of what they do is a self improvement process for the School; 99% of the work that is done for this is done by the teachers & administration staff themselves. Mrs. Cady said that most of the people who come around (ex: teachers, principals & superintendant) have no concept of electrical boxes or generators and are not trained for them. She feels the same thing goes for a security system and she asked if it is feasible. She said that if she had company that will give accreditation for academics and the teaching staff, that she could see, but not for the building; she would like professionals to tell them what they feel the building needs. She asked how that relates to the state's standards of what is expected, and asked for the extra expense to be justified by doing what the teachers or the principals recommend to the building.

Mrs. Clark said they don't tell them what to do, they just give their concern of the safety of the kids that are coming and going in an area that is not locked (not all the doors can be locked). She said their recommendation is more of "look and see what you can do to improve this". Mrs. Cady understands why security is needed today and believes that those paid to come to the School to give an accreditation should have that ability/expertise (ex: air condition, security systems and so forth). She feels if the taxpayer is going to pay for an accreditation the people should have qualified expertise.

Mr. Yergeau said that the visiting team comes to validate the self-study process; there are seven sets of standards to meet so as to demonstrate a quality building, appropriate curriculum, etc. He said there is a list of indicators they need to look at; the staff themselves gathered information from the community, from parents, from building

inspections to match up to the indicators in order to determine whether or not the expectations are being met (areas of concern are identified). He said that as a Community, they have decided that they are not meeting those standards. He said the job of the Accreditation Committee is to come out to validate what is said in this report/study. He said they can say that according to your report, the School have not met the standards and therefore, you as a community, need to make a decision. He said that the School appropriate money in hopes of solving a problem and it looks like it is unfeasible.

Peter Menard referred to the surplus from the budget (roughly \$421,839.00 from the budget) and the revenue side (roughly \$136,000.00 quarterly) and asked how the amounts were figured. Business Administrator, Peter Aubrey said that it is a close approximation of where they are going to end up, including what is going to be taken out of surplus; the estimated actual surplus (appropriation side) is going to change a little.

Mrs. Clark referred to the Deerfield School District/ Fund-1 and said it is a report in a special format for a program, but is essentially the budget that is usually used to work with. She said it shows surplus or deficit for each of the items.

Mr. Aubrey said the revenue side is pretty much clean cut right now; everything that is going to come in has come in. He said referred to the expenses and said they are still closing out programs that need to be balanced (which affects all districts). He said that during July and August they close out the purchase orders and cover the ones that are found appropriate. He said he has to report all this by September 1st, but it takes until then just to get everything in. He said they are waiting on final numbers and invoicing to get ready to close out. He said he still has to process and balance, so he cannot say this is a true figure at this time.

Mrs. Clark confirmed that the fiscal school year ended June 30th.

Chairman Spillane asked what the deficit of \$58,000 at the Facility Site was for. Mr. Aubrey said it is for the emergency generator switch and the security system.

2. Emergency Generator Switch:

Mrs. Clark said the generator and the sprinkler system are missing a key piece (the switch that connects the two systems) and if the power goes out while school is in session, the sprinkler system will not go on and it would be up to the Fire Chief to decide whether or not to send the students home. She said the switch itself was about \$18,000.00 and it would cost extra money to install it. They first appropriated \$25,000.00 for the whole thing, but then just made sure to have enough by putting it at \$30,000.00 since they were not sure where the final cost would be.

School Board Member, Don Gorman confirmed that when the generator and the backup generator system were put in to run the school when the power is out, but the electrical component to run the pumps (holding water for the sprinkler system) were not a part of that system. He said that as soon as it goes on to the generator, they will have no sprinklers. He said in order to correct that, they would have to have additional three phase wiring from the pole underground and it hooked up to the generator we presently have; when generator kicks in there will also be power. He said they were talking about trenching, additional wires and an expensive switch.

3. High School Tuitions:

Vice Chairman, Don Daley referred to the final figure for 2009/2010 where they projected 242 students, which is how they came up with the tuition number. He feels the number is closer to 218 and with what they have in this coming year's budget, this would be over \$300,000.00 in surplus. He wants to be sure that is what the Board is going to look at when preparing.

Mrs. Clark referred to him talking about the projection of 242 students and said they looked at Concord High School (CHS), as that is where the bulk of the students are going. She said they just got an update on the 23rd that they have 226 students that have registered for the fall to go to CHS.

Vice Chairman, Don Daley said they would have about 24 other students in other high schools and that they are

projecting 16 in other high schools. He said we are increasing attendance at CHS, but at the same time we are decreasing at these other schools. Mrs. Clark said they will be getting better reports from the SAU.

Peter Menard said he added these numbers up to being eight more than the amount last year, so that would mean the high school population is increasing. Vice Chairman, Don Daley said the tuition line is about 2.7 million; which comes down to about 218 students. He said that in this past year the Town paid for basically 218 students, so he asked where the extra 24 students are coming from. He feels this as an area where they are over-estimating.

Chairman Spillane asked if they got any resolution from CHS as to the reason of why they increased their tuition so much. Mrs. Clark said their contract is based on numbers; the 8.9% is correct, as it was increased based on the terms initiated in the contract. She said her research shows it is what was negotiated. They are actively going to look at other options and if they can do anything with the contract they do have.

Vice Chairman, Don Daley referred to the Special Placement Tuition on page two and believes the Special Education Transportation on page eight may be related to it; he believes it may be high school related. Mrs. Clark said she thinks they are related. Assistant Superintendent, Patty Sherman said it is a very difficult line to predict and they are now trying to predict next year. She said they have to anticipate the tuition when they don't know if they are going to raise their rates and there can be other costs associated with tuition.

Mrs. Clark referred to page eight and the \$9,400 surplus, which she understood to be for some of the students being transported. Mrs. Sherman said it sounds right. Chairman Spillane asked if there was any competitor that they could compare to. Mr. Gorman said that Dale Transportation is their only option for the school at this time (other than the special education transportation). Mrs. Sherman said the piece on transportation that is in that line is the special education preschool bus, but all the other transportation is contracted.

Mrs. Cady asked if they sent Special Educators to the homes of these children before there was the Preschool. Mrs. Sherman said they used to do both. She said they had some students that attended the SAU Public Preschool in Pembroke. They also had students being serviced in the home, if it cannot it can be done at the Preschool. Mr. Yergeau estimated that there are at least 20 students. Mrs. Clark found numbers for the 2009/2010 with 13 in Pre-K3 and 19 in Pre-K4 (13-three year olds and 19-four year olds).

Mrs. Cady recalls that there were eight handicaps and only six paying. Mrs. Sherman said they are supposed to aim for a 50/50 ratio; half of the class to be typically developing peers. She said they are responsible for them when they turn three, but they do not have a sure idea of who is turning three so those numbers fluxuate.

Vice Chairman, Don Daley referred to the Health and Dental Insurance on page eight. Mrs. Clark said they discussed changes in Health Insurance. Mr. Aubrey said there are a couple of reasons why there are insurance changes; they are estimating what their insurance cost will be in October of the following year, people change positions or leave and a lot of people are losing insurance in this economy. He referred to the retirement and said that is mostly the State. He was surprised that they didn't have a chance to budget for it. He said they did not know it was coming until they had their attachment fee and their losses (they basically dropped 5% of their cost and shifted it over to the Towns and Schools).

Peter Menard asked if the revenue sheet could be managed, as it for 2009/2010. Mr. Aubrey said come September 1st (once the actual numbers are in), they will go into the tax rate setting mode; he re-estimates taxes to get a clearer picture. He said if he over-estimates, they don't get it; it comes off the bottom line of appropriation. He said that Medicaid has changed over the last few years and he has to be conservative of what they project to get from Medicaid.

Mr. Aubrey said they can estimate what they are going to get from catastrophic aid and they are appropriating low, so our percentage is going to be down. Mrs. Clark said they can estimate what they can get from catastrophic aid based on what they said they were going to pay, but they will change that. She said after they determine what this number is, they can change the rate that we are going to pay it (it is a gamble).

Mrs. Cady asked if the Air Funds they were handing out to Education was only for this year or would there be more funds coming. Mr. Aubrey said they are working through that right now for all the schools.

Chairman Spillane asked if they have looked at taking surplus and putting it into a short term investment that would flip money (interest) back. Mr. Aubrey said the Towns don't turn everything back, but Schools have to turn everything back unless they voted to put it in a trust or to spend the money (cannot be general, it has to be for a specific purpose).

Mrs. Clark briefly went through the tabs of the presentation. Chairman Spillane hopes that when they come back in the fall to start looking at these, that instead of looking at huge deviations from a Fire budget, they can look at what deviated from the Working Budget, ask they will all have been able to look at that budget to see where they have allocated that money. Mr. Aubrey said the problem with that process is that they have to start with the Default Budget.

Mr. Aubrey clarified that the comments underneath are for the Working Budget. Mr. Menard believes the comments could explain decreases or increases, which would be helpful. Mr. Aubrey said not to forget that they have to work from the Default, as they are not going to see the Working Budget.

Mrs. Clark said the Default Budget wasn't very far off from the Proposed Budget, so there isn't anything they are in crisis mode about. She said there was a reduction in the special education staff and some fulltime that went to part-time, and by that change, the money was there for extending the kindergarten.

Mrs. Cady referred to a teacher on a grant to mentor that was let go and asked if that teacher would no longer be there. Mr. Yergeau said they are waiting appropriations or grants to come, so they do not know at this point and suggested to check back in August.

Vice Chairman, Don Daley asked if they are going to have a budget that passes and said he thinks the teacher's contracts are affected by that. He does not think the teacher contract will pass as long as they think the budget is too high, whether it is accurate or not, they are going to vote for what is lower. He believes the frustration has been taken out on the Teacher's contracts and feels it would affect the moral if it continues. Mrs. Clark also believes it will have a snowball effect. She said the big drive was the reduction and the conditions that they had was the number of students, which they looked at and changed it.

Mrs. Clark referred to a letter from Ed Murdough (Administrator of the Bureau of School Approval & Facility Management of the State) she printed out for the Committee, and said it talks about overcrowding conditions at the school and how the standards have changed (it is a State opinion). Mr. Dillon thinks it does not address whether these conditions are of the amount of kids coming in or if they are self inflicted.

4. School Fuel Contract:

The School decided to go with the Town (6/10 higher than what he budgeted). Aubrey said that Valley called them with a lower price.

Citizen's Comments

Don Gorman complimented Maryann Clark for her hard work and feels she is a great asset to the Board and the Town. He said they don't see half of the work these people here tonight do and expressed his pleasure to be on the School Board.

Walter Hooker said that it has been many years since he's seen a School Board Member present a School Budget to the MBC and he thinks it is great that Maryann did this. He said it is very noticeable in the Town by some people when the Town budget is presented, the Selectmen present it and answer most of the questions or bring a department head in. He said in the past it would be Peter Warburton and Peter Aubrey that answered most of the questions and/or presented the budget; not the School Board, but rather the SAU, leaving some to think that it was really the SAU's budget.

He referred to the teacher and para contracts that were voted down, and said the pay raise for town employees was also voted down by the Town (for three or two years in a row now). He is not sure how it relates to the budget, but this year was a big switch with the dump truck being approved (and other things). Under the Default, he believes that the BOS talked to Jeanne at the DRA; the DRA was fine with the Amended Default Budget, so long as the bottom line doesn't change. He said the Default Budget is a way to get to bottom line and from his experience, it is not the way to run the Budget. He believes

that this is the first year the BOS amended it to make it something that could actually use and it is very similar to what Mr. Aubrey did here. He sees no reason that if the School Board votes this as an Amended Budget, that it would be the Default Budget and all the reports would be against that.

Adjourned:

7:42 pm

MOTION: Vice Chairman, Don Daley made a Motion to adjourn.

SECONDED: Peter Menard seconded the Motion.

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

The July 27, 2010 meeting is adjourned.

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