

**TOWN OF DEERFIELD, NH  
MUNICIPAL BUDGET COMMITTEE  
George B. White Building  
8 Raymond Road, Deerfield, NH 03037  
December 14, 2017  
MINUTES**

**Call to Order:**

6:30 pm – Chair called the meeting to order

**Pledge of Allegiance to the Flag:**

Chairman Dill asks all to rise and pledge allegiance to the Flag

**Roll Call:** Alden Dill, Chair, Members Troi Hopkins, Phil Bilodeau, Zach Langlois, School Board Representative, Andrew Robertson, Select Board Representative.

James Spillane, John Dubiansky (excused)  
David Carbone (not excused)

**Review of Outstanding Minutes:**

Chairman Dill asked the Board to review the minutes that the Board currently has and will review and approve at the next meeting.

**Citizen's Comments:**

None

**Presentation of the School Budget:**

Chairman Dill stated that they have the presentation of the school budget. We've received our budget packets and thank you for getting them out on Wednesday. The way that I see this going Zach is you and the people you brought from the SAU want to go through and do a presentation, we'll hold off on questions and comments until you guys can run through the presentation because it's a little long and then we'll start taking notes and get to you after the presentation.

Zach Langlois stated to start, everybody has their budget package in front of them. Basically, if you go into the second page is the table of contents that breaks down everything but you have our operating budget, you have our default, you have in the operating budget changes that were made from the first draft through what was approved by the school board and then you have a bit of additional data, contracts and everything else so as we're going through this process, if there's additional information that the committee would like provided next year with the budget upfront so that we can pull it in advance, please let me know so that we can add that to the list so as we're making changes and tweaks and addition information. The intent to have this basically just next year become an updated version of what we've already presented and this will be what we'd like to do going forward is just to provide as much detail as possible. So, if anything appears to be lacking or if there's anything else that anybody

would like, please let us know so we can include it and we'll just every year hopefully, we'll make it better and better.

We have members of the school board and the SAU as well as some administrators from the school here so if I can quickly just introduce who's here to anybody that isn't aware of them so I will just have you raise your hand just so everybody can identify you.

Amber Wheeler, Business Administrator  
Nate Oxnard, School Board member  
Patty Sherman, Superintendent  
Chris Smith, Principal  
Trish Lafond, Office Manager  
Jim Daly, Chairman, School Board

Once we get rolling, we're all here to try to answer questions. We did not anticipate having Ms. Wheeler here tonight but she was able to jockey her schedule around and make herself available so let's try to use her as much as we can for her depth of knowledge and try to progress with that stuff.

Basically, if you look at the actual budget from us, and you go in, you're going to see in the I column, that's the original draft that came from the administration. That's what was presented to the school board in November and what we started working from. The school board asked the administration to go back and try to find some savings. We weren't comfortable with the increase that was being presented. Changes were made to bring down that initial budget from \$13,844,436.00 which would have been a 5.5% down to what was passed by the school board which was \$13,451,332.00 which is a 2.57% increase.

We've also gone into the budget here and if you look at the top of the pages, you're going to see a couple of color codes. Basically, what we've done is we asked the Business Administrator to highlight decreases of \$10,000.00, increases of \$10,000.00 and then as the MBC makes changes, you'll see red boxes appear on any lines that the MBC may change.

We also this year to help work through the budget, we asked her to highlight lines that are basically a fixed cost, special education lines, the salary lines, tuition, a bunch of those lines that are basically fixed so that we can just see how the budget is crafted and drawn up and what is more so discretionary and what is more contract driven.

Starting with that, Amber, do you have any other input as you created most of or a big portion of this if there is anything else that you want to hit off on before we roll into it?

Ms. Wheeler stated that the other item that we also did this year is that we tried to add as much notes within the budget as we could so that any of each of the individual lines you could see the gist of what is included in those lines so if you have any questions on those, please let us know.

Obviously, usually the biggest driver is health insurance so we've put a note in there. We did receive a slight increase in comparison to what we originally thought we would be at and so that's included.

The high school tuition line in here is what will actually be the cost of tuition for next year. I have spoken with Concord High School and that data is also in this binder as well as we received a letter from Jack at Concord High School confirming that, that would be the amount of the tuition.

Ms. Langlois went on to say that outside of that, any other tweaks basically added some notes. We have from the current year to next year the only big change that the school board really proposing as we are looking to add another teacher.

If you go to the class size roster which is page 51, you'll see that this is a page that's asked for every year. It's something the school board looks at every year. We have seen enrollment increasing and we are proposing to add an additional fourth grade teacher to try to bring those class sizes more in line with what we as a board have said is our guideline.

On that table as well, if anybody here is seeing this before, I think actually that only Troi may have as well as Kevin and Andy. Everybody else is new but that table basically shows, and we can ask Mr. Smith to speak in more detail to it, but it basically shows current number of students this year, the projections for next year and as you are seeing enrollment does appear to be increasing again. We're looking at what we're seeing as 11 students next year and then you see the guide, the recommendations from the school board as well as the state max are in the far-right column.

Ms. Hotaling asked how Mr. Langlois wanted to approach if the board has questions about this particular line.

Mr. Langlois stated that what I would say is honestly, I think the best thing to do is let's just start firing the questions through and seeing what...

Chairman Dill stated that he didn't know if Mr. Langlois had an overall presentation on the whole budget or ...

Mr. Langlois stated I don't know, it looks like a handful of people were able to grab the budget in advance but while we have our SAU staff here this week, I'd like to get as many questions out on the table as we can so we can start getting the information back.

Chairman Dill called on Mr. Verville

Mr. Verville stated that page 51 is probably one of, if not the most confusing pages in this packet. It certainly takes most people some time to wrap their head around it so it would probably be worthwhile if somebody is feeling adventurous tonight to walk us through column by column, step by step, how this document works. I've been looking at it for seven or eight years and I know that Andy has too so we're pretty familiar with it but I think having somebody walk through in some detail for the new members would be time very well spent.

Mr. Langlois replied that he could go into that if everyone would like. So basically, if you're looking at the DCS class sizes. Pre-K through 5<sup>th</sup> grade is broken out in the left column and it doesn't necessarily, when you're looking at the teacher names, the numbers associated with the teacher names, the names are placeholders for lack of a better point. We have class sizes for those rooms in the second column.

If you are looking at, if we use kindergarten, current, we see 53 students in that grade level. That's our current number this year. If you go down to projected class size, 2018-2019 and you look at the first-grade total, basically that 53 number carries down to the first-grade totals so we're dropping a year when we're doing the projections. We are anticipating a consistent class size for kindergarten and first next year. Where we have seen growth has been and I'm just going to defer quickly, we are expecting it in the current third grade going into fourth grade. We have seen this year an increase of 11 students. You are seeing the 11 students are reflected on the chart because we've already received those students but we have from last year when we did these projections out to currently we've seen an increase of 11 students there and there was one other class that we saw some growth in it as well, Mr. Smith, if I recall correctly or was that the one that we saw the bulk of it in this year.

Chairman Dill asked Mr. Smith if he would go to the microphone so that we have everything on the minutes.

Mr. Langlois continued that when we're looking at that 4<sup>th</sup> grade class because of the growth in that class, we are looking to add that additional teacher and that carries through to some of the other grades as well but Chris if you have some notes in your information.

Mr. Smith stated that Mr. Langlois' information was accurate. There's other classes where we're hoping we don't get a massive 11 kids moving in but I don't anticipate that.

Chairman Dill calls on Mr. Verville

If I understand you correct and I think I do, is what your saying is if I look at the current third grade break out of 23-22-23, that's kids in seats today.

Mr. Smith stated that that was correct and that those were accurate teacher numbers as well.

Mr. Verville continued that those numbers are larger than what was projected on this sheet from last year.

Mr. Smith agreed with that statement.

Mr. Verville asked if it were possible to add a column or get a copy of last year's sheet just so we can scan what the projected was. He went on to say that a copy of last year's sheet would be great because that would give us a couple years trending and we could also see what was projected versus what's actually happened that I think that would be very valuable background information.

Chairman Dill stated that he was going to guess that we didn't know there were 11 kids moving in in 3<sup>rd</sup> grade.

Mr. Smith stated yes.

Chairman Dill continued that that seems a little, very specific to one grade,

Mr. Langlois stated that they should look at last years.

Ms. Hotaling stated that she had last year's exact thing here and it says to me that last year in second grade which would have become 3<sup>rd</sup> graders, it said current students 65 and the intention was to divide those 65 into three which is what happened and it became 68 so again I do have this schedule from last year.

Kindergarten last year was 54 and became first grade this year 57. First grade was 55 and became second of only 45. I don't know why these numbers are so different but this says 2<sup>nd</sup> grade last year was 65 and now it would be third grade 68. Third grade was 49. Fourth grade this year was 50. Fourth grade last year was 56. Fifth grade 54 so some numbers did go down and some went up.

It was asked if those were the projected or the actual numbers. Ms. Hotaling stated that those are, it says current number of students in 16-17, projected for 17-18. The projection was to have 65 in grade 3 and we ended up with 68.

I do think it would be helpful if that other column was there so that everybody, I just read those off but...

Mr. Langlois stated that based on when that was drafted, we may have known some of those students were coming or doing those projections but we will most certainly pull last year's sheets.

Mr. Verville stated just to be a little more specific, could we ask that that gets emailed to the committee so that we have some time to look at it before our meeting a week from today just to allow us some digestion time.

Chairman Dill stated that he wanted to ask a follow-up if Mr. Verville was done.

Chairman Dill asked if there was a growth study for the school.

Mr. Langlois stated the demographic study is currently ongoing. It's not completed yet. I suspect it will be spring before we get it back but it is something that we started at the beginning of the budget this year.

Chairman Dill stated that his concern is that the real estate market seems really hot again and we heard from the building inspector that we have multiple subdivisions going in.

Mr. Langlois stated that the school board did two things last year. We did order an engineering study on the facility. That data is available online for anybody that wants to look at it. It is a very thick stack of stuff which is why we did not print it off but it good looking at.

In that engineering study, it's gone through the physical plant, everything that we have in our structure as far as what we currently have and they are also looking at potential if down we need to add on to the building, what our options would be.

That's not a commitment that we are pursuing that, it is just trying to investigate what options the school may have for growth down the road.

That is starting to add in the back and everything else and I would say the engineering study side of it is moving along rather rapidly. The demographic study is ongoing but again I am going to guesstimate sometime in the spring that we are going to see those results back. That will help us forecast and see if

the town looks like it's going to start shrinking. We're seeing a unique trend and that our school population has been growing where other communities in the area have been decreasing and we just need to know if we're riding on a small bubble here or if it looks like it's going to be a long-term trend and that's what the goals are of the demographic study are.

Chairman Dill called on Mr. Verville but before we jump I just wanted to see if anybody else to say. I thought you were back on the same page.

Chairman Dill asked if anyone else had any questions on this page.

Ms. Hotaling stated that she had one question and I think that this might have been asked at one of your board meetings but I didn't quite catch it by watching the video and that is, my son, when he was in third grade actually was in a 3-4 class. Have you investigated doing some combo classes? It worked very successfully. You have to have the right kids in that mix and I believe that I heard from a neighbor that at Deerfield Community School there have been mixed classes in the past.

Again, I haven't been in the community long enough to know that.

Mr. Langlois stated that he would defer that answer to Mr. Smith.

Mr. Smith stated that the 7<sup>th</sup> and 8<sup>th</sup> grades are combined classes. We don't have plans and haven't looked at combining 3<sup>rd</sup> and 4<sup>th</sup> grade or the younger grades.

Ms. Hotaling stated that when you look at the two situations there, you have one projection that is well below your target and one that is somewhat over and if you were somehow able to mix it, you might be able to do without adding a full time, you know because once you add a teacher, it's much harder to, I don't know what retirements are coming up or whatever but if the population changes again, it gives you a sticky situation.

Mr. Smith stated that that's certainly something we can take a look at. It's not something I thought of before.

Chairman Dill asked for further questions on class size.

Mr. Verville stated that he did. The column to the far right, I have to admit I'm familiar with the state guidance and the state maximum but I have to admit that I'm not familiar with what the school board recommended and I was wondering if somebody could give some definition as to how those numbers were arrived at?

Mr. Langlois stated that Mr. Healy would be able to.

Mr. Healy stated that those numbers were actually legacy numbers. They've been on the books for quite a while. It predates my time on the board so it's at least six years old. It is a guideline that I believe was done through a combination of the administration and the school board at the time. I don't have any huge insight into it but it is a legacy number at this point.

Chairman Dill stated to follow up on Kevin's question really quick, on the one above 1.7 above, that's above the school board recommended to which Mr. Healy stated correct.

Chairman Dill asked Mr. Verville if that was his question to which he stated no.

Mr. Verville asked so I have to admit that I'm not sure how Superintendent Sherman has been with us but it's my working memory, probably longer maybe, but do you have any insight as to where the genesis of the school board recommended number comes from.

Ms. Sherman stated that no, it predates me as well so it's been a long time.

Ms. Hotaling stated that she'd like to make one more comment about that. She stated that she had read articles that specify that if you can stay down below 20 at the elementary grades, that is beneficial. I think that's out in the educational literature. I've never read anything where it says getting down to 14 or 16 is a big jump, even better.

It seems to me the other thing we can look at, is over the years, if this is that old, one thing that's changed in the entire school setting is that there are many more adults in every room. Again, just anecdotally, a friend was in a kindergarten classroom. There were five adults and thirteen children. Now a lot of that is because of special ed but I know that our student-teacher ratio is the lowest in the SAU or it has been in the last few years. We were at like 10.8 and so when you're looking at class, it isn't just how many students are in the class, it's also the ratio of how many teachers are there at the same time so once again, if there's a way to minimize having to add staff, I think all those avenues should be explored.

Chairman Dill stated to Mr. Verville that he didn't ask if he was done to which he replied that he was.

Chairman Dill asked if there was anything else for the class size. He thought that it was quite helpful to put in there.

Chairman Dill stated that Mr. Verville wanted to move back to the original front page of the budget.

Mr. Verville stated that he had a pretty general question and that is what is the definition that we're using to define fixed cost.

Mr. Langlois stated what we asked the SAU to do is to look at the contractual items so like the tuitions plus contracts, the teachers' salaries, insurances, special education costs and just highlight those as items that we don't have as much flexibility in.

Special education costs are to a certain extent what they are.

The busing contract without removing a bus, that contract is a fixed cost. You have to reduce either bus quantities and the same thing with the salary lines. Without a reduction in staff, because the salaries are fixed by the CBA, there isn't flexibility in that without a reduction of staff.

Those are the items that we just wanted to highlight. Insurances are obviously a fixed cost as well.

That's what we were looking to highlight.

Chairman Dill recognizes Mr. Verville

Mr. Verville stated that while he appreciated the attempt to add some clarity to the budget. I have to admit that is a very broad definition of fixed costs. The budget right now is in possession of the budget committee. There is a proposed added teacher for this year so it is certainly not beyond the scope or the authority of the budget committee to recommend removing that position, not really recommend, actually taking it out of the budget, putting the line back to have steady staff funding.

In fact, salary lines can be reduced. The effect of that is a reduction in force, is a RIF so I believe that we currently have two guidance counselors. It's a perennial favorite of some members of the committee to discuss whether or not we need one or two so some of these fixed costs are not as fixed perhaps as some would lead us to believe. Some are more fixed than others so special ed certainly is really not a fixed cost although it is probably beyond the ability, probably not the scope, but certainly the ability of this committee to recommend changes in special ed line items because then you'd have to really be proposing a different program placement, whatever it may be for specific students of which we obviously don't have access to that information.

So, the special ed lines are probably more fixed but the salary and the benefit lines and probably some others when I was going through this probably are less fixed then concrete.

Chairman Dill stated that one thing he would like is to speak to the food service because that was a major change in this budget.

Mr. Langlois stated that it will require some explanation and I will ask Ms. Wheeler to fill in as well but basically the school board has been battling with bringing the food service deficit in line for a number of years. It is a place where every school loses some money and funds are transferred in to cover the losses.

Ours was a little further out of hand then some of the other districts were so the board made a decision through adjusting the personnel to reduce those costs and bring them in line with what we would expect to see.

Chairman Dill asked if Mr. Langlois wanted to speak to specifics and adjustments?

Ms. Wheeler stated she didn't know if she could speak to personnel. We definitely did a reorganization so what we did is we took a look at how the program's running. We met with the director of food service to see where we could adjust some schedules to make sure that we had appropriate coverage and so when looking at this budget, it originally it was like a \$55,000.00 deficit in that line which is extremely high.

Three years ago, when I arrived, we had actually had a letter stating that we really need to get control of that deficit because an operating budget should not be covering that much. So, we've been working the last few years, our last couple of years in trying to decrease that deficit.

We introduced some different programs like the Buyer's Group and things like that to hopefully cut some costs but in order to cut substantially to get that down to what we have, I believe it's 26 or something like that, the only way to do that is to do a reorganization.



We took a look at the program and said okay, how many hours do we need to cover, in order to provide breakfast and lunch as well as cleaning services and we were able to reduce two positions from 32.5 hours to 29 hours. In doing that, it provides the coverage that we need but it also allows us to reduce costs and salary and benefits.

Chairman Dill asked for follow up questions on this because it's a pretty big change in budget.

Mr. Verville asked to speak.

Director of Food Services, is that Deerfield School District or SAU?

Ms. Wheeler stated that that was Deerfield.

Mr. Verville stated Deerfield School District so the Buyers Group I know we've been talking about for years and apparently, we're kind of slow to get that either off the ground or realizing the changes.

Chairman Dill interrupted Mr. Verville in order to see if Ms. Wheeler wanted to explain about that.

Ms. Wheeler stated, the Buyer's Group? What it is, is it is a third-party company that goes out to bid for vendors so they shop best price and then it allows our food service directors to order directly from them and save some costs that way. Mr. Verville is correct, it was slow to get off the ground. I think some of the issue initially was the vendors that some of the key vendors weren't on there that particularly were used by this district in the past but within this past year they did go back out to bid again and one of the major vendors that the district liked to use is now on that list so I do know that that is being utilized more frequently than in the past.

Chairman Dill stated that he just wanted some clarification on this.

Mr. Verville continued so the corrective action appears to revolve around staffing and benefits but is the root cause of the deficit over staffing and the benefits that go with it or is the root cause because this is not a new deficit, this is an ongoing problem that's been going on many years. Every year we talk about addressing it but every year we seem to wind up having this discussion so the question is, what is the root cause of the deficit.

Ms. Wheeler stated looking at the food and the supplies that are ordered, they're in line with other districts. If you compare them to other districts, one of the biggest pieces is the benefits. Benefits carry a heavy cost and that is a heavy driver within the food service budget.

There are several, many programs that don't, I don't know if they don't offer benefits or whether they just elect not to take them but that is a heavy piece to this portion of their budget.

We are working with them to find new ways to bring in sources of revenue. We've added a catering line, hoping to get them to possibly sell pies to the public, things like that. Be a little bit creative in order to bring in a little bit of extra revenue.

We are tracking how many lunches that are served, how many breakfasts are served, what's being served for lunch making sure that it's something that the students really want to purchase so those are all things that we are looking at.

Mr. Verville stated that tracking data is awesome. I'm totally in line with that. I assume that we're also going to track the amount of food that's being prepared so that we know the Delta between what we're preparing and what we're selling.

Ms. Wheeler stated that she believed that they do keep an inventory on those items. I will double check for you but I believe that they do, do that.

Chairman Dill stated that we had a separate breakdown on food services here.

Mr. Langlois stated that food services have a breakdown.

Ms. Wheeler stated that it is on page 20.

Ms. Hotaling asked for the Chair to recognize and Mr. Verville yielded the floor for her.

Ms. Hotaling stated that since she is looking at the detail and I can see that the change that was sort of made recently had to do with the health insurance and the dental insurance. That's the biggest piece of it. Are those existing employees that you cut their hours and so they went from 32.5 which qualified for benefits down to 29 which meant they didn't or do these have turnover so that you really aren't taking away something that somebody had.

Ms. Wheeler stated that they did a reorganization of the department of the current employees that were there.

Ms. Hotaling stated that so there are a couple of food service employees who were receiving benefits that the reason there's a big decrease in that line is because we've...

Ms. Wheeler stated that we changed their hours so they will no longer be eligible for benefits.

Ms. Hotaling asked and how do they feel about that?

Ms. Wheeler stated that she was sorry but she couldn't answer that. I'm not sure.

Mr. Robertson stated that it's not difficult to find out.

Chairman Dill asked if there were further questions on food service.

Mr. Verville stated yes, just one. Have we considered outsourcing this responsibility to a third-party vendor so that we would put them under a fixed dollar contract and make them responsible to meet or exceed whatever the local, state and federal requirements are?

Ms. Wheeler stated that we have not but what she could say and I honestly cannot remember the district off the top of my head but I do have it in my office. We did take a look at a few other districts that weren't in our SAU to see what the cost of those programs were and out of the ones we pulled, one of them did outsource and they had a substantial deficit as well.

I'm sure that they're probably others within the state of New Hampshire but it was a town around this area. I don't want to say what it is because it could be incorrect and I don't want to give you an incorrect answer but certainly at the next meeting I could provide you with the district we took a look at certainly in the future take a look at some other districts that do provide an outsourcing rather than internal services.

Mr. Verville asked for follow up.

I guess I'm having a little trouble wrapping my head around that so if you delegate to a third-party vendor and you put them under contract, I'm not sure how the deficit becomes the responsibility of the district. So, they contract to provide services, they provide the services. If they don't bid correctly, don't budget correctly that falls on the business. That becomes a loss to the business. How does the district become liable? It seems to me you should be able to find a vendor that could provide these services and it might not be cheaper but it might end this gross fluctuation and take some of the management responsibilities off both the local district and the SAU.

I don't want to speak for others in the room but I think we all probably have more than enough stuff on our plate and when we have to delve into this and spend time and resources when perhaps off sourcing it to a third party might give everybody, both the district and the SAU a little breathing room.

Chairman Dill stated let's not get too far off in the weeds on that one but if you could bring that info to another meeting if there was a district around that did it.

Ms. Wheeler agreed to.

Chairman Dill asked if there were any other questions on food service before we move on.

Are there any other big, changes, substantial changes that we can kind of hit, discuss while we have everybody here. I know food service, flipping though was a big one.

Mr. Langlois stated that there were changes in special ed, special ed transportation.

It was asked for pages and a line number by various board members.

Mr. Langlois stated page 4.

Mr. Langlois stated that decrease came through the special education line, 105. We saw a 78,000.00 decrease.

If we go...

Chairman Dill asked if Mr. Langlois wanted to speak to that really quick.

Mr. Langlois stated it was a change in need.

Chairman Dill stated a change in staffing.

Mr. Langlois stated it was a change in individual student needs which created a change in staffing.

Ms. Hotaling asked to be recognized by the chair.

Ms. Hotaling stated that she didn't think that there were fewer positions, do we? SPD teachers that the salary line and it seems to me that the reason that we might be below last year's salary is that there two, I think, SPD people that might have retired and we replaced them at lower salaries maybe?

Ms. Wheeler stated that we have one position that is no longer in there. I believe it was that we had somebody retiring that we're not replacing.

Chairman Dill stated that they have a roster which is page 21 that we can, is in the budget if you want to check teacher by teacher.

Mr. Langlois continued that they saw a reduction in that line. Again, we did see some other increases.

Chairman Dill asked since we're on page 4, we're \$15,000.00 lower on computer network replacement. How did you save money? Give specifics.

Mr. Langlois stated that he would ask that when Miss. Boisvert came in that she could speak on this.

Chairman Dill recognizes Mr. Verville.

So to that point and I have not delved very deeply in this budget but one of the things that I do seem to glean from it is that our technology costs for both equipment, maintenance, contracts, all the way around continues to get larger and larger and larger and it's because it's peppered throughout all kinds of different lines and I wondering if it would be possible for somebody to break out what the total tech spend is and what it has been so that we, instead of trying to find all the various little lines to just look at it as one piece because we continue to invest and expand that in technology.

Mr. Langlois stated that that information is Appendix B starting on Page 14 and there's a number of page 13, there's a lot of page 14's.

Mr. Robertson stated that you'll see there are notes in the lines referring you to the appendices.

Ms. Wheeler stated that the other thing that she has done is on that technology sheet, I have referred to the line with that it refers to in the budget.

Mr. Verville thanks Ms. Wheeler for the information.

Chairman Dill stated that there's quite a bit of back-up in here and it's going to take us a while to start delving through all of it.

One that Chairman Dill had a question on is on page 8, Zach, just on school board contracted services. We drop from, I guess it's just we had voted \$15,000.00 and we hadn't spent so we dropped \$4,999.00.

Mr. Langlois stated that it was the money in the last year's budget for the engineering study.

Chairman Dill stated that he just wanted to use the people here while we got specifics so do anyone else have specifics?

Chairman Dill called on Ms. Hotaling.

She stated that she would like to talk a little about the tuition line. My book isn't up to date now because the tuition number of students went down to 181 or 182 from whatever I had. My number for tuition just so everybody which book they have. Mine still says \$2,305,323.00.

Chairman Dill stated its line 30.

Ms. Hotaling stated that it's on page 2 but then. I picked my book up the other day.

Mr. Langlois stated that that didn't change. Nothing changed there.

Ms. Hotaling stated that the bottom line though if I look at page 13, maybe it's that the 13-appendix changed. Appendix A at the bottom and I just noticed this tonight when I got here so, says \$2,276,185.00 and it talks about 181 students.

Chairman Dill asked Ms. Hotaling which 13 she was on.

She stated that she was on the original 13 so that says \$2,276,185.00.

Ms. Wheeler stated that that is including the entire page which includes PACE as well.

Ms. Hotaling stated but that it's a lower number than what I had over on page 2, \$22,305 and the other thing is my Coe-Brown students on page 2 say 7 and my 13 has 5 and my total students over on page 2 have 180.

Ms. Wheeler stated that she was correct. There were two changes that were made just last week and the changes that involved were made on this chart on the projected tuition but not down below so that change does need to occur, you are correct.

Chairman Dill stated but the number of page 2 was the correct number.

Ms. Wheeler stated that she would need to verify before she could answer.

Ms. Hotaling stated that going along that same line, I can see and there's a great deal of detail from Concord and Jack Dunne but the one piece that she didn't know is what number did we guarantee because in February of each year, we're supposed to send a guarantee to Concord to pay for this many this year no matter what and if it comes in less, you'll owe us something back.

We budgeted for 171 at Concord. Are we paying currently for 171?

Ms. Wheeler said that what has happened is that Concord did not ask for a guarantee so they have only been billing us only for the students that have been attending. We are working through that now. She actually spoke with him earlier today in regards to that to see where we were with that and where we need to be for this February.

So, I spoke to him and we'll speak with the board when we meet next round and figure out how we want and what we need to move forward and then I will also meet with Jack again to make sure that we're following what we need to follow.

Ms. Hotaling stated that what she was getting at is that she thought that we would have something coming back but you're saying no, we just under budgeted last year because remember the big difference last year you budgeted a 5% increase and it turns out that once you got the rate it actually was lower. However,

Ms. Wheeler stated that Deerfield also had less students.

Ms. Hotaling continued that then there were fewer students. How many are we...

Ms. Wheeler stated that Deerfield was billed last year for 160 students.

Ms. Hotaling stated that it actually came in, I think, he gave me a number of like 159 but this year where we thought we were going to have 171, how many did we actually end up with at Concord. You said they were billing us currently for the right number.

Ms. Wheeler stated to be honest, I don't have that number off the top of my head but she will get that.

Ms. Hotaling stated that Zach gave us a sheet that she thought stated 167.

Chairman Dill asked for a page number.

Ms. Hotaling stated somewhere between page 48 to 50.

Mr. Bilodeau asked if Ms. Hotaling if she called Jack Dunn on her own. She stated that she did it last year as a citizen.

Ms. Hotaling stated that she was concerned about the tuition line last year and so she spoke with him and on page 49, I actually have an adjustment to suggest beginning with last year we had a different contract and instead of paying just tuition, it was broken into two pieces, tuition and a capital fee so for 17-18, we had budgeted 12,165 but our actual was not 11,297, it was actually 11,667 because of the 470-dollar fee. This year our tuition line says 12029 but that's not the total of what we have to pay Concord. We really have to pay 12,512 because the capital fee went up to 483 and we do have those numbers elsewhere on page 2 but if we are looking at this schedule and trying to be consistent going across from year to year, we should be showing the total we're paying to Concord. How it's just broken into two pieces. It doesn't mean that we don't show the whole amount so 17-18 should have been 11667 and 18-19 should be 12512.

Ms. Wheeler stated that she would add a capital line because that is what you are talking about.

Ms. Hotaling agreed because the other years didn't have a capital line but to be comparable, that was the total that we were paying for those other years.

Ms. Wheeler state that in this chart she was trying to compare apples to apples but I can certainly put that line in so you can see it.

Ms. Hotaling stated that if Ms. Wheeler is revising some of this schedule, down at the bottom, the estimated 18-19 is still showing 183 which I think that number has shifted a bit as you pointed out that there were two people that and just one last question about that, do we ever lose students to other institutions so maybe we shouldn't project everyone to continue on. Is there any track record on how many go someplace else?

Mr. Langlois stated that there are a number of factors that work into that. One of them being that families come and go, move in and out of town so it is difficult to track as schools don't contact Deerfield to state that they moved from Concord to Pembroke.

Ms. Hotaling stated that if 46 students graduate 8<sup>th</sup> grade are 42 the towns responsibility because the parents decide to do something different.

Mr. Langlois stated that they budget for the number of students we know we have.

Ms. Hotaling asked do we traditionally have a track record on how many we might lose along the way or gain.

Mr. Langlois stated that he didn't think that he has seen the data quite that way but we could find a way to disseminate it a little bit better.

Mr. Verville stated that he could shed some light on this.

This was a question that he was asking Superintendent Sherman maybe a month or two ago and she didn't have the answer at her fingertips and I did some more digging and found out that answer really doesn't necessarily belong at our fingertips. It's a strange little collection of laws.

The district is responsible to make sure that every child is receiving an education and the way that they are responsible for that is the truancy laws. If you stop sending your kid to school, they're supposed to knock on the door and say where are your kids to make sure that there's not neglect.

There are other ways that kids can stop going to school so you can remove your children to either go to private or to home school or whatever mixture of services the family wants to avail themselves of. They no longer have to report that to the district. It used to be all funneled to the district and the district uploaded it to the state.

The RSA has been changed and now there's multiple points of reporting. You only have to pick one. If a family chooses to report to the state then the district doesn't necessarily have transparency to that and you only have to notify once at the point of departure. I don't have to tell Deerfield I'm homeschooling year after year after year. I just tell them I'm home schooling and I'm all set.

The district is relieved of their duties for all of that.

The way those numbers and where those numbers are being reported makes it difficult if not impossible to get at.

Chairman Dill stated that using the 8<sup>th</sup> grade numbers is probably the easiest and more of a legitimate budget choice.

Mr. Langlois stated that at least it's an accurate sample at a point in time.

Mr. Verville stated that if there is a consistency in the numbers so that they can be moved up or down, whether there is or not but you would have to track those numbers over time to really see if there is any trending.

Chairman Dill asked for follow-up on this discussion and recognized Mr. Robertson

I think it's much like planning snow removal or storm mitigation, you have to pick the best number you can pick.

Mr. Robertson stated that he has heard the same conversation about high school tuition budgeting and how to tighten it up and he doesn't think that it is going to happen.

Mr. Robertson stated a number of factors that the numbers change from moving away to homeschooling to passing away. There is always going to be some leeway in this number.

Mr. Verville asked what the frequency or schedule of the billing where we get a bill from Concord.

Ms. Wheeler stated that the district gets that bill three times a year. It is October 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and she believed that it is in the contract.

Mr. Verville asked what the split is, he didn't think it was 1/3, 1/3, 1/3 is it.

Ms. Wheeler stated that it's not. It's different.

Mr. Langlois stated that its 25, 50, 25. He stated that its page 5 of the contract, section 5.

Mr. Verville asked if the reason that we went to October 1<sup>st</sup> was that was the date that attendance numbers are reported to the state.

Ms. Wheeler stated that that would be her assumption but that she wasn't there when they revised this contract so I'm guessing that's why.

Ms. Hotaling asked on that point that she has seen that Concord keeps a monthly tab of attendance that that they prorate if somebody leaves but if they stay beyond the end of the first semester, they count for a whole year. She believes that it is spelled out in the contract as to how that works.

Ms. Hotaling had one more questions regarding tuition goes back to the other schools that the students choose to go to and that Deerfield has to pay Coe-Brown what we pay them. Other school districts will only pay what they pay their main school and if the parent wants to have their child go to another school, then they would need to pick up the balance. Is there a reason in our district that we don't do that?



Superintendent Sherman stated that the other districts are using tuition agreements. We are required to send the percentage of students to Concord. The only option that our students have to choose another school is by applying one of our school board policies either the best interest policy or the manifest hardship policy. If a student qualifies under one of those two policies and we agree there's a reason that Concord High is not appropriate for them, then we have to pay the tuition.

If we used a different process similar to Hooksett, then we could do that.

Ms. Hotaling stated that it's not simply at parental choice in which school their child goes to. They have to qualify under one of the manifests and the burden of proof is on the parent.

Mr. Verville asked if this was a district policy as to how we place kids outside of Concord. That policy would be at the discretion of the school board.

Chairman Dill stated that if we are done with high school tuition, he wanted to switch to page 22 and have someone speak in regards to budgeting for the new employees coming in from the people that just retired.

Mr. Langlois stated that there were two retirees and the replacement for those are budgeted at a master's step 5.

Chairman Dill stated that he thought that wasn't where the people retiring are currently.

Mr. Langlois stated that he would have to check to see where they were but based on the time that they've been with us, I would suspect that they are at a much higher step.

Ms. Hotaling stated that the first one in particular, last year was at \$68,000.00 so that's a \$20,000.00 savings by hiring at a lower amount.

Chairman Dill stated that he just wanted to bring it up because it comes up every year and he thought that the school board did an excellent job in budgeting for it.

Chairman Dill asked if anyone had a question on the overall roster or the retirement system while everyone was present.

Mr. Langlois stated that if anyone had questions on the pay ranges, there are copies of the teacher's contract as well as the para contract included in your package which has the pay tables.

Mr. Miner asked about the technology coordinator and if the position were going to be filled.

Mr. Langlois stated that the technology coordinator is a certified staff member and teacher on the staff.

It was also stated that the director of special education was retiring. The information regarding this position is on page 29.

Mr. Langlois stated that he believed that the salary for that position was budgeted flat.

Ms. Wheeler stated that it's slightly under what the current person is but it is \$78,000.00 and change currently.

Mr. Langlois stated that that will be a tough position to fill and the school board will be looking into that in the upcoming meetings to see how that will all play out.

Chairman Dill asked if there were any questions of this part of the budget.

He was looking through the budget to see if there were any big items to discuss.

Mr. Langlois stated again that if there are any items that the board would like to include to please let them know so that either updates for now and then going forward we also want to bring any additional information that we feel would be helpful if we can provide it in advance, it just makes everything a little bit easy for everybody.

Ms. Wheeler had a comment. She had mentioned that health insurance was going up slightly, it went up 3.4% but also in that line you are also going to notice there's a substantial increase which includes a couple of factors that played into that.

When the roster was tallied, it was a huge red flag for me because the increase was substantial so she went back and pulled the roster from last year that we budgeted with last year and the new roster. We had several plan changes that occurred after July 1<sup>st</sup>.

There were several employees that had a buyout plan that ended up going to the higher plans so that played a huge role in that line. It is just something that needed to be noted because if someone were to do a calculation of 3.4% off the prior year, you're not going to arrive at that figure.

Ms. Hotaling added that she had been reading about opt out plans and that for so many years you can get \$2,500. She stated that there are many points to cover if someone were to opt out and was the district keeping track of that.

Ms. Wheeler stated that she thought that the HR department did that because they have to send out documentation of that for their taxes.

Ms. Hotaling asked if they are being able to take the premium out of pre-tax income per Section 125 to which Ms. Wheeler didn't know but would speak with HR about it.

Ms. Wheeler stated that she budgets the FICA lines off the salary line as well as co-curricular as anything that is paid out as a wage.

Ms. Hotaling asked if she would get this information just to make sure that FICA was being done correctly as if not, maybe overbudgeting this line somewhat.

Chairman Dill asked if anyone else had any questions on the line.

Mr. Verville didn't on a line but on page 50, he was wondering why the school board only ran a 7-year history when the Department of Education has it going back to 2006. He wondered if that graph could be expanded to include as least the information that's current.

Mr. Langlois stated that the original run was because he had requested 7 years because typically the committee looks for five years-worth of data so he figured that he would go a couple of years beyond.

Mr. Verville asked if that graph could be updated to include the current information that is on the Department of Education's site of which he believed went back to 2006.

Ms. Hotaling and Chairman Dill stated that that was in a handout that the committee already has. It goes back ten years but is not graphed.

Mr. Verville stated that if the committee could get it updated graphically, he thought that there was value in having it in that form.

Chairman Dill asked if the issues with Pembroke are going to affect Deerfield at all.

Superintendent Sherman stated that the majority of the issue was the tuition revenue from sending towns and since Deerfield does not send students to Pembroke that isn't an issue for Deerfield. The other issue was involving such things as catastrophic aid, Medicaid and therefore again doesn't affect Deerfield.

Mr. Verville stated that since we are on that issue, he is under the assumption that 4 of the 5 districts within SAU 53 are under an area agreement for high school at Pembroke Academy (three sending districts to Pembroke), Deerfield is not included in this agreement and actually contract at will for whatever high school we want to negotiate with which the SAU representatives agreed.

The benefit in Mr. Verville's eyes is that Deerfield can renegotiate the contract every so many years. He also stated that he presumed that the area agreement would be harder to renegotiate.

It was said by a member of the SAU that also, the area agreement is not a tuition agreement, it is totally different.

Chairman Dill had a follow-up about the PACE Academy and stated that Deerfield had a tuition line. Since we send our kids to Concord and also have the option to send to the charter school, how is that affecting our tuition line.

Superintendent Sherman stated that PACE is a public charter school and any family can attend. It is a school sponsored charter school and Pembroke started this charter school. All of the towns within the district are allowed to send children to the PACE Academy. Deerfield has priority to seats at PACE because they are part of the SAU but not part of the area agreement that sponsors it.

Mr. Langlois stated that there were a couple of other lines that had small changes but might be worth noting. Page 10, Line 336, we had budgeted for 8 buses last year. With help from the transportation company, the needs for the children were found to be able to be met with 7 buses for next year so there is a savings on this line.

Below that unfortunately, there are some increases to the special education transportation costs which basically equals out those two lines.

Ms. Hotaling brought up the cost of the special education line and asked if the number was just for costs known today or if there were some estimates in case another student comes into the school with special needs.

Superintendent Sherman stated that it is budgets for what is known today as anything could happen from getting new students to losing current students. There are potential students that are known to the school and those would be accounted for within the budget.

Superintendent Sherman also stated that they are going to be putting out a RFP for special services transportation and hope that whatever vendor is chosen, that some costs could get recouped in that line.

It was noted by Ms. Sherman that even when they put out the RFP for regular student transportation only one business bid.

Chairman Dill stated that he had a question on page 3, line 58 – art supplies, that there is only \$1,000.00 budgeted for art supplies for the whole school.

Mr. Langlois stated that that was one of the adjustments made by the administration when asked to trim the budget.

Mr. Verville commented that he would like to discuss this further.

Chairman Dill stated that he wanted to increase this line back to the original amount of \$13,000.00 to which Mr. Verville yielded the floor to the Chairman.

**Motion:** Chairman Dill moves to increase the Art Supply line (Page 3, line 58) to \$13,000.00

**Second:** Mr. Verville

**Discussion:** Chairman Dill stated that it seems like a very small amount for the entire school's art supplies

**Vote: Yea 7, Nay 1, Abstained 0 – Motion Carries**

Mr. Verville stated that the biggest complaints that he gets from parents and people that work at the school is the quality of the supplies that they have to use such as brown paper towels, which absorb nothing, tissues that are rough, paperback books that are well worn.

He asked what the educational priorities of the school budget in regard to direct student services.

Mr. Oxnard answered for the school board. When the first draft of the budget was done, the bottom line was way too much for anyone in good conscience could approve. After looking at the budget and removing the “fixed” for lack of a better term, they looked at the budget with the student's educational priorities in mind.

After putting into the budget, the cost of the needs of special education students, if the school board were to level fund the budget which would have made it easier to present, it would essentially reduce the amount of funds available for the rest of the student body. This board saw that and increased the amount of funds for the rest of the students to cover the cost of educating them.

One of the things that the school had implemented last year was to hire a teacher to help with math across the student body. This had a great effect on students that needed the extra help.

With the increase in the student body for the coming year, it was thought that the math position would need to be reverted back to a teacher position as was glad that the position was kept. By adding the new teaching position, it would allow the school to keep providing the extra services needed. In order to fund this, the board asked the administration to make changes where they could in order to fund these services.

He went on to say that if by reducing in other lines such as supplies in order to give the students a quality education, then that is his priority.

Mr. Verville stated that he has read studies that state that once you get below a certain class size, then the return on investment goes down because of the lack of interaction between students. He could see that people and technology was being added in order to increase the help that the students get but not in the realm of direct student services such as classroom supplies.

As stated, a 7% increase is hard to swallow but if a person can point to the area that the increases are coming from, it makes it easier to understand and accept.

He also stated that he couldn't make a motion to increase these lines as he didn't have enough information to do so even though he has reached out to the administration obtain them.

On page 3 which is the classroom supplies. He asked the question is these lines showing just the must haves, or the must haves and some wants or the must haves and some extra items. It was asked what the numbers on this page represent.

Mr. Verville asked how the numbers for this were arrived at. He went through how it was done when he was a teacher and wanted to know if it was the same way.

Mr. Oxnard stated that they asked for budget numbers based on the following three criteria. What do you need, what do what and what if there were no restrictions for them? He stated that the number in the budget is closer to the "what do you need" number.

Mr. Langlois stated that Column J is the "what do you need" number.

Examples of items that were asked for that didn't make the cut was heart monitors for the PE teacher that he thought would really be helpful. That was one of the items that was cut first. It wasn't because he wanted it for the sake of technology but that he thought that the students would be able to learn from what they are seeing.

Chairman Dill stated that that was one of the lines that he had wanted to ask about specifically because he thought that it was a big jump from \$5,800.00 to \$900.00 was a big jump.

Mr. Smith stated that that was for the monitors and Chairman Dill asked how much were they. Mr. Smith stated that they were the difference in the amount shown.

Mr. Verville stated that this is where he was going with this line of thought. That the line total is the maintenance budget for PE, the maintenance budget for music.

Mr. Verville stated that he would like to be able to “kick” the ball forward and start addressing these needs. As he goes through the class rooms he sees technology but he also sees what he perceives as needs and going forward would encourage that discussion because that is where he feels the money should be.

Chairman Dill stated that he agreed with Mr. Verville, that a lot of the lines for supplies are very small for a whole school to use as consumable items.

Ms. Hotaling stated that on page 3, line 82 which was for software. Mr. Smith stated that it was for Microsoft upgrades which haven't been purchased yet but will be in the near future. The line was brought back down to pre-software upgrade need. There were also subscriptions to updates that are now being shown in a different line.

Chairman Dill stated that it was obvious that they were not going to get through the whole budget and the next meeting would be the 21<sup>st</sup>. It was noted that the SAU staff would not be available to meet so that if anyone on the board had anything to ask the SAU staff, that this time might good to do so.

Ms. Hotaling stated that she would like to talk about default budget which is on pages 30-34. Looking at the \$12,835,321.00 which was increased from \$12,738,000.00 which was the warrant article for the paraprofessionals in the amount of \$31,540 and \$65,000.00 for two expendable trust allocations.

Ms. Hotaling explained the different types of budgeting regarding default budgeting, direct and indirect. Deerfield uses the indirect method. She stated that she felt that the default budgeting laws were not applied correctly in supplying the MBC with a correct default budget

She also stated that she would like to be able to sit down with Ms. Wheeler offline so that she could explain what she is talking about in regards to default budget law.

Chairman Dill stated that it is for our reference and to digest. The focus of the MBC is the current budget before them.

Ms. Hotaling stated that what the default budget should be is last year's numbers which should be increased by contractual items and subtract the one-time items of which there is a huge number.

Mr. Bilodeau stated that if the SAU should talk with Ms. Hotaling he would like it in a meeting such as this so that he could understand how the number is calculated. Would it be okay to ask the SAU to review the laws, underline the lines that need to be removed or added and come back to the MBC with their interpretation. If everyone doesn't agree with that then it would be the time to bring in a third party.

Chairman Dill stated that the budget before the MBC is the budget that the board is reviewing, not the default budget. We can ask the school board member to bring this back to the SAU but the current budget submission in front of us is the one that the board needs to work on.

Mr. Verville stated that he would like to change gears and would love to see what a “nudge the ball forward” list looks like and would really love to see the “Christmas, money falling out of the sky” list with dollar amounts. If it could get to the committee before Thursday so that it can be reviewed before the meeting, that would be great. Maybe with that, people might be in a better position to make some motions.

Chairman Dill asked if there were anything further for the SAU people that are in attendance.

Mr. Verville referenced page 51 and stated that the committee was going to get a copy of last year’s sheet regarding class size so that there is some rolling data.

He also stated that he would love to get the science behind having class sizes that were in the low 20’s down to the mid-teens when they transitioned from 3 to 4. That justification would be interested in hearing but would like to have the numbers before having the conversation.

Ms. Hotaling stated that she would like to reference page 9 which has something called a network technician that went up by \$9,800.00 and was wondering if that was a contract position or hourly. She just wanted to know if it was more hours, raise, what was happening with the network technician.

Chairman Dill stated that it was line 273 on page 9.

Ms. Wheeler stated that that person got a raise after the budget was passed last year. The number is that person’s actual wage so that line is going to be short. There are no salary increases within the individual lines for positions. Those are located at the end of the budget in a lump sum package.

Mr. Langlois explained that that individual was working a lot more hours than he was being compensated for so it was to correct his compensations to fall in line with what that person does.

Ms. Hotaling stated that it would blow the bottom line a little because of this increase and asked if he was on a contract.

Ms. Wheeler stated that he was on a year to year contract. Everyone is on a year to year contract. Every employee receives a contract, it’s just whether they’re under an agreement, whether they have the purvey of two-week at will or that person is under a union agreement and so forth.

Mr. Verville asked what this job position falls under to which Ms. Wheeler replied that she thought that it was under a two-week notice position which is an “at will” employee.

Chairman Dill asked for clarification what the “network technician” do?

Mr. Langlois stated “maintains the network”. He stated that there is a fair amount of technology in the building and his responsibility is to make sure everything runs smoothly, that all updates are done to all the devices.

The technology teacher works with students directly on various projects and the usage of technology.

Mr. Verville stated that he thought that the technology teacher could actually work on the network but that the network technician needed to be supervised to work with students.

Mr. Smith stated she has the expertise to work on the network but networking is pretty specific and the network technician has the expertise in that area which is more than she has and likewise he doesn't have the integration skills that she has and wouldn't be asked to work in the classroom. He is non-teaching staff.

Mr. Langlois stated that the little things again, the school board voted to reduce their stipends to \$1.00. There was money moved into a line to allow a BBQ type event to kick off the school year. It was basically the school board stipends that moved to this line as they thought that it was a great event and was nice to get the community together in September.

Mr. Verville asked for a constituent whether or not a school board member could take advantage of the teacher's health insurance package of which Mr. Langlois stated that no they could not.

Mr. Langlois stated that he does get to enjoy that benefit as his wife is a teacher but not in this district. Chairman Dill stated that he had heard that this is done in other communities such as Manchester.

Superintendent Sherman stated that also in your packet is Deerfield's estimated revenue projection and where Deerfield is going to be.

Chairman Dill stated that he thought that might be something to review while Ms. Wheeler is here. He asked what page it was on which was stated Page 45 just so they could go over the changes that have occurred since tax rate setting.

Ms. Wheeler stated in Deerfield's case, it is minor in comparison to some of the other districts but the adequacy aid that I received from the Department of Education just on November 15<sup>th</sup> so that is an updated figure of what they believe will be what Deerfield receives next year for the 18-19 budget.

The figure is a decrease of \$14,000.00 inadequacy aid but looking to receive a \$19,000.00 increase in state education tax.

There is a slight decrease in catastrophic aid of \$6,400.00 which is derived off what services the students receive. That can fluctuate depending of what services the students are receiving at that point in time and could potentially fluctuate during the year.

Ms. Wheeler stated that they look at it conservatively as they were given a little higher figure but took a little bit off of the in case there is a transition that occurs during the year.

Medicaid is another reduction of \$19,000.00 which is derived off of services provided to individual students so that figure could fluctuate depending on what services a student gets.

Ms. Wheeler stated that the last item was the food services budget which was discussed earlier.

The last item is that Ms. Wheeler stated that she put a note at the bottom of the page to state that the change in revenue is \$37,000.00 because there is a glaring \$581,000.00 figure but Deerfield isn't actually short that much or the change isn't that much, it is just that it was needed to take into consideration the warrant articles that took place this year as well as the surplus that was returned this year back to the town to offset taxes.



Mr. Verville just wanted to make sure he understood. The education tax is a statewide property tax on the assessed value in Deerfield and what we send to Concord returns back to Deerfield.

Ms. Wheeler stated that the formula and amounts that are used come from the Department of Education and are quite complex. She would need to research to make sure she is giving out the correct answer.

Mr. Verville stated that he thought that the education tax is a statewide tax on property that goes to Concord and comes back to Deerfield to which Ms. Wheeler agreed.

Mr. Verville continued to state the adequate education grant is not so easy to figure out. So, the ADM is the October 1<sup>st</sup>, kids in seats number and they use that to estimate but don't do the final number calculation until sometime after where they average the number of students during the school year.

Ms. Wheeler thinks that she gets documentation from the state in March to show anything that has changed. She also stated when she has received that documentation that the changes have been very, very minimal.

Mr. Verville stated that this adequate education grant lags a year so this dollar amount is based on a previous year enrollment. He also stated that that system works well because you are getting more money for kids you don't have.

For Deerfield where we have increasing enrollment, we don't see as much as needed because of the lag.

Ms. Wheeler also stated that even though we create this document and provide it to the school board and the MBC, if there are any figures that make anyone uncomfortable, a conversation can be had and changes can be made to this document.

Mr. Verville asked if there was data that showed what actual revenue versus anticipated revenue over a period of time looked like.

Ms. Wheeler stated that there are multiple years on the spreadsheet so that we could definitely track trends.

Mr. Verville wanted to know if it could be graphed to show actual versus estimated revenue over a ten-year period just to see if it is consistent.

Ms. Wheeler stated that she could do that for him but didn't know if she could get it to him by next Thursday because the team has meetings every night but that she can certainly try.

Mr. Verville stated that he would like it anytime between now and the MBC meetings before the end of January.

Chairman Dill asked if there were any other school items. There were none and the Chair thanked everyone for coming in.

Mr. Robertson stated that there is a new copy of the budget. It's not the finalized budget but that the Board of Selectmen will be finalizing their budget this coming Monday.

He believes that all the changes that the committee has made are in the budget tonight but that the Board of Selectmen are going to reduce the health insurance line in the order of \$25,000.00 due to changing to a plan that is comparable to what the town has now but getting it through Tuft's is going to save the town money.

He stated that he thought that they were going to put in more money in the health reimbursement account which helps employees reimburse the rather large hospital deductible that is on the plan. The town has always made out very well on that. Last year we budgeted around \$10,500.00 and we have never come close to spending that amount.

It is conceivable that if the town had multiple employees that we could go over that line but the savings in premium is definitely offset.

Those are the only major changes that you are likely to see and will come to the committee in final form next week.

Mr. Robertson stated that there were a couple of questions from last week, one of which what was the amount in the Conservation Funds. The balance that the town had as of yesterday was \$354,087.93.

He also stated that he had incorrectly stated that the Conservation Fund he thought had a cap on it of \$350,000.00 of town contribution from the LUTC percentage split. He believes that it is actually \$500,000.00.

It has not been at \$500,000.00 unless the town moved to put money in there for a specific project.

It was asked what the LUTC is which is the Land Use Tax Change which typically is a 10% penalty when you take your land out of current use for development at what it is assessed at the time.

Mr. Verville had also asked what the road agent had used last year in regards to impact fees. He used \$124,000.00 which documentation was provided by Mr. Harrington. Mr. Young was going to start projects with the available at the moment of \$118,924.00.

Chairman Dill asked if any of that money had to go back as was stated with the transfer station. Mr. Robertson stated no, that there was a 6-year window to use them. The projects that the town planned on using those funds for as still planned on being completed by spring as the highway agent got held up by contractors.

Mr. Robertson stated that the thought that some impact fees were used by the transfer station on the new side of the building. It's basically a storage building for waste oil, antifreeze, batteries, etc. that need to be under cover until they can be disposed of.

Mr. Verville asked if everyone could turn to page 49 of the budget which is road reconstruction, specifically line 735.

**Motion:** Mr. Verville moves to increase line 735 on page 49, Road Reconstruction-Road Resurfacing by \$100,000.00 to make the total \$350,000.00

**Second:** Mr. Bilodeau

**Discussion:** Mr. Verville stated that the reason that he has submitted this motion is that constituents are concerned that the many miles of road in the town of Deerfield get getting really bad. He has been told that the sooner that they are repaired, the less likely they will need really expensive work to get them back into condition. In the past, the highway agent was always afraid of spending money in case the town had a bad snow year but now with the snow removal expendable trust, there is not as much issue with this. The amount of money, \$100,000.00 is a large chunk but in the long run, the cost of rebuilding the road will be far greater.

Chairman Dill stated before he takes a vote, this is one time that he has agreed with Mr. Verville.

Mr. Robertson stated just by way of explanation, I didn't think that the Board of Selectmen would disagree with Mr. Verville's motion but that one of the reasons that the highway agent doesn't come to the town for large amounts of money for road reconstruction is the fact that he is an elected official and even though it is a three year term, he doesn't want to alienate the town's people by putting in large amounts of money for road reconstruction but when there's money that won't affect the bottom line, he is all for it.

Mr. Langlois asked if the Board of Selectmen have talked about warrant articles for road reconstruction and Mr. Robertson stated that they had not. Insider tip, if the highway agent or the Board of Selectmen suggest a warrant article for a road reconstruction project, it is probably because they know that they don't intend to do it and they know if they make it a warrant article it won't pass.

Mr. Verville stated to that point, last year he investigated a period of ten years' worth of warrant articles and not one did pass.

Chairman Dill stated that it didn't matter if it was from the town or a petition, it fails.

Mr. Bilodeau stated that he supports the motion entirely and very well put and thanked Mr. Verville.

Mr. Verville stated that he would go on record saying that should the current road agent run for reelection and someone badgers him for his budget being up \$100,000.00, he can take the liberty of blaming him and tricking the committee into passing it.

**Vote: Yea 8, Nay 0, Abstained 0 – Motion Carries**

Mr. Robertson stated that that will be in the final version of the budget

Ms. Hotaling stated that while they were talking about page 26 which is health insurance, she would like an explanation why dental went up 50% and retirement went up significantly. The overall number went from \$452,192.00 to \$455,907.00.

Mr. Robertson stated that he would defer to Mr. Harrington be he suspected that it was to budget for new positions.

Mr. Harrington stated that it was for the new positions and for dental there wasn't a reduction this year. Between the adding of new positions and the increasing of rates, you're seeing that increase in the dental line.

Mr. Robertson stated that they did investigate other plans but didn't find anything favorable.

Chairman Dill asked if there were any other questions on the town budget. Hearing none moved to Old Business.

**Old Business:**

None

**New Business:**

None

**Adjourn:**

Motion: Mr. Robertson moves to adjourn at 8:45 p.m.

Second: Mr. Langlois

Discussion: None

Vote: Yea 8, Nay 0, Abstained 0 – Motion Carries

**Next Meeting: Thursday, December 21, 2017 at 5:30 pm**

*The Minutes were transcribed and respectfully submitted by Dianne L. Kimball, Recording Secretary  
Pending approval by the Municipal Budget Committee*