

**CITY COUNCIL BUDGET WORKSHOP MEETING  
JUNE 11, 2012**

**Call to Order**

Mayor Merrifield called the meeting to order at 6:00 p.m. in the Council Chambers, Franklin City Hall. Salute to the Flag was said, led by Councilor Starkweather.

**In Attendance**

Councilor Clarenbach, Councilor Starkweather, Councilor Feener, Councilor Desrochers, Councilor Cournoyer, Councilor Sharon, Councilor Dzujna, Mayor Merrifield and City Manager Dragon.

**Absent**

Councilor Boyd and Councilor Trudel

**Presentation of School District Budget**

Mr. Ray Yonaitis, Chair of the School Board and advised that the budget before the Council is the budget that was presented to the full Board and approved. Mr. Mike O'Neill, Business Administrator, who will present the budget, and members of the Finance Committee are here to answer your questions, and Supt. Ward will answer any questions on the education part of the budget.

Mr. O'Neill advised that he found an inconsistency in the revenue calculation which affected about \$88 on the revenue page. The district appropriation is an increase of \$129,117 driven by a 3% CPI. Tuition, the main source for that is Hill, and he commented they are seeing more and more foreclosures in Hill so the Hill enrollment continues to decline. Interest on investments is \$1,250, athletic receipts, some funds are received, rental income is directly impacted by the removal of Tiny Twisters as they were paying \$4,000, SAU is paying \$6,000 in rent, it's really not rent but an allocation of the cost to operate the building and the SAU is paying a part of that. Mayor Merrifield asked the rent for the SAU is not going to change as a result of the reconfiguration of offices. Mr. O'Neill

responded no and if you look at the footprint, the SAU will actually be in less space but more consolidated. Other local revenue was at \$20,000 when he began and he was not sure what the source of that was, however, they did get \$2,075. Recycling revenue, sometimes they do have items they scrap out from the metal shop, old tools. Adequacy aid it is still unknown how that is going to work out, the Legislature recently did not pass the constitutional amendment to go on the ballot which if passed would have had a positive effect on Franklin so the adequacy has been left at the same number as in the past. Building aid is consistent from year to year. Catastrophic aid throughout the year there has been discussion concerning the additional costs for the special ed students and it will result in getting more aid. Transportation, some monies are still reimbursed to pay for the bus for the students. Medicaid distribution Mr. O'Neill stated even though it would seem we are getting more students requiring services the revenues continue to decline. Food Service is budgeted to break even so revenues match expenses for the food service budget.

Councilor Desrochers commented that the Medicaid reimbursement requires paperwork be filled out correctly and he inquired if the paperwork is checked by someone prior to submission. Mr. O'Neill advised they use a third party biller who has trained employees on the newer system and also an audit was recently completed and that audit found that only 2 costs were disallowed and found we were doing a very good job and that everything was reported properly.

Mr. O'Neill referred to the Function totals and stated total regular education is down by \$245,564. Additional monies had been budgeted to cover pension costs and also changing the movement of classes at the Middle School which has resulted in the consolidation of a couple of positions and that resulted in the elimination of three positions. Health insurance increased 1.8%. Special education with an increase of \$343,365; the out of district placements continue to be a real concern. He stated they budgeted for what they know to be true and still had a 12.54% increase. \$300,000 of that is for out of district placements. Mayor Merrifield asked how many students and Mr. O'Neill stated he believes it is 13 students. Instructional Services is up by \$2,000 which are stipends. Athletics

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& Extra Curricular is the coaches, athletic director, material and supplies is increased \$6,224. Adult Education was a very good years and 17 students got their full diploma. Guidance there is a decrease. Nursing is increased and the salaries had to be adjusted to bring them in line. Psychologist is a new position which is saving about \$35,000 overall; this service was always done through contracted services but have been able to hire a qualified person and before paying about \$90,000 and now it is \$66,000.

Councilor Clarenbach asked if that came from Special Ed and Mr. O'Neill stated it will come from Other Outside Services. Program Improvement is reduced slightly, this is the section that reimburses teachers for tuition. Library & AV Mr. O'Neill stated is mainly driven by a change in personnel. Supt. Ward commented that the new librarian is also certified to teach 8 languages. IT and Computers is decreased. School Board and SAU are driven by an overall \$25,000 reduction in the SAU budget. Mayor Merrifield asked if the split between Franklin and Hill has remained stable. Mr. O'Neill responded it is pretty close. Administration is increased and Mr. O'Neill stated this is the only place in the budget where an employee has been added. The person has been taken out of the School Improvement Grant and into the operating budget. Buildings and Grounds is reduced by \$86,731 which is driven by the conversation of the boilers at the high school from oil to natural gas and a change to a different provider. Transportation is up due to concerns over fuel costs and additional special education transportation. District IT is reduced and that savings is a result of taking a hard look at how that department was staffed.

Administrative Fees and Sick Time, this is the administration for the 125 Plan and also the collective bargaining agreements allow you to get a buy out if you take no personal or sick time during the year and there are usually 3 or 4 people each year that receive that additional bonus. Building Improvements contains two projects this year, one to remove some storage tanks at the middle school. Debt Service is an overall reduction of the interest costs based on a couple years of debt payments.

A new line titled After School Enrichment Program and Mr. O'Neill stated you heard Dr. Ward state early that \$247,000 21<sup>st</sup> Century Grant was lost, and it is felt that some sort of an after school program needs to be put together. The overall General Fund Budget is proposed at \$14,388,627 which is a reduction of \$187,630 from last year. Food Service, revenues and expenditures are the same on both side at \$751,831. The bottom line budget would be \$15,140,458. Councilor Cournoyer inquired about the 21<sup>st</sup> Century Grant that the school no longer received. Mr. O'Neill advised the grant is awarded in 5 year increments and the City of Franklin received it for 15 years. This grant helps to provide after school programs and summer programs for underprivileged youths.

Councilor Desrochers inquired on Page 9 of 30 Books/Supplies-Odell and is that Odell Park and Dr. Ward advised it is a special education program at the middle school and it is referred to as an Odell Program. Councilor Desrochers inquired on Page 22 of 30 concerning the increases in the Principals' salaries at the Middle School and the High School. Dr. Ward explained the grant shown on Page 172 of the big book, Administration Salaries the \$60,000 is allocated between the 3 schools. Page 25 of 30 the custodian salary at the Middle School has increased 18% from \$99,236 to \$117,411. Dr. Ward referred to page 187 in the big book and Mr. O'Neill explained last year they were unsure as to how the staff would be allocated when all the kids were moved to Paul Smith so this year another half person to the Middle School, overall the wages are down.

Councilor Starkweather questioned on Page 9 of 30, books for Odell is it correct it is a 556% increase and Mr. O'Neill stated that they only had \$150 in that line and they looked at basically upgrading all the books and it actually only about \$1,000. On Page 28 of 30, under pupil transportation, special ed for the district and then broken down for the schools underneath, why is there one for the district and then broken down for the schools. Mr. O'Neill commented basically all the regular education transportation is charged at the District level, special ed cannot be identified by school. He further stated if the bus is a mixed bus where there are students using it from all grades or there are certain buses that are paid \$180 per day and that bus will provide in-district special ed transportation for all

schools. If someone has to be sent to Concord and it is known they are an elementary school student then it is budgeted on that line. Page 162 in the breakdown, the IT person is apparently now going to be covered under School Board and SAU. Mr. O'Neill stated that is correct. Page 194 on the breakdown of the custodian, asbestos training and abatement. Mr. O'Neill stated on an annual basis they are required to have two people go to these trainings because there is still encapsulated in the buildings.

Councilor Clarenbach commented on Page 29 of 30 there two turn around curriculum specialists, are these grant funded or part of the budget. Mr. O'Neill stated those positions were budgeted at \$50,000 each in last year's budget and were never filled.

Councilor Starkweather inquired under Page 220, under Food Service on the breakdown, the head cooks get a \$500 stipend but for Paul Smith School apparently the head cook doesn't but the kitchen worker does. Mr. O'Neill stated that is all under the terms of the new collective bargaining agreement, certain people are at the top of the pay scale and it was negotiated that if you are at the top of the pay scale you receive a \$500 stipend.

Mayor Merrifield stated he knows individuals are identified throughout the budget detail but he asked if there is a headcount of the number of full-time and part-time employees in total. Mr. O'Neill stated he could get that information. Mayor Merrifield inquired transportation is not part of the tuition formula for Hill. Mr. O'Neill stated that is correct, Hill pays their own. Mayor Merrifield asked if there are District level costs that do contribute to the tuition calculation. Mr. O'Neill advised everything that you see at a zero level, when the MS25 form, a spreadsheet is used to allocate and try to come up with the most reasonable basis for number of students, number of special ed students for the special ed department director, and some of those would have a direct impact on the amount Hill pays and he stated that is why is always allocates in a fair manner and consistent.

Councilor Desrochers inquired on Page 1 of 1 the School Board and SAU what is the \$727,096 made up of. Mr. O'Neill stated if you go to page 171 it will show you everything that makes that up. Mayor Merrifield commented about the SIG Grant, where is that listed, in the SAU Budget? Mr. O'Neill stated it is part of the approved SAU budget as the grants are put into the SAU budget, they go in the SAU as a revenue and expenditure so no impact. What you are looking at here is the SAU operating portion budget only. All grants are managed by the SAU.

Councilor Clarenbach stated then the grants are not part of this budget and Mr. O'Neill stated that is correct. Councilor Clarenbach stated he believes last year it was requested that a listing of the grants be provided and that was done. Dr. Ward advised that by August 1st or August 15<sup>th</sup> they should have the numbers on all the grants. Councilor Clarenbach asked what percentage of the grants are Federal monies. Mr. O'Neill responded about 95%.

Councilor Dzujna stated he knows some funds were added in for an after school program, and he asked how far will \$73,000 take towards a program. Dr. Ward commented it will take us further than most people would think because it is not grant funded a project coordinator is not needed, an oversight at each building does not have to be provided, food service does not have to be provided. She stated for all 3 schools two teachers, and two aides, four days a week, one and half hours a day for 36 weeks of school. An after school program is usually not started right away in September so if it is the end of September they might be able to add a special function teacher at certain times of the year if more assistance is needed. It won't be at 5pm or 5:30 pm every day but it should be an hour and half every day, four days a week for approximately \$63,000. Councilor Dzujna commented there is nothing for the summer and Dr. Ward stated perhaps next year something for the summer can be worked on.

Councilor Starkweather asked if it is correct that Casey Family Services is going to close. Dr. Ward stated as far as a relationship with the school, they are done, they finished at the high school last year and will finish out this year at the Middle and Paul Smith schools.

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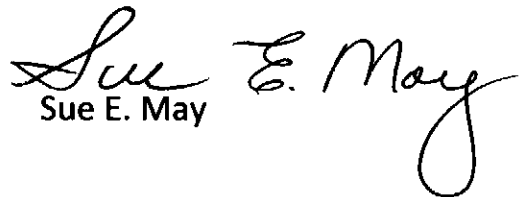
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Councilor Starkweather weather asked the addition that Casey Family put on the Middle school, what is that space going to be used for and Dr. Ward advised it will be used for pre-school.

***Motion made by Councilor Desrochers to adjourn and seconded by Councilor Dzujna. All in favor, meeting adjourned at 8:00 p.m.***

Respectfully submitted,

  
Sue E. May