

APPROVED January 26, 2011

Chairman Charles Kimball called the recessed meeting back to order at 7:10 PM in the main floor of the Town Hall. Present were Budget Committee members Andy Kohlhofer, Charles Kimball, Michael Nygren, Selectman Greta St Germain, Patricia Martel, School Board Member Ida Keane and recording Secretary Jeanne Nygren.

Those present who signed in are Jennifer Thomas, Mikella Eichern, Kelly Exel, Lisa Fioravante, Mark Fioravante, Eric Abney, Deb Genthner, Kathy Schreiber, Debra Alman, Michael Rydeen, Dawn DiBurro, Nanette Perry, Kelly Arp, Jodi Donahue, Dawn Levitt, Laurie Trostle-Pitkin, Yvonne Ouellette, Greg Fraize, Camille, Fraize, Matthew Couray, A. McKee Courcy, Bill Lander, Bridget Connolly, Cathy Herrmann, Theresa Blades, Bonnie Sandstrom, Ellen Canty, Bridget Paine, Sue Hinckley, Jennifer Brown, Elizabeth Torre, Sharon Girardi, Jeff Rowell, Larry Dobson, Marian Guidoboni, Webster Guidoboni, and Christine Kenneway.

Kohlhofer then started to read each of the school warrant articles for review and discussion before the school public hearing is opened.

**Article 1:** To see if the Fremont School District will vote to approve the cost items included in the collective bargaining agreement reached between the Fremont School Board and The Fremont Education Association which calls for the following changes in salaries and benefits at the current staffing levels:

Year	Estimated Salary And Benefits (excluding Health Insurance) Increase over Prior year	Estimated Health Insurance decrease over prior year	Net Increase Decrease
2011-2012	\$46,339	-\$100,098	-\$53,756
2012-2013	\$39,105 to \$78,209	\$ 0	\$39,105 to \$78.209

And further to raise and appropriate the sum of Zero dollars (\$0.00) for the 2011-2012 fiscal year, such sum representing the net costs for teacher salaries and health insurance expenses compared with what the District would pay at current staffing levels in accordance with the most recent collective bargaining agreement, with such changes in net costs in health insurance expenses due to a change in the District's health plan?

(Recommended by the Fremont School Board 5-0)

Discussion by Budget Committee: Kimball would have liked more time to vote on this article as he has only had this for 2 days to study and said that he would not vote on the pay raise. St. Germain wanted more clarification on the 2012-2013 increase from \$39,105 to \$78,109. Lander answered that in the collective bargaining agreement they have to use the COLA on the steps at no higher than 5.3%. Nygren asked if there is a \$750.00 increase on each step for the first year, and Lander said yes the following years are COLA. Nygren said this is then rolled into their pay base. Keane stated that the \$100,095.00 insurance savings is for all the staff and not just the teachers.

Kohlhofer had an issue with the duration clause and the bargaining ability with the teachers and that everything will continue until a new contract is approved. He feels they are adding on year after year and these are not full time employee and they have to work only 7 months out of the year. He feels there is a lot of opportunity for teachers to make other income when they are off during the summer months.

Nygren feels the percentage paid on the health insurance is like a commodity and that next year’s insurance could be a large tax impact and picking this up on along term basis can be too costly, and commented that the Evergreen clause is financial suicide to the town.

Kohlhofer said there is no flexibility in health plans and we are locked in for the duration of the contract and this takes away flexibility for the school and he is not in favor of this.

A motion was made by Kohlhofer not to recommend this article. This was seconded by Nygren. The vote was 5-1. Keane voted nay.

**Article 2:** Shall the Fremont School District, if Article 1 is defeated, authorize the governing body to call one special meeting, at its option, to address article 1 cost items only?

(Recommended by the Fremont School Board 5-0)

Kohlhofer asked how this works under SB2 and asked do they have to have a special election if this is voted. A motion not to recommend this article was made by Martel. This was seconded by St. Germain. The vote was 5-1. Keane voted nay.

A motion to the recess the Budget Committee meeting until after the School Public Hearing and to open this hearing at 7:30 PM was made by Kimball. This was seconded by St. Germain. The vote was 6-0.

Article 1: As written above. Kohlhofer asked if any questions or discussion on this article.

Article 2: As written above. Kohlhofer asked if any questions or discussion on this article.

**Article 3:** Shall the Fremont School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$10,250.518, which is the same as last year, with certain adjustments required by previous action of the Fremont School District or by law; or the governing body may mold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. (Majority vote required).

Function	Description	Budget Committee Recommended	School Board Recommended
1100	Regular Education	\$5,617,899.00	\$5,888,464.00
1200	Special Education	\$1,251,001.00	\$1,560,452.00
1270	Spec. Education ESL	\$3.00	\$1,002.00
1300	Vocation Education	\$0.00	\$0.00
1400	Other Programs	\$51,401.00	\$68,068.00
2110	Truant Officer	\$1.00	\$1.00
2120	Guidance	\$92,955.00	\$172,216.00
2130	Health	\$116,875.00	\$119,504.00
2140	Psychological	\$107,911.00	\$112,994.00
2150	Speech/Audio Services	\$249,917.00	\$260,600.00
2162	Phy. Ther. Contracted Services	\$188,470.00	\$216,993.00
2210	Improvement of Instruction	\$43,343.00	\$51,972.00
2220	Library Media/Reo AV Equip	\$52,512.00	\$54,836.00
2225	Computer Technology	\$134,149.00	\$135,764.00
2310	School Board	\$61,519.00	\$67,309.00
2320	Office of the Superintendent	\$256,175.00	\$271,793.00
	Spec. Ed. Administration	\$116,530.00	\$140,906.00

2440	School Administration	\$274,753.00	\$425,361.00
2600	Operation of Plant	\$399,394.00	\$426,387.00
2700	Transportation	\$554,760.00	\$586,760.00
2900	Support Benefits	\$0.00	\$0.00
5100	Debt Serv/Prin & Interest	\$314,500.00	\$314,500.00
3100	Food Service	\$164,699.00	\$164,699.00
5300	Federal Grants	\$201,751.00	\$201,751.00
		\$10,250,518.00	\$11,242,332.00

(Not recommended by the Fremont School Board 5-0)

St. Germain asked for clarifications in the RSA and what the default budget has in it. Sandstrom replied the current year's budget and anything negotiated previously, also one time expenditure that you don't expect have to be taken out. St. Germain asked if there were new items in this article. Nygren asked if the deductions should be taken out for Sanborn and if money that was put back in would come back to the town and shouldn't it be reduce by that amount in the operating budget figure. Sandstrom said it will go back at the end of the year. Pinkham asked for a clarification on the default budget. Martel said it is the operating budget from the previous year.

While comparing the amount in warrant article 3 of the default budget and the MS-DS default budget sheet there is a discrepancy in the figures that were presented and the Budget Committee questioned this figure with the financial administrator. A corrected sheet of the MS-DS school default budget was passed out by Sandstrom to replace the ones that were supplied to the Budget Committee at the beginning of the meeting. .

The following are the some of the questions asked by the attending public and answered by the Budget Committee

Dawn DiBurro-on Article 3 if the things being cut out will the school be non-compliant with federal law and special education regulations. Kohlhofer said you will reach State requirements that are based on the enrollment.

Marian Guidoboni-regulation any enrollment over 500 students required a guidance counselor. She wanted to know how they are going to hire anyone for a .5 position as recommended. Budget committee responded that they are recommending dollar numbers and the School can cut whatever they choose.

Chris Kenneway-asked why the school is listed as it is and that we cannot provide a full program. Kohlhofer said they don't set policies and they are just number crunchers. The SB2 vote was overwhelming and the town residents have spoken that they can't afford increases. In the Town budget they have had cuts in full time positions and benefits. Kenneway asked how the number of people relate to the number the percentage that work in the town. St. Germain on the percent from town to school 82/18 is the ratio budget wise. Most towns are 60/40 or 70/30 and in this case it is the high end. St. Germain said they are asking to come together. They asked the school to come in with a level funded budget and as it had a \$471,000.00 surplus from last year. This budget presented from the school is a 13.6% increase and what is the rationale on the need for this and also with the enrollment has going down.

Kelly Ayotte-stated by taking away all this money from the school that the taxes will stay the same. St. Germain said as one of the Selectmen there are people that are facing hardship and she feels we as community and need to work together.

Pinkham asked Kohlhofer to clarify his crunch number remark. She agrees we need to look at the numbers and balance them and she asked what he meant by this. Kohlhofer stated the Selectmen have been taking over properties for unpaid taxes. He feels as the town evaluation increases then the budget increases. The actual evaluation of the town has declined and he doesn't know how long this is going to last, it is difficult when people can't pay their mortgage and people have to move out of town. Looking at over expenditures it has been 5 to 10 percentage each year, this is something the committee has had to wrestle with and it has been difficult. The last couple of years they have asked the school to be innovative in changing their curriculum in education and that somehow the school always seems to come up with increases.

Jennifer Brown-with the building of high priced homes and then trying to sell that there are children in these houses and we need to consider what services we have to offer and have a secure school system.

Elizabeth Torre who just moved into town has 3 children and feels this town is worth placing money and effort into the community.

Michael Rydeen-people don't just come for the school and if we start to take away from the school asked what is going to be left.

Yvonne Ouellette-commented on the comparing in what is the number of employees at the school compared to the number of employees at the town.

This rationale was already explained in the question to Kenneway from St. Germain answered that on the rationale from town to school 82/18 is the ratio budget wise.

Marian Guidiboni-the municipal budget law can set the school budget but it is clearly stated they don't have the right on what is spent from the district as long as they don't go beyond. She has a problem cutting things in special education support; busing and these are things we have to do by law. Kimball said that what is not being spent in a line is being cut. Kohlhofer answered when they look at the budget and spending on things that were not in the budget that maybe they were over budgeted in the first place. He used the school sign as an example and the SAU office at \$2,200.00 a month rent and these was not in the proposed budget and where did this money come from to do them. The budget approved by the Budget Committee is only a bottom line budget and the school can move this money to where ever they want and make any changes they need.

St. Germain had asked the question of how many Para educators are one on one with students and the answer was not all are one on one. Guidoboni said it depends on what they are doing. St. Germain said there needs to a better presentation to this committee and to the community by the school board to understand the need and the requirements they are asking for.

Theresa Blades-in special education there is a lot you can't know and you need to trust the people are doing their job, along with the Superintendent and they are being careful on how the money is spent. If you are not special education certified you don't know what they need. She feels they could get law suits if students are not getting what they need and what is being cut. St. Germain said you equally need to trust the Budget Committee.

Lisa Fioravante-stated that some of the answers aren't easy to answer and may need to be asked in a different way. Some of the children on IEPs require 30 minutes a day for 4 days for specialized reading

and you need to trust they are staffing to meet the IEPs. St. Germain said this is a great answer for the question she had asked.

Nygren stated there are approximately 10% if the town defaulting on the payment of their taxes and many who want to and can't sell their homes. If the budget goes up how many more are not going to be able to pay taxes. Martel said initially the rate is set and then taxes are raised.

Deb Genthner remarked on the justification of cutting the 3 case managers. They have IEPs that need to be taken care of. If these are contracted and by having a bottom line budget now who suffers and they might have to spend more money to provide these services.

Keane stated that as a School Board member and as a Budget Committee member she took an oath in these offices and we are representing the community and the problem there is a budget today if they take the Budget Committee cuts of almost a million and look at what their trending of spending is, they are short \$160,000.00 and it is difficult to justify, when they are surviving at the level of what they have cut and the Budget Committee are making the dollar cuts and the School Board does not have to do these cuts and they have to decide what will be cut. Keane thinks they have to be realistic. Pinkham asked does this include the contractual agreements. Keane answered yes it does.

Lander said that looking at some of the cuts, the \$90,000.00 made in tuition for Sanborn. The number of students is projected to be 220 for next year. A firm number may not be known until summer. The school can't operate without another administrator or full time guidance position and they need someone to do the special education paperwork and to transfer things around may potentially result in more positions being needed. He doesn't know what potential surplus will be in the fund balance next year until April 15<sup>th</sup>.

Mike Rydeen-asked if the tuition cut of \$90,000.00. Was this made because they weren't going to pass CBA? Was this the reason this cut is being made? Keane asked for this money to be restored.

Keith Stanton stated that the Sanborn tuition is his largest concern as this turns out to be a 23 year contract and the estimated cost of this contract. He said 2029 is when this contract ends Fremont will be paying close to 35 million dollars. Stanton passed out a calculation sheet of approximately twice over this figure and Fremont still does not own any of this building.

Martel feels it time for the State to address these problems as the tax payers cannot afford to keep paying this. Lander said now is the time to contact their legislators regarding funding revenues coming back to the needy communities.

St. Germain said they are going to gain more money this year as a receiver town. Kohlhofer said this won't take effect until the following year.

Kimball said at the deliberative session they can make recommendation to increase this budget if they want as well as decreased recommended.

A motion to restore the \$90,000.00 to the Sanborn Tuition Line 11-556130 made by Keane. This was seconded by Nygren. The vote was 1-5. The vote failed.

**Article 4**-(citizens petition) Shall the Fremont School District vote to rescind the authority of the Fremont School Board (RSA 198:20-b), approved in 2008) to spend "unanticipated money" received from a State, Federal or other governmental unit without the approval of the District voters?"

Nygren said Fremont may be a receiver town instead of a donor town and thought the petitioners would like to have that money to offset the taxes.

A motion to recommend Article 4 was made by Kohlhofer. This was seconded by Nygren. The vote was 4-2 to recommend this article.

Kohlhofer asked if there was any other discussion. A motion to recess the School Board Public Hearing was made by Kimball. This was seconded by Nygren. The vote was unanimous 6-0.

Kimball called the Budget Committee meeting back into session at 9:30 PM.

A motion was made by Kohlhofer to accept Article 3 as written. This was seconded by Martel. The vote was 6-1. Keane voted nay.

Nygren said that the appropriations in the default budget included previous year operating budget costs, minus adjustments, and one time costs. Nygren feels the returned tuition is a reduction and the current default budget should reflect this figure. Kohlhofer asked did they base it on actual expenditures.

A motion to recommend Article 4 the citizen's petition was made by Kohlhofer. This was seconded by Nygren. The vote was 4-2.

A motion to table the minutes of the January 10 Budget Committee meeting and January 11 Town Public Hearing was made by Kohlhofer. This was seconded by Nygren. The vote was 6-0.

The next Budget Committee meeting scheduled is for January 26<sup>th</sup> at 7:00 PM. The meeting ended at 10:00 PM.

Respectfully submitted,

Jeanne Nygren  
Recording Secretary