

**OFFICIAL
AS OF 11/06/08**

**BUDGET COMMITTEE MEETING
MINUTES**

**Underhill School
2 Sherwood Drive**

Thursday, October 23, 2008

Prior to the meeting, the committee toured the newly renovated Underhill kitchen.

CALL TO ORDER

Acting Chair J. Danforth called the meeting to order at 7:25 PM.

ATTENDANCE

J. Danforth, S. Doyon, N. Comai, J. Marasco, D. Pearl, M. Ouellette, and B. Gahara
J. Pieroni and M. Pischetola arrived at 7:30 PM

APPROVAL OF MINUTES

July 24, 2008

*J. Danforth motioned to approve the minutes of July 24. Seconded by S. Doyon
Vote unanimously in favor*

September 25, 2008

*J. Danforth motioned to approve the minutes of September 25, 2008. Seconded by J.
Marasco.
Vote unanimously in favor*

NOMINATIONS AND APPOINTMENTS

Vacant Board positions (3)

The following individuals were present at the meeting and expressed interest in becoming members of the Budget Committee:

Marc Millville, 42 Main Street

JR Ouellette, 3 Summerfare Street, a 21 year resident and business owner in Town for 20 years

Kathy Hughes, a 33-year resident.

B. Gahara nominated all 3 candidates as Budget Committee members for a term of one year. Seconded by S. Doyon.

Vote unanimously in favor

BUSINESS

Hooksett School District – Dr. Littlefield

Dr. Littlefield thanked the Budget Committee for their support of the Underhill Kitchen project.

K. Lessard stated that the kitchen was completed under budget by \$1161.00 and in time for the opening of school.

The only other item, which is old, is the stove.

Budget Drivers:

- Utilities – We participate with eight (8) other school districts in a buying collaborative and can buy electricity on the open market. We are now buying from PSNH and are more competitive than the open market. Currently, PSNH is predicting a 13% increase. In our budget that is a \$61,400 budget driver.
- Natural gas heats all the schools. We expect a 5% increase. We buy gas on the open market. We do bid and purchase on the open market. 5% is \$18,500 increase in the budget
- Health Insurance – over the last six (6) years the maximum increase was 17.9%. Every year, our insurance carrier gives us their guaranteed maximum rate for this year before rates are established. The actual increase has been 14%. The guaranteed maximum for 2009 is 14.8 which is \$296,000 dollars
- Teachers' contract-This is the last year of a 4-year contract where the teachers agreed to no increase in the first year, with the increases in year 2, 3, & 4. The first year step was deferred from the first year to the last, which will come next year. The cost is \$208,773.
- High School Tuition – By November 1st, Manchester estimates the tuition rate for the subsequent school year. Last year they gave us \$7600 per student. Half way through last year, they came back with \$7900. In previous years, the actual calculation was less than the estimate. Last year was the first time it was more than the estimate. We budgeted \$7600 per student. We are estimating next year will be \$8200 per student, so we are budgeting a \$600 increase, which is \$766,138. We will have an additional 60 students in the high school next year.

M. Millville: If you are budgeting \$8200 and they could go higher, should we budget higher?

D. Littlefield: We could do that. We intended to save within the operating budget the difference. We realized that savings and booked it as a payable. We will release that payable by November 1st.

JR Ouellette: Are they normally less, statistically.

D. Littlefield: Traditionally, the estimate is greater than the actual. There was a decrease in the number of students throughout the State and the Bedford withdrawal. They were close in their student population estimates but were a little low. There is one (1) more year left for Bedford students in Manchester.

N. Comai: Manchester (as seen on Channel 16) does not plan to let that happen again.

D. Littlefield: The final rate is determined from the documents submitted to DRA.

M. Ouellette: Tom Brennan is the new Superintendent in Manchester and he assured us that this would never happen again.

New Hampshire Retirement System has issues over the past several months.

- Professional staff contributions increased from 5.8% to 6.96%
- Classified staff from 8.74% to 9.09%
- That retirement contribution is 77,500 for Professional staff
- \$3000 Classified Staff

Cost Savings Initiatives

- We replaced our financial software package – we were running a DOS based system. We now have more analytical ability with the new software. That will make us more responsible in managing a very large budget.
- \$9000 savings in property and insurance as a result of shopping around.
- Health Insurance Study Committee within the SAU (Hooksett, Auburn and Candia) - The larger group makes us more competitive. They will look at different carriers or changes in plans.

The School District will use the same consultant that the Town used to study the Health Insurance, which resulted in a substantial savings. The Town experienced the same benefits with a 13% decrease.

- E-rate – The rebate to public schools was never pursued and we anticipate a rebate of \$22,000, which will be spent on kids and supplants things that would ordinarily be in the budget.
- We replaced the lights at Underhill with high efficiently motors last year and Memorial the year before. We saved 9% at Memorial. We expect the same type of savings at Underhill. If you spend \$200,000 a year in electricity, 9% is a significant savings.
- Open Market Gas 2.2825/therm, 3% increase 08/09
- Medicaid Reimbursement - For some students that are Medicaid eligible, we can get a Medicaid reimbursement and we have vigorously gone after that money. \$68,000 in 2003-04 and \$128,000 in 2007-08.

Cost Savings Budget 2008-2009

- 10% reduction in copier usage. The maintenance agreement is where you see the significant costs
- 10% reduction in electricity use.
- 10% reduction in natural gas consumption. The thermostats in the school will not be set above 70%.
- 10% reduction in employee absenteeism.
- Professional Development Days – This is important with all that is happening in State Standards and “No Child Left Behind”, but I don’t think we should be removing services from kids. I will only approve days that are in the collective bargaining agreement or required by State.

- 10% reduction in SPED tuition – Kids deserve to go to school in the community they live with children in their neighborhood. Saving money is secondary. I'm not sure they can save 10% but SAU wide, I have asked them to find ways collaboratively to save services.
- Curriculum Development Cycle - Next year, Reading and Language Arts is on the purchasing cycle. The most expensive adoption is language and reading arts. I recommend to the School Board that we postpone that cycle to next year. It is not responsible to come forward with a recommendation to spend \$400,000 for reading adoption. The economic situation presents an opportunity to review the initiatives of the past few years and make sure they are being properly implemented.
- Maintenance and Service Contracts - Use the same professional services at all schools in Hooksett and in the SAU. Combine the needs of all three communities for service contracts will provide us with a more competitive rate. Custodial supplies need to be purchased in bulk for all three communities from one supplier.
- Develop a preferred vendor list - I see and approve all purchase orders. The new software system is interactive. If there is a purchase order on the screen, it becomes interactive and you can have a dialogue regarding the purchase. The preferred vendor list will take the vendors for the material we purchase most often.
- Community Outreach came as a result of working on budget in another district. The Town was looking to buy two musical instruments, which I realized I had in my attic, which I was happy to donate. I sent out an email to the School Board looking for musical instruments. A board member offered a trumpet and coincidentally Auburn needed one.
- We must heighten student and staff awareness of why we are doing things. We send billions of dollars to countries that hate us and want to kill us. By doing this we reduce our dependence on fuels and fossil fuels. Our economy will depend on this on a worldwide stage.

M. Millville: Are there consequences for the staff, if they don't meet these goals?

D. Littlefield: I expect they will reach these goals and therefore will not need consequences. I set the expectation and people will deliver.

Facilities Plan

Facilities needs on the horizon

Distributed Hooksett Long Range Planning Report, which was completed this summer and distributed to the School Board this fall. We believed we needed a new elementary school however, the result of the study indicate we don't need a new school until at least 2015.

We are trying to get people in the school district use to multi-year budgeting. We need to look at multi-year budgeting and facilities are a great place to start. I've asked Ray (maintenance director) to look at his maintenance budget and assume that it is the budget he will have for five (5) years and identify the maintenance projects we want to accomplish. This is a plan that will be tweaked every year. The things in bold are the

capital projects that are on the horizon. In 2009-2010 there is nothing in bold, so there are no requests for capital projects. We are sensitive to the economy. The following year, we are looking at a \$200,000 capital project each year. We are looking for a second egress for this school (Underhill) and regulations require a second egress from every school. We are grandfathered from that regulation, however for safety, we would like to put in a second egress. We have done some research and are looking at plans that would cost a little more than \$100,000. We might need to purchase some easements. We would then repave the parking lot here at Underhill and reconfigure the entrance at Memorial. The roof at Underhill, next summer, we will have maintenance requests, which will address re-seeming within our operating budget

2012-13 we will do the secondary egress at Memorial, then all three (3) schools will have two (2) means of egress

2013-2014 we would look at the roof replacement at Underhill.

2014-2015 Upgrade to the communications (phones and communication within the schools – digital radios)

D. Pearl: Was there a Parking reconfiguration at Memorial that was put in recently with the renovations?

D. Littlefield: At my last job, I built 110 million dollars worth of schools. After the first school was built, traffic was backed up for a mile for parents to drop their kids off on opening day. September 11, 2001 changed parent pickup forever. We tripled the number of parent pick up and drop off. To build a school today, you would triple your traffic capacity.

J. Pieroni requested a preliminary default budget at the beginning of the budget review cycle.

D. Littlefield agreed to be provided the default budget with the budget books.

Schedule

The Meeting Schedule for the 2008-2009 Budget Committee was presented.

J. Danforth motioned to approve the schedule. Seconded by S. Doyon.

Vote unanimously in favor.

Municipal Budget

D. Jodoin: Reported that gas prices are going down and that fuel, salt and sand will be the big-ticket items in the budget.

MISCELLANEOUS

J. Pieroni requested a copy of how the Police Commission was established. Is there reason to believe that they have power beyond what is in the State Statutes?

D. Jodoin: There was a discussion a few years ago about whether they could change and we have a legal counsel on that issue. I will request that the Town Council release that letter. I believe that the Council could cut but after the vote, it is the Commission's budget. We tried to establish an accounts payable procedure and I don't know if they have said they will follow it.

J. Pieroni: I don't see anything in the State Statute that says they can spend money however they want. The question is whom do they answer to?

D. Jodoin will provide all information he has regarding the Police Commission.

J. Pieroni stated that the voters have a right to know how their money is being spent.

ADJOURN

The meeting was adjourned by the Chair at 9:00 PM

Respectfully submitted,

Lee Ann Moynihan