

Official

BUDGET COMMITTEE MEETING MINUTES

Hooksett Town Hall

35 Main Street

Thursday, October 22, 2009

CALL TO ORDER

Chairman Pieroni called the meeting to order at 6:35 pm.

ATTENDANCE

J. Pieroni, J. Danforth, K. Hughes, M. Miville, D. Pearl, S. Doyon, JR Ouellette, D. Argo, N. Comai, and J. Hyde.

Excused: B. Gahara and S. Doyon

APPROVAL OF MINUTES

September 24, 2009

J. Danforth motioned to approve the minutes of September 24 as amended. Seconded by K. Hughes.

Vote unanimously in favor.

PUBLIC INPUT

None

BUSINESS

Town Administrator – Carol Granfield

C. Granfield stated that the guidance was delivered by the Council to level fund budgets. They also stated they want limited warrant articles. There may be some that may be needed to go forward. Last year there were 21 and there may possibly be ten (10) this year. The Departments are working on the budgets. The difficult part is the Library and Police, which are under Commissions and cannot be cut by the Administrator. There is no new personnel unless it is warranted or a need for a particular reason or mandate. It will only be entertained if it can be absorbed into the budget. Some departments like public safety and public works may have more overtime. You will be able to see this broken down. A personnel summary will show last year and this year so you have a snapshot of the departments with the titles. Next year, we will have a better snapshot at each budget with one page of history. The impacts to the proposed budgets are retirement increases in rates to Police and Fire, which are an additional \$22,000 and \$27,000. The health insurance rates through the LGC, we are not the highest but one of the highest. We were not planning to go out for bid but we have in the past. One of the issues is we currently have a 10% cost share. One problem in changing that now is one union contract has it in there as 10%. I'm concerned with raising the share of non-union and not the union. In going out for bid, we may get a plan that will be a lower cost. The union contracts have obligations. The Fire Union contract is set. The Police are negotiating this year, which will be a warrant article. There was legislation called the Evergreen, which means even though the contract is ending they would still have to get their step increase under this new law. You will see increases even if they don't get a contract. An architectural engineer is looking at the Safety Center and they will come forward with proposals. The Construction management firm, Harvey Construction, will be coming up with alternatives and phasing costs for budget purposes. Energy, we are working with looking at other vendors. There are a thousand vendors out there. Electricity is through PSNH and we could get another provider, which is less cost. We are looking at partnering with the schools to see some

savings. We will take a look at the revenue, which is critical. We are looking for other sources of revenues including fees. The ambulance is coming on board, which will have some revenues. We have the revenue sharing void from the state of \$172,000, which is suspended and we don't know if it will be coming back. Lastly, I attached the tax collection history. We reported back to 1988. Compared to other municipalities, we are not as bad as others.

The departments are working smarter. The problem is Hooksett has grown significantly but the staff hasn't increased. The community has become accustomed to certain services.

We hope to come in as lean as possible. The largest revenue decrease is in interest payments.

Hooksett School District – Dr. Littlefield

The tax rate was set and the school portion was down 34 cents. Revenue has increased because of the Supreme Court Case regarding funding of adequacy.

It was my intent to come in below default last year. It is my intent to come in below default this year. I like to look at 3-5 year window. Last year was very conservative and I would like to continue that. I have good and bad news. I have brought some information, I remember we talked about media specialist and math and accountability. I have until next year to meet those marks. I have interim data.

Budget Drivers

NH Retirement System – The legislature has increased the employers' share for professional from 6.96% to 7.49% this year. That was unexpected. That is \$34,000 that is an unfunded liability in our budget. We will have to make adjustments somewhere in the budget and put off some other spending. More importantly for 2010-2011 it is going to 8.3%. I need to budget for an increase of 70,128. That is a cost shift from the State to local districts.

HS Tuition – They need to tell us the rate for next year, and by the way tell us the rate for this year. Based on the history of HS tuition, and the number of projected students, we are not looking at a great variance in what we budgeted this year and what we will budget next year. This year, the rate was a little lower than anticipated and we had a fewer number of students so we will probably level fund.

Health Insurance – Our guarantee maximum rate came in at 21.5%. That translates to \$439,651. We don't have the data to back it up. LGC is telling us it's Obama's fault. They have a sense that people are so nervous about health reform and what it will look like, people are having things done now that they would otherwise put off, therefore claims are up. Our history is having an impact on the rate.

The Teacher's contract is in its' last year and we are negotiating a new contract.

Special Education placement – My Assistant Superintendent is the former Special Education Director in Hooksett and Special Education Director of the Year and has done such a great job of meeting the needs of kids. We are not predicting any additional placements next year.

Utilities – Look good. Rates are more favorable than a year ago but we didn't budget for any major increases. We heat with Natural Gas and we are holding our own. We have some joint initiatives and we buy our utilities on the open market. We are partnering with the Candia School District, the Auburn School District and the Town of Auburn and have invited Hooksett and Auburn to join.

Curriculum – The Reading cycle is up and running for k-2. We are looking to do grades 3-5 next year at a cost of \$136,562.

Cost Savings

We are looking at every position and class size. We are adequately staffed and will not look for any additional staff. In the other districts, we have declining enrollment. Enrollments in Hooksett

are stable and in some cases increasing a little. We can absorb but we will not make any reductions to save.

Telephone is through Paetec. We are looking at alternatives including Comcast. We are also exploring Internet connectivity and if we can do broadband rather than T-lines we could see a savings.

We are currently seeing the savings of initiatives put into place last year.

Other Issues

Fund Balance – We were projecting a fund balance of \$750,000. I approve every paper clip that is purchase in the school district. Every Purchase Order comes through me electronically. This allows me the opportunity to see what types of educational things are going in classrooms. Some I don't like because it puts the wrong things in the classrooms. I am cutting Weekly Reader because I had it in my class in 1953. You see packets unopened in classrooms. I remember expenses and I will see if things are not being used correctly.

Special Education Staff at the HS level, do we pay or does Manchester pay?

Both, kids in Special Ed program, we pay a high tuition for that placement and they provide the staff. There are times we need specific contracted services. If they need a one on one aid at the HS level, we hire that aid and they are our employees. There is a cost savings with being able to do that.

Can we have budget reports electronically?

With the new financial management software we can provide that.

Stimulus

Initially, Congressman was asking us and Senators to send them projects that were shovel ready. The stimulus package was ready to go. We sent them information that we were ready in all districts and then what was passed had nothing to do with that.

Education Stimulus money came in two pieces. One was IDEA, which is Special Education. Over a two-year period, we have several hundred thousand dollars coming to Hooksett. Initially, I thought this was great, we can pay for Spec. Ed expenses in the budget and then we can guarantee the taxpayer we won't spend that money and at the end of the year. We will return that because that is what stimulus is all about. The US Department of Education said hold on while we print the regulations. We received our regulations. The bottom line is you can't use the stimulus money to supplant anything you are already doing. You must use it for new programs. We don't need any new programs. We have a sizeable chunk of money in IDEA that we can only use to supplement and compliment and I won't use that if I have to later pay for that. We are looking at the stimulus money creatively and I'm not sure we can't use that stimulus money to buy reading program. We cannot "NOT" get that reading program for grades 3-5. At the same time, we are making an argument that there is a provision in the regulation that allows us to spend stimulus money on anything in Title II. Reading is under Title II. We are making an argument for that. There is \$1,080,000 appropriated for auditing. We are jumping through hoops and doing everything on line and are very cautious about the auditing component. If you make a mistake, you will have to pay it back. Title I is the second pot of gold. The regulations for this are worst than the IDEA regulations. We have ideas for expanding service for kids and the summer programs. The Underhill, Memorial, and Cawley Schools did not meet AYP this year. That is unacceptable. That is an embarrassment for me. The good news is when you look at performance on NECP in the aggregate, our kids do well. Our problem is the sub group and the special education sub group. So the extent we can use the stimulus money to train and build our programs to meet a wide range of kids, that will be a goal of stimulus.

Report on the Director Mathematics Assessment and Accountability

See attached report

This is one position with three schools and an emphasis on Memorial

We have used the NWEA, which is a standardize test. If you look at grades 3-8, given math scores compared to before and after the position. Based on the scores, we will be concentrating our efforts at Cawley.

I feel that NWEA shows the year that the position was in place and where we were concentrating our effort, those increase are substantial.

Page 2 has specifics that will be addressed in the current school year.

Media Specialist

This is more difficult to quantify.

See hand outs

These can be addressed at the all day workshop as well.

Less than default is my goal but I have seen some convincing cases for level funding.

2009-2010 Calendar

The calendar was reviewed and accepted.

PUBLIC INPUT

Dick Sullivan, Morgan Drive asked for the number of Special Education students.

Dr. Littlefield stated about 17%.

ADJOURN

Chairman Pieroni adjourned the meeting at 9:00 pm.

Respectfully submitted,

Lee Ann Moynihan