

BUDGET COMMITTEE MEETING – October 24, 2013

Unofficial

BUDGET COMMITTEE MEETING

Hooksett Town Hall

35 Main Street

Thursday, October 24, 2013

CALL TO ORDER

Chairman Miville called the meeting to order at 6:30 pm.

Pledge of Allegiance

ATTENDANCE

Chair M. Miville, K. VanHorn, C. Morneau, S. Peterson, C. Akstin (School Board Rep.), N. Haas, F. Bizzarro, JR Ouellette, J. Pieroni, T. Jennings, and T. Lizotte (Town Council Rep).

Dr. Phil Littlefield, Superintendent of Schools and Dr. Dean Shankle, Town Administrator

APPROVAL OF MINUTES

September 26, 2013

T. Lizotte motioned to approve the minutes of September 26 2013 as presented.

Seconded by T. Jennings.

Vote unanimously in favor.

PUBLIC INPUT

None

NEW BUSINESS

Budget Overview – Expectations and Goals

Hooksett School District – Dr. Littlefield

Dr. Littlefield presented an overview of the upcoming budget season. We've begun the process with the Principals and the goal with them is a status quo maintenance budget. No new initiatives. The Board Nov 5, 14, 19 are Board budget workshops. They will revisit staffing at Cawley Middle School to address team teaching. This year, one teacher was added as a result of reassignment. They will also revisit technology. It is believed that they have fallen behind with the plan and would like to get back on target.

Memorial School has three retirements and one at Cawley. Those usually end up being a cost savings. No new collective bargaining agreements or reopeners. This year will reflect a 2% cola for teachers and 2% for support staff which has already been approved. Health Insurance was switched a few years ago to School Care which is underwritten by Cigna. A significant savings was realized as a result of the switch. The increase was 5.4% and this year's rates should be released the first of November. There will be no

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increase in the employer's retirement system. It is expected that out of district placements will be up.

The district is looking at high school options. It is difficult and will be an expensive outcome. For a number of years we've paid a tuition rate to Manchester that per pupil cost may be the lowest in the State. It is anticipated that when this is done, Hooksett will be paying an average tuition rate. The plan that was approved by the Board is a model where we would have an anchor school with a tuition agreement and that anchor school would be capable of having all our students. We need to guarantee a spot for all our students. The plan would make Pinkerton Academy that anchor school. There has been a sense from parents that they would like to see some limited choice built into whatever plan is developed. That is more difficult than it seems. At the center of the model is the anchor school, surrounding that school are three (3) other schools which we call satellite schools, (Bow, Londonderry, Pembroke Academy). A relationship with those schools is best served with a MOU. An MOU does not require Hooksett to send any specific number of students but establishes an agreement that they will accept a certain number of students. The process will look something like, if we are successful with the contract negotiations, we would assign all students to Pinkerton and parents would have the option of requesting placement at a satellite school or the Manchester school district. That is possible as a result of a settlement agreement. For the next 4 years we don't need an MOU, we can assign students to the Manchester school district. We confirmed with the Manchester Superintendent that all Hooksett students would attend the Manchester H.S. they would have attended prior to the settlement agreement. (Central/West) The good news and the bad news is Pinkerton Academy tuition is the lowest 20% in the State. The other good news is there are no capital costs associated with the agreement with Pinkerton. The tuition rate for Pinkerton this year is 10,293. If you figure Manchester's actual tuition of \$8500 plus capital cost, it is about a break even. The transition is going to be expensive.

J. Pieroni: Transportation at the high school, how will that look with regard to cost?

P. Littlefield: The Board has made no decision on transportation. They have asked Karen to develop a number of scenarios. One is to provide the same level provided to Manchester while providing transportation to the anchor school. That will be the most expensive option. At another school in the SAU, a model was developed where students were picked up at a centralized spot and delivered to Manchester or Pinkerton. That was the most cost effective but did result in layover time for both Manchester and Pinkerton students. The other option is to replicate the transportation system which would require additional buses. During the transition, Pinkerton's start time is ½ earlier than Manchester's time. Yesterday I was involved in negotiations with Pinkerton in conjunction with a new law firm, Salloway and Hollis.

T. Lizotte: Enrollment number projections, there is a little downward trend. Do you have any predictions?

P. Littlefield: I will provide the Budget Committee the most current enrollment projections. The trends appear to be stable enrollments. In the State, the number of

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school age children was decreasing in the State, but the number of 65 and older coming to the State is increasing. That has a negative economic implication for the State. When you look at that shift, the only place that isn't happening is in the greater Manchester area and more so in Manchester. I don't expect an increase in numbers and possibly a slight, insignificant decline and stability over the next few years.

T. Lizotte: Could you explain the Special Education Trust Fund.

P. Littlefield: The Special Education Trust Fund was established to deal with unanticipated Special Education placements.

T. Lizotte: Looking at the other funds that the town funds through warrant articles can any of those be utilized to offset upcoming costs because of the increase expense on the high school side.

P. Littlefield: Yes, I believe those should be kept to a minimum. I don't like having a number of trust funds. My advice to Boards is always to keep the warrant articles to a minimum.

J. Pieroni: Have you worked on the tuition for the Satellite schools. In the past, the district paid the Manchester rate.

P. Littlefield: The School Board recently voted that any difference between the anchor school and the satellite school would be paid by the parents.

F. Bizarro: Have you considered some of the kids that are off the grid, possibly at Trinity, that may come back into the system.

P. Littlefield: Yes, I don't know what number to assign to that. I have some experience similar to this in Auburn. I have experience that shows; provide a high school that people are eager to attend and they will come. I would expect, in the future, students who may have considered a private high school may opt to go to the anchor school. Once students are in a high school, it is tough to pull them out. It may happen but my experience is once students start in a high school, they are reluctant to change.

T. Lizotte: I want to give you as much latitude with tuition as possible and the 4 years to pay the capital expenses is there and needs to be factored into the budget. However I hate over allocation and collection of taxpayer money and I like to keep things as minimal as possible. I get nervous about fund balance spending and I like the idea of gross appropriation so if there is something we are going to buy, not 50% from one year and 50% from another year. I think there are some variable that will be difficult to calculate. When you create the budget for that piece, if you give us the analytics for that piece even with a fudge factor, I will accept that as the contingency you are facing.

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P. Littlefield: I will come back and meet with you as often as necessary and collaborate and join hands this year and in the most collaborative way possible commit for the students and the residents.

M. Miville: I ask that the default budget be provided as early as possible.

P. Littlefield: We, Karen and I are trying to be more communicative with the Budget Committee's representative than we have in the past and we ask that Cheryl be the point person. I would like to go through Cheryl and plug some holes of the past.

Town of Hooksett – Dr. Shankle

Dr. Shankle: We are not as far along as the School.

Last month the budget packets were sent to Department heads and are due back October 25th. I will submit my recommendations to the Town council on December 2nd. The Council Budget Workshop is scheduled for January 4, 2014 and the workshop with the Budget committee is February 1st. I have not even seen the preliminary budgets from staff. The CIP is going to the Planning Board for approval this month.

Goals from the Council –

- reducing the number of warrant articles
- maintaining current services
- continuing to build systems for more data driven decision making

Projects impacting budget decision in the future.

- Revaluation is complete and will impact the tax rate
Last night the Council decided to use fund balance to keep the 6% fund balance and use what possible to keep the median single family home paying the same amount in taxes. Last year's median was \$257,000 and this year is \$228,000.
- The results of the town wide survey will be coming out and we don't know the results. Once everyone has submitted from the random selections, everyone will have the opportunity to answer on the website.
- Internally, on the data driven end, we are working on performance measurements to get an idea of the cost to perform tasks. We are working through ICMA for a comparison.
- Because of the Council's community building initiative, we are trying to see what is important to people with regard to improvements. The Police Department came in and talked to Council about the staffing so there will be improvements there.
- Community Development has been combined with Code Enforcement for efficiency.
- The Finance Software, which will provide data, is implemented and training is complete.

Issues to be aware of are the Police Union negotiations are starting. The health insurance costs were budgeted for a 10% increase and it is actually a 17% increase. That is a \$50,000 impact for this year.

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At this point, the only new position being discussed is getting someone with engineering background to help with Community Development and DPW. That would be funded by the developers who are currently funding that task.

We continue to work on maintaining the buildings and the Safety Center windows. This Town Hall has had some roof problems which are being addressed. We have put some time and effort into the old Town Hall. The new handicap accessible system of handrails has been installed and is tied to the Prescott Library.

The fence at the cemetery on Route 3A is complete.

S. Peterson: The courtyard at Memorial looks bad. Is there a plan to improve that?

D. Shankle: That is under the jurisdiction of the school. There is a nice new monument and grounds at the Safety Center as well as the work done at Veterans Park.

T. Lizotte: The new finance software makes payroll and AP easier. In the past they had to do triplicate forms and now it is all automated. You can get the analytic side from a terminal rather than separate spreadsheets. Also, in the future, you can purchase a module and you can go online and gain access to real time data.

The GIS can be improved greatly with addition modules which can be purchased.

CIP Review.

The Police console has been removed and replaced with insurance as a result of a lightning strike.

The plan will go to the Planning Board on Oct. 29th.

Some of the request may be taken off and placed in the budget to reduce warrant articles DPW – Plow dump truck for \$80,000. If we have fewer warrant articles, we are going to try to change to purpose of the warrant so he could have a pot of money for vehicles and he would have to manage the equipment needs.

One thing that is required is all four wheeled vehicles go on the CIP. There should be a way to separate what is being funded by a reserve fund and what is tax dollars.

The Police are looking to buy vehicles out of the budget through a long term lease deal rather than warrants.

Review of Meeting Calendar

J. Pieroni motioned to approve the changes to the calendar. Seconded by T. Lizotte.

Vote unanimously.

(Revised calendar attached)

Review of Proposed Budget Committee Budget

C Morneau motioned to accept the Budget Committee Budget as presented. Seconded by K. VanHorn.

Vote unanimously in favor

The Hooksett School Budget Books will be assigned as follows and should be available on November 27th at the SAU office:

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Cawley – N. Haas/J. Pieroni
Memorial – JR Ouellette/F. Bizzarro
Underhill –T. Jennings/C. Morneau
Special Ed – K. VanHorn/S. Peterson

ADJOURNMENT

The meeting adjourned at 8:10 pm.

Respectfully submitted,

Lee Ann Moynihan