

North Hampton Budget Committee Meeting Minutes (Approved)

Tuesday, Dec. 2

Mary Herbert Conference Room

Members attending: Robert Copp, Michael Coutu, Michael Golden, Robert Hamilton, Jim Maggiore, Larry Miller, David Peck, Jennifer Simmons, Kari Schmitz

Minutes: Amy Kane

Chairman David Peck called the meeting to order at 7:05 p.m. He introduced committee members. School Board representative to the Budget Committee Kari Schmitz introduced board members Mary Pat Dolan, Janet Gorman and Stacy Whittier, and administrators Principal Peter Sweet, Assistant Principal Tara Rossi, Director of Pupil Services Karen Frisbie, SAU 21 Business Administrator Bob Berry, and SAU 21 Finance Assistant Nancy Tuttle.

1. Minutes of the Nov. 17, 2008 meeting

Motion by Kari Schmitz to approve minutes as written. Second by David Peck. Approved 9-0.

2. Overview - Role of Budget Committee

In a PowerPoint presentation, Mr. Peck reviewed: the role of the Budget Committee according to state law; North Hampton census data; results of the resident survey pertaining to the school; current New Hampshire economic data; the budget calendar and committee discussion qualities.

3. Budget Presentation - North Hampton School

Ms. Schmitz presented a summary of the proposed North Hampton School District budget for FY 09-10. The budget was built on a zero-based process and the proposed budget is flat.

Special issues of concern included: the long-term space capacity of the building; extended day kindergarten; facilities maintenance; computer replacement; rising costs; funding of field trips; unified arts; and health benefits. Additionally, early retirement would not be offered in the coming fiscal year.

Regarding the board's goal of equitable funding of field trips for 6th, 7th and 8th grades, Mr. Coutu asked if the board has a policy defining the percentage of the operating budget vs. fundraising. Ms. Schmitz said it was not a formal policy but part of the budget process.

Ms. Schmitz presented the breakdown of major budget changes in dollar and percentage amounts. Contractual obligations include

the collective bargaining agreements for teachers and aides, the bus contract, and debt service (ending August, 2011).

In the five-year cycle of replacement, 32 rather than 50 computers will be replaced as part of the operating budget rather than a warrant article. One intern and one kindergarten position will be reduced.

Committee members asked for clarification regarding special education vs. regular employees, leading to discussion of number of staff per classroom. In response to questions about appropriate staffing levels, Ms. Schmitz said numbers were driven by school philosophy, state and federal requirements, the special education model adopted by the school, and the legal mandate to meet the case-by-case needs of individual special education and 504 students (which may include 1-on-1 aides).

Special education costs are roughly 17% of the budget; approximately 11% of students are identified. The district saves money by delivering services within the school (and within the classroom) rather than placement out of district at a higher cost. Grant money for special education may be available; last year a kindergarten case manager was funded by a federal IDEA grant.

Mr. Peck shared data from the New Hampshire Department of Education. North Hampton is fifth highest in teacher salary; educational attainment and retention contribute to salary levels. Student-teacher ratio and classroom size are about average for the state.

Ms. Dolan, chairwoman of the School Board, reviewed changes in the student activities fund and the philosophy behind the changes. The board seeks to address discrepancies in how the three major middle school trips were funded, seeking to make parent vs. school contribution more equitable. Trips are evaluated for academic merit, to match the state GLEs. Eighth and sixth grades are longstanding trips to Washington, D.C. and environmental camp; seventh grade has varied in the past few years and is not finalized.

Mr. Peck said he would like to see more detailed numbers on the account. Mr. Coutu said the board should have a specific policy about field trips. Mr. Sweet said policy was at the administrative rather than board level. The sixth grade trip is fully funded. The proposed budget sets aside \$265 per student for seventh grade.

Motion by David Peck to zero-base the line item back to \$37,920, a \$24,903 reduction. Second by Larry Miller.

Discussion. Mr. Hamilton said he believed it was the responsibility of the school and community to pick up a greater share of field trip costs in hard times to help parents and families. Ms. Dolan said the school is currently funding \$250 per student for an \$1100 per student trip to Washington. The cost has increased in recent years as the hotel is no longer free; the board proposes funding \$425 per student. The Washington increase is \$10,150 overall; seventh grade is \$14,500 additional. Mr. Sweet said level funding for next year would be \$40,740 because of the number of students.

Motion by David Peck to amend to \$40,740. Second by Larry Miller.

Discussion. Mr. Hamilton said the board presented a zero-based budget in good faith, with no additional warrant articles, which is in effect a 6 to 7% cut. He praised the board decision to distribute help to those who need it. He said the line item should not be cut.

Mr. Golden said it was a "message line item" and cutting it could teach students that times are tight and trips must be curtailed. Mr. Coutu said from the taxpayer point of view he supported cutting the item. Mr. Miller said another million jobs may be lost soon and it was a small thing to ask for this cut. Mr. Golden said he supported an even greater cut.

Vote. The motion failed 4-5. In favor: MC, JM, LM, DP. Opposed: RC, MG, RH, JS, KS.

Motion by Michael Golden to lower the "other expenses" line item to \$20,000 from the proposed \$62,823, a reduction of \$42,823. Second by Larry Miller. Motion failed 2-7. In favor: MG, LM. Opposed: RC, MC, RH, JM, DP, JS, KS.

Mr. Peck asked why the Health Certified Staff item (school nurse) had gone up 26% in two years. Ms. Gorman explained it was contractual.

Mr. Maggiore asked for clarification of technology staff positions. Mr. Sweet said there were one tech and two certified technology teachers. Mr. Peck said he would like to see a schedule for the technology replacement plan. New proposed technology items include 3 projectors, APC backup system, and network switching. Thirty-two IMAC desktop computers will be replaced at \$1,368 each, which includes a three-year warranty, enough RAM and a lot of applications, according to Technology Coordinator Brad Gregg. Contract services are up 14% because of the cost of outside consultants for the more difficult network issues.

Mr. Maggiore asked if the \$152,000 paid to the SAU was justified in the services received. Ms. Dolan and Ms. Tuttle listed services, including health benefits administration for staff, contractual negotiations, payroll, and superintendent services. The formula for North Hampton's share is based 50% on enrollment and 50% on property valuation. Several SAU assessments have been completed, concluding North Hampton School District could not provide services more cheaply, according to Mr. Maggiore.

Mr. Golden asked about heating oil conservation. Mr. Berry said 28,700 gallons were used in 06-07, 26,000 in 07-08, and 25,000 this past year. The district is locked in at 3.17 per gallon this year. 3.25 is budgeted for next year but the rate is not yet locked in.

The School Board is recommending the 3-year lease/purchase of a one-ton pickup snow plow, to be operated by the facilities manager, to take on some of the snow removal work currently contracted to Jim Jones, as well as transport recyclables. The \$11,000 per year cost would be removed from the snow removal line item. Several other districts own vehicles for this purpose.

Mr. Miller and Mr. Copp said they felt the work would be more difficult and perhaps more costly than anticipated. Mr. Miller suggested a business plan to justify the facility manager's time. Ms. Schmitz said that was the School Board's job; the facilities manager had performed this function in his previous position.

Motion by Robert Copp to delete the line item to zero and put the money back in the snow removal line item. Second by Larry Miller. Failed 2-7, with RC and LM in favor.

Mr. Miller asked what percentage of students rides the bus. Mr. Berry said typically 65%, but state law mandates that a K-8 must provide enough seats for all students.

Mr. Coutu pointed out the steep upward trend of employee benefits increases. Ms. Gorman said recent contract negotiations had helped bring that under control because of a move toward a "cafeteria plan" and the option of HMO. Mr. Coutu said "headcount" was the only way to get costs under control. North Hampton's mil rate of \$16.82 was double Rye's and he is receiving many phone calls about property values. Ms. Dolan said the board had evaluated total headcount and worked hard to consider total tax impact.

Motion by David Peck requesting copies of the LGC's letters outlining both the initial GMR (September) and final GMR (May) for the last three years of health benefits to be provided by the SAU Business Administrator Bob Berry. Second by Michael Coutu. Approved 8-1, with Kari Schmitz opposed.

The committee discussed whether to vote on the budget that night, without the health benefits info. Ms. Schmitz said the health trust was on the School Board agenda for Dec. 18 and she did not see any value in delaying the process. Mr. Berry said last year's average 14.2% GMR came in very close to that.

Motion by David Peck to not vote on the total budget until the 3 years of health information was received and reviewed. Second by Michael Golden. Approved 5-4. In favor: MC, MG, RH, LM, DP. Opposed: RC, JM, JS, KS.

Motion by Michael Coutu to reduce the proposed School Board budget from \$7,731,915 by \$100,000 even. Second by Larry Miller.

Discussion. Mr. Coutu said he knew a proposed cut would be unpopular but that he had run for selectman on a campaign of fiscal discipline and to represent taxpayers and that the town and school budgets have grown too much in recent years. He said the survey showed 47% of residents said the school should be in the top 5-10% in the state as opposed to the 30% who said it should be the best. He said he did not know if the 2.49 teachers per classroom headcount was a "safe, intelligent standard." He said he did not know enough to say a \$100,000 cut was impossible or would cause harm. He suggested there might be too many administrators for the size of the school. He said he wanted to establish a budget reduction "directionally." Mr. Golden agreed and said he would like a cut up to \$200,000.

Mr. Hamilton said the Rye tax rate was lower because property values were higher (\$1.8 billion vs. North Hampton's \$900 million); Rye provided roughly the same services as North Hampton. He said the school district budget increases in recent years were reasonable and by keeping this year's proposed increase to zero the committee has succeeded already. Mr. Coutu said town services should be sized to the town property base.

Ms. Schmitz said people moved to North Hampton for the school. She said the board had done its job, after a lengthy process, in proposing a flat budget. She said the decisions on what to fund should lie with the School Board and she was not in favor of arbitrarily slashing the budget.

Mr. Peck applauded the work done by the School Board. He said when asked to cut more money from budgets, his experience in business is that it can be done. Mr. Miller said from a business standpoint a \$100,000 reduction was small within the budget, but the cut could be a big help to taxpayers in bad economic times. He said the town might not be able to collect all the taxes owed this year.

Mr. Maggiore proposed offering the School Board the same challenge the committee offered to the Fire Department: to attempt to cut more money from the proposed budget then bring a revised budget back to the committee. Ms. Simmons said she was not comfortable with an arbitrary number, without knowing where it would come from.

Mr. Coutu said he would withdraw his motion if the School Board would accept the challenge to "punch the numbers harder," maybe up to \$200,000, to show that they could "rise to the occasion" in difficult times. Ms. Schmitz said she did not have the authority to speak for the School Board at the present time.

Mr. Coutu withdrew his motion.

Motion by Michael Coutu charging the School Board to take the budget presented and find greater economy within the budget structure, setting a target up to \$200,000, after which the Budget Committee will review and vote to accept the revised proposed budget or not. Second Jim Maggiore. Approved 6-3. In favor: MC, MG, JM, LM, DP, JS. Opposed: RC, RH, KS.

Motion to adjourn by Michael Coutu. Second by Jim Maggiore. Approved 9-0.

Meeting was adjourned at 11:04 p.m. The Budget Committee is scheduled to meet again on Monday, Dec. 15.

Respectfully submitted,
Amy Kane