



Budget Committee

Robert Copp
Dickie Garnett
Michael Golden
Robert Hamilton
Paul Martino - Chairman
Larry Miller
David Peck
Jon Rineman
Jennifer Simmons

Budget Committee Meeting – Minutes

Monday, January 3, 2011
Town Hall

Call to order: Chairman Paul Martino called the meeting to order at 7 p.m.

1. Review Minutes Dec. 16 meeting

Motion by David Peck to approve the minutes of December 16, 2010 as written; second by Dickie Garnett. The minutes were approved 9-0.

2. Review School Board Warrant Articles

School Board chairman David Sarazen informed the Budget Committee that the School Board had not met since the last Budget Committee meeting. The committee's request to change the order of two warrant articles will be reviewed at the next School Board meeting.

• SEA contract

Mr. Martino read aloud the proposed warrant article and asked if committee members had further questions. Mr. Peck asked if the RSA 273:12 had been in existence for a long time. Nancy Tuttle, SAU Finance Assistant, said the Evergreen Clause appeared for the first time on SAU 21 district warrants; if the contract passes, it does not apply.

• SESPA contract

Mr. Martino read aloud the proposed warrant article. Prompted by a question from Mr. Miller, Ms. Tuttle said she would correct a typo in the recommendation line.

• Health Care Expendable Trust

Mr. Sarazen said \$30,000 is currently in the trust, and \$12,000 will likely be used this year. Funds are intended to help offset costs of health care, at the discretion of the School Board (after a public hearing). According to Ms. Tuttle, \$12,000 is the difference between what was budgeted last year and actual costs.

• SPED Expendable Trust

A new trust is proposed due to the volatility of SPED expenses. Ms. Tuttle said all other SAU 21 districts have a trust like this now; she recommends it be built up to \$300,000 because of potential costs of out-of-district placements. If funds cannot be found in the operating budget, deficit appropriations require a special hearing.

• *Building Addition/ School Expansion Bond*

Mr. Sarazen presented information and slides to answer questions from the last meeting, particularly regarding potential impacts on operating budgets and classroom use and location. The bond article addresses current space needs, lack of science capability, 45-year-old bathrooms. It does not address programs (such as extended-day kindergarten) that may or may not be implemented by a future School Board, said Mr. Sarazen. This bond does not put teachers and programs in place. He reviewed classroom adjustments in the current building in two of the past seven years when a third kindergarten class was needed. Spanish and SPED classroom space is particularly impacted. Some rooms do not have enough space according to current state guidelines (enforced when new construction is built).

Mr. Sarazen presented three options for use of a new building addition and the potential budgetary impact of each, including no program changes and two different scenarios for extended-day kindergarten. Estimated operating budget impacts were: \$25,144 for Option 1; \$106,026 for Option 2 (two extended-day or three half-day sessions); and \$161,450 for Option 3 (three extended-day sessions for kindergarten). The bond vote does not bind the School Board to any one of these options, emphasized Mr. Sarazen. He reviewed the benefits of additional science lab space; operating budget impact of the science classrooms is covered in Option 1. The current bond expires in 2011; a new bond would likely be a 15-year level-debt (not level-principal) bond with net interest rate of 4.4990%. Payments would be \$69,243 less than the current bond. Mr. Hamilton suggested a 10-year bond would be the same payment as the current bond.

Mr. Rineman asked if students were disadvantaged now by not having new science labs. Principal Peter Sweet said students compared well in test scores and placement at the high school, but that opportunity for hands-on science was limited. Assistant Superintendent Barbara Hopkins said North Hampton has an incredible blended instructional model in other subjects but not in science because of facilities. All districts are struggling with the inquiry piece, now appearing on the NECAP tests. Mr. Sarazen said North Hampton residents were invited to schedule a visit of the building anytime during school hours to view space use and needs. There is a School Board public hearing on the proposed bond scheduled for Wednesday, Jan. 5 at 7:30 p.m., in the school cafeteria.

Mr. Martino asked Mr. Miller if he had followed up with DRA on information allowed on warrant articles. An email from DRA explained informational notes can be included in warrants during hearings, deliberative sessions, and on educational material. If included on the ballot, it becomes part of the language of the warrant article.

Mr. Peck asked for information about the number of aides associated with a kindergarten class, including comparables from other SAU 21 schools, in order to plan realistically for anticipated costs. Mr. Sarazen said program changes were not being considered in this bond. Mr. Peck said he would appreciate the information before he voted to recommend or not recommend the article. Mr. Golden asked why build if the intention did not include extended-day kindergarten. Mr. Sarazen said current space is lacking, with or without changes in the kindergarten program. Mr. Miller said maybe voters should be asked first if they want to pay for full-time kindergarten before planning an addition. Mr. Hamilton noted the kindergarten discussion clouded the issue, but on the other hand, full day seemed likely if the addition was built. Other states require full-day kindergarten. Mr. Sweet reiterated space needs for preschool, kindergarten, SPED

and Spanish, and flexibility of options. Mr. Miller said that delaying dealing with small rooms for 10 to 15 years was not a comprehensive plan for utility of the building and long-term needs. Mr. Golden said he worried the bond vote would be understood by voters as a referendum on kindergarten.

Mr. Rineman described the extensive renovations and additions to the building funded by the current bond, passed by voters in 1996. He said it was not a good time to ask for people to pay for another large bond. Mr. Miller noted there is now no state aid for building projects. Mr. Hamilton said not doing this project would save the taxpayer of a median-value residence about \$120 per year. Mr. Golden shared metrics of nearby towns with extended-day kindergarten. Rye, Stratham and Portsmouth all spend a smaller proportion of total tax dollars on their schools. Mr. Martino said he believed this project was a “need” vs. a “want” and interest rates may never be lower. If extended-day was implemented then creative solutions should be offered to reduce operating costs.

• *Proposed operating budget*

The proposed operating budget is a 2.4% increase over the current year. If the contracts pass, the total increase would be 3.3%, said Mr. Martino. Ms. Tuttle said the operating budget has 129 accounts; 60 were level-funded, 40 were decreased, and 29 were increased in the proposed budget. Twelve of the increases were contractual and of the other 17, 12 increased by less than \$500. Mr. Sweet described the school’s model of delivering Special Education services, and compared it with average SPED school costs in New Hampshire. Mr. Martino asked if North Hampton’s SPED program is attracting families to move here, as costs are increasing. Mr. Sweet said he hoped all parents want their children to attend the school. Karen Testerman, Special Education coordinator at NHS, said there are currently no out-of-district placements and the number of educational support aides is helping keep students in-district and save money. The trend everywhere is that more students are being identified as special needs. Ms. Tuttle noted it was difficult to compare numbers with other SAU 21 districts because it involved individual students.

Mr. Miller suggested savings could be found in the Student Activities account, which is \$26,000 higher than the default for that account. Mr. Peck suggested the School Board expend the entire \$30,000 in the health trust rather than \$12,000, and that snow removal could be cut by \$5,000. Mr. Golden asked where the School Board would choose to lower the proposed budget to reach a 2.5% overall increase? Mr. Sarazen said the School Board would like specific recommendations from the Budget Committee. Mr. Hamilton noted cost unanticipated increases that could not be controlled by the School Board, including \$120,000 in SPED, \$30,000 due to Hampton withdrawal, and \$50,000 in retirement. Mr. Peck suggested field trip transportation could be level-funded and save \$2,500; level-funding of supplies would cut \$9,725. Ms. Tuttle asked if cutting this total of \$46,278 from anywhere in the budget would satisfy Budget Committee members. Mr. Sarazen said the School Board would be willing to review and come back with their opinion. Mr. Rineman said he would approve the proposed budget as-is, without cuts. By a show of hands, five members would approve as-is and four wanted reductions. The School Board will evaluate the budget and present recommendations at the Public Hearing on January 11.

Adjournment

Motion to adjourn by Jen Simmons; second by Bob Hamilton. Motion passed 9-0. The meeting was adjourned at 10:21 p.m.

Respectfully submitted,
Amy Kane