

Minutes
Nottingham Budget Committee Meeting
January 3, 2013

Members Present: Chair Donna Danis, Chet Batchelder, Selectman Mark Carpenter, School Rep. Peter Perron, Korey Ferland, Jason Marcotte, Michael Koester, Barbara Scannell, Barbara Walder, Gene Reed and Jeff Wheeler

Other in Attendance: Principal Nottingham School Michelle Carvalho, School Board Chairman Sue Levenson, School Board member Gail Mills, Chris Mills, Business Administrator SAU 44 Frank Markiewicz and Heidi Seaverns.

Chair Donna Danis called the meeting to order at 7:04PM. Introductions were made.

Outstanding Minutes:

Motion: Motion by Mr. Koester, second by Mr. Wheeler to approve the minutes of the December 20, 2012 meeting as amended.

Vote: 10-0-1 (Reed) in favor.

Review of the School Budget: The School Board reviewed the budget at their meeting last night. It was stated that not all the changes made by the School Board (SB) last night are reflected in the materials presented this evening. The budget is correct, the warrant is not. Ms. Levenson explained that the SB had removed the Math Specialist position from the budget and reduced the Summer programming by 50% at their meeting on Wednesday. There were also some other small reductions. The operating budget is approximately \$160,000 higher than the default budget. The default budget was voted on at the meeting last night. Discussion then turned to the warrant. The SB has included an article for the new math textbooks & materials in the event the operating budget does not pass. There is an article to approve the new Collective Bargaining Agreement (CBA) with the paraprofessionals. The SmartBoard article was removed, which will be discussed later. The Capital Reserve Fund (CRF) articles are on the warrant this year. The SB is also putting an article on the warrant that will allow them to retain 2.5% of the current year's net assessment. Mr. Markiewicz explained that this was a result of new legislation. It would allow the SB to have money on hand for emergency expenditures not covered by the CRF's already in place. He went on to say that the Budget Committee does not need to vote on this article since there is no appropriation involved. Several members disagreed with this statement and asked for clarification. Mr. Markiewicz stated it had been reviewed by the attorney & DRA. Mr. Reed asked to see the legal opinion. Mr. Markiewicz stated that the SB had not seen it as yet. Mr. Reed requested that the Committee review the legal opinion under RSA 91: A. The SB has also added an article that will pay for safety upgrades in the school building-alert system throughout the school, shades for windows on the 1st floor as well as for all doors, and additional keypad access for outer doors in the cafeteria & gym areas.

Mr. Marcotte asked why the Math Specialist was removed from the budget since at a prior meeting; the SB was in favor of it. Ms. Levenson explained that after further review of the staff and the new curriculum, the SB was confident that with the new program in place, the existing staff will be able to produce satisfactory results (improvements). Ms. Levenson said that it was a tough decision but the SB felt that with the new program in place, improvements will be seen. Mr. Wheeler suggested that the SB add a warrant article for the Math Specialist position. Chair Danis commended the SB for making the hard decisions. Ms. Levenson again stated that the SB feels that with the new math program tied to Common Core, significant improvements will be made in the area of Math. Mr. Marcotte asked why the SmartBoard article was removed. Mr. Perron explained that it was a 2-2 vote to remove the article. The reasoning behind the removal is with the new Technology plan

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being developed; the SB did not want to have purchased technology that wasn't part of the new plan. They would like to purchase technology based on a strategic plan rather than just buy something in hopes it will work.

Mr. Perron then addressed the security upgrades article. The SB asked the administration after the Sandy Hook tragedy what security issues exist in the building. Ms. Carvalho, along with the staff, came up with the list of upgrades. The inside doors are locked but they all have windows so shades have been requested as well as shades for all the first floor windows. It makes no sense to lock the door if someone can see in the room. The outside doors will also be fitted for keypad access. Ms. Walder asked if this was enough. Ms. Carvalho explained that these were all areas identified by the staff and were considered critical needs. She told the members that the Emergency Management Committee would be meeting on Monday, January 7.

Regarding the Paraprofessional CBA article, Chair Danis asked if she had missed the meeting when the contract was distributed. Mr. Markiewicz said the contract had not been distributed. He stated he would email the proposed contract to the members tomorrow morning. It was requested that he also include the current CBA as well as the cost analysis in that email.

Chair Danis asked why the SB did not decrease the amount requested for the Building CRF (\$15,000) by the amount of the overhangs for the gym doors (\$5100) since they were using money from this CRF to construct these overhangs. Conversation then turned to the language at the end of both CRF articles, which says "no amount to be raised from taxation". Several members asked that it be modified. Mr. Batchelder stated it was not on the last warrant articles for these funds in 2010. Mr. Perron stated the phrase was in the recommended warrant article language on the DRA website. Ms. Carvalho began the budget review. The consensus of the Committee was that there was no need to go line by line through the budget. The Regular Education budget reflects the removal of the math specialist position & a 50% reduction in the Summer programming staff. The plan is to use some UNH students to supplement the staff. These reductions will impact the student to teacher ratio rather than number of students attending the program. Ms. Carvalho then brought up the Speech Language Pathologist (SLP) & the Teacher of the Deaf (TOD). The SB has decided to increase the SLP position to full time as a result of the increased need of services which is driven by IEP's (Individualized Education Plan). With the increase in hours in this position, the SLP will be able to provide some TOD services. The TOD line was reduced to a 20% position, which will be contracted out. These TOD services have increased through IEP's. Ms. Carvalho wanted to be clear that SLP & TOD needs are 2 separate needs. The SB is in hopes of finding an SLP with TOD certification. There was a graph provided to the Committee that outlined the increase in service from 2011 to 2012. Next item to be discussed was the repairs to Kitchen Equipment. The steamer, which is original equipment, is in need of repair. The SB has been advised that they cannot use funds from the Building CRF for this purpose. Mr. Perron stated that the 2.5% in warrant article #7 could be used for repairs such as these. Mr. Batchelder suggested that the SB broaden the scope of the current CRF through a warrant article to allow expenditures such as this. The next question was about retirement costs. Ms. Carvalho stated that they had received notice that one teacher will be retiring in June 2013 and 3 teachers will be retiring in June 2014. The retirement severance consists of a buyback of sick days as well as years of service payment and is spelled out in the Teachers CBA. Mr. Reed asked how those positions that are retirees are budgeted. Mr. Markiewicz stated they were budgeted at the current rate. In the Health budget, the part time nurse position was removed and there was a slight increase in the contracted services line. This position assists with screenings, and inputting medical data into the system. This is a different position than the Substitute Nurse who fills in in the absence of the School Nurse. The overhangs for the gym doors

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& the refinishing of the gym floor were removed from the Operation & Maintenance of Plant Budget. It is hoped that both these items will be paid for from the Building CRF. There is a new line for Fire Safety Inspection Repairs. Ms. Carvalho explained that there have been some repairs as a result of the required Fire Safety Inspection, which is done yearly. There were some trees that had to be removed around the propane tank and there are some repairs that need to be made to the kiln as well.

Chair Danis asked if any members had questions. Mr. Reed asked that since the Contracted Services Medicaid billing was reduced, does that mean there is a reduction in revenue as well. The answer was that this reflects a change in the student population. Ms. Scannell asked about the makeup of the preschool population. Mr. Markiewicz will send out that information as well. The conversation then went to tuition and how lines are calculated. Mr. Markiewicz stated that the Dover High tuition rate should be available in late June. He also told the members that Dover is under a 2% tax cap. He also told the members that he would not be surprised if Dover came out with two rates at the next renewal of the contract. There would be one rate for regular education students and one for special needs students. Coe Brown already has this system in place. Coe Brown has set their rate for the coming year, and the Raymond used in the calculation is an estimate. The numbers for next year were calculated by rolling forward the enrollments in Grades 8, 9, 10, & 11. In the past, the numbers have been estimated by trending population.

Revenues were reviewed next. Catastrophic aid is traditionally under funded. Reimbursement is submitted to the State and this is student population driven. Mr. Batchelder made the comment that the Town is picking up a bigger portion of the Food Service budget. Mr. Markiewicz said that the Department of Education wants all Food Service programs to break even. The price of lunch may be raised to try to close the gap.

Mr. Markiewicz stated the tax impacts have not been changed to reflect the changes that the SB made at their meeting the night before. He assured the Committee that they would have tax impacts for all articles for the Public Hearing. It was asked what the 2.5% figure will be. Mr. Markiewicz estimated about \$165,000 based on the numbers he had in front of him. Mr. Carpenter stated that the operating budget would be a 16% tax increase on the median home in Nottingham (\$247,550) and the default budget would be a 14% increase. Mr. Markiewicz said he would forward the final documents to the members once they were completed. This would probably not happen until Monday or Tuesday of next week. Mr. Batchelder asked that DRA be consulted on the Budget Committee's ability to recommend/not recommend Article #7. Mr. Reed asked if the audited financials from 2011-2012 had ever been distributed. Mr. Markiewicz stated he had not sent them but would send them to the committee tomorrow.

The Default budget was briefly discussed. Ms. Levenson told the members that the SB had gone through the default budget line by line and made adjustments. Some lines were discussed at length. Mr. Perron offered the following example-the networking software that has been requested was in the default budget as well as the operating budget. The SB backed that amount of the default budget as the current software works but requires a reboot of the system weekly.

The Committee thanked the Ms. Carvalho, Ms. Levenson & Mr. Markiewicz for their presentation.

Public Hearing Process: Chair Danis had prepared a draft process for the public hearing on the School Budget. The Chair would present the budget. No comments/questions will be allowed during the presentation. The committee was in agreement that the presentation should not be line by line rather by category-highlighting any large changes in that particular portion of the budget. Chair Danis asked if questions from the public should be allowed or just comments. It was her thought

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that questions would complicate the process. Mr. Batchelder said that he feels questions should be allowed, with a time limit. He stated questions asked by the public sometimes help him in the decision making process. Mr. Koester agreed and suggested a 3 minute time limit for questions/comments. Mr. Carpenter thought questions should be allowed. Mr. Ferland also thought questions should be allowed. Mr. Reed then stated that he had changed his mind and now thought questions should be allowed as well as comments. Mr. Batchelder said that Chair Danis should explain a little about the budget process before the actual presentation of the budget. As part of that explanation, the School Board has done a lot of work on the budget. The first presentation to the BC reflected an 11% increase and the one presented tonight was a 6% increase. Both Mr. Reed & Mr. Carpenter agreed with Mr. Batchelder. Ms. Levenson thanked the members saying the SB worked as a team to get to this budget. Chair Danis thanked the members for their input and will incorporate the changes into the document and forward to the members. The process for the meeting will be reviewed for the audience at the start of the Public Hearing next week.

Mr. Reed left the meeting at this time.

Review of Default Budget & SB2 Discussion:

Mr. Batchelder started the discussion by saying that he was very pleased with the excellent job the SB had done reviewing & developing the default budget. He stated it was a valid sound default budget, and he was satisfied that it was an accurate budget. He did not feel that the Committee had to review it as was previously discussed. That being said, he went on to explain that with the SB2 form of government, there is always an increase from year to year in the default budget. He would like the SB to consider trying to go back to the school district (town meeting) form of government. He said that the SB is at high risk this year of having the default budget passed. He would like the Committee to advocate going back to School District Meeting form of government. Chair Danis, Ms. Walder & Mr. Koester all said that they thought it was too late to try to get this done this year. Mr. Perron stated he did not believe it was the Committee's place to endorse an article to repeal SB2. Mr. Batchelder suggested that the SB & Budget Committee discuss the possible repeal of SB2 for 2014. Ms. Levenson said they could certainly have the conversation next year. Mr. Koester suggested that the Committee talk about it at their first meeting in the spring of 2013, after elections. On a related note, Chair Danis urged any committee member whose term was up to sign up for re-election. Ms. Seaverns stated the signup dates for this year run from January 23-February 1 at the Town Clerk's office.

Roundtable Discussion: Mr. Koester told the members that he had gone through the default budget that was provided to the members prior to the meeting and had marked the lines he believed should be level funded. He then stated that the default budget that the SB had presented had even more level funded lines than he had designated. Ms. Scannell commended the SB on their efforts of rethinking the needs & wants of the school while thinking about the taxpayers as well. Mr. Perron thanked the Committee members for all their work & input. He said it was helpful to the process.

Action Items: These are from the December 13 meeting

1. Michelle Carvalho: Age of current text books.
2. Frank Markiewicz: Amount and reasons for increase in salary; percentages, COLA for certified teachers and Para-professionals. Provide a copy of collective bargaining agreement.
3. Frank Markiewicz: Distribution of School Board member payments.

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4. Michelle Carvalho: breakdown of how many staff members are reflected in each salary line.
5. Frank Markiewicz: Para professional salary information

These are from the December 20 meeting

1. Peter Perron: provide estimate of tuition numbers & costs for both Dover High School & Coe Brown for end of year (June 2013).
2. Peter Perron: tuition rate for Dover High School for 2013-2014.
3. Peter Perron: explanation why Secretary Salary line shows 3.95% increase.
4. Peter Perron: Copies of Principal & Vice Principal's contracts.
5. Peter Perron: Amounts of retirement payouts as per master agreement.

Additional Action Items:

1. Frank Markiewicz-copy of legal opinion in regard to warrant article # 7 (2.5%)
2. Frank Markiewicz-email existing paraprofessional contact, proposed new contract, cost analysis.
3. Frank Markiewicz-email audited financials.
4. Frank Markiewicz-email tax impact projections, finalized warrant.
5. Frank Markiewicz-clarification on Budget Committee's recommendation on 2.5% warrant article-can they vote on it?

Having no further business,

9:25 PM **Motion:** by Mr. Carpenter, second by Mr. Marcotte

Vote: 10-0 in favor.

Respectfully Submitted,

Heidi Seaverns

Approved as written
01/24/2013