Minutes
Nottingham Budget Committee Meeting
November 7, 2013

Members Present: Chet Batchelder, Anthony Dumas, Korey Ferland (late arrival), Michael Koester (late arrival), Jason Marcotte, Jackie Snow, Mark Carpenter – BOS Representative, Peter Perron – School Board Representative

Excused Absences: Donna Danis, Jeffrey Wheeler, James O'Brien

Other in Attendance: Secretary Dawn Wirkkala, School Board Chair Susan Levenson, SAU Special Education Director Scott Reuning, SAU Business Administrator Marjorie Whitmore, Principal Michelle Carvalho

Chair Batchelder opened the meeting and introductions were completed.

OUTSTANDING MINUTES:

Motion: by Mr. Marcotte, second by Mr. Perron to approve the minutes of the October 17, 2013 meeting as written.

Vote: 6 – 0 in favor.

School Budget 1st Draft: Chair Batchelder suggested a thorough and detailed review of the budget.

Mr. Perron indicated there would be an overview of the proposed first draft of the school budget and introduced the attending guests.

Ms. Levenson stated the School Administration and SAU have been working diligently on the budget, reviewing priorities and it is coming along very nicely. Additional reviews will continue, the SAU budget is not complete and a review of the default budget has not taken place.

Ms. Carvalho reviewed that the Budget Proposal Overview and Information handout includes information about the details and expectations of the Common Core program and its change on the budget; proposed $72,619.05for new textbooks; $45,000.00 for a weeklong summer teacher training/development class; an estimated $85,284.76 for new technology equipment in the form of one BrightLink Projector system for any classrooms that does not have an existing SmartBoard, 60 laptops for 8th grade 1-1 student use and program software; a new math or reading specialist with an recommended salary, not including benefits, costing $55,497.00; $93,477.73 for repairs and maintenance to the school building in the form of insulating the HVAC air handlers preventing ice dams and providing greater heat efficiency, splash pans and seals on the gym/cafeteria air handlers preventing ceiling leaks, replace portions of the arsenic filtration system and replace music room flooring; and replacement of needed food service equipment with an approximate cost of $45,945.00.

Mr. Perron stated the BrightLink Projector system is as good as the Smart Board brand but about 1/3 the cost, turning any whiteboard into a smart board. It will be a one-time purchase for the board and equipment and there should not be any annual support fee.

Ms. Carvalho stated discussion will continue regarding exactly what type of equipment will be purchased for 1-1 student use. Units will also be used to complete Common Core testing requirements for multiple grades and help with Science class lab work.

Ms. Levenson stated the School Board has not decided on replacing the specialist position. The School Board will review all specialist positions prior to making a decision.

Mr. Carpenter asked if food services were outsourced would the new kitchen equipment be required. Mr. Reuning stated equipment would still be needed. Ms. Levenson stated the School Board is reviewing food service options, but discussion is at the beginning stages.

Mr. Carpenter asked if building repairs would come from the capital reserve fund. Ms. Levenson stated the repairs will cost more than what is available in the fund. Mr. Carpenter stated he supports increasing the amount going into the capital reserve fund to help pay for future changes and repairs.

Ms. Carvalho reviewed prior year student enrollment counts to determine the proposed 2014/2015 counts. Student enrollment counts are at an average of 493 students between 1995 and 2012; 2002 was the lowest at 474 and 2006 was the highest at 514 students.

Ms. Carvalho reviewed the first draft 2014/2015 budget on a line by line basis, with an overall increase to the budget of approximately 3%.

Ms. Whitmore explained in prior years the amounts needed for health and dental insurance were grouped together for all covered employees. This year those costs have been broken out into each department section to help show the total cost for employees. The 2014/2015 budget will indicate two large decreases but multiple other departmental increases in health and dental; however, ultimately those costs decreased by .4%.

It was stated the increasing shift of students who attend Coe Brown instead of Dover continues. This is the first year a slight decrease has been seen in the tuition rate for Dover, but based on tuition rate history the proposed budget includes a 5% tuition increase.

Mr. Perron stated the purchase of text books this year and next year will put the school back on track for a proposed replacement plan of every five years, making sure material is as up-to-date and expenses are planned for a more balanced rotation.

Mr. Reuning reviewed the Special Education budget information. Ms. Whitmore stated she included a 3% COLA for individuals not covered with the collective bargaining unit; until the actual COLA amount is established the funds for the increases are pooled together on the Principal account line.

Mr. Reuning stated the pre-school amount will be accurate in December; the Joint School Board has not made a decision about how pre-school education will proceed. Mr. Reuning stated a new expense formula is being presented which will more accurately account for what each district is using for services, establishing a fair cost for each attending student.

Mr. Perron stated discussion continues among the Joint school Board about the distribution of costs. Ms. Levenson answered the School Boards determined only last year the plan for pre-school funding did not have a contract and negotiations resolving the issue is still taking place.

Mr. Carpenter asked about the school review of special education coding practices for pre-school students that were taking place. Mr. Reuning stated the review has been completed; however the report hasn't been presented to the Joint School Board.

Ms. Levenson stated the review was completed by a national group of individuals, reviewing all areas of education, including special education, for all three SAU schools. The results should help each school establish better processes and procedures for every grade. Mr. Reuning stated his goal is to help establish measures for each school without creating dependency on special education.

Mr. Reuning stated there is an overall .38% increase in Special Education. The account line shifting of health and dental insurance amounts will help track and report expenses more accurately.

Mr. Marcotte asked if the special education amounts included transportation. Mr. Reuning stated it was not included.

Mr. Reuning reviewed a comparison of costs of support of being a member of the Strafford Learning Center. The cost of being a member is $4,754.75 but savings can total up to $22,537.69.

Chair Batchelder asked about the Medicaid Administration Fee. Mr. Reuning stated the fee for Medicaid billing also provides support during periodic audits and prevents expensive legal fees and fines from possible billing errors.

Ms. Carvalho stated expenses include volleyball as a new co-curricular athletic program, new equipment, uniforms and shirts for the coaches. Mr. Ferland asked if students are charged for sporting uniforms. Ms. Carvalho stated they are not, students only provide their own socks and personal type equipment.

Ms. Whitmore explained there is an increase to the Nurse's Salary for a retirement submission and the required severance reimbursements. Ms. Carvalho stated there is an increase in the Substitute Nurse's Salary line, increasing the daily rate to be consistent to surrounding communities, and also includes additional help needed during health screening processes.

Mr. Reuning reviewed the budget for special contracted services covering the speech pathologists and their needed speech supplies.

Ms. Carvalho stated significant increases are in the Improvement of Instruction account for the new text books with the introduction of the Common Core program.

Library has an increase in books also to meet Common Core requirements, and includes new digital equipment for an iPad, educational applications, and a camera or iPod for each grade. Mr. Carpenter suggested the cable franchise fees might help fund some of the new technology expenses if the equipment is used for programming on the local school Channel 13.

Ms. Carvalho stated the current teacher contract is through 2015 and new contract negotiations will take place during the 2014/2015 school year. Mr. Perron stated the School Board will also be requesting proposals for a new High School.

Ms. Levenson asked if the School Board should consider following the federal GASB 45 accounting requirements. Chair Batchelder stated it would be something he would recommend.

Ms. Carvalho indicated the school must update their walkie talkies due to FCC guideline changes.

Ms. Carvalho stated the district bookkeeper position is now includes in the SAU budget. Ms. Whitmore explained the SAU will now oversee and manage the bookkeeper positions for all three schools, eliminating two individual positions by combining them at the SAU instead of each school having their own staff.

Ms. Carvalho stated the Maintenance budget includes a variety of regular annual smaller repairs and improvements for the school, in addition to the previously mentioned building improvements and repairs and also include new furniture, flooring and clocks.

Mr. Carpenter let the School Staff know about the Town's recent energy audit and plan with PSNH to consider upgrading electric and lighting options for energy savings. Ms. Carvalho stated the school completed one in the past and should probably consider another one.

Mr. Marcotte asked about playground upgrades and the grass roots efforts for replacing and increasing the amount of equipment. Ms. Carvalho stated a student has taken the steps to start fundraising and a local citizen has offered to assist with playground expansion and replacement of some of the equipment. The efforts include upgrades and changes to more current equipment.

Ms. Carvalho stated increases are proposed to transportation according to the current contract and expectation of student needs.

Chair Batchelder thanked the school members for attending. It was stated that the SAU still needs to provide additional information about tuition amounts, preschool expenses, and the SAU expenses as they become available.

Mr. Carpenter thanked the school and SAU for a great first draft and he appreciates the hard work and effort taken. Mr. Marcotte thanked the school for their efforts.

Mr. Perron asked committee members to review the information and submit any comments, suggestions or questions they might have regarding the school budget.

Mr. Perron stated default budget information was only recently received; additional work is needed and it should be included on a future Budget Committee Meeting agenda for review and discussion.

Mr. Carpenter asked if the current budget includes education support for students that might be more advanced and/or encourage students to become more advanced. Ms. Levenson stated the Joint School Board is discussing the issue to improve efforts at all three schools. Ms. Carvalho stated students have access to more advanced online education services, instructional efforts, and the Common Core program will also help provide the advanced students with additional materials.

Ms. Levenson stated Destination Imagination is being considered. Ms. Carvalho stated the Lego League is on-going and includes work with robotics. Ms. Carvalho stated foreign language has also been introduced and success is being seen. Ms. Snow stated the Science Fair is also a great activity.

The Budget Committee took a break from 9:05 pm to 9:10 pm.

Default Budget Information: Mr. Perron and Mr. Koester presented information on the default budget process for both the School Board and Budget Committee, according to RSA 40:13 IX(b). The intent of the default budget is to complete a line by line review of those accounts used in the prior year budget reducing or increasing each line as needed by any debt service, contractual obligations and/or other obligations previously incurred or mandated by law. One-time expenditures contained in the prior year budget should be excluded from the proposed budget for those items not likely to recur in the new budget; an example would be the purchase of software for a new internet firewall. Mr. Koester reviewed the example of expense items pointing out those that would be considered contractual increases and those areas which might be level funded.

Mr. Koester stated typically default budgets are not as thoroughly reviewed as the regular budget and with unviewed amounts the default is sometimes a more expensive budget. The default budget cannot be amended at the Deliberative Session causing potential problems.

Mr. Koester thanked the current School Board for taking greater control to submit responsible default budgets, making the job of the Budget Committee easier. However, a warrant article should be presented to adopt provision of RSA 40:14-b, formally reassigning the duty to establish the default budget to the Municipal Budget Committee if a future School Board isn't as helpful.

Mr. Ferland asked if school administration assists the school board in establishing the default budget to determine which areas have one time expenses. Mr. Perron stated the school board has access to the narrative of the prior year budget process to help determine those situations.

Discussion took place about how a school board could take advantage and pad the default budget, if they wanted to do so. Mr. Perron stated over inflating the regular budget or default budget in order to have money available to spend at the end of the year isn't a positive thing.

Chair Batchelder thanked Mr. Perron and Mr. Koester for the information.

Tax Rate Comparison: Mr. Perron postponed the presentation to a later date.

Other Business: Chair Batchelder asked about the CIP information and the information being presented to the Budget Committee. Mr. Perron stated it is almost complete; there are a few more changes and can be included on the next agenda.

Mr. Perron asked to include the School Budget on the next agenda giving committee members ability to ask questions or make comments in order for the School Board to incorporate them into the 2014/2015 budget.

Mr. Perron stated the School Board will also complete a review of their warrant articles, which also needs to be presented to the Budget Committee.

ROUNDTABLE: Ms. Snow thanked the school personnel for attending and stated there were great changes seen in the budget.

Mr. Marcotte asked if the Town has a spending freeze. Mr. Carpenter stated the Town has one every year, making sure there is enough money in the budget, especially specifically to address the possibility of any needed snow storm coverage.

Mr. Perron thanked everyone

Mr. Carpenter thanked the school and would have the Land Use Change Tax and current use information regarding possible Conservation Commission Fund changes.

Ms. Wirkkala asked what alternative nights committee members might be available to help assist SAU staff as they work with the three different schools. Chair Batchelder stated alternative nights could be determined, if needed.

ADJOURNMENT: Having no further business,

9:42 pm Motion: by Mr. Marcotte, second by Mr. Ferland.

Vote: 8 – 0 in favor.

Respectfully Submitted,

Dawn Wirkkala