BUDGET COMMITTEE MINUTES- VEAZIE

Date: April 23, 2013

Attendance: Pat Rice, Patrick Joyce, Chuck Osgood, Travis Noyes, Jeff Wheelden, Mark Leonard

Meeting called to order at 6:33 pm by Chairman Pat Rice. The minutes of the April 17 meeting were accepted with no revisions.

**Old Business**:

Fire Department review will be held 4/25 at 6:30pm.

**New Business**:

Review of Veazie School Department budget for July 1, 2013 to June 30, 2014. Representing the Superintendant’s office was Scott Nichols, Janine Raquet, Chris Dalton, and Susan MacKay.

Mr. Nichols reviewed a revised “Draft 3” budget along with a budget memo for additional background. He indicated that the budget process was difficult this year since many of the now included expenses in this budget were not included last year due to items being paid under a cost sharing plan with the RSU. As a guideline, a summary page of the Veazie School budget for 2008-2009 was presented, the last year that Veazie was a “stand alone” school, in order to compare apples to apples. This shows an increase to the total budget of 7.7% over the 5 year period, or 1.5% per year.

Mr. Nichols notes that 57% of the budget is “fixed costs” which he explained came from agreed amounts negotiated with the RSU for this transition year. Next year Veazie will provide those services directly or renegotiate costs. The remaining 43% of the budget consists primarily of wages and benefits which are insulated from review given last year’s union contract which according to Nichols et al included approximately a 3% salary increase, plus increased costs for insurances. Total salary and benefits for K-8, not including Special Ed which is a contract item with the RSU, is approximately $1,267.415, or 67% of variable cost. $37,000 is budgeted primarily for books and supplies. Finally, the School is requesting an $80,000 “contingency” account which will serve to fund potential new secondary education transfers and other transfer students that will impact known and projected enrollments. This number is down from an original $100,000. Combining these figures totals $1,384,636, or 74% of the variable cost budget. Of this amount, only the contingency fund can realistically be considered for adjustment. This leaves $505,612 in variable cost for budget overview consideration, which is divided up as follows:

Extra Curricular and Co- curricular $41,382

Guidance $46,515

Nurse $27,044

Technology $62,081

Improvement of Instruction $7,869

Library $47,980

System Admin (Supt, Bd ) $47,257

Principals Office $164,612

School Lunch $58,450

Total: $503,190

Unaccounted for difference: $2,422- appears to be in the Facilities Maintenance a/c

In these categories, the Budget Committee discussed the following:

1. Extra Curricular- $25,680 of this amount is from a negotiated contract with the RSU. Mr. Nichols strongly supports continuation of these activities.
2. Nurse- represents a 1/3 time nurse whose services were strongly supported by Mr. Nichols
3. Technology- $30,763 is a 2 day per week tech specialist cost previously supplied by the RSU. Another $15,400 is for equipment replacements. Contracted services of $4,980 and supplies of $3,000 round out the majority of this category. Mr. Nichols felt strongly that he needed to keep equipment up to date and institute a regular replacement schedule.
4. System Admin is based on pre- RSU numbers
5. School Lunch is a constant challenge given the size of the school- this number is based largely on historical costs.

Facilities budget was also discussed, even though this was included in the “fixed cost” category at $234,785. This category is budgeted at $236,785 and includes utilities, custodial services, and general maintenance. The repairs and maintenance includes what appears to be a discretionary entry of $29,500 for “gym floor resurfacing, rug replacement, painting, and window replacement”. Mr. Nichols indicated that it was important to keep the facility in good condition and that deferred maintenance would cost the school more money eventually.

The Committee opened the meeting up to the public and received comments about the above maintenance costs, the cost of extracurricular and the town’s rec program, the necessity of having a pre-K program and if that could be eliminated, and whether the insurance services, a major part of the budget, have been “shopped”. To the last point, Mr. Noyes indicated that insurance providers have been looked at and no immediate savings were identified.

Ms. Rice questioned why the cost per pupil was so high as compared to the average for the State. The committee was advised that the costs for a small system are typically higher given mandated services whose cost aren’t easily absorbed given the lack of scale. Effectively the price that is paid for having a locally controlled school in a small population area.

As for revenue, the Town’s mandated allocation increases from $1,760,625 to $1,875,437, but the local additional “ask” is reduced from $1,219,040 to $1,028,644, resulting in a $74,583 reduction from the town to support the school budget. An additional $10,357 is saved in the Adult Ed program given the use of the school facility in lieu of a cost for the program. The total reduction of $85,940 results in a 2.97% lower cost to the town. This includes additional costs from curtailment of funding for education of $26,279, teacher retirement shift of $41,627, and a one- time RSU debt service payment of $66,340 all totaling $134,246. This was partly offset by $85,930 in savings with a major reduction in the Ed Tech salary ($17,648), a $20,000 contingency fund decrease, and the elimination of a Curriculum Coordinator saving $25,700, whose duties will be absorbed by the Principal and teaching staff.

The Committee members agreed that we will consider recommendations at our next meeting on 4/25/13 after the Fire Dept review.

The meeting was adjourned at 9:04 PM.

By:

C. Osgood, Secretary