

**TOWN OF DEERFIELD
MUNICIPAL BUDGET COMMITTEE
December 18, 2012
MINUTES**

Call to Order:

6:00pm pm Chairman Don Daley called the meeting to order.

Pledge of Allegiance to the Flag

Chairman Daley asked all to rise and pledge allegiance to the Flag.

Moment of Silent Reflection

Roll Call:

Present: Don Daley, Chairman; Jim Spillane, Vice Chair, Harriet Cady, Maureen Mann, Fred McGarry, Brendan O'Donnell, Charles Reese, Jeff Shute and Kevin Verville, Members; Steve Barry, Board of Selectmen Rep; Maryann Clark, School Board Rep

Also Present: Patty Sherman, Co-Superintendent; Paul Yergeau, Principal; Peter Aubrey, ; Kevin Barry, Deb Kelly, and Peter Menard, School Board Members

Approval of Minutes December 8, 2012

Motion: S. Barry moves to approve the minutes as written

Second: F. McGarry

Vote to Approve the Minutes: Yea - 9; Nay – 0; Abstained – 0: Motion Carries

(Vice Chair Spillane and Member H. Cady were absent at the time of this vote)

Old Business:

Chairman Daley reviewed the materials provided to the MBC, including information on the meeting where the Welfare Administrator position was changed from an elected to an appointed role, information from Jan Foisy with regards to what is included in Police Budget line 1340 and the LGC's Legal Opinion regarding including raised for Elected Official in the Town Budget

Proposed 2013/2014 School Budget:

M. Clark opened with a summary of the proposed 2013/2014 School budget. The proposed bottom line is \$12,008,931, an increase of \$190,579 (approx 2%) over the current year. There are now 473 students enrolled at DCS, with 199 high school students and 113 (full time equivalent) staff members.

1100: REGULAR PROGRAMS - \$5,354,211

H. Cady clarified that the section was not really reduced by \$47,662 as the Network Technician had been moved to section 2400 and M. Clark confirmed yes. Chairman Daley asked how many Teachers were represented in the budget to which M. Clark answered 40 bodies, the same as the current year. H. Cady asked how many full time individuals were across both section 1100 and 1200 and M. Clark answered 57.1 certified staff.

Chairman Daley noted that the High School tuition line is projected at 209 students, recent trends have been down and he wondered if the expected increase was accurate. M. Clark confirmed that yes, based on the 8th graders entering the High School and the 12th graders leaving, the net difference is expected to be an increase. H. Cady asked what was in the Technology line for \$7,000 and M. Clark indicated that the School Board is working to identify what those needs are, the number may go down, but she will have additional details there for Saturday's meeting.

1200: SPECIAL PROGRAMS - \$2,446,936

M. Clark pointed out that this section has increased \$18,634. There has been a large increase in the area of Special Placements, and a decrease in the Salaries line with the removal of 0.8 positions. Chairman Daley commented that he had originally had a concern with the Special Placement projection, but that in looking back to the 2009/2010 school year where actual expenditures were over \$1M, the current figure does not seem unusual. P. Sherman added that not all of the Special Placements are directly with DCS, that some are an expense to Concord High School. F. McGarry noted that there has historically been a surplus in that line and asked if the Board thought it was perhaps over budgeting? M. Clark responded that the School has always been on the benefitting end with fewer students requiring placement, but that it takes only one individual to tip the balance in the other direction, this is their best estimate. M. Clark closed by pointing out that Special Education teachers currently at 12.4 full time equivalents are proposed to be reduced to 11.6.

1410: OTHER INSTRUCTIONAL PROGRAMS - \$27,665

Chairman Daley noted the new line for Dues and Fees. M. Clark said that this had been coming out of the Supplies line and represents Tournament and League fees. They are also working to phase in new uniforms for each of the School's athletic teams. K. Verville asked if it would be possible to find out what number of the population participates in a sport, adding that if one student plays three sports he would like that person to be counted only once. P. Yergeau will try to pull together that information.

2120: GUIDANCE - \$208,386

J. Spillane began discussion by expressing his opinion that the population size of DCS does not warrant two full time guidance counselors. M. Clark expressed that in her mind, the justification for having two versus one, comes from the variety of students the counselors are servicing. State recommended ratios are 300:1 for middle school and 500:1 for elementary school, but as DCS has pre-K through 8th grade they are classified solely as a "Elementary School". K. Verville asked if each counselor worked with a specific age group and M. Clark answered that no they split the population alphabetically. K. Verville pointed out that each individual is already handling the variety of ages within the population, so the range of students in the school doesn't seem to be a justification for two counselors versus one. P. Yergeau indicated that this area is reviewed annually when the Administration looks at proposed staffing levels and that he feels having two Guidance Counselors is appropriate, noting that they have one male and one female, and one who has more experience with students on the autism spectrum.

Motion: M. Mann moves to reduce the Guidance Salary line by \$59,657

Second: S. Barry

Discussion: M. Mann appreciates the points made by both sides, and does not feel it is out of line to ask the school to look at this area, but at this point would be opposed to her motion. B. O'Donnell pointed out that a good indicator of need would be to look at the case load of the counselors now versus previous years. P. Yergeau will get that information. K. Verville asked if the motion were approved, is it possible for the School Board to reallocate funds so that the position is still not eliminated? J. Spillane confirmed yes, because it is a bottom line budget, the MBC has no say in what specific areas are cut. K. Verville asked if it was the Administrations opinion that having two guidance counselors was a "need" or a "want" and P. Yergeau feels it is a need. H. Cady asked what sort of programs the counselors do and M. Clark reviewed the job description details from last year, they conduct weekly sessions, working with roughly 80 individuals and 20 groups. Students may have an IEP that specifies work with a counselor and any students who fall under code 504 (anti discrimination) are required to have programs developed and coordinated for them. J. Spillane asked if any of these services could be utilized through a shared service with the SAU. P. Sherman answered that the SAU has a staff Psychologist that Deerfield shares, but not any Guidance services. K. Verville asked how many students fell under section 504 and P. Yergeau indicated that he will provide those numbers for the Saturday meeting.

Vote: Yea 1, Nay 7, Abstained 3: Motion Fails

2130: HEALTH - \$58,920**2190: OTHER PUPIL SERVICES - \$1,000**

This section has \$576 increase year over year; P. Yergeau explained that these funds are used to offset the costs of bringing in outside speakers. Sometimes proceeds from book sales or PTO fundraisers are used to defray these costs, but this number represents what the school felt it could expect to need lacking additional outside support.

2210: IMPROVEMENT OF INSTRUCTION - \$31,986

H. Cady asked what the Travel line consists of and M. Clark answered workshops and conferences. In the past teachers has not been putting in for gas reimbursement for travel, now that is more common. K. Verville asked if the School was compelled to reimburse mileage and M. Clark responded yes, that as part of the contract they are required to reimburse if requested. K. Verville asked if meals are reimbursed and P. Yergeau answered that they are not. Chairman Daley asked why this line was moved from section 2290 and P. Aubrey indicated that it was in an attempt to more properly classify the expense as mileage does not really qualify under line 322 of section 2290.

2220: EDUCATIONAL MEDIA - \$75,325

M. Mann noted the increase to Reference Materials and asked what the school uses that is not online. M. Clark answered that this line also includes online subscriptions, but added that the School does still purchase hard copy, physical printed materials. J. Spillane asked what the \$600 in Library Equipment was, P. Yergeau could not immediately recall, but will find out.

2290: OTHER INST. STAFF SERVICES - \$19,315

H. Cady asked if Conferences and Workshops are a requirement of the contracts. M. Clark responded that yes, they are a negotiated contract item. K. Verville asked if there is typically a surplus in this area or if the funds are typically used in whole. P. Yergeau answered that it varies by year, courses are more expensive than workshops, rarely are requests to attend denied.

2310: SCHOOL BOARD - \$25,437

F. McGarry asked if the \$4,000 increase to the Attorney line was a reflection of a specific anticipated cost. M. Clark answered yes, that the Board is expecting to need help in the negotiations of the upcoming High School contracts. J. Spillane asked for justification of the increase in the Auditor line. P. Aubrey indicated that the contracted Auditor has been doing the DCS many favors and that his rates are well below the industry standard. As a result, they have been working to slowly increase that line. He added that larger firms would charge between \$8,000 and \$10,000 for a district of similar size.

J. Spillane asked what "Other School Board Expenses" included and P. Aubrey responded that it is the School Board's equivalent of the Town's Voting line. K. Verville asked what other elected Boards receive a paid stipend and S. Barry responded that only the Selectmen are paid. That annual amount is \$800 for the Chairman and \$600 for the Selectman, the School Board stipend is \$400/year.

2321: SAU MANAGEMENT SERVICE - \$257,732

M. Clark referenced the handout provided to the MBC with the SAU services cost breakdown.

2400: SCHOOL ADMINISTRATIVE SERVICES - \$326,689

H. Cady asked how many salaries were represented in the Secretary Salaries line. M. Clark responded 2.5.

2600: OPERATION/MAINTENANCE - \$419,078

F. McGarry asked if the School and Town use the same supplier for their heating oil. S. Barry confirmed yes. M. Clark indicated that there has been some concern about this and that in recent negotiations the School could have gotten a better price. The general consensus was that there has been disconnect between the School and the Town, partially due to the fact that their fiscal years do not run in coordination. Additionally the supplier the School had negotiated with has had a poor track record with servicing the Town. The MBC feels that if a lower price for the School results in a higher price for the Town and a net higher to the community, then that would not be advised. In general the MBC would ask that both entities work to communicate more to determine a pricing arrangement that is best for the overall community.

K. Verville noted the Grounds Maintenance line had increased 38% and asked why. M. Clark will find out.

S. Barry was excused from the remainder of the meeting at this time

H. Cady noted that she has been volunteering to work on the grant for the paving of the school parking lot and that this area may need an additional \$2,000 for the work of hiring an engineering company. K. Verville asked if the long term maintenance of a paved lot is expected to cost more or less than that of the current gravel lot, and answer to this was not readily available, though H. Cady did point out that there are various tradeoffs, noting the gravel tracked into the school causes additional wear and tear to the facilities.

C. Reese asked if there is a long term Capital Improvement plan in place, specifically as it relates to the ongoing rental of the modular units, has the Board discussed the potential of replacing these? M. Clark answered that there are several options to review, but that the School Board has not yet discussed or made a decision. J. Spillane voiced that he does not feel the units are being fully utilized, the school was originally built to handle 500 students and with less than that on the roster sees no reason to continue renting.

2720: PUPIL TRANSPORTATION - \$622,120

This number was down \$13,784 year over year. K. Verville noted a significant percent increase in the athletic trips and would ask what percentage of the student base participates in sports. M. Clark noted that the 2012 actual expenditure of \$4,765 is likely what is driving the \$5,000 projection and will work to identify how many students participated in sports last year. H. Cady asked how much time remained in the busing contract. P. Aubrey answered that the contract was recently renegotiated. This is year one and the contract will run through the 2016/2017 school year. F. McGarry asked if the reduction in the Special Ed Transportation line was tied into the loss of a student in that category and M. Clark confirmed yes.

2900: OTHER SUPPORT SERVICES - \$1,864,056

J. Spillane asked for an explanation of the Separation Benefit line. M. Clark indicated that this is a benefit in the Teacher's contract so that if an individual who meets the requirements informs the school they will be retiring they are paid over three years, \$3,000 in the first year following notice, \$2,000 in the second and \$1,000 in the third. This year there were five requests put forth and the figure represents five \$3,000 (year 1) payments plus one \$2,000 (year 2) payment. J. Spillane asked what would happen if an individual took the benefit, but at the end of the third year decided not to retire. P. Sherman responded that the notice of retirement is taken as a form of resignation and P. Yergeau added that the language in the contract that had previously indicated this was a decision at year three has been removed, the individual must retire. K. Verville noted that the School's teaching roster seems to be very top heavy and would foresee a wave of retirements approaching and he encouraged the School

Board to look at this and think about how it is situated to bring in the “next crop” of educators. He asked if there is a policy within for hiring, and what criteria drive candidate selection? P. Yergeau answered that there is no direct policy. In general the Administration and School Board are always seeking to find the best candidate. He added that the candidate pool for a general elementary classroom position may see hundreds of applicants, while for example a middle school math teacher may only have two qualified candidates.

K. Verville asked what the difference between Annuities and Teachers Retirement is. M. Clark answered that Annuities go to non-teaching, non-paraprofessional staff.

4200/4500: FACILITIES ACQUISITION/CONSTRUCTION - \$4.00

Chairman Daley noted that the last two years have seen major urgent and expensive repairs required by the School, is there anything the Board anticipates coming up in 2013. M. Clark responded that at this time no, there is nothing expected, but added that Board Chairman Don Gorman has talked about doing more Long Term Planning on the Facilities needs.

5100: DEBT SERVICE - \$0.00

5220: MISC ACCOUNTS - \$18,711

K. Verville asked what this number represented. P. Aubrey indicated that it is a best guess estimate, by law this area can never run in the red and so they estimate what funds may be needed for the coming year. K. Verville asked what the key drivers of cost in this area are. P. Aubrey responded that food cost is the primary driver. Additionally with the Obamacare changes coming in 2014 they will likely have to offer group health insurance to anyone working over 30 hours. K. Verville asked if changes to the Federal Nutrition Requirements have caused more or less students to take the lunches. P. Yergeau replied that the trend seems to be fewer kids buying school lunches and more food waste.

5250: TRANSFERS TO RESERVES & TRUSTS - \$0.00

This amount has not yet been finalized. It has been \$25,000 the past two years and is typically presented as a Warrant Article.

5310: ALLOCATION TO CHARTER SCHOOLS - \$10,548

P. Sherman informed the MBC that the Pace School was on Route 28 in Allenstown. It was originally sponsored as a start up by Pembroke, but is not considered part of the district. Attendance at any school aside from the contracted High School is parent choice and 8th graders are not advertised these alternative options, it is up to the individual family to research and determine what is best. F. McGarry asked what the focus of Pace is. P. Sherman answered that it is typically for sophomore or junior students who have found that the traditional High School is not a good fit. Pace focuses on setting up internships and class attendance is part time.

Extra & Misc. Discussion

K. Verville requested a description of how the budgeting process works, wondering if the total proposed amount was less than the amount first requested by the School’s Administration. P. Sherman confirmed that yes, this final number has been cut, the process is that the Principal brings a proposal to the SAU, which is then revised and presented to the School Board from there it goes before the MBC and on to the voters. K. Verville asked if there were any areas that the Administration felt were too thin. P. Yergeau feels that the area of math has been very stringent and squeezed, especially as many of the classrooms in this area are using consumable materials.

F. McGarry asked for clarification on the enrollment projections, will there be four or three 4th grade classes. M. Clark answered that there is currently a 4/5 combination class that is expected to be eliminated, hence the change.

J. Spillane asked if the Board had discussed reducing staffing at the grade 3 as those student numbers at 19.3 per classroom are well below the State minimums. M. Clark responded that it was discussed at the School Board meeting, but that this need is being driven by specific individual student needs. P. Yergeau added that by structuring it as four classes they are eliminating the need for a Special Ed instructor and his hope is that with another year of work the class will be able to go to three classrooms, still without the need for a Special Ed instructor.

Motion: K. Barry moves to reduce the School budget by \$1,999 with the intent to eliminate line 2310:110 for School Board Salaries

Second: J. Spillane

Discussion: K. Barry noted that budgets are tight, and that these positions were each contested in this year’s elections shows there is a public interest to serve. Chairman Daley expressed that having served on the MBC for a number of years he has seen the work that the School Board and Board of Selectmen do and feels the issues they confront on a daily and weekly basis are more than worthy of compensation. J. Spillane and H. Cady concurred, noting that these two boards have more regulated meeting schedules and that the small compensation can go to offset gas costs.

Vote: Yea 1, Nay 8, Abstained 1: Motion Fails

Proposed Teacher & Para Contracts

School Board member Peter Menard read through the proposed updates to language and terms of the Teachers and Para Professionals contracts. The MBC will review this information in greater detail and be prepared to discuss at the January 5th meeting.

New Business:

Chairman Daley reviewed the upcoming meeting schedule. The next MBC meeting will be Saturday, January 5th at 9am, followed by a Public Hearing on Wednesday, January 9th at 6:30pm at the Town Hall.

Citizen's Comments:

H. Cady informed the MBC that the Board of Selectman had voted to approve some \$59,000 in encumbrances at its meeting last night. It appears that items were purchased that had been budgeted for. Chairman Daley has asked for the more specific Warrant Article Language and Encumbrance details for the MBC's review.

Adjournment:

Motion: M. Clark moves to adjourn the meeting of December 18th

Second: J. Spillane

All in Favor – Motion Carries – Meeting Adjourned @ 8:50p

Next Meeting Tuesday, December 18th at 6pm

The Minutes were Recorded, Transcribed and Respectfully Submitted by Katie Libby.

Pending Approval by the Municipal Budget Committee