

Budget Committee Minutes December 19, 2012 (school)

TOWN OF NEWMARKET, NEW HAMPSHIRE
BUDGET COMMITTEE
DECEMBER 19, 2012 6:30 P.M.

MEMBERS PRESENT:

Chairman Brian Hart, Vice Chairman Ellen Snyder, Rose-Anne Kwaks, Amy Thompson, Jack Fitzgibbon, Drew Kiefaber, Dana Glennon, Judy Ryan, School Board Representative Linda Mantegani

MEMBERS EXCUSED: Russ Simon, Council Representative Gary Levy, (attending a Town Council

Meeting)

ALSO ATTENDING: Superintendent of Schools, Dr. Jim Hayes, School Finance Director, Christine

Blouin

Chairman Brian Hart called the meeting to order at 6:35 p.m., followed by the Pledge of Allegiance.

1. Mr. Glennon moved to accept the minutes of December 10, 2012. Mr. Kiefaber seconded. Discussion: Vice Chairman Snyder pointed out the following corrections: page 1, under Fire/Rescue, change the word "to" to the number 10; add the word "suggested" after the sentence beginning, "The auditors had..."; and add the letter "P" to "CI" in sentence 5. Also on page under Buildings and Grounds, change the word "adding" to removing in the first sentence, and change "stopped mowing" to "reduced the amount of mowing" in sentence 3. Motion to accept the minutes as amended carried 9 – 0.

2. School Budget

Dr. Hayes, in response to Ms. Thompson's questions from the previous meeting, had sent an email that explained that the purchase of 28 Linova laptops for a total cost of \$14,040 was upon the recommendation of the elementary principal, and he had agreed that the teachers should have computers that were on par with those of the students. The funds came from the operating budget. The figure of \$54,525 listed on page 53, was for new accounting software for the office, and the funding came entirely from the trust fund. Chairman Hart said that Dr. Hayes had also sent out an email that day explaining the Apple iPad costs, and the emails were available to the public. Ms. Kwaks asked about the 2 iPad models in the email. Dr. Hayes said the Retina model was the more enhanced version. He said he had requested 25, but since they only came in bundles of 10, the remaining 5 would be more costly. For that reason and he had decided to order 30. Ms. Thompson said the teachers' Linova computers were Windows-based, and the students' would be on a different operating system. Dr. Hayes said the system could handle both. This was part of a pilot program, and teachers involved in this would be getting MacBook Airs, as stated in the operating budget.

Chairman Hart passed around a LGC schedule of deadlines for a March Town Meeting vote. The Public Hearing had been scheduled for January 14th, and must be posted by January 7th. By state law, any collective bargaining contracts have to be posted on the warrant by January 8th. Essentially, this would be the deadline for the school and union to agree on a contract. Dr. Hayes said there was a negotiating meeting scheduled for January 2nd, and if there was agreement it would have to be ratified before the 8th. Chairman Hart said his understanding was that the warrant article could be posted without the numbers, as they could be added later. The last date to post the Warrant Articles and the Budget is January 28th, so the Committee will meet sometime between January 15th and January 26th to make its final recommendations.

JR/SR HIGH SCHOOL BUDGET:

Dr. Hayes directed the Committee to page 20 of the budget. He said he did not expect change in enrollments of 218 for grades 6 – 8 and 251 for grades 9 – 12. He said that 81% of the budget was comprised of salaries and benefits, and he had already addressed benefits. He would highlight staffing elements and any unusual circumstances that affected the operating budget. He said this had started out as a level funded program budget, but had later shown a 5% increase. After discussions with the School Board the increase had been reduced to 2.84% but cutting the equivalent of 5 ½ positions along with some other adjustments. The budget details on page 21 are for regular education; there are 17.25 teachers at the middle school level and 22.25 at the high school for a total of 41 included in professional salaries. Scholar supplies is a lump sum account, and once the budget is approved, the Principal has the authority to re-apportion the funds to many other accounts. Ms. Kwaks questioned the amount budgeted and asked why it was not closer to what had actually been used in the past. The account had been reduced by \$10,000 from the Principal's original request. Ms. Blouin pointed out that that the \$94,671 request included money for other accounts that previously were reported separately, but now showed zeroes for FY2014. The reallocations will show in the revised column when the 2015 budget is prepared. Dr. Hayes commented about the \$1,400 allocated for replacement furniture. This would be for replacing unsafe chairs in the biology and chemistry labs.

Ms. Kwaks commented on line items in which appropriated funds had not been used or not been fully used, but might have been used for other reserve funds. She felt this showed over-budgeting, and said that at the end of the year the school historically showed a surplus, and she would find it easier to approve the budget if surplus funds went back in to the pot rather than in to the department. Dr. Hayes said that last year, a budget freeze was enacted early in the year, and they only allowed emergency purchases. More money had to be cut when the state reneged on its retirement contributions. They had to use money from the trust funds to balance the budget. Ms. Blouin added that the money that was turned back was from funds warrant articles that had been under-spent. Vice Chairman Snyder asked if the total amount spent the previous year included money from warrant articles, as it was higher than the amount approved. There was no breakdown in the chart on page 20 that showed the source of funds, which she suggested would be helpful. Ms. Blouin said she could show trust fund moneys separately.

Page 22 included expenditures and requests for special education under the 1200 account numbers. There are 14 special ed. positions, some of which are part-time; 3 positions are grant funded. One of the coordinator positions will be cut, and there will be a district wide position. The remaining position is fully funded in this part of the budget. Of the 19 paraprofessionals, 2 are grant funded. There is one tutor for direct services for an ESOL student, but she also works with parents and with other students in the classroom. District wide, there are 180 special needs students of which about 85 attend the JR/SR High School. Page 23 covers the 1300 and 1400 functions. The School to Career Coordinator position had been cut, and the salary and benefit lines all show zeroes. As they still intend to provide those services, there is money allocated for transportation to workshops, supplies, dues, etc. Also included in the 1300 function is tuition for 60 students who attend the Seacoast School of Technology. The line item shows an increase in tuition from \$114,120 to \$127,980. Advisor salaries are for a variety of student clubs and organizations.

Page 24, the 1415 function covers salaries and expenses for coaches. The pay scale has been in place for many years, and includes a series of steps, which is reflected in the increase for the FY 2014 budget. They were proposing to add cheerleading as a JV sport, rather than a club. The increase in supplies was in accordance with NHIAA guidelines for basketball uniforms. There is an agreement with Epping that football costs will not exceed \$10,000 but historically have been about \$7,500 per season. The actual cost is based on the number of students who participate. This is included in the total amount of \$12,000 in item #330, other professional services. It was suggested that this be clarified in the narrative. The remainder of the money in the account is spent for trainers. The increase for officials was in part because an increase in rates per season. They try to schedule varsity and junior varsity games together. The actual amount spent in 2012 was lower because the school did not have JV sports in all categories. The school has to budget for all teams, as it does not know the numbers until the beginning of each season.

Ms. Thompson questioned the increase in supplies from the 2012 actual expenditure of \$3,191 to a request for \$7,126, and asked if there was a way other than the operating budget to fund this line item. She suggested fund-raising as an alternative. Dr. Hayes answered that athletes make a large commitment to participate, and he felt it was not reasonable to ask them to fund raise funds for basic necessities, and that they also had personal expenses involved in playing. He said that often they did fundraising for items over and above basic necessities, and he was not aware of any grant money for supplies. The Boosters' Club also has done fundraising for special projects. Ms. Blouin said there were no overtime costs for janitors during and after games as their hours were staggered for coverage. The increase of \$21,011 in the Budget Summary reported on page 20 for Other Instruction is an increase over the current year's revised budget, not the 2012 actual expenditures. This includes more than the athletic salaries reported on page 24, and includes items from the 1300, 1400, 1415 and 1430 accounts. Mr. Kiefaber suggested that in future budget summaries, the account numbers

included in each item be listed for reference and clarity. Page 46 includes a chart depicting what each general account number includes.

Page 25 shows the elimination of the summer school program as enrollment has been declining. The homework club had originally been grant-funded, but is now part of the operating budget. It runs 3 days a week for more in-depth after-school help for students. Some students do not have computers at home and go home to empty houses, where there is little structure and help with homework. The 2120 accounts cover guidance department salaries, benefits and operational expenses. The amounts from items 550 – 730 have been moved to the Scholar Supplies account on page 21. Mr. Glennon asked if they could get funding for mandated programs, such as special ed from an organization such as United Way. Specifically, he wondered if grants were available for the Homework Club, as it was not part of the curriculum. Ms. Blouin will check into alternative funding. The Guidance Director is an administrator who supervises the Counselor, and performs other administrative duties within the school, such as supervising testing, student transcripts, college applications, placement for career education, coordinating individual learning plans, and contacting other schools about students arriving in Newmarket, among other duties. The Counselor works at the elementary school, but also works with students at the secondary level as well as working on teams such as emergency management and after school teams. There is little duplication in the 2 positions.

Page 26 covers student services. The 2130 function includes salary, benefits and operational expenses for the School Nurse. The 2152 function includes salary, benefits and operational expenses for the Speech Therapist. Ms. Blouin pointed out that the salary amount of \$51,822 was from a re-allocation of a .4 position at the elementary school, making the secondary position full-time or 1.0 FTE, as indicated on page 15. Ms. Kwaks said that the actual 2012 expenditure for salary was \$25,911 and the request was for \$51,822, and that the amount for health insurance for the position had increased to \$25,497. Previously, the benefits had been split between the schools, and now only showed on one. The re-allocation of the position was done, not to save money, but to meet student needs. Over the last 3 years, the school system had gone from having the equivalent of almost 6 speech pathologists to 3.

The beginning of page 27, function 2220 covers Library Media, and there is one specialist who covers both buildings, and half of the expenses for the position are covered by the secondary school. The benefits listed include those for the Library Media Paraprofessional. Function 2230 covers technology. Line item 120, for the One-to-One Pilot Coordinator includes 4 stipends of \$2,000 each for teachers to lead and coordinate the project in learning using iPads. These teachers would work extra hours in developing the program and writing the necessary policies and procedures. The \$9,000 amount for training on page 41 would be for training for teachers by Apple staff. The current budget does not allow for an instructor of informational technology, so those appointed to the 4 stipend positions would be doing that work. Ms. Ryan asked if the line items for technology on page 27 were also included in the technology function on page 4. Dr. Hayes said they were. The webmaster stipend, #126, for \$3,000 was the result of moving one of the two computer teachers to the elementary level, and eliminating a technology tutor there, as seen by the savings in salary and benefits on page 8. The web-master management responsibility will be paid by a stipend, as it requires additional duties for a teacher.

Chairman Hart said there was concern that the school was planning to transition to Apples, after spending a good deal of money on upgrading its laptops. He felt the school should think this through. He noted that Apples were a great deal more expensive than other PCs, which could do 95% of what was required by the teachers and students for less money. He felt this would lead to higher expenditures in the future. Dr. Hayes said they were entering a time when every student and teacher needed access to their own computers. Chairman Hart did not contest this, but wondered why they felt it necessary to have Apples. He cited past problems with technology, and wondered if this had been totally thought through. Mr. Glennon asked why the school had decided to go with Apple, and said he knew the educational software was better, but wondered if there were other reasons. He agreed that they could buy 2 Windows PCs for each Apple. Chairman Hart said he understood that Dr. Hayes had said earlier that the educational software opportunities were better, but the teacher laptops would interface with Windows. The cost to change everything to Apple would be prohibitive. Dr. Hayes said the great number of schools were going or had gone this way, and Newmarket was behind. He said the Macbook 1 product included all the software needed, so there was no additional cost or inconvenience. He said that Apple was a more reliable product, and did not have the problem of viruses. He felt that with a high volume purchase there would be ways to reduce costs or make financing arrangements.

Mr. Glennon, who at onetime worked for Apple, said that overall most educational institutions had changed to Apple, as it had its foothold in educational software. Other PCs, while good products, had been developed for the business world. He said he realized that they had to look at costs, but felt that Apple products were much easier to teach and become familiar with. Vice Chairman Snyder said this was a case where they needed more information to explain what the strategy is for technology along with a cost and product analysis of Apples versus PCs. She felt this background information was necessary if Dr. Hayes wanted support for the program. Ms. Ryan said the technology figures for

2011/2012 and 2013 were over \$900,000, and if they added the 2014 request for \$460,000, the total would be \$1.3M in a little over 2 years. She said they should look at the figures very carefully, as in the last 2 years they had invested in PCs. She felt that just because other school systems were going with Apples, didn't mean that they had to follow suit, especially if they could find a comparable product at a lower cost. She pointed out that many of the students had PC technology at home.

Mr. Kiefaber stated that he was not sure what his position was on the issue at this point. He cited the use of smart phones which are like having a mini-computer in hand and expected their use would become even more common in the future. He said that some schools discouraged the use of smart phones in school, while others encouraged it. He said that many of the high school students had smart phones. He did not entirely agree that they should buy a similar device for everyone in school, because they would rather use what they already had. He agreed with other committee members who did not want to buy an iPad for every student, but was sure that having a pilot program would necessarily lead to that. Dr. Hayes said he could see that in many schools students were bringing their own devices, and the future was in hand held, wireless devices. However, they were not operating that way, and were trying to get to the technology level of other school systems. He said teachers needed to operate with technology for every student in order to open up a wide variety of resources.

Chairman Hart suggested that students pay half the cost of laptops which they could bring back and forth to school, and be allowed to keep them after 3 years. Dr. Hayes said that in Beverly, MA they had arranged an affordable 3 year lease program for students to purchase their own laptops, removing that cost from the budget. Scholarships were provided for those students who could not afford the lease/purchase plan, although those students were not allowed to take the computer home. This concept was well received when presented to Newmarket's School Board and Facilities Committee as a cost-effective way to manage technology. Dr. Hayes said the socio-economic level between Beverly and Newmarket was similar, but in Newmarket they were looking to purchase iPads which were less expensive than laptops. The pilot program would involve purchasing technology for the classroom, not for individual students as a way to explore possibilities.

Ms. Mantegani asked Dr. Hayes to speak about the \$1.3M technology budget over the past two years. Dr. Hayes said there were salaries and benefits for 3 positions. In addition, there were conversions that were made, infrastructure that had to be rebuilt, crashes which were in part handled by the trust fund, and the use of outside contracted services to solve some problems. He said they still had some problems, but were far enough along to warrant having this pilot program. He stated again that Apples come with the necessary software, while other systems did not. Vice Chairman Snyder said the technology plan should address Ms. Ryan's point about what they had received for the \$1.3M, and include some of the points that Dr. Hayes had made during the meeting. These points should be incorporated into the technology vision that he had for the school, including the justification for purchasing Apples.

Page 28 continued with technology accounts which had been explained at the Dec. 17th meeting. The 2410 accounts concerned the administrative function of the JR/SR High School, including salaries, benefits and operational costs. The hours for one secretarial position had been reduced as they had eliminated summer school. Ms. Kwaks asked for a breakdown of the Principal and Assistant Principal salaries. The Principal works full-time and earns \$93,774 and the Assistant Principal works fewer days and earns \$74,613. The high cost for the telephone had been discussed at the Dec. 17th meeting. Page 29 continues with administrative costs. The 2490 function concerns Department Chairpersons' salaries and benefits; they are paid a base of \$900 and a stipend of \$150 for each person they supervise. The 2600 accounts are for building maintenance and custodian salaries, benefits and operational/maintenance costs. The increase in salaries in the 2012 budget versus actual expenditures and in the approved and revised 2013 budget reflect overtime costs for time spent addressing fire/life safety issues and for special functions. Ms. Blouin said they were starting to charge for non-community events, and she was monitoring the facilities use form. Generally, schedules are staggered to lessen overtime, which is paid at time and a half. The \$7,000 increase in the 2014 budget is mostly for salary adjustments.

The 2600 accounts carry over to page 30. Fuel oil, just for the high school, showed an increase from \$85,681 in 2013 to \$125,300 for 2014, based on the average number of gallons purchased over the past 5 years. Dr. Hayes said they were beginning to look into alternative heating sources. The 2700 accounts concern various transportation expenses. Most of the transportation costs are in the SAU budget. Ms. Thompson asked if the \$5,000 for homeless transportation was there as a "just-in-case" item. Ms. Blouin said it was as there was a federal mandate to provide transportation for homeless students living in temporary housing, but that they try to share the expense with other districts. Transportation is provided generally until the close of the school year, but may be extended if it appears the student will be living in the district within a short time or that efforts have been made to secure housing in Newmarket.

Page 31 covers a budget summary of SAU expenses. Vice Chairman Snyder recommended that this page also include information on higher actual versus budgeted costs, especially if they included CIP money. Ms. Blouin said she would be doing that for the whole budget. The first set of accounts on page 32 dealt with Special Education. Tutors provide educational services for those not able to attend school. Extended year salaries are for the summer school program for special needs students. Contracted services are based on expected costs for facilities that special needs are attending. The line also includes payment for a substitute psychologist. One of the school psychologists has begun a program to be certified as a behavioral specialist, and will be on sabbatical to finish the program. She will be paid half her salary, about \$29,000, plus benefits during this time, and the school will pay for 2 of her courses for the year. She is required to stay with the district for 2 years after her sabbatical. Once she is certified, contracted services for this specialty will be eliminated from the budget for a savings of approximately \$30,000. The 2140-112 item includes salaries for the psychologist with extended hours and the substitute, who will be handling the counseling load two days a week on an hourly basis with no benefits. Contracted services will pick up the other duties as needed, along with the other school psychologist and intern. It was estimated that the pay-back period was approximately the same as the 2 years of work required within the district at the end of the program.

Page 33 begins with the 2210 functions concerning the Director of Curriculum and Instruction's salary, benefits and related expenses. The 643 account, Information Access Fees, includes web-based programs on curriculum design and student assessment systems. The 2230-125 account includes the system-wide Technology Operations Manager and Data Manager position. At the elementary level there is a Technology Integration position, which is included in this part of the budget as part of account 112. The Instructor of Technology position had been changed to all classroom instruction, leaving no time for administrative duties. The schools do not have open labs. The Technology Operations Manager position, for handling networks and technical infrastructure systems, is currently vacant, but will be filled. It was suggested that the line items for Director of Technology and Technology Operations be more clearly defined in the budget.

Page 34 begins with more technology items in the 2230 function, and had been previously described. The 643 item, information service subscription & fee, showed an increase because funds had previously been assigned to each of the schools' cost centers and the SAU. Function 2310 includes School Board stipends and expenses, stipends relating to elections and for Channel 13. The increase in the Channel 13 stipend was because Comcast had given the school \$10,000 per year for 7 years to establish a second channel. They are in the third year of the contract, and are purchasing additional equipment towards this. They also had established a video production club to train students under the supervision of an instructor. They perform town-wide services, and Dr. Hayes had proposed that the Town Council contribute toward their being able to cover live events in more locations. Mr. Glennon said the shared cost made sense.

Page 35 continues with related expenses. Dr. Hayes said that line item 841, severance payouts, had never really been budgeted before. Now that the budget was tighter, he felt they had a greater liability to account for this separately. They had received notification from personnel which totaled the \$85,650 in the 2014 budget. Ms. Blouin said she thought the total school liability for severance was about \$422,000. She said the expected payout would somewhat offset this figure, but some would be added to the total amount. Chairman Hart asked if it was possible to set up an account to gradually prepare for these expenses. Ms. Blouin said that could be done. Staff has to inform the school by October 1st, and the school is obligated to have the severance funds available. If the intent to retire is rescinded, the funds can be used for something else or go back to the taxpayers. If a special fund for severance was established the funds would be returned to that account. Ms. Blouin said rescinding the intent to retire was rare, and usually staff took the money over time to reduce the tax impact. After a staff member has received payment, there is an obligation to retire. Vice Chairman Snyder noted that from the narrative, there was an odd assortment of items listed in the 2310-890 account labeled "Other". Dr. Hayes agreed, and didn't think the architectural expenses belonged in the account. The health insurance item was higher most probably because of a status change. The 2320 function covers basically the Superintendent and Finance Director's office, including salaries and benefits. The custodian who works for the SAU also works for the town.

Page 36 continues with the 2320 function. The 370 account, called Negotiations, is actually funds set aside for performance and equity pay raises for contracted employees, and represents 2.74% of current salaries. Last year, the Budget Committee had cut this item. Employees on individual contracts are not eligible for the teachers' union, and are not classified employees. Chairman Hart said it was difficult for them to determine how the guidelines for raises were set as there was no objective criteria set out and this was done at the discretion of the Superintendent or Principals. Also, he said this also depended on the ability of persons to negotiate for themselves, and he did not think this was fair to either party. Dr. Hayes said he thought it was fair as they did have guidelines from the School Board and also looked into comparable salaries in other districts and in the town. He said when he spoke of equity raises, he was referring to increasing pay to be comparable to certain positions on the town side. He said the Budget Committee members had expressed the opinion that similar positions in the town and school should receive similar pay.

Page 37 covers the administrative part of special education which is considered a district-wide expense. It includes salaries, benefits and office expenses. The last line, the 2600 function, includes all the various insurances the school carries, and they expect a 5% increase for liability insurance. Page 38 covers regular transportation for K-12, special education transportation and transportation for those attending the Seacoast School of Technology. Special Education transportation includes students who are physically unable to take the regular bus to school, as well as those who are transported outside the district. Ms. Blouin said First Student was the only provider that had responded to their RFP, but she hoped there would be some competition in the next year or two.

The next 2 Budget Committee meetings are scheduled for January 7th and January 8th. Chairman Hart said he would be working with Town Administrator Fournier and Superintendent Hayes to determine when each would budget would be covered. He said the Committee had to finish with questions and any clarification of answers. Also, the warrant articles and revenue budgets needed to be discussed. Dr. Hayes understood that if there was to be a collective bargaining agreement, it would have to be presented by January 8th for posting, but could be ratified later.

Mr. Glennon said he would not be able to attend any meetings until January 28th. Mr. Glennon moved to adjourn and Mr. Kiefaber seconded. Motion carried unanimously, and the meeting adjourned at 9:15.

Respectfully submitted,

Ellen Adlington,

Recording Secretary