

**TOWN OF CHESTERFIELD
BUDGET COMMITTEE
MEETING MINUTES
JANUARY 12, 2010**

Present: Gary Winn, Chairman; Deb Hogancamp (departed at 9:15 PM), Chesterfield Fire & Rescue; Bob Brockmann, Selectboard Representative; Warren Porter, Elliot Rowsey, Becky Auger, School Board Representative; Fred Szmit (departed at 10:30 PM), Bayard Tracy, John Zannotti, John Koopman, Mike Wiggin, Spofford Fire Precinct; Steve Laskowski, and Bill Bucknell.

Guests: Darlene Dunn, Assistant Principal; Sharyn D'Eon, Principal; Judy Idelkope, School Board Chairman, Ege Cordell, Deb Clemente (departed at 9:40 PM), Tim Ruehr, SAU Business Administrator; Chris Young, Teacher; Wayne Woolridge, Co-Superintendent; Cliff Emery (departed at 9:27 PM), Selectboard.

1). School – Judy presented an overview for 2010 –2011 budget. The cost of tuition to KHS has increased by 6.7% for regular tuition and 10.6% for SPED. OOD tuition also rose. Health Insurance Premiums capped at 21%. The employer's contribution to retirement is increased from 7 to 8% of salary. The budget also takes into account 3 to 3 ½% contract salary increases approved last year. Fuel costs were holding steady. Overall the budget is down 3.9%. OOD High School, Elementary and Preschool tuitions have declined \$411,000. SPED students have aged out, moved out of district or transitioned to less expensive industry placements. There is a plan to reduce SPED aide staff by 4 positions; 1 full-time one on one aide and 3 full-time class room aides. This reduction eliminates \$76,500 from the budget. A part-time office aide has been eliminated. Declining enrollment has enabled some after school activities to be rescheduled during the day. Tuition to KHS is down 17 students. The reduction in students has limited the increase in tuition to only \$3,000. The total budget request for 2010 – 2011 is \$8,336,993.

The programs being reviewed for future cost savings are Art, Music & Phys Ed. Regular Instruction is up .05% because of raises and health insurance premiums. The declining enrollment is calculated by actual students. The expendable trust fund has a balance of \$184,000 for expenditure in case additional students require tuition to KHS. The current 9th grade class is the last of a large population bubble that has been through the Chesterfield School. Special Instruction is down 16.25%. There is a downward trend in NH for 20 to 40 year olds leaving the State. There were 360 students budgeted for enrollment this year only 351 enrolled. There are 347 budgeted for next year. Kindergarten is the only unknown. Co-curricular changed .01%.

Extended School Year (ESY) is a new line item for Summer School Activities removed from Special Instruction. Attendance remains at \$1. Guidance Services are up 3.62%. Health Services is up 11.43% due to salary and benefits. Psych services are down 6.49%. Psychologist, Speech, Occupational Therapist, Assistant Principal, Principal and the Administrative Assistant are not contracted positions. Speech is up 6.12%. The speech therapist position remains unfilled for the last half year. The district is at risk if students requiring this therapy aren't serviced. The guidelines are set by

Federal and State. The Board asked about the consequences of not supplying the service. The Occupational Therapist is currently shared School 60/40 with another school. There will be \$30,540 back in revenue. Staff Development is down 4.83%. Media is down 11.31%. Staff and Salary benefits decreased. Staff consultation is down 16.67%.

School Board services are up 12.31%. The audit costs were down but there will be \$5,000 budgeted for contract negotiations. SAU services are up .21% because of property values and number of students. The SAU budget overall is down 2%. The Chesterfield share of the SAU is based 50% on property valuation and # of students. This year the Town pays 12.35% of the SAU budget and next year it increases to 12.69%. The principal's office is down 3.22% due to the elimination of part-time staff. The building is up 7.08% because of salaries and benefits, and additional summer and substitute hours for the maintenance staff. There was a pipe break this year. There has been a substantial amount spent on the roof in the last couple of years. There will be a proposal to use the surplus this year to install an ice shield around the roof of the building to prevent ice back-up in the future. There is a predicted \$650,000 surplus at the end of the year due to decrease in Special Education students. There is a feasibility study proposed for the portable classrooms for \$11,400. The Board would also like to use the surplus the pay for this study. The Transportation costs are up 7.66%. The Laidlaw contract is up 3%. The fuel surcharge is down \$20,000. The school is switching over to all PC's instead of Macs. Software is down \$8,300. Supplies are up \$800. There is a stipend for web service. Transfers are from the General Fund into other Funds. The Food Service takes into account revenue from parents and the federal fund. These funds are accounted for in transfers. The sale of Occupational Therapy services is also accounted for through transfers.

There is a projected year-end surplus around \$600,000. There were 170 students budgeted to KHS only 151 to 152 are attending over \$130,000 has been saved. The surplus is primarily due to Special Education savings. Interest rates are way down. There is a warrant article to take \$100,000 out of the unencumbered funds. The \$600,000 surplus is not a budget decrease. It is a one time only decrease. The \$100,000 warrant article costs about 10 cents per \$1,000. Two contracts passed last year. The constant costs are Salaries, Benefits and Tuition. The balance in the Capital Reserve as of June 30th is \$78,128 this does not include interest since June 30th. The average class size is 22 students. There is a \$150,000 paving project for 2011 and 2012 and an oil tank removal and replacement for 2012 and 2013 for \$45,000. The boiler replacement completed last year was done to reduce costs for oil tank removal and replacement. Judy is proposing to spend \$17,800 out of surplus this year for the ice shields on the new section and a feasibility study on the portables for \$11,800. There have been problems with the beams supporting the portables. With falling enrollment it may be the time to remove the portable. There is a capital purchase for new cafeteria tables being made out of budget surplus funds to be completed in February. There have been safety issues with the tables including a workman's comp claim that lasted 6 months. The Board does not want the responsibility of liability to a child.

The Committee suggested a management plan for maintenance on the school building. John Z stated that he felt very strongly that the public should be voting on a \$17,800 expenditure. Bob B moved to recommend the School Board to expend the \$17,800 from the operating budget to put the ice shield on the roof. The motion was

seconded by Warren and failed by 6-5 vote. Gary requested the School Board bring it up at the Budget Committee Public Hearing. Bayard asked about increases from the SAU as costs remain the same and enrollment falls. Special Ed placement is determined by State and Federal Guidelines. Sharyn oversees the programs. The average cost per student in the State of NH is \$13,300. The cost per student in Chesterfield is just over \$13,000. KHS is actually \$400 lower than the State average. The administration has requested the reduction in aides this year.

2). Discussion – Gary wanted to discuss the letter from the School Board. He asked about the SAU and plans to reduce costs if enrollment continues to fall over the next 5 years. Wayne stated that the SAU was proposing a 2% reduction and was working very hard to reduce costs in salary reduction. John Z stated that he wanted to see what the SAU and the School Board were doing to reduce taxes. He believes that they are looking at these things just make the Committee aware of these things. Warren stated that the Town has a Master Plan. The School does not have an equivalent. Judy stated that 45% of the School budget goes to Salaries. It would be difficult to put together a de-escalation plan involving personnel. Wayne stated that a SPED administrator was removed from the HS in the proposed budget. This should reduce our tuition rate. The SAU can't predict whether there will be a declining population, but they will continue to plan as if it will be a declining population. The School Board is looking to reverse legislation that increases costs to education such as the evergreen contracts. Bob B forwarded a list of County Delegates.

3). John Z moved to approve the minutes as amended. The motion was seconded by Steve and passed unanimously. The next meeting will be the Public Hearing on January 30th. The meeting adjourned at 10:42 PM.

Respectfully Submitted,

Amy LaFontaine
Secretary