

Wakefield Budget Committee – School Budget  
Wed, 1-6-2010, 6:30 PM, Paul School  
Minutes – Approved

In attendance:

Budget Committee – Howie Knight, Jan Gagnon, Dean Giffin, Judy Nason, Denny Miller, Connie Twombly, Dave Mankus, Asha Kenney, Charles Edwards, Relf Fogg, Mark Duffy, Liz Olimpio

School – Toby Eaton, Bonnie Cyr, Priscilla Colbath, Peter Kasprzyk, Gail Kushner, Scott Reuning

Mr. Knight opened the meeting at 6:30 PM. Guest, Meghan Haskell, student at Paul School, introduced by Patrick Troy, Principal of Paul School, led the members & audience in the Pledge of Allegiance.

Mr. Knight reminded members that the final Town Budget meeting is scheduled for 6:30 PM, Monday, 1-11-10, at the Opera House. He expressed the hope that the School Board might have word about the Collective Bargaining by then. Ms Gagnon noted that the Board has also called for a meeting Monday, with the same hope, and that if there are agreements, she will be bringing that news to the Budget Committee Meeting. Mr. Knight observed that discussion & voting on the relevant Warrant Articles would however; have to be postponed until Thursday, January 07, 2010, prior to the School Budget Public Hearing to give the Committee time to review the proposed contracts.

Mr. Knight then advised members & audience that, because of building conflicts, the School Budget Public Hearing has been moved from Paul School to the Opera House, upstairs at Town Hall. Meeting is still scheduled for 7:00 PM. There will be a 6:30 Budget Committee meeting convened that same night, and continued after the Public Hearing for any revisions to the budget or warrant articles as a result of the Public Hearing.

Mr. Dean Giffin made the motion to accept the minutes of the 8-24-09, 12-8-09, 12-14-09 & 12-22-09 as corrected. 2<sup>nd</sup> was offered by Relf Fogg. There being no additional discussion, motion passed. Approved copies of the minutes will be posted.

Mr. Knight then opened discussion of the School District Default Budget, noting that it has been corrected to \$8,586,641.11, reflecting the elimination of 3 teacher positions. He went on to express continuing frustration in understanding how the default budget could again be higher than the proposed budget. Mr. Miller agreed, expressing significant concern over the apparent waste of time and paper. Mr. Eaton noted that the formula is established by the state, and with the forthcoming effectiveness of the “evergreen clause” it’s only going to get worse. Mr. Knight noted that rules & term of the budget (7-1 to 7-1) don’t allow for logic. Ms. Nason observed that the change in election process from a Town Meeting to Deliberative Session w/election has created the need for a default budget, which is based on previous year’s (2009/10) budget plus ongoing contractual obligations. Ms. Gagnon took the opportunity to remind everyone that the proposed budget is lower because it has been

so carefully drawn & because it does include any teacher or paraprofessional increases in salary or benefit that may develop during ongoing labor contract negotiations. She also noted that the proposed budget is based on a plan. Ms. Colbath continued that the plan calls for a certain amount of money, and if it turns out that the plan doesn't need as much as is budgeted from either default or proposed budget, it won't be spent.

Mr. Edwards wondered if the Board was in a position to give the Committee any idea of where it believed the contract negotiations would go. Ms. Gagnon said no. Mr. Fogg asked what would happen financially if there were no agreement. Ms. Gagnon responded that teachers &/or paraprofessionals would continue to be compensated based on 09/10 figures until such time as an agreement is reached. Ms. Kushner added that should this situation arise with the 2013-17 negotiations, even without a contract, the "evergreen clause" would give teachers/paraprofessionals the "years of service" increases as well as any other increases negotiated as part of the preceding contract, except Cola changes.

Ms. Nason asked the Committee to return to the proposed budget, specifically, the food service items. She pointed out that in spite of declining student population, the budget calls for increases over 09/10 adopted budget in food/milk lines & wondered why. Mr. Eaton pointed out that the budget item is almost 5% lower than the actual expenditures for 08/09 and that it's too early to know what 09/10 expenditures will turn out to be. Other members of the Board noted that while they expect to be buying less food/milk, the cost of product & transportation of that product are both higher than last year. Mr. Knight asked if the school is currently "on budget" & Mr. Eaton said yes.

Moving on to the Operations/Maintenance section, Ms. Nason wondered about the \$700 item for a new water fountain, especially in light of current medical concerns. Mr. Eaton responded that the fountain in question has needed repair for several years. Ms. Kushner noted that by law they need water fountains. Ms. Cyr observed that water bottles had been tried in the past, but were found to be less sanitary & more problematic than a drinking fountain. Ms. Nason then asked about the LP Gas figures. Mr. Eaton confirmed that he is still working with the buying group and hopes to better the proposed \$2.00/gal rate, and to have it by the Deliberative Session if not for the Public Hearing. The budget would be revised to reflect the final rate as soon as it is established.

Continuing to review Co-Curriculum items, Ms. Nason asked about the Special Events, environmental camp-are students still contributing to this event's costs and Ms. Gagnon assured her that they are. Ms. Nason also asked about the After School Program, concerned that it might be a "baby-sitting" operation. Ms. Gagnon noted that historically that might have been a valid concern, but that the current structure is much more than that, that it does provide learning experiences. Ms. Colbath noted that the children participating change frequently.

Going back to Food Service, Mr. Mankus wondered if the Board had answers to his previous questions. Ms. Gagnon responded that with everything else going on, they had not had time to find all his answers, but that it is being looked into. Mr. Mankus went on to note that the department funds about ½ of its expenses. Ms. Colbath acknowledged

that there is still a large gap to be bridged before self-sufficiency is reached, but they are closing the gap. Mr. Eaton assured the Committee that it is being looked into. Ms. Nason wondered if group buying with other districts had been considered. Mr. Eaton said no, but that it was an idea worth exploring.

Warrant Article 2: School Budget: Closing discussion on the budget, Ms. Gagnon made the motion **to recommend Warrant Article 2** as presented, with the proposed budget at \$8,369,466 and the default budget at \$8,586,641. 2<sup>nd</sup> was offered by Mr. Duffy. There was no additional discussion. **Motion passed 12-0.**

Mr. Duffy then made the motion to **recommend Warrant Article 3**, the SAU budget, as presented, with the addition of a note clarifying that the SAU includes both Milton & Wakefield, and that the passage/defeat of this warrant article is based on a combined vote. 2<sup>nd</sup> was offered by Ms. Nason. There being no additional discussion, **motion passed 12-0**

Moving on to **Warrant Articles 4-9**, it was noted that because there has been no collective bargaining agreement, it is not time to vote on Articles 4 & 7. Discussion moved to Articles 5 & 8. There was a general consensus that Articles 5 & 8 should be withdrawn, and the essence incorporated into a Note. The Committee on Warrant Articles 6 & 9 will take no votes because there are no cost items included in the Articles.

Moving on to **Warrant Article 10**, Mr. Edwards observed that he thought the \$70,100 figure was high; that he's working on something similar right now for considerably less. Mr. Knight noted that the Article figure was an estimate, that should the Article pass, the work would be put out to bid, that what isn't spent will be returned to the general fund, and that there's no doubt that the membrane section of the roof, which is leaking, needs to be repaired. Several members of the Committee wondered if it could be put out to bid immediately so that a better idea of costs might be available for the Deliberative Session. Mr. Knight said that there are too many other things going on that need attention first. Mr. Kasprzyk observed that bids for work at least 6 months out would not be binding, because contractors could not have a firm number for costs of materials, especially the petroleum based roofing material. Mr. Fogg made the motion to **recommend the article** as amended by the School Board, **adding language** "...appropriate the sum of **up to** ...". Ms. Gagnon offered 2<sup>nd</sup>. Discussion – Ms. Nason wanted to make sure that in public discussion of the Article, emphasis be made of the "up to" addition. Motion to recommend **passed 12-0.**

**Warrant Article 11**, appropriation for school bus: Ms. Gagnon reminded everyone that last year no bus was purchased, which put the buying program a bit behind; that the purchase of a small van is needed this year, and this appropriation, when added to what is in the Wakefield School Transportation Expendable Trust Fund, will be enough to do so. Mr. Fogg wondered if it would be handicap accessible. Ms. Gagnon replied that she believed so. Mr. Fogg made the **motion to recommend** the article as presented. Ms. Gagnon offered the 2<sup>nd</sup>. There being no further discussion, vote taken & motion **passed 12-0.**

**Warrant Article 12**, appropriation from unreserved funds balance to establish special fund for unanticipated Spec Ed needs: Mr. Fogg made **motion to recommend** Warrant Article 12. 2<sup>nd</sup> by Ms. Twombly. Discussion: Ms. Gagnon reminded members that the money has a very limited scope. Mr. Knight observed that the School had a similar fund several years ago, that it was never used, and that a couple of years ago it was closed and the monies returned to the general fund. He went on to observe that the fund had not been used in the past because the school budget was of sufficient size to absorb these unanticipated expenses. This year's budget is so tight that there is no way for it to absorb anything of significant size. As a result, he is in favor of reestablishing this expendable trust fund. Mr. Miller wondered when the funds would be expended. It was determined that because of the school's fiscal year, and because the funds are coming out of the unreserved fund balance, monies could not be spent until the end of the school year. Mr. Duffy wondered if this is a practice of other towns. Ms. Kushner, along with Mr. Knight, assured him that it is. When asked how large the fund should be, ultimately, Ms. Kushner suggested \$100,000. Ms. Nason observed that in current economic times, and in light of the tax rate increase, it is not the year to ask the Town to fund "maybes". She went on to say that IF a situation came up, a deficit appropriation to cover the costs could be raised at the next annual meeting. Mr. Kasprzyk reminded everyone that the budget doesn't have the wiggle room to cover anything extra this year. Mr. Miller wondered if there wasn't a way to get either more this year, or take care of a multiple year disposition now, rather than annually. Ms. Colbath observed that she thought \$25,000 would be easier to secure in these economic times, and that additions should be handled on an annual basis. Someone else wanted to make sure that monies deposited to the new trust fund would be earning interest. Mr. Knight & Mr. Miller assured everyone that that would be the case, just like the other existing trust funds. **Motion passed 10-2.**

Warrant Article 13: consensus vote on repeal of "evergreen" law. See wording for RSA 273-A: 12, VII. Mr. Knight wanted to make sure that everyone understands the impact of this law: that in 2013, if there is no collective bargaining agreement in place that all terms of the expiring contract, except COLA, would continue to apply going forward. Mr. Kasprzyk emphasized that this law has no downside for teachers or paraprofessionals in negotiation and that it effectively eliminates much of the Board bargaining power. Mr. Knight offered the position that even though this is a consensus vote and not a financial one, the law in question does have significant financial impact, and that, as a result, he believes the Budget Committee should vote on it. Mr. Duffy made the **motion to recommend the article**. Ms. Gagnon offered the 2<sup>nd</sup>. Discussion: Mr. Fogg wanted to make sure that the wording of the article did not commit the Town to any financial obligation in the legislative battle. Ms. Kushner acknowledged that the Board might be approached by the NH School Board Association for a minimal donation – similar issues in the past have resulted in requests for \$50-\$100, but that issues like this are the purpose of the NH School Board Association, and it's funding is supposed to handle it. Mr. Eaton reminded everyone that this article is advisory in nature – to let the Wakefield School Board & the NH School Board Association know how the Town of Wakefield residents feel about the implications of this law. Ms. Nason expressed the concern that if the Committee votes on this non-monetary Article that it will be expected to vote on others.

Ms. Twombly observed that the Budget Committee, among other committees, commissions, boards, etc, should be making frequent calls to our state representatives & senators to make sure they know how their constituency feels about various laws & positions taken by the legislature or executive branch. Closing discussion, **motion passed 12-0.**

In closing, Ms. Nason asked that Budget Committee members think about what they believe a fair tax rate is, and what steps they would take to reach it. She observed that the 09/10-tax rate has been confirmed with an \$.84 increase, way too much. She went on to say that much of the increase has been caused because the Town has artificially depressed the tax rate by using monies from the reserve. Those funds are no longer available, revenue is down (registrations, licenses, permits, etc), and we can expect that property value assessments will also drop next year. Expenses however, will not drop on their own, and a broad based approach to control them needs to be implemented, not picking on 1 department or 1 project, but across the board. Mr. Knight added that we can probably expect a drop in State revenue as well. As suggestions for long term control of expenses, Ms. Nason offered: reduce non-emergency employees work week to 36 hrs, have Town Hall open fewer days, with longer hours. She expressed the belief that the Committee needs to start thinking about this now, long before the 11/12-budget conversation starts, so that it can be addressed fairly & logically.

Mr. Edwards made the Motion to Adjourn. 2<sup>nd</sup> offered by Mr. Giffin. Motion passed. Meeting adjourned at 8:45 PM.

Respectively submitted by Deborah D. Gauthier