

Municipal Budget Committee Meeting
Community Center
8 Whitten Street
Allenstown, New Hampshire 03275
December 20, 2018

Call to Order

The Allenstown Municipal Budget Committee Meeting of December 20, 2018 was called to order at 6:00 pm by Chairman Klawes. He called for the Pledge of Allegiance.

Roll Call

Present on the Board: Dave Coolidge, Kris Raymond, Tiffany Ranfos, Chad Pelissier, Keith Klawes, Melaine Boisvert, Carol Angowski, Deb Carney, Ron Cox

Excused: Jeffrey Venegas

Allenstown Staff: Derik Goodine, Town Administrator

Others present from the School Department: Peter Warburton, Superintendent; Michael Sacharko, SPED Coordinator; Shannon Kruger, ARD Principal; Ginelle Czerula, AES Principal; Tom Irzyk, School Board member

School Budget Presentation

Mr. Warburton presented binders to all members of the Budget Committee and told them they could keep them. He said these binders contain a schedule of meeting dates, the proposed and default budgets, the approved SAU budget, employee rosters, estimated revenue, estimated impact on the tax rate, surplus history, trust fund information, tuition and enrollment figures, the cost per pupil (State and Allenstown), proposed warrant articles and last year's warrant articles, contracts for bus transportation, and teacher and support staff contracts.

Ms. Raymond said there is no change in the School Board composition. They will present the overall warrant article for the School Department operating budget. They are proposing two warrant articles, both to be funded from budget surplus, not by increasing the tax rate. \$20,000 is proposed for the Tech Replacement Trust Fund, which now has a balance of only \$310. Another \$20,000 is proposed for the Tuition Trust Fund, which exists to make up any budget shortfalls in tuition payments for Pembroke Academy. Last year Allenstown owed Pembroke Academy \$27,000 more than budget, and the difference was made up from surplus funds. The current balance in the fund is \$22,538. Ms. Raymond said that the proposed budget is \$10,415,548; the default budget is \$10,349,197. The change is an increase of \$66,351, which for a \$200,000 home represents \$44 per year in additional property taxes.

Ms. Raymond continued, saying that Allenstown has 539 students between the ages of three and 21. AES has an enrollment of 206, ARD has 161, Pembroke Academy has 151 students and 21 students are out of district. She reminded the Committee members that there are many federal and state mandates associated with the SPED program. While 114 (20%) of Allenstown's students have special education services, 30% of the budget is for SPED.

Chair Klawes asked if some students trend out of special education.

Mr. Sacharko responded that some do, especially if their services relate to developmental delays, such as speech. Since children can be evaluated at age three, if they have services for a developmental issue, they may trend out of SPED by the time they are five or six years old. Other students may move in or out of the program; the numbers stay consistent.

Ms. Raymond reported that the proposed budget reflects a reduction of one teacher. Health insurance costs are down, dental is up 2.3%, the pension rate is up from 17.36 to 17.80. Tuition is up \$61,000. Although Pembroke Academy tuition is down from \$13,462 to \$12,823, the number of students attending next year will be 167, versus 148 this year.

Chair Klawes asked about PACE.

Mr. Sacharko said that PACE is a charter school, one of several in New Hampshire. Parents choose to send their children. They have a longer school day but fewer classroom hours. Ten Allenstown high school students attend, which is the highest percentage in the State.

Ms. Raymond added that PACE plans to move from its location on Route 28, which it is outgrowing, to a location off Route 106, across from Strong Foundations. Regarding high school transportation, she said that Allenstown is responsible for transportation if a student has special needs.

Ms. Raymond said that Allenstown's share of the SAU budget is \$214,975, an increase of \$9,441 over last years. This covers Allenstown's share of the SAU staff and contractual items. She said they are proposing two half-time regular paraprofessionals for the kindergarten classroom, which has 25 students. The State recommends a maximum of 15 students in a kindergarten class.

Chair Klawes asked about the square footage of the classrooms and fire safety regulations.

Mr. Warburton said that they are in compliance from a fire safety standpoint but are maxed out as far as number of classrooms.

Ms. Raymond continued, saying that the effect of the proposed budget on the Allenstown tax rate is \$17.29 per thousand dollars of assessed value. For comparison, Chichester is at \$15.95, Epsom at \$18.39 and Deerfield at \$18.39.

Ms. Raymond turned to the issue of State Adequacy Grant Funding, saying it will decrease every year for 25 years. Unfortunately, no legislation was enacted during the last session to modify that.

Ms. Boisvert said that the School Department has a history of large year-end surpluses. She asked if they have thought of putting more of that surplus into capital reserve funds.

Ms. Raymond said that they fear that if they put \$50,000 instead of \$20,000 into a warrant article, the article will not pass. Also, because they operate on a fiscal year basis, they are projecting 15 months out and must be conservative in case unexpected expenses occur.

Mr. Pelissier said that if there is no impact on the tax rate because the funds are from surplus, he doesn't remember such articles being voted down.

Chair Klawes asked if the amounts could be expressed as percentages instead of dollars for warrant articles. That is, a percentage of the surplus could go to a designated capital reserve fund.

Mr. Coolidge said he didn't think State law would allow that.

Chair Klawes suggested using surplus to pave the parking lot they use for ARD.

Mr. Warburton said they don't own the parking lot.

Mr. Pelissier said that they could avoid large swings in the tax rate by putting more of their surplus into capital reserve accounts.

Mr. Warburton said that the swings are not that substantial. He added that this conversation is good, and he will urge the School Board to consider putting more money into warrant articles. He said they are always juggling funds, but they can work to manage the budget better in the spring, just as the fiscal year ends.

Mr. Cox said that if you look at the School Department's surplus as a percentage instead of a dollar amount, the budget has been two to three percent underspent, which is acceptable. He continued, asking Ms. Raymond what it would cost to make the 0.8 art and music teachers full time.

Ms. Raymond responded that it would add approximately \$24,000 to the budget, and that would include benefits.

Chair Klawes stated that he would be concerned that these young teachers will jump ship if offered full-time positions in another school. He said that the surplus could be used to make these teachers full time.

Mr. Warburton said he was appointed to the Council for the Arts by the governor and is passionate about the arts.

Ms. Raymond said they are operating with a default budget so these positions can't be made full time.

Chair Klawes said that happy teachers mean happy students who learn more. He said that the schools are in much better shape in many ways than they were in years past. A lot has been done to create a positive learning environment.

Ms. Raymond continued with her presentation, saying that, because of demographic shifts, they now have English Language Learners (ELL) tutors at the elementary level, adding \$1,900 to the AES budget and \$4,600 to the ARD budget.

Mr. Pelissier suggested putting replacement of computers in a warrant article because it jumps up and down.

Ms. Angowski asked about the six contracted positions shared among the five SAU districts and the total SAU cost for that.

Mr. Warburton said he would get that figure for her.

Mr. Sacharko added that is not necessarily one person for one position. This is an outside vendor. They are not hired teachers but are paid hourly for their services.

Ms. Boisvert asked about the geographic placement of students who get SPED services.

Mr. Sacharko said they are placed where they can get services as close as possible to where they live.

Mr. Cox asked for the dollar amount of expenses which adds one dollar to the tax rate.

Mr. Goodine said that is \$291,000.

Ms. Ranfos commented that the binder is great. She then asked about the amount for co-curricular personnel.

Ms. Kruger said that they have baseball and softball, and they hope to add other sports such as track.

Ms. Angowski asked about the budget for Gifted and Talented, which remains at one dollar.

Ms. Boisvert said that there was a time when \$10,000 was budgeted for this. She said she sees this as a special need.

Ms. Kruger said that there is a 40-minute block for enrichment; students can learn languages on line, and take algebra classes if their math skills indicate they are ready for it, among other activities.

Ms. Carney asked about the algebra enrichment.

Ms. Kruger said that 13 students take have two math classes each day, regular math and algebra.

Ms. Raymond said that they have a one-page snapshot of the budget to put in all Allenstown mailboxes.

Ms. Carney asked about the distinction between psychologists and behavioral consultants.

Mr. Sacharko explained that the contracted consultants help develop learning plans, behavioral strategies for SPED students, and teaching strategies for teachers, whereas the phycologists are hired personnel who do testing and counseling, generally with a higher level of expertise than the consultants.

Ms. Ranfos asked why CPR is under office supplies.

Ms. Kruger said this is for books for recertification courses. Virtually all teachers have some level of CPR certification, which is necessary for field trips.

Mr. Cox asked about the media specialist position.

Ms. Raymond said that the State requires a part-time media specialist. This individual is a .5 media specialist and a .5 technology integration teacher.

Regarding the SAU budget, Ms. Raymond said that all five school boards in the district meet in October to approve the SAU budget, requiring a majority, but not unanimous, vote.

Chair Klawes asked about the Legal Services line.

Ms. Raymond said that they retain a law firm for services as needed.

Mr. Cox asked about Blizzard Bags, which he sees as a great program.

Ms. Raymond said that this worked phenomenally well with ARD this year and they plan to develop a program for AES as well. Packets are sent home with students, with instructions regarding which lessons to complete.

Ms. Kruger added that, per state regulations, 80% of the students must successfully complete the assignments. The materials are available on line, but can be completed without computer access. The lessons are aligned with the curriculum and are coordinated with their competency-based curriculum.

Ms. Angowski asked about boiler #3 at ARD.

Ms. Kruger said that it has been dismantled for parts to keep the other two boilers running.

Ms. Kruger explained the IdentAKid program which is a computer program into which all visitors to the school sign in. They must provide a driver's license and are given a badge to wear; they must sign out when leaving.

Mr. Pelissier asked about snow plowing.

Ms. Raymond said that they pay for snow plowing on a per storm basis.

Mr. Cox asked if they have considered providing bus transportation for high school students. He said he is concerned that not having transportation might contribute to the dropout rate.

Ms. Raymond said that they looked into the cost a few years ago. The cost estimate was \$40,000 per year.

Ms. Ranfos said that students too young to have a driver's license generally get rides with neighbors and siblings. Also, students get involved with sports and no longer go straight home after school.

Mr. Goodine asked about 'homeless transportation.'

Mr. Sacharko explained that this is for students who reside in Allenstown but are temporarily displaced because of fire or some other issue. They have a choice of being transported to Allenstown or going to school in the community where they are temporarily living.

Ms. Carney asked if the retiring teachers would be replaced, because in the past some positions were not filled.

Ms. Raymond said that all must be replaced this year.

Ms. Boisvert said that the binders have a lot of good information. She said that for several years prior to 2018, there were no transfers to trust funds. She suggested adding \$20,000 to all trust funds. They would be funded out of surplus and therefore would not affect the tax rate. She said that if you have trust funds, they should be funded.

Chair Klawes said he agreed with Ms. Boisvert and suggested establishing a trust fund for a new school.

Ms. Raymond noted that a new school would cost millions. With the January 4, 2019 deadline for warrant articles, they would have to schedule another School Board meeting very soon.

Mr. Warburton said they could do that.

Ms. Ranfos said that establishing a trust fund for a new school would be a step in the right direction and a demonstration of good faith.

Chair Klawes said that if the approach in the presentation is correct, you will get it. He also suggested using some of the surplus to fund full-time art and music teachers. He asked Ms. Raymond what they do if budget amounts fall short of what is needed for a particular line.

Ms. Raymond said that they use surplus funds from another line, because it is a bottom-line budget.

Chair Klawes said that, with a bottom line budget, they should be able to fund full-time art and music teachers from surplus.

Ms. Raymond said she agrees, but timing is an issue, due to the long delay between the development of a budget and its application.

Ms. Boisvert said that the School Department is doing a great job and the Budget Committee wants to help them keep more of the surplus to fund important items.

Chair Klawes said that the environment at the schools is positive and trending in the right direction.

Ms. Ranfos said that the current art teacher is excellent.

Ms. Boisvert asked if the warrant articles on the ballot indicate whether or not they are recommended by the Budget Committee.

Chair Klawes confirmed that they do.

Ms. Boisvert said they need to educate the voters of the benefits of one building versus two in order to lend support to a new facility warrant article.

Mr. Cox said that the key is to educate the voters. They need to see the numbers and the long-run benefit in efficiency.

Chair Klawes said they should have press releases, mailings and multiple presentations.

Ms. Raymond said that the feasibility student is the beginning of the process, and it will be completed in February.

Chair Klawes asked if it would be possible for the School Board to meet before December 31, 2018 to consider adding amounts to warrant articles.

Ms. Raymond responded that they could at least have one short meeting.

Next Meeting

Chair Klawes announced that the Budget Committee would meet on January 10, 2019.

On motion of Ms. Angowski, duly seconded by Ms. Carney, it was voted to adjourn at 8:38 pm.

KEITH KLAWES, CHAIRMAN