

Municipal Budget Committee Meeting
ARD School
101/2 School Street
Allentown, New Hampshire 03275
December 19, 2019

Call to Order

The Allentown Municipal Budget Committee Meeting of December 19, 2019 was called to order at 6:15 pm by Chair Keith Klawes. He called for the Pledge of Allegiance.

Introductions

Present on the Committee: Keith Klawes, Melaine Boisvert, Carol Angowski, Deb Carney, Julie Keane, Dave Coolidge, Jim Rodger, Maureen Higham, Selectboard Representative; Jeffrey Venegas, Kris Raymond, School Board Representative; Ron Cox, Bobbie Laflamme

Excused: Michael Juranty

Allentown Staff: Derik Goodine, Town Administrator; Debbie Bender, Finance Director

Present from the School Department: Peter Warburton, Superintendent; Sharon Kruger, ARD Principal; Michael Sacharko, SPED Coordinator, Ginelle Czerula, AES Principal

Town Warrant Articles, Updated Spreadsheet and Streetlights

Ms. Bender presented the verbiage for two additional warrant articles.

ARTICLE 13 Establish and Fund Road Repair and Paving Capital Reserve Fund

To see if the Town of Allentown will authorize the establishment of a Road Repair and Paving Capital Reserve Fund to be used for road repairs and paving. Furthermore, to raise and appropriate the sum of \$50,000 to be placed in this Fund and to appoint the selectmen as agents to expend from the fund. This sum to come from unassigned fund balance. (Majority vote required)

ARTICLE 15 Highway Facilities Capital Reserve Fund

To see if the Town of Allentown will vote to raise and appropriate the sum of \$25,000 to be added to the Highway Facilities Capital Reserve Fund previously established. This sum to come from unassigned fund balance. (Majority vote required)

Ms. Boisvert made a motion to approve Warrant Article #13, Establish and Fund Road Repair and Paving Capital Reserve Fund. Ms. Carney seconded the motion, which carried unanimously.

Ms. Boisvert made a motion to approve Warrant Article #15, Highway Facilities Capital Reserve Fund. Ms. Angowski seconded the motion, which carried unanimously.

Ms. Bender reported proposed additions to capital reserve funds via warrant articles in the amount of \$224,300 and a Town budget totaling \$4,085,970.

Mr. Goodine reported that Allentown has 173 streetlights.

Review of Minutes

Ms. Keane made a motion to approve the minutes of the December 5, 2019 meeting as written. Ms. Ranfos seconded the motion, which carried unanimously, with Ms. Boisvert and Mr. Cox abstaining due to absence from that meeting.

Mr. Goodine said that a motion was needed for the Highway Equipment Capital Reserve Fund warrant article. A vote was taken at the December 12, 2019 meeting but there was not a motion or a second prior to the vote.

Ms. Boisvert made a motion to approve a warrant article in the amount of \$15,000 for the Highway Equipment Capital Reserve Fund. Ms. Angowski seconded the motion, which carried unanimously.

Mr. Coolidge said that he did not ask about the \$10,000 added to the Legal line, as stated in the December 12, 2019 draft minutes.

Chair Klawes said that Mr. Juranty had made that inquiry, so the minutes will be corrected.

Ms. Ranfos said she was not listed as excused from the December 12, 2019 meeting.

Ms. Carney made a motion to approve the minutes of the December 12, 2019 meeting as amended. Ms. Keane seconded the motion, which carried unanimously, with Ms. Ranfos, Mr. Cox, and Ms. Laflamme abstaining due to absence from that meeting.

School Budget

Ms. Raymond told the Committee members that they had hard copies of the budget materials in their binders. She began her presentation, stating the members of the School Board: Kris Raymond, Chair; Jody Moore, Vice Chair; Carl Shaefer, Crystal Venegas, and Jamie Moore (new member replacing Tom Irzyk). She continued, saying that the State budget was passed in September and included \$1,023,103 in funding for Allenstown schools. This included \$89,000 in stabilization funding (restoring it to the 2012 level) and a one-time amount of \$577,000. These FY20 funds have been designated to reduce the tax rate, she said. With revenue of \$6,177,141, there is a decreased impact on the tax rate. She said that the contract for teachers and paraprofessionals was up for renewal this year. The School's first warrant article is the operating budget, the second is the teachers' new three-year contract and the third is the paraprofessionals' new three-year contract. Per the new agreement, the teachers will receive salary increases of 1.5% for the first year, 1.25% for the second year and 1% for the third year.

Paraprofessionals will receive salary increases of 2% for the first year, 1.75% for the second year and 1.5% for the third year. Regarding health insurance, they will move two tiers over from Green #1 to Green #2, which represents savings of \$28,055 in the budget.

Ms. Ranfos asked about the specifics of the health insurance change.

Ms. Raymond said that it increases the co-payments for office visits and prescriptions. Only co-payments are affected, as they pay no deductible. She added that this is an excellent plan.

Ms. Boisvert asked why the percentage increases are higher for the paraprofessionals than for the teachers.

Ms. Raymond responded that, at \$13.00 per hour, the paraprofessionals are the lowest paid employees in the schools. Also, their Steps are smaller. She said they are a needed classroom resource.

Mr. Cox asked if the teachers and paraprofessionals are given Steps only or merit increases as well.

Ms. Raymond said they get both.

Chair Klawes asked if these percentages are for both Step and merit increases.

Ms. Raymond said that they are.

Chair Klawes asked if all teachers and paraprofessionals get the same merit increase or if this is based on performance.

Ms. Raymond responded that there are performance assessments. She said that after Step 15, they only get merit increases.

Chair Klawes asked if she could provide the average increases, including merit and Steps.

Ms. Raymond said that for the teachers it is 4.5% and it is 2.5% for the paraprofessionals.

Chair Klawes asked about longevity increases.

Ms. Raymond said they do get longevity increases. She said that teachers can also earn credits via continuing education or by obtaining a Master's degree to increase their salaries. Paraprofessionals reaching the last Step and wishing to earn more can apply for different jobs available within the school department.

Ms. Raymond next said that they want to fund all of the trust funds, if there is enough surplus, and therefore no tax impact. She said that they have a Facilities Acquisition capital reserve fund, which will have a new name (yet to be determined). The goal is to make it more flexible so that it could be used for building renovations. The current balance is \$5,843 and they want to add \$20,000. Next is the School Building Maintenance capital reserve fund, to which they plan to add \$30,000. They also plan to add \$20,000 to each of these funds – SPED, Technology, and High School Tuition.

Chair Klawes asked why they want to put more in the School Building Maintenance fund than in the Facilities Acquisition fund.

Ms. Raymond said she believes they could use the School Building Maintenance fund for engineering studies or for renovations. She said the balance in that fund is too low and ARD needs lots of help.

Chair Klawes said that, if they are not sure what these funds can be used for, they should find out before putting these articles to the voters.

Ms. Ranfos said that they have two separate committees studying the situation with the facilities. One is looking at paying tuition to Pembroke and the other is studying the options of building versus renovating in regards to ARD. She said that the feasibility study said renovation of ARD was not feasible.

Mr. Cox said he chairs the committee studying the new building versus renovation option. He said his committee is meeting bi-weekly and doing a lot of research and information gathering. He said they have the numbers for renovating on a square footage basis.

Chair Klawes said that renovation is a general term. It can mean simply painting the walls. He asked if renovation will bring us to the 21st century.

Mr. Cox said that his committee will meet next on January 7, 2020 at ARD beginning at 6:00 pm. He added that his committee needs more members.

Ms. Boisvert, who is a member of the committee, said that they are going through every line of data.

Ms. Carney said she thought there were issues with a new building regarding acreage.

Ms. Ranfos said that, if the four walls are left standing, there is no change to the footprint.

Mr. Cox said his committee is not close to having an answer.

Ms. Boisvert asked if the level of revenue is what is creating the tax rate decrease.

Ms. Raymond said that it is contributing to it. She said that the proposed budget is \$10,857,796. She said that the revenue of about \$6 million includes the \$1 million from the State.

Ms. Boisvert said she is fearful that the tax rate will be reduce for 2020 but then go back up. She said that she would like the funds to be set aside for a new school building or for renovations.

Ms. Raymond said they are adding three full-time educators in this budget. She said they don't have guaranteed State funding beyond two years. She said that if she adds \$1 million to the budget, the baseline default will be high. She asked how to use it.

Chair Klawes said he agrees with Ms. Boisvert about putting the money into the warrant articles for the trust funds. He asked how the School Board will continue to fund the three new positions. He said they are hiding the one million dollars.

Ms. Raymond said that the assessed values of properties play a big role in the tax rate. It is why the rate went up two years ago.

Ms. Ranfos said that when she talks with residents, they are aggravated with tax rate swings.

Chair Klawes said that they first need to find out how the Facilities and Building Maintenance funds can be used. He said the School will need more money for the three new positions next year, and they won't have the \$1.3 million.

Ms. Raymond said that they are in the default budget.

Mr. Cox said that if the default amount is \$11.8 million, a \$200,000 home would pay an additional \$767 in taxes.

Ms. Raymond said she didn't follow the logic of saying that they are hiding the \$1.3 million. She said the operating budget is going from \$10.4 million to \$10.8 million.

Mr. Goodine said the amount is not \$1 million; it is \$201,000.

Mr. Cox said he does not think they are burying the money from the State.

Ms. Raymond asked how they should use the revenue from the State – should they add it to the trust funds or to their expenses?

Mr. Cox said that the next budget will go up. He suggested they should take a little hit now.

Mr. Goodine said it is \$201,000 to expend in some other way in order to keep the tax rate level.

Ms. Ranfos said they are not talking about keeping the tax rate level; taxes will go up no matter what. They go up every year.

Ms. Raymond said the projected revenue for this year is \$5,644,366. She said they don't know if stabilization funding will continue.

Chair Klawes said revenue will go down to about \$4 million if the stabilization funding is not continued.

Ms. Raymond suggested contacting your State Representative. The last revaluation added \$3.4 million to the assessed value of property.

Mr. Cox said he was using total numbers for his calculations. He asked Mr. Goodine about the correct calculation.

Mr. Goodine said the amount of \$201,000 would be \$3.00+ on a \$200,000 property.

Ms. Ranfos said they could add \$1 million, or even half of that amount as a compromise, to a fund for renovation or building of a new school. She said that is a nice chunk of change to put into the Trust Funds.

Ms. Raymond said that the budget now belongs to the Budget Committee.

Ms. Boisvert said they can only vote on the bottom line.

Chair Klawes said that the Budget Committee can change the amounts.

Ms. Ranfos said it is a quandary. If they want to put \$500,000 into the Trust Fund Warrant Articles and they pass a default budget, it is a \$10.6 million budget. With only \$80,000 left, none of the other Trust Funds will get any money.

Ms. Raymond said that this budget goes to this Committee, and you will act on it at the next meeting.

Ms. Carney asked how late the School budget was in the red last year.

Ms. Raymond said they were in the red all of last year. This year they currently project a \$200,000 surplus. She said the proposed budget is \$10,857,796, versus a default amount of \$10,672,762. She said the number of students is flat at 540. She said she has provided average classroom sizes. She said that the SPED population, which is under several State and federal mandates, is 125 students, versus 114 last year. This represents 23% of the student population. Looking at the six-year trend, the dollar amount has risen every year. She said she has provided the amounts proposed by other towns in SAU 53, except for Pembroke, because it is difficult to solidify an amount. Of the three new positions, she said that two are kindergarten paraprofessionals. The two kindergarten classes have 20 and 21 students, and these paraprofessionals are needed. They will work part-time, 5.75 hours, and will receive no benefits. This adds \$26,000 to the budget. The third new position is a Behavioral Specialist, which will add \$80,000 to the budget. She said that the teachers are passionate about this, and the School Board supports them. There are students who deal with serious problems at home such as drug addicted parents and abuse. They have severe emotional problems. Allenstown, she said, is behind the times on this. The head of the

alternative middle school spoke at a School Board meeting on this issue, and she was a Behavioral Specialist ten years ago. This educator would not serve just the SPED population but the entire student body. This person would offer training, tools and tips for classroom teachers. It is like professional development for them.

Ms. Ranfos asked if the new paraprofessionals are in the budget for merit and Step increases.

Ms. Raymond said no, because they are part-time employees.

Ms. Ranfos asked what they are currently doing with these students.

Ms. Czerula said they have a Crisis Response Team for serious problems. For students who just need a break, they call for Student Support.

Ms. Ranfos asked what happens when students report drugs or abuse at home. She asked if the police are called.

Mr. Sacharko said that abuse or neglect reports mean an automatic call to DCYF. He said they are in close communication with the Police Department which gives great support. He said these students still have trauma in their lives, even if the disturbing events have passed. He said that Behavioral Specialists consult with the classroom teachers and offer strategies and behavior plans, helping them chart the frequency and intensity of disruption.

Ms. Raymond said the Behavioral Specialist will help both the classroom teachers and the paraprofessionals. The schools will still have guidance counselors.

Mr. Warburton said there are traumatized children in all schools worldwide. He told of a first-grader whose mother died of a drug overdose. He said it is very sad. He said the Behavioral Specialist functions as a coach and works with various agencies and with parents. He said this is the most important resource a school can have for help with these students.

Ms. Boisvert asked if this is more of a problem at AES than at ARD.

Ms. Raymond said the Behavioral Specialist's office will be at AES but the person will work at both schools. She said that younger children have fewer strategies for coping and it is harder for them to regulate. She added that Ms. Kruger was a Behavioral Specialist at an earlier time in her career.

Ms. Ranfos asked how many members of the public have attended School Board meetings this year, aside from Budget Committee members.

Ms. Raymond responded one - Mike Frascinella. She said that many parents know about the emotional problems some students have because their children come home from school and tell them. She said they are trying to reach those who no longer have children in school.

Ms. Boisvert said it is money well spent.

Ms. Czerula said that the students like Ms. Kruger as a principal because she knows how to speak to them.

Ms. Raymond continued with her presentation, saying that health and dental insurance costs are both going up in the new budget. There is no change to the pension cost. Tuition to other districts is down by

\$95,000. Enrollment at Pembroke Academy is down from 167 to 158 students. Pembroke Academy's tuition is up from \$12,823 to \$13,164. PACE Career Academy's tuition is flat; Allenstown still has the highest number of students at PACE. They have moved out of the building on Route 28 because the rent was going up and the building changed ownership. They have their own building on Route 106 across from Strong Foundations. Instead of one large room with dividers, they have separate classrooms and it is a great facility.

Mr. Coolidge asked if PACE is a charter school.

Ms. Raymond confirmed that it is.

Ms. Boisvert asked if the tuition at Pembroke Academy is the same for all students.

Mr. Warburton said that all towns in SAU 53 pay the same amount. Those out of the district pay higher tuition. He said that they have 12 students at Pembroke Academy this year from out of SAU 53, which is unusual.

Ms. Raymond said Allenstown pays \$214,096 to SAU 53, which pays one third the salary for the Superintendent, the Business Administrator and the Assistant Superintendent of Special Services. She said she has provided the scope of services in her data as well. She said that the employee information has not yet been updated for 2020. She said it has not changed dramatically for 2019-2020. Her data, she said, also includes comparative school budgets for the towns in the SAU 53 district – Epsom, Chichester, Deerfield and Pembroke K-8. She said she simply divided the total budget for each school by their number of students to get the cost per pupil. Her data also includes a summary of the Allenstown tax rate, with the School portion being \$18.62 per thousand and a total of \$31,10 per thousand. She said that the next slide depicts the revenue trend and includes surplus credits going back to the Town. It doesn't include the Statewide amount of \$2.09 per thousand.

Mr. Coolidge asked how they come up with this amount.

Mr. Goodine said it is the same for all communities. They are trying to say that the State is paying its share.

Ms. Raymond said that supposedly we keep it, but she doesn't know if it is dollar for dollar.

Mr. Coolidge said it is the same with the County amount. We support the County 100%.

Ms. Raymond said the last line is the history of the surplus given to the Town.

Ms. Boisvert asked Ms. Raymond if she would be making the same presentation at the public hearing.

Ms. Raymond said yes.

Ms. Boisvert suggested adding an asterisk to explain about the surplus reducing the tax rate.

Chair Klawes said this could backfire and the voters might not fund the Capital Reserve (Trust) Funds.

Ms. Angowski asked about the SPED Interventionist and the SPED Coordinator.

Mr. Sacharko said that he is the Coordinator, and he sits in on all IEP meetings with the other members of the teams for AES, ARD, and Pembroke Academy, as well as the charter schools with Allenstown SPED

students. These are held at least once a year for each SPED student, usually more often. He said he helps the Assistant Superintendent of Student Services create the SPED budget. He said he also makes decisions regarding programming and placement, and he writes/applies for grants. He said he would have to find the information about the Interventionist and get back to her.

Chair Klawes asked what will happen if they end up with the default budget amount, which is \$45,000 less than the proposed budget.

Ms. Raymond said they won't hire a Behavioral Specialist, whose salary would be \$47,255, because it is not in the default budget.

Chair Klawes asked what would happen if they can't hire someone for \$47,000.

Mr. Warburton said that salary is based on a Master's degree plus one, Step 5.

Chair Klawes asked about the salary for beginning teachers.

Ms. Raymond said that for 2021, a beginning teacher with a Bachelor's degree would make \$35,174; one with a Bachelor's plus 15 credits would earn \$36,565; and a beginner with a Master's would make \$40,735.

Ms. Ranfos asked about the ND designation.

Ms. Raymond said it stands for No Degree. It is for the school nurses.

Mr. Coolidge said that the State recently lowered the requirement for school nurses. They do not need to be RNs.

Ms. Boisvert asked if Allenstown salaries are competitive.

Ms. Raymond said she thinks they are, especially if health coverage is considered.

Mr. Sacharko said he found the information requested by Ms. Angowski about the SPED Interventionist. He said that the Speech and Language assistant is the Interventionist.

Chair Klawes asked what percentage of teachers receive longevity bonuses.

Ms. Raymond said she didn't have that information but could provide it.

Chair Klawes asked if the paraprofessionals received longevity bonuses.

Ms. Raymond responded that they do.

Chair Klawes asked if the longevity bonuses are built into the salaries of the teachers and paraprofessionals.

Ms. Raymond responded that they are.

Chair Klawes listed the longevity levels: \$1,000 at 13 years; \$1,500 at 16 years; \$2,000 at 21 years and \$3,000 at 26 years. He asked if these are one-time payments or if they are received every year.

Mr. Warburton said they are given every year.

Mr. Venegas asked what happens if the Town doesn't approve the collective bargaining agreement.

Mr. Coolidge said they would work off the old contract.

Ms. Raymond said they would return to the bargaining table.

Ms. Ranfos made a motion to table the School budget until the next meeting. Ms. Carney seconded the motion, which carried unanimously.

Chair Klawes said that the Public Hearing will be on Saturday, January 11, 2020. The next Budget Committee meeting will be on January 2, 2020 at the Fire Station. He said it should be a short meeting.

Ms. Ranfos made a motion to adjourn at 7:54 pm. Ms. Carney seconded the motion, which carried unanimously.

DRAFT